



April 15, 2024

Philippine Dealing & Exchange Corp.
29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City 1226

Attention: Atty. Suzy Claire R. Selleza
Head – Issuer Compliance and Disclosure Department
Philippine Dealing & Exchange Corp.

Gentlemen:

We submit herewith the attached Annual Report (SEC FORM 17-A) for the period ended December 31, 2024 with the Audited Separate/Parent Financial Statements of the Company.

Very truly yours,


MARY ROSE S. TAN
Assistant Corporate Secretary

COVER SHEET

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S. E. C. Registration Number

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(Company's Full Name)

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

Atty. Mary Rose S. Tan

Contact Person

(632) 8 632-3000

Company Telephone Number

1	2

Month

3	1

Day

SEC FORM

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FORM TYPE

2nd Tuesday of June

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

S T A M P S

Remarks = pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended **December 31, 2024**
2. SEC Identification Number: **PW 000277**
3. BIR Tax Identification No. **000-060-741-000**
4. Exact name of issuer as specified in its charter **SAN MIGUEL CORPORATION**
5. **Philippines**
Province, Country or other jurisdiction of
incorporation or organization
6. 
Industry Classification Code:
7. **No. 40 San Miguel Avenue, Mandaluyong City**
Address of principal office
- 1550**
Postal Code
8. **(02) 8632-3000**
Issuer's telephone number, including area code
9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC

Title of Each Class	Number of Shares of Common and Preferred Stock Outstanding and approximate Debt Outstanding (as of December 31, 2024)
Common Shares	2,383,896,588
Series "2-F" Preferred Shares	223,333,500
Series "2-I" Preferred Shares	169,333,400
Series "2-J" Preferred Shares	266,666,667
Series "2-K" Preferred Shares	183,904,900
Series "2-L" Preferred Shares	165,358,600
Series "2-M" Preferred Shares	173,333,325
Series "2-N" Preferred Shares	100,115,100
Series "2-O" Preferred Shares	<u>187,859,700</u>
TOTAL	3,853,801,780
Total Liabilities	Php2,000,489 million

11. Are any or all of these securities listed on a Stock Exchange?
Yes [☒] No [☐]

If yes, state the name of such stock exchange and the classes of securities listed therein:
Philippine Stock Exchange: Common, Series "1" and Series "2" Preferred Shares

12. Check whether the issuer:

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

Yes [☒] No [☐]

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

Yes [☒] No [☐]

13. The aggregate market value of the 488,433,832 voting shares held by non-affiliates of the Company as of December 31, 2024 is Php 42,005,309,552.00 (based on the closing price as of December 27, 2024 of Php86.00 per share. The aggregate market value of the 489,589,924 voting shares held by non-affiliates of the Company as of March 31, 2025 is Php39,975,017,294.60 (based on the closing price as of March 31, 2025 of Php81.65 per share).

DOCUMENTS INCORPORATED BY REFERENCE

14. The following documents are attached and incorporated by reference:

Please refer to annexes referred to and identified in this document.

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

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

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

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

SMC, through its subsidiaries and affiliates, has become a market leader in its businesses with 56,622 regular employees and more than 100 production facilities in the Asia-Pacific region as of December 31, 2024. SMC’s extensive portfolio of products include beer, spirits, non-alcoholic beverages (“NAB”), poultry, animal feeds, flour, fresh and processed meats, dairy products, coffee, various packaging products, a full range of refined petroleum products and cement products, most of which are market leaders in their respective markets. In addition, SMC contributes to the growth of downstream industries and sustains a network of hundreds of third-party suppliers.

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

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

Major developments in the Group are discussed in the Management's Discussion and Analyses of Financial Position and Financial Performance, attached hereto as Annex "A", and in Note 5, Investments in Subsidiaries, and Note 11, Investments and Advances, of the Audited Consolidated Financial Statements attached hereto as Annex "B".

Businesses

Food and Beverage

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

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

Beer and NAB Division

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

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

Philippines.

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

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

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

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

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

Spirits Division

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

GSMI has a diverse product portfolio that caters to the varied preference of the local market. Core brands *Ginebra San Miguel*, *GSM Blue* and *Vino Kulafu*, the leading brands in the gin and Chinese wine categories, accounted for 99% of GSMI's total revenues. The other products that complete the liquor business of GSMI comprise about 1% of its total revenues. These products are available nationwide while some are exclusively exported to select countries.

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

With the onset of the Corona Virus Disease 2019 (COVID-19) pandemic in early March 2020, GSMI pivoted its production facilities to produce disinfecting 70% ethyl alcohol and donated over 1.3 million liters around the country. In the third quarter of 2020, GSMI commercially launched *San Miguel Ethyl Alcohol* to provide supply of disinfectant alcohol in the local market as well as help stabilize the price.

Food Division

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

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

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

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

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

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

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

marketed under *NutriChunks*. Further, SMFI sells various veterinary medicines and preparations under *San Miguel Animal Health Care*.

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

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

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

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

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

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

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

Below is a list of the major food and beverage subsidiaries as of December 31, 2024:

San Miguel Food and Beverage, Inc. and subsidiaries [including San Miguel Brewery Inc. and subsidiaries (including Iconic Beverages, Inc., Brewery Properties Inc. and subsidiary, and San Miguel Brewing International Limited and subsidiaries (including San Miguel Brewery Hong Kong Limited and subsidiaries, PT. Delta Jakarta Tbk. and subsidiary, San Miguel Brewery Vietnam Company Limited, San Miguel Beer (Thailand) Limited and San Miguel Marketing (Thailand) Limited); Ginebra San Miguel Inc. and subsidiaries (including Distileria Bago, Inc., and East Pacific Star Bottlers Phils Inc.); and San Miguel Foods, Inc. and subsidiaries, San Miguel Mills, Inc. and subsidiaries, Magnolia Inc. and subsidiary, The Purefoods-Hormel Company, Inc., San Miguel Super Coffeemix Co., Inc., San Miguel Foods International, Limited and subsidiary, San Miguel Foods Investment (BVI) Limited and subsidiary, and San Miguel Pure Foods (VN) Co., Ltd.]

Packaging

Packaging

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

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

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

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

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

The Packaging Group's businesses are as follows:

- a) **Glass** - The glass business is the Packaging Group's largest business segment. Currently, there are three glass manufacturing facilities, and one glass and PET mold plant in the Philippines, which service the requirements of the industrial sector, beverage, food, chemical, personal care, and health care industries.

- b) **Metal** - The metal business manufactures metal caps, crowns, resealable caps, and two-piece aluminum beverage cans for a range of industries that include beer, spirits, soft drinks, condiments, and food. In 2012, SMYPC formed CAI, as a joint venture with CANPACK S.A. ("CANPACK"), to modernize the two-piece aluminum can manufacturing business. In 2018, CAI expanded its product line to offer 180 ml aluminum cans. Utilizing the know-how and technologies of CANPACK on can manufacturing, CAI is now capable to produce aluminum cans and ends in three categories - regular (standard), sleek, and slim cans. CAI operates the pioneer two-piece aluminum can plant in the Philippines.

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

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

Below is a list of the major domestic and international packaging subsidiaries as of December 31, 2024:

San Miguel Yamamura Packaging Corporation and subsidiaries, SMC Yamamura Fuso Molds Corporation, Can Asia, Inc. and Wine Brothers Philippines Corporation

San Miguel Yamamura Packaging International Limited and subsidiaries [including San Miguel Yamamura Phu Tho Packaging Company Limited, San Miguel Yamamura Glass (Vietnam) Limited, San Miguel Yamamura Haiphong Glass Company Limited, Zhaoqing San Miguel Yamamura Glass Company Limited, Foshan San Miguel Yamamura Packaging Company Limited and subsidiary, San Miguel Yamamura Packaging and Printing Sdn. Bhd., San Miguel Yamamura Woven Products Sdn. Bhd. and subsidiary, Packaging Research Centre Sdn. Bhd., San Miguel Yamamura Plastic Films Sdn. Bhd., and San Miguel Yamamura Australasia Pty. Ltd. and subsidiaries {including SMYC Pty Ltd and subsidiary, Foshan Cospak Packaging Co Ltd, SMYV Pty Ltd, SMYP Pty Ltd and subsidiary, Cospak Limited, SMYBB Pty Ltd, SMYJ Pty Ltd and Vinocor Ltd.}]

Mindanao Corrugated Fibreboard, Inc.

Energy

The Energy business, which is conducted through San Miguel Global Power Holdings Corp. ("San Miguel Global Power", formerly SMC Global Power Holdings Corp.), together with its subsidiaries, associates and joint ventures, is one of the largest power companies in the Philippines, controlling 5,507 MW of combined capacity as of December 31, 2024. Based on

the total installed generating capacities reported by the Energy Regulatory Commission (“ERC”) under ERC Resolution No. 02, Series of 2024, dated March 12, 2024 (A resolution Setting the Installed Generating Capacity and Market Share Limitation per Grid and National Grid for 2024), San Miguel Global Power believes that its combined installed capacity comprises approximately 22% of the National Grid, 28% of the Luzon Grid and 8% of the Mindanao Grid, in each case, as of December 31, 2024. Market share is computed by dividing the installed generating capacity of San Miguel Global Power with the installed generating capacity of Luzon Grid, Mindanao Grid or National Grid (17,961,724 KW, 4,187,838 KW and 25,567,270 KW, respectively, based on data provided under the ERC Resolution on Grid Market Share Limitation). San Miguel Global Power benefits from a diversified power portfolio, including natural gas, coal and renewable energy such as hydroelectric power and battery energy storage systems (“BESS”). This portfolio includes:

- a) the power plant subject of the Independent Power Producer Administration (“IPPA”) Agreement with the Power Sector Assets and Liabilities Management Corp. (“PSALM”), specifically the San Roque Multipurpose Hydroelectric Power Plant in San Manuel, Pangasinan, the output of which are being administered by San Roque Hydropower Inc. (“SRHI”, formerly Strategic Power Devt. Corp.), a wholly-owned subsidiary of San Miguel Global Power;
- b) the Ilijan Natural Gas Fired Combined Cycle Power Plant in Ilijan, Batangas and the Sual Coal Fired Power Plant in Sual, Pangasinan, which were the subject of the IPPA Agreements with PSALM are now owned by South Premiere Power Corp. (“SPPC”) and Sual Power Inc. (“SPI”, formerly San Miguel Energy Corporation), both wholly-owned subsidiaries of San Miguel Global Power, after the expiration of the IPPA Agreements in June 2022 and October 2024, respectively;
- c) the Angat Hydroelectric Power Plant in Angat, Bulacan, owned by Angat Hydropower Corporation (“Angat Hydro”), whose outstanding capital stock is 60% owned by San Miguel Global Power through its wholly-owned subsidiary, PowerOne Ventures Energy Inc. (“PVEI”);
- d) the Masinloc Coal-Fired Power Plant (“Masinloc Power Plant”), and the 10 MWh BESS Project all located in Masinloc, Zambales, owned by Masinloc Power Co. Ltd. (“MPCL”, formerly Masinloc Power Partners Co. Ltd.), which was wholly acquired by San Miguel Global Power in March 2018. MPCL also intends to further expand the Masinloc Power Plant by constructing additional units utilizing supercritical boiler technology (Units 4 and 5) with a planned gross installed capacity of 350 MW each with target completion date in 2025-2026;
- e) the ten BESS facilities of SMGP BESS Power Inc. (“SMGP BESS”, formerly Universal Power Solutions, Inc.) in various locations nationwide with a total installed capacity of 330 MWh, which commenced commercial operations in 2023 and 2024;
- f) the 20 MWh BESS facility in Kabankalan, Negros Occidental (“Kabankalan BESS”), owned by SMGP Kabankalan Co. Ltd. (“SMGP Kabankalan”, formerly SMCGP Philippines Energy Storage Co. Ltd.), which is contracted under an Ancillary Service Procurement Agreement with the National Grid Corporation of the Philippines (“NGCP”) with a term of five years which commenced in January 2022. The capacity of Kabankalan BESS Phase 2 (10 MWh) will be offered in the next round of ancillary services bidding to be conducted by NGCP. Alternatively, the same capacity can be traded as power reserves or ancillary services in the WESM. Both opportunities are anticipated to commence in 2025; and
- g) the Greenfield Power Plants owned and developed by San Miguel Global Power, namely the Circulating Fluidized Bed Coal-Fired Power Plant in Limay, Bataan, (the “Limay Greenfield Power Plant”) owned by its wholly-owned subsidiary, Limay Power Inc. (“LPI”, formerly SMC Consolidated Power Corporation) and the Circulating Fluidized Bed Coal-Fired Power Plant in Malita, Davao Occidental, (the “Davao Greenfield Power Plant”) owned by another wholly-owned subsidiary, Malita Power Inc. (“MPI”, formerly San Miguel Consolidated Power Corporation). Units 1, 2, 3 and 4

of the Limay Greenfield Power Plant commenced commercial operations in May 2017, September 2017, March 2018 and July 2019, respectively. Units 1 and 2 of the Davao Greenfield Power Plant commenced commercial operations in July 2017 and February 2018, respectively.

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

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

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

- a. The Mariveles Greenfield Power Plant, a 4 x 150 MW circulating fluidized bed coal-fired power plant and associated facilities using high efficiency low emission technologies (HELE Technologies) located in Mariveles, Bataan, being developed and constructed through MPGC. Unit 1, Unit 2 and Unit 3 of the Mariveles Greenfield Power Plant commenced commercial operations on March 28, 2024, September 26, 2024 and October 26, 2024, respectively.
- b. The BESS Project, which is currently undertaken through SMGP Kabankalan, SMGP BESS and MPCL, will provide an additional ~1,000 MWh capacity to the Energy business' existing power portfolio. The BESS Project includes the 10 MWh BESS (Phase 1) in Masinloc, Zambales, the 20 MWh (Phase 1) BESS Project located in Kabankalan, Negros Occidental which commenced commercial operations in January 2022 and the ten BESS facilities of SMGP BESS with total capacity of 330 MWh that commenced commercial operations in 2023 and 2024.
- c. Units 4 and 5 of the Masinloc Power Plant with a planned gross installed capacity of 350 MW each will utilize supercritical boiler technology, considered as another expansion project by MPCL after it completed Unit 3 in September 2020.
- d. The Batangas Combined Cycle Power Plant, a planned 1,320 MW combined cycle power plant in Barangays Ilijan and Dela Paz Proper, Batangas will utilize re-gasified liquefied natural gas ("LNG") as fuel. The LNG power plant project is part of the Energy business' diversification of its power portfolio from the traditional coal technologies and will be constructed through its wholly-owned subsidiary, Excellent Energy Resources Inc. ("EERI").

Below is a list of the major energy subsidiaries as of December 31, 2024:

San Miguel Global Power Holdings Corp. and subsidiaries (including Sual Power Inc. and subsidiary, South Premiere Power Corp., San Roque Hydropower Inc., San Miguel Electric Corp., SMC PowerGen Inc, SMGP BESS Power Inc., Limay Power Inc., Malita Power Inc., Central Luzon Premiere Power Corp., Prime Electric Generation Corporation and subsidiary, Lumiere Energy Technologies Inc., PowerOne Ventures Energy Inc., SMCGP Masinloc Power Company Limited, SMCGP Masinloc Partners Company Limited, Masinloc Power Co. Ltd., Albay Power and Energy Corp., Oceantech Power Generation Corporation and subsidiary, SMGP Kabankalan Power Co. Ltd., Excellent Energy Resources Inc., SMC Power Generation Corp., and Mariveles Power Generation Corporation).

Fuel and Oil

SMC operates its fuel and oil business through Petron Corporation ("Petron"), which is involved in refining crude oil and marketing and distribution of refined petroleum products mainly in the Philippines and Malaysia. Petron is the largest and the only oil refining and

marketing company in the Philippines and a leading player in the Malaysian market. Petron has a combined refining capacity of 268,000 barrels per day. Petron participates in the retail (service station), industrial, lube, and liquefied petroleum gas sectors. In addition, Petron is also engaged in non-fuels business by capitalizing on the reacquired Treats convenience stores and earning income from billboards and locators, situated within the premises of the service stations.

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

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

Below is a list of the fuel and oil subsidiaries as of December 31, 2024:

Petron Corporation and subsidiaries [including Petron Marketing Corporation, Petron Freeport Corporation, Overseas Ventures Insurance Corporation Ltd., New Ventures Realty Corporation and subsidiaries, Mema Holdings Inc. and subsidiaries, Petron Singapore Trading Pte., Ltd., Petron Global Limited, Petron Oil & Gas International Sdn. Bhd. and subsidiaries including Petron Fuel International Sdn. Bhd., Petron Oil (M) Sdn. Bhd. and Petron Malaysia Refining & Marketing Bhd (collectively Petron Malaysia), Petron Finance (Labuan) Limited and Petrochemical Asia (HK) Limited and subsidiaries]

SEA Refinery Corporation

Infrastructure

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

SLEX / Skyway Stages 1 and 2 / Skyway Extension

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

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

STAR Tollway

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

TPLEX

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

NAIAX

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

Skyway Stage 3

On February 28, 2014, SMHC through AAIBV incorporated Stage 3 Connector Tollways Holdings Corp. ("S3HC"), which holds an 80% ownership interest in SMC Skyway Stage 3 Corporation. SMC Skyway Stage 3 Corporation holds the 30-year concession rights to design, finance and construct the Skyway Stage 3, an elevated roadway with a total length of approximately 17.93 km from Buendia Avenue in Makati to Balintawak, Quezon City and is connected to the existing Skyway Stages 1 and 2. Skyway Stage 3 inter-connects the

northern and southern cities of Metro Manila to help decongest traffic within the National Capital Region and stimulate the growth of trade and industry in Luzon, outside of Metro Manila.

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

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

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

Skyway Stage 4 Project

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

Boracay Airport

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

MRT-7

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

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

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

MNHPI

SMC through SMHC owns 50% of MNHPI as at December 31, 2024. MNHPI is the terminal operator of Manila North Harbor, a 60.96-hectare port facility situated at Tondo, City of Manila. The port has a total berth length of 5,758 meters and 41 berths which can accommodate all types of vessels such as containerized and non-container type vessels.

Under the Contract for the Development, Management, Operation and Maintenance of the Manila North Harbor entered with the Philippine Ports Authority on November 19, 2009, the Philippine Ports Authority awarded MNHPI the right to manage, operate, develop, and maintain the Manila North Harbor for 25 years, renewable for another 25 years. MNHPI commenced operations on April 12, 2010.

Bulacan Bulk Water Supply Project

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

MIA Project

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

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

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

PAREX Project

PAREX is a joint venture project between the Philippine National Construction Corporation (“PNCC”) and SMHC. SMHC, through its subsidiary, Pasig River Expressway Corporation, together with the Department of Public Works and Highways (“DPWH”), Department of Transportation, and TRB, signed on September 21, 2021 the Supplemental Toll Operations Agreement (STOA) for the financing, construction, operation and maintenance of the PAREX, an elevated and hybrid 19.37-km expressway, that would pass along the banks of Pasig River from Manila to Taguig. The project has a concession period of 30 years (from the issuance of the Toll Operation Certificate).

SLEX TR5 Project

SLEX TR5, also known as the Quezon-Bicol Expressway, is a 420-km two-lane each direction, toll road project which starts from SLEX TR4 in Brgy. Mayao, Lucena City, Quezon, and ends at Matnog, Sorsogon, near the Matnog Ferry Terminal. The four-lane expressway

project shall consist of eight segments: (1) Lucena to Gumaca, Quezon; (2) Gumaca to Tagkawayan, Quezon; (3) Tagkawayan to Sipocot, Camarines Sur; (4) Sipocot to Naga City, Camarines Sur; (5) Naga City to Polangui, Albay; (6) Polangui to Legaspi City, Albay; (7) Legaspi to Sorsogon City, Sorsogon; and (8) Sorsogon City to Matnog, Sorsogon. Centered on the proposal submitted by the joint venture of PNCC and SMHC, the SLEX TR 5 was officially designated as a certified toll road project in a TRB resolution dated June 29, 2020. The STOA was signed on June 3, 2022. The project has a concession period of 30 years (from the issuance of the Toll Operation Certificate).

NALEX Project

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

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

SALEX Project

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

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

Cavite-Batangas Expressway ("CBEX")

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

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

Nasugbu-Bauan Expressway ("NBEX")

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

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

Pangasinan Link Expressway ("PLEX")

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

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

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

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

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

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

Ninoy Aquino International Airport

On February 16, 2024, the Consortium, led by SMHC, has officially won the contract to rehabilitate, operate, and maintain the NAIA which is the country's main international gateway. The Consortium is comprised of SMHC owning 33%, RMM Asian Logistics Inc. owning 30%, RLW Aviation Development Inc. owning 27% and Incheon International Airport

Corp owning 10%. Together, the members of the consortium incorporated the concession company, New NAIA Infra Corp. (NNIC) in the same ownership percentage sharing.

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

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

Bulacan and Obando Water Companies Acquisition

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

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

Below is a list of the major infrastructure subsidiaries as of December 31, 2024:

San Miguel Holdings Corp. doing business under the name and style of SMC Infrastructure and subsidiaries [including SMC TPLEX Holdings Company, Inc. and subsidiary, SMC TPLEX Corporation, TPLEX Operations and Maintenance Corporation, Trans Aire Development Holdings Corp., SMC NAIAAX Corporation, Universal LRT Corporation (BVI) Limited, SMC Mass Rail Transit 7 Inc., SMC Infraventures Inc. and subsidiary, SMC Skyway Stage 4 Corporation, Luzon Clean Water Development Corporation, Alloy Manila Toll Expressways, Inc., Pasig River Expressway Corporation, Intelligent E-Processes Technologies Corp., SMC Northern Access Link Expressway Corp., SMC Southern Access Link Expressway Corp., South Luzon Toll Road-5 Expressway Inc., SMC NBEX Inc., SMC CBEX Inc., SMC PLEX Inc. and SMC TPLEX Extension Infrastructure Corp., San Miguel Aerocity Inc. doing business under the name and style of "Manila International Airport", Wiselink Investment Holdings, Inc. and subsidiary, Cypress Tree Capital Investments, Inc. and subsidiaries, {including Star Infrastructure Development Corporation and Star Tollway Corporation (collectively the Star Tollways Group)}, Atlantic Aurum Investments B.V. and subsidiaries {including SMC Tollways Corporation and subsidiaries [including Stage 3 Connector Tollways Holdings Corporation and subsidiary, SMC Skyway Stage 3 Corporation, SMC Skyway Corporation and subsidiary, Skyway O&M Corporation], SMC SLEX Holdings Company Inc. and subsidiaries, Manila Toll Expressway Systems Inc. and SMC SLEX Inc.} and SMC Bulacan Water Services Corporation [including Obando Water Company, Inc. and Bulacan Water Company, Inc.].

Cement

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

Northern Cement Corporation ("NCC")

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

NCC was incorporated and registered with the SEC on February 10, 1967. From the commencement of its operations on February 1970 in Sison, Province of Pangasinan, it has been engaged in the business of manufacturing, developing, processing, exploiting, buying and selling cement and/or other allied products. NCC has an existing Mineral Production Sharing Agreement ("MPSA") with the Philippine Government granted through the

Department of Environment and Natural Resources (“DENR”) on March 12, 1998, and was renewed by the DENR for another 25 years, or until the year 2048. The MPSA covers a contract area of 630.4978 hectares within Sison, Pangasinan.

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

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

Southern Concrete Industries, Inc. (“SCII”)

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

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

Eagle Cement Corporation (“ECC”)

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

ECC was incorporated in the Philippines and registered with the SEC on June 21, 1995. It is now the third largest player in the Philippine cement industry, with the fastest growing market share amongst all competitors since it started its commercial operations in 2010. ECC currently distributes Blended (Type 1P/Type 1T) and OPC (Type 1) cement products in the National Capital Region, Regions I, II, III and 4A.

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

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

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

Below is a list of the major cement subsidiaries as of December 31, 2024:

San Miguel Equity Investments Inc. and subsidiaries [including Northern Cement Corporation, Southern Concrete Industries, Inc. and Eagle Cement Corporation and subsidiaries]

Real Estate

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

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

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

Cavite Projects

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

Bel Aldea

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

Maravilla

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

Asian Leaf

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

Wedge Woods

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

Metro Manila Projects

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

Dover Hill

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

One Dover View & Two Dover View

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

Emerald 88

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

Makati Diamond Residences (MDR)

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

Mariveles Economic Zone Project

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

Below is the list of major properties subsidiaries as of December 31, 2024:

San Miguel Properties, Inc. and subsidiaries [including SMPI Makati Flagship Realty Corp., Bright Ventures Realty, Inc. and Tierra Verdosa Services Corp. (formerly Tierra Verdosa Real Estate Services, Inc.)].

Davana Heights Development Corporation and subsidiaries

Silvertides Holdings Corporation and subsidiary

Fonterra Verde Holdings Inc.

Deity Holdings Corporation

Worldsummit Holdings Corporation

One Verdana Holdings Inc.

Banking

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

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

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

On February 15, 2022, the SEC issued its pre-effective letter relating to the registration of securities of up to 1,403,013,920 common shares of BankCom to be listed and traded in the Main Board of the PSE in relation to its initial public offering ("IPO"). On February 16, 2022, the PSE approved the application for the listing of up to 1,403,013,920 common shares of BankCom, which includes the 280,602,800 common shares subject of the IPO. On March 15, 2022, the SEC issued its Order rendering effective the registration of up to 1,403,013,920 common shares of BankCom, and the Certification of Permit to Offer Securities for Sale. On March 31, 2022, BankCom listed its common shares with the PSE.

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

Others

Other major subsidiaries include the following as of December 31, 2024:

- San Miguel International Limited and subsidiary, San Miguel Holdings Limited and subsidiaries [including SMYPIL and San Miguel Insurance Company, Ltd.]
- SMC Shipping and Lighterage Corporation and subsidiaries [including SL Harbor Bulk Terminal Corporation]
- San Miguel Integrated Logistics Services, Inc.
- SMC Stock Transfer Service Corporation
- ArchEn Technologies Inc.
- SMITS, Inc. and subsidiaries
- Petrogen Insurance Corporation
- Anchor Insurance Brokerage Corporation
- SMC Asia Car Distributors Corp. and subsidiaries
- SMC Equivest Corporation

Principal Products or Services

The principal products of the Group are attached hereto as **Annex "E"**.

Percentage of Sales or Revenues and Net Income Contributed by Foreign Sales

The Group's 2024 foreign operations contributed about 29.37% of consolidated sales and 21.43% of consolidated net income. Foreign sales is broken down by market as follows:

Market	% to Consolidated Sales		
	2024	2023	2022
Malaysia	17.21	19.25	20.65
Singapore	10.21	7.67	9.01
Australia	0.74	0.77	0.72
China	0.66	0.66	0.54
Indonesia	0.25	0.32	0.34
Vietnam	0.13	0.16	0.15
Others	0.17	0.16	0.14

Distribution Methods

The Group employs various means to ensure product availability at all times. It distributes through a network of dealers, wholesalers, and various retailers. The Group owns, as well as contracts, third party fleet of trucks, delivery vans, and barges, to ensure timely and cost-efficient distribution of its various products, from beverages, food and packaging.

Status of Any Publicly-Announced New Product or Service

At present, the Group is not developing any new major products.

Competition

The Group owns leading brands with the highest quality in the industry, substantial market share leads over its nearest competitors, successful pricing strategies, and strong financial position.

The following are the major competitors of the Group's businesses:

Food and Beverage

Beverage

a) Beer and NAB Division

In the Philippine beer market, SMB's major competitors are Asia Brewery Inc. ("ABI") and Heineken Philippines Inc. ("Heineken").

ABI competes mainly through licensed *Colt 45*, a strong alcohol brand that is positioned against SMB's strong alcohol beer *Red Horse*, local *Beer na Beer* that comes in regular and strong variants and positioned in the economy segment, *Brew Kettle* in the mainstream segment, as well as *Brew Kettle Radler* and *Asahi Super Dry* in the premium segment. In 2024, ABI introduced *Leon Extra Strong Beer*.

Heineken previously had a joint venture with ABI that was dissolved in 2020 and replaced with a new partnership. Under the new structure, Heineken established a sales and marketing office in the Philippines and engaged with ABI to brew and distribute Heineken beer brands (*Heineken* and *Tiger*) in the country effective January 1, 2021. *Tiger* competes with *Red Horse*, *Heineken* and *Heineken Silver* compete with SMB's premium beers, and *Heineken 0.0* competes with *San Mig Free*.

Competition from imported beers and local craft beers is minimal. These products comprise a small proportion of the market and are primarily found in upscale hotels, bars, restaurants, and supermarkets in Metro Manila and other key cities.

Meanwhile, in the flavored alcoholic beverages category, ABI offers *Tanduay Ice* and *Spritz Hard Seltzer*. In 2024, ABI launched *Soju Bomb Alcomix*, *Pacific Sun Hard Iced Tea*, and *AB Origins Yuzu Highball Cocktail*. Other competitors include *Smirnoff Mule*, *Lemon-Dou*, *Jack Daniel's & Coca-Cola*, *Absolut Vodka & Sprite*, *Hard Mountain Dew*, and *Chill Spiked Spirit*. These products compete with *San Mig Hard Seltzer* and *San Miguel Flavored Beer*.

SMB's alcoholic beverage products also compete with other alcoholic beverages, primarily brandy, gin, rum, and soju. In the beer industry - and more generally the alcoholic beverage industry - competitive factors generally include price, product quality, brand awareness and loyalty, distribution coverage, and the ability to respond effectively to shifting consumer tastes and preferences. SMB believes that its market leadership, size and scale of operations, and extensive distribution network in the Philippines provide SMB with significant competitive advantages in the country.

In the non-alcoholic beverage market, competition comes from established players in ready-to-drink juice, ready-to-drink tea, carbonated drinks, and water categories. For example, *Zest-O* and *Minute Maid Fresh* compete with *Magnolia Fruit Drink*, and *C2* and *Nestea* compete with *Magnolia Healthtea*. *Magnolia Cali* is positioned in the softdrinks category where *Coke*, *Pepsi* and *RC Cola* are the key players. Meanwhile, *Absolute*, *Summit*, *Wilkins*, and *Nature's Spring* compete with *Magnolia Flavored Water* in the water category.

In its main international markets, the SMBIL Group products compete with both foreign and local beer brands, such as *Heineken* (Hong Kong, South China, Thailand, Vietnam, and Indonesia), *Tiger* (Vietnam, Thailand, and Indonesia), *Carlsberg* (Hong Kong, Thailand, and Vietnam), *Budweiser* (Hong Kong and China), *Guinness* (Hong Kong and

Indonesia), *Asahi* (Hong Kong and Thailand), *Blue Girl* (Hong Kong), *Tsingtao* (Hong Kong and China), *Bintang* (Indonesia), *Snow* (China), *Singha* (Thailand), and *Saigon Beer* (Vietnam).

b) Spirits Division

The local hard liquor industry is segmented by category and geographically among the major players. GSMI is the leader in the gin market catering mostly to the provinces of Luzon, including the Greater Manila Area. Emperador Distillers, Inc. locally produces *Emperador Light Brandy*, whose market share has steadily declined, although it still holds a substantial share of the Greater Manila Area and key urban centers across the country. Meanwhile, value-priced imported *Alfonso Light Brandy* distributed by Montosco, Inc. has continued to gain popularity.

The Visayas and Mindanao regions prefer *Tanduay Rhum Dark 5 Years* and recently the low-proof alcohol *Tanduay Light*, both products of Tanduay Distiller's Inc. Moreover, there is a market for Chinese wine in various islands in the region with GSMI's *Vino Kulafu* as the top choice in this category.

These major players compete in their development of brand equity, as the industry's consumers generally develop affinity and loyalty to the brands that they patronize.

As the spirits industry matures, major spirits players also compete by adopting a product portfolio that caters to shifting consumer preferences.

The elastic demand for mainstream liquor products also leads major players to compete on the basis of pricing.

The spirits industry is dependent on the supply of molasses, the raw material for alcohol production. While the molasses supply has remained stable, the steady increase in demand for bioethanol globally due to increasing ethanol blending policy requirements of different countries and in the Philippines since the implementation of the Biofuels Act of 2006 further worsened the shortage of supply for beverage alcohol production. This led to GSMI's multi-continent sourcing and diversification of alcohol supply to ensure supply security and partly offset higher raw material costs.

Spirits manufacturers also compete in terms of production efficiencies, as the price-sensitive nature of the industry's consumers makes them more reliant on cost improvements than on price increases to brace against profit squeezes from an inflationary operating environment.

Manufacturers further compete in the breadth of their distribution network.

Food Division

a) Prepared and Packaged Food

In recent years, the Prepared and Packaged Food segment has faced increased competition mainly from other local players, who employ aggressive pricing and promotion schemes. Competitors and competing brands in the branded processed meats category include Foodsphere, Inc. (*CDO Idol*), Virginia Foods, Inc. (*Virginia Premium, Winner, Champion*), Century Pacific Food Inc. (*Swift, Argentina, 555*), Meken Food Corporation (*Meken*), Frabelle Food Corp. (*Bossing*), Sunpride Foods Inc. (*Sunpride, Holiday, Good Morning*), Shanghai Maling Food (*Maling*), and Jaka Food Processing Corp (*Delimondo*).

For butter, competitors include Fonterra Brands Philippines, Inc. (*Anchor*). For margarine, Magnolia competes with San Pablo Manufacturing Corporation (*Minola*) and the growing unbranded players. In the cheese category, the main competitor of the *Magnolia* brand is Mondelez International, Inc. (*Eden, Cheez Whiz, Kraft*). In the salad aids category, particularly mayonnaise and sandwich spreads, Magnolia's main competitor is Unilever

Philippines, Inc. (*Lady's Choice*, *Best Foods*, *Mayo Magic*). In the ice cream market, Unilever-RFM Ice Cream Inc. (*Selecta*) is the dominant player. Competitors in the coffee-mix business include Nestle SA (*Nescafe*), PT Mayora Indah (*Kopiko*), and Universal Robina Corporation (*Great Taste*).

b) Animal Nutrition and Health

SMFI is the largest producer of commercial feeds in the Philippines. Competitors of the Company's Animal Nutrition and Health business under SMFI include major domestic producers such as UNAHCO, Inc. ("UNAHCO"), Pilmico Foods Corporation ("Pilmico") and ADM Animal Nutrition Philippines, as well as numerous regional and local feedmills. There are also foreign feeds manufacturers which have established operations in the Philippines.

For veterinary and other animal health care products, SMFI competes with Excellence Poultry and Livestock Specialist, Inc., UNAHCO, and Lakpue Drug, Inc.

For pet food, SMFI's competitors include Universal Robina Corporation (*TopBreed Dog Meal*), MARS Philippines, Inc. (*Pedigree*), as well as various imported and local brands.

c) Protein

Major competitors of the Protein segment under SMFI include Bounty Fresh Foods Inc., Bounty Agro Ventures, Inc., and Charoen Pokphand Foods Philippines Corp. ("CPF"). There are also other commercial-scale and other small regional poultry producers and occasional imports from the United States, Canada, and Brazil.

The Philippine fresh meats industry remains highly fragmented consisting mostly of backyard hog raisers. Its main competitors are CPF, Pilmico, and Foremost Farms, Inc. It also competes with several commercial-scale and numerous small-scale hog and cattle farms that supply live hogs and cattle to live buyers, who in turn supply hog and cattle carcasses to wet markets and supermarkets.

d) Others

Major competitors of the flour milling business include Pilmico, Universal Robina Corporation, and Philippine Foremost Milling Corporation. There are also newer players in the industry such as Atlantic Grains Inc. and Mabuhay Interflour Mill Inc. that compete aggressively to grab market share.

Petron Corporation

Petron operates in a deregulated oil industry which has seen the entry of approximately 400 other industry market participants, rendering the petroleum business more competitive. Petron operates the only petroleum refinery in the country. The rest of the industry market participants are importers of finished petroleum products or purchase finished petroleum products from other market participants in the local market. Petron competes with other industry market participants on the basis of price, product quality, customer service, operational efficiency and distribution network, with price being the most important competitive factor. Providing total customer solutions has increased in importance as consumers became more conscious of value.

San Miguel Properties, Inc.

Among SMPI's major competitors in the South are the Ayala West Grove Heights and Amaia Scapes by Ayala Land and Nuvali by Ayala Land Premier, South Forbes by Cathay Land, Solen Residences by Greenfield Properties, and Eton City by Eton Properties, Solviento by GeoEstate, Natania Homes and Sabella by My Citi Homes, Meridian Place by Filinvest and Cedarwood Residences by Asia Landbest.

For General Trias, Cavite project, major competitors include Pro-Friends, Vista Land, Filinvest, Ayala Land, Century Properties, Robinsons Land, Sun Trust and Northpine.

SMPI's competitors in Metro Manila are KMC Mag Group's Baron Residences, Federal Land's One Wilson Square, Ortigas & Company's Veridian Greenhills, Robinson Land's Chimes, and Shang Properties' Shangri-La Residences.

For the properties of SMPI generating lease income located in the Ortigas area, its competitors include the One Corporate Center, Philippine Stock Exchange Tower, Wynsum Corporate Plaza, IBP Tower, Cyberspace Gamma, Rockwell Business Center, and Estancia Offices.

San Miguel Global Power Holdings Corp.

San Miguel Global Power's main competitors are the Aboitiz Group, which holds interests in Aboitiz Power Corporation and Hedcor, Inc., among others, ACEN Corporation and First Gen Corporation.

Cement

The major competitors of ECC and NCC in the Luzon region, are Holcim Philippines, Inc., Cemex Holdings Philippines, Inc. and Republic Cement and Building Materials, Inc. ECC has an estimated market share of 30%, 27%, 45% and 56% in Luzon, NCR, Region 3 and Region 4A, respectively, based on internal market survey. Because of this, ECC is considered as one of the leading cement players in the areas with highest economic activities in the Philippines.

Sources and Availability of Raw Materials and Supplies

The Group obtains its principal raw materials on a competitive basis from various suppliers here and abroad. The Group is not aware of any dependency upon one or a limited number of suppliers for essential raw materials as it continuously looks for new principals/traders where the strategic raw materials could be sourced out and negotiations are done on a regular basis. The Group has contracts with various suppliers for varying periods ranging from three to twelve months. All contracts contain renewal options.

Among the Group's third-party supplier of major raw materials in 2024 are as follows:

FOOD and BEVERAGE

Beer and NAB Division

Malt and Hops

Boortmalt Asia Pacific Pty. Ltd.
Cofco Malt (Dalian) Co., Ltd.
GDH Supertime Guangzhou Malting Company Limited
Malterurop
Taiwan Hon Chuan Enterprise Co., Ltd.

Corn Grits/Tapioca/Rice/Sugar/Starch

Cagayan Corn Products Corporation
Cgrain Technology Co., Ltd. (c059)
Eiamheng Tapioca Starch Industry
Guangzhou Yuhua Cereals and Oils Co., Ltd.
Hefei Longjie Food & Oil Co. Ltd.
Limketkai Manufacturing Corporation
PT Sahabat Sentra Asia
Daesang Philippine Corporation
PT Sinar Unigrain Indonesia
Ricor Mills Corporation
Scg International Corporation
Southern Mindanao Commodities, Inc.

	All Asian Countertrade Inc. CTY CP MY Tuong Lambayong Mnlf MultiPurpose
Packaging Materials	Bangkok Can Manufacturing Co., Ltd. (b030) Boonpongkit Ltd. Crown Beverage Cans Hong Kong Cty TNHH Baosteel Can Making VN Double Paper Product Industries Farmarindo Jaya PT. Guangdong Huaxing Glass Co., Ltd. Pt Syn Toba Grafika Pt Taewon Indonesia Shum Kee Industrial Company Limited Siam Glass Ayutthaya Co., Ltd. (s238) T.C.P. Industry Co., Ltd (t089) Zhangzhou Shengxing Pacific Packing Co. Ltd. Zhangzhou Sunrise Pacific Packing Co. Ltd.
Fuel	Mabuhay Vinyl Corporation
<i>Spirits Division</i> Alcohol	Shoalhaven Starches Pty. Ltd. Raizen Trading S.A. Heindrich Trading Pte. Ltd.
Molasses and Sugar	E D & F Man Molasses B.V. United Molasses Trading Ltd. Heindrich Trading Pte. Ltd. Wilmar Sugar Pte. Ltd. Hawaiian-Philippine Company BISCOM Inc.
Glass Bottles	Yantai City Charles Commerce Co. Ltd.
Flavoring and Refined Sugar	Firmenich Asia Pte. Ltd. All Asian Countertrade Inc.
<i>Food Division</i> Breeder Stocks	Aviagen Group Cobb Vantress Inc.
Beef Carcass	D'Meter Fields Corporation
Soybean Meal, Wheat and Corn	Bunge Asia Pte. Ltd. Louis Dreyfus Commodities Asia Pte Ltd. Agrocorp International Pte. Ltd. Viterra B.V.
Wheat	ADM Asia-Pacific Trading Pte. Ltd. Bunge Asia Pte. Ltd. CHS Inc. Viterra Agriculture Asia
Imported Meat	Seara Singapore Pte. Ltd.
Skimmed Milk Powder and Anhydrous Milk Fat	Fonterra Ingredients Limited

Coffee Mixes	Jacobs Douwe Egberts RTL SCC SG PTE. LTD.
<u>PACKAGING</u>	
<i>Glass</i>	
Silica Sand	Tochu Corporation
Soda Ash	Tata Chemicals Magadi Limited Connell Bros Company Pilipinas, Inc. Alchemco Philippines, Inc.
Cullet	Lucky Real Junkstore INGCO Brothers Trading Corp. JJPS General Merchandise
ACL Paints	Chemdis Manufacturing Corp. Vibrantz Cam Kaplama Sanayi Ve Ticaret Limited Sirketi
<i>Molds</i>	
Casting Molds	Metals Engineering Resources Corp.
<i>Plastics</i>	
Colorants/Pigments	Esta Fine Colour Corp. Masterbatch Philippines, Inc.
Inks	MCR Industries, Inc. Union Inks and Graphics Philippines, Inc.
HDPE Resin	JG Summit Petrochemical Corporation PTT Global Chemical Public Company Monochem Plastics Trading
Regrinds	Octaplas Industrial Services, Inc.
Tolling Services	Miyako Plastic Manufacturing Corporation Ecostorage Solutions Inc. Muzon Plastic Manufacturing Inc. Octaplas Industrial Services, Inc. Jayala Mdse & Services Corp. Jimbo Plastics Products Manufacturing
<i>Metal</i>	
Inks and Coatings	Henkel Philippines Inc. The Valspar (Singapore) Corporation Pte. Ltd. Inkote Phils. Inc. CDI Sakata Inx Corporation MCR Industries, Inc. PPG Industries (Singapore) Pte Ltd
Plate, TFS	Nippon Steel Trading Corporation Jiangsu Suxun New Material Co., Ltd. Perstima (Philippines) Inc.
NPVC Liner Compound	D & L Polymer & Colours, Inc. Abuchem Plas OPC
Aluminum Coil	Shinko Shoji Singapore Pte. Ltd.

	Kobelco Trading (Shanghai) Co. Ltd. Xiamen C&D Aluminum Co. Ltd.
Lubricants	Elasco Int'l Corp.
<i>Laminates</i> PET/OPP/PP and Other Films	AJ Plast Public Company Limited Polyplex Thailand Ltd. Pt Kolon Ina SRF Industries Thailand Ltd.
PE Films	Cofta Mouldings Corporation
Aluminum Foil	Shanghai Sunhuo Shandong Deli Eastern Valley Co., Ltd. Hangzhou Dingsheng Import and Export Co. Ltd. SNTD International Trade Limited
Resins	Dow Chemicals Pacific, Ltd. Itochu Plastics Pte. Ltd. JG Summit Petrochemical Corporation Sabic Asia Pacific Pte. Ltd.
Inks	Toyo Ink (Philippines) Co., Inc.
<i>PET</i> Beverage Filling	Hannibal Industries Corporation
CO2	Hannibal Industries Corporation
<i>Paper</i> Kraft Paper	Visy Trading Singapore Pte. Ltd. American Paper Export Inc. Klabin Trade Oji Fibre Solutions (NZ) Inc. Paper Resources Price & Pierce Cellmark Inc.
<u>FUEL AND OIL</u>	
Crude	Saudi Arabian Oil Company Shell International Eastern Trading Company Exxonmobil Exploration and Production Malaysia Inc.
Finished Product	PTT International Trading PTE Ltd. Equinor ASA Trafigura Pte Ltd
<u>ENERGY</u>	
Coal	PT Bayan Resources Tbk Vitol Asia Pte Ltd. PT Trubaindo Coal Mining PT Kaltim Prima Coal Asian Trade Commodities Pte. Ltd.

	PT Kideco Jaya Agung PT Antang Gunung Meratus PT Arutmin Indonesia Rwood Resources DMCC Semirara Mining and Power Corporation Daguma Agro-Minerals Inc.
LNG	Vitol Asia Pte. Ltd. Trafigura Pte. Ltd. Shell Eastern Trading (Pte) Ltd.
Other Consumables	SI Resources Corporation Nupur Merchandise Pvt. Ltd. B-Mirk Enterprises Corp. OM Industries
Electricity	Independent Electricity Market Operator
<u>CEMENT</u>	
Clinker	Tradeland Group B.V. Cemcoa Ltd. Itochu Singapore Pte Ltd.
Gypsum	Philippine Phosphate Fertilizer Corporation Tradeland Shipping PTD / Tradeland Group BV KG Inc. Capp Industries Inc. United Overseas Commodities Pte. Ltd. CEMCOA Ltd. Full Max Corporation Ltd.
Pozzolana	CNT Trading TLD Aggregates Trading
Limestone	TLD Aggregates Trading Delta Earthmoving, Inc.
Packaging	Sakomoto International Packaging Corp. FIBC Greenbag Philippines, Inc. Kingswood Trading Co Inc. Philpackaging Corporation NFF Packaging Solutions Corp.
Coal	PT Bayan Resources TBK Cemcoa Ltd. Semirara Mining and Power Corporation PT TIWA ABADI PT BARA TABANG Sultan Energy Phils. Corp.
Silica	Land Movers Marketing and Sales Inc. Go Enterprises Huang Construction Corporation Rapid City Realty and Development Corporation

Iron	HK Imperial Awards Mining (Philippines) Inc.
Fly Ash	Pozzolanic Philippines Inc. Republic Cement & Building Materials, Inc. Tipco Estates Corporation Secgen Construction and Development Corp. South Luzon Thermal Energy Corporation

Dependency Upon a Single Customer or a Few Customers

Due to constant drive toward customer satisfaction and continuous improvement, the Group is able to maintain its wide base of customers. The Group is not dependent upon a single or a few customers.

Transactions with and/or Dependence on Related Parties

The Group and certain related parties purchase products and services from one another in the normal course of business. Please see Note 33, Related Party Disclosures, of the Audited Consolidated Financial Statements attached hereto as **Annex "B"**.

Registered Trademarks/Patents, etc.

All marks used by the Group in its principal products are either registered or pending registration in the name of the Parent Company or its subsidiaries in the Philippines and in foreign markets of said products.

The SMC Group uses various brand names and trademarks, including "San Miguel", "Ginebra San Miguel", "Purefoods", "Magnolia", "Star", "Dari Creme", "B-Meg", "Petron", "Gasul", "Eagle Cement" and other intellectual property rights to prepare, package, advertise, distribute and sell its products.

The disclosures on the Group's intangible assets are reflected in the following section of the Audited Consolidated Financial Statements attached hereto as **Annex "B"**.

Note 3	Material Accounting Policy Information - Intangible Assets
Note 17	Goodwill and Other Intangible Assets
Note 34	Significant Agreements and Lease Commitments

Government Approvals and Compliance with Environmental Laws

Being an investment holding company, apart from its corporate registration with and primary franchise granted by the SEC, the Parent Company does not have any other government approvals which may be material to its operations. Likewise, the Parent Company is required to comply with environmental laws and regulations in respect of any of its operations.

The Group has obtained all necessary permits, licenses and government approvals to manufacture and sell its products.

Government Regulation

The Group has no knowledge of recent or impending legislation, the implementation of which can result in a material adverse effect on the Group's business or financial condition.

Research and Development

The Parent Company's subsidiaries undertake regular research and development in the course of their regular business:

Food and Beverage

Beer and NAB Division

The Beer and NAB Division employs modern brewing technology. Its highly experienced brewmasters and quality assurance practitioners provide technical leadership and direction to continuously improve and maintain high standards in product quality, process efficiency, cost effectiveness, and manpower competence.

Technology and processes are constantly updated and new product development is ensured through the research and development of beer and NAB products. Research and development activities are conducted in a technical center and pilot plant located in one of SMB's production facilities.

SMB also has a central analytical laboratory which is equipped with modern equipment necessary for strategic raw materials analysis and validation, alcoholic and NAB evaluation, and new raw material accreditation. Specialized equipment includes gas chromatography, high performance liquid chromatography, atomic absorption spectroscopy, protein analyzer, laboratory scale mashing/milling system for malt analysis and wort extract analyzer. Analytical methods and validation procedures are constantly enhanced and standardized across all SMB laboratories. The central analytical laboratory likewise runs proficiency tests for brewery laboratories and suppliers to ascertain continuous reliability and quality of analytical test results. It is also tasked with ensuring compliance of all systems with international standards, specifically ISO/IEC 17025:2017.

To promote technical manpower development, SMB runs the San Miguel School of Brewing, which offers various programs spanning all levels of professional brewing technical training, starting from the basic brewing course for newly hired personnel to the advanced brewing course for senior technical personnel. Courses offered at the school include those highly-advanced classes necessary to qualify the most senior of its technical personnel known as brewmasters. Each of the approximately 40 brewmasters has extensive advanced coursework from both in-house and international institutions and over ten years of on-the-job-training experience with SMB.

Spirits Division

GSMI continuously focuses on research and development to stay attuned to the evolving market preferences. As such, GSMI has a dedicated research and development team that maintains a well-equipped laboratory and closely collaborates with the market research and new product development groups to constantly develop and formulate innovative products. The research and development team's mandate is to enhance and further expand GSMI's product library that will allow timely product launches as the need arises.

Food Division

The Food Division has developed a systematic approach to new product development referred to as the stage-gate process, which is a five-step process comprising idea generation, feasibility testing, commercialization, launch, and post-launch evaluations. The process optimizes returns on new product development by prioritizing innovations in the pipeline in a disciplined approach. New products that cater to the more sophisticated palates of consumers, as well as address the health awareness and convenience food trends, are continuously introduced.

The Food Division has several research and development teams that engage in the development, reformulation and testing of new products. The teams believe that their continued success will be affected in part by their ability to be innovative and attentive to consumer preferences and local market conditions.

The Protein and Animal Nutrition and Health segments under SMFI engaged in integrated poultry and feeds, has the largest network of animal feed research facilities in the country and is responsible for the development of animal feed products for broilers, hogs, layers, pets, finfish, including innovations on feed milling technology, and packaging. The businesses' research and development team is comprised of post-graduate specialists in animal science, microbiology, and feed mill engineering, and constantly collaborates with international consultants from the U.S. and Europe to ensure that the company uses only the most updated technology in its products. Aside from product innovations, the team also examines efficiency improvements of operations through the use of new technology, a measure of increasing production cycles per farm per year, improving feed consumed to weight ratio, and achieving better harvest recovery. The research center is responsible for developing technologies that focus on precision-driven animal nutrition, sustainable agriculture, and feed manufacturing efficiency. It utilizes state of the art equipment including near infrared and atomic absorption spectrophotometry, and high-performance liquid chromatography, capable of analyzing the animals' average daily weight gain, feed conversion efficiency, and other performance parameters. Results of these analyses are immediately applied to commercial feed formulations to minimize costs and maximize animal growth

Packaging

The Packaging Group's continuing objective is to penetrate new markets and segments through the introduction of new products, such as mono-material bags, thermochromic ink cans, slip sheets, stretch films, ziplock SUP, and printed lug caps.

Further, as the Packaging Group expects the future consumer trend to move towards environment-friendly products and environment-sound manufacturing systems, it plans to increase its investments in eco-friendly facilities, processes, and products.

Fuel and Oil

To enhance productivity, efficiency, reduce costs and strengthen its competitiveness, Petron engages in research and development to identify improvements that can be made to its products and production processes. Petron's Research and Development Departments ("R&D") engages in various technical research and testing activities to develop and enhance the performance of products and optimize production processes. In addition to research and product development, Petron also engages in quality control and assurance, and technical training. The development, reformulation and testing of new products are continuing business activities of Petron.

R&D has led together with other key company stakeholders on compliance with higher biodiesel blend, ADO-B3, per the Department of Energy (DOE) regulations and Biofuels Law.

Petron continuously develop and enhance its lubricant product range catering to top tier and cost-competitive customer requirements. It continues to maintain approvals of thoroughly selected top tier products with industry licensors (i.e., API, ACEA, JASO, Kosher, NSF and Halal) and original equipment manufacturers (OEM). New WinGD (Winterthur Gas & Diesel in Switzerland) OEM approval for its marine cylinder oil, Petromar DCL 4050, was also obtained. It has also developed quality lubricants and greases that are reasonable to price-sensitive market and to specific customer requirements.

The R&D group also spearheaded the implementation of Total Quality Management ("TQM") at the terminals, service stations, and Petron Research and Testing Centers ("PRTC") laboratories. TQM is a management system where all members of the organization participate and work together in improving processes by eliminating unnecessary steps and doing value-adding and innovative activities, thereby resulting to a more efficient, productive, and cost-saving operations.

With the implementation of TQM, Petron terminals were able to optimize resources and safeguard product quality with the use of quality assurance tools. TQM has expanded its scope to marine vessels by issuing guidelines in marine vessel tank cleaning resulting to

substantial improvement in vessel turn-around and savings in tank cleaning cost. Further, R&D has continually implemented process improvement programs at service stations that reduce business losses and operating cost. PRTC laboratories were also able to save on operating costs by rationalizing critical test properties and focusing on customer requirements. With this quality system, the laboratories were able to develop innovative procedures that enhance operating efficiency, reduce hazardous waste, and provide customer-focused services. The Petron TQM program works in conjunction with Incident Prevention System wherein it focuses on quality management system without compromising loss in safety, business opportunity, and capital expenditures.

Petron is committed to continuously develop innovative and revolutionary products that meet and exceed the highest industry quality standards and the demands of the market. Petron believes that its continued success will be affected in part by its ability to be innovative and attentive to consumer preferences and local market conditions.

Petron's testing facilities are ISO/IEC17025 accredited, a testament to its ability to perform tests and analyses in accordance with global standards. R&D also has long-standing partnerships with leading global technology providers in fuels, lubricants and grease products. In addition, it provides technical training to keep internal and external customers updated about the latest technology trends. By providing these updates, it fosters a culture of continuous learning, innovation within the organization, and technical expertise and competitiveness in the industry.

R&D provides technical training sessions, ensuring both internal and external customers stay abreast of product knowledge and the latest technology trends. By sharing these insights, it fosters a culture of continuous learning and innovation within the organization, while enhancing the competitiveness and expertise in the industry.

Energy

San Miguel Global Power seeks to capitalize on regulatory and infrastructure developments by scheduling the construction of greenfield power projects to coincide with the planned improvements in the interconnectivity of the Luzon grid and Visayas grid, as well as the eventual interconnectivity of the Mindanao grid. In addition, San Miguel Global Power seeks to maintain the cost competitiveness of these new projects by strategically locating them in high-demand areas and in areas with the closest proximity to the grid. San Miguel Global Power is also considering further expansion of its power portfolio of new capacity nationwide through greenfield power plants over the next few years, depending on market demand.

San Miguel Global Power plans to carry out the expansion of its power portfolio in phases across Luzon, Visayas and Mindanao. San Miguel Global Power is confident from its experience in building the Limay and Davao Greenfield Power Plants that it will be able to build new cost competitive plants. San Miguel Global Power also actively seeks to identify and pursue renewable energy investments such as hydroelectric power and solar power projects, subject to the outcome of viability and feasibility analyses. This is in line with San Miguel Global Power's objective to operate in an environmentally-responsible manner, while taking into consideration energy security and affordability to its consumers.

San Miguel Global Power is further expanding the Masinloc Power Plant through the construction of additional units utilizing supercritical pulverized coal technology (Units 4 and 5) with a planned gross installed capacity of 350 MW each, targeted for completion in 2025-2026. San Miguel Global Power's other expansion projects include the 600 MW circulating fluidized bed coal-fired power plant and associated facilities in Mariveles, Bataan, using HELE Technologies. Unit 1, Unit 2 and Unit 3 of the Mariveles Greenfield Power Plant commenced commercial operations on March 28, 2024, September 26, 2024 and October 26, 2024, respectively.

As part of the diversification of its power portfolio into LNG, San Miguel Global Power is constructing a 1,320 MW combined cycle power plant in Barangays Ilijan and Dela Paz Proper, Batangas City. The projected construction period is expected to be shorter than the typical construction period for coal-fired power plants.

In addition to power generating plants, San Miguel Global Power is rolling out grid-wide BESS projects in addition to its existing BESS facilities in Masinloc, Zambales, and Kabankalan, Negros Occidental. San Miguel Global Power is expanding its BESS portfolio nationwide with a capacity of up to 1,000 MWh through its subsidiaries SMGP BESS, MPCL, and SMGP Kabankalan, which have mostly executed turnkey contracts with world-leading battery EPC contractors.

As a leading power company in the Philippines with a large customer base, San Miguel Global Power believes that it is in a strong position to leverage its relationships with its existing customers to service their expected increase in electricity demand.

Infrastructure

SMC's Infrastructure group is currently undertaking various research and development activities in relation to its infrastructure projects, such as transport planning, traffic, and ridership studies and analyses.

The Group's expenses for research and development are as follows (amounts in millions):

	2024	2023	2022
Research and Development	P619	P591	P305
Percentage to Net Income	1.69%	1.32%	1.14%

Cost of Compliance with Environmental Laws

On an annual basis, operating expenses incurred by the Group to comply with environmental laws are not significant or material relative to the Parent Company and its subsidiaries' total cost and revenues.

Human Resources and Labor Matters

As of December 31, 2024, the Group has about 56,622 employees and has entered into 37 collective bargaining agreements ("CBA"). Of the 37 CBAs, 21 will be expiring in 2025.

The list of CBAs entered into by the Parent Company and its subsidiaries with their different employee unions, is attached hereto as **Annex "F"**.

Major Business Risks

The major business risks facing the Group are as follows:

a) Competition Risks

The Group operates in highly competitive environments. New and existing competitors can erode the Group's competitive advantage through the introduction of new products, improvement of product quality, increase in production efficiency, new or updated technologies, costs reductions, and the reconfiguration of the industry's value chain. The Group has responded with the corresponding introduction of new products in practically all businesses, improvement in product propositions and packaging, and redefinition of the distribution system of its products.

b) Operational Risks

The facilities and operations of the Group could be severely disrupted by many factors, including accidents, breakdown or failure of equipment, interruption in power supply, human error, natural disasters, public epidemics, outbreak of diseases, and other unforeseen circumstances and problems. These disruptions could result in product run-outs, facility shutdown, equipment repair or replacement, increased insurance costs, personal injuries, loss of life and unplanned inventory build-up, all of

which could have a material adverse effect on the business, financial condition and results of operations of the Group.

The Group undertakes necessary precautions to minimize impact of any significant operational problems in its subsidiaries through effective maintenance practices.

c) Legal and Regulatory Risks

The businesses and operations of the Group are subject to a number of national and local laws, rules and regulations governing several different industries in the Philippines and in other countries where it conducts its businesses. The Group is also subject to various taxes, duties and tariffs.

In addition, the Philippine government may periodically implement measures aimed at protecting consumers from rising prices, which may constrain the ability of the Group to pass on price increases to distributors who sell its products, as well as its customers. Implementation of any such measures could have a material adverse effect on the business, financial condition and results of operations of the Group.

The Group regularly consults relevant government agencies and other approving bodies to ensure that all requirements, permits and approvals are secured in a timely manner. Further, the Group strongly complies with and adheres to laws and regulations. In the event that the Group becomes involved in future litigation or other proceedings or be held responsible in any future litigation and proceedings, SMC will work to amicably settle legal proceedings. In the event of any adverse ruling or decision, SMC will diligently exhaust all legal remedies available to achieve a favorable outcome.

diligently exhaust all legal remedies available to achieve a favorable outcome.

d) Social and Cultural Risks

The ability of the Group to successfully develop and launch new products and maintain demand for existing products depends on the acceptance of such products by consumers and their purchasing power and disposable income levels, which may be adversely affected by unfavorable economic developments in the Philippines. A significant decrease in disposable income levels or consumer purchasing power in the target markets of the food and beverage businesses could materially and adversely affect the financial position and financial performance of the Group. Consumer preferences may shift for a variety of reasons, including changes in culinary, demographic, and social trends or leisure activity patterns. Concerns about health effects due to negative publicity regarding alcohol consumption, negative dietary effects or other factors may also affect consumer purchasing patterns for the beverage and food products. If the marketing strategies of the Group are not successful or do not respond timely or effectively to changes in consumer preferences, the business and prospects of the Group could be materially and adversely affected.

Sales of beer are highly influenced by the purchasing power and disposable income levels of consumers. In periods of economic uncertainty or downturns, consumers may purchase fewer alcoholic beverages which could affect the financial performance of the beverage business. Likewise, demand for many of the food products is tied closely to the purchasing power of consumers.

The Group has introduced products that try to address or are attuned to the evolving lifestyles and needs of its consumers. *San Mig Light* and *San Mig Zero*, a low-calorie beer, were introduced to address increasing health consciousness and *San Mig Strong Ice* for the upwardly mobile market. Initiatives similar to this have been pushed in the food division for years.

e) Raw Materials Sourcing Risks

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

Movements in the supply of global crops may affect prices of raw materials, such as wheat, malted barley, adjuncts, and molasses for the beverage and food businesses. The Group may also face increased costs or shortages in the supply of raw materials due to the imposition of new laws, regulations or policies.

Alternative sources of raw materials are used in the Group's operations to avoid and manage risks on unstable supply and higher costs.

The Group enters into various commodity derivatives to manage its price risks on strategic commodities. Commodity hedging allows stability in prices, thus offsetting the risk of volatile market fluctuations. Through hedging, prices of commodities are fixed at levels acceptable to the Group, thus protecting raw material cost and preserving margins.

f) Financial Risks

In the course of its operations, the Group is exposed to financial risks, namely:

1. Interest Rate Risk

The Group's exposure to changes in interest rates relates primarily to the long-term borrowings and investment securities. Investment securities acquired or borrowings issued at fixed rates expose the Group to fair value interest rate risk. On the other hand, investment securities acquired, or borrowings issued at variable rates expose the Group to cash flow interest rate risk.

2. Foreign Currency Risk

The exposure to foreign currency risk results from significant movements in foreign exchange rates that adversely affect the foreign currency-denominated transactions of the Group.

3. Liquidity Risk

Liquidity risk pertains to the risk that the Group will encounter difficulty to meet payment obligations when they fall under normal and stress circumstances.

4. Credit Risk

Credit risk is the risk of financial loss to the Group when a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from trade and other receivables and investment securities.

Prudent fund management is employed to manage exposure to changes in earnings as a result of fluctuations of interest rates, foreign currency rates, etc.

The Group uses a combination of natural hedges, which involve holding U.S. dollar-denominated assets and liabilities, and derivative instruments to manage its exchange rate risk exposure.

Liquidity risks are managed to ensure adequate liquidity of the Group through monitoring of accounts receivables, inventory, loans, and payables. A committed stand-by credit facility from several local banks is also available to ensure availability of funds when necessary.

Please refer to Note 39 of the Audited Consolidated Financial Statements attached hereto as **Annex “B”** for the discussion of the Group's Financial Risk and Capital Management Objectives and Policies.

Item 2. Properties

A summary of information on the Parent Company and its significant subsidiaries principal properties and conditions thereof, is attached hereto as **Annex “D”**.

The Parent Company and its significant subsidiaries have no principal properties that are subject to a lien or mortgage, except for certain power plants, including all related facilities therein, that are mortgaged in favor of the lenders to secure the loan obligations. There are no imminent acquisitions of any material property that cannot be funded by working capital of the Group.

For additional information on the Group's properties, please refer to Note 13, Property, Plant and Equipment, and Note 15, Investment Property, of the Audited Consolidated Financial Statements attached hereto as **Annex “B”**.

Item 3. Legal Proceedings

The Group is not a party to, and its properties are not the subject of, any material pending legal proceeding that could be expected to have a material adverse effect on the Group's financial performance.

For further details on pending legal proceedings of the Group, please refer to Note 43, Other Matters, of the Audited Consolidated Financial Statements attached hereto as **Annex “B”**.

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

There were no matters which were submitted to a vote of the Parent Company's stockholders, through the solicitation of proxies or otherwise, in 2024, other than the following:

1. Approval of the Amendment to Article VII of the Amended Articles of Incorporation of the Company for the Reclassification of 300,000,000 Series “1” Preferred Shares to Series “2” Preferred Shares in the Authorized Capital Stock, and Issuance of Series “2” Preferred Shares
2. Approval of the Amendments to the Amended By-Laws of the Company to delineate the roles and duties of the Chairman and Chief Executive Officer, and the President and Chief Operating Officer of the Corporation.

both submitted to a vote and approved by the stockholders of the Parent Company at a Special Stockholders' Meeting held on August 8, 2024.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

The Company's common shares and Series “2” preferred shares are listed and traded in the Philippine Stock Exchange. The percentage of public ownership of the Company as of December 31, 2024 is 20.49%.

The Company's high and low closing prices for each quarter of the last two (2) fiscal years and for the first quarter of 2025 are as follows:

	2024								2025	
	1 st		2 nd		3 rd		4 th		1 st	
	High	Low	High	Low	High	Low	High	Low	High	Low
Common	124.70	101.10	109.00	98.50	102.00	85.35	89.90	81.00	86.00	62.20
Preferred – 2F	73.50	71.50	73.00	71.50	74.00	71.70	73.90	71.60	74.50	72.40
Preferred – 2I	73.75	70.10	72.50	69.50	73.00	70.00	73.80	70.40	73.85	71.50
Preferred – 2J	73.90	67.00	69.95	65.05	71.00	66.55	73.00	69.50	72.00	69.75
Preferred – 2K	75.00	66.00	69.95	65.00	70.00	65.35	72.00	67.00	71.95	68.50
Preferred – 2L	79.00	75.25	78.20	75.00	78.30	76.05	78.50	76.00	79.80	76.00
Preferred – 2N	78.80	76.50	79.90	77.00	80.50	77.30	81.00	77.00	81.50	77.00
Preferred – 2O	80.70	76.75	81.00	76.00	81.50	79.00	82.45	79.90	82.75	80.00

	2023							
	1 st		2 nd		3 rd		4 th	
	High	Low	High	Low	High	Low	High	Low
Common	116.40	92.75	108.90	102.20	109.50	97.00	115.50	101.80
Preferred – 2F	76.00	74.00	74.95	73.00	74.90	72.00	74.30	70.00
Preferred – 2I	75.95	70.50	74.00	70.50	74.80	69.00	73.60	70.50
Preferred – 2J	72.95	67.00	71.90	68.10	71.50	66.00	70.00	65.00
Preferred – 2K	73.90	62.00	71.80	66.00	71.20	65.30	70.00	62.00
Preferred – 2L	-	-	-	-	-	-	79.00	75.00
Preferred – 2N	-	-	-	-	-	-	78.95	75.50
Preferred – 2O	-	-	-	-	-	-	78.70	75.50

The closing prices as of December 27, 2024, and as of as of April 7, 2025, the latest practicable trading date, are as follows:

	December 27, 2024	April 7, 2025
Common	₱ 86.00	₱ 80.50
Series "2-F" Preferred	₱ 73.30	₱ 73.50
Series "2-I" Preferred	₱ 72.25	₱ 72.20
Series "2-J" Preferred	₱ 71.90	₱ 71.80
Series "2-K" Preferred	₱ 70.00	₱ 70.00
Series "2-L" Preferred	₱ 77.65	₱ 79.15
Series "2-M" Preferred	₱ 75.00	₱ 75.00
Series "2-N" Preferred	₱ 79.70	₱ 79.80
Series "2-O" Preferred	₱ 82.30	₱ 81.50

The approximate number of shareholders as of December 31, 2024 is 33,413.

The top 20 common and preferred stockholders as of December 31, 2024 are attached as **Annex "G"**.

The BOD of the Parent Company approved the declaration and payment of the following cash dividends to common and preferred stockholders as follows:

The BOD of the Parent Company approved the declaration and payment of the following cash dividends for common and preferred shares as follows:

2024

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend Per Share
Common	March 11, 2024	March 27, 2024	April 26, 2024	₱0.35
	June 11, 2024	June 28, 2024	July 26, 2024	0.35
	November 7, 2024	November 22, 2024	December 2, 2024	0.35
	December 5, 2024	January 3, 2025	January 24, 2025	0.35
Preferred SMC2F	January 18, 2024	March 21, 2024	April 4, 2024	1.27635

	May 14, 2024	June 21, 2024	July 4, 2024	1.27635
	August 8, 2024	September 20, 2024	October 4, 2024	1.27635
	November 7, 2024	December 20, 2024	January 3, 2025	1.27635
SMC2I	January 18, 2024	March 21, 2024	April 4, 2024	1.18790625
	May 14, 2024	June 21, 2024	July 4, 2024	1.18790625
	August 8, 2024	September 20, 2024	October 4, 2024	1.18790625
	November 7, 2024	December 20, 2024	January 3, 2025	1.18790625
SMC2J	January 18, 2024	March 21, 2024	April 4, 2024	0.890625
	May 14, 2024	June 21, 2024	July 4, 2024	0.890625
	August 8, 2024	September 20, 2024	October 4, 2024	0.890625
	November 7, 2024	December 20, 2024	January 3, 2025	0.890625
SMC2K	January 18, 2024	March 21, 2024	April 4, 2024	0.84375
	May 14, 2024	June 21, 2024	July 4, 2024	0.84375
	May 14, 2024	June 21, 2024	July 4, 2024	0.1031250
	August 8, 2024	September 20, 2024	October 4, 2024	0.84375
	November 7, 2024	December 20, 2024	January 3, 2025	0.84375
SMC2L	January 18, 2024	March 21, 2024	April 4, 2024	1.48396875
	May 14, 2024	June 21, 2024	July 4, 2024	1.48396875
	May 14, 2024	June 21, 2024	July 4, 2024	0.3297708333333333
	August 8, 2024	September 20, 2024	October 4, 2024	1.48396875
	November 7, 2024	December 20, 2024	January 3, 2025	1.48396875
SMC2M	January 18, 2024	March 21, 2024	April 4, 2024	1.5703125
	May 14, 2024	June 21, 2024	July 4, 2024	1.5703125
	May 14, 2024	June 21, 2024	July 4, 2024	0.5059895833333333
	August 8, 2024	September 20, 2024	October 4, 2024	1.5703125
	November 7, 2024	December 20, 2024	January 3, 2025	1.5703125
SMC2N	January 18, 2024	March 21, 2024	April 4, 2024	1.5649875
	May 14, 2024	June 21, 2024	July 4, 2024	1.5649875
	May 14, 2024	June 21, 2024	July 4, 2024	0.347775
	August 8, 2024	September 20, 2024	October 4, 2024	1.5649875
	November 7, 2024	December 20, 2024	January 3, 2025	1.5649875
SMC2O	January 18, 2024	March 21, 2024	April 4, 2024	1.611300
	May 14, 2024	June 21, 2024	July 4, 2024	1.611300
	May 14, 2024	June 21, 2024	July 4, 2024	0.358066666666667
	August 8, 2024	September 20, 2024	October 4, 2024	1.611300
	November 7, 2024	December 20, 2024	January 3, 2025	1.611300

2023

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend Per Share
Common				
	March 9, 2023	March 31, 2023	April 28, 2023	P0.35
	June 13, 2023	June 30, 2023	July 26, 2023	0.35
	September 7, 2023	October 6, 2023	October 27, 2023	0.35
	December 7, 2023	January 5, 2024	January 26, 2024	0.35
Preferred				
SMC2F	January 26, 2023	March 21, 2023	April 4, 2023	1.27635
	May 11, 2023	June 21, 2023	July 5, 2023	1.27635
	August 3, 2023	September 21, 2023	October 5, 2023	1.27635
	November 9, 2023	December 21, 2023	January 4, 2024	1.27635
SMC2I	January 26, 2023	March 21, 2023	April 4, 2023	1.18790625
	May 11, 2023	June 21, 2023	July 5, 2023	1.18790625
	August 3, 2023	September 21, 2023	October 5, 2023	1.18790625
	November 9, 2023	December 21, 2023	January 4, 2024	1.18790625
SMC2J	January 26, 2023	March 21, 2023	April 4, 2023	0.890625
	May 11, 2023	June 21, 2023	July 5, 2023	0.890625
	August 3, 2023	September 21, 2023	October 5, 2023	0.890625
	November 9, 2023	December 21, 2023	January 4, 2024	0.890625
SMC2K	January 26, 2023	March 21, 2023	April 4, 2023	0.84375
	May 11, 2023	June 21, 2023	July 5, 2023	0.84375
	August 3, 2023	September 21, 2023	October 5, 2023	0.84375
	November 9, 2023	December 21, 2023	January 4, 2024	0.84375
SMC2M	November 9, 2023	December 21, 2023	January 4, 2024	1.5703125

On January 16, 2025, the BOD of the Parent Company declared cash dividends to all preferred shareholders of record as at March 21, 2025 on the following shares to be paid on April 4, 2025, as follows:

Class of Shares	Dividends Per Share
SMC2F	P1.27635
SMC2I	1.18790625
SMC2J	0.890625
SMC2K	0.84375
SMC2L	1.48396875
SMC2M	1.5703125
SMC2N	1.5649875
SMC2O	1.611300

On March 13, 2025, the BOD of the Parent Company declared cash dividends at P0.35 per share to all common shareholders of record as at March 28, 2025 to be paid on April 25, 2025.

The Parent Company paid P2,102 and P2,007 to the holders of SPCS in 2024 and 2023, respectively, as distributions in accordance with the terms and conditions of their respective separate subscription agreements with the Parent Company.

Description of the securities of the Group may be found in Note 24, Equity, of the Audited Consolidated Financial Statements attached hereto as Annex “B”.

There were no securities sold by the Parent Company within the past three (3) years which were not registered under the Securities Regulation Code, except the following:

Name of Security Sold	Date of Sale	Amount of Securities	Basis for Exemption
Series 2-M Preferred Shares	August 23, 2023	173,333,325 Series 2-M Preferred Shares equivalent to ₱12.9 billion at an issue price of ₱75.00 per share	Section 10.1(k) of the SRC

Item 6. Management's Discussion and Analysis or Plan of Operation.

(A) Management Discussion and Analysis

The information required by Item 6 (A) may be found on **Annex “A”** hereto.

(B) Information on Independent Accountant and Other Related Matters

The accounting firm of R.G. Manabat & Co. served as the Parent Company's external auditors for the last sixteen fiscal years. The BOD will again nominate R.G. Manabat & Co. as the Parent Company's external auditors for this fiscal year.

Representatives of R.G. Manabat & Co. are expected to be present at the stockholders' meeting and will be available to respond to appropriate questions. They will have the opportunity to make a statement if they so desire.

The Parent Company paid the external auditor the amount of P11 million and P8 million, respectively, for its services rendered in 2024 and 2023.

The stockholders approve the appointment of the Parent Company's external auditors. The Audit and Risk Oversight Committee reviews the audit scope and coverage, strategy and results for the approval of the board and ensures that audit services rendered shall not impair or derogate the independence of the external auditors or violate SEC regulations. The Parent Company's Audit and Risk Oversight Committee's approval policies and procedures for external audit fees and services are stated in the Parent Company's Manual of Corporate Governance.

Item 7. Financial Statements

The Audited Consolidated Financial Statements and Statement of Management's Responsibility are attached as **Annex "B"** with the Supplementary Schedules attached as **Annex "C"** hereto. The auditors' PTR, name of certifying partner and address are attached as **Annex "B-1"** hereto.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no disagreements with the Parent Company's external auditors on accounting and financial disclosure.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

The names of the incumbent and key executive officers of the Company, and their respective ages, periods of service, directorships in other reporting companies and positions held in the last five (5) years, are as follows:

Board of Directors

Name	Age	Citizenship	Position
Ramon S. Ang	71	Filipino	Vice Chairman, President and Chief Executive Officer
John Paul L. Ang	45	Filipino	Director
Aurora T. Calderon	71	Filipino	Director
Joselito D. Campos, Jr.	74	Filipino	Director
Jose C. De Venecia, Jr.	88	Filipino	Director
Menardo R. Jimenez	92	Filipino	Director
Estelito P. Mendoza ¹	95	Filipino	Director
Ernesto M. Pernia	81	Filipino	Director
Alexander J. Poblador	71	Filipino	Director
Iñigo Zobel	68	Filipino	Director
Teresita J. Leonardo-De Castro	76	Filipino	Independent Director
Felipe M. Medalla	75	Filipino	Independent Director
Diosdado M. Peralta	73	Filipino	Independent Director
Reynato S. Puno	84	Filipino	Independent Director
Margarito B. Teves	81	Filipino	Independent Director

Ramon S. Ang is the Chairman and the Chief Executive Officer since June 11, 2024. He was President and CEO from November 2, 2021 until June 11, 2024. He was the Vice Chairman of the Company from January 28, 1999 until June 11, 2024. He was the President and Chief Operating Officer since March 6, 2002 to November 2, 2021. He has been a member of the Board of Directors of the Company for twenty six (26) years since 1999. He is the Chairman of the Executive Committee of the Company. He also holds, among others, the following positions in other publicly listed companies: President and Chief Executive Officer of Top Frontier Investment Holdings, Inc. and Petron Corporation; President of Ginebra San Miguel,

¹ *Atty. Estelito P. Mendoza passed away on March 25, 2025.*

Inc.; Chairman of the Board of Directors of San Miguel Brewery Hong Kong Limited (listed in the Hong Kong Stock Exchange), and Petron Malaysia Refining & Marketing Bhd. (a company publicly listed in Malaysia) ; and Chairman of the Board of San Miguel Food and Beverage, Inc. He is also the Chairman of the Board of San Miguel Brewery Inc.; Chairman of the Board and Chief Executive Officer, and President and Chief Operating Officer of San Miguel Global Power Holdings Corp.; Chairman of the Board and President of San Miguel Holdings Corp., SMC Tollways Corporation, SMC SLEX, Inc., San Miguel Equity Investments Inc., San Miguel Properties, Inc., and San Miguel Aerocity Inc.; Chairman of the Board and Chief Executive Officer of SMC Asia Car Distributors Corp.; Chairman of the Board of San Miguel Foods, Inc., Eagle Cement Corporation, San Miguel Yamamura Packaging Corporation, Clariden Holdings, Inc., Anchor Insurance Brokerage Corporation, Philippine Diamond Hotel & Resort, Inc., and SEA Refinery Corporation; President and Chief Executive Officer of Northern Cement Corporation. He is also the sole director and shareholder of Master Year Limited and the Chairman of the Board of Privado Holdings, Corp. He is also a director of Metro Pacific Investments Corp. and New NAIA Infra Corp. He formerly held the following positions: Chairman of the Board of Liberty Telecoms Holdings, Inc. and Cyber Bay Corporation, President and Chief Operating Officer of PAL Holdings, Inc. and Philippine Airlines, Inc.; Director of Air Philippines Corporation; and Vice Chairman of the Board and Director of Manila Electric Company. Mr. Ang has held directorships in various domestic and international subsidiaries of the Company in the last five (5) years. He has a Bachelor of Science degree in Mechanical Engineering from Far Eastern University. As a director of a number of companies including listed companies, Mr. Ang has attended various trainings and seminars on Corporate Governance in the past five (5) years, the most recent of which is the training conducted by Center for Global and Best Practices on November 15, 2024.

John Paul L. Ang is the Vice Chairman, President and Chief Operating Officer since June 11, 2024. He was elected as a director of the Company on January 21, 2021 and has been a member of the Board of Directors for four (4) years. He is also a Member of the Executive Committee of the Company. Mr. Ang holds directorships in other listed companies namely, Petron Corporation, San Miguel Food and Beverage, Inc., and Top Frontier Investment Holdings, Inc. He is also the President and Chief Executive Officer of San Miguel Food and Beverage Inc. since 2024, Eagle Cement Corporation since 2016, Solid North Mineral Corp., and Southwestern Cement Corporation since 2017. He is the Chairman and President of San Miguel Equity Investments, Inc. He is also the Vice Chairman of San Miguel Global Power Holdings Corp. since 2021. He is also a director of San Miguel Brewery Inc., SMC Tollways Corporation, SMC SLEX Inc., Aerofuel Storage Management Inc., Argonbay Construction Company, Inc., Pacific Nickel Philippines, Inc., Philnico Industrial Corporation, and KB Space Holdings, Inc. He is the President of Armstrong Ash-fly and Logistics Company Inc. Mr. Ang graduated with a degree in Bachelor of Arts Major in Interdisciplinary Studies at the Ateneo de Manila University. As a director of a number of companies including listed companies, Mr. Ang has attended various trainings and seminars on Corporate Governance in the past five (5) years, the most recent of which is the training conducted by Center for Global and Best Practices on November 15, 2024.

Aurora T. Calderon has been a director of the Company since June 10, 2014. She has been a member of the Board of Directors of the Company for ten (10) years. She is also Senior Vice President and the Senior Executive Assistant to the Chairman and Chief Executive Officer of SMC. She is a member of the Corporate Governance Committee and Sustainability Committee of the Company. She holds the following positions in other publicly listed companies, namely: Director and Treasurer of Top Frontier Investment Holdings, Inc.; and Director of San Miguel Food and Beverage, Inc., Ginebra San Miguel, Inc., Petron Corporation, San Miguel Brewery Hong Kong Limited (listed in the Hong Kong Stock Exchange), and Petron Malaysia Refining & Marketing Bhd. (a company publicly listed in Malaysia). She is also a member of the Board of Directors of San Miguel Global Power Holdings Corp., SMC Tollways Corporation, SMC SLEX, Inc., Petron Marketing Corporation, Petron Freeport Corporation, New Ventures Realty Corporation, Las Lucas Construction and Development Corporation, Thai San Miguel Liquor Company Limited, San Miguel Equity Investments Inc., SMC Asia Car Distributors Corp., San Miguel Yamamura Packaging Corp., and San Miguel Aerocity Inc. She was formerly a Director of PAL Holdings, Inc., Philippine Airlines, Inc., Trustmark Holdings Corporation, Zuma Holdings and Management Corporation, Air Philippines Corporation, and Manila Electric Company. A certified public accountant, Ms.

Calderon graduated magna cum laude from the University of the East with a degree in BS Business Administration, major in Accountancy. In addition, Ms. Calderon holds directorships in various SMC domestic and international subsidiaries. As a director of a number of companies including listed companies, Ms. Calderon has attended various trainings and seminars on Corporate Governance in the past five (5) years, the most recent of which is the training conducted by SGV&Co. on September 26, 2024.

Joselito D. Campos, Jr. has been a Director since May 31, 2010. He has been a member of the Board of Directors of the Company for fifteen (15) years. He is a member of the Related Party Transactions Committee of the Company. He is the Managing Director and Chief Executive Officer of Del Monte Pacific Ltd., President and Chief Executive Officer of Del Monte Philippines, Inc. He is also the Chairman of the Board and Chief Executive Officer of the NutriAsia Group of Companies, Chairman of the Board of Fort Bonifacio Development Corp. and Vice Chairman of the Board of Ayala Greenfield Development Corp. He is also a Director of FieldFresh Foods (P) Ltd. He was the former Chairman of the Board and Chief Executive Officer of United Laboratories, Inc. and its regional subsidiaries and affiliates. He is also the Honorary Consul in the Philippines for the Republic of Seychelles. He is Chairman of the Metropolitan Museum of Manila and a Trustee of the Asia Society in the Philippines, the Philippines-China Business Council, the Philippine Center for Entrepreneurship and a member of the WWF (World Wildlife Fund) for Nature - Philippines. He graduated with a degree in BS Commerce, Major in International Business from the University of Santa Clara, California and a Masters in Business Administration degree from Cornell University, New York. As a director of a number of companies including listed companies, Mr. Campos has attended various trainings and seminars on Corporate Governance in the past five (5) years, the most recent of which is the training conducted by Center for Global and Best Practices on November 15, 2024.

Jose C. De Venecia, Jr. is a Director of the Company since March 16, 2017. He has been a member of the Board of Directors of the Company for eight (8) years. He was former Speaker of the House of Representatives (from 1992 to 1998, and from 2001 to 2008). Before joining politics, he was an international entrepreneur, engaged in the business of port operations in Saudi Arabia, agriculture in Africa, mass housing in Iraq and oil exploration in the United Arab Emirates. He has a Bachelor of Arts degree in Journalism from the Ateneo de Manila University. He completed his secondary education at De La Salle College, Manila. As a director of a number of companies including listed companies, Mr. De Venecia, Jr. has attended various trainings and seminars on Corporate Governance in the past five (5) years, the most recent of which is the training conducted by Center for Global and Best Practices on November 10, 2023.

Menardo R. Jimenez has been a Director of the Company since February 27, 2002 and a Member of the Executive Committee and Corporate Governance Committee of the Company. He has been a member of the Board of Directors of the Company for twenty three (23) years. He is also a Director of San Miguel Food and Beverage, Inc., a publicly listed company, and Magnolia, Inc. He is the Chairman of Coffee Bean and Tea Leaf Holdings, Inc., Dasoland Holdings Corporation, Majent Management and Development Corporation, Meedson Properties Corporation, Menarco Holdings, Inc., Next Century Building Systems, Inc., Television International Corporation and the Table Group, Inc. He is also Chairman Emeritus of Majent Agro Industrial Corporation, and Nuvoland Philippines, Inc. He is also a director of Cunickel Mining & Industrial Corporation, Dasoland Corporation, Menarco Development Corporation, Menarco Property Development & Management Corporation, Modesto Holdings Philippines, Inc., and Unicapital Equities Ventures Inc. He is a graduate of Far Eastern University with a degree of Bachelor of Science in Commerce and is a certified public accountant. As a director of a number of companies including listed companies, Mr. Jimenez has attended various trainings and seminars on Corporate Governance in the past five (5) years, the most recent of which is the training conducted by SGV & Co. on September 6, 2024.

Estelito P. Mendoza was first elected as a Director of the Company on October 30, 1991 and served until April 21, 1993. He was re-elected as Director of the Company on April 21, 1998 up to the present. He has been a member of the Board of Directors of the Company for a total of thirty one (31) years. He is a Member of the Executive Committee and the Audit and Risk

Oversight Committee of the Company. He is also a Director of Petron Corporation and Philippine National Bank which are both publicly listed companies. He was formerly a director of the Manila Electric Company and Philippine Airlines, Inc. Atty. Mendoza, a former Solicitor General, Minister of Justice, Member of the Batasang Pambansa and Governor of the Province of Pampanga, heads the E.P. Mendoza Law Office, and was also formerly Chairman of the Board of Dutch Boy Philippines, Inc. and Alcorn Petroleum and Minerals Corporation, and Director of East-West Bank. He graduated from the University of the Philippines College of Law cum laude. He also holds a Master of Laws degree from Harvard Law School. As a director of a number of companies including listed companies, Atty. Mendoza has attended various trainings and seminars on Corporate Governance in the past five (5) years, the most recent of which is the training conducted by SGV & Co. on October 1, 2024.

Ernesto M. Pernia was elected as a Director of the Company on August 4, 2022 and is a Member of the Sustainability Committee of the Company. Mr. Pernia was the Secretary of Socioeconomic Planning and Director General of the National Economic and Development Authority of the Philippines from 2016 until 2020. Since 2013, he has served as Professor Emeritus of Economics, University of the Philippines (U.P.), after having been on the faculty of the U.P. School of Economics for several years. He likewise held the position of Lead Economist at the Asian Development Bank from 1999-2003. Mr. Pernia obtained his MA Economics degree from the University of Bridgeport, Connecticut in 1969, his AB Economics degree from the University of San Carlos in 1967, his degree of Bachelor of Theology from the UST Central Seminary in 1965, and his AB in Philosophy degree from the San Carlos Major Seminary (Cebu) in 1963. Mr. Pernia has served as Chairman of the Board of Trustees of the University of San Carlos, and a Director on the board of the Philippine-American Academy of Science and Engineering. He was also a former President of the Philippine Economic Society. Mr. Pernia has most recently attended the training on Corporate Governance conducted by the Center for Global Best Practices on November 15, 2024.

Alexander J. Poblador has been a Director of the Company since September 1, 2009 and a Member of the Related Party Transactions Committee and Sustainability Committee of the Company. He has been a member of the Board of Directors of the Company for fifteen (15) years. He is the Founding Partner and Chairman of the Executive Committee of Poblador Bautista & Reyes Law Office. Atty. Poblador is a practicing lawyer, specializing in the fields of commercial litigation, international arbitration, real estate finance and project development, bankruptcy and corporate reorganization. He also sits as a member of the Board of Directors of Alpha Aviation Group (Phil), Inc., Alsa Industries, Inc., Delfi Foods Inc., Delfi Marketing Inc., Xytron International, Inc. and B-Light Universal Trading, Inc. He is a graduate of the University of the Philippines with a degree in Bachelor of Laws cum laude, class valedictorian, and Bachelor of Arts in Political Science cum laude. He also holds a Master of Laws degree from the University of Michigan, at Ann Arbor, School of Law (De Witt Fellow). As a director of a number of companies including listed companies, Atty. Poblador has attended various trainings and seminars on Corporate Governance in the past five (5) years, the most recent of which is the training conducted by Center for Global Best Practices on November 15, 2024.

Iñigo U. Zobel has been a Director of the Company since October 2009 and was an Independent Director of the Company from May 5, 1999 until October 2009. He has been a member of the Board of Directors of the Company for twenty five (25) years. He is a Member of the Executive Committee of the Company. He holds the position of Chairman of the Board of Top Frontier Investment Holdings, Inc. and is a Director of PAL Holdings, Inc., which are both publicly listed companies. He is also the Chairman of the Board and President of Zygnnet Prime Holdings Inc.; Chairman of the Board of IZ Investment Holdings, Inc. and E. Zobel, Inc.; Director of E. Zobel Foundation, Inc. Calatagan Golf Club, Inc., Calatagan Bay Realty, Inc., Hacienda Bigaa, Inc., MERMAC, Inc., among others. He was formerly Chairman (2015-2016), Vice Chairman (since 2016) and President (since 2015) of Manila North Harbour Port, Inc., Philippine Airlines, Inc., and President and Chief Operating Officer of Air Philippines Corporation. He was formerly an Independent Director of San Miguel Brewery Inc., San Miguel Pure Foods Company, Inc., San Miguel Properties, Inc., and Ginebra San Miguel, Inc. He attended Santa Barbara College, California, U.S.A. As a director of a number of companies including listed companies, Mr. Zobel has attended various trainings and seminars

on Corporate Governance in the past five (5) years, the most recent of which is the training conducted by Center for Global Best Practices on November 15, 2024.

Teresita J. Leonardo-de Castro was elected as an Independent Director of the Company on August 6, 2020. She has been a member of the Board of Directors of the Company for four (4) years. She is also the Chairman of the Related Party Transactions Committee and Sustainability Committee of the Company and a Member of the Audit and Risk Oversight Committee of the Company. She is currently an independent director of the following publicly listed companies: Top Frontier Investment Holdings, Inc. since July 9, 2019 and the Philippine Stock Exchange, Inc. She also sits as a director of the Securities Clearing Corporation of the Philippines, and a trustee of the Philippine Stock Exchange Foundation, Inc.. In 2018, she was the President of the UP Sigma Alpha Sorority Alumnae Association, Inc.. In 2018, she was the Chief Justice of the Supreme Court until her retirement on October 10, 2018. She joined the Supreme Court as an Associate Justice on December 4, 2007. She was also the Presiding Justice of the Sandiganbayan from 2004 to 2007 and was previously Associate Justice of the Sandiganbayan (1997-2004). She completed her Bachelor of Laws in 1972 and Bachelor of Arts degree in political science cum laude in 1968, both from the University of the Philippines. As a director of a number of companies including listed companies, Madame De Castro has attended various trainings and seminars on Corporate Governance in the past five (5) years, the most recent of which is the training conducted by Center for Global Best Practices on November 15, 2024.

Felipe M. Medalla was elected as an Independent Director of the Company on August 8, 2024. He was the Governor and Chairman of the Monetary Board of the Bangko Sentral ng Pilipinas from July 1, 2022 to July 2, 2023. He was a member of the Monetary Board from 2011 to 2022. He was the Secretary of the Socio-Economic Planning and Director General of the National Economic and Development Authority from 1998 to 2001. Prior to being a member of the Monetary Board, he spent 35 years as a member of the academe. He was Dean of the School of Economics at the University of the Philippines – Diliman from 1994 to 1998, where he was also a Professor from 1991 to 2011, and an Instructor, Assistant Professor and Associate Professor from 1976 to 1991. Dr. Medalla obtained his PhD degree in Economics from the Northwestern University, Evanston Illinois, USA in 1983. He earned his MA Economics degree from the University of the Philippines in 1976, and his AB-BSC (Economics-Accounting) degree cum laude from De La Salle University in 1970. Mr. Medalla attended the training conducted by Center for Global Best Practices on November 15, 2024.

Diosdado M. Peralta was elected as an Independent Director of the Company on June 8, 2021 and was appointed as a member of the Audit and Risk Oversight Committee, Corporate Governance Committee, and Sustainability Committee. He is an independent director of International Container Terminal Service, Inc., Bloomberry Resorts Corporation, and Philippine Business Bank. He is also an independent director of the Manila Hotel, the Chairman and President of the Heavenly Place Memorial park, and a member of the Board of Trustee of the University of the East and U.E.R.M. Hospital. He has been a member of the Board of Directors of the Company for two (2) years. He was the Chief Justice of the Supreme Court from October 23, 2019 until his early retirement on March 27, 2021. He joined the Supreme Court as an Associate Justice in 2011 and was previously Associate Justice of the Sandiganbayan since 2002 prior to his appointment to the Supreme Court. He was previously a judge at the Regional Trial Court of Quezon City, and prosecutor in the City of Manila and Laoag City, Ilocos Norte. He completed his Bachelor of Laws degree from the University of Santo Tomas in 1979 and his undergraduate degree from Colegio de San Juan de Letran in 1974. He was admitted to the Bar in 1980. As a director of a number of companies including listed companies, Mr. Peralta has attended various trainings and seminars on Corporate Governance, the most recent of which is the training conducted by Center for Global Best Practices on November 15, 2024.

Reynato S. Puno was elected to the Board as an Independent Director of the Company on January 20, 2011 and is the Chairman of the Corporate Governance Committee and a Member of the Audit and Risk Oversight Committee and Related Party Transaction Committee of the Company. He has been a member of the Board of Directors of the Company for fourteen (14) years. He is also an independent director of San Miguel Brewery Inc., San Miguel Brewery Hong Kong Ltd. (a company publicly listed in the Hong Kong Stock

Exchange) and a member of the Board of Commissioners of PT Delta Djakarta Tbk (a company listed in the Indonesia Stock Exchange). He is also the Chairman of the Environmental Heroes Foundation, CyberCool Defcon, Inc., Philippine Bible Society and GenWatt Solar Energy Solutions (Philippines). He is a member of the Board of Trustees of the World Vision Development Foundation, Inc., and a member of the Board of Regents of the Manuel L. Quezon University. He is Vice Chairman of the Board of the GMA Kapuso Foundation; and Director of The New Standard newspaper. He is a legal consultant of the Department of Energy and Union Bank. He was the Chief Justice of the Supreme Court from December 6, 2006 until his retirement on May 17, 2010. He joined the Supreme Court as an Associate Justice on June 1993 and was previously Associate Justice of the Court of Appeals (1980, 1986 to 1993), Appellate Justice of the Intermediate Appellate Court (1983), Assistant Solicitor General (1974-1982) and City Judge of Quezon City (1972-1974). He also served as Deputy Minister of Justice from 1984-1986. He completed his Bachelor of Laws from the University of the Philippines in 1962, and has a Master of Laws degree from the University of California in Berkeley (1968) and a Master in Comparative Law degree from the Southern Methodist University, Dallas, Texas (1967). As a director of a number of companies including listed companies, Mr. Puno has attended various trainings and seminars on Corporate Governance in the past five (5) years, the most recent of which is the training conducted by Center for Global Best Practices on November 15, 2024.

Margarito B. Teves was elected as an Independent Director of the Company on June 14, 2012 and is the Chairman of the Audit and Risk Oversight Committee and a Member of the Corporate Governance Committee and Related Party Transactions Committee of the Company. He has been a member of the Board of Directors of the Company for thirteen (13) years. He is also an Independent Director of Petron Corporation, a publicly listed company, SMC Tollways Corporation (formerly, Atlantic Aurum Investments Philippine Corporation), AB Capital Investment Corp., Alphaland Corporation, Alphaland Balesin Island Club, Inc., Alphaland Corporation, The City Club at Alphaland Makati Place, Inc., and Atok-Big Wedge Corporation. He is also the Managing Director of The Wallace Business Forum and Chairman of the Board of Think Tank Inc. and a director of Pampanga Sugar Development Co. He was Secretary of the Department of Finance of the Philippine government from 2005 to 2010, and was previously President and Chief Executive Officer of the Land Bank of the Philippines from 2000 to 2005, among others. He holds a Master of Arts in Development Economics from the Center for Development Economics, Williams College, Massachusetts and is a graduate of the City of London College, with a degree of Higher National Diploma in Business Studies which is equivalent to a Bachelor of Science in Business Economics. As a director of a number of companies including listed companies, Mr. Teves has attended various trainings and seminars on Corporate Governance in the past five (5) years, the most recent of which is the training conducted by SGV & Co. on September 26, 2024.

Officers

Name	Age	Citizenship	Position
Ferdinand K. Constantino	73	Filipino	Senior Vice President - Chief Finance Officer and Treasurer until January 31, 2025
Virgilio S. Jacinto	68	Filipino	Senior Vice President – General Counsel, Compliance Officer and Corporate Secretary
Aurora T. Calderon	71	Filipino	Senior Vice President – Senior Executive Assistant to the Office of the President and Chief Operating Officer
Joseph N. Pineda	61	Filipino	Senior Vice President – Deputy Chief Finance Officer and Treasurer
Lorenzo G. Formoso III	63	Filipino	Senior Vice President – Head of SMC Infrastructure Business
Cecile Caroline U. De Ocampo	59	Filipino	Senior Vice President - Head of Corporate Mergers and Acquisitions

Bryan U. Villanueva	55	Filipino	Senior Vice President – Chief Finance Officer as of February 1, 2025
Bella O. Navarra	64	Filipino	Senior Vice President and Comptroller
Susan Y. Yu	50	Filipino	Senior Vice President - Head of Corporate Procurement

Ferdinand K. Constantino was a Director of the Company from May 31, 2010 to February 28, 2018. He was the Senior Vice President - Chief Finance Officer and Treasurer of the Company until January 31, 2025. He remains a senior advisor of SMC. He is President of Anchor Insurance Brokerage Corporation; Director of San Miguel Brewery Inc., and San Miguel Foods International Limited (formerly, San Miguel Pure Foods International Limited); and a Trustee of the San Miguel Foundation, Inc. Mr. Constantino is also a member of the board of directors of The Philippine Stock Exchange, Inc. Mr. Constantino previously served San Miguel Corporation as Chief Finance Officer of the San Miguel Beer Division (1999-2005) and as Chief Finance Officer and Treasurer of San Miguel Brewery Inc. (2007-2009); Director of San Miguel Pure Foods Company, Inc. (2008-2009); Director of San Miguel Properties, Inc. (2001-2009); Chief Finance Officer of Manila Electric Company (2009); Director of Top Frontier Investment Holdings, Inc. (2010-2021); Director (2010-2021), Treasurer (2010-2011), and Vice Chairman (2011-2021) of San Miguel Global Power Holdings Corp.; and Director and Chief Finance Officer of San Miguel Northern Cement, Inc. (2017-2021). He has held directorships in various domestic and international subsidiaries of the Company during the last five (5) years. He holds a degree in AB Economics from the University of the Philippines and completed academic requirements for an MA Economics degree. On September 26, 2024, and November 15, 2024, he attended the corporate governance trainings conducted by SGV & Co., and the Center for Global Best Practices, respectively.

Virgilio S. Jacinto is the Senior Vice President - Corporate Secretary, General Counsel, and Compliance Officer of SMC (since October 2010). He is also the Corporate Secretary and Compliance Officer of Top Frontier Investment Holdings, Inc. and Corporate Secretary of Ginebra San Miguel, Inc. and other subsidiaries and affiliates of SMC. He is a Director of Petron Corporation. He was formerly the Vice President and First Deputy General Counsel from 2006 to 2010 and appointed as SMC General Counsel in 2010. He was Director and Corporate Secretary of United Coconut Planters Bank, Partner at Villareal Law Offices and Associate at SyCip, Salazar, Feliciano & Hernandez Law Office. Atty. Jacinto is an Associate Professor at the University of the Philippines, College of Law. He obtained his law degree from the University of the Philippines cum laude where he was the class salutatorian and placed sixth in the 1981 bar examinations. He holds a Master of Laws degree from Harvard Law School. He holds various directorships in various local and offshore subsidiaries of SMC. On September 26, 2024, he attended the corporate governance training conducted by SGV & Co.

Joseph N. Pineda is the Senior Vice President and Deputy Chief Finance Officer. Effective June 1, 2021, he was also appointed Head of Treasury of SMC. Effective February 1, 2025, Mr. Pineda was appointed Treasurer of SMC replacing Mr. Constantino. He was formerly Vice President prior to his promotion on July 27, 2010 and has been the Deputy Chief Finance Officer since December 2005. He was previously Special Projects Head of SMC since January 2005. Mr. Pineda has a degree of Bachelor of Arts in Economics from San Beda College and obtained units towards a Masters in Business Administration degree from De La Salle University. In addition, Mr. Pineda holds directorships in various SMC domestic and international subsidiaries. On November 15, 2024, he attended the corporate governance training conducted by Center for Global Best Practices.

Lorenzo G. Formoso III is the Senior Vice President and Head of SMC Infrastructure Business. Atty. Formoso holds various directorships in various local and offshore subsidiaries of SMC. He is a member of the Board of Directors of SMC SLEX, Inc., SMC Mass Rail Transit Inc., SMC Skyway Corporation, SMC Skyway Stage 3 Corporation, SMC TPLEX Corporation, Trans Aire Development Holdings Corp., Previously, he was a consultant of the Company for Infrastructure and Transportation from July 2009 to August 2010. He was previously Assistant Secretary of the Department of Transportation and Communication of the Philippine Government from September 2006 to June 2009 and Deputy Commissioner of the

Commission on Information and Communications Technology. He obtained his Juris Doctor degree from University of California, Davis School of Law and a degree in Bachelor of Arts in Philosophy from the University of the Philippines. Atty. Formoso is a director in various SMC subsidiaries. On November 15, 2024, he attended the corporate governance training conducted by Center for Global Best Practices.

Cecile Caroline U. De Ocampo is the Senior Vice President and Head of Corporate Mergers and Acquisitions of SMC. She has been the head of Corporate Mergers and Acquisitions since 2016. She has been an officer of the Company since 2002 as Assistant Vice President for Planning and Project Development, and later as Vice President in 2007. She was Planning and Product Development Manager of the Company since 2002. She has been with the Company in various positions since 1990 and has been with Corporate Planning and Development since 2002 until 2007. She is a graduate of Ateneo de Manila University with a degree in BS Management Engineering. On November 15, 2024, she attended the corporate governance training conducted by Center for Global Best Practices.

Bryan U. Villanueva is the Senior Vice President and Chief Finance Officer of the Company effective February 1, 2025. He was formerly SVP for Special Corporate Projects – Office of the President of SMC since November 2023 and Chief Finance Officer of San Miguel Aerocity Inc., a position which he has held since 2020. He has been a consultant of SMC since 2018. Prior to joining SMC, Mr. Villanueva was the Managing Director, Global Head of Finance Sponsors Coverage at Standard Chartered Bank (Singapore) from 2008 to 2017. He was previously with Framework Capital Corporation (Singapore) as Director from 2006 to 2008, Executive Director at UBS Investment Bank (Hong Kong) from 2002 to 2006 and an Associate at Goldman Sachs (US/Singapore/Hong Kong) from 1998 to 2002. In 1991, he obtained a degree in BS Management Engineering from Ateneo de Manila University. He also has a Masters degree in Business Administration, Major in Finance from Wharton Business School. On November 15, 2024, he attended the corporate governance training conducted by Center for Global Best Practices.

Bella O. Navarra is the Senior Vice President and Comptroller of the Company. Ms. Navarra holds various directorships in various local and offshore subsidiaries of SMC. Since 2000, Ms. Navarra was VP and Comptrollership Manager of the Company. Prior to joining SMC, Ms. Navarra was Vice President – Office of the Treasurer at SGV & Company from 1989 to 2000. She was also audit manager at PCI Bank from 1980 to 1989. She graduated with a degree in BS Accounting from the University of the East. On November 15, 2024, she attended the corporate governance training conducted by Center for Global Best Practices.

Susan Y. Yu is the Senior Vice President of the Company and Head of Corporate Procurement. Ms. Susan Yu holds various directorships in various local and offshore subsidiaries of SMC. Prior to this appointment, Ms. Susan Yu was Vice President for Special Projects at Petron Corporation from January to February 2024, and Vice President, Senior Procurement Manager at Petron Corporation from April 2009 to December 2023. She was also AVP and Senior Procurement Manager at San Miguel Brewery Inc from March 2008 to March 2009, AVP and Senior Procurement Manager at CSU from 2006 to 2008 and was at CSU Corporate Procurement from 2003 to 2006. She was Fuel Purchasing and Risk Management Manager at Philippine Airlines from 1997 to 2003. She graduated with a degree in BS Management from De La Salle University and has an MBA from Ateneo de Manila University. On September 26, 2024, she attended the corporate governance training conducted by SGV&Co.

Term of Office

Pursuant to the Company's By-Laws, the directors are elected at each annual stockholders' meeting by stockholders entitled to vote. Each director holds office until the next annual election and his successor is duly elected, unless he resigns, dies or is removed prior to such election.

Independent Directors

The independent directors of the Company are as follows:

1. Teresita J. Leonardo-De Castro
2. Felipe M. Medalla
3. Diosdado M. Peralta
4. Reynato S. Puno
5. Margarito B. Teves

Involvement in Certain Legal Proceedings

None of the directors, nominees for election as director, executive officers or control persons of SMC have been the subject of any (a) bankruptcy petition, (b) conviction by final judgment in a criminal proceeding, domestic or foreign, (c) order, judgment or decree of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities, which is not subsequently reversed, suspended or vacated, or (d) judgment of violation of a securities or commodities law or regulation by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, which has not been reversed, suspended or vacated, for the past five (5) years up to the latest date that is material to the evaluation of his ability or integrity to hold the relevant position in SMC.

Item 10. Executive Compensation

The aggregate compensation paid or incurred during the last two (2) fiscal years and estimated to be paid in the ensuing fiscal year to the Chief Executive Officer and senior executive officers of the Company are as follows:

NAME	YEAR	SALARY	BONUS	OTHERS	TOTAL
Total Compensation of the Chief Executive Officer and Senior Executive Officers ²	2025 (estimated)	₱226.6 Million	₱68.0 Million	₱4.7 Million	₱299.3 Million
	2024	₱162.8 Million	₱149.2 Million	₱23.7 Million	₱335.7 Million
	2023	₱184.8 Million	₱49.7 Million	₱28.3 Million	₱262.8 Million
All other officers and directors as a group unnamed	2025 (estimated)	₱375.5 Million	₱112.9 Million	₱78.7 Million	₱567.1 Million
	2024	₱354.7 Million	₱126.7 Million	₱76.4 Million	₱557.8 Million
	2023	₱265.7 Million	₱80.6 Million	₱62.6 Million	₱408.9 Million
Total	2025 (estimated)	₱602.1 Million	₱180.9 Million	₱83.4 Million	₱866.4 Million
	2024	₱517.5 Million	₱275.9 Million	₱100.1 Million	₱893.5 Million
	2023	₱450.5 Million	₱130.3 Million	₱90.9 Million	₱671.7 Million

Section 10 of the Amended By-Laws of the Company provides that the Board of Directors shall receive as compensation no more than 2% of the profits obtained during the year after deducting therefrom general expenses, remuneration to officers and employees, depreciation on buildings, machineries, transportation units, furniture and other properties. Such compensation shall be apportioned among the directors in such manner as the Board deems proper. The Company provides each director with reasonable per diem of ₱50,000 and ₱20,000 for each Board and Committee meeting attended, respectively.

² The Chief Executive Officer and senior executive officers of the Company for 2005 are Ramon S. Ang, John Paul L. Ang, Aurora T. Calderon, Virgilio S. Jacinto and Bryan U. Villanueva. The Chief Executive Officer and senior executive officers of the Company for 2024 are Ramon S. Ang, John Paul L. Ang, Ferdinand K. Constantino, Aurora T. Calderon, and Virgilio S. Jacinto. The Chief Executive Officer and senior executive officers of the Company for 2023 are Ramon S. Ang, Ferdinand K. Constantino, Aurora T. Calderon, Virgilio S. Jacinto and Joseph N. Pineda.

The Long-Term Incentive Plan for Stock Options (“LTIP”) of the Company grants stock options to eligible senior and key management officers of the Company as determined by the Committee administering the said Plan. Its purpose is to further and promote the interests of the Company and its shareholders by enabling the Company to attract, retain and motivate senior and key management officers, and to align the interests of such officers and the Company’s shareholders.

On November 10, 2005, the Company approved the grant of stock options to 1,096 executives and middle managers of about 4.43 million shares based on the closing price of the Company’s shares, computed in accordance with the LTIP. Also on March 1, 2007, the Parent Company approved the grant of options to 822 executives consisting of 18.31 million shares. On June 25, 2009 and June 26, 2008, the Parent Company approved the grant of options to 755 executives consisting of 5.77 million shares and to 742 executives consisting of 7.46 million shares, respectively. At the end of 2018, there are no more outstanding options to purchase the shares of the Company arising from the LTIP.

There were no employment contracts between the Company and a named executive officer. There were neither compensatory plans nor arrangements with respect to a named executive officer.

Item 11. Security Ownership of Certain Beneficial Owners and Management

Owners of more than 5% of the Company’s voting³ securities as of December 31, 2024 were as follows:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent to Total Outstanding Capital Stock
Common	Top Frontier Investment Holdings, Inc. ⁴ 5th Floor, ENZO Bldg., No. 339 Sen. Gil Puyat, Makati City	Iñigo Zobel, Filipino, Director of the Company, and Ramon S. Ang, Filipino, the President and Chief Operating Officer of the Company, are beneficial owners of 52.82% and 34.86% ⁵ of the outstanding common stock of Top Frontier, respectively.	Filipino	1,472,668,340	38.21%
Common	PCD Nominee Corporation (Filipino) Makati City	Various individuals/entities	Filipino	304,161,576	34.87%
Series “2” Preferred Shares	PCD Nominee Corporation (Filipino) Makati City	Various individuals/entities	Filipino	1,049,103,462	

³ Common stockholders have the right to vote on all matters requiring stockholders’ approval. The holders of the Series “2” Preferred shares shall not be entitled to vote except in matters provided for in the Revised Corporation Code: amendment of articles of incorporation; adoption and amendment of by-laws; sale, lease exchange, mortgage, pledge, or other disposition of all or substantially all of the corporate property; incurring, creating or increasing bonded indebtedness; increase or decrease of capital stock; merger or consolidation with another corporation or other corporations; investment of corporate funds in another corporation or business; and dissolution.

⁴ The shares owned by Top Frontier Investment Holdings, Inc. are voted, in person or by proxy, by its authorized designate. As of December 31, 2023, Top Frontier Investment Holdings, Inc. has voting rights to a total of 1,472,668,340 shares of the Company which represent about 61.78% of the outstanding common capital stock of the Company.

⁵ As of December 31, 2023, through Privado Holdings, Corp., Far East Holdings, Inc. and Master Year Limited, all stockholders of record of Top Frontier Investment Holdings, Inc.

Common	Privado Holdings, Corp. 153 EDSA, Brgy. Wack-wack, Mandaluyong City	Ramon S. Ang, Filipino, as beneficial owner of 100% of the outstanding capital stock of Privado. ⁶	Filipino	373,623,796 ⁷	9.69%

The following are the number of shares comprising the Company's capital stock (all of which are voting shares) owned of record by the President, the directors, key officers of the Company, and nominees for election as director, as of December 31, 2024:

Name of Owner	Amount and Nature of Ownership		Citizenship	Total No. of Shares and Percent to Total Outstanding Capital Stock
	Common	Preferred		
Ramon S. Ang	1,345,429 (D) 368,140,516 (I) ⁸ 5,483,280 ⁹ 194,076,265 (I) ¹⁰ 143,642,255 (I) ¹¹ 175,370,472 ¹² 295,741 (I) ¹³		Filipino	888,353,958 (23.05%)
John Paul L. Ang	5,000 (D)		Filipino	5,000 (0.00%)
Aurora T. Calderon	22,600 (D)		Filipino	22,600 (0.00%)
Joselito D. Campos, Jr.	9,149 (D)		Filipino	9,149 (0.00%)
Teresita J. Leonardo-De Castro	5,000 (D)		Filipino	5,000 (0.00%)
Jose C. de Venecia, Jr.	5,000 (D)		Filipino	5,000 (0.00%)
Menardo R. Jimenez	5,000 (D)		Filipino	5,000 (0.00%)
Felipe M. Medalla	5,000 (D)		Filipino	5,000 (0.00%)
Estelito P. Mendoza	31,972 (D)		Filipino	31,972 (0.00%)
Diosdado M. Peralta	5,000 (D)		Filipino	5,000 (0.00%)
Ernesto M. Pernia	5,000 (D)		Filipino	5,000 (0.00%)
Alexander J. Poblador	5,000 (D)		Filipino	5,000 (0.00%)
Reynato S. Puno	5,000 (D)		Filipino	5,000 (0.00%)
Margarito B. Teves	5,000 (D)		Filipino	5,000 (0.00%)
Iñigo Zobel	16,171 (D) 777,871,381 (I) ¹⁴		Filipino	777,887,552 (20.18%)
Ferdinand K. Constantino	477,692 (D)	66,600 (D)	Filipino	544,292 (0.01%)
Virgilio S. Jacinto	180,830 (D)		Filipino	180,830 (0.01%)
Joseph N. Pineda	62,715 (I)		Filipino	62,715 (0.00%)
Lorenzo G. Formoso III	20,000 (D)		Filipino	20,000 (0.00%)
Cecile Caroline U. De Ocampo	1,950 (D)	47,800 (I)	Filipino	49,750 (0.00%)
Bryan U. Villanueva	0 (N/A)		Filipino	0 (0.00%)
Bella O. Navarra	116,913 (D)	65,000 (I)	Filipino	181,913 (0.00%)
Susan Y. Yu	0 (N/A)		Filipino	0 (0.00%)

⁶ As of December 31, 2023.

⁷ Inclusive of 368,140,516 common shares held in the name of Privado Holdings Corp. and 5,483,280 common shares which are lodged with the PDTC.

⁸ Through his 100% shareholdings in Privado Holdings Corp.

⁹ Through his 100% shareholdings in Privado Holdings, Corp. which has shares which are lodged with the PDTC.

¹⁰ Through his direct shareholdings in Master Year Limited which has shares in Top Frontier Investment Holdings, Inc. which in turn has shares in the Company.

¹¹ Through his direct shareholdings in Privado Holdings Corp. which has shares in Top Frontier Investment Holdings, Inc. which in turn has shares in the Company.

¹² Through his direct shareholdings in Far East Holdings, Inc. which has shares in Top Frontier Investment Holdings, Inc. which in turn has shares in the Company.

¹³ Through his direct shareholdings in Top Frontier Investment Holdings, Inc. which has shares in the Company.

¹⁴ Through his 52.82% shareholdings in the common stock of Top Frontier Investment Holdings, Inc.

The aggregate number of shares directly or indirectly owned of record by the President and Chief Executive Officer, key officers and directors (as a group) of the Company as of December 31, 2024 is 1,667,394,731 or approximately 43.27% of the outstanding capital stock of the Company.

The aggregate number of shares directly or indirectly owned of record by the President and Chief Executive Officer, key officers and directors (as a group) of the Company as of March 31, 2025 is 1,667,818,467 or approximately 43.25% of the outstanding capital stock of the Company.

The aggregate number of shares owned of record of all officers and directors (as a group) of SMC as of December 31, 2024 is 1,667,738,916 shares or approximately 43.28% of the Company's outstanding capital stock.

The aggregate number of shares owned of record of all officers and directors (as a group) of SMC as of March 31, 2025 is 1,667,189,252 shares or approximately 43.26% of the Company's outstanding capital stock.

There were no LTIP options exercised by the Chief Executive Officer, key officers and directors of the Company in 2024 and 2023.

Voting Trust

There is no person holding more than 5% of the Company's voting securities under a voting trust arrangement.

Changes in Control

The Company is not aware of any change in control or arrangement that may result in a change in control of the Company since the beginning of its last fiscal year.

Foreign Ownership

As of December 31, 2024, the following is the foreign ownership of the shares of stock of the Company:

Share Class	Foreign Shares	Percentage of Foreign Ownership	Local Shares/ Shares held by Filipinos	Percentage of Filipino Ownership	Total Shares Outstanding
Common	114,414,934	4.80%	2,269,481,654	94.20%	2,383,896,588
Preferred Series "2-F"	1,297,962	0.58%	222,035,538	99.42%	223,333,500
Preferred Series "2-I"	1,459,630	0.86%	167,873,770	99.14%	169,333,400
Preferred Series "2-J"	698,810	0.26%	265,967,857	99.74%	266,666,667
Preferred Series "2-K"	2,147,275	1.17%	181,757,625	98.83%	183,904,900
Preferred Series "2-L"	1,221,740	0.74%	164,136,860	99.26 %	165,358,600
Preferred Series "2-M"	0	0.00%	173,333,325	100.00%	173,333,325
Preferred Series "2-N"	1,668,410	1.69%	98,426,690	98.31%	100,115,100
Preferred Series "2-O"	602,800	0.32%	187,256,900	99.68%	187,859,700
Total	123,531,561	3.21%	3,730,270,219	96.79%	3,853,801,780

Item 12. Certain Relationships and Related Transactions

Related Party Disclosures

SMC, certain subsidiaries and their shareholders, associates and joint ventures purchase products and services from one another in the normal course of business. SMC requires approval of the BOD for related party transactions amounting to at least ten percent (10%) of the total consolidated assets based on its latest audited financial statements.

Amounts owed by/owed to related parties are collectible/will be settled in cash. An assessment is undertaken at each financial year by examining the financial position of the related party and the market in which the related party operates.

The following are the transactions with related parties and the outstanding balances as at December 31, 2024 and 2023:

<i>(Amounts in Million)</i>	Year	Revenue from Related Parties	Purchases from Related Parties	Amounts Owed by Related Parties	Amounts Owed to Related Parties	Terms	Conditions
Ultimate Parent Company	2024	P9	P -	P -	P516	Settled on dividend	Unsecured
	2023	7	-	-	516	payment date	
	2024	-	-	3,037	-	To be settled on	Unsecured;
	2023	-	-	3,037	-	the first anniversary of commercial operations of the Nonoc Project; interest bearing	no impairment
Retirement Plans	2024	30	-	3,166	-	On demand;	Unsecured;
	2023	29	-	3,332	-	non-interest bearing	no impairment
	2024	234	-	4,127	-	On demand;	Unsecured;
	2023	239	-	4,129	9	interest bearing	no impairment
Associates	2024	1,984	-	940	161	On demand;	Unsecured;
	2023	2,466	-	1,119	73	non-interest bearing	no impairment
	2024	637	1,394	9,720	34,208	Less than 1 to 12 years; interest bearing	Unsecured; secured; no impairment
	2023	469	1,447	9,717	25,076	On demand;	Unsecured;
Joint Ventures	2024	88	1,103	268	456	On demand;	Unsecured;
	2023	74	65	197	18	non-interest bearing	no impairment
	2024	13	-	621	-	On demand;	Unsecured;
	2023	40	-	621	-	interest bearing	with impairment
Shareholder of the Ultimate Parent Company	2024	81	-	1,485	-	Less than 1 to 10.5 years; interest bearing	Unsecured;
	2023	77	-	1,479	-	interest bearing	no impairment
	2024	-	-	1,300	-	On demand;	Unsecured;
	2023	-	-	1,300	-	non-interest bearing	no impairment
Shareholders in subsidiaries	2024	43	1,265	96	1,368	On demand;	Unsecured;
	2023	30	990	100	1,304	non-interest bearing	no impairment
Others	2024	543	1,559	208	126	On demand;	Unsecured;
	2023	452	2,965	157	161	non-interest bearing	no impairment
Total	2024	P3,662	P5,321	P24,968	P36,835		
Total	2023	P3,883	P5,467	P25,188	P27,157		

- Revenue consists of sale of power, fuel and other products and services to related parties.
- Purchases consist of purchase of inventories, power and other products and services from related parties.
- Amounts owed by related parties consist of current and noncurrent receivable, advances to suppliers and deposits and share in expenses.
 - Amounts owed by related parties include interest bearing receivable from the Ultimate Parent Company related to the remaining balance of the consideration for the sale of Clariden Holdings, Inc. (Clariden) amounting to P2,312 million and the assignment of certain receivables of the Ultimate Parent Company amounting to P725 million.

- (i) *Amounts owed by the Ultimate Parent Company amounting to P2,312 million:* On September 27, 2019, SMC and Top Frontier Investment Holdings, Inc. agreed in writing that the second payment amounting to P1,099 million, plus 5.75% interest rate per annum of any portion thereof unpaid, and the final payment amounting to P1,213 million, plus 6.00% interest rate per annum of any portion thereof unpaid, shall be payable and the interest shall be accrued, on the first anniversary of commercial operations of the Nonoc Project or such extended date as may be mutually agreed by the parties in writing.
- (ii) *Amounts owed by the Ultimate Parent Company amounting to P725 million:* On September 27, 2019, the parties agreed in writing that the amounts plus 5.75% interest rate per annum of any portion thereof unpaid shall be payable and the interest shall be accrued, upon commencement of commercial operations of the Nonoc Project.

The Nonoc Project is primarily focused in extracting nickel deposits in Nonoc Island, Surigao City, Surigao del Norte undertaken by Philnico Industrial Corporation, Pacific Nickel Philippines, Inc., and Philnico Processing Corp., indirect subsidiaries of Clariden. As at December 31, 2024 and 2023, the Nonoc Project has not yet started commercial operations.

These amounts are included as part of noncurrent receivables and deposits under "Other noncurrent assets - net" account in the consolidated statements of financial position as at December 31, 2024 and 2023.

- b) The Parent Company has advances to and receivables from San Miguel Corporation Retirement Plan amounting to P6,311 million and P6,522 million as at December 31, 2024 and 2023, respectively, included as part of "Amounts owed by related parties" under "Trade and other receivables - net" account in the consolidated statements of financial position. Portion of the advances are subject to interest of 5.75% per annum in 2024 and 2023. Interest income earned from the advances amounted to P189 million in 2024 and P188 million in 2023 and 2022.
- c) Petron has advances to Petron Corporation Employee Retirement Plan amounting to P982 million and P937 million as at December 31, 2024 and 2023, respectively, included as part of "Amounts owed by related parties" under "Trade and other receivables - net" account in the consolidated statements of financial position. Portion of the advances are subject to interest of 5% per annum in 2024 and 2023. Interest income earned from the advances amounted to P45 million in 2024 and 2023 and P58 in 2022.
- d) Amounts owed by related parties include investments in equity and debt instruments under investment management agreement with BankCom for a total amount of P9,718 million and P9,788 million as at December 31, 2024 and 2023, respectively, presented as part of "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts in the consolidated statements of financial position. Income earned from investments in equity and debt instruments amounted to P627 million, P466 million and P1,369 million in 2024, 2023 and 2022, respectively.
- e) Amounts owed by related parties include interest-bearing receivable from joint ventures amounting to P621 million included as part of "Trade and other receivables - net" account in the consolidated statements of financial position. Allowance for impairment losses pertaining to these receivables amounted to P621 million as at December 31, 2024 and 2023. Interest income earned from the receivable amounted to P13 million and P40 million in 2024 and 2023, respectively.
- f) Amounts owed by joint ventures include the interest-bearing loans granted to Angat Hydro by PVEI.

In January 2017, PVEI granted shareholder advances to Angat Hydro amounting to US\$32 million (P1,579 million). The advances are subject to interest of 4.5% per annum and were due on April 30, 2017. The due date of the advances was extended to December 31, 2025, as agreed by the parties. As at December 31, 2024 and 2023, the remaining balance of the shareholder advances amounted to US\$2 million (P132 million) and US\$2 (P126 million), respectively.

In February 2023 and June and October 2021, PVEI granted additional shareholder advances to Angat Hydro amounting to P344 million, P600 million and P409 million, respectively. The advances are subject to interest of 6.125%, 4.6% and 6.125% per annum, respectively, and are due on January 5, 2032.

As at December 31, 2024 and 2023, the outstanding balance of advances amounted to P1,485 million and P1,479 million, respectively, presented as part of "Trade and other receivables - net" and "Other noncurrent assets - net" accounts in the consolidated statements of financial position. Interest income earned from the advances amounted to P81 million, P77 million and P59 million in 2024, 2023 and 2022, respectively.

- g) Amounts owed by related parties include the receivable from the assignment by ECC to Far East Holdings, Inc. of the advances for future investment in KB Space Holdings, Inc. amounting to P1,300 million, presented as part of "Trade and other receivables - net" account in the consolidated statements of financial position as at December 31, 2024 and 2023.
- 4. Amounts owed to related parties consist of trade payables, professional fees and leases. Amounts owed to a related party for the lease of office space presented as part of "Lease liabilities - current portion" amounted to P9 million and P4 million as at December 31, 2024 and 2023, respectively, and as part of "Lease liabilities - net of current portion" amounted to P35 million and P5 million as at December 31, 2024 and 2023, respectively. The amount owed to the Ultimate Parent Company pertains to dividends payable.
- 5. The amounts owed to associates include interest bearing loans payable to BankCom presented as part of "Loans payable" account amounting to P6,941 million and P6,382 million and "Long-term debt" account amounting to P27,267 million and P18,694 million in the consolidated statements of financial position as at December 31, 2024 and 2023, respectively. Interest expense incurred on the loans amounted to P1,394 million, P1,447 million and P1,004 million in 2024, 2023 and 2022, respectively.

The amounts owed to associates include syndicated project finance loans amounting to P20,584 million and P12,375 million as at December 31, 2024 and 2023, respectively, which were secured by certain property, plant and equipment and other intangible assets.

There were no known transactions with parties that fall outside the definition of "related parties" under PAS 24, *Related Party Disclosures*, but with whom SMC or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent parties on an arm's length basis.

PART IV – CORPORATE GOVERNANCE

Pursuant to SEC Memorandum Circular 15, Series of 2017, the Integrated Annual Corporate Governance Report (I-ACGR) of the Company for 2024 will be filed with the SEC on or before May 30, 2025.

PART V – EXHIBITS AND SCHEDULES

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

(a) Exhibits

The Audited Consolidated Financial Statements are attached as **Annex “B”** and the Supplementary Schedules are attached as **Annex “C”** hereto. The other Schedules as indicated in the Index to Schedules are either not applicable to the Parent Company and its subsidiaries or require no answer.

(b) Reports on Form 17-C

A summary list of the reports on Form 17-C filed during the last six-month period covered by this report is attached as **Annex “H”**.

(c) Sustainability Report

Attached as **“Annex I”** is the 2024 Sustainability Report of SMC.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 177 of the Revised Corporation Code of the Philippines, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Mandaluyong on

APR 10 2025

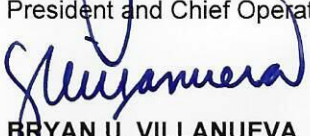
By:


RAMON S. ANG

Chairman
Chief Executive Officer


JOHN PAUL L. ANG

Vice Chairman
President and Chief Operating Officer


BRYAN U. VILLANUEVA

Chief Finance Officer


BELLA O. NAVARRA

Comptroller
Principal Accounting Officer


VIRGILIO S. JACINTO

Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 10 2025 at Mandaluyong City,
the following persons with their Competent IDs, as follows:

<u>NAME</u>	<u>PASSPORT NO.</u>	<u>DATE OF ISSUE</u>	<u>PLACE OF ISSUE</u>
Ramon S. Ang	P2247867B	May 22, 2019	DFA-Manila
John Paul L. Ang	P2247864B	May 22, 2029	DFA-Manila
Bryan U. Villanueva	P8559308B	December 23, 2021	DFA-Manila
Bella O. Navarra	P8424946B	December 10, 2021	DFA-Manila
Virgilio S. Jacinto	P3157226B	September 12, 2019	DFA-NCR-East

Doc. No. : 75 ;
Page No.: 110 ;
Book No.: 11 ;
Series of 2025.




IRENE M. CIPRIANO

Commission No. 0221-24

Notary Public for Mandaluyong City

Until December 31, 2025

SMC, 40 San Miguel Ave., Mandaluyong City

Roll of Attorneys No. 45955

PTR No. 3272758; 01/08/2025; Mandaluyong City

IBP Lifetime Member No. 09482; 01/05/11; Q.C.

MCLE Compliance No. VIII-0008465; 05/07/24; Pasig City

ANNEX “A”

**MANAGEMENT’S DISCUSSION AND ANALYSIS
OF FINANCIAL POSITION AND FINANCIAL
PERFORMANCE**



MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL POSITION AND FINANCIAL PERFORMANCE

This discussion summarizes the significant factors affecting the consolidated financial performance, financial position and cash flows of San Miguel Corporation ("SMC" or the "Parent Company") and its subsidiaries (collectively referred to as the "Group") for the three-year period ended December 31, 2024. The following discussion should be read in conjunction with the attached audited consolidated statements of financial position of the Group as at December 31, 2024 and 2023, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2024. All necessary adjustments to present fairly the Group's consolidated financial position as at December 31, 2024 and financial performance and cash flows for the year ended December 31, 2024 and for all the other periods presented, have been made.

The financial information appearing in this report is presented in Philippine Peso, which is the functional currency of the Parent Company. All financial information is rounded off to the nearest million (000,000), except when otherwise indicated.

I. FINANCIAL PERFORMANCE

Comparisons of key financial performance for the last three years are summarized in the following tables.

	For the Years Ended December 31		
	2024	2023	2022
		<i>(In Millions)</i>	
Sales	P1,575,379	P1,446,703	P1,506,591
Cost of sales	(1,312,027)	(1,208,410)	(1,314,607)
Gross profit	263,352	238,293	191,984
Selling and administrative expenses	(102,536)	(93,808)	(83,972)
Operating income	160,816	144,485	108,012
Interest expense and other financing charges	(99,413)	(91,303)	(60,795)
Interest income	14,704	14,027	7,108
Equity in net earnings of associates and joint ventures	2,364	1,729	1,197
Gain on sale of investments and property and equipment	2,175	83	733
Other income (charges) - net	(16,479)	4,086	(16,178)
Income tax expense	(27,492)	(28,408)	(13,317)
Net income	36,675	44,699	26,760
Net income (loss) attributable to equity holders of the Parent Company	(7,411)	198	(12,968)
Net income attributable to non-controlling interests	44,086	44,501	39,728

2024 vs. 2023

	For the Years Ended December 31		Horizontal Analysis Increase (Decrease)		Vertical Analysis	
	2024	2023	Amount	%	2024	2023
	<i>(In Millions)</i>					
Sales	P1,575,379	P1,446,703	P128,676	9%	100%	100%
Cost of sales	(1,312,027)	(1,208,410)	103,617	9%	(83%)	(84%)
Gross profit	263,352	238,293	25,059	11%	17%	16%
Selling and administrative expenses	(102,536)	(93,808)	8,728	9%	(7%)	(6%)
Operating income	160,816	144,485	16,331	11%	10%	10%
Interest expense and other financing charges	(99,413)	(91,303)	8,110	9%	(6%)	(6%)
Interest income	14,704	14,027	677	5%	1%	1%
Equity in net earnings of associates and joint ventures	2,364	1,729	635	37%	0%	0%
Gain on sale of investments and property and equipment	2,175	83	2,092	2520%	0%	0%
Other income (charges) - net	(16,479)	4,086	(20,565)	(503%)	(1%)	0%
Income before income tax	64,167	73,107	(8,940)	(12%)	4%	5%
Income tax expense	(27,492)	(28,408)	(916)	(3%)	(2%)	(2%)
Net Income	P36,675	P44,699	(P8,024)	(18%)	2%	3%
Net income (loss) attributable to:						
Equity holders of the Parent Company	(P7,411)	P198	(P7,609)	(3843%)	(1%)	0%
Non-controlling interests	44,086	44,501	(415)	(1%)	3%	3%
Net Income	P36,675	P44,699	(P8,024)	(18%)	2%	3%

The Group's consolidated sales of P1,575,379 million for the year ended December 31, 2024, increased by 9% compared to last year mainly on account of the higher sales volume across all business segments especially Petron Corporation (Petron), the Energy and Food and Beverage businesses, combined with the higher average selling prices of San Miguel Brewery Inc. (SMB) and Ginebra San Miguel Inc. (GSMI).

The Group's cost of sales increased by P103,617 million or 9% mainly driven by: (a) the increase in volume sold partially tempered by lower average cost per liter of petroleum products of Petron; and (b) the higher Liquefied Natural Gas (LNG) consumption of the Ilijan Power Plant as a result of the resumption of operations in June 2023, cost of generation of the Mariveles Greenfield Power Plant while most of its units undergo testing and commissioning in 2024, higher volume of power purchases from the spot market due to increased demand from bilateral customers, and additional operating costs from the 10 battery energy storage system (BESS) facilities and Masinloc Power Plant, which became fully operational in 2024. This was partly reduced by the lower cost of coal due primarily to the decline in Newcastle coal price indices in 2024.

The increase in selling and administrative expenses by P8,728 million or 9% was mainly due to impairment loss on receivables from customers of the Energy business, repairs and maintenance expenses incurred for the annual preventive maintenance by Sual Power Inc. (SPI) and higher distribution, marketing, and manpower and contracted labor costs, following the government-mandated wage adjustments from the Food division.

Consolidated operating income increased by P16,331 million or 11% on account of improved margins of the Energy business, higher gross profit of the Food and Beverage business and sustained growth and continued cost management initiatives of the Infrastructure business.

The increase in interest expense and other financing charges by P8,110 million or 9% was mainly due to higher interest rates and increased average level of borrowings of SMC, Petron and the Energy business.

The increase in interest income by P677 million or 5% was primarily due to higher interest rates and average balance of short-term placements of the Infrastructure and Food and Beverage businesses. The increase was partly offset by the lower interest income from the reduced average balance of cash and cash equivalents of SMC.

The increase in equity in net earnings of associates and joint ventures by P635 million or 37% was mainly due to the share on the net income, a turnaround from a net loss in 2023, of Angat Hydropower Corporation (Angat Hydro).

The increase in gain on sale of investments and property and equipment by P2,092 million or 2520% was mainly due to the gain recognized in 2024 by San Miguel Properties, Inc. from the sale of its investment in shares of stock of Rapidshare Realty Development Corporation.

Other charges - net of P16,479 million was a turnaround from other income - net of P4,086 million in 2023. This primarily pertains to the loss on foreign exchange in 2024 compared to a gain recognized in 2023 from the revaluation of foreign currency-denominated long-term debt of SMC, Petron and the Energy business. In December 2024, the Philippine Peso depreciated by P2.475 against the US Dollar, while in December 2023, the Philippine Peso appreciated by P0.385 against the US Dollar.

Consolidated net income decreased by 18% to P36,675 million, from P44,699 million last year, mainly on account of the loss on foreign exchange and higher net financing cost of SMC, Petron and the Energy business, tempered by improved operations of most businesses mainly Energy, Food and Beverage, Infrastructure and Cement.

The loss attributable to equity holders of the Parent Company of P7,411 million was a reversal from the gain recognized in 2023 of P198 million mainly due to higher net loss of SMC, reduced by the improved net income of the Infrastructure and Food and Beverage businesses.

The following are the highlights of the performance of the individual business segments:

1. FOOD AND BEVERAGE

San Miguel Food and Beverage, Inc. (SMFB) delivered an increase of 6% in consolidated net sales to P400,872 million, supported by higher volumes and pricing strategies across its divisions.

Consolidated income from operations rose by 15% to P55,792 million, reflecting disciplined cost management, efficiency improvements, and margin expansion. Consolidated net income grew by 7% to P40,933 million, underscoring SMFB's ability to drive profitability amid a dynamic market environment.

a. Beer and Non-Alcoholic Beverages (NAB) Division

SMB sustained its growth in 2024, with consolidated net sales up by 4% to P153,362 million, driven by stable domestic volumes, price adjustments, and strong consumer engagement. Consolidated operating income grew by 6% to P33,422 million. Consolidated net income reached P25,625 million up by 1%, reflecting disciplined cost management despite a one-time impairment in Hong Kong and partly due to a one-time tax benefit of P761 million recorded in 2023 from the resolution of a 2012 San Mig Light tax refund case. Without these, consolidated net income would have grown by 6%.

Domestic Operations

Domestic revenues increased by 4% to P137,560 million, supported by brand-building initiatives, targeted promotions, and expanded distribution. New product innovations, including *San Miguel Chocolate Lager*, *Red Horse 500ml King Can*, and premium beer multi-packs, strengthened market presence.

Expanded retail and on-premise availability, coupled with enhanced wholesaler programs, drove sales. Operational efficiencies, such as optimized raw material sourcing, bottle retrieval, and production capacity expansions, helped sustain margins. To defend its market position, SMB intensified outlet conversions, trade promotions, and competitive initiatives.

International Operations

SMB's international operations reinforced its regional footprint with strategic distribution agreements and expanded on-premise presence in key markets. New distributor partnerships in Taiwan, South China, and Vietnam further strengthened its reach.

Cost-efficiency measures and targeted digital campaigns supported brand visibility while mitigating market challenges.

b. Spirits Division

GSMI sustained its momentum in 2024, achieving eleven consecutive years of growth and surpassing the 50-million-case milestone. Net sales rose by 17% to P62,505 million, driven by record-high volumes, higher prices, and an expanded distribution network.

Key brands performed well, with *Ginebra San Miguel* growing at a high single-digit rate, while *GSM Blue*, *Vino Kulafu* and *Primera Light Brandy* all posted double-digit gains. Supporting these brands were well-crafted and relevant ad campaigns, exciting consumer promotions, and localized on-ground marketing activities. Additionally, GSMI launched its most premium gin, *Archangel Reserve Gin*, along with *Freedom Island Light Rum*, specifically for the Visayas and Mindanao regions.

Gross profit per case increased to a high single-digit level as selling price adjustment covered excise tax hikes and input costs. As a result, operating income rose by 26% to P8,596 million, while net income reached a record of P7,257 million. Excluding the one-time gain from the assignment of product rights in 2023, net income would have grown by 23%.

c. Food Division

The Food division sustained its growth momentum in 2024, with consolidated net sales rising by 3% to P185,016 million, driven by strong volume growth across most segments, coupled with favorable selling prices of Prepared and Packaged Food products and the sustained recovery of chicken prices.

Consolidated operating income surged by 37% to P13,301 million, supported by sustained cost reductions in major raw materials and enhanced operational efficiencies enabled by new company-owned facilities.

The Processed Meats and Magnolia segments both posted 12% revenue growth on account of volume increase.

The Feeds segment reported an 8% revenue decline, primarily due to lower hog feed sales caused by sporadic African Swine Fever (ASF) outbreaks across the country.

The Poultry and Fresh Meats segment grew by 7%. Poultry volume increased by 8%, supported by improved supply. Meanwhile, Fresh Meat sales continue to be hampered by the impact of ASF, resulting to a 30% revenue drop.

2. PACKAGING

The Packaging business generated consolidated revenues of P40,162 million in 2024, up by 5% from last year as new products were introduced in both domestic and international operations. Growth was driven by the plastics, beverage filling, flexibles, paper, metal closures and Australia operations from strong demand from beverage, food and healthcare customers.

Consolidated operating income posted a remarkable 36% growth, reaching P2,600 million from P1,915 million in 2023.

3. ENERGY

San Miguel Global Power Holdings Corp. (San Miguel Global Power) reported revenue growth of 21% to P205,091 million as offtake volumes rose by 45%. Revenue growth was driven by: (i) new power supply agreement (PSA) with Meralco and other distribution utilities, whether emergency PSAs or regular PSAs, during the year which contracted its available capacity by over 90%; (ii) new retail electricity supply customers for Limay Power Plant; and (iii) additional revenues from ancillary services rendered to the National Grid Corporation of the Philippines and offered to the reserve market through its BESS facilities.

San Miguel Global Power increased its power generation output due primarily to the full year operations of the 1,200 megawatts (MW) Ilijan Power Plant in 2024, which resumed operations in June 2023 when the adjacent LNG terminal began testing and commissioning, and the new volumes from the three units of the Mariveles Greenfield Power Plant with 150 MW capacity each which commenced operations last March 28, September 26, and October 26, 2024, respectively. The fourth unit started operations on January 9, 2025.

Consolidated operating income grew by 24% to P40,457 million as San Miguel Global Power transitioned to fuel passthrough arrangements for most of its bilateral customers as well as additional margin contributions of BESS ancillary services. Consolidated net income amounted to P12,384 million, up by 25% from the previous year.

4. FUEL AND OIL

Petron reported consolidated revenues of P867,966 million in 2024, an 8% increase from P801,027 million in 2023. Revenue growth was driven by the 10% growth in consolidated sales volume to 139.9 million barrels. Petron's Philippine operations and Singapore trading arm recorded a 16% jump from 2023, reaching 92.5 million barrels, supported by network expansion and strong marketing efforts.

Petron Malaysia, however, faced challenges due to policy changes in fuel subsidies, while a shutdown in Port Dickson refinery for maintenance in the fourth quarter of 2024 limited production and exports.

Despite volatility in the global oil market, driven by geopolitical tensions and weakened demand in China, Petron remained profitable, posting a consolidated operating income of P29,223 million. Consolidated net income declined to P8,471 million.

5. INFRASTRUCTURE

The Infrastructure business sustained its strong growth momentum in 2024, with combined average daily traffic volume increasing by 2% from the previous year, driven by continued ramp-up of its existing toll roads.

Consolidated revenues reached P37,523 million, reflecting a 7% increase from last year's level.

Consolidated operating income increased by 12% to P20,291 million, mainly driven by sustained volume growth of all operating toll roads and controlled costs.

Consolidated net income of the Infrastructure business rose by 23% to P14,019 million brought by improved operating margins.

The Group's major infrastructure projects are in full swing.

SMC led-consortium started rehabilitation activities such as airside and landside works after the Concession Agreement (CA) was signed on March 18, 2024, and the operation of Ninoy Aquino International Airport (NAIA) was turned over by the Manila International Airport Authority (MIAA) on September 14, 2024.

6. CEMENT

The Cement business reported 2024 consolidated revenues of P34,934 million, 6% lower than last year. The decline was primarily driven by the significant decrease in the average selling price of cement due to the influx of imported traded cement, although this was partially offset by the 3% increase in sales volume. Consolidated operating income grew by 10% to P6,550 million, as lower costs offset the decline in revenues.

2023 vs. 2022

	For the Years Ended December 31		Horizontal Analysis Increase (Decrease)		Vertical Analysis	
	2023	2022	Amount	%	2023	2022
	<i>(In Millions)</i>					
Sales	P1,446,703	P1,506,591	(P59,888)	(4%)	100%	100%
Cost of sales	(1,208,410)	(1,314,607)	(106,197)	(8%)	(84%)	(87%)
Gross profit	238,293	191,984	46,309	24%	16%	13%
Selling and administrative expenses	(93,808)	(83,972)	9,836	12%	(6%)	(6%)
Operating income	144,485	108,012	36,473	34%	10%	7%
Interest expense and other financing charges	(91,303)	(60,795)	30,508	50%	(6%)	(4%)
Interest income	14,027	7,108	6,919	97%	1%	1%
Equity in net earnings of associates and joint ventures	1,729	1,197	532	44%	0%	0%
Gain on sale of investments and property and equipment	83	733	(650)	(89%)	0%	0%
Other income (charges) - net	4,086	(16,178)	20,264	125%	0%	(1%)
Income before income tax	73,107	40,077	33,030	82%	5%	3%
Income tax expense	(28,408)	(13,317)	15,091	113%	(2%)	(1%)
Net Income	P44,699	P26,760	P17,939	67%	3%	2%
Net income (loss) attributable to:						
Equity holders of the Parent Company	P198	(P12,968)	P13,166	102%	0%	(1%)
Non-controlling interests	44,501	39,728	4,773	12%	3%	3%
Net Income	P44,699	P26,760	P17,939	67%	3%	2%

The Group's consolidated sales of P1,446,703 million for the year ended December 31, 2023, declined by 4% compared to 2022 mainly due to the lower average selling prices of Petron and the Energy business and the decrease in volume of the Energy business and the Food division. The decrease was partly offset mainly by the higher sales volume of Petron, SMB and GSMI and the sales contribution of Eagle Cement Corporation (ECC), which was consolidated effective December 14, 2022.

The Group's cost of sales decreased by P106,197 million or 8% mainly due to: (a) lower cost per liter of petroleum products, partly offset by the higher volumes of Petron; and (b) lower cost to supply of the Energy business brought by the decline in average coal prices and lower overall power purchases. The decrease was partly offset by: (a) higher cost of sales relative to the increase in volume of SMB and the higher cost of major raw materials consumed in production, reduced by the lower volumes of the Food division; and (b) the cost of sales of ECC.

Selling and administrative expenses increased by 12% to P93,808 million compared to 2022, mainly due to higher salaries and employee benefits of the Group, distribution costs and contracted services primarily from the Food and Beverage business and Petron, and the operating expenses of ECC.

Consolidated operating income increased by 34% to P144,485 million from 2022 mainly driven by the sustained performance improvements of Petron and the Energy and Infrastructure businesses, and the operating income contribution of ECC in 2023.

The increase in interest expense and other financing charges by P30,508 million was mainly due to both higher interest rates and to the increased average level of loans of SMC and Petron.

The increase in interest income by P6,919 million was primarily due to higher interest rates and average balance of short-term placements of the Infrastructure and Food and Beverage businesses and SMC, as well as the investment in debt securities of SMB in December 2022, and the interest income contribution of ECC.

The increase in equity in net earnings of associates and joint ventures by P532 million was mainly due to the share in the higher net income of Bank of Commerce (BankCom) and in the lower net loss of Angat Hydro.

The decrease in gain on sale of investments and property and equipment by P650 million was mainly due to the gain recognized in 2022 by San Miguel Global Power from the sale of its investment in shares of stock of Strategic Energy Development Inc.

Other income - net of P4,086 million was a turnaround from other charges - net in 2022 of P16,178 million. This primarily pertains to the gain on foreign exchange in 2023 compared to the loss recognized in 2022 mainly by the Energy business and SMC resulting from the revaluation of foreign currency-denominated long-term debt and cash and cash equivalents, and the income recognized from the assignment of product rights by GSMI. In December 2023, the Philippine Peso appreciated by P0.385 against the US Dollar, while in December 2022, the Philippine Peso significantly depreciated by P4.756 against the US Dollar.

The increase in income tax expense by P15,091 million was mainly due to the turnaround of deferred income tax from income tax benefit in 2022 to income tax expense in 2023 primarily from SMC and the Energy business as a result of the deferred income tax recognized on unrealized losses in 2022 compared to unrealized gains in 2023 from the revaluation of foreign currency-denominated long-term debt and derivatives.

Consolidated net income significantly increased by 67% to P44,699 million, from P26,760 million in 2022, mainly on account of the: (a) improved operations of most businesses mainly Petron, SMB, GSMI, the Energy and Infrastructure businesses; (b) gain on foreign exchange in 2023, a turnaround from the loss recognized in 2022 mainly by the Energy business and SMC; (c) net income contributed by ECC; and (d) income recognized from the assignment of product rights by GSMI. The increase was partly offset by the higher net financing cost.

Net income attributable to equity holders of the Parent Company in 2023 amounting to P198 million was a turnaround from the net loss of P12,968 million recognized in 2022. This was mainly due to the higher consolidated net income, partly reduced by the increase in the share of non-controlling interests (NCI) on the Group's net income.

The increase in the net income attributable to NCI by P4,773 million was mainly due to the higher net income of SMB and higher amount of dividend on preferred shares and distribution on Senior Perpetual Capital Securities (SPCS) of Petron.

The following are the highlights of the performance of the individual business segments:

1. FOOD AND BEVERAGE

SMFB delivered a year of steady topline growth despite challenging macroeconomic conditions particularly in the first half of 2023.

SMFB's consolidated sales for the year ended 2023 amounted to P379,822 million, reflecting a 6% increase from 2022. All divisions delivered sales growth, driven by better volumes and prices.

SMFB's consolidated income from operations in 2023 amounted to P48,411 million, 1% lower, as the growth in volumes and prices were not sufficient to offset rising input costs and operating expense increases.

Consolidated net income jumped 10% to P38,105 million, the highest net income figure achieved by the Food and Beverage Group since the SMFB consolidation in 2018.

a. Beer and NAB Division

SMB sustained its growth and recovery in 2023 with consolidated sales of P147,347 million, up 8%, driven by higher volumes and selling prices in both domestic and overseas markets.

SMB's consolidated net income was up 16% at P25,322 million.

Domestic Operations

SMB's domestic sales climbed 8% to P131,720 million on the back of a 3% growth in volumes coupled with a price increase effective March 1, 2023. Improved results were supported by effective marketing campaigns, expanded sales initiatives, as well as the resumption of tourism activities, fiestas, and festivals.

International Operations

SMB's revenue from its international operations rose by 7% as volumes increased by 6%, driven by robust demand for its San Miguel global brands, including *Red Horse*, across all markets that resulted in overall growth, particularly in South China, Thailand, and Exports.

b. Spirits Division

GSMI registered another record-breaking year in 2023, which coincidentally marked its tenth year of continued growth.

Revenues grew by 13% to P53,639 million as a result of higher volumes and selling prices. Total volumes in 2023 recorded a 4% growth from 2022 as the Spirits division implemented initiatives to sustain strong brand equity through creative, consistent, and relevant messaging. This was complemented by consumer promos and various marketing programs on-ground that made consumers experience its brands better. Distribution coverage was, likewise, further broadened in 2022.

Income from operations grew by 14% to P6,835 million, while net income was up 55% to P7,046 million.

c. Food Division

The Food division delivered P178,847 million in consolidated revenues in 2023, 2% higher than in 2022, driven largely by increased pricing to cope with rising input costs, backed by aggressive marketing efforts to boost demand.

Income from operations amounted to P9,724 million. While lower than in 2022, these figures still surpass pre-pandemic levels.

All the Food segments, except for the Protein segment, sustained topline growth.

- The Animal Nutrition and Health segment saw a 5% increase in revenue, driven by higher selling prices, which helped offset a decline in volume due to the lingering effects of ASF on hog feeds and the Avian Flu on layer feeds.
- The Prepared and Packaged Food segment demonstrated resilience with a 3% revenue growth despite challenging market conditions marked by high inflation and reduced consumer spending. Strategic price adjustments played a significant role in sustaining revenue growth despite a decline in overall volumes.
- The Flour segment capitalized on the favorable trend of easing wheat prices, employing a competitive pricing strategy that boosted volumes and enabled it to achieve a 15% increase in revenue.
- The Protein segment which consists of the Poultry and Fresh Meats segments, experienced a 3% decline in revenues. This can be primarily attributed to Poultry which grappled with capacity limitations early in 2023 that hindered volume growth. Although this was substantially addressed in 2023, the influx of imported chicken created an industry oversupply that exerted downward pressure on chicken prices and impeded revenue growth.

The performance of fresh meats reflects a deliberate strategy to keep hog operations at a minimum to manage the impact of ASF on the business. For the meantime, the Food division has been importing pork to supplement the needs of the Monterey meat shops.

Thus, although the Feeds, Prepared and Packaged Food, and the Flour segments delivered strong revenue and income growth, the overall performance of the Food division was adversely affected by the challenges faced in the Poultry segment due to its significant contribution to the Food division.

2. PACKAGING

The Packaging business recorded consolidated revenues of P38,379 million in 2023, 4% better than in 2022. This was driven by the sustained demand of glass containers, plastic crates and pallets from the food and beverage customers complemented by the continued growth of its operations in Australia.

Consolidated operating income reached P1,915 million, a significant increase of 16% against 2022 on account of enhanced operational efficiencies coupled with cost containment programs.

3. ENERGY

San Miguel Global Power posted relatively flat generation volumes year-on-year, primarily due to the extended outage of the 1,200 MW Ilijan Power Plant from June 2022 up to June 2023 while it underwent retrofitting works to improve its fuel efficiency and reliability, and as it awaited the substantial completion of an adjacent full-scale LNG terminal that has been tolled on a long-term basis.

San Miguel Global Power sold 8% lower offtake volumes in 2023 as it ceased to supply 670 MW contract capacity to Meralco following the suspension and eventual termination of the pertinent PSA, anchored on a favorable decision from the higher court. It has, however, been able to secure several emergency PSA that allowed the contracting of its available capacities, and to operate the Ilijan Power Plant using commercial LNG on a fuel passthrough basis.

Consolidated revenues were at P169,590 million, 23% lower than 2022, as fuel tariffs went down with an equivalent decline in coal prices, averaging only US\$172.79/Metric Tons (MT) in 2023 compared to US\$360.19/MT in 2022, in terms of Global Coal Newcastle indexed prices.

However, San Miguel Global Power was able to improve its operating income by 13% on contracted volumes as it worked out a transition to fuel passthrough arrangements for most of its bilateral customers and with fuel prices going significantly lower. Consolidated operating income reached P32,526 million.

Consequently, with improved margin and turnaround from foreign exchange loss to foreign exchange gain in 2023, consolidated net income surged to P9,903 million, a significant increase from the P3,134 million net income reported in 2022.

4. FUEL AND OIL

Petron's consolidated revenues slipped to P801,027 million in 2023 despite higher volumes, down 7% from P857,638 million in 2022, reflecting the continued price correction from the extraordinarily elevated prices in the oil market. The average benchmark Dubai crude as of the full year 2023 closed at US\$82 per barrel, still down by 15% from 2022 average.

This was primarily driven by the strong performance in its Philippine operations, while Malaysia continued to deliver steady growth. Petron's volumes of 126.9 million barrels in 2023 was 13% higher than in 2022, fueled by the significant growth in its jet fuel and Liquefied Petroleum Gas sales, backed by higher production at its Bataan and Port Dickson refineries.

Consolidated operating income reached P30,721 million, a notable 60% leap from 2022, primarily driven by its continued efforts in optimizing assets and resources, capturing continued demand recovery, and response to market volatility.

Petron posted a consolidated net income of P10,134 million, growing by 51% from P6,697 million in 2022.

5. INFRASTRUCTURE

The Infrastructure business delivered a remarkable performance in 2023, posting consolidated revenues of P34,984 million, 16% higher than in 2022. This was mainly brought by the sustained growth from all operating toll roads reaching a combined average daily traffic volumes of 1,009,337 vehicles, up 8% from 2022 complemented by the continued increase in travel activities.

Driven by robust volume growth, consolidated operating income surged 25% to P18,164 million, coupled with continued cost management initiatives. Consolidated net income also posted a 29% increase to P11,413 million.

The Group's major infrastructure projects are in full swing.

The railway component percentage accomplishment for its Metro Rail Transit Line 7 (MRT 7) is at 68.70% while the detailed engineering design and site development for the depot is still ongoing and on track to operate by end of 2025 or early 2026.

At the center of SMC's push to transform the Philippines into a regional hub and major tourist destination, its Manila International Airport (MIA) Project is underway, with the overall progress of land development and ground improvement works at 77%.

6. CEMENT

The cement business registered a significant growth in consolidated revenues from P8,984 million in 2022 to P37,231 million in 2023, mainly due to the sales contribution of ECC.

Consolidated operating income, likewise, posted robust growth amounting to P5,980 million while consolidated net income reached P4,010 million.

Despite the challenges in the market, the business continued to deliver a strong performance through various cost containment initiatives and significant improvement in the cost of major inputs.

II. FINANCIAL POSITION

A. The following are the major developments in 2024:

INVESTING ACTIVITIES

a. Rehabilitation, Operation and Maintenance (O&M) of NAIA

On February 15, 2024, New NAIA Infra Corp. (NNIC) was incorporated by the members of the SMC-SAP & Co. Consortium (the "Consortium"), namely San Miguel Holdings Corp. (SMHC) at 33%, RMM Asian Logistics, Inc. at 30%, RLW Aviation Development, Inc. at 27% and Incheon International Airport Corporation at 10%. On February 16, 2024, the Consortium was officially awarded by the Department of Transportation (DOTr) the contract to rehabilitate, operate and maintain the NAIA, which is the country's main international gateway.

On March 18, 2024, the CA was signed between the DOTr, MIAA and the concession company, NNIC. The CA covers a 25-year concession period, which comprises an initial term of 15 years plus a ten-year extension subject to the fulfillment of Key Performance Indicators to be reviewed on the 8th year.

The project is a Rehabilitate-Expand-Operate and Transfer scheme and calls for NNIC to expand the terminal capacity from the current design capacity of 35 Million Passengers per Annum (MPAX) to 62 MPAX and to increase runway capacity from 42 to 48 peak hourly rate.

On September 13, 2024, NNIC remitted to MIAA the upfront fee required under the CA, including value-added tax (VAT), and annuity payment which was funded by loan availment and equity infusion.

On September 14, 2024, NNIC officially took over operations at NAIA following the completion of all required deliverables for turnover as outlined in the CA.

b. Acquisition of 90% Ownership Interest in Bulakan Water Company, Inc. (BWCI) and 90% Ownership Interest in Obando Water Company, Inc. (OWCI) by SMC Bulacan Water Services Corporation (SBWSC)

On October 22, 2024, the Parent Company through SBWSC acquired 135,000,000 common shares and 88,200,000 common shares representing 90% of the outstanding capital stock of BWCI and OWCI, respectively, for a total consideration of P1,025 million.

As at December 31, 2024, BWCI and OWCI are 90% owned subsidiaries of SBWSC and 10% owned by Bulakan Water District (BWD) and Obando Water District (OWD), respectively.

BWCI and OWCI (the Concessionaires) were granted by BWD and OWD, respectively, the sole right to manage, operate, maintain, repair, refurbish and expand, and as appropriate, decommission, the facilities in the entire Municipalities of Bulakan and Obando for a period of 25 years. BWD and OWD will monitor and review the performance of the Concessionaires during the concession period.

c. Turn-over of Sual Coal-fired Thermal Power Plant in Pangasinan

On October 25, 2024, the 1,294 MW Sual Coal-fired Thermal Power Plant, located in Pangasinan, was turned over to SPI by the Power Sector Assets and Liabilities Management Corporation (PSALM) and the National Power Corporation, pursuant to the Independent Power Producer Administration (IPPA) Agreement effective November 6, 2009 and the Deed of Absolute Sale executed between PSALM and SPI dated October 24, 2024.

In 2024, the Group has undertaken various financing activities. The significant transactions are as follows:

AVAILMENT OF LONG-TERM DEBT

PESO TERM LOANS

- **Energy**

a. SMGP BESS Power Inc. (SMGP BESS)

On March 25, 2024, SMGP BESS drew the second tranche amounting to P12,000 million from the P40,000 million Omnibus Loan and Security Agreement (OLSA) with various local banks executed on October 23, 2023. The loan is subject to a fixed interest rate of 7.7497% per annum and will mature in October 2033. The proceeds of the second tranche were used for the reimbursement or repayment of reimbursable advances from San Miguel Global Power, both of which were used to finance payments for interest, design, construction, and the operation of its BESS projects, and cover transaction-related costs, fees and expenses.

b. San Miguel Global Power

On July 19, 2024, San Miguel Global Power drew P9,750 million from its P10,000 million term loan facility. The loan is subject to a fixed interest rate of 7.531% per annum and will mature in June 2029. The proceeds of the loan were used to refinance an existing loan.

c. Mariveles Power Generation Corporation (MPGC)

On December 27, 2024, MPGC drew the first and second tranches amounting to a total of P32,500 million from the ten-year OLSA with various local banks dated December 17, 2024. The loan is subject to a fixed interest rate of 7.5758% and 8.0808% per annum and payable quarterly up to December 2034. The proceeds of the loan were used to finance the Mariveles Greenfield Power Plant project.

• **Infrastructure**

a. SMC Mass Rail Transit 7 Inc. (SMC MRT 7)

On various dates in 2024, SMC MRT 7 drew a total of P16,400 million term loans from the P100,000 million OLSA executed with various banks on May 18, 2023. The loans are subject to a floating interest rate and with a term of 15 years. The proceeds of the loans were used to finance the MRT 7 Project.

b. SMC SLEX Holdings Company Inc. (SSHCI) and SMC SLEX Inc. (SMC SLEX)

On December 12, 2024, SSHCI and SMC SLEX availed of a total of P20,000 million term loan, subject to a fixed interest rate and will mature on June 11, 2032. The proceeds of the loan were used to refinance existing debt obligations.

• **SMB**

On December 10, 2024, SMB availed of a total of P10,000 million term loan with various local banks, subject to a fixed interest rate and with maturity up to December 2031. The proceeds of the loan were used to refinance existing debt obligations.

FOREIGN CURRENCY-DENOMINATED LOANS

• **SMC**

- a. On various dates in 2024, SMC drew a total of US\$410 million term loans from the US\$2,165 million loan facility executed on March 31, 2022. The loans are subject to a floating interest rate and with a term of 13 years. The proceeds of the loans were used to fund the land development works of the MIA Project in Bulacan.
- b. On May 17, 2024, SMC availed of a US\$150 million term loan, subject to a fixed interest rate and with a term of five years. The proceeds of the loan were used for general corporate purposes.

- c. On August 2, 2024, SMC availed of a US\$50 million term loan, subject to a floating interest rate and with a term of five years. The proceeds of the loan were used for general corporate purposes.
- d. On September 27, 2024, SMC availed of a US\$2,000 million term loan, subject to a floating interest rate and with a term of five years. The proceeds of the loan were used to refinance the matured loans drawn by SMC amounting to US\$50 million and US\$1,950 million on December 27, 2019 and March 19, 2020, respectively.

- **Petron**

On various dates in July, September and October 2024, Petron drew a total of US\$500 million from the term loan facility executed on July 11, 2024. The loans are subject to a floating interest rate and have a final maturity in July 2029. The proceeds of the loans were partially used to repay outstanding indebtedness and settle liabilities for crude oil importations.

- **San Miguel Yamamura Australasia Pty. Ltd. (SMYA)**

On July 29, 2024, SMYA drew a AU\$45 million term loan from the syndicated facility agreement entered into on July 22, 2024. The loan is subject to a floating interest rate and will mature in July 2027 but has an option to extend until July 2029. The proceeds of the loan were used to refinance existing indebtedness.

- **San Miguel Global Power**

On various dates in September and October 2024, San Miguel Global Power drew a total of US\$300 million term loan from the US\$200 million loan facility, with option to increase up to US\$300 million, executed with a foreign bank on August 30, 2024. The loan is subject to a floating interest rate and will mature in August 2027. The proceeds of the loan were used to refinance existing facility agreement and funding developmental costs and working capital requirements for renewables and emission reduction projects, and/or payment of transaction-related fees, costs and expenses in relation to the facility agreement.

ISSUANCE AND PAYMENT OF FIXED RATE PESO-DENOMINATED BONDS

Issuance of Series O and Series P Fixed Rate Peso-denominated Bonds by SMC

On July 3, 2024, SMC issued and listed on the Philippine Dealing & Exchange Corp. (PDEX) P13,000 million Series O and P7,000 million Series P fixed rate Peso-denominated Bonds from the P50,000 million Shelf Registered Fixed Rate Bonds approved by the Securities and Exchange Commission (SEC) in 2021. The Series O Bonds have a term of six years and six months from the issue date with a fixed interest rate of 7.2584% per annum. The Series P Bonds have a term of ten years from the issue date with a fixed interest rate of 7.7197% per annum.

The proceeds of the issuance of the bonds were used for the partial payment of the Series I Fixed Rate Peso-denominated Bonds and the remaining balance will be used for the repayment of Series F Bonds on March 19, 2025, and investments in the MIA Project and other airport-related projects in Bulacan.

Issuance of Series A, Series B and Series C Fixed Rate Peso-denominated Bonds by SMC Tollways Corporation (SMC Tollways)

On December 5, 2024, SMC Tollways issued and listed on the PDEX P10,560 million Series A, P5,899 million Series B and P18,541 million Series C fixed rate Peso-denominated Bonds approved by the SEC. The Series A Bonds have a term of five years and three months from the issue date with a fixed interest rate of 6.4783% per annum. The Series B Bonds have a term of seven years from the issue date with a fixed interest rate of 6.7026% per annum. The Series C Bonds have a term of ten years from the issue date with a fixed interest rate of 6.9331% per annum.

The proceeds of the issuance of the bonds were used for the prepayment of existing indebtedness and to fund the capital expenditure requirements of the Skyway Project and the SMC Skyway Stage 3 Project.

Payment of Series B Fixed Rate Peso-denominated Bonds by SMC

On March 1, 2024, SMC paid the P7,294 million Series B Fixed Rate Peso-denominated Bonds, which matured on the same date. The Series B Bonds, which formed part of the first tranche of the P60,000 million Shelf Registered Fixed Rate Bonds Series A, Series B and Series C fixed rate Bonds were issued in 2017.

The Series B Bonds were paid from the net proceeds of the issuance of Subseries "2-L", "2-N" and "2-O" (Subseries 2-LNO) Preferred Shares in December 2023.

Partial Payment of Series I Fixed Rate Peso-denominated Bonds by SMC

On July 8, 2024, SMC partially paid the P11,240 million of the P30,000 million Series I Fixed Rate Peso-denominated Bonds as a result of the put option exercised by the bondholders. The Series I Bonds, which formed part of the first tranche of the P50,000 million Shelf Registered Fixed Rate Bonds were issued in 2021. The remaining balance of the Series I Fixed Rate Peso-denominated Bonds was repriced at 7.4650% per annum from 3.3832% per annum effective July 8, 2024, until maturity on July 8, 2027.

The payment was funded partly from the proceeds of Series O and Series P fixed rate Peso-denominated Bonds.

Payment of Series H Fixed Rate Peso-denominated Bonds by SMC

On October 4, 2024, SMC paid the P10,000 million Series H Fixed Rate Peso-denominated Bonds, which matured on the same date. The Series H Bonds, the fourth tranche of the P60,000 million Shelf Registered Fixed Rate Bonds were issued in 2019.

The Series H Bonds were paid from the net proceeds of the issuance of Subseries 2-LNO Preferred Shares in December 2023.

Payment of Series C Fixed Rate Peso-denominated Bonds by Petron

On April 19, 2024, Petron paid the P13,200 million Series C Fixed Rate Peso-denominated Bonds, which matured on the same date. The Series C Bonds which formed part of the P20,000 million Retail Bonds were issued in October 2018.

The payment was funded by the: (i) P7,000 million term loan availed on March 6, 2024 subject to a fixed interest rate for the first two years and will be repriced at a new fixed interest rate for the last three years; (ii) P5,000 million term loan availed on April 18, 2024, subject to a floating interest rate and with a term of five years; and (iii) cash generated from operations.

Payment of Series I Fixed Rate Peso-denominated Bonds by San Miguel Global Power

On April 24, 2024, San Miguel Global Power paid the P9,232 million Series I Fixed Rate Peso-denominated Bonds, from the proceeds of short-term loan facilities and from cash generated from operations.

The Series I Bonds which formed part of the first tranche of the P30,000 million Series H, Series I and Series J Fixed Rate Peso-denominated Bonds were issued in April 2019.

Payment of Series E Fixed Rate Peso-denominated Bonds by San Miguel Global Power

On December 23, 2024, San Miguel Global Power paid the P6,478 million Series E Fixed Rate Peso-denominated Bonds, from cash generated from operations.

The Series E Bonds which formed part of the first tranche of the P35,000 million Series D, Series E and Series F Fixed Rate Peso-denominated Bonds, were issued in December 2017.

PAYMENT OF PESO TERM LOAN BY SAN MIGUEL GLOBAL POWER

On April 26, 2024, San Miguel Global Power fully paid the P14,100 million balance of its P15,000 million fixed rate seven-year term loan availed in April 2017 from a local bank upon its maturity pursuant to the terms and conditions of the credit facility.

The payment was funded by the proceeds of short-term loan facilities and from cash generated from operations.

PAYMENT OF OTHER MATURING OBLIGATIONS

During the year, the Group paid a total of P30,424 million of its scheduled amortizations and maturing obligations funded by the proceeds of short-term loan facilities and cash generated from operations.

ISSUANCE AND REDEMPTION OF CAPITAL SECURITIES BY SAN MIGUEL GLOBAL POWER

- a. On April 19, 2024, San Miguel Global Power issued US\$800 million Redeemable Perpetual Capital Securities at an issue price of 100%, with a prescribed initial distribution rate per annum, payable pursuant to the terms of the agreement.

The net proceeds were used in part for the redemption of the US\$783 million SPCS on April 25, 2024, pursuant to the terms and conditions of the securities. The US\$783 million SPCS is the remaining securities out of the US\$800 million SPCS issued in April and July 2019. The redemption price included the principal amount and any accrued but unpaid distributions up to (but excluding) the step-up date.

The difference between the price paid and the net carrying amount of the SPCS repurchased amounting to P4,854 million was recognized as part of "Equity reserves" account in the consolidated statement of financial position as at December 31, 2024.

- b. On September 12, 2024, San Miguel Global Power issued US\$800 million SPCS ("Securities") at an issue price of 100%, with a distribution rate of 8.75% per annum, payable pursuant to the terms of the agreement. The Securities were used in part for the exchange of certain existing SPCS amounting to US\$532 million and the repurchase of certain existing SPCS amounting to US\$157 million on September 12, 2024.

The remaining proceeds of US\$111 million were used for the payment of: (i) costs and expenses related to the issuance of the Securities; (ii) accrued distribution in respect of the securities that was accepted for exchange and repurchase; and (iii) pre-development costs of solar energy projects.

The difference between the price paid and the net carrying amount of the SPCS exchanged and repurchased amounting to P5,259 million was recognized as part of "Equity reserves" account in the consolidated statement of financial position as at December 31, 2024.

On September 30, 2024, San Miguel Global Power issued an additional US\$100 million SPCS ("Additional Securities") at an issue price of 100% plus an amount corresponding to accrued distribution from and including September 12, 2024 to, but excluding, September 30, 2024. The Additional Securities are consolidated into and form a single series with the Securities issued on September 12, 2024, bringing the total securities to US\$900 million and are identical in all respects, except for the date of issuance and issue price.

The net proceeds of the Additional Securities are intended for the pre-development costs of solar energy projects and capital expenditures related to the BESS projects.

The Securities and Additional Securities were listed on the Singapore Exchange Securities Trading Limited (SGX-ST) on September 13, 2024 and October 1, 2024, respectively.

- c. On December 2, 2024, San Miguel Global Power issued US\$500 million SPCS. The net proceeds were used for the exchange and repurchase of SPCS amounting to US\$274 million and US\$46 million, respectively, in December 2024, payment of accrued distributions to the holders of exchanged and repurchased securities, and pre-development costs of solar energy projects and BESS projects.

ISSUANCE OF PREFERRED SHARES BY PETRON

On September 23, 2024, Petron issued and listed on the Philippine Stock Exchange (PSE) 8,500,000 Series 4D and 8,330,000 Series 4E Preferred Shares, under the 50,000,000 Series 4 Shelf Registered Preferred Shares at an issue price of P1,000.00 per share or for a total amount of P16,830 million. The shares are cumulative, deferrable, non-voting, non-participating, non-convertible, redeemable, reissuable, Philippine Peso-denominated perpetual Preferred Shares with a par value of P1.00 per share.

The preferred shares are perpetual and have no fixed final maturity date. Dividend rates are 6.8364% and 7.1032% per annum for Series 4D and Series 4E, respectively.

The net proceeds were used to fully redeem the Series 3A Preferred Shares, refinance maturing obligations, and fund general corporate purposes, including the purchase of crude oil inventory.

REDEMPTION OF PREFERRED SHARES BY PETRON

On December 26, 2024, Petron redeemed its 13,403,000 Series 3A Preferred Shares issued on June 25, 2019 at a redemption price of P1,000.00 per share, with a record date of November 21, 2024. The redemption was approved by the Board of Directors (BOD) of Petron on June 26, 2024.

EVENTS AFTER THE REPORTING DATE

a. Approval by the Stockholders of SMC of the Reclassification of the Common Shares Held in Treasury to Series "2" Preferred Shares Held in Treasury

On March 27, 2025, the stockholders of the Parent Company approved the following: (1) the amendment to Article VII of the Amended Articles of Incorporation of the Parent Company to reclassify the 904,752,537 common shares currently held as treasury shares, into Series "2" Preferred Shares held in treasury; (2) the amendment of the authorized capital stock of the Parent Company from P30,000 million with a par value of P5.00 per share or 6,000,000,000 shares divided into 3,790,000,000 common shares and 2,210,000,000 Series "2" Preferred Shares to 2,885,247,463 common shares and 3,114,752,537 Series "2" Preferred Shares; and (3) the issuance of the common and Series "2" Preferred Shares of the Parent Company, subject to such terms and conditions determined by management, with the approval and conformity of the BOD and stockholders.

b. Joint Investment with Meralco and Aboitiz Power Corporation (AboitizPower) into the Country's First Integrated LNG-to-Power Facility Projects in Batangas City

On March 1, 2024, Meralco PowerGen Corporation (MGen) and Therma NatGas Power, Inc. (TNGP, a subsidiary of AboitizPower), through their joint venture entity, Chromite Gas Holdings Inc. (CGHI), have entered into binding agreements with San Miguel Global Power and its relevant subsidiaries, for MGen and TNGP to jointly invest for a 67% equity interest in San Miguel Global Power's gas-fired power plants, namely: (i) the brownfield 1,200 MW Ilijan Power Plant owned by South Premiere Power Corp. (SPPC); (ii) the greenfield 1,320 MW Batangas Combined Cycle Power Plant (BCCPP) owned by Excellent Energy Resources Inc. (EERI); and (iii) land owned by Ilijan Primeline Industrial Estate Corp. (IPIEC) where the gas-fired power plant and related facilities of EERI as well as the Batangas LNG Terminal are located.

The transaction also involved the joint acquisition by CGHI and San Miguel Global Power of Linseed Field Corporation (LFC), the owner of the Batangas LNG Terminal, which receives, stores and processes LNG to fuel for SPPC's Ilijan Power Plant and later on for EERI's BCCPP.

The transaction has customary closing conditions and has been issued the requisite regulatory approvals, including the review and approval of the Philippine Competition Commission (PCC). On May 17, 2024, Top Frontier filed its application for the approval of the transaction with the PCC. On December 23, 2024, the PCC publicly disclosed its approval of the joint acquisition of power facilities and Batangas LNG Terminal by MGen, TNGP and San Miguel Global Power, subject to certain commitments from the parties aimed at ensuring fair competition and promoting transparency in the power industry.

On January 27, 2025, San Miguel Global Power completed the following transactions pursuant to the agreements executed on March 1, 2024, with CGHI:

- Investment by CGHI of 67% equity interests in: (i) SPPC; (ii) EERI; and (iii) IPIEC.
- Acquisition by CGHI and San Miguel Global Power of 67% and 32.98% equity interests, respectively, in LFC.

As a result of the transactions, San Miguel Global Power's equity interests in SPPC, EERI and IPIEC were diluted from 100% to 33%. Consequently, the Group derecognized the assets and liabilities of SPPC, EERI and IPIEC and recognized the 33% equity interests at their fair market values and a revaluation gain estimated at P52,706 million and P21,724 million, respectively.

c. Issuance of Capital Securities by San Miguel Global Power

On February 19, 2025, San Miguel Global Power issued US\$100 million SPCS (the "Additional Securities") and obtained the approval in-principle from the SGX-ST for the listing and quotation of the Additional Securities.

The Additional Securities will be consolidated with and will form a single series with the US\$500 million SPCS issued on December 2, 2024. The net proceeds of the Additional Securities will be applied primarily for the partial purchase, repurchase and/or redemption of the outstanding 7.00% SPCS issued on October 21, 2020 and December 15, 2020.

d. Issuance of Series G, Series H and Series I Fixed Rate Peso-denominated Bonds by Petron

On March 4, 2025, the BOD of Petron approved the public offer and issuance of up to P25,000 million Peso-denominated Retail Bonds with an oversubscription option of up to P7,000 million, to be taken from the bond shelf registration rendered effective by the SEC and valid until September 2025.

The net proceeds of the issuance of the bonds will be used for repayment of Series D and Series E Bonds due in 2025 and other existing debt, for capital expenditures and for general corporate purposes.

e. Common Share Buyback Program of up to 620,000,000 Common Shares by Petron

On March 4, 2025, the BOD of Petron approved the common share buyback of up to 620,000,000 shares as follows, with terms and conditions to be determined by management: (a) up to 167,000,000 shares (the “Maximum Volume” or about P400 million (the “Maximum Amount”) and during a period of up to six months or until the Maximum Volume or the Maximum Amount is exhausted or unless earlier terminated by management; and (b) repurchase of all of the 459,156,097 common shares held by Petron Corporation Employee Retirement Plan via a block sale based on the simple average of the three-day close prior to the execution date.

B. The following are the major developments in 2023:

In 2023, the Group has undertaken various financing activities. The significant transactions are as follows:

AVAILMENT OF LONG-TERM DEBT

PESO TERM LOANS

• **Energy**

a. Masinloc Power Co. Ltd. (MPCL)

On January 17, 2023, MPCL agreed with local bank lenders to amend its Omnibus Refinancing Agreement, with an outstanding obligation amounting to US\$149 million as at the agreement date, into a Peso-denominated loan amounting to P8,155 million, subject to floating interest rate with maturities up to January 2030. MPCL holds a one-time right to convert the loan into a fixed interest rate borrowing on the second anniversary allowed under the terms of the agreement.

b. San Miguel Global Power

On June 15 and August 8, 2023, San Miguel Global Power drew P5,000 million and P2,500 million, respectively, from a P10,000 million Corporate Notes Facility Agreement executed on June 9, 2023. The loan is subject to a fixed interest rate and will mature in June 2028. The proceeds of the loan were used to partially refinance maturing debt obligations, fund general corporate purposes, including investments in LNG and BESS, and cover transaction-related costs, fees and expenses.

c. SMGP BESS

On October 27, 2023, SMGP BESS drew the first tranche amounting to P28,000 million from the P40,000 million OLSA executed on October 23, 2023 with various local banks. The loan is subject to a fixed interest rate and will mature in October 2033. The proceeds of the first tranche were used for the purchase of outstanding perpetual securities issued to SMC and reimbursement or repayment of reimbursable advances from San Miguel Global Power, both of which were used to finance payment for interest, design, construction and the operation of the BESS projects, and cover transaction-related costs, fees and expenses.

- **Infrastructure**

a. SMC NAIAX Corporation (SMC NAIAX)

On various dates in 2023, SMC NAIAX availed of a total of P1,187 million term loans from its P5,656 million OLSA with various banks executed on December 21, 2022. The term of the loan is for seven years and three months and is subject to a floating interest rate. The proceeds of the loan were used to partially finance the construction and development of the NAIAX Tramo Extension Project.

b. SSHCI

On April 19, 2023, SSHCI availed of the remaining P4,200 million of the P20,000 million term loan facility agreement executed on December 3, 2021. The loan is subject to a floating interest rate payable quarterly and with a term of three years. The proceeds of the loan were used to partially finance investments, expansion and capital expenditure programs in toll roads and other infrastructure and infrastructure-related projects.

c. SMC MRT 7

On June 1 and July 17, 2023, SMC MRT 7 availed of a total of P14,300 million term loan from the P100,000 million OLSA with various banks executed on May 18, 2023. The proceeds of the loan were used to partly finance the MRT 7 Project. The loan is subject to a floating interest rate and with a term of 15 years.

- **Food and Beverage**

SMB

On February 21, 2023, SMB availed of the remaining P5,000 million term loan from its P10,000 million loan facility executed on December 19, 2022 to partially finance capital expenditures. The term of the loan is for five years and is subject to a fixed interest rate for the first two years and repricing thereafter.

- **Cement**

a. San Miguel Equity Investments Inc. (SMEII)

On July 14, 2023, SMEII availed of a P30,000 million term loan, subject to a fixed interest rate and with a term of ten years. The proceeds of the loan were used for refinancing of existing short-term loan and/or other general corporate purposes.

b. Northern Cement Corporation (NCC)

On various dates in 2023, NCC availed of a total of P3,750 million term loan from its existing P12,500 million OLSA executed in June 2021. The loan is subject to a fixed interest rate and with final repayment date on June 30, 2031. The proceeds of the loan were used to partially finance the ongoing cement plant project in Sison, Pangasinan. The OLSA was fully drawn as at December 31, 2023.

- **SMC**

On June 30, 2023, SMC availed of a P5,200 million term loan for the refinancing of its Corona Virus Disease 2019 response activities during the period 2020 to 2022. The loan is subject to a fixed interest rate and with a term of six years.

FOREIGN CURRENCY-DENOMINATED LOANS

- **San Miguel Global Power**

- a. On March 16, 2023, San Miguel Global Power availed of a US\$100 million term loan from a facility agreement executed on March 10, 2023, with a foreign bank. The loan is subject to a floating interest rate and matured in September 2024.

The proceeds of the loan, net of transaction-related fees and costs of the facility, were used for general corporate purposes, as well as for various capital expenditures and debt refinancing.

- b. On October 31, 2023, San Miguel Global Power availed of a US\$50 million term loan from a facility agreement executed on October 24, 2023, with a foreign bank. The loan is subject to a floating interest rate and will mature in April 2025. The proceeds of the loan were used to refinance the US\$50 million three-year term loan drawn in April 2021 which matured in October 2023, and payment of transaction related fees, costs and expenses in relation to the facility agreement.

- **SMC**

- a. On various dates in 2023, SMC availed of a total of US\$1,330 million from the term loan facility executed on March 21, 2023, which was increased from US\$1,200 million to US\$1,330 million effective June 30, 2023. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes including the refinancing of external indebtedness, as well as related fees and expenses and payment of other transaction related fees, costs and expenses of the facility.
- b. On various dates in 2023, SMC availed of a total of US\$622 million term loan from the US\$2,165 million loan facility executed on March 31, 2022. The loan is subject to a floating interest rate and with a term of 13 years. The proceeds of the loan were used to fund the land development works of the MIA Project in Bulacan.
- c. On July 10 and July 31, 2023, SMC availed of a US\$200 million term loan, subject to a floating interest rate and US\$150 million term loan, subject to a fixed interest rate, with a term of five years. The proceeds of the loans were used for general corporate purposes including the refinancing of external indebtedness, as well as related fees and expenses and payment of other transaction related fees, costs and expenses of the facility.

- d. On September 20, 2023, SMC availed of a US\$300 million term loan, subject to a floating interest rate and with a term of five years. The proceeds of the loan were used to refinance a total of US\$300 million term loans availed in 2018.
- e. In November 2023, SMC availed of a total of US\$300 million term loans, subject to a floating interest rate and with a term of five years. The proceeds of the loan were used for general corporate purposes including the refinancing of external indebtedness, as well as related fees and expenses and payment of other transaction related fees, costs and expenses of the facility.

- **Petron**

On various dates in 2023, Petron availed of a total of US\$399 million loans from the following: (a) US\$174 million from the remaining balance of the term loan facility executed in November 2022, which was increased from US\$550 million to US\$669 million effective February 17, 2023 (the "US\$669 million Facility"); and (b) US\$225 million from the term loan facility executed on March 28, 2023 (the "US\$225 million Facility"). The final amortization of the US\$669 million Facility will be on November 8, 2027, while the final amortization of the US\$225 million Facility will be on March 28, 2028. Both Facilities are subject to floating interest rates.

The US\$174 million loans from the US\$669 million Facility were used to partially prepay the amortizations for the JPY15,000 million long-term loan amounting to US\$30 million, to prepay the remaining balance of the US\$800 million long-term loan amounting to US\$113 million, and partially fund payment of the P7,000 million Series B Bonds due on October 27, 2023, amounting to US\$31 million. The proceeds of the US\$225 million Facility were used to partially fund the redemption of Petron's US\$500 million SPCS.

PAYMENT OF FIXED RATE PESO-DENOMINATED BONDS

- **SMC**

On March 20, 2023, SMC paid its Series E Fixed Rate Peso-denominated Bonds amounting to P13,146 million, which matured on the same date. The Series E Bonds, which formed part of the P20,000 million Series E, Series F and Series G Fixed Rate Bonds were issued by SMC in 2018.

The Series E Bonds were paid from the proceeds of the P60,000 million Series L, Series M and Series N Fixed Rate Peso-denominated Bonds issued on December 14, 2022.

- **San Miguel Global Power**

On July 11 and August 17, 2023, San Miguel Global Power paid its Series B and Series G Bonds, respectively, with a total amount of P19,090 million. The Series B Bonds formed part of the P15,000 million Series A-B-C fixed rate Bonds issued in July 2016, while the Series G Bonds were issued in 2018.

The payment was funded through capital infusion by SMC and cash generated from operations.

- **Petron**

On October 27, 2023, Petron paid its Series B Fixed Rate Peso-denominated Bonds amounting to P7,000 million, which matured on the same date. The Series B Bonds formed part of the P20,000 million retail bonds issued by Petron in 2016.

The payment was funded by the US\$31 million term loan drawn on August 14, 2023 from the US\$669 million facility and cash generated from operations.

PAYMENT OF TERM LOANS

FOREIGN CURRENCY-DENOMINATED TERM LOANS

- **San Miguel Global Power**

On March 13, 2023, San Miguel Global Power paid the remaining balance of the US\$700 million term loan facility availed on March 16, 2018, amounting to US\$500 million, which matured on the same day.

The payment was funded by the proceeds of the issuance of Redeemable Perpetual Securities (RPS) by San Miguel Global Power to SMC amounting to US\$500 million on March 10, 2023, and cash generated from operations.

- **SMC**

- a. On February 23, 2023, SMC prepaid in full the US\$400 million term loan availed on March 16, 2018. The US\$400 million was paid from the available cash balance.
- b. On April 28, 2023, SMC paid in full the US\$300 million loan availed in 2018, funded by the proceeds of the issuance of P60,000 million Series L, Series M and Series N Fixed Rate Peso-denominated Bonds issued on December 14, 2022.

PESO TERM LOAN

- **ECC**

On May 29, 2023, ECC prepaid in full the balance of its Term Loan Facility and Security Agreement entered in 2016, amounting to P4,049 million. The payment was funded by the proceeds of the redemption on May 25, 2023, of the P4,000 million RPS issued by SMC in 2020.

PAYMENT OF OTHER MATURING OBLIGATIONS

In 2023, the Group paid a total of P27,497 million of its scheduled amortizations and maturing obligations.

ISSUANCE OF EQUITY AND CAPITAL SECURITIES

- **Petron**

On July 7, 2023, Petron issued and listed on the PSE 5,000,000 Series 4A, 2,995,000 Series 4B and 6,005,000 Series 4C Preferred Shares (inclusive of the oversubscription of 1,500,000 shares) under the 50,000,000 Series 4 Shelf Registered Preferred Shares at an issue price of P1,000.00 per share or for a total amount of P14,000 million. The Series 4 Shelf Registered Preferred Shares, which were approved for issue by the SEC on June 14, 2023, are cumulative, deferrable, non-voting, non-participating, non-convertible, redeemable, and reissuable Peso-denominated perpetual preferred shares.

The Series 4 Preferred Shares are redeemable in whole and not in part, starting on the second and half, third and fifth year or on any dividend payment date thereafter for Series 4A, Series 4B and Series 4C Preferred Shares, respectively. Dividend rates are 6.7079%, 6.7972% and 7.0861% per annum for Series 4A, Series 4B and Series 4C Preferred Shares, respectively.

The net proceeds were used to partly fund the full redemption on July 19, 2023 of the remaining US\$478 million SPCS issued in 2018.

- **SMC**

On August 23, 2023, SMC issued via private placement 173,333,325 Subseries “2-M” Preferred Shares which were listed on the PSE on August 29, 2023. The shares were issued at an offer price of P75.00 per share for a total amount of P13,000 million, with a fixed dividend rate of 8.375% per annum. The Subseries “2-M” Preferred Shares are cumulative, non-voting, non-participating, non-convertible, redeemable, Peso-denominated preferred shares issued out of the treasury shares of SMC.

The net proceeds of the issuance of Subseries “2-M” Preferred Shares were used for general corporate purposes.

On December 1, 2023, SMC issued, through a public offering, a total of 453,333,400 Subseries 2-LNO Preferred Shares which were under the 866,666,700 shelf-registration and were listed on the PSE on the same date. The shares were issued at an offer price of P75.00 per share for a total amount of P34,000 million, with dividend rates of 7.9145%, 8.3466% and 8.5936% per annum for Subseries “2-L”, “2-N” and “2-O” Preferred Shares, respectively. The shares are cumulative, non-voting, non-participating, non-convertible, redeemable, Peso-denominated preferred shares issued out of the treasury shares of SMC.

The net proceeds of the issuance of Subseries 2-LNO were used for repayment of Peso-denominated short-term facilities and repayment of Series B and Series H Bonds.

REDEMPTION OF US\$500 MILLION SPCS BY PETRON

On January 4, 2023, Petron conducted a tender offer of up to US\$50 million to the holders of its outstanding US\$500 million SPCS issued and listed on the SGX-ST in January 2018. On January 12, 2023, the expiration deadline of the tender offer, a total of US\$22 million in principal amount of SPCS were accepted by Petron. Security holders that validly tendered their securities at or prior to the expiration deadline and which Petron accepted for purchase from such security holder were paid the applicable purchase price of US\$927.00 per US\$1,000.00 on January 19, 2023.

On July 19, 2023, Petron fully redeemed at par the remaining balance of the SPCS with an aggregate amount of about US\$478 million.

Following the full redemption, distributions ceased to accrue, and the redeemed securities were cancelled and delisted from the SGX-ST.

The redemption was funded through availment of a US\$225 million term loan, issuance of 14,000,000 Series 4 Preferred Shares and cash generated from operations.

C. The following are the major developments in 2022:

INVESTING ACTIVITIES

Acquisition by SMC through SMEII of ECC

On October 5, 2022, SMEII signed a share purchase agreement with Far East Holdings, Inc., the parent company of ECC and three other individual shareholders (collectively, the Selling Shareholders) for the acquisition by SMEII of a total of 4,425,123,001 common shares (the Sale Shares) representing approximately 88.50% of the total outstanding and issued capital stock of ECC for a total consideration of P97,441 million or P22.02 per Sale Share.

ECC and its subsidiaries are engaged in manufacturing, marketing, sale, and distribution of cement. ECC owns a cement production facility in San Ildefonso, Bulacan and a grinding and packaging facility in Limay, Bataan.

On October 27, 2022, the PCC issued a notice which states that the transaction is not subject to a review based on the implementing rules and regulations of the Philippine Competition Act and its implementing rules and regulations. Consequently, on November 7, 2022, SMEII proceeded to conduct a mandatory tender offer to acquire a total of 574,877,004 common shares of ECC, representing approximately 11.46% of the outstanding capital stock of ECC held by the minority shareholders, as required by the Securities Regulation Code, which tender offer was likewise considered as the tender offer required for the voluntary delisting of ECC under the relevant rules of the PSE after the required written assent of the stockholders of ECC was secured.

The tender offer period ended on December 5, 2022, with a total of 572,780,677 ECC shares representing approximately 11.46% of the total outstanding capital stock of ECC were tendered (Tendered Shares) for a total consideration of P12,613 million or P22.02 per common share (Tender Offer Price). The Tendered Shares were crossed through the PSE on December 14, 2022, upon approval of the PSE of a special block sale of the Tendered Shares. Thereafter, ECC petitioned for a voluntary delisting and was approved by the PSE effective February 28, 2023.

As a result of the transaction, ECC was consolidated effective December 14, 2022. SMEII beneficially owns 4,997,903,678 common shares representing 99.96% of the total outstanding common shares of ECC.

The total acquisition cost of ECC, amounting to P110,054 million was funded by short-term loan availed by SMC and existing cash balance.

Redemption of Investment in Preferred Shares of Top Frontier Investment Holdings, Inc. (Top Frontier)

On December 20, 2022, the BOD of Top Frontier approved the redemption of the remaining 1,904,540 preferred shares held by SMC. On December 21, 2022, Top Frontier redeemed the preferred shares at the redemption price of P35,424 million, corresponding to the original issue price, plus unpaid cash dividend amounting to P267 million.

In 2022, the Group has undertaken various financing activities. The significant transactions are as follows:

AVAILMENT OF LONG-TERM DEBT

PESO TERM LOANS

- **SSHCI**

On various dates in 2022, SSHCI availed of a total of P15,800 million term loans from the P20,000 million term loan facility agreement executed on December 3, 2021. The loans are subject to a floating interest rate and will mature on January 3, 2025. The proceeds of the loans were used to partially finance investments, expansion and capital expenditure programs in toll roads and other infrastructure and infrastructure-related projects and other related and/or allied businesses which provide service to the toll roads and other infrastructure-related projects.

- **Petron**

- a. On May 19, June 15 and June 16, 2022, Petron availed of a total of P15,000 million term loans for the: (i) partial financing of power plant project; (ii) payment of the remaining balance of US Dollar term loan; and (iii) payment of various loan facilities. The P15,000 million term loan is divided into three P5,000 million loans, each with a term of five years and subject to fixed interest rates. The term loans will mature on May 19, June 15 and June 16, 2027, respectively.
- b. On September 8 and September 30, 2022, Petron availed of a total of P3,000 million term loans for the repayment of indebtedness. The loans are subject to fixed interest rates and will mature on September 8, 2025.

- **SMC NAIAX**

On December 28, 2022, SMC NAIAX availed of a P3,124 million term loan from its P5,656 million OLSA with various banks executed on December 21, 2022. The loan is subject to a fixed interest rate and will mature on June 21, 2030. The proceeds of the loan were used to prepay the balance of the OLSA executed in 2014 and to partially finance the construction and development of the NAIAX Tramo Extension Project.

- **SMB**

On December 20, 2022, SMB availed of a P5,000 million five-year term loan from its P10,000 million loan facility with a local bank. The loan is subject to a fixed interest rate and will mature on December 20, 2027. The proceeds of the loan were used to partially finance capital expenditures.

- **NCC**

On various dates in 2022, NCC availed of a total of P1,674 million term loan from its existing P12,500 million OLSA executed on June 22, 2021. The loan is subject to a fixed interest rate and with final repayment date on June 30, 2031. The proceeds of the loan were used to finance the ongoing cement plant project in Sison, Pangasinan.

FOREIGN CURRENCY-DENOMINATED LOANS

- **San Miguel Global Power**

- a. On January 21, 2022, San Miguel Global Power availed of a US\$200 million term loan from the loan facility agreement executed on September 8, 2021. The proceeds of the loan were used for capital expenditures relating to expansion projects and payment of other transaction related fees, costs and expenses of the facility. The term of the loan is for three years and is subject to a floating interest rate.
- b. On May 24, 2022, San Miguel Global Power availed of a US\$100 million term loan from the loan facility agreement executed on May 18, 2022. The proceeds of the loan were used mainly for working capital requirements of BESS and BCCPP Projects, for general corporate requirements and payment of other transaction related fees, costs and expenses of the facility. The loan is subject to a floating interest rate and will mature in May 2025.
- c. On August 26, 2022, San Miguel Global Power availed of a US\$300 million term loan from its loan facility agreement executed on August 18, 2022. The proceeds of the loan were used mainly for general corporate purposes, including capital expenditures and refinancing of short-term loan. The loan is subject to a floating interest rate and will mature in August 2027.

- **SMC**

- a. On February 18 and April 20, 2022, SMC availed of a total of US\$450 million term loan from the US\$900 million loan facility agreement executed on October 21, 2021 for general corporate purposes. The loan is subject to a floating interest rate and will mature on October 21, 2026.
- b. On various dates in June, August and September 2022, SMC availed of a total of US\$700 million term loan from the US\$700 million loan facility agreement executed on March 28, 2022 for general corporate purposes. The loan is subject to a floating interest rate and will mature on March 29, 2027.
- c. On various dates in 2022, SMC availed of a total of US\$871 million term loan from the US\$2,165 million loan facility executed on March 31, 2022 for the financing of the MIA Project's land development works. The term of the loan is 13 years and is subject to a floating interest rate.
- d. On August 2, 2022, SMC availed of a US\$100 million loan from the US\$100 million term loan facility executed on May 27, 2022, for general corporate purposes. The loan is subject to a floating interest rate and will mature on May 27, 2027.

- **Petron**

In November and December 2022, Petron availed of US\$267 million and US\$228 million loans, respectively, from the US\$550 million term loan facility executed on November 8, 2022. The loan is amortized over five years with a two-year grace period and subject to a floating interest rate. The proceeds of the loan were used to partially prepay the US\$800 million term loan facility availed in 2019 and the US\$150 million term loan availed in 2020.

ISSUANCE AND PAYMENT OF FIXED RATE PESO-DENOMINATED BONDS

- **Issuance of Series J and Series K Fixed Rate Peso-denominated Bonds by SMC**

On March 4, 2022, SMC issued and listed on the PDEX P17,440 million Series J and P12,560 million Series K Fixed Rate Peso-denominated Bonds from the P60,000 million Shelf Registered Fixed Rate Bonds. The bonds are due in March 2027 and 2029 with interest rates of 5.2704% and 5.8434% per annum, respectively.

The proceeds of the issuance of the bonds were used to refinance short-term loan facilities and other general corporate purposes.

- **Registration and Issuance of Series L, Series M and Series N Fixed Rate Peso-denominated Bonds by SMC**

On December 14, 2022, SMC issued and listed on the PDEX a total of P60,000 million Fixed Rate Peso-denominated Bonds comprising of P27,101 million Series L, P9,712 million Series M and P23,187 million Series N Bonds which were approved by the SEC on November 22, 2022. The Series L, Series M and Series N bonds are due in December 2028, 2029, and 2032 with interest rates of 7.4458%, 7.8467% and 8.4890% per annum, respectively.

The proceeds of the issuance of the bonds were used for: (i) the optional redemption of SMC's Subseries "2-H" Preferred Shares; (ii) the repayment of the Peso-denominated short-term loan facilities that were used to pay the Series A and Series D Bonds; (iii) the payment of the Series E Bonds; and (iv) the refinancing of certain US Dollar-denominated obligations.

- **Registration and Issuance of Series K, Series L and Series M Fixed Rate Peso-denominated Bonds by San Miguel Global Power**

On July 26, 2022, San Miguel Global Power issued and listed on the PDEX a total of P40,000 million Fixed Rate Peso-denominated Bonds, the first tranche of the P60,000 million Shelf Registered Fixed Rate Bonds approved by the SEC on July 11, 2022.

The bonds comprised of P5,000 million Series K Bonds due 2025, P25,000 million Series L Bonds due 2028 and P10,000 million Series M Bonds due 2032, with interest rates per annum of 5.9077%, 7.1051% and 8.0288%, respectively.

The proceeds of the issuance of the bonds were used: (i) to partially finance San Miguel Global Power's investments in power-related assets, particularly the LNG projects and related assets, coal power plant projects, BESS and solar power plant projects; (ii) for general corporate purposes; and (iii) for payment of transaction-related fees, costs and expenses.

- **Payment of Series A and Series D Fixed Rate Peso-denominated Bonds by SMC**

On March 1 and April 7, 2022, SMC paid its Series A and Series D Fixed Rate Peso-denominated Bonds amounting to P6,683 million and P10,000 million, respectively. The Series A and Series D Bonds matured on their respective payment dates and were issued by SMC in 2017.

The Series A and Series D Bonds were paid using the proceeds of short-term loan facilities.

- **Payment of Series D and Series H Fixed Rate Peso-denominated Bonds by San Miguel Global Power**

On April 25 and December 22, 2022, San Miguel Global Power paid its P13,845 million Series H and P9,913 million Series D Fixed Rate Peso-denominated Bonds, which matured on the same dates. The Series D and Series H Bonds were issued by San Miguel Global Power in 2017 and 2019, respectively.

The Series H Bonds were paid partly from the proceeds of short-term loan facilities and from cash generated from operations.

- **Payment of Series F Fixed Rate Peso-denominated Bonds by SMB**

On April 2, 2022, SMB paid its Series F Fixed Rate Peso-denominated Bonds amounting to P7,000 million, which matured on the same day. The Series F Bonds were issued by SMB in 2012.

The payment was funded by the proceeds of the P7,000 million term loan availed on April 1, 2022 from a local bank. The loan is subject to a fixed interest rate and will mature in 2025 and 2027.

- **Payment of Series B Fixed Rate Peso-denominated Bonds by SMC SLEX**

On May 22, 2022, SMC SLEX paid its Series B Fixed Rate Peso-denominated Bonds amounting to P2,400 million, which matured on the same day. The Series B Bonds were issued by SMC SLEX in 2015.

The Series B Bonds were paid using internally generated funds.

PAYMENT OF OTHER MATURING OBLIGATIONS

In 2022, the Group paid a total of P22,074 million of its scheduled amortizations and maturing obligations funded by cash generated from operations.

REDEMPTION OF SERIES “2” PREFERRED SHARES - SUBSERIES “2-H” BY SMC

On December 21, 2022, SMC redeemed its 164,000,000 Series “2” Preferred Shares - Subseries “2-H” issued in March 2016. The redemption price was the issue price of P75.00 per share, plus any accumulated unpaid cash dividends. The redemption was approved by the BOD of SMC on September 22, 2022.

The Series “2” Preferred Shares - Subseries “2-H” were redeemed using part of the proceeds of the P60,000 million Fixed Rate Peso-denominated Bonds issued on December 14, 2022.

The redeemed shares were not retired and may be re-issued by SMC at a price to be determined by the BOD. The trading of the listed shares is suspended until re-issued by SMC, upon the approval of the application for lifting of trading suspension by SMC, in accordance with the listing rules of the PSE.

REPURCHASE OF CAPITAL SECURITIES BY SAN MIGUEL GLOBAL POWER

On October 26, 2022, the BOD of San Miguel Global Power authorized the conduct of tender offer to the holders of its US Dollar-denominated SPCS listed on the SGX-ST to purchase for cash up to US\$400 million SPCS. The conduct of the tender offer commenced on October 26, 2022, and expired on November 4, 2022 (the “Expiration Deadline”). All valid tender offers from security holders, representing an aggregate of US\$124 million in principal amount of SPCS were accepted by San Miguel Global Power. Security holders that validly tendered their securities at or prior to the expiration deadline and which San Miguel Global Power accepted for purchase from such security holder were paid the applicable purchase price and the relevant accrued distribution amount on November 9, 2022.

The payment for the repurchased SPCS was funded by San Miguel Global Power’s issuance of RPS to SMC.

D. MATERIAL CHANGES PER LINE OF ACCOUNT

2024 vs. 2023

	December 31		Horizontal Analysis Increase (Decrease)		Vertical Analysis	
	2024	2023	Amount	%	2024	2023
<i>(In Millions)</i>						
Cash and cash equivalents	P293,677	P261,358	P32,319	12%	11%	11%
Trade and other receivables - net	266,981	263,119	3,862	1%	10%	11%
Inventories	178,355	161,986	16,369	10%	7%	6%
Current portion of biological assets - net	3,241	3,515	(274)	(8%)	0%	0%
Prepaid expenses and other current assets	158,180	141,424	16,756	12%	6%	6%
Total Current Assets	900,434	831,402	69,032	8%	34%	34%
Investments and advances - net	52,948	37,089	15,859	43%	2%	2%
Investments in equity and debt instruments	21,050	19,417	1,633	8%	1%	1%
Property, plant and equipment - net	891,450	753,472	137,978	18%	33%	31%
Right-of-use assets - net	43,302	108,014	(64,712)	(60%)	1%	4%
Investment property - net	87,909	79,513	8,396	11%	3%	3%
Biological assets - net of current portion	2,652	2,667	(15)	(1%)	0%	0%
Goodwill - net	184,994	182,791	2,203	1%	7%	7%
Other intangible assets - net	340,496	306,638	33,858	11%	13%	12%
Deferred tax assets	22,045	19,633	2,412	12%	1%	1%
Other noncurrent assets - net	129,650	118,729	10,921	9%	5%	5%
Total Noncurrent Assets	1,776,496	1,627,963	148,533	9%	66%	66%
Total Assets	P2,676,930	P2,459,365	P217,565	9%	100%	100%
Loans payable	P293,230	P214,881	P78,349	36%	11%	9%
Accounts payable and accrued expenses	289,038	223,055	65,983	30%	11%	9%
Lease liabilities - current portion	11,736	19,631	(7,895)	(40%)	0%	1%
Income and other taxes payable	43,628	46,254	(2,626)	(6%)	2%	2%
Dividends and distributions payable	5,160	4,605	555	12%	0%	0%
Current maturities of long-term debt - net of debt issue costs	94,123	236,798	(142,675)	(60%)	4%	9%
Total Current Liabilities	736,915	745,224	(8,309)	(1%)	28%	30%

Forward

	December 31		Horizontal Analysis Increase (Decrease)		Vertical Analysis	
	2024	2023	Amount	%	2024	2023
Long-term debt - net of current maturities and debt issue costs	P1,173,146	P953,786	P219,360	23%	44%	39%
Lease liabilities - net of current portion	30,809	36,941	(6,132)	(17%)	1%	2%
Deferred tax liabilities	34,861	29,503	5,358	18%	1%	1%
Other noncurrent liabilities	24,758	28,745	(3,987)	(14%)	1%	1%
Total Noncurrent Liabilities	1,263,574	1,048,975	214,599	20%	47%	43%
Capital stock - common	16,443	16,443	-	0%	1%	1%
Capital stock - preferred	10,187	10,187	-	0%	0%	0%
Additional paid-in capital	177,442	177,468	(26)	(0%)	6%	7%
Capital securities	24,211	24,211	-	0%	1%	1%
Equity reserves	(5,275)	7,354	(12,629)	(172%)	(0%)	0%
Retained earnings:						
Appropriated	79,849	87,170	(7,321)	(8%)	3%	4%
Unappropriated	89,413	103,151	(13,738)	(13%)	3%	4%
Treasury stock	(109,763)	(109,763)	-	0%	(4%)	(4%)
Equity Attributable to:						
Equity holders of the Parent Company	282,507	316,221	(33,714)	(11%)	10%	13%
Non-controlling interests	393,934	348,945	44,989	13%	15%	14%
Total Equity	676,441	665,166	11,275	2%	25%	27%
Total Liabilities and Equity	P2,676,930	P2,459,365	P217,565	9%	100%	100%

Consolidated total assets as at December 31, 2024 amounted to P2,676,930 million, P217,565 million higher than December 31, 2023. The increase was primarily due to the increase in cash and cash equivalents, inventories, prepaid expenses and other current assets, investments and advances, property, plant and equipment and other intangible assets, partly offset by the decrease in right-of-use assets.

The increase in cash and cash equivalents by P32,319 million was mainly due to the cash generated from operations and net proceeds from borrowings and issuance of preferred shares and capital securities. This was partly offset by capital expenditures for the ongoing projects of the Infrastructure and Energy businesses and Food division, payment of interests, dividends and distributions, income taxes and lease liabilities and redemption of preferred shares and capital securities.

The increase in inventories by P16,369 million was attributable mainly to the higher volume of crude oil of Petron and higher materials and supplies, mostly wheat, and lower usage of soybean meal of the Food division. This was reduced by the lower volume of finished products and lower prices of both crude oil and finished products of Petron.

The decrease in total biological assets by P289 million was mainly attributable to lower feed costs.

The increase in prepaid expenses and other current assets by P16,756 million was primarily due to: (a) higher creditable withholding taxes and input VAT of Petron; (b) increase in restricted cash balance for debt servicing requirements of the Infrastructure and Energy businesses; and (c) increase in prepaid taxes and licenses mainly from higher creditable withholding taxes of SPI and SPPC.

The increase in investments and advances - net by P15,859 million was mainly due to the investment in NNIC by SMHC and advances for future investments to certain companies by the Energy business and SMC.

The increase in investments in equity and debt instruments by P1,633 million was mainly due to the investment of SMC in non-voting preferred shares of stock of a company.

The increase in property, plant and equipment - net by P137,978 million was mainly due the reclassification by SPI of the Sual Coal-fired Thermal Power Plant from right-of-use assets following the turn-over of the plant at the end of its IPPA agreement with PSALM in October 2024 and the costs of the ongoing projects of the Energy business and the Food division.

The increase in investment property - net by P8,396 million was mainly due to the acquisition of land for the MIA Project and for future projects of the Energy business.

The increase in other intangible assets - net by P33,858 million was mainly due to the additions to concession rights for the MIA Project and the costs of various other ongoing projects of the Infrastructure business, partly offset by the amortization during the year.

The increase in deferred tax assets by P2,412 million was mainly due to the deferred tax on unrealized losses on the revaluation of foreign currency-denominated long-term debt, partly offset by the reversal of deferred income tax benefit on realized foreign currency losses as a result of payment of foreign currency-denominated long-term loan of SMC in 2024.

The increase in other noncurrent assets - net by P10,921 million was mainly due to additional contract assets recognized during the year for the MRT 7 Project, partly offset by the application of advances to contractors and suppliers for the projects of the Energy business.

The increase in loans payable by P78,349 million was mainly due to the net availment made by SMC and the Energy business.

The increase in accounts payable and accrued expenses by P65,983 million was mainly due to: (a) higher payables for capital expenditures and trade-related payables mainly for power purchases, coal and fuel supply of the Energy business; (b) higher outstanding liabilities to contractors and suppliers and liabilities for crude oil and petroleum products of Petron; and (c) higher payables for the purchases of raw materials and acquisition of fixed assets for the various expansion projects of the Food division.

The decrease in income and other taxes payable by P2,626 million was mainly due to the lower accrued taxes of Petron and the lower outstanding VAT payable of the Energy business. This was partly offset by the additional withholding taxes payable recognized on distributions to capital securities and interest expense on borrowings and purchases related to ongoing projects by the Energy business.

The increase in dividends and distributions payable by P555 million was mainly due to the declaration of dividends by SMC to Subseries 2-LNO preferred shareholders on November 7, 2024, which were paid on January 3, 2025, partly reduced by the payment to common shareholders of dividends by SMC Skyway Corporation in February 2024 which were declared in December 2023.

The increase in total long-term debt, net of debt issue costs by P76,685 million was primarily due to the net loan availment made by the Group.

The decrease in total lease liabilities by P14,027 million was primarily due to: (a) payments made to PSALM, reduced by the interest expense and foreign exchange loss recognized in 2024 by the entities of the Energy business under the IPPA Agreements; and (b) pretermination of lease contracts with Philippine National Oil Company as a result of the reconveyance of landholdings by Petron. The decrease was partly offset by the lease liability recognized by SPI for the lease agreement executed in October 2024 pertaining to the land where the Sual Coal-fired Thermal Power Plant is situated.

The increase in deferred tax liabilities by P5,358 million was mainly due to the: (a) difference in actual PSALM payments over finance lease liability-related expenses of SPI and San Roque Hydropower Inc. (SRHI); (b) change in the net deferred tax liability position of Petron which resulted from the utilization of Net Operating Loss Carry Over (NOLCO) and write-off of lapsed Minimum Corporate Income Tax (MCIT); and (c) provision for partial impairment of NOLCO and MCIT expiring in 2025 and application of available NOLCO carryforward benefits to income tax liability of SPPC.

The decrease in other noncurrent liabilities by P3,987 million was mainly due to the application of the retention payable to billings for the Mariveles Greenfield Power Plant.

The decrease in equity reserves by P12,629 million was mainly due to the loss on foreign exchange recognized on the redemption, exchange and repurchase of foreign currency-denominated SPCS of San Miguel Global Power.

The decrease in appropriated retained earnings by P7,321 million was mainly due to the reversal of appropriations for the: (a) P10,000 million term loan with a local bank paid in December 2024 and payment of Series H Bonds on April 2, 2024 by SMB; and (b) construction of shipyard and warehouse and purchase of vessels by SMC Shipping and Lighterage Corporation (SMCSLC), partly reduced by the appropriations made by the Food division and Infrastructure business for capital expenditures of the various ongoing projects.

The decrease in unappropriated retained earnings by P13,738 million was mainly due to the dividends and distributions declared and net loss attributable to equity holders of the Parent Company. This was partially offset by the net reversal of appropriations of retained earnings during the year.

The decrease in equity attributable to equity holders of the Parent Company by P33,714 million was mainly due to the dividends and distributions declared to common, preferred and SPCS holders of SMC and comprehensive loss incurred in 2024.

The increase in equity attributable to NCI by P44,989 million was mainly due to the net issuance of capital securities of San Miguel Global Power, issuance of Series 4D and Series 4E Preferred Shares of Petron and the share of NCI in the net income and other comprehensive income of the Group, net of dividends and distributions declared to NCI and the redemption of Series 3A Preferred Shares of Petron issued in 2019.

2023 vs. 2022

	December 31		Horizontal Analysis Increase (Decrease)		Vertical Analysis	
	2023	2022	Amount	%	2023	2022
<i>(In Millions)</i>						
Cash and cash equivalents	P261,358	P318,214	(P56,856)	(18%)	11%	13%
Trade and other receivables - net	263,119	238,782	24,337	10%	11%	10%
Inventories	161,986	190,193	(28,207)	(15%)	6%	8%
Current portion of biological assets - net	3,515	3,418	97	3%	0%	0%
Prepaid expenses and other current assets	141,424	133,691	7,733	6%	6%	6%
Total Current Assets	831,402	884,298	(52,896)	(6%)	34%	37%
Investments and advances - net	37,089	32,523	4,566	14%	2%	1%
Investments in equity and debt instruments	19,417	18,921	496	3%	1%	1%
Property, plant and equipment - net	753,472	708,192	45,280	6%	31%	30%
Right-of-use assets - net	108,014	112,067	(4,053)	(4%)	4%	5%
Investment property - net	79,513	74,660	4,853	7%	3%	3%
Biological assets - net of current portion	2,667	2,671	(4)	(0%)	0%	0%
Goodwill - net	182,791	184,100	(1,309)	(1%)	7%	8%
Other intangible assets - net	306,638	249,321	57,317	23%	12%	10%
Deferred tax assets	19,633	22,554	(2,921)	(13%)	1%	1%
Other noncurrent assets - net	118,729	102,518	16,211	16%	5%	4%
Total Noncurrent Assets	1,627,963	1,507,527	120,436	8%	66%	63%
Total Assets	P2,459,365	P2,391,825	P67,540	3%	100%	100%
Loans payable	P214,881	P267,704	(P52,823)	(20%)	9%	11%
Accounts payable and accrued expenses	223,055	227,126	(4,071)	(2%)	9%	9%
Lease liabilities - current portion	19,631	21,020	(1,389)	(7%)	1%	1%
Income and other taxes payable	46,254	37,694	8,560	23%	2%	2%
Dividends and distributions payable	4,605	4,037	568	14%	0%	0%
Current maturities of long-term debt - net of debt issue costs	236,798	170,032	66,766	39%	9%	7%
Total Current Liabilities	745,224	727,613	17,611	2%	30%	30%

Forward

	December 31		Horizontal Analysis Increase (Decrease)		Vertical Analysis	
	2023	2022	Amount	%	2023	2022
Long-term debt - net of current maturities and debt issue costs	P953,786	P918,164	P35,622	4%	39%	39%
Lease liabilities - net of current portion	36,941	54,455	(17,514)	(32%)	2%	2%
Deferred tax liabilities	29,503	26,297	3,206	12%	1%	1%
Other noncurrent liabilities	28,745	26,144	2,601	10%	1%	1%
Total Noncurrent Liabilities	1,048,975	1,025,060	23,915	2%	43%	43%
Capital stock - common	16,443	16,443	-	0%	1%	1%
Capital stock - preferred	10,187	10,187	-	0%	0%	0%
Additional paid-in capital	177,468	177,719	(251)	(0%)	7%	7%
Capital securities	24,211	24,211	-	0%	1%	1%
Equity reserves	7,354	12,753	(5,399)	(42%)	0%	1%
Retained earnings:						
Appropriated	87,170	71,004	16,166	23%	4%	3%
Unappropriated	103,151	129,239	(26,088)	(20%)	4%	6%
Treasury stock	(109,763)	(156,763)	47,000	30%	(4%)	(7%)
Equity Attributable to:						
Equity holders of the Parent Company	316,221	284,793	31,428	11%	13%	12%
Non-controlling interests	348,945	354,359	(5,414)	(2%)	14%	15%
Total Equity	665,166	639,152	26,014	4%	27%	27%
Total Liabilities and Equity	P2,459,365	P2,391,825	P67,540	3%	100%	100%

Consolidated total assets as at December 31, 2023 amounted to P2,459,365 million, P67,540 million higher than December 31, 2022. The increase was primarily due to the increase in property, plant and equipment, other intangible assets, trade and other receivables and other noncurrent assets, offset by the decrease in cash and cash equivalents and inventories.

The decrease in cash and cash equivalents by P56,856 million was mainly due to the net payment of short-term loans, capital expenditures for the ongoing projects of the Infrastructure, Energy, Cement, and Food and Beverage businesses, and payment of interests, dividends and distributions and lease liabilities. This was partly offset by cash generated from operations, net proceeds from the availment of long-term debt and from the reissuance of treasury shares by SMC and Petron.

The increase in trade and other receivables - net by P24,337 million was mainly attributable to the: (a) higher trade receivables of the Energy business as a result of the emergency PSA with Meralco which commenced in March and August 2023; (b) higher receivables recognized versus collections during the year by SPI; and (c) higher receivable of Petron from the Philippine Government due to increased excise tax refund claims.

The decrease in inventories by P28,207 million was attributable mainly to the: (a) lower materials and supplies inventory of the Food division as a result of the normalized level coming from the high level in December 2022 due to purposive buying of raw materials at that time in anticipation of price increases, depletion of hedged meat materials, and higher production volumes; and (b) lower price of both crude oil and finished products and lower volume of crude oil, partly offset by higher volume of finished products of Petron.

The increase in prepaid expenses and other current assets by P7,733 million was primarily due to: (a) higher input taxes from the ongoing projects and power purchases of the Energy business; (b) increase in advances to suppliers mainly contributed by advances for LNG procurement of SPPC; and (c) higher unused creditable withholding taxes of Petron. The increase was partly offset by the utilization of restricted cash fund for debt servicing requirements of the Energy business.

The increase in investments and advances - net by P4,566 million was mainly due to the advances for future investments to certain companies by the Energy business and the Group's share in the net earnings of BankCom and Manila North Harbour Port, Inc. (MNHPI) in 2023. The increase was partly offset by the dividend received from MNHPI.

The increase in property, plant and equipment - net by P45,280 million was mainly due to the costs of the ongoing projects of the Food and Beer and NAB divisions and the Energy and Cement businesses.

The increase in investment property - net by P4,853 million was mainly due to the: (a) reclassification from property, plant and equipment to investment property of certain properties of the Energy business as a result of the change in usage, (b) acquisition of parcels of land in Bulacan for the MIA Project and (c) consolidation of the investment property of IPIEC and Blue Eagle Star, Corp.

The increase in other intangible assets - net by P57,317 million was mainly due to the additions to concession rights for the MIA Project and the costs of various other ongoing projects of the Infrastructure business, partly offset by the total amortization in 2023.

The decrease in deferred tax assets by P2,921 million was primarily due to the recognition by SMC of deferred tax on unrealized gains on foreign exchange mainly from the revaluation of the foreign currency-denominated long-term debt and derivatives.

The increase in other noncurrent assets - net by P16,211 million, was mainly due to the higher amount of: (a) contract assets for the MRT 7 Project; (b) advances paid to contractors and suppliers of the ongoing projects of the Infrastructure and Energy businesses; and (c) restricted cash balance for debt servicing requirements of the Energy business.

The decrease in loans payable by P52,823 million was mainly due to the net payment made by SMC, Food division and the Energy business.

The increase in income and other taxes payable by P8,560 million was mainly due to the higher amount of VAT payable: (a) on the sales subject to VAT of the Energy business; and (b) of the Food and Beverage business as a result of the implementation of quarterly VAT remittance compared to monthly remittance in 2022.

The increase in dividends and distributions payable by P568 million was mainly due to the declaration of dividends by Petron and SMC to preferred shareholders in November 2023 payable in 2024.

The increase in total long-term debt, net of debt issue costs, of P102,388 million was primarily due to the net availments of foreign currency-denominated and Peso term loans by the Group, partly offset by the payment of Series B and G Bonds by San Miguel Global Power, Series E Bonds by SMC and Series B Bonds by Petron and translation adjustments in 2023.

The decrease in total lease liabilities by P18,903 million was primarily due to the payments made to PSALM by the entities of the Energy business under the IPPA Agreements.

The increase in deferred tax liabilities by P3,206 million was mainly due to the temporary differences on lease-related expenses in relation to the IPPA lease agreement of SPI and SRHI and on qualifying assets and capital allowance of Petron Malaysia.

The increase in other noncurrent liabilities by P2,601 million was mainly due to the increase in: (a) retention payable for the ongoing projects of the Infrastructure business; and (b) retirement liabilities of the Food and Beverage business resulting from the net remeasurement loss on plan assets net of contributions paid. The increase was partly offset by the application of retention payable to contractors' billings of the Energy business.

The decrease in equity reserves by P5,399 million was mainly due to the loss on exchange differences on the translation of foreign operations in 2023, loss from the redemption of SPCS by Petron, and remeasurement loss on the retirement plan assets of SMFB.

The increase in appropriated retained earnings by P16,166 million was mainly due to the net appropriations made by: (a) the Infrastructure business for the capital expenditures of the various ongoing projects; (b) Food division for the Feeds Expansion Projects; (c) SMB for the payment of Series H Bonds and the P10,000 million term loans maturing on April 2, 2024 and December 20, 2027, respectively; and (d) SMCSLC for the construction of shipyard and warehouse and purchase of vessels. The increase was partly offset by the reversal of appropriations for the Power Plant Project of Petron.

The decrease in unappropriated retained earnings by P26,088 million was mainly due to the net appropriations of retained earnings and dividends and distributions declared.

The decrease in treasury stock by P47,000 million represents the reissuance of 173,333,325 Subseries "2-M" Preferred Shares on August 29, 2023 and a total of 453,333,400 Subseries "2-L", "2-N" and "2-O" Preferred Shares on December 1, 2023 of SMC at an issue price of P75.00 per share.

The increase in equity attributable to equity holders of the Parent Company by P31,428 million was mainly due to the reissuance of treasury shares, reduced by the dividends and distributions declared to common, preferred and SPCS holders of SMC and comprehensive loss incurred in 2023.

III. CASH FLOW

SOURCES AND USES OF CASH

A brief summary of cash flow movements is shown below:

	For the Years Ended December 31		
	2024	2023	2022
	<i>(In Millions)</i>		
Net cash flows provided by (used in) operating activities	P101,587	P83,096	(P12,393)
Net cash flows used in investing activities	(149,401)	(155,457)	(201,528)
Net cash flows provided by financing activities	78,303	15,303	224,298

Net cash flows provided by (used in) operating activities primarily consist of operating income before working capital changes, changes in noncash current assets, certain current liabilities and others, including payments of interest, other financing charges and income taxes.

Net cash flows provided by (used in) investing activities are as follows:

	For the Years Ended December 31		
	2024	2023	2022
	<i>(In Millions)</i>		
Additions to:			
Property, plant and equipment	(P76,707)	(P71,173)	(P75,986)
Intangible assets	(40,379)	(64,677)	(58,162)
Investments and advances	(16,475)	(5,271)	(2,432)
Contract assets	(12,166)	(6,571)	(2,899)
Investment property	(9,985)	(5,450)	(4,415)
Advances to contractors and suppliers	(5,631)	(9,448)	(11,449)
Investments in equity and debt instruments	(2,107)	(616)	(12,937)
Increase in other noncurrent assets and others	(5,133)	(9,128)	(3,431)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(1,040)	-	(97,204)
Interest received	13,623	13,396	5,973
Net proceeds of:			
Disposal of subsidiaries, net of cash and cash equivalents disposed of	2,537	418	385
Redemption and disposal of investments in equity and debt instruments	1,384	606	35,454
Sale of property and equipment and other intangible assets	1,168	1,307	253
Dividends received	1,510	1,150	2,452
Collection of advances for investment	-	-	22,870

Net cash flows provided by (used in) financing activities are as follows:

	For the Years Ended December 31		
	2024	2023	2022
	<i>(In Millions)</i>		
Net proceeds of issuance of preferred shares and capital securities and reissuance of treasury shares of subsidiaries	P81,203	P13,885	P -
Net proceeds of (payments of) short-term borrowings	77,884	(52,100)	74,582
Net proceeds of long-term borrowings	47,955	102,057	237,503
Increase (decrease) in non-controlling interests' share in the net assets of subsidiaries and others	853	(3,014)	(2,630)
Repurchase of capital securities and redemption of preferred shares of subsidiaries	(58,443)	(27,134)	(4,703)
Cash dividends and distributions paid	(50,928)	(44,145)	(42,123)
Payments of lease liabilities	(20,195)	(20,995)	(26,031)
Share issuance costs from reissuance of treasury shares	(26)	-	-
Net proceeds of reissuance of treasury shares	-	46,749	-
Redemption of preferred shares	-	-	(12,300)

The effect of exchange rate changes on cash and cash equivalents amounted to P1,830 million, P202 million and P7,807 million in 2024, 2023 and 2022, respectively.

IV. ADDITIONAL INFORMATION ON UNAPPROPRIATED RETAINED EARNINGS

The unappropriated retained earnings of the Parent Company are restricted in the amount of P67,093 million in 2024, 2023 and 2022, representing the cost of common shares held in treasury.

The unappropriated retained earnings of the Group include the accumulated earnings in subsidiaries and equity in net earnings of associates and joint ventures not available for declaration as dividends until declared by the respective investees.

V. KEY PERFORMANCE INDICATORS

The following are the major performance measures that the Group uses. Analyses are employed by comparisons and measurements based on the financial data of the current period against the same period of the previous year. Please refer to Items I “Financial Performance” and II “Financial Position” of the MD&A for the discussion of certain Key Performance Indicators.

	December 31	
	2024	2023
Liquidity:		
Current Ratio	1.22	1.12
Quick Ratio	0.76	0.70
Solvency:		
Debt to Equity Ratio	2.96	2.70
Asset to Equity Ratio	3.96	3.70
Profitability:		
Return on Average Equity Attributable to Equity Holders of the Parent Company	(2.48%)	0.07%
Interest Rate Coverage Ratio	1.65	1.80
Return on Assets	1.43%	1.84%
Operating Efficiency:		
Volume Growth	11%	6%
Revenue Growth (Decline)	9%	(4%)
Operating Margin	10%	10%

The manner by which the Group calculates the key performance indicators is as follows:

KPI	Formula
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Quick Ratio	$\frac{\text{Current Assets} - \text{Inventories} - \text{Current Portion of Biological Assets} - \text{Prepayments}}{\text{Current Liabilities}}$
Debt to Equity Ratio	$\frac{\text{Total Liabilities (Current + Noncurrent)}}{\text{Equity}}$
Asset to Equity Ratio	$\frac{\text{Total Assets (Current + Noncurrent)}}{\text{Equity}}$
Return on Average Equity	$\frac{\text{Net Income Attributable to Equity Holders of the Parent Company}}{\text{Average Equity Attributable to Equity Holders of the Parent Company}}$
Interest Rate Coverage Ratio	$\frac{\text{Earnings Before Interests and Taxes}}{\text{Interest Expense and Other Financing Charges}}$
Return on Assets	$\frac{\text{Net Income}}{\text{Average Total Assets}}$
Volume Growth	$\left(\frac{\text{Sum of all Businesses' Revenue at Prior Period Prices}}{\text{Prior Period Net Sales}} \right) - 1$
Revenue Growth	$\left(\frac{\text{Current Period Net Sales}}{\text{Prior Period Net Sales}} \right) - 1$
Operating Margin	$\frac{\text{Income from Operating Activities}}{\text{Net Sales}}$

VI. OTHER MATTERS

- Commitments

The outstanding purchase commitments of the Group amounted to P245,288 million as at December 31, 2024.

These consist mainly of construction, acquisition, upgrade or repair of fixed assets needed for normal operations of the business and will be funded by available cash, short-term loans and long-term debt.

- There are no unusual items as to nature and amount affecting assets, liabilities, equity, net income or cash flows, except those stated in Management's Discussion and Analysis of Financial Position, Financial Performance and Cash Flows.
- There were no material changes in estimates of amounts reported in prior interim periods of the current year or changes in estimates of amounts reported in prior financial years.
- There were no known trends, demands, commitments, events or uncertainties that will have a material impact on the Group's liquidity. The Group does not anticipate within the next 12 months any cash flow or liquidity problems. The Group was not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring payments. There were no significant amounts of the Group's trade payables that have not been paid within the stated trade terms.
- There were no known trends, events or uncertainties that have had or that are reasonably expected to have a favorable or unfavorable impact on net sales or revenues or income from continuing operation.
- There were no known events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation and there were no changes in contingent liabilities and contingent assets, except for Note 43 (a) of the Audited Consolidated Financial Statements as at December 31, 2024.
- There are no significant elements of income or loss that did not arise from continuing operations.
- Except for the Prepared and Packaged Food and Protein segments of the Food division under the Food and Beverage business, which consistently generate higher revenues during the Christmas holiday season, the effects of seasonality or cyclicity on the interim operations of the Group's businesses are not material.
- There were no material off-statements of financial position transactions, arrangements, obligations (including contingent obligations), and other relationship of the Group with unconsolidated entities or other persons created during the reporting period.

ANNEX “B”

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024, 2023 and 2022



SAN MIGUEL CORPORATION

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

The management of San Miguel Corporation (the "Company") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, for the years ended December 31, 2024, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

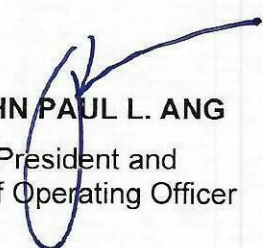
The Board of Directors reviews and approves the consolidated financial statements, including the schedules attached therein, and submits the same to the stockholders.

R.G. Manabat & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



RAMON S. ANG

Chairman and
Chief Executive Officer



JOHN PAUL L. ANG

President and
Chief Operating Officer



BRYAN U. VILLANUEVA

Chief Finance Officer

Signed this 13th day of March 2025

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MANDALUYONG) S.S

BEFORE ME, a Notary Public for and in Mandaluyong City, this 13th day of March 2025, personally appeared the following:

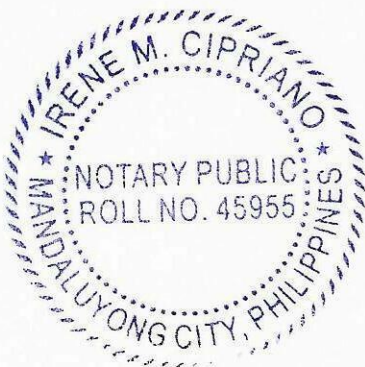
Name	Passport No.	Date of issue	Place of Issue
Ramon S. Ang	P2247867B	May 22, 2019	DFA Manila
John Paul L. Ang	P2247864B	May 22, 2029	DFA Manila
Bryan U. Villanueva	P8559308B	December 23, 2021	DFA-Manila

known to me to be the same persons who executed the foregoing instrument and they acknowledged to me that the same is their free and voluntary act and deed and that of the corporation they represent.

IN WITNESS WHEREOF, I have hereunto affixed my notarial seal on the date and place first above written.

Doc. No.: 442 ;
Page No.: 90 ;
Book No.: I ;
Series of 2025.


IRENE M. CIPRIANO
Commission No. 0221-24
Notary Public for Mandaluyong City
Until December 31, 2025
SMC, 40 San Miguel Ave., Mandaluyong City
Roll of Attorneys No. 45955
PTR No. 3272758; 01/08/2025; Mandaluyong City
IBP Lifetime Member No. 09482; 01/05/11; Q.C.
MCLE Compliance No. VIII-0008465; 05/07/24; P. C. B.



SAN MIGUEL CORPORATION AND SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024, 2023 and 2022**

With Independent Auditors' Report



R.G. Manabat & Co.
The KPMG Center, 6/F
6787 Ayala Avenue, Makati City
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Telephone +63 (2) 8885 7000
Fax +63 (2) 8894 1985
Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
San Miguel Corporation
No. 40 San Miguel Avenue
Mandaluyong City

Opinion

We have audited the consolidated financial statements of San Miguel Corporation and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until September 20, 2026

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition (P1,575,379 million).

Refer to Notes 6, 25 and 33 of the consolidated financial statements.

The risk

Revenue is an important measure used to evaluate the performance of the Group and is generated from various sources. It is accounted for when control of the goods or services is transferred to the customer over time or at a point in time, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. While revenue recognition and measurement are not complex for the Group, revenues may be inappropriately recognized in order to improve business results and achieve revenue growth in line with the objectives of the Group, thus increasing the risk of material misstatement.

Our response

We performed the following audit procedures, among others, on revenue recognition:

- We evaluated and assessed the revenue recognition policies in accordance with PFRS 15, *Revenue from Contracts with Customers*.
- We evaluated and assessed the design and operating effectiveness of the key controls over the revenue process.
- We involved our information technology specialists, as applicable, to assist in the audit of automated controls, including interface controls among different information technology applications for the evaluation of the design and operating effectiveness of controls over the recording of revenue transactions.
- We vouched, on a sampling basis, sales transactions to supporting documentation such as sales invoices and delivery documents to ascertain that the revenue recognition criteria are met.
- We tested, on a sampling basis, sales transactions for the last month of the financial year and also the first month of the following financial year to supporting documentation such as sales invoices and delivery documents to assess whether these transactions are recorded in the appropriate financial year.
- We tested, on a sampling basis, journal entries posted to revenue accounts to identify unusual or irregular items.
- We tested, on a sampling basis, credit notes issued after the financial year, to identify and assess any credit notes that relate to sales transactions recognized during the financial year.

Valuation of Goodwill (P184,994 million).

Refer to Notes 4, 17 and 38 of the consolidated financial statements.

The risk

The Group has embarked on a diversification strategy and has expanded into new businesses through a number of acquisitions and investments resulting in the recognition of a significant amount of goodwill. The goodwill of the acquired businesses are reviewed annually to evaluate whether events or changes in circumstances affect the recoverability of the Group's investments.

The methods used in the annual impairment test of goodwill are complex and judgmental in nature, utilizing assumptions on future market and/or economic conditions. The assumptions used include future cash flow projections, growth rates, discount rates and sensitivity analyses, with a greater focus on more recent trends and current market interest rates, and less reliance on historical trends.

Our response

We performed the following audit procedures, among others, on the valuation of goodwill:

- We assessed management's determination of the recoverable amounts based on fair value less costs to sell or a valuation using cash flow projections (value in use) covering a five-year period based on long range plans approved by management. Cash flows beyond the five-year period are extrapolated using a constant growth rate determined for each individual cash-generating unit.
- We tested the reasonableness of the discounted cash flow model by comparing the Group's assumptions to externally derived data such as relevant industry information, projected economic growth, inflation and discount rates. Our own valuation specialist assisted us in evaluating the models used and assumptions applied.
- We performed our own sensitivity analyses on the key assumptions used in the models.



Valuation of Other Intangible Assets with Indefinite Useful Lives (P2,460 million).
Refer to Notes 4, 5, 17, 34 and 38 of the consolidated financial statements.

The risk

The methods used in the annual impairment test for other intangible assets with indefinite useful lives are complex and judgmental in nature, utilizing assumptions on future market and/or economic conditions. These assumptions include future cash flow projections, growth rates, discount rates and sensitivity analyses, with a greater focus on more recent trends and current market interest rates, and less reliance on historical trends.

Our response

We performed the following audit procedures, among others, on the valuation of other intangible assets with indefinite useful lives:

- We assessed management's determination of the recoverable amounts based on a valuation using cash flow projections (value in use) covering a five-year period based on long range plans approved by management. Cash flows beyond the five-year period are extrapolated using a constant growth rate determined for each individual cash-generating unit.
- We tested the reasonableness of the discounted cash flow model by comparing the Group's assumptions to externally derived data such as relevant industry information, projected economic growth, inflation and discount rates. Our own valuation specialist assisted us in evaluating the models used and assumptions applied.
- We performed our own sensitivity analyses on the key assumptions used in the models.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditors' report.

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

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



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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

ANNEX “B-1”

Signature Page of KPMG



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Darwin P. Virocel.

R.G. MANABAT & CO.

DARWIN P. VIROCEL

Partner

CPA License No. 0094495

SEC Accreditation No. 94495-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and up to audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

Tax Identification No. 912-535-864

BIR Accreditation No. 08-001987-031-2022

Issued June 27, 2022; valid until June 27, 2025

PTR No. MKT 10467159

Issued January 2, 2025 at Makati City

April 15, 2025

Makati City, Metro Manila

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
(In Millions)

	<i>Note</i>	2024	2023
ASSETS			
Current Assets			
Cash and cash equivalents	4, 5, 7, 38, 39, 40	P293,677	P261,358
Trade and other receivables - net	4, 5, 8, 33, 35, 38, 39, 40	266,981	263,119
Inventories	4, 5, 9, 38	178,355	161,986
Current portion of biological assets - net	4, 16	3,241	3,515
Prepaid expenses and other current assets	4, 5, 10, 12, 23, 33, 34, 38, 39, 40	158,180	141,424
Total Current Assets		900,434	831,402
Noncurrent Assets			
Investments and advances - net	4, 5, 11, 23, 38	52,948	37,089
Investments in equity and debt instruments	4, 12, 33, 39, 40	21,050	19,417
Property, plant and equipment - net	4, 5, 13, 34, 38	891,450	753,472
Right-of-use assets - net	4, 5, 14, 34	43,302	108,014
Investment property - net	4, 15, 34, 38	87,909	79,513
Biological assets - net of current portion	4, 16	2,652	2,667
Goodwill - net	4, 17, 38	184,994	182,791
Other intangible assets - net	4, 5, 17, 34, 38	340,496	306,638
Deferred tax assets	4, 5, 23, 38	22,045	19,633
Other noncurrent assets - net	4, 5, 18, 33, 34, 35, 39, 40	129,650	118,729
Total Noncurrent Assets		1,776,496	1,627,963
		P2,676,930	P2,459,365
LIABILITIES AND EQUITY			
Current Liabilities			
Loans payable	19, 30, 33, 38, 39, 40	P293,230	P214,881
Accounts payable and accrued expenses	4, 5, 20, 33, 34, 35, 38, 39, 40	289,038	223,055
Lease liabilities - current portion	4, 5, 30, 33, 34, 38, 39, 40	11,736	19,631
Income and other taxes payable	5, 23, 38	43,628	46,254
Dividends and distributions payable	33, 36, 38, 39, 40	5,160	4,605
Current maturities of long-term debt - net of debt issue costs	5, 21, 30, 33, 38, 39, 40	94,123	236,798
Total Current Liabilities		736,915	745,224
Noncurrent Liabilities			
Long-term debt - net of current maturities and debt issue costs	5, 21, 30, 33, 38, 39, 40	1,173,146	953,786
Lease liabilities - net of current portion	4, 5, 30, 33, 34, 38, 39, 40	30,809	36,941
Deferred tax liabilities	23, 38	34,861	29,503
Other noncurrent liabilities	4, 5, 22, 33, 35, 38, 39, 40	24,758	28,745
Total Noncurrent Liabilities		1,263,574	1,048,975
Total Liabilities		2,000,489	1,794,199

Forward

	Note	2024	2023
Equity	24, 36, 37		
Equity Attributable to Equity Holders of the Parent Company			
Capital stock - common		P16,443	P16,443
Capital stock - preferred		10,187	10,187
Additional paid-in capital		177,442	177,468
Capital securities		24,211	24,211
Equity reserves		(5,275)	7,354
Retained earnings:			
Appropriated		79,849	87,170
Unappropriated		89,413	103,151
Treasury stock		(109,763)	(109,763)
		282,507	316,221
Non-controlling Interests	2, 5, 24, 38	393,934	348,945
Total Equity		676,441	665,166
		P2,676,930	P2,459,365

See Notes to the Consolidated Financial Statements.

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(In Millions, Except Per Share Data)

	<i>Note</i>	2024	2023	2022
SALES	6, 25, 33	P1,575,379	P1,446,703	P1,506,591
COST OF SALES	26, 34, 40	1,312,027	1,208,410	1,314,607
GROSS PROFIT		263,352	238,293	191,984
SELLING AND ADMINISTRATIVE EXPENSES	27, 34	(102,536)	(93,808)	(83,972)
INTEREST EXPENSE AND OTHER FINANCING CHARGES	19, 21, 30, 33, 34, 35	(99,413)	(91,303)	(60,795)
INTEREST INCOME	7, 12, 31, 33, 35	14,704	14,027	7,108
EQUITY IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	11, 23	2,364	1,729	1,197
GAIN ON SALE OF INVESTMENTS AND PROPERTY AND EQUIPMENT	5, 13, 15, 18	2,175	83	733
OTHER INCOME (CHARGES) - Net	4, 5, 32, 34, 39, 40	(16,479)	4,086	(16,178)
INCOME BEFORE INCOME TAX		64,167	73,107	40,077
INCOME TAX EXPENSE	23, 42	27,492	28,408	13,317
NET INCOME		P36,675	P44,699	P26,760
Attributable to:				
Equity holders of the Parent Company		(P7,411)	P198	(P12,968)
Non-controlling interests	5, 24	44,086	44,501	39,728
		P36,675	P44,699	P26,760
Basic and Diluted Loss Per Common Share Attributable to Equity Holders of the Parent Company	37	(P7.10)	(P2.51)	(P8.15)

See Notes to the Consolidated Financial Statements.

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(In Millions)

	<i>Note</i>	2024	2023	2022
NET INCOME		P36,675	P44,699	P26,760
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified to profit or loss				
Remeasurement loss on defined benefit retirement plan	35	(2,321)	(2,271)	(8,158)
Income tax benefit	23	497	571	2,036
Net gain on financial assets at fair value through other comprehensive income	12	267	178	65
Income tax expense	23	(24)	(23)	(15)
Share in other comprehensive income (loss) of associates and joint ventures - net	11	33	(111)	80
		(1,548)	(1,656)	(5,992)
Items that may be reclassified to profit or loss				
Net gain (loss) on exchange differences on translation of foreign operations		4,430	(2,602)	4,326
Net gain (loss) on financial assets at fair value through other comprehensive income		2	(71)	38
Income tax benefit	23	-	8	-
Net gain (loss) on cash flow hedges	40	(371)	(205)	383
Income tax benefit (expense)	23	93	58	(106)
Share in other comprehensive income (loss) of associates and joint ventures - net	11	(24)	107	(242)
		4,130	(2,705)	4,399
OTHER COMPREHENSIVE INCOME (LOSS) - Net of tax		2,582	(4,361)	(1,593)
TOTAL COMPREHENSIVE INCOME - Net of tax		P39,257	P40,338	P25,167
Attributable to:				
Equity holders of the Parent Company		(P6,535)	(P3,591)	(P14,189)
Non-controlling interests	5, 24	45,792	43,929	39,356
		P39,257	P40,338	P25,167

See Notes to the Consolidated Financial Statements.

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(In Millions)

Equity Attributable to Equity Holders of the Parent Company																	
	Note	Equity Reserves												Total	Non-Controlling Interests	Total Equity	
		Capital Stock		Additional Paid-in Capital	Senior Perpetual Capital Securities	Reserve for Retirement Plan	Hedging Reserve	Fair Value Reserve	Translation Reserve	Other Equity Reserve	Retained Earnings		Treasury Stock				
		Common	Preferred								Appropriated	Unappropriated	Common				Preferred
As at January 1, 2024		P16,443	P10,187	P177,468	P24,211	(P10,465)	(P403)	P330	P2,974	P14,918	P87,170	P103,151	(P67,093)	(P42,670)	P316,221	P348,945	P665,166
Net gain on exchange differences on translation of foreign operations		-	-	-	-	-	-	-	2,117	-	-	-	-	-	2,117	2,313	4,430
Share in other comprehensive income (loss) of associates and joint ventures - net	11	-	-	-	-	18	-	(12)	(2)	-	-	-	-	-	4	5	9
Net loss on cash flow hedges	40	-	-	-	-	-	(278)	-	-	-	-	-	-	-	(278)	-	(278)
Net gain (loss) on financial assets at fair value through other comprehensive income	12	-	-	-	-	-	-	353	-	-	-	-	-	-	353	(108)	245
Remeasurement loss on defined benefit retirement plan	35	-	-	-	-	(1,320)	-	-	-	-	-	-	-	-	(1,320)	(504)	(1,824)
Other comprehensive income (loss)		-	-	-	-	(1,302)	(278)	341	2,115	-	-	-	-	-	876	1,706	2,582
Net income (loss)		-	-	-	-	-	-	-	-	-	-	(7,411)	-	-	(7,411)	44,086	36,675
Total comprehensive income (loss)		-	-	-	-	(1,302)	(278)	341	2,115	-	-	(7,411)	-	-	(6,535)	45,792	39,257
Share issuance costs from reissuance of treasury shares	24	-	-	(26)	-	-	-	-	-	-	-	-	-	-	(26)	-	(26)
Net addition (reduction) to non-controlling interests and others	5, 11, 24	-	-	-	-	-	-	-	-	(13,505)	-	(529)	-	-	(14,034)	37,561	23,527
Appropriations - net	24	-	-	-	-	-	-	-	-	-	(7,321)	7,321	-	-	-	-	-
Cash dividends and distributions:	36																
Common		-	-	-	-	-	-	-	-	-	-	(3,337)	-	-	(3,337)	(16,721)	(20,058)
Preferred		-	-	-	-	-	-	-	-	-	-	(7,680)	-	-	(7,680)	(3,113)	(10,793)
Senior perpetual capital securities		-	-	-	-	-	-	-	-	-	-	(2,102)	-	-	(2,102)	(18,530)	(20,632)
As at December 31, 2024	24	P16,443	P10,187	P177,442	P24,211	(P11,767)	(P681)	P671	P5,089	P1,413	P79,849	P89,413	(P67,093)	(P42,670)	P282,507	P393,934	P676,441

Forward

	Note	Equity Attributable to Equity Holders of the Parent Company														Non-Controlling Interests	Total Equity
		Equity Reserves															
		Capital Stock		Additional Paid-in Capital	Senior Perpetual Capital Securities	Reserve for Retirement Plan	Hedging Reserve	Fair Value Reserve	Translation Reserve	Other Equity Reserve	Retained Earnings		Treasury Stock		Total		
		Common	Preferred								Appropriated	Unappropriated	Common	Preferred			
As at January 1, 2023		P16,443	P10,187	P177,719	P24,211	(P9,256)	(P274)	P114	P5,641	P16,528	P71,004	P129,239	(P67,093)	(P89,670)	P284,793	P354,359	P639,152
Net gain (loss) on exchange differences on translation of foreign operations		-	-	-	-	-	-	-	(2,654)	-	-	-	-	-	(2,654)	52	(2,602)
Share in other comprehensive income (loss) of associates and joint ventures - net	11	-	-	-	-	(108)	-	116	(13)	-	-	-	-	-	(5)	1	(4)
Net loss on cash flow hedges	40	-	-	-	-	-	(129)	-	-	-	-	-	-	-	(129)	(18)	(147)
Net gain (loss) on financial assets at fair value through other comprehensive income	12	-	-	-	-	-	-	100	-	-	-	-	-	-	100	(8)	92
Remeasurement loss on defined benefit retirement plan	35	-	-	-	-	(1,101)	-	-	-	-	-	-	-	-	(1,101)	(599)	(1,700)
Other comprehensive income (loss)		-	-	-	-	(1,209)	(129)	216	(2,667)	-	-	-	-	-	(3,789)	(572)	(4,361)
Net income		-	-	-	-	-	-	-	-	-	-	198	-	-	198	44,501	44,699
Total comprehensive income (loss)		-	-	-	-	(1,209)	(129)	216	(2,667)	-	-	198	-	-	(3,591)	43,929	40,338
Reissuance of treasury shares - preferred	24	-	-	(251)	-	-	-	-	-	-	-	-	-	47,000	46,749	-	46,749
Net reduction to non-controlling interests and others	5, 11, 24	-	-	-	-	-	-	-	-	(1,610)	-	(995)	-	-	(2,605)	(13,756)	(16,361)
Appropriations - net	24	-	-	-	-	-	-	-	-	-	16,166	(16,166)	-	-	-	-	-
Cash dividends and distributions:	36																
Common		-	-	-	-	-	-	-	-	-	-	(3,337)	-	-	(3,337)	(13,867)	(17,204)
Preferred		-	-	-	-	-	-	-	-	-	-	(3,781)	-	-	(3,781)	(2,586)	(6,367)
Senior perpetual capital securities		-	-	-	-	-	-	-	-	-	-	(2,007)	-	-	(2,007)	(19,134)	(21,141)
As at December 31, 2023	24	P16,443	P10,187	P177,468	P24,211	(P10,465)	(P403)	P330	P2,974	P14,918	P87,170	P103,151	(P67,093)	(P42,670)	P316,221	P348,945	P665,166

Forward

Equity Attributable to Equity Holders of the Parent Company																		
Note	Capital Securities															Non-Controlling Interests	Total Equity	
	Capital Stock		Additional Paid-in Capital	Senior Perpetual Capital Securities	Redeemable Perpetual Securities	Equity Reserves					Retained Earnings		Treasury Stock					
	Common	Preferred				Reserve for Retirement Plan	Hedging Reserve	Fair Value Reserve	Translation Reserve	Other Equity Reserve	Appropriated	Unappropriated	Common	Preferred	Total			
As at January 1, 2022		P16,443	P10,187	P177,719	P24,211	P3,960	(P4,137)	(P534)	P269	P2,265	P16,273	P66,630	P157,707	(P67,093)	(P77,270)	P326,630	P354,609	P681,239
Net gain on exchange differences on translation of foreign operations		-	-	-	-	-	-	-	-	3,802	-	-	-	-	-	3,802	524	4,326
Share in other comprehensive income (loss) of associates and joint ventures - net	11	-	-	-	-	-	76	-	(237)	(10)	-	-	-	-	-	(171)	9	(162)
Net gain on cash flow hedges	40	-	-	-	-	-	-	260	-	-	-	-	-	-	-	260	17	277
Net gain on financial assets at fair value through other comprehensive income	12	-	-	-	-	-	-	-	82	-	-	-	-	-	-	82	6	88
Remeasurement loss on defined benefit retirement plan	35	-	-	-	-	-	(5,194)	-	-	-	-	-	-	-	-	(5,194)	(928)	(6,122)
Other comprehensive income (loss)		-	-	-	-	-	(5,118)	260	(155)	3,792	-	-	-	-	-	(1,221)	(372)	(1,593)
Net income (loss)		-	-	-	-	-	-	-	-	-	-	-	(12,968)	-	-	(12,968)	39,728	26,760
Total comprehensive income (loss)		-	-	-	-	-	(5,118)	260	(155)	3,792	-	-	(12,968)	-	-	(14,189)	39,356	25,167
Redemption of preferred shares	24	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,300)	(12,300)	-	(12,300)
Acquisition of a subsidiary	5	-	-	-	-	(3,960)	-	-	-	-	-	-	-	-	(100)	(4,060)	-	(4,060)
Net addition (reduction) to non-controlling interests and others	5, 11, 24	-	-	-	-	-	(1)	-	-	(416)	255	-	(1,339)	-	-	(1,501)	(7,527)	(9,028)
Appropriations - net	24	-	-	-	-	-	-	-	-	-	-	4,374	(4,374)	-	-	-	-	-
Cash dividends and distributions:	36																	
Common		-	-	-	-	-	-	-	-	-	-	-	(3,337)	-	-	(3,337)	(11,097)	(14,434)
Preferred		-	-	-	-	-	-	-	-	-	-	-	(4,293)	-	-	(4,293)	(1,544)	(5,837)
Senior perpetual capital securities		-	-	-	-	-	-	-	-	-	-	-	(1,957)	-	-	(1,957)	(19,438)	(21,395)
Redeemable perpetual securities		-	-	-	-	-	-	-	-	-	-	-	(200)	-	-	(200)	-	(200)
As at December 31, 2022	24	P16,443	P10,187	P177,719	P24,211	P -	(P9,256)	(P274)	P114	P5,641	P16,528	P71,004	P129,239	(P67,093)	(P89,670)	P284,793	P354,359	P639,152

See Notes to the Consolidated Financial Statements.

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(In Millions)

	<i>Note</i>	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		P64,167	P73,107	P40,077
Adjustments for:				
Interest expense and other financing charges	30	99,413	91,303	60,795
Depreciation, amortization and others - net	13, 14, 15, 17, 18, 28, 32	59,360	57,621	50,608
Loss (gain) on foreign exchange - net	32	20,956	(4,188)	19,494
Interest income	31	(14,704)	(14,027)	(7,108)
Equity in net earnings of associates and joint ventures	11	(2,364)	(1,729)	(1,197)
Gain on sale of investments and property and equipment	5, 13, 15, 18	(2,175)	(83)	(733)
Operating income before working capital changes		224,653	202,004	161,936
Changes in noncash current assets, certain current liabilities and others	38	(176)	(5,386)	(93,769)
Cash generated from operations		224,477	196,618	68,167
Interest and other financing charges paid		(99,203)	(91,995)	(60,910)
Income taxes paid		(23,687)	(21,527)	(19,650)
Net cash flows provided by (used in) operating activities		101,587	83,096	(12,393)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Property, plant and equipment	13	(76,707)	(71,173)	(75,986)
Intangible assets	17	(40,379)	(64,677)	(58,162)
Investments and advances	11	(16,475)	(5,271)	(2,432)
Contract assets	18	(12,166)	(6,571)	(2,899)
Investment property	15	(9,985)	(5,450)	(4,415)
Advances to contractors and suppliers	18	(5,631)	(9,448)	(11,449)
Investments in equity and debt instruments	12	(2,107)	(616)	(12,937)
Increase in other noncurrent assets and others	18	(5,133)	(9,128)	(3,431)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	5, 38	(1,040)	-	(97,204)
Interest received		13,623	13,396	5,973
Net proceeds of:				
Disposal of subsidiaries, net of cash and cash equivalents disposed of	5	2,537	418	385
Redemption and disposal of investments in equity and debt instruments	12	1,384	606	35,454
Sale of property and equipment and other intangible assets	13, 15, 18	1,168	1,307	253
Dividends received	11	1,510	1,150	2,452
Collection of advances for investment	11	-	-	22,870
Net cash flows used in investing activities		(149,401)	(155,457)	(201,528)

Forward

	<i>Note</i>	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of:				
Short-term borrowings	38	P1,334,679	P1,145,761	P1,148,669
Long-term borrowings	38	357,390	292,879	353,451
Payments of:				
Short-term borrowings	38	(1,256,795)	(1,197,861)	(1,074,087)
Long-term borrowings	38	(309,435)	(190,822)	(115,948)
Net proceeds of issuance of preferred shares and capital securities and reissuance of treasury shares of subsidiaries	24	81,203	13,885	-
Increase (decrease) in non-controlling interests' share in the net assets of subsidiaries and others	24	853	(3,014)	(2,630)
Repurchase of capital securities and redemption of preferred shares of subsidiaries	24	(58,443)	(27,134)	(4,703)
Cash dividends and distributions paid to non-controlling shareholders	38	(38,527)	(35,102)	(32,443)
Payments of lease liabilities	38	(20,195)	(20,995)	(26,031)
Cash dividends and distributions paid	36, 38	(12,401)	(9,043)	(9,680)
Share issuance costs from reissuance of treasury shares	24	(26)	-	-
Net proceeds of reissuance of treasury shares	24	-	46,749	-
Redemption of preferred shares	24	-	-	(12,300)
Net cash flows provided by financing activities		78,303	15,303	224,298
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		1,830	202	7,807
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		32,319	(56,856)	18,184
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		261,358	318,214	300,030
CASH AND CASH EQUIVALENTS AT END OF YEAR		P293,677	P261,358	P318,214

See Notes to the Consolidated Financial Statements.

SAN MIGUEL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in Millions, Except Per Share Data and Number of Shares)

1. Reporting Entity

San Miguel Corporation (SMC or the Parent Company), a subsidiary of Top Frontier Investment Holdings, Inc. (Top Frontier or the Ultimate Parent Company), was incorporated on August 21, 1913. On March 16, 2012, the Philippine Securities and Exchange Commission (SEC) approved the amendment of the Articles of Incorporation and By-Laws of the Parent Company to extend the corporate term for another fifty (50) years from August 21, 2013, as approved on the March 14, 2011 and June 7, 2011 meetings of the Parent Company's Board of Directors (BOD) and stockholders, respectively.

The Parent Company has a corporate life of 50 years pursuant to its articles of incorporation. However, under the Revised Corporation Code of the Philippines, the Parent Company shall have a perpetual corporate life.

The Parent Company is a public company under Section 17.2 of the Securities Regulation Code. Its common and preferred shares are listed on The Philippine Stock Exchange, Inc. (PSE).

The accompanying consolidated financial statements comprise the financial statements of the Parent Company and its Subsidiaries and the Group's interests in associates and joint ventures (collectively referred to as the Group).

The Group is engaged in various businesses, including food and beverage, packaging, energy, fuel and oil, infrastructure, cement and real estate property management and development.

The registered office address of the Parent Company is No. 40 San Miguel Avenue, Mandaluyong City, Philippines.

2. Basis of Preparation

Statement of Compliance

The accompanying consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards are based on IFRS Accounting Standards issued by the International Accounting Standards Board (IASB). PFRS Accounting Standards consist of PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine Interpretations issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC).

The consolidated financial statements were approved and authorized for issue in accordance with a resolution by the BOD on March 13, 2025.

Basis of Measurement

The consolidated financial statements of the Group have been prepared on a historical cost basis except for the following items which are measured on an alternative basis at each reporting date:

Items	Measurement Basis
Derivative financial instruments	Fair value
Financial assets at fair value through profit or loss (FVPL)	Fair value
Financial assets at fair value through other comprehensive income (FVOCI)	Fair value
Defined benefit retirement asset (liability)	Fair value of the plan assets less the present value of the defined benefit retirement obligation
Agricultural produce	Fair value less estimated costs to sell at the point of harvest

Functional and Presentation Currency

The consolidated financial statements are presented in Philippine Peso, which is the functional currency of the Parent Company. All financial information is rounded off to the nearest million (000,000), except when otherwise indicated.

Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries. The major subsidiaries include the following:

	Percentage of Ownership		Country of Incorporation
	2024	2023	
Food and Beverage Business			
San Miguel Food and Beverage, Inc. (SMFB)	88.76	88.76	Philippines
Food			
San Miguel Foods, Inc. (SMFI) and subsidiaries, San Miguel Mills, Inc. (SMMI) and subsidiaries, Magnolia Inc. and subsidiary, PT San Miguel Foods Indonesia ^(b) , San Miguel Super Coffeemix Co., Inc., The Purefoods-Hormel Company, Inc. (PF-Hormel), and San Miguel Foods International, Limited and subsidiary, San Miguel Foods Investment (BVI) Limited and subsidiary and San Miguel Pure Foods (VN) Co., Ltd.]			
Beer and NAB			
San Miguel Brewery Inc. (SMB) and subsidiaries [including Iconic Beverages, Inc. (IBI), Brewery Properties Inc. (BPI) and subsidiary, and San Miguel Brewing International Limited and subsidiaries, San Miguel Brewery Hong Kong Limited (SMBHK) and subsidiaries, San Miguel (Baoding) Brewery Co., Ltd. ^(c) , San Miguel Beer (Thailand) Limited, San Miguel Marketing (Thailand) Limited, San Miguel Brewery Vietnam Company Limited ^(a) and PT. Delta Jakarta Tbk and subsidiary]			
Spirits			
Ginebra San Miguel Inc. (GSMI) and subsidiaries [including Distileria Bago, Inc. and East Pacific Star Bottlers Phils Inc.]			

Forward

	Percentage of Ownership		Country of Incorporation
	2024	2023	
Packaging Business			
San Miguel Yamamura Packaging Corporation (SMYPC) and subsidiaries [including SMC Yamamura Fuso Molds Corporation (SYFMC), Can Asia, Inc. and Wine Brothers Philippines Corporation]	65.00	65.00	Philippines
San Miguel Yamamura Packaging International Limited (SMYPIL) and subsidiaries [including San Miguel Yamamura Phu Tho Packaging Company Limited ^(a) , San Miguel Yamamura Glass (Vietnam) Limited, San Miguel Yamamura Haiphong Glass Company Limited, Zhaoqing San Miguel Yamamura Glass Company Limited ^(a) , Foshan San Miguel Yamamura Packaging Company Limited and subsidiary ^(a) , San Miguel Yamamura Packaging and Printing Sdn. Bhd., San Miguel Yamamura Woven Products Sdn. Bhd. and subsidiary, Packaging Research Centre Sdn. Bhd., San Miguel Yamamura Plastic Films Sdn. Bhd. and San Miguel Yamamura Australasia Pty Ltd (SMYA) and subsidiaries {including SMYC Pty Ltd and subsidiary, Foshan Cospak Packaging Co Ltd., SMYV Pty Ltd, SMYP Pty Ltd and subsidiary, SMYBB Pty Ltd, SMYJ Pty Ltd, and Vinocor Ltd.}]	65.00	65.00	British Virgin Islands (BVI)
Mindanao Corrugated Fibreboard, Inc.	100.00	100.00	Philippines
Energy Business			
San Miguel Global Power Holdings Corp. (San Miguel Global Power) ^(d) and subsidiaries [including Sual Power Inc. (SPI) ^(e) and subsidiary, South Premiere Power Corp. (SPPC), San Roque Hydropower Inc. (SRHI) ^(f) , San Miguel Electric Corp. (SMELC), SMC PowerGen Inc., SMGP BESS Power Inc. (SMGP BESS) ^(g) , Limay Power Inc. (LPI) ^(h) , Malita Power Inc. (MPI) ⁽ⁱ⁾ , Central Luzon Premiere Power Corp., Prime Electric Generation Corporation and subsidiary, Lumiere Energy Technologies, Inc. (LETI), PowerOne Ventures Energy Inc. (PVEI), SMCGP Masinloc Power Company Limited, SMCGP Masinloc Partners Company Limited, Masinloc Power Co. Ltd. (MPCL) ^(j) , Albay Power and Energy Corp. (APEC), Oceantech Power Generation Corporation and subsidiary, SMGP Kabankalan Power Co. Ltd. (SMGP Kabankalan) ^(k) , Excellent Energy Resources Inc. (EERI), SMC Power Generation Corp. and Mariveles Power Generation Corporation (MPGC)]	100.00	100.00	Philippines
Fuel and Oil Business			
SEA Refinery Corporation (SRC) ^(l)	100.00	100.00	Philippines
Petron Corporation (Petron) ^(l) and subsidiaries [including Petron Marketing Corporation, Petron Freeport Corporation, Overseas Ventures Insurance Corporation Ltd. ^(a) , New Ventures Realty Corporation (NVR) and subsidiaries, Mema Holdings Inc. (Mema) and subsidiary, Petron Singapore Trading Pte., Ltd. (PSTPL), Petron Global Limited, Petron Finance (Labuan) Limited and Petrochemical Asia (HK) Limited ^(a) and subsidiaries, Petron Oil & Gas International Sdn. Bhd. and subsidiaries ^(a) , Petron Malaysia Refining & Marketing Bhd (PMRMB), Petron Fuel International Sdn. Bhd. and Petron Oil (M) Sdn. Bhd. (collectively Petron Malaysia)]	68.26	68.26	Philippines

Forward

	Percentage of Ownership		Country of Incorporation
	2024	2023	
Infrastructure Business			
San Miguel Holdings Corp. doing business under the name and style of SMC Infrastructure (SMHC) and subsidiaries ^(a) [including SMC TPLEX Holdings Company, Inc. and subsidiary, SMC TPLEX Corporation (SMCTC), TPLEX Operations and Maintenance Corporation, Trans Aire Development Holdings Corp. (TADHC), SMC NAIAX Corporation (SMC NAIAX), Universal LRT Corporation (BVI) Limited (ULC BVI), SMC Mass Rail Transit 7 Inc. (SMC MRT 7), SMC Infraventures Inc. and subsidiary, SMC Skyway Stage 4 Corporation (MMSS4), Luzon Clean Water Development Corporation (LCWDC), Alloy Manila Toll Expressways, Inc. (AMTEX), Pasig River Expressway Corporation (PREC), Intelligent E-Processes Technologies Corp., SMC Northern Access Link Expressway Corp. (NALEC), SMC Southern Access Link Expressway Corp. (SALEC), South Luzon Toll Road-5 Expressway Inc. (SLEXTR5), SMC NBEX Inc. (SMC NBEX), SMC CBEX Inc. (SMC CBEX), SMC PLEX Inc. (SMC PLEX), SMC TPLEX Extension Infrastructure Corp. (TPLEXE), San Miguel Aerocity Inc. doing business under the name and style of “Manila International Airport” (SMAI) ^(a) , Wiselink Investment Holdings, Inc. and subsidiary, Cypress Tree Capital Investments, Inc. and subsidiaries {including Star Infrastructure Development Corporation (SIDC) and Star Tollway Corporation (collectively the Star Tollways Group)}, Atlantic Aurum Investments B.V. (AAIBV) and subsidiaries {including SMC Tollways Corporation (SMC Tollways) and subsidiaries [including Stage 3 Connector Tollways Holdings Corporation and subsidiary, SMC Skyway Stage 3 Corporation (MMSS3) and SMC Skyway Corporation (SMC Skyway) and subsidiary, Skyway O&M Corporation (SOMCO)] and SMC SLEX Holdings Company Inc. (SSHCI) and subsidiaries, Manila Toll Expressway Systems, Inc. (MATES) and SMC SLEX Inc. (SMC SLEX)} and SMC Bulacan Water Services Corporation (SBWSC) and subsidiaries {including Obando Water Company, Inc. (OWCI) ⁽ⁿ⁾ and Bulakan Water Company, Inc. (BWCI) ⁽ⁿ⁾ }	100.00	100.00	Philippines
Cement Business			
San Miguel Equity Investments Inc. (SMEII) and subsidiaries ^(a) [including Northern Cement Corporation (NCC), Southern Concrete Industries, Inc. (SCII) and Eagle Cement Corporation (ECC) and subsidiaries]	100.00	100.00	Philippines
Real Estate Business			
San Miguel Properties, Inc. (SMPI) and subsidiaries ^(a) [including SMPI Makati Flagship Realty Corp., Bright Ventures Realty, Inc. and Tierra Verdosa Services Corp. ^(m)]	99.98	99.98	Philippines
Davana Heights Development Corporation (DHDC) and subsidiaries	100.00	100.00	Philippines
Silvertides Holdings Corporation (SHC) and subsidiary	100.00	100.00	Philippines
Fonterra Verde Holdings Inc. (FVHI)	100.00	100.00	Philippines
Deity Holdings Corporation (DHC)	100.00	100.00	Philippines
Worldsummit Holdings Corporation (WHC)	100.00	100.00	Philippines
One Verdana Holdings Inc. (OVHI)	100.00	100.00	Philippines

Forward

	Percentage of Ownership		Country of Incorporation
	2024	2023	
Others			
San Miguel International Limited and subsidiary, San Miguel Holdings Limited (SMHL) and subsidiaries [including SMYPIL and San Miguel Insurance Company, Ltd.]	100.00	100.00	Bermuda
SMC Shipping and Lighterage Corporation (SMCSLC) and subsidiaries ^(a) , including SL Harbor Bulk Terminal Corporation (SLHBTC)	70.00	70.00	Philippines
San Miguel Integrated Logistics Services, Inc.	100.00	100.00	Philippines
SMC Stock Transfer Service Corporation ^(a)	100.00	100.00	Philippines
ArchEn Technologies Inc. (ArchEn) ^(a)	100.00	100.00	Philippines
SMITS, Inc. (SMITS) and subsidiaries ^(a)	100.00	100.00	Philippines
Petrogen Insurance Corporation (Petrogen) ^(o)	100.00	100.00	Philippines
Anchor Insurance Brokerage Corporation (AIBC) ^(a)	74.27	58.33	Philippines
SMC Asia Car Distributors Corp. (SMCACDC) and subsidiaries ^(a)	65.00	65.00	Philippines
SMC Equivest Corporation (SMCEC)	100.00	100.00	Philippines

(a) The financial statements of these subsidiaries were audited by other auditors.

(b) Ceased operations in October 2021 and is in the process of liquidation.

(c) Ceased operations in March 2020 and is in the process of liquidation.

(d) Formerly SMC Global Power Holdings Corp. The change in the corporate name was approved by the SEC on March 22, 2023.

(e) Formerly San Miguel Energy Corporation. The change in the corporate name was approved by the SEC on March 9, 2023.

(f) Formerly Strategic Power Devt. Corp. The change in the corporate name was approved by the SEC on March 31, 2023.

(g) Formerly Universal Power Solutions, Inc. The change in the corporate name was approved by the SEC on November 3, 2023.

(h) Formerly SMC Consolidated Power Corporation. The change in the corporate name was approved by the SEC on February 7, 2023.

(i) Formerly San Miguel Consolidated Power Corporation. The change in the corporate name was approved by the SEC on March 9, 2023.

(j) Formerly Masinloc Power Partners Co. Ltd. The change in the corporate name was approved by the SEC on November 13, 2023.

(k) Formerly SMCGP Philippines Energy Storage Co. Ltd. The change in the corporate name was approved by the SEC on September 21, 2023.

(l) Petron is 50.10% indirectly owned by SMC through SRC and 18.16% directly owned by SMC.

(m) Formerly Tierra Verdosa Real Estate Services, Inc. The change in the corporate name was approved by the SEC on October 21, 2024.

(n) Consolidated to SBWSC effective October 22, 2024 (Note 5).

(o) Petrogen is 74.94% directly owned by SMC and 25.06% indirectly owned by SMC through Petron.

A subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements and the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date when the Group obtains control and continues to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances. Intergroup balances and transactions, including intergroup unrealized profits and losses, are eliminated in preparing the consolidated financial statements.

Non-controlling interests represent the portion of profit or loss and net assets not attributable to the Parent Company and are presented in the consolidated statements of income, consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from the equity attributable to equity holders of the Parent Company.

Non-controlling interests include the interests not held by the Parent Company in its subsidiaries as follows: SMFB, SMYPC, SMYPIL, Petron, SMCTC, TADHC, AMTEX, AAIBV, SMPI, SMCSLC, Petrogen, AIBC and SMCACDC in 2024 and 2023 (Note 24).

3. Material Accounting Policy Information

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements, except for the changes in accounting policies as explained below.

The FSRSC approved the adoption of a number of new and amendments to standards as part of PFRS Accounting Standards.

Adoption of Amendments to Standards

The Group has adopted the following amendments to standards effective January 1, 2024 and accordingly changed its accounting policies in the following areas:

- Lease Liability in a Sale and Leaseback (Amendments to PFRS 16, *Leases*). The amendments confirm the following:
 - On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale and leaseback transaction.
 - After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right-of-use asset it retains.

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.

- Classification of Liabilities as Current or Noncurrent - 2020 Amendments and Noncurrent Liabilities with Covenants - 2022 Amendments (Amendments to PAS 1, *Presentation of Financial Statements*). To promote consistency in application and clarify the requirements on determining whether a liability is current or noncurrent, the amendments:
 - removed the requirement for a right to defer settlement of a liability for at least 12 months after the reporting period to be unconditional and instead require that the right must have substance and exist at the reporting date;

- clarified that only covenants with which the entity must comply on or before the reporting date affect the classification of a liability as current or noncurrent and covenants with which the entity must comply after the reporting date do not affect a liability's classification at that date;
 - provided additional disclosure requirements for noncurrent liabilities subject to conditions within 12 months after the reporting period to enable the assessment of the risk that the liability could become repayable within 12 months; and
 - clarified that settlement of a liability includes transferring an entity's own equity instruments to the counterparty, but conversion options that are classified as equity do not affect classification of the liability as current or noncurrent.
- Supplier Finance Arrangements (Amendments to PAS 7, *Statement of Cash Flows*, and PFRS 7, *Financial Instruments: Disclosures*). The amendments introduce new disclosure objectives to provide information about the supplier finance arrangements of an entity that would enable users to assess the effects of these arrangements on the liabilities and cash flows, and the exposure to liquidity risk.

Under the amendments, an entity discloses in aggregate for its supplier finance arrangements:

- the terms and conditions of the arrangements;
- beginning and ending carrying amounts and associated line items of the financial liabilities that are part of a supplier finance arrangement, distinguishing those for which suppliers were already paid, and range of payment due dates including those for comparable trade payables not part of a supplier finance arrangement; and
- the type and effect of non-cash changes in the carrying amounts.

The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in PFRS 7 on factors an entity might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities.

The adoption of the amendments to standards did not have a material effect on the consolidated financial statements.

New and Amendments to Standards Not Yet Adopted

A number of new and amendments to standards are effective for annual reporting periods beginning after January 1, 2024, and have not been applied in preparing the consolidated financial statements. Unless otherwise indicated, none of these is expected to have a significant effect on the consolidated financial statements.

The Group will adopt the following new and amendments to standards on the respective effective dates:

- Lack of Exchangeability (Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates*). The amendments clarify that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

When a currency is not exchangeable, an entity needs to estimate a spot rate. The objective in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how to estimate the spot exchange rate to meet the objective and an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments require new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements, including the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process, and risks to the entity because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted. Comparative information is not restated and the effect of initially applying the amendments are adjusted to the opening balance of retained earnings, or to the cumulative amount of translation differences if the entity uses a presentation currency other than its functional currency.

- Classification and Measurement of Financial Instruments (Amendments to PFRS 9, *Financial Instruments*, and PFRS 7). The amendments clarify that financial assets and financial liabilities are recognized and derecognized on the settlement date, except for regular way purchases or sales of financial assets and financial liabilities that meet the conditions for an exception. The exception allows entities to elect to derecognize certain financial liabilities settled through an electronic payment system before the settlement date.

The amendments also provide guidelines for assessing the contractual cash flow characteristics of financial assets that include environmental, social, and governance-linked features and other similar contingent features.

Entities are required to disclose additional information about financial assets and financial liabilities with contingent features, and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

- Contracts Referencing Nature-dependent Electricity (Amendments to PFRS 9 and PFRS 7). The amendments clarify the application of the own-use exemption for contracts referencing electricity from nature-dependent renewable energy sources, amend the hedge accounting requirements to allow these contracts to be designated as hedging instruments if certain conditions are met, and introduce additional disclosure requirements on the impact of these contracts on the financial performance and future cash flow.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

- Annual Improvements to PFRS Accounting Standards - Volume 11. This cycle of improvements contains amendments to two standards:
 - Gain or Loss on Derecognition (Amendments to PFRS 7). The amendments replaced the reference to 'inputs that were not based on observable market data' in the obsolete paragraph 27A of PFRS 7, with reference to 'unobservable inputs' in paragraphs 72-73 of PFRS 13, Fair Value Measurement.
 - Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9). The amendments:
 - added a cross-reference to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee applies the requirement that the difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss; and
 - replaced the term 'their transaction price (as defined in PFRS 15, *Revenue from Contracts with Customers*)' with 'the amount determined by applying PFRS 15' because a receivable might be initially measured at an amount that differs from the transaction price recognized as revenue, for example, when you recognize full amount for consideration that's unconditionally receivable but at the same time recognize expected refund liability with respect to retrospective rebates. Consequently, the definition of the transaction price has been deleted.

The amendments apply for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

- PFRS 18, *Presentation and Disclosure in Financial Statements*, replaces PAS 1. The new standard introduces the following key requirements:
 - Entities are required to classify all income and expenses into five categories in the statement of income: operating, investing, financing, income tax, and discontinued operations. Subtotals and totals are presented in the statement of income for operating profit or loss, profit or loss before financing and income taxes, and profit or loss.
 - Management-defined performance measures are disclosed in a single note to the financial statements.

- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit or loss subtotal as the starting point for the statement of cash flows when presenting cash flows from operating activities under the indirect method.

PFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with retrospective application required. Early adoption is permitted.

- PFRS 17, *Insurance Contracts*, replaces the interim standard, PFRS 4, *Insurance Contracts*, and establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The new standard applies to all insurance contracts, regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

PFRS 17 aims to increase transparency and to reduce diversity in the accounting for insurance contracts. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by a specific adaptation for contracts with direct participation features (the variable fee approach) and simplified approach (the premium allocation approach) mainly for short-duration contracts.

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two years after its effective date as decided by the IASB.

On February 14, 2025, the FSRSC further deferred the date of initial application by two years, making PFRS 17 effective for annual reporting periods beginning on or after January 1, 2027, with comparative figures required. Early adoption is permitted. The Insurance Commission issued CL No. 2025-04, aligning with this deferral.

The Group continues to assess the impact of the above new and amendments to standards effective subsequent to 2024 on the consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

Current versus Noncurrent Classification

The Group presents assets and liabilities in the consolidated statements of financial position based on current and noncurrent classification. An asset is current when it is: (a) expected to be realized or intended to be sold or consumed in the normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realized within 12 months after the reporting period; or (d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

A liability is current when: (a) it is expected to be settled in the normal operating cycle; (b) it is held primarily for trading; (c) it is due to be settled within 12 months after the reporting period; or (d) there is no right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other assets and liabilities as noncurrent. Deferred tax assets and liabilities are classified as noncurrent.

Financial Instruments

Recognition and Initial Measurement. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at the fair value of the consideration given or received. The initial measurement of financial instruments, except for financial assets and financial liabilities at FVPL, includes transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial Assets

The Group classifies its financial assets, at initial recognition, as subsequently measured at amortized cost, FVOCI and FVPL. The classification depends on the contractual cash flow characteristics of the financial assets and the business model of the Group for managing the financial assets.

For purposes of subsequent measurement, financial assets are classified in the following categories: financial assets at amortized cost, financial assets at FVOCI (with or without recycling of cumulative gains and losses) and financial assets at FVPL.

Financial Assets at Amortized Cost. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model with the objective of holding financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

The Group's cash and cash equivalents, trade and other receivables, investment in debt instruments at amortized cost, noncurrent receivables and deposits, and restricted cash are included under this category (Notes 7, 8, 10, 12, 18, 33, 39 and 40).

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Financial Assets at FVOCI. Investment in debt instruments is measured at FVOCI if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in the fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Financial assets at FVOCI are subsequently measured at fair value. Changes in fair value are recognized in other comprehensive income.

Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment on investment in debt instruments are recognized in the consolidated statements of income. When investment in debt instruments at FVOCI is derecognized, the related accumulated gains or losses previously reported in the consolidated statements of changes in equity are transferred to and recognized in the consolidated statements of income.

Dividends earned on holding an investment in equity instrument are recognized as dividend income in the consolidated statements of income when the right to receive the payment has been established unless the dividend clearly represents a recovery of the part of the cost of the investment. When investment in equity instruments at FVOCI is derecognized, the related accumulated gains or losses previously reported in the consolidated statements of changes in equity are never reclassified to the consolidated statements of income.

The Group's investments in equity and debt instruments at FVOCI are classified under this category (Notes 12, 18, 33, 39 and 40).

Financial Assets at FVPL. All financial assets not classified as measured at amortized cost or FVOCI are measured at FVPL. This includes derivative financial assets that are not designated as cash flow hedge. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVPL.

At initial recognition, the Group may irrevocably designate a financial asset as at FVPL if the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or recognizing the gains and losses on different bases.

The Group carries financial assets at FVPL using their fair values. Attributable transaction costs are recognized in the consolidated statements of income as incurred. Changes in fair value and realized gains or losses are recognized in the consolidated statements of income. Fair value changes from derivatives accounted for as part of an effective cash flow hedge are recognized in other comprehensive income and presented in the statements of changes in equity. Any interest earned from investment in debt instrument designated as at FVPL is recognized in the consolidated statements of income. Any dividend income from investment in equity instrument is recognized in the consolidated statements of income when the right to receive payment has been established unless the dividend clearly represents a recovery of the part of the cost of the investment.

The Group's derivative assets that are not designated as cash flow hedge and investments in equity and debt instruments at FVPL are classified under this category (Notes 10, 12, 18, 33, 39 and 40).

Financial Liabilities

The Group determines the classification of its financial liabilities, at initial recognition, in the following categories: financial liabilities at FVPL and financial liabilities at amortized costs. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Financial Liabilities at FVPL. Financial liabilities are classified under this category through the fair value option. Derivative instruments (including embedded derivatives) with negative fair values, except those covered by hedge accounting relationships, are also classified under this category.

The Group carries financial liabilities at FVPL using their fair values and reports fair value changes in the consolidated statements of income. Fair value changes from derivatives accounted for as part of an effective cash flow hedge are recognized in other comprehensive income and presented in the consolidated statements of changes in equity. Any interest expense incurred is recognized as part of "Interest expense and other financing charges" account in the consolidated statements of income.

The Group's derivative liabilities that are not designated as cash flow hedge are classified under this category (Notes 20, 22, 39 and 40).

Financial Liabilities at Amortized Costs. This category pertains to financial liabilities that are not designated or classified as at FVPL. After initial recognition, financial liabilities at amortized costs are measured using the effective interest method. Amortized cost is calculated by taking into account any premium or discount and any directly attributable transaction costs that are considered an integral part of the effective interest rate of the liability. The effective interest rate amortization is included in "Interest expense and other financing charges" account in the consolidated statements of income. Gains and losses are recognized in the consolidated statements of income when the liabilities are derecognized as well as through the amortization process.

Debt issue costs are considered as an adjustment to the effective yield of the related debt and are deferred and amortized using the effective interest method. When a loan is paid, the related unamortized debt issue costs at the date of repayment are recognized in the consolidated statements of income.

The Group's liabilities arising from its trade transactions or borrowings such as loans payable, accounts payable and accrued expenses, long-term debt, lease liabilities and other noncurrent liabilities are included under this category (Notes 19, 20, 21, 22, 34, 39 and 40).

Derecognition of Financial Assets and Financial Liabilities

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

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a “passthrough” arrangement; and either: (a) has transferred substantially all the risks and rewards of the asset; or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statements of income.

Impairment of Financial Assets

The Group recognizes allowance for expected credit loss (ECL) on financial assets at amortized cost and investments in debt instruments at FVOCI.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive), discounted at the effective interest rate of the financial asset, and reflects reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions.

The Group recognizes an allowance for impairment based on either 12-month or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

The Group recognizes lifetime ECLs for receivables that do not contain significant financing components. The Group uses a provision matrix that is based on the Group’s historical credit loss experience, adjusted for forward-looking factors specific to the borrowers and the economic environment.

At each reporting date, the Group assesses whether these financial assets at amortized cost and investments in debt instruments at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the restructuring of a financial asset by the Group on terms that the Group would not consider otherwise;

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

The Group considers a financial asset to be in default when a counterparty fails to pay its contractual obligations, or there is a breach of other contractual terms, such as covenants.

The Group directly reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering the contractual cash flows on a financial asset, either partially or in full. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The ECLs on financial assets at amortized cost are recognized as allowance for impairment losses against the gross carrying amount of the financial asset, with the resulting impairment losses (or reversals) recognized in the consolidated statements of income. The ECLs on investments in debt instruments at FVOCI are recognized as accumulated impairment in other comprehensive income, with the resulting impairment losses (or reversals) recognized in the consolidated statements of income.

Classification of Financial Instruments between Liability and Equity

Financial instruments are classified as liability or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

A financial instrument is classified as liability if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity;
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

Derivative Financial Instruments and Hedge Accounting

The Group uses derivative financial instruments, such as forwards, swaps and options to manage its exposure on foreign currency, interest rate and commodity price risks. Derivative financial instruments are initially recognized at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of derivatives that are not designated as hedging instruments are recognized in the consolidated statements of income.

Freestanding Derivatives

The Group designates certain derivatives as hedging instruments to hedge the exposure to variability in cash flows associated with recognized liabilities arising from changes in foreign exchange rates and interest rates.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedging instrument are expected to offset the changes in cash flows of the hedged item.

Cash Flow Hedge. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and presented in the “Hedging reserve” account in the consolidated statements of changes in equity. The effective portion of changes in the fair value of the derivative that is recognized in other comprehensive income is limited to the cumulative change in fair value of the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the consolidated statements of income.

The Group designates only the intrinsic value of options and the change in fair value of the spot element of forward contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the time value of options, the forward element of forward contracts and the foreign currency basis spread of financial instruments are separately accounted for as cost of hedging and recognized in other comprehensive income. The cost of hedging is removed from other comprehensive income and recognized in the consolidated statements of income, either over the period of the hedge if the hedge is time related, or when the hedged transaction affects the consolidated statements of income if the hedge is transaction related.

When the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is transferred and included in the initial cost of the hedged asset or liability. For all other hedged transactions, the amount accumulated in equity is reclassified to the consolidated statements of income as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the consolidated statements of income.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument expires, is sold, is terminated, or is exercised, hedge accounting is discontinued prospectively. The amount that has been accumulated in equity is: (a) retained until it is included in the cost of non-financial item on initial recognition, for a hedge of a transaction resulting in the recognition of a non-financial item; or (b) reclassified to the consolidated statements of income as a reclassification adjustment in the same period or periods as the hedged cash flows affect the consolidated statements of income, for other cash flow hedges. If the hedged future cash flows are no longer expected to occur, the amounts that have been accumulated in equity are immediately reclassified to the consolidated statements of income.

The Group has outstanding derivatives accounted for as cash flow hedge as at December 31, 2024 and 2023 (Note 40).

Embedded Derivatives

The Group assesses whether embedded derivatives are required to be separated from the host contracts when the Group becomes a party to the contract.

An embedded derivative is separated from the host contract and accounted for as a derivative if all of the following conditions are met:

- (a) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
- (b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- (c) the hybrid or combined instrument is not recognized as at FVPL.

However, an embedded derivative is not separated if the host contract is a financial asset.

Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Embedded derivatives that are bifurcated from the host contracts are accounted for either as financial assets or financial liabilities at FVPL.

The Group has embedded derivatives as at December 31, 2024 and 2023 (Note 40).

Inventories

Finished goods, goods in process, materials and supplies, raw land inventory and real estate projects are valued at the lower of cost and net realizable value.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Finished goods and goods in process	- at cost, which includes direct materials and labor and a proportion of manufacturing overhead costs based on normal operating capacity but excluding borrowing costs; finished goods also include unrealized gain (loss) on fair valuation of agricultural produce; costs are determined using the moving-average method.
Petroleum products (except lubes and greases) and crude oil	- at cost, which includes duties and taxes related to the acquisition of inventories; costs are determined using the first-in, first-out method.
Lubes and greases, blending components and polypropylene	- at cost, which includes duties and taxes related to the acquisition of inventories; costs are determined using the moving-average method.
Raw land inventory	- at cost, which includes acquisition costs of raw land intended for sale or development and other costs and expenses incurred to effect the transfer of title of the property; costs are determined using the specific identification of individual costs.
Real estate projects	- at cost, which includes acquisition costs of property and other costs and expenses incurred to develop the property; costs are determined using the specific identification of individual costs.
Materials, supplies and others	- at cost, using the specific identification method, first-in, first-out method or moving-average method.
Coal and Liquefied Natural Gas (LNG)	- at cost, using the weighted average method.

Finished Goods. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Goods in Process. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Petroleum Products, Crude Oil, Lubes and Greases, and Aftermarket Specialties. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to complete and/or market and distribute.

Materials and Supplies, including Coal and LNG. Net realizable value is the current replacement cost.

Any write-down of inventories to net realizable value and all losses of inventories are recognized as expense in the year of write-down or loss occurrence. The amount of reversals of write-down of inventories arising from an increase in net realizable value, if any, are recognized as reduction in the amount of inventories recognized as expense in the year in which the reversal occurs.

Real Estate Projects. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Raw Land Inventory. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Prepaid Expenses and Other Current Assets

Prepaid expenses represent expenses not yet incurred but already paid in cash. These are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are recognized in the consolidated statements of income as they are consumed or expire with the passage of time.

Other current assets pertain to assets which are expected to be realized within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

Biological Assets and Agricultural Produce

The Group's biological assets include breeding stocks, growing hogs, poultry livestock and goods in process which are grouped according to their physical state, transformation capacity (breeding, growing or laying), as well as their particular stage in the production process.

Breeding stocks are carried at accumulated costs net of amortization and any impairment in value while growing hogs, poultry livestock and goods in process are carried at accumulated costs. The costs and expenses incurred up to the start of the productive stage are accumulated and amortized over the estimated productive lives of the breeding stocks. The Group uses this method of valuation since fair value cannot be measured reliably.

The Group's agricultural produce, which consists of grown broilers and marketable hogs harvested from the Group's biological assets, are measured at their fair value less estimated costs to sell at the point of harvest. The fair value of grown broilers is based on the quoted prices for harvested mature grown broilers in the market at the time of harvest. For marketable hogs, the fair value is based on the quoted prices in the market at any given time.

The Group, in general, does not carry any inventory of agricultural produce at any given time as these are either sold as live broilers and hogs or transferred to the different poultry or meat processing plants and immediately transformed into processed or dressed chicken and carcass.

The carrying amounts of the biological assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Amortization is computed using the straight-line method over the following estimated productive lives of breeding stocks:

	Amortization Period
Hogs - sow	3 years or 6 births, whichever is shorter
Hogs - boar	2.5 - 3 years
Poultry breeding stock	38 - 42 weeks

Contract Assets

A contract asset is the right to consideration that is conditioned on something other than the passage of time, in exchange for goods or services that the Group has transferred to a customer. The contract asset is transferred to receivable when the right becomes unconditional.

A receivable represents the Group's right to an amount of consideration that is unconditional, only the passage of time is required before payment of the consideration is due.

Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred at the acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included as part of "Selling and administrative expenses" account in the consolidated statements of income.

When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at the acquisition date fair value and any resulting gain or loss is recognized in the consolidated statements of income.

The Group measures goodwill at the acquisition date as: a) the fair value of the consideration transferred; plus b) the recognized amount of any non-controlling interests in the acquiree; plus c) if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less d) the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase gain is recognized immediately in the consolidated statements of income. Subsequently, goodwill is measured at cost less any accumulated impairment in value. Goodwill is reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying amount may be impaired.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in the consolidated statements of income. Costs related to the acquisition, other than those associated with the issuance of debt or equity securities that the Group incurs in connection with a business combination, are expensed as incurred. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in the consolidated statements of income.

- *Goodwill in a Business Combination*

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and

- is not larger than an operating segment determined in accordance with PFRS 8, *Operating Segments*.

Impairment is determined by assessing the recoverable amount of the cash-generating unit or group of cash-generating units, to which the goodwill relates. Where the recoverable amount of the cash-generating unit or group of cash-generating units is less than the carrying amount, an impairment loss is recognized. Where goodwill forms part of a cash-generating unit or group of cash-generating units and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained. An impairment loss with respect to goodwill is not reversed.

- *Intangible Assets Acquired in a Business Combination*

The cost of an intangible asset acquired in a business combination is the fair value as at the date of acquisition, determined using discounted cash flows as a result of the asset being owned.

Following initial recognition, intangible asset is carried at cost less any accumulated amortization and impairment losses, if any. The useful life of an intangible asset is assessed to be either finite or indefinite.

An intangible asset with finite life is amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each reporting date. A change in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for as a change in accounting estimate. The amortization expense on intangible asset with finite life is recognized in the consolidated statements of income.

Business Combinations under Common Control

The Group accounts for business combinations involving entities that are ultimately controlled by the same ultimate parent before and after the business combination and the control is not transitory, using the pooling of interests method.

The assets and liabilities of the combining entities are reflected in the consolidated statements of financial position at their carrying amounts. No adjustments are made to reflect fair values, or recognize any new assets or liabilities, at the date of the combination. The only adjustments are those to align accounting policies between the combining entities.

No new goodwill is recognized as a result of the business combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the equity acquired is recognized in equity.

The consolidated statements of income reflect the results of the combining entities for the full year, irrespective of when the combination took place.

Comparatives are presented as if the entities had been combined for the period that the entities were under common control.

Non-controlling Interests

The acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognized as a result of such transactions. Any difference between the purchase price and the net assets of the acquired entity is recognized in equity. The adjustments to non-controlling interests are based on a proportionate amount of the identifiable net assets of the subsidiary.

Investments in Shares of Stock of Associates and Joint Ventures

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

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries.

The Group's investments in shares of stock of associates and joint ventures are accounted for using the equity method.

Property, Plant and Equipment

Property, plant and equipment, except for land, are stated at cost less accumulated depreciation and any accumulated impairment in value. Such cost includes the cost of replacing part of the property, plant and equipment at the time the cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing. Land is stated at cost less impairment in value, if any.

The initial cost of property, plant and equipment comprises its construction cost or purchase price, including import duties, taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Cost also includes related asset retirement obligation (ARO), if any. Expenditures incurred after the asset has been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized as expense in the period the costs are incurred. Major repairs are capitalized as part of property, plant and equipment only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the items can be measured reliably.

Capital projects in progress (CPIP) represent the amount of accumulated expenditures on unfinished and/or ongoing projects. This includes the costs of construction and other direct costs. Borrowing costs that are directly attributable to the construction of plant and equipment are capitalized during the construction period. CPIP is not depreciated until such time that the relevant assets are ready for use.

Depreciation, which commence when the assets are available for their intended use, are computed using the straight-line method over the following estimated useful lives of the assets:

	Number of Years
Land improvements	5 - 50
Buildings and improvements	2 - 50
Power plants	5 - 42
Refinery and plant equipment	4 - 30
Service stations and other equipment	3 - 30
Equipment, furniture and fixtures	2 - 50
Mine properties	55
Leasehold improvements	2 - 50
	or term of the lease, whichever is shorter

Depreciation of refinery and plant equipment used in production is computed based on the unit of production method (UPM) which considers the expected capacity over the estimated useful lives of these assets. UPM closely reflects the expected pattern of consumption of the future economic benefits embodied in these assets.

The remaining useful lives, residual values, and depreciation methods are reviewed and adjusted periodically, if appropriate, to ensure that such periods and methods of depreciation are consistent with the expected pattern of economic benefits from the items of property, plant and equipment.

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

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

An item of property, plant and equipment is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising from the retirement and disposal of an item of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the consolidated statements of income in the period of retirement and disposal.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use:

- the Group has the right to obtain substantially all the economic benefits from use of the identified asset; and
- the Group has the right to direct the use of the identified asset.

Group as Lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date (i.e., the date the underlying asset is available for use). The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, as follows:

	Number of Years
Land	2 - 999
Buildings and improvements	2 - 15
Power plants	29 - 43
Service stations and other equipment	10 - 12
Machinery and equipment	2 - 7

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. The carrying amount of the lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognized in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases (i.e., lease that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. The Group recognizes the lease payments associated with these leases as rent expense on a straight-line basis over the lease term.

Group as Lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is classified as a finance lease; if not, it is classified as an operating lease. As part of the assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the recognition exemption, it classifies the sublease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies PFRS 15, to allocate the consideration in the contract.

The Group recognizes lease payments received under operating leases as rent income on a straight-line basis over the lease term.

Investment Property

Investment property consists of property held to earn rentals and/or for capital appreciation but not for sale in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes. Investment property, except for land, is measured at cost including transaction costs less accumulated depreciation and any accumulated impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time the cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. Land is stated at cost less any impairment in value.

Depreciation, which commence when the assets are available for their intended use, are computed using the straight-line method over the following estimated useful lives of the assets:

	Number of Years
Land and leasehold improvements	5 - 50 or term of the lease, whichever is shorter
Buildings and improvements	2 - 50
Machinery and equipment	3 - 40
Right-of-use assets	2 - 50

The useful lives, residual values and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

Investment property is derecognized either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains and losses on the retirement and disposal of investment property are recognized in the consolidated statements of income in the period of retirement and disposal.

Transfers are made to investment property when, and only when, there is an actual change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is an actual change in use, evidenced by commencement of the owner-occupation or commencement of development with a view to sell.

For a transfer from investment property to owner-occupied property or inventories, the cost of property for subsequent accounting is its carrying amount at the date of change in use. If the property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is its fair value at the date of acquisition. Subsequently, intangible assets are carried at cost less accumulated amortization and any accumulated impairment. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditures are recognized in the consolidated statements of income in the year in which the related expenditures are incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method used for an intangible asset with a finite useful life are reviewed at least at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimate. The amortization expense on intangible assets with finite lives is recognized in the consolidated statements of income consistent with the function of the intangible asset.

Except for mineral rights and evaluation asset, which is amortized using UPM method, amortization of other intangible assets with finite lives is computed using the straight-line method over the following estimated useful lives:

	Number of Years
Toll road concession rights	28 - 36
Airport concession rights	25 - 50
Water concession rights	25 - 30
Computer software and licenses	2 - 10
Other rights	27

The Group assessed the useful lives of licenses and trademarks and brand names to be indefinite. Based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which the assets are expected to generate cash inflows for the Group.

Licenses and trademarks and brand names with indefinite useful lives are tested for impairment annually, either individually or at the cash-generating unit level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from the disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statements of income when the asset is derecognized.

Service Concession Arrangements

Public-to-private service concession arrangements where: (a) the grantor controls or regulates what services the entities in the Group can provide with the infrastructure, to whom it can provide them, and at what price; and (b) the grantor controls (through ownership, beneficial entitlement or otherwise) any significant residual interest in the infrastructure at the end of the term of the arrangement are accounted for under Philippine Interpretation IFRIC 12, *Service Concession Arrangements*. Infrastructures used in a public-to-private service concession arrangement for its entire useful life (whole-of-life assets) are within the scope of the Interpretation if the conditions in (a) are met.

The Interpretation applies to both: (i) infrastructure that the entities in the Group construct or acquire from a third party for the purpose of the service arrangement; and (ii) existing infrastructure to which the grantor gives the entities in the Group access for the purpose of the service arrangement.

Infrastructures within the scope of the Interpretation are not recognized as property, plant and equipment of the Group. Under the terms of the contractual arrangements within the scope of the Interpretation, an entity acts as a service provider. An entity constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time.

An entity recognizes a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. An entity recognizes an intangible asset to the extent that it receives a right (a license) to charge users of the public service.

When the applicable entity has contractual obligations to fulfill as a condition of its license: (i) to maintain the infrastructure to a specified level of serviceability; or (ii) to restore the infrastructure to a specified condition before it is handed over to the grantor at the end of the service arrangement, it recognizes and measures the contractual obligations in accordance with PAS 37, *Provision, Contingent Liabilities and Contingent Assets*, i.e., at the best estimate of the expenditure that would be required to settle the present obligation at the reporting date.

Borrowing costs attributable to the arrangement are recognized as expenses in the period in which they are incurred unless the applicable entities have a contractual right to receive an intangible asset (a right to charge users of the public service). In this case, borrowing costs attributable to the arrangement are capitalized during the construction phase of the arrangement.

The following are the concession rights covered by the service concession arrangements entered into by the Group:

- *Airport Concession Rights*

Boracay Airport. The airport concession right pertains to the right granted by the Republic of the Philippines (ROP) to TADHC: (i) to operate the Caticlan Airport (the Airport Project or the Boracay Airport); (ii) to design and finance the Airport Project; and (iii) to operate and maintain the Airport Project during the concession period. This also includes the present value of the annual franchise fee, as defined in the Concession Agreement, payable to the ROP over the concession period of 25 years. Except for the portion that relates to the annual franchise fee, which is recognized immediately as intangible asset, the right is earned and recognized by the Group as the project progresses (Note 4).

The airport concession right is carried at cost less accumulated amortization and any impairment in value. Amortization is computed using the straight-line method over the remaining concession periods and assessed for impairment whenever there is an indication that the asset may be impaired.

The airport concession right is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gain or loss from derecognition of the airport concession rights are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognized in the consolidated statements of income.

Manila International Airport (MIA). The airport concession right pertains to the right granted by the ROP to SMAI: (i) to operate; (ii) to design and finance; and (iii) to operate and maintain the MIA during the concession period.

The airport concession right represents the design and construction costs incurred to obtain the right during the construction period. It is carried at cost less accumulated amortization and any impairment in value. Subsequent expenditures or replacement of parts of it, are normally recognized in profit or loss as these are incurred to maintain the expected future economic benefits embodied in the airport concession right unless it can be demonstrated that the expenditures will contribute to the increase in revenue from airport and toll operations which meet the definition of an intangible asset (Note 4).

The airport concession right will be amortized on a straight-line basis over the period stated in the Concession Agreement which is approximately 50 years from issuance of the Certificate of Substantial Completion for the First Phase of the Project, and will be assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and method are reviewed at least at each reporting year-end or more frequently when an indication of impairment arises during the reporting year. Changes in the term of the contract or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period and method, as appropriate, and treated as changes in accounting estimates.

The airport concession right will be derecognized upon turnover to the ROP. There will be no gain or loss upon derecognition as the concession right which is expected to be fully amortized by then and will be handed over to the ROP with no consideration.

- *Toll Road Concession Rights.* The Group's toll road concession rights represent the costs of construction and development, including borrowing costs, if any, during the construction period of the following projects:
 - South Luzon Expressway (SLEX);
 - South Luzon Expressway Toll Road-5;
 - Ninoy Aquino International Airport (NAIA) Expressway;
 - Skyway Stages 1 and 2 (Skyway);
 - Skyway Stage 3;
 - Skyway Stage 4;
 - Tarlac-Pangasinan-La Union Toll Expressway (TPLEX);
 - Southern Tagalog Arterial Road (STAR);
 - Pasig River Expressway (PAREX);
 - Northern Access Link Expressway (NALEX);
 - Southern Access Link Expressway (SALEX);
 - Pangasinan Link Expressway (PLEX);
 - Cavite-Batangas Expressway (CBEX);
 - Nasugbu-Bauan Expressway (NBEX); and
 - TPLEX Extension.

In exchange for the fulfillment of the Group's obligations under the Concession Agreement, the Group is given the right to operate the toll road facilities over the concession period. Toll road concession rights are recognized initially at the fair value of the construction services. Following initial recognition, the toll road concession rights are carried at cost less accumulated amortization and any impairment losses. Subsequent expenditures or replacement of parts of it are normally recognized in the consolidated statements of income as these are incurred to maintain the expected future economic benefits embodied in the toll road concession rights. Expenditures that will contribute to the increase in revenue from toll operations are recognized as an intangible asset.

The toll road concession rights are amortized using the straight-line method over the term of the Concession Agreement. The toll road concession rights are assessed for impairment whenever there is an indication that the toll road concession rights may be impaired.

The toll road concession rights will be derecognized upon turnover to the ROP. There will be no gain or loss upon derecognition of the toll road concession rights as these are expected to be fully amortized upon turnover to the ROP.

- *Water Concession Rights*
Bulacan Bulk Water Supply. The water concession right pertains to the right granted by the Metropolitan Waterworks and Sewerage System (MWSS) to LCWDC as the concessionaire of the supply of treated bulk water, planning, financing, development, design, engineering and construction of facilities including the management, operation and maintenance in order to alleviate the chronic water shortage and provide potable water needs of the Province of Bulacan. The Concession Agreement is for a period of 30 years and may be extended for up to 50 years. The water concession right represents the upfront fee, cost of design, construction and development of the Bulacan Bulk Water Supply Project. The service concession right is not yet amortized until the construction is completed.

The carrying amount of the water concession right is reviewed for impairment annually, or more frequently when an indication of impairment arises during the reporting year.

The water concession right will be derecognized upon turnover to MWSS. There will be no gain or loss upon derecognition of the water concession right, as this is expected to be fully amortized upon turnover to MWSS.

Obando and Bulakan Water Supply. OWCI and BWCI account for the service concession arrangement with Obando Water District (OWD) and Bulakan Water District (BWD), respectively, under the intangible asset model as it receives the right (license) to charge users of public service. OWCI and BWCI are granted the rights and authority to finance, design, construct, operate and maintain the water and sanitation services inside the Municipality of Obando and Bulakan, respectively.

Service concession rights consist of the present value of the total estimated concession fee payments and the costs of rehabilitation works on the existing facilities pursuant to the Concession Agreement. Amortization commences once it is available for use and calculated on a straight-line basis over the remaining concession period.

The carrying amounts of the concession rights are reviewed whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in asset market value, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends.

- *Metro Rail Transit Line 7 (MRT 7 Project).* The Group's capitalized project costs incurred for the MRT 7 Project is recognized as a financial asset as it does not convey to the Group the right to control the use of the public service infrastructure but only an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services.

The Group can finance, design, test, commission, construct and operate and maintain the MRT 7 Project on behalf of the ROP in accordance with the terms specified in the Concession Agreement.

As payment, the ROP shall pay fixed amortization payment on a semi-annual basis in accordance with the scheduled payment described in the Concession Agreement (Note 34).

The amortization period and method are reviewed at least at each reporting date. Changes in the terms of the Concession Agreement or the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense is recognized in the consolidated statements of income in the expense category consistent with the function of the intangible asset.

Mineral Rights and Evaluation Assets

The Group's mineral rights and evaluation assets have finite lives and are carried at cost less accumulated amortization and any accumulated impairment.

Subsequent expenditures are capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in the consolidated statements of income as incurred.

Amortization of mineral rights and evaluation assets is recognized in the consolidated statements of income based on UPM method utilizing only recoverable coal, limestone and shale reserves as the depletion base. In applying the UPM method, amortization is normally calculated using the quantity of material extracted from the mine in the period as a percentage of the total quantity of material to be extracted in current and future periods based on proved and probable reserves.

The Group's mineral rights and evaluation asset is amortized using UPM method over 25 years.

Gain or loss from derecognition of mineral rights and evaluation assets is measured as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognized in the consolidated statements of income.

Deferred Exploration and Development Costs

Deferred exploration and development costs comprise of expenditures which are directly attributable to:

- Researching and analyzing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods; and
- Compiling pre-feasibility and feasibility studies.

Deferred exploration and development costs also include expenditures incurred in acquiring mineral rights and evaluation assets, entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects.

Exploration assets are reassessed on a regular basis and tested for impairment provided that at least one of the following conditions is met:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- such costs are expected to be recouped in full through successful development and exploration of the area of interest or alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing or planned for the future.

If the project proceeds to the development stage, the amounts included within deferred exploration and development costs are transferred to property, plant and equipment.

Returnable Containers

Returnable bottles, shells, pallets, and Liquefied Petroleum Gas (LPG) cylinders are measured at cost less accumulated depreciation and impairment, if any. These are presented as "Deferred containers - net" under "Other noncurrent assets - net" account in the consolidated statements of financial position and are depreciated over the estimated useful lives of 2 to 15 years. Depreciable amount is equal to cost less estimated residual value, equivalent to the deposit value. Depreciation of deferred containers is included under "Selling and administrative expenses" account in the consolidated statements of income.

The remaining useful lives, residual values and depreciation method are reviewed and adjusted periodically, if appropriate, to ensure that such periods and method of depreciation are consistent with the expected pattern of economic benefits from deferred containers.

The carrying amounts of deferred containers are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Refundable containers deposits are collected from customers based on deposit value and refunded when the containers are returned to the Group in good condition. These deposits are presented as part of "Customers' deposits" under "Accounts payable and accrued expenses" account in the consolidated statements of financial position.

Impairment of Non-financial Assets

The carrying amounts of investments and advances, property, plant and equipment, right-of-use assets, investment property, biological assets, other intangible assets with finite useful lives, deferred containers, deferred exploration and development costs and idle assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill, licenses and trademarks and brand names with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. If any such indication exists and if the carrying amount exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the consolidated statements of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statements of income. After such a reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. An impairment loss with respect to goodwill is not reversed.

Contract Liabilities

A deferred income is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a deferred income is recognized when the payment is made, or the payment is due (whichever is earlier). Deferred income is recognized as revenue when the Group performs under the contract.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing the categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Provisions

Provisions are recognized when: (a) the Group has a present obligation (legal or constructive) as a result of past events; (b) it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate of the amount of the obligation can be made. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received. The amount recognized for the reimbursement shall not exceed the amount of the provision. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Capital Stock and Additional Paid-in Capital

Common Shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Preferred Shares

Preferred shares are classified as equity if they are non-redeemable, or redeemable only at the option of the Parent Company, and any dividends thereon are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the BOD of the Parent Company.

Preferred shares are classified as a liability if they are redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in the consolidated statements of income as accrued.

Additional Paid-in Capital

When the shares are sold at premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Parent Company, the shares are measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Capital Securities

Redeemable Perpetual Securities (RPS) and Senior Perpetual Capital Securities (SPCS) are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity or to exchange financial assets or financial liabilities with another person or entity that is potentially unfavorable to the issuer.

Incremental costs directly attributable to the issuance of RPS and SPCS are recognized as a deduction from equity, net of tax.

Retained Earnings

Retained earnings represent the accumulated net income or losses, net of any dividends and distributions and other capital adjustments. Appropriated retained earnings represent that portion which is restricted and therefore not available for any dividend and distribution declaration.

Treasury Shares

Own equity instruments which are reacquired are carried at cost and deducted from equity. No gain or loss is recognized on the purchase, sale, reissuance or cancellation of the Parent Company's own equity instruments. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Revenue

The Group recognizes revenue from contracts with customers when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties.

The transfer of control can occur over time or at a point in time. Revenue is recognized at a point in time unless one of the following criteria is met, in which case it is recognized over time: (a) the customer simultaneously receives and consumes the benefits as the Group performs its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it acts as a principal as it controls the goods or services before transferring to the customer.

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

Revenue from Sale of Food and Beverage, Packaging, Petroleum Products and Cement and Aggregates

Revenue is recognized at the point in time when control of the goods is transferred to the customer, which is normally upon delivery of the goods. Trade discounts and volume rebate do not result to significant variable consideration and are generally determined based on concluded sales transactions as at the end of each period. Payment is generally due within 30 to 60 days from delivery.

Revenue from sale of petroleum products is allocated between the consumer loyalty program and the other component of the sale. The allocation is based on the relative stand-alone selling price of the points. The amount allocated to the consumer loyalty program is deducted from revenue at the time points are awarded to the consumer.

A deferred liability on consumer loyalty program included under “Accounts payable and accrued expenses” account in the consolidated statements of financial position is set up until the Group has fulfilled its obligations to supply the discounted products under the terms of the program or when it is no longer probable that the points under the program will be redeemed. The deferred liability is based on the best estimate of future redemption profile. All the estimates are reviewed on an annual basis or more frequently, where there is an indication of a material change.

Revenue from Power Generation and Trading

Revenue from power generation and trading is recognized over time when actual power or capacity is generated, transmitted and/or made available to the customers, net of related discounts and adjustments.

Revenues from retail and other power-related services are recognized over time upon the supply of electricity to the customers. The Uniform Filing Requirements on the rate unbundling released by the Energy Regulatory Commission (ERC) on October 30, 2001 specified the following bill components: (a) generation charge; (b) transmission charge; (c) system loss charge; (d) distribution charge; (e) supply charge; (f) metering charge; (g) currency exchange rate adjustments; where applicable; and (h) interclass and life subsidies. Feed-in tariffs allowance, Value-added Tax (VAT) and universal charges are billed and collected on behalf of the national and local government and do not form part of the Group's revenue. Generation, transmission and system loss charges, which are part of revenues, are passthrough charges.

Revenue from Sale of Real Estate

Revenue from sale of real estate projects under pre-completion stage is recognized over time based on percentage of completion since the Group does not have an alternative use of the specific real estate property sold as the Group is precluded by the contract from redirecting the use of the property for a different purpose. Further, the Group has the right to payment for the development completed to date as the Group can choose to complete the development and enforce its rights to full payment under the contract even if the customer defaults on amortization payments. The Group determines the stage of completion based on surveys done by the Group's engineers and total costs to be incurred on a per unit basis. Revenue is recognized when 10% of the total contract price has already been collected.

Revenue from sale of completed real estate projects, and undeveloped land or raw land is recognized at a point in time. The Group recognizes in full the revenue and cost from sale of completed real estate projects and undeveloped land when 10% or more of the contract price is received.

If the transaction does not qualify for revenue recognition, the deposit method is applied until all conditions for recording the sale are met. Pending the recognition of revenue, payments received from customers are presented as “Customers' deposits” under “Accounts payable and accrued expenses” account in the consolidated statements of financial position.

Cancellation of real estate sales is accounted for on the year of forfeiture. The repossessed real estate projects are recognized at fair value less cost to repossess. Any gain or loss on cancellation is recognized as part of “Other income (charges) - net” account in the consolidated statements of income.

Revenue from Service Concession Arrangements

Revenue from toll operations is recognized upon the use by the road users of the toll road and is paid by way of cash or charge against Radio Frequency Identification account. Toll fees are set and regulated by the Toll Regulatory Board (TRB).

Landing, take-off and parking fees are recognized as the services are rendered over time which is the period from landing up to take-off of aircrafts.

Terminal fees are recognized upon receipt of fees charged to passengers for the use of airport and port terminals.

Revenue from port cargo handling and ancillary services is recognized as the services are rendered over time based on the quantity of items handled during the period multiplied by a predetermined rate.

Revenue from construction contracts is recognized over time based on the percentage of completion, measured by reference to the proportion of costs incurred to date to estimated total costs for each contract.

Revenue from Freight Services

Revenue from freight services is recognized as the services are rendered over time based on every voyage contracted with customers during the period multiplied by a predetermined rate.

Revenue from Other Sources

Revenue from Agricultural Produce. Revenue from initial recognition of agricultural produce is measured at fair value less estimated costs to sell at the point of harvest. Fair value is based on the relevant market price at the point of harvest.

Interest Income. Interest income is recognized using the effective interest method. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset.

Dividend Income. Dividend income is recognized when the Group's right to receive the payment is established.

Rent Income. Rent income is recognized on a straight-line basis over the related lease terms. Lease incentives granted are recognized as an integral part of the total rent income over the term of the lease.

Gain or Loss on Sale of Investments in Shares of Stock. Gain or loss is recognized when the Group disposes of its investment in shares of stock of a subsidiary, associate and joint venture and financial assets at FVPL. Gain or loss is computed as the difference between the proceeds of the disposed investment and its carrying amount, including the carrying amount of goodwill, if any.

Costs and Expenses

Costs and expenses are decreases in economic benefits during the reporting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are recognized when incurred.

Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Research and Development Costs

Research costs are expensed as incurred. Development costs incurred on an individual project are carried forward when their future recoverability can be reasonably regarded as assured. Any expenditure carried forward is amortized in line with the expected future sales from the related project.

The carrying amount of development costs is reviewed for impairment annually when the related asset is not yet in use. Otherwise, this is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Employee Benefits

Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Retirement Costs

The net defined benefit retirement liability or asset is the aggregate of the present value of the amount of future benefit that employees have earned in return for their service in the current and prior periods, reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of economic benefits available in the form of reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit retirement plan is actuarially determined using the projected unit credit method. The projected unit credit method reflects services rendered by employees to the date of valuation and incorporates assumptions concerning projected salaries of employees. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in equity and are not reclassified to profit or loss in subsequent period.

Defined benefit costs comprise the following:

- Service costs;
- Net interest on the defined benefit retirement liability or asset; and
- Remeasurements of defined benefit retirement liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the consolidated statements of income. Past service costs are recognized when plan amendment or curtailment occurs. Independent qualified actuary calculates these amounts periodically.

Net interest on the net defined benefit retirement liability or asset is the change during the period as a result of contributions and benefit payments, which is determined by applying the discount rate based on the government bonds to the net defined benefit retirement liability or asset. Net interest on the net defined benefit retirement liability or asset is recognized as expense or income in the consolidated statements of income.

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

When the benefits of a plan are changed, or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the consolidated statements of income. The Group recognizes gains and losses on the settlement of a defined benefit retirement plan when the settlement occurs.

Foreign Currency

Foreign Currency Translations

Transactions in foreign currencies are initially recorded in the respective functional currencies of the Group entities at exchange rates on the dates of the transactions.

Monetary assets and monetary liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and non-monetary liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate when the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognized in the consolidated statements of income, except for differences arising on the translation of monetary items that in substance form part of a net investment in a foreign operation and hedging instruments in a qualifying cash flow hedge or hedge of a net investment in a foreign operation, which are recognized in other comprehensive income.

Foreign Operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Philippine Peso at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Philippine Peso at average exchange rates for the period.

Foreign currency differences are recognized in other comprehensive income and presented in the "Translation reserve" account in the consolidated statements of changes in equity. However, if the operation is not a wholly-owned subsidiary, the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in shares of stock of an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognized in other comprehensive income and presented in the "Translation reserve" account in the consolidated statements of changes in equity.

Taxes

Current Tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Deferred Tax. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- with respect to taxable temporary differences associated with investments in shares of stock of subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits - Minimum Corporate Income Tax (MCIT) and unused tax losses - Net Operating Loss Carry Over (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward benefits of MCIT and NOLCO can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- with respect to deductible temporary differences associated with investments in shares of stock of subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

Current tax and deferred tax are recognized in the consolidated statements of income, except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

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

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

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of "Prepaid expenses and other current assets" or "Income and other taxes payable" accounts in the consolidated statements of financial position.

Assets Held for Sale

The Group classifies noncurrent assets, or disposal groups comprising assets and liabilities as held for sale or distribution, if their carrying amounts will be recovered primarily through sale or distribution rather than through continuing use. The assets or disposal groups are generally measured at the lower of their carrying amount and fair value less costs to sell or distribute, except for some assets which are covered by other standards. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains and losses on remeasurement are recognized in the consolidated statements of income. Gains are not recognized in excess of any cumulative impairment losses.

The criteria for held for sale or distribution is regarded as met only when the sale or distribution is highly probable, and the asset or disposal group is available for immediate sale or distribution in its present condition. Actions required to complete the sale, or distribution should indicate that it is unlikely that significant changes to the sale or distribution will be made or that the decision on distribution or sale will be withdrawn. Management must be committed to the sale or distribution within one year from the date of classification.

Intangible assets, property, plant and equipment and investment property once classified as held for sale or distribution are not amortized or depreciated. In addition, equity accounting of equity-accounted investees ceases once classified as held for sale or distribution.

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

Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities.

Basic and Diluted Earnings Per Common Share (EPS)

Basic EPS is computed by dividing the net income for the period attributable to equity holders of the Parent Company, net of dividends on preferred shares and distributions to holders of RPS and SPCS, by the weighted average number of issued and outstanding common shares during the period, with retroactive adjustment for any stock dividends declared.

Diluted EPS is computed in the same manner, adjusted for the effect of all potential dilutive debt or equity instruments.

Operating Segments

The Group's operating segments are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on operating segments is presented in Note 6 to the consolidated financial statements. The Chief Executive Officer (the chief operating decision maker) reviews management reports on a regular basis.

The measurement policies the Group used for segment reporting under PFRS 8 are the same as those used in the consolidated financial statements. There have been no changes in the measurement methods used to determine reported segment profit or loss from prior periods.

Segment revenues, expenses and performance include sales and purchases between business segments. Such sales and purchases are eliminated in consolidation.

Contingencies

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

Events After the Reporting Date

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

4. Use of Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses reported in the consolidated financial statements at the reporting date. However, uncertainty about these judgments, estimates and assumptions could result in an outcome that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions are recognized in the period in which the judgments and estimates are revised and in any future period affected.

Judgments

In the process of applying the accounting policies, the Group has made the following judgments, apart from those involving estimations, which have significant effect on the amounts recognized in the consolidated financial statements:

Measurement of Biological Assets. Breeding stocks are carried at accumulated costs net of amortization and any impairment in value while growing hogs, poultry livestock and goods in process are carried at accumulated costs. The costs and expenses incurred up to the start of the productive stage are accumulated and amortized over the estimated productive lives of the breeding stocks. The Group uses this method of valuation since fair value cannot be measured reliably. The Group's biological assets or any similar assets prior to point of harvest have no active market available in the Philippine poultry and hog industries. Further, the existing sector benchmarks are determined to be irrelevant and the estimates (i.e., revenues due to highly volatile prices, input costs and efficiency values) necessary to compute for the present value of expected net cash flows comprise a wide range of data which will not result in a reliable basis for determining the fair value.

Determining the Lease Term of Contracts with Renewal Options - Group as Lessee. The Group determines the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension options. At lease commencement date, the Group applies judgment in evaluating whether it is reasonably certain to exercise the option to renew the lease by considering all relevant factors that create an economic incentive for it to exercise the renewal option. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or change in circumstances within its control.

Identification of Distinct Performance Obligation. The Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation either: (a) a good or service (or a bundle of goods or services) that is distinct; or (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer. The Group has determined that it has distinct performance obligations other than the sale of petroleum products such as the provision of technical support and consumer loyalty program and allocates the transaction price into these several performance obligations.

Applicability of Philippine Interpretation IFRIC 12. In accounting for the Group's transactions in connection with its Concession Agreement with the ROP, significant judgment was applied to determine the most appropriate accounting policy to use.

Management used Philippine Interpretation IFRIC 12 as guide and determined that the Concession Agreement is within the scope of the interpretation since it specifically indicated that the ROP will regulate what services the Group must provide, at what prices these services will be offered, and that at the end of the concession period, the entire infrastructure, as defined in the Concession Agreement, will be turned over to the ROP (Note 34).

Management determined that the consideration receivable from the ROP, in exchange for the fulfillment of the Group's obligations under the Concession Agreement, may either be an intangible asset in the form of a right (license) to charge fees to users or financial asset in the form of an unconditional right to receive cash or another financial asset. Judgment was further exercised by management in determining the cost components of acquiring the right. Further reference to the terms of the Concession Agreement (Note 34) was made to determine such costs.

a. *Airport Concession Rights*

Boracay Airport. The airport concession right consists of: (i) Airport Project cost; (ii) present value of infrastructure restoration obligation (IRO); and (iii) present value of total franchise fees over 25 years and its subsequent amortization.

- (i) The Airport Project cost is recognized as part of intangible assets as the construction progresses. The cost-to-cost method was used as management believes that the actual cost of construction is most relevant in determining the amount that should be recognized as cost of the intangible asset at each reporting date as opposed to cost plus and other methods of percentage-of-completion.
- (ii) The present value of the IRO is capitalized as part of "Airport concession rights" under "Other intangible assets - net" account in the consolidated statements of financial position (Note 17).
- (iii) The present value of the obligation to pay annual franchise fees over 25 years has been immediately recognized as part of intangible assets because the right related to it has already been granted and is already being enjoyed by the Group as evidenced by its taking over the operations of the Boracay Airport during the last quarter of 2010. Consequently, management has started amortizing the related value of the intangible asset and the corresponding obligation has likewise been recognized.

MIA. The airport concession right consists of the pre-design costs, consultancy fees and other directly attributable costs incurred in the development of the project.

b. *Toll Road Concession Rights.* The Group's toll road concession rights represent the costs of construction and development, including borrowing costs, if any, during the construction period of the following projects: (i) SLEX; (ii) NAIA Expressway; (iii) Skyway; (iv) TPLEX; (v) STAR; (vi) PAREX; (vii) NALEX; (viii) SALEX; (ix) PLEX; (x) CBEX; (xi) NBEX; and (xii) TPLEX Extension.

Pursuant to the Concession Agreements, any stage or phase or ancillary facilities thereof, of a fixed and permanent nature, shall be owned by the ROP.

c. *Water Concession Rights.* The Group's water concession rights represent the right to collect charges from water service providers and third-party purchasers availing of a public service, grant control or regulate the price and transfer significant residual interest of the water treatment facilities at the end of the Concession Agreement.

- d. *MRT 7 Project.* The Concession Agreement related to the MRT 7 Project does not convey to the Group the right to control the use of the public service infrastructure but only an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. Management determined that the consideration receivable from the ROP, in exchange for the fulfillment of the obligation under the Concession Agreement, is a financial asset in the form of an unconditional right to receive cash or another financial asset.

Difference in judgment in respect to the accounting treatment of the transactions would materially affect the assets, liabilities and operating results of the Group.

Recognition of Profit Margin on the Airport and Toll Road Concession Arrangements. The Group has not recognized any profit margin on the construction of the airport and toll road projects as it believes that the fair value of the intangible asset reasonably approximates the cost. The Group also believes that the profit margin of its contractors on the rehabilitation of the existing airport and its subsequent upgrade is enough to cover any difference between the fair value and the carrying amount of the intangible asset.

Recognition of Revenue from Sale of Real Estate and Raw Land. The Group recognizes its revenue from sale of real estate projects and raw land in full when 10% or more of the total contract price is received and when development of the real estate property is 100% completed. Management believes that the revenue recognition criterion on percentage of collection is appropriate based on the Group's collection history from customers and the number of back-out sales in prior years. Buyer's interest in the property is considered to have vested when the payment of at least 10% of the contract price was received from the buyer and the Group ascertained the buyer's commitment to complete the payment of the total contract price.

Distinction Between Investment Property and Owner-occupied Property. The Group determines whether a property qualifies as investment property or owner-occupied property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by the Group. Owner-occupied properties generate cash flows that are attributable not only to the property but also to the other assets used in marketing or administrative functions. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in marketing or for administrative purposes. If the portions can be sold separately (or leased out separately under finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the supply of services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

Classification of Redeemable Preferred Shares. Based on the features of the preferred shares of TADHC, particularly on mandatory redemption, management determined that the shares are, in substance, financial liabilities. Accordingly, these were presented as part of "Accounts payable and accrued expenses" account in the consolidated statements of financial position as at December 31, 2024 and 2023 (Note 20).

Evaluating Control over its Investees. Determining whether the Group has control in an investee requires significant judgment. Although the Group owns less than 50% of the voting rights of BPI, management has determined that the Group has control in this entity by virtue of its exposure and rights to variable returns from its involvement in this investee and its ability to affect those returns through its power over the investee.

The Group receives substantially all of the returns related to BPI's operations and net assets and has the current ability to direct BPI's activities that most significantly affect the returns. The Group controls BPI since it is exposed, and has rights, to variable returns from its involvement with BPI and has the ability to affect those returns through such power over BPI.

Classification of Joint Arrangements. The Group has determined that it has rights only to the net assets of the joint arrangements based on the structure, legal form, contractual terms and other facts and circumstances of the arrangement. As such, the Group classified its joint arrangements in Angat Hydropower Corporation (Angat Hydro) and KWPP Holdings Corporation (KWPP) as at December 31, 2024 and 2023 as joint ventures (Note 11).

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

Classification of Financial Instruments. The Group exercises judgments in classifying financial instruments, or its component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated statements of financial position.

The Group uses its judgment in determining the classification of financial assets based on its business model in which assets are managed and their cash flow characteristics. The classification and fair values of financial assets and financial liabilities are presented in Note 40.

Contingencies. The Group is currently involved in various pending claims and lawsuits which could be decided in favor of or against the Group. The Group's estimate of the probable costs for the resolution of these pending claims and lawsuits has been developed in consultation with in-house as well as outside legal counsel handling the prosecution and defense of these matters and is based on an analysis of potential results. The Group currently does not believe that these pending claims and lawsuits will have a material adverse effect on its financial position and financial performance. It is possible, however, that future financial performance could be materially affected by the changes in the estimates or in the effectiveness of strategies relating to these proceedings (Note 43).

Estimates and Assumptions

The key estimates and assumptions used in the consolidated financial statements are based upon the Group's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from such estimates.

Assessment of ECL on Trade Receivables. The Group, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for trade receivables for at least two years. The Group also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customers. The Group then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data affecting each customer to reflect the effects of current and forecasted economic conditions.

The Group has assessed that the forward-looking default rate component of its ECL is not material because substantial amount of trade receivables are normally collected within one year. Moreover, based on management's assessment, current conditions and forward-looking information do not indicate a significant increase in credit risk exposure of the Group from its trade receivables.

Trade receivables written off amounted to P25 and P87 in 2024 and 2023, respectively. The allowance for impairment losses on trade receivables amounted to P5,924 and P3,801 as at December 31, 2024 and 2023, respectively. The carrying amount of trade receivables amounted to P191,937 and P185,642 as at December 31, 2024 and 2023, respectively (Note 8).

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

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

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

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

The Group has assessed that the ECL on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Group only with reputable financial institutions and companies with good credit standing and relatively low risk of defaults. Accordingly, no additional provision for ECL on other financial assets at amortized cost was recognized in 2024 and 2023.

The carrying amounts of other financial assets at amortized cost are as follows:

	Note	2024	2023
Other Financial Assets at Amortized Cost			
Cash and cash equivalents (excluding cash on hand)	7, 39	P287,803	P256,366
Other current receivables - net (included under "Trade and other receivables - net" account)	8	75,044	77,477
Financial assets at amortized cost (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	10, 12, 39, 40	12,180	12,158
Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account)	18, 39, 40	8,797	9,181
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	10, 18, 39, 40	23,822	18,519

The allowance for impairment losses on other current receivables, included as part of "Trade and other receivables - net" account and noncurrent receivables and deposits included as part of "Other noncurrent assets - net" account in the consolidated statements of financial position, amounted to P9,419 and P590, respectively, as at December 31, 2024, and P9,319 and P567, respectively, as at December 31, 2023 (Notes 8 and 18).

Fair Value Measurements. A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has the overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third-party information is used to measure fair values, then the valuation team assesses the evidence obtained to support the conclusion that such valuations meet the requirements of PFRS Accounting Standards, including the level in the fair value hierarchy in which such valuations should be classified.

The Group uses market observable data when measuring the fair value of an asset or liability. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques (Note 3).

If the inputs used to measure the fair value of an asset or a liability can be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy based on the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The methods and assumptions used to estimate the fair values for both financial and non-financial assets and liabilities are discussed in Notes 9, 10, 11, 12, 15, 16, 17, 18, 20, 35 and 40.

Write-down of Inventory. The Group writes down the cost of inventory to net realizable value whenever net realizable value becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes.

Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made of the amount the inventories are expected to be realized. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the reporting date to the extent that such events confirm conditions existing at the reporting date.

The write-down of inventories amounted to P1,605 and P1,686 as at December 31, 2024 and 2023, respectively (Note 9).

The carrying amounts of inventories amounted to P178,355 and P161,986 as at December 31, 2024 and 2023, respectively (Note 9).

Estimated Useful Lives of Property, Plant and Equipment, Right-of-Use Assets, Investment Property and Deferred Containers. The Group estimates the useful lives of property, plant and equipment, right-of-use assets, investment property and deferred containers based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment, right-of-use assets, investment property and deferred containers are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

In addition, estimation of the useful lives of property, plant and equipment, right-of-use assets, investment property and deferred containers is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future financial performance could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property, plant and equipment, right-of-use assets, investment property and deferred containers would increase the recorded cost of sales and selling and administrative expenses and decrease noncurrent assets.

There is no change in the estimated useful lives of property, plant and equipment, right-of-use assets, investment property and deferred containers based on management's review at the reporting date.

Property, plant and equipment, net of accumulated depreciation, amounted to P907,069 and P767,874 as at December 31, 2024 and 2023, respectively. Accumulated depreciation of property, plant and equipment amounted to P332,242 and P295,317 as at December 31, 2024 and 2023, respectively (Note 13).

Right-of-use assets, net of accumulated depreciation, amounted to P43,395 and P108,102 as at December 31, 2024 and 2023, respectively. Accumulated depreciation of right-of-use assets amounted to P12,445 and P24,725 as at December 31, 2024 and 2023, respectively (Note 14).

Investment property, net of accumulated depreciation, amounted to P87,931 and P79,535 as at December 31, 2024 and 2023, respectively. Accumulated depreciation of investment property amounted to P26,111 and P22,573 as at December 31, 2024 and 2023, respectively (Note 15).

Deferred containers, net of accumulated depreciation, included as part of "Other noncurrent assets - net" account in the consolidated statements of financial position amounted to P21,188 and P18,412 as at December 31, 2024 and 2023, respectively. Accumulated depreciation of deferred containers amounted to P25,096 and P20,189 as at December 31, 2024 and 2023, respectively (Note 18).

Estimated Useful Lives of Intangible Assets. The useful lives of intangible assets are assessed at the individual asset level as having either a finite or indefinite life. Intangible assets are regarded as having an indefinite useful life when, based on analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group.

Intangible assets with finite useful lives, net of accumulated amortization, included as part of "Other intangible assets - net" account in the consolidated statements of financial position amounted to P338,075 and P304,328 as at December 31, 2024 and 2023, respectively. Accumulated amortization of intangible assets with finite useful lives amounted to P73,285 and P64,898 as at December 31, 2024 and 2023, respectively (Note 17).

Estimated Useful Lives of Intangible Assets - Concession Rights. The Group estimates the useful lives of toll road, airport, port and water concession rights based on the period over which the assets are expected to be available for use. The Group has not included any renewal period because of uncertainty of the probability of securing renewal contract at the end of the original contract term as at the reporting date.

The amortization period and method are reviewed when there are changes in the expected term of the contract or the expected pattern of consumption of future economic benefits embodied in the asset.

The combined carrying amounts of toll road, airport and water concession rights amounted to P305,582 and P272,812 as at December 31, 2024 and 2023, respectively (Note 17).

Impairment of Goodwill, Licenses and Trademarks and Brand Names with Indefinite Useful Lives. The Group determines whether goodwill, licenses and trademarks and brand names are impaired at least annually. This requires the estimation of value in use of the cash-generating units to which goodwill is allocated and the value in use of the licenses and trademarks and brand names. Estimating value in use requires management to make an estimate of the expected future cash flows from the cash-generating unit and from the licenses and trademarks and brand names and to choose a suitable discount rate to calculate the present value of those cash flows.

The carrying amount of goodwill amounted to P184,994 and P182,791 as at December 31, 2024 and 2023, respectively (Note 17).

The combined carrying amounts of licenses and trademarks and brand names amounted to P2,460 and P2,349 as at December 31, 2024 and 2023, respectively (Note 17).

Acquisition Accounting. At the time of acquisition, the Group considers whether the acquisition represents an acquisition of a business or a group of assets. The Group accounts for an acquisition as a business combination if it acquires an integrated set of business processes in addition to the group of assets acquired.

The Group accounts for acquired businesses using the acquisition method of accounting which requires that the assets acquired, and the liabilities assumed are recognized at the date of acquisition based on their respective fair values.

The application of the acquisition method requires certain estimates and assumptions concerning the determination of the fair values of acquired intangible assets and property, plant and equipment, as well as liabilities assumed at the acquisition date. Moreover, the useful lives of the acquired intangible assets and property, plant and equipment must be determined. Accordingly, for significant acquisitions, the Group obtains assistance from valuation specialists. The valuations are based on information available at the acquisition date.

The carrying amount of goodwill arising from business combinations amounted to P1,488 in 2024. No goodwill was recognized from business combinations in 2023 (Notes 5, 17 and 38).

Assessment of Production Start Date. The Group assesses the stage of development of the mine site to determine the start of production phase or the substantial completion of mining site development or production. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of the project and its location. The Group considers various relevant criteria to assess when the production phase is considered to have commenced. The criteria used to identify the production start date include, but are not limited to:

- Level of capital expenditure incurred compared with construction cost estimate;
- Completion of a reasonable period of testing of the property, plant and equipment; and
- Ability to sustain ongoing production of limestone.

When a mine development project moves into the production phase, the capitalization of certain mine development costs ceases and costs are either capitalized as part of the cost of inventory or expensed, except for costs that qualify for capitalization relating to mining asset additions or improvements, mine development, or mineable reserve development. It is also at this point that depreciation or amortization commences.

Capitalization of Exploration and Evaluation Expenditures. The Group makes judgments in determining whether there are future economic benefits from either future exploration or sale of mineral reserves to capitalize exploration and evaluation expenditures. The Group further applies estimates and assumptions about future events and circumstances to determine whether an economically viable extraction operation can be established.

No impairment loss on deferred exploration and evaluation costs was recognized in 2024, 2023 and 2022.

Deferred exploration and development costs included as part of “Other noncurrent assets - net” account in the consolidated statements of financial position amounted to P92 and P76 as at December 31, 2024 and 2023, respectively (Notes 18 and 34).

Realizability of Deferred Tax Assets. The Group reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Group’s assessment on the recognition of deferred tax assets on deductible temporary differences and carryforward benefits of MCIT and NOLCO is based on the projected taxable income in the following periods.

Deferred tax assets amounted to P22,045 and P19,633 as at December 31, 2024 and 2023, respectively (Note 23).

Impairment of Non-financial Assets. PFRS Accounting Standards requires that an impairment review be performed on investments and advances, property, plant and equipment, right-of-use assets, investment property, biological assets, other intangible assets with finite useful lives, deferred containers, deferred exploration and development costs and idle assets when events or changes in circumstances indicate that the carrying amount may not be recoverable. Determining the recoverable amounts of these assets requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets. While it is believed that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable amounts and any resulting impairment loss could have a material adverse impact on the financial performance.

Accumulated impairment on investments and advances, property, plant and equipment, right-of-use assets, investment property, other intangible assets with finite useful lives and deferred containers amounted to P17,149 and P16,298 as at December 31, 2024 and 2023, respectively (Notes 11, 13, 14, 15, 17 and 18).

The combined carrying amounts of investments and advances, property, plant and equipment, right-of-use assets, investment property, biological assets - net of current portion, other intangible assets with finite useful lives, deferred containers, deferred exploration and development costs and idle assets amounted to P1,438,328 and P1,305,214 as at December 31, 2024 and 2023, respectively (Notes 11, 13, 14, 15, 16, 17 and 18).

Estimating the Incremental Borrowing Rate. The Group cannot readily determine the interest rate implicit in the leases. Therefore, it uses its relevant incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate, therefore, reflects what the Group would have to pay, which requires estimation when no observable rates are available and to make adjustments to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to consider certain contract and entity-specific estimates.

The Group’s lease liabilities amounted to P42,545 and P56,572 as at December 31, 2024 and 2023 respectively (Notes 34, 38, 39 and 40).

Present Value of Defined Benefit Retirement Obligation. The present value of the defined benefit retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. These assumptions are described in Note 35 to the consolidated financial statements and include discount rate and salary increase rate.

The Group determines the appropriate discount rate at the end of each reporting period. It is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement obligations. In determining the appropriate discount rate, the Group considers the interest rates on government bonds that are denominated in the currency in which the benefits will be paid. The terms to maturity of these bonds should approximate the terms of the related retirement obligation.

Other key assumptions for the defined benefit retirement obligation are based in part on current market conditions.

While it is believed that the assumptions of the Group are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the defined benefit retirement obligation of the Group.

The present value of defined benefit retirement obligation amounted to P39,710 and P36,620 as at December 31, 2024 and 2023, respectively (Note 35).

Asset Retirement Obligation. The Group has ARO arising from refinery, power plants, leased service stations, terminals, blending plant and leased properties. Determining ARO requires estimation of the costs of dismantling, installing and restoring leased properties to their original condition. The Group determined the amount of the ARO by obtaining estimates of dismantling costs from the proponent responsible for the operation of the asset, discounted at the Group's current credit-adjusted risk-free rate ranging from 3.24% to 12.64% and 3.29% to 12.64% as at December 31, 2024 and 2023, respectively, depending on the life of the capitalized costs. While it is believed that the assumptions used in the estimation of such costs are reasonable, significant changes in these assumptions may materially affect the recorded expense or obligation in future periods.

The ARO amounted to P2,078 and P4,488 as at December 31, 2024 and 2023, respectively (Notes 20 and 22).

Present Value of Annual Franchise Fee and IRO - Airport Concession Arrangement. Portion of the amount recognized as airport concession right of TADHC as at December 31, 2024 and 2023 pertains to the present value of the annual franchise fee payable to the ROP over the concession period. The recognition of the present value of the IRO is capitalized as part of "Airport concession rights" under "Other intangible assets - net" account in the consolidated statements of financial position (Note 17).

The present values of the annual franchise fee and IRO were determined based on the future value of the obligations discounted at the Group's internal borrowing rate which is believed to be a reasonable approximation of the applicable credit-adjusted risk-free market borrowing rate.

A significant change in such internal borrowing rate used in discounting the estimated cost would result in a significant change in the amount of liabilities recognized with a corresponding effect in profit or loss.

The present value of the annual franchise fees payable to the ROP over 25 years discounted using the 9% internal borrowing rate in 2024 and 2023, included as part of “Airport concession rights” under “Other intangible assets - net” account in the consolidated statements of financial position amounted to P50 and P53 as at December 31, 2024 and 2023, respectively (Note 17).

The cost of infrastructure maintenance and restoration represents the present value of TADHC’s IRO recognized and is presented as part of IRO under “Other noncurrent liabilities” account in the consolidated statements of financial position amounting to P100 and P97 as at December 31, 2024 and 2023, respectively (Note 22).

Percentage-of-Completion - Airport and Toll Road Concession Arrangements. The Group determines the percentage-of-completion of the contract by computing the proportion of actual contract costs incurred to date, to the latest estimated total airport and toll road project cost. The Group reviews and revises, when necessary, the estimate of airport and toll road project cost as it progresses, to appropriately adjust the amount of construction cost and revenue recognized at the end of each reporting period. Construction revenue and construction costs, reported as part of “Other income (charges) - net” account in the consolidated statements of income, amounted to P57,772, P60,606 and P60,461 in 2024, 2023 and 2022, respectively (Note 32).

Accrual for Repairs and Maintenance - Toll Road Concession Arrangements. The Group recognizes accruals for repairs and maintenance based on estimates of periodic costs, generally estimated to be every five to ten years as at December 31, 2024 and 2023, or the expected period to restore the toll road facilities to a level of serviceability and to maintain its good condition before the turnover to the ROP. This is based on the best estimate of management to be the amount expected to be incurred to settle the obligation, discounted using a pre-tax rate, ranging from 6.00% to 6.18% and 5.88% to 6.00% as at December 31, 2024 and 2023, respectively, that reflects the current market assessment of the time value of money.

The accrual for repairs and maintenance, included as part of “IRO” under “Other noncurrent liabilities” account in the consolidated statements of financial position, amounted to P1,111 and P1,151 as at December 31, 2024 and 2023, respectively (Note 22).

The current portion included as part of “Accounts payable and accrued expenses” account amounted to P581 and P320 as at December 31, 2024 and 2023, respectively (Note 20).

5. Investments in Subsidiaries

The following are the developments relating to the Parent Company’s investments:

Infrastructure

- **SMHC**

On December 17, 2021, SMHC and the Parent Company executed a Subscription Agreement to subscribe to an additional 5,000,000 common shares, out of the increase in authorized capital stock of SMHC, for a total subscription price of P7,500 or P1,500.00 per common share. The Parent Company paid P3,823 and P3,239 in 2021 and 2022, respectively, while the balance of the subscription price amounting to P438 was paid in 2023.

On April 20 and May 11, 2023, SMHC and the Parent Company executed Subscription Agreements to subscribe to an additional 5,500,000 common shares for a total subscription price of P8,250 or P1,500.00 per common share. The Parent Company paid P7,227 in 2023, while the balance of the subscription price amounting to P1,023 was paid in 2024.

On March 1 and July 17, 2024, SMHC and the Parent Company executed Subscription Agreements to subscribe to an additional 2,500,000 common shares for a total subscription price of P3,750 or P1,500.00 per common share. The Parent Company paid P3,212 in 2024.

- SMAI

On May 12, 2023, the BOD and stockholders of SMAI approved that out of its 45,000,000,000 authorized capital stock, 34,100,000,000 common shares (i) 21,600,000,000 common shares will be converted to Series 1 Preferred Shares on a 1:1 basis and (ii) 12,500,000,000 common shares will be reclassified to Series 2 Preferred Shares.

In the same meeting, the BOD and stockholders of SMAI approved the increase in its authorized capital stock from P45,000 divided into 45,000,000,000 common shares with a par value of P1.00 per common share to P57,850 divided into: (i) 10,900,000,000 common shares with a par value of P1.00 per common share; (ii) 21,600,000,000 Series 1 Preferred Shares with a par value of P1.00 per preferred share; and (iii) 25,350,000,000 Series 2 Preferred Shares with a par value of P1.00 per preferred share.

SMAI approved to offer to all its stockholders the option to convert its common shares to Series 1 Preferred Shares on a 1:1 basis, effective upon the approval by the SEC of the increase in the authorized capital stock of SMAI, the creation of the preferred shares and the corresponding approval of the amendment of the Articles of Incorporation of SMAI reflecting such amendments. Of the two holders of common shares of SMAI at that time, which are the Parent Company and SMHC, only the Parent Company exercised the option to convert its common shares in SMAI into Series 1 Preferred Shares, which SMAI accepted.

On May 12, 2023, SMAI and the Parent Company executed the following: (i) a Subscription Agreement to subscribe to 4,266,672,620 Series 2 Preferred Shares out of the proposed increase in authorized capital stock for a total subscription price of P12,800 or P3.00 per preferred share; and (ii) a Deed of Assignment that the deposit for future stock subscription of P12,800 paid in 2022 be applied as payment by the Parent Company of its subscription to the Series 2 Preferred Shares.

The application for the Amendment of Articles of Incorporation for the increase in authorized capital stock of SMAI and the creation of the preferred shares was filed with the SEC on June 30, 2023, and was approved on September 7, 2023.

Upon the approval of the increase in the authorized capital stock of SMAI and the creation of the preferred shares, all common shares which were issued to the Parent Company on various dates in 2021 to 2022 were converted to Series 1 Preferred Shares. As a result of the foregoing conversion by the Parent Company of its investment in common shares of SMAI to Series 1 Preferred Shares and subsequent subscription to Series 2 Preferred Shares, the Parent Company has 100% indirect ownership in SMAI through SMHC.

On December 29, 2023, the Parent Company and SMAI entered into a Subscription Agreement wherein the Parent Company subscribed to 8,569,655,398 Series 2 Preferred Shares of SMAI for a total subscription price of P42,848 or P5.00 per preferred share, which was fully paid in 2023.

On December 26, 2024, SMAI and the Parent Company executed a Subscription Agreement to subscribe to an additional 3,960,000,000 Series 2 Preferred Shares for a total subscription price of P23,760 or P6.00 per preferred share, which was fully paid in 2024.

The preferred shares issued by SMAI are non-voting, may be convertible into common shares as determined by the BOD of SMAI, may be redeemable at the sole option of SMAI at a price and at such time that the BOD of SMAI shall determine. The preferred shares are entitled to dividends as declared by the BOD of SMAI. In the event of liquidation, dissolution, bankruptcy, or winding up of the affairs of SMAI, the holders of preferred shares that are outstanding at that time shall enjoy preference in the payment. Furthermore, holders of preferred shares have no pre-emptive right to any issue of disposition of any stocks of any class of SMAI.

- Acquisition of BWCI and OWCI

On October 22, 2024, the Parent Company through SBWSC acquired 135,000,000 common shares and 88,200,000 common shares representing 90% of the outstanding capital stock of BWCI and OWCI, respectively, for a total consideration of P1,025.

As at December 31, 2024, BWCI and OWCI are 90% owned subsidiaries of SBWSC and 10% owned by BWD and OWD, respectively.

BWCI and OWCI (the Concessionaires) were granted by BWD and OWD, respectively, the sole right to manage, operate, maintain, repair, refurbish and expand, and as appropriate, decommission, the facilities in the entire Municipalities of Bulakan and Obando for a period of 25 years. BWD and OWD will monitor and review the performance of the Concessionaires during the concession period.

The acquisition of BWCI and OWCI was accounted for using the acquisition method of accounting in accordance with PFRS 3, *Business Combinations*.

The following summarizes the recognized amount of assets acquired and liabilities assumed at the acquisition date:

	Note	2024
Assets		
Cash and cash equivalents		P54
Trade and other receivables - net		20
Inventories		14
Prepaid expenses and other current assets		3
Property, plant and equipment - net	13	35
Other intangible assets - net	17	950
Deferred tax assets	23	39
Liabilities		
Accounts payable and accrued expenses	20	(279)
Income and other taxes payable		(4)
Long-term debt - net	21	(129)
Other noncurrent liabilities	22, 35	(848)
Total Identifiable Net Liabilities at Fair Value		(P145)

The fair value of trade and other receivables amounted to P20. The gross amount of the receivables is P25, of which P5 is expected to be uncollectible as at the acquisition date (Note 8).

Provisional goodwill was recognized as a result of the acquisition as follows:

	Note	2024
Total cash consideration transferred		P1,025
Non-controlling interest measured at proportionate interest in identifiable net liabilities		(15)
Total identifiable net liabilities at fair value		145
Provisional goodwill	17, 38	P1,155

Goodwill arising from the acquisition of BWCI and OWCI is attributable to the benefit of the broader scope of SMHC's waterworks portfolio and expanded current service coverage. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable net assets.

If the foregoing acquisitions occurred on January 1, 2024, management estimates that it would have increased consolidated revenue by P178 and decreased consolidated net income by P11. In determining these amounts, management assumed that the fair value adjustments, determined provisionally, that arose on the acquisition date would have been the same if the acquisition had occurred on January 1, 2024. From the date of consolidation to December 31, 2024, BWCI and OWCI contributed revenue of P42 and net loss of P1 to the Group's financial performances.

- Argonbay Construction Company, Inc. (ACCI)

On December 15, 2022, the BOD and stockholders of ACCI approved the increase in its authorized capital stock from P150 divided into 1,500,000 common shares with a par value of P100.00 per common share to P20,150 divided into 1,500,000 common shares with a par value of P100.00 per common share and 200,000,000 Series 1 Preferred Shares with a par value of P100.00 per preferred share. On the same date, ACCI and the Parent Company executed a Subscription Agreement to subscribe to 142,600,000 Series 1 Preferred Shares out of the proposed increase in authorized capital stock for a total subscription price of P14,260 or P100.00 per preferred share.

The application for the Amendment of Articles of Incorporation for the increase in authorized capital stock was filed with the SEC on June 13, 2023, and was approved on June 14, 2023. The Parent Company paid P3,634 in 2022, while the balance of the subscription price amounting to P10,626 was paid in 2023.

On June 20, 2023, ACCI and the Parent Company executed a Subscription Agreement to subscribe to 4,887,226 Series 1 Preferred Shares for a total subscription price of P489 or P100.00 per preferred share, which was fully paid in 2023.

The preferred shares issued by ACCI are non-voting, may be convertible into common shares as determined by the BOD of ACCI, may be redeemable at the sole option of ACCI at a price and at such time that the BOD of ACCI shall determine. The preferred shares are entitled to dividends as declared by the BOD of ACCI. In the event of liquidation, dissolution, bankruptcy, or winding up of the affairs of ACCI, the holders of preferred shares that are outstanding at that time shall enjoy preference in the payment. Furthermore, holders of preferred shares have no pre-emptive right to any issue or disposition of any stocks of any class of ACCI.

Cement

- SMEII

On April 26, 2023, SMEII and the Parent Company executed a Subscription Agreement to subscribe to an additional 1,335,273,000 common shares of SMEII for a subscription price of P2,003 or P1.50 per common share, which was fully paid in 2023.

- Acquisition of Pacific Cement Philippines, Inc. (Pacemphil)

On September 3, 2024, East Star Cement Phils., Inc. (ESCPI) signed a deed of sale of shares with individual shareholders (collectively, the Selling Shareholders) for the acquisition of a total of 25,012,917 common shares representing 100% of the total outstanding and issued capital stock of Pacemphil for a total consideration of P572.

The related advances for investments amounting to P572 was reclassified from "Investments and advances" to investment in shares of stock of subsidiaries as part of the total consideration transferred (Note 11).

The acquisition of Pacemphil was accounted for using the acquisition method of accounting in accordance with PFRS 3.

The following summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date:

	Note	2024
Assets		
Cash and cash equivalents		P22
Prepaid expense and other current assets		4
Property, plant and equipment - net	13	1,302
Investment properties - net	15	390
Liabilities		
Accounts payable and accrued expenses		(1,337)
Income and other taxes payable		(119)
Deferred tax liabilities		(14)
Other noncurrent liabilities		(9)
Total Identifiable Net Assets at Fair Value		P239

The provisional goodwill amounting to P333 pertains to the excess of the consideration paid over the fair values of assets acquired and liabilities assumed as of the acquisition date.

Goodwill arising from the acquisition of Pacemphil is attributable to the benefit of expected synergies with the Group's cement business, revenue growth, future development and the assembled workforce. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable net assets.

If the foregoing acquisition occurred on January 1, 2024, management estimates that it would have decreased consolidated net income by P9. In determining these amounts, management assumed that the fair value adjustments, determined provisionally, that arose on the acquisition date would have been the same if the acquisition had occurred on January 1, 2024. From the date of acquisition to December 31, 2024, Pacemphil has contributed net loss of P9 to the Group's financial performance.

- Consolidation of ECC

On October 5, 2022, SMEII signed a share purchase agreement with Far East Holdings, Inc. (FEHI), the parent company of ECC and three other individual shareholders (collectively, the Selling Shareholders) for the acquisition by SMEII of a total of 4,425,123,001 common shares (the Sale Shares) representing approximately 88.50% of the total outstanding and issued capital stock of ECC for a total consideration of P97,441 or P22.02 per Sale Share.

ECC and its subsidiaries are engaged in manufacturing, marketing, sale, and distribution of cement. ECC owns a cement production facility in San Ildefonso, Bulacan and a grinding and packaging facility in Limay, Bataan.

On October 27, 2022, the Philippine Competition Commission (PCC) issued a notice which states that the transaction is not subject to a review based on the implementing rules and regulations of the Philippine Competition Act and its implementing rules and regulations. Consequently, on November 7, 2022, SMEII proceeded to conduct a mandatory tender offer to acquire a total of 574,877,004 common shares of ECC, representing approximately 11.46% of the outstanding capital stock of ECC held by the minority shareholders, as required by the Securities Regulation Code, which tender offer was likewise considered as the tender offer required for the voluntary delisting of ECC under the relevant rules of the PSE after the required written assent of the stockholders of ECC was secured.

The tender offer period ended on December 5, 2022, with a total of 572,780,677 ECC shares representing approximately 11.46% of the total outstanding capital stock of ECC were tendered (Tendered Shares) for a total consideration of P12,613 or P22.02 per common share (Tender Offer Price). The Tendered Shares were crossed through the PSE on December 14, 2022, upon approval of the PSE of a special block sale of the Tendered Shares. Thereafter, ECC petitioned for a voluntary delisting and was approved by the PSE effective February 28, 2023.

As a result of the transaction, ECC was consolidated effective December 14, 2022. SMEII beneficially owns 4,997,903,678 common shares representing 99.96% of the total outstanding capital stock of ECC as at December 31, 2024 and 2023.

The acquisition of ECC was accounted for using the acquisition method of accounting in accordance with PFRS 3.

The following summarizes the recognized amount of assets acquired and liabilities assumed at the acquisition date:

	<i>Note</i>	<i>2022</i>
Assets		
Cash and cash equivalents		P9,548
Trade and other receivables		118
Inventories		2,299
Prepaid expenses and other current assets	<i>10, 24</i>	7,617
Investment and advances	<i>24</i>	105
Property, plant and equipment - net	<i>13</i>	34,434
Right-of-use assets - net	<i>14</i>	26
Other intangible assets - net	<i>17</i>	9,052
Deferred tax assets	<i>23</i>	102
Other noncurrent assets - net		966
Liabilities		
Accounts payable and accrued expenses	<i>20</i>	(3,323)
Income and other taxes payable		(200)
Lease liabilities (including current portion)		(36)
Long-term debt - net		(4,040)
Deferred tax liabilities		(13)
Other noncurrent liabilities	<i>22, 35</i>	(168)
Total Identifiable Net Assets at Fair Value		P56,487

The fair value of trade and other receivables amounted to P118. None of the receivables has been impaired and it is expected that the full amount can be collected (Note 8).

Included as part of “Prepaid expenses and other current assets” and “Accounts payable and accrued expenses” accounts of ECC are the net assets of KB Space Holdings, Inc. (KSHI) classified as held for sale as at December 14, 2022, which were disposed on June 16, 2023. ECC completed the sale of 100% outstanding common shares of KSHI for a consideration of P418 and assigned the P1,300 deposit for future subscriptions to the common shares of KSHI to FEHI (Note 33).

The completion of the purchase price allocation exercise resulted in the adjustments to the recognized amounts of assets acquired as at December 31, 2022. The “Property, plant and equipment - net” and “Other intangibles - net” accounts increased by P932 and P747, respectively, and “Prepaid expenses and other current assets” account decreased by P996 (Notes 10, 13 and 17).

The provisional goodwill recognized in 2022 amounted to P54,273. The final assessment resulted in the recognition of final goodwill in the amount of P53,590, recorded after recognition at fair value of the identifiable assets and liabilities.

The prior year comparative information was not restated since the impact of the adjustment is not material.

	<i>Note</i>	<i>2022</i>
Total cash consideration transferred	<i>11</i>	P110,054
Non-controlling interest measured at proportionate interest in identifiable net assets		23
Total identifiable net assets at fair value		(56,487)
Goodwill	<i>17, 38</i>	P53,590

SMEII incurred acquisition-related costs amounting to P80 in 2022, which were included as part of “Selling and administrative expenses” account in the consolidated statement of income.

Goodwill arising from the acquisition of ECC is attributable to the benefit of expected synergies with the Group's cement business, revenue growth, future development and the assembled workforce. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable net assets.

If the foregoing acquisition occurred on January 1, 2022, management estimates that it would have increased consolidated revenue and consolidated net income by P20,378 and P4,470, respectively. In determining these amounts, management assumed that the fair value adjustments that arose on the acquisition date would have been the same if the acquisition had occurred on January 1, 2022. ECC has made no contribution to the revenue and net income of the Group in 2022.

Fuel and Oil

▪ Redemption of RPS

On September 25 and October 2, 2024, Petron partially redeemed US\$60 (P3,359) out of the US\$70 RPS which were subscribed by the Parent Company on July 22, 2020.

The RPS are direct, unconditional, unsecured and subordinated capital securities with no fixed redemption date. Petron has the right to defer the distribution under certain conditions.

▪ Acquisition of Mema

On February 16, 2022, the Parent Company through Petron acquired 10,000,000 common shares representing 100% of the outstanding capital stock of Mema for an initial consideration of P104. Mema is a company with a subsidiary that provides hauling and logistics services to Petron. On June 30, 2022, control over the investee was transferred to the Group after the resolution of issues was agreed by Petron and the seller. On December 29, 2022, an adjustment in the purchase price of P300 was agreed by Petron and the seller which was settled in February 2023.

The acquisition of Mema was accounted for using the acquisition method of accounting in accordance with PFRS 3.

The following summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date:

	<i>Note</i>	<i>2022</i>
Assets		
Cash and cash equivalents		P3,406
Trade and other receivables		2,034
Prepaid expense and other current assets		69
Property, plant and equipment - net	13	219
Other noncurrent asset		15
Liabilities		
Accounts payable and accrued expenses		(5,303)
Other noncurrent liabilities		(14)
Total Identifiable Net Assets at Fair Value		P426

The Group recognized a gain on acquisition amounting to P22, presented as part of "Other income (charges) - net" account in the 2022 consolidated statement of income, representing the excess of total identifiable net assets at fair value of P426 over the total consideration of P404 (Note 32).

The fair value of trade and other receivables amounted to P2,034. None of the receivables has been impaired and the full amount is expected to be collected. As at December 31, 2024, receivables amounting to P2,034 were already collected and minimal amount is still outstanding.

Accounts payable and accrued expenses amounting to P5,198 was settled as at December 31, 2024 from the existing cash and collected receivable.

The fair value of the acquired property, plant and equipment was measured using depreciated replacement cost by considering the current replacement cost of new assets and adjusted for obsolescence, including physical, functional and economic obsolescence.

Mema and its subsidiaries contributed P26 to the Group's net income from the acquisition date to December 31, 2022. Mema and its subsidiaries have no revenue contribution to the Group in 2022. Had the acquisition occurred on January 1, 2022, the Group's revenue and net income in 2022 would have been P1,506,591 and P26,756, respectively. In determining these amounts, management assumed that the fair value adjustments that arose on the acquisition date would have been the same if the acquisition had occurred on January 1, 2022.

On October 27, 2022, Petron and Mema executed a Subscription Agreement to subscribe to an additional 1,375,000,000 common shares of Mema for a subscription price of P1,375 or P1.00 per common share, of which P899 was paid in 2022, while the remaining balance of the subscription price amounting to P476 was paid in 2023.

On July 19, 2023, Petron and Mema executed another Subscription Agreement to subscribe to an additional 2,770,000,000 common shares of Mema for a subscription price of P2,770 or P1.00 per common share, of which P1,305 and P828 was paid in 2023 and 2024, respectively.

Real Estate

- SMPI

- a) Subscription of Common Shares

On various dates in 2021, SMPI and the Parent Company executed Subscription Agreements to subscribe to an additional 168,783,058 common shares of SMPI for a total subscription price of P3,375 or P20.00 per common share. The Parent Company paid P3,018 in 2021, while the balance amounting to P357 was paid in 2023.

On various dates in 2022, SMPI and the Parent Company executed Subscription Agreements to subscribe to an additional 240,381,050 common shares of SMPI for a total subscription price of P4,808 or P20.00 per common share, which was fully paid in 2022.

On various dates in 2023, SMPI and the Parent Company executed Subscription Agreements to subscribe to an additional 129,446,202 common shares of SMPI for a total subscription price of P2,589 or P20.00 per common share, which was fully paid in 2023.

- b) Sale of Elite Montagne Realty Corp. (Elite) and Rapidshare Realty and Development Corporation (Rapidshare)

On June 11 and October 7, 2024, SMPI entered into Share Purchase Agreement with third parties for the sale of its investments in Elite and Rapidshare, respectively, for a total consideration of P2,542. Out of the said amount, P2,537 was paid in 2024 and the remaining balance is presented as part of "Trade and other receivables - net" account in the consolidated statements of financial position as at December 31, 2024.

The Group recognized gain on sale amounting to P1,903, presented as part of "Gain on sale of investments and property and equipment" account in the consolidated statement of income.

- DHDC

On November 24, 2023, DHDC and the Parent Company executed a Subscription Agreement to subscribe to an additional 67,500,000 common shares of DHDC for a subscription price of P135 or P2.00 per common share. The Parent Company paid P103 and P12 in 2023 and 2024, respectively.

On January 24, 2024, DHDC and the Parent Company executed a Subscription Agreement to subscribe to an additional 24,300,000 common shares of DHDC for a subscription price of P49 or P2.00 per common share, which was fully paid in 2024.

- FVHI

On August 25, 2022, the BOD and stockholders of FVHI approved the additional increase in its authorized capital stock from P1,750 divided into 17,500,000 common shares to P4,250 divided into 42,500,000 common shares, both with a par value of P100.00 per common share. On the same date, FVHI and the Parent Company executed a Subscription Agreement to subscribe to an additional 12,500,000 common shares out of the proposed increase in authorized capital stock for a total subscription price of P2,500 or P200.00 per common share.

The application for the Amendment of Articles of Incorporation for the increase in authorized capital stock of FVHI was filed with the SEC on June 27, 2024, and was approved on July 1, 2024. The Parent Company paid P2,430 in 2023, while the remaining balance of the subscription price amounting to P70 was paid in 2024.

On December 16, 2024, FVHI and the Parent Company executed a Subscription Agreement to subscribe to an additional 8,800,000 common shares for a total subscription price of P1,760 or P200.00 per common share. The Parent Company paid P1,747 in 2024.

- SHC

On various dates in 2020, SHC and the Parent Company executed Subscription Agreements to subscribe to an additional 170,000,000 common shares of SHC for a total subscription price of P680 or P4.00 per common share. The Parent Company paid a total of P570 as at December 31, 2024 and 2023.

- DHC

On November 23, 2022, DHC and the Parent Company executed a Subscription Agreement to subscribe to an additional 61,000,000 common shares of DHC for a subscription price of P122 or P2.00 per common share. The Parent Company paid a total of P87 in 2022, while the remaining balance of the subscription price amounting to P35 was paid in 2023.

On December 7, 2023, DHC and the Parent Company executed a Subscription Agreement to subscribe to an additional 27,000,000 common shares of DHC for a subscription price of P54 or P2.00 per common share. The Parent Company paid P33 in 2023, while the remaining balance of the subscription price amounting to P21 was paid in 2024.

On December 16, 2024, DHC and the Parent Company executed a Subscription Agreement to subscribe to an additional 19,000,000 common shares of DHC for a subscription price of P38 or P2.00 per common share, which was fully paid in 2024.

- WHC

On January 21 and February 14, 2022, WHC and the Parent Company executed Subscription Agreements to subscribe to an additional 152,500,000 common shares of WHC for a subscription price of P305 or P2.00 per common share. The Parent Company paid P117 in 2022, while the remaining balance of the subscription price amounting to P188 was paid in 2023.

On December 4, 2023, WHC and the Parent Company executed a Subscription Agreement to subscribe to an additional 123,500,000 common shares of WHC for a subscription price of P247 or P2.00 per common share. The Parent Company paid P224 in 2023, while the remaining balance of the subscription price amounting to 23 was paid in 2024.

On December 16, 2024, WHC and the Parent Company executed a Subscription Agreement to subscribe to an additional 177,500,000 common shares of WHC at a subscription price of P355 or P2.00 per common share, which was fully paid in 2024.

On December 16, 2024, the BOD and stockholders of WHC approved the additional increase in its authorized capital stock from P1,000 divided into 1,000,000,000 common shares to P1,300 divided into 1,300,000,000 common shares, both with a par value of P1.00 per common share. On the same date, WHC and the Parent Company executed a Subscription Agreement to subscribe to an additional 186,560,000 common shares out of the proposed increase in authorized capital stock for a total subscription price of P373 or P2.00 per common share, which was fully paid in 2024.

- OVHI

On August 11, 2022, OVHI and the Parent Company executed a Subscription Agreement to subscribe to an additional 500,000 common shares of OVHI for a subscription price of P100 or P200.00 per common share. The Parent Company paid P62 in 2022, while the remaining balance of the subscription price amounting to P38 was paid in 2023.

On December 14, 2023, OVHI and the Parent Company executed a Subscription Agreement to subscribe to an additional 255,000 common shares of OVHI for a subscription price of P51 or P200.00 per common share. The Parent Company paid P49 in 2023, while the remaining balance of the subscription price amounting to P2 was paid in 2024.

On December 16, 2024, OVHI and the Parent Company executed a Subscription Agreement to subscribe to an additional 820,000 common shares of OVHI for a subscription price of P164 or P200.00 per common share. The Parent Company paid P151 in 2024.

Food

- Acquisition of JGT Holdings, Inc. (JGT)

On July 29, 2024, the BOD of SMFI approved the acquisition of 100% of the outstanding capital stock of JGT from its stockholders for a total consideration of P125.

JGT has not yet started commercial operations as at December 31, 2024.

The transaction is accounted for as an asset acquisition since the assets and activities do not constitute a business as defined in PFRS 3.

Energy

- Subscription of Common Shares

On July 25, 2023, San Miguel Global Power and the Parent Company executed a Subscription Agreement to subscribe to an additional 410,000,000 common shares of San Miguel Global Power for a subscription price of P12,300 or P30.00 per common share, which was fully paid in 2023.

On July 25, 2023, the BOD of San Miguel Global Power approved the additional increase in its authorized capital stock from P2,000 divided into 2,000,000,000 common shares to P3,774 divided into 3,774,400,000 common shares, both with a par value of P1.00 per common share, as well as the amendment of the Amended Articles of Incorporation of San Miguel Global Power to reflect the said increase. On August 1, 2023, the Parent Company entered into a Subscription Agreement with San Miguel Global Power, whereby the Parent Company subscribed to an additional 443,600,000 common shares of San Miguel Global Power out of the proposed increase in authorized capital stock for a total subscription price of P13,308 or P30.00 per common share. The subscription price was fully paid in 2023. The stockholders of San Miguel Global Power approved the aforementioned increase in authorized capital stock and amendment of the Amended Articles of Incorporation during its Special Stockholders' Meeting held on September 7, 2023.

The application for the increase in the authorized capital stock of San Miguel Global Power and the amendment of its Amended Articles of Incorporation to reflect the aforementioned increase in authorized capital stock was filed with the SEC on October 20, 2023, and was approved by the SEC on October 24, 2023.

On November 13, 2023, San Miguel Global Power and the Parent Company executed a Subscription Agreement to subscribe to an additional 720,000,000 common shares for a subscription price of P21,600 or P30.00 per common share, which was fully paid in 2023.

- Redemption of RPS

On October 27, 2023, the BOD of SMGP BESS approved the purchase of US\$223 (P12,573) and P7,800 RPS or an aggregate face value amount of P20,373, which were issued to the Parent Company on various dates in 2023 and 2022.

The RPS are direct, unconditional, unsecured, and subordinated capital securities with no fixed redemption date. SMGP BESS has the right to defer distribution under certain conditions.

- Acquisition of Ilijan Primeline Industrial Estate, Inc. (IPIEC)

On April 3, 2023, the Parent Company through San Miguel Global Power acquired the 100% outstanding capital stock of IPIEC for a total consideration of P50 (Note 15). IPIEC own and manage various properties located in the province of Batangas.

The transaction is accounted for as an asset acquisition since the assets and activities does not constitute a business as defined in PFRS 3.

- Acquisition of Blue Eagle Star Corp. (Blue Eagle)

On December 19, 2023, the Parent Company through San Miguel Global Power acquired the 100% outstanding capital stock of Blue Eagle for a total consideration of P25 (Note 15). Blue Eagle owns and manages various properties located in the province of Cavite.

The transaction is accounted for as an asset acquisition since the assets and activities does not constitute a business as defined in PFRS 3.

- Acquisition of Multi-Ventures Investment Holdings, Inc. (MVHI) and Bluelight Industrial Estate, Inc. (Bluelight)

On August 25, 2022, the Parent Company through San Miguel Global Power acquired 100,000 and 50,000 common shares, equivalent to 100% of the outstanding capital stock of MVHI and Bluelight, respectively, for a total consideration of P16 (Note 13).

MVHI and Bluelight own and manage various properties located in the province of Cavite and Quezon, respectively.

The transaction is accounted for as an asset acquisition since the assets and activities does not constitute a business as defined in PFRS 3.

- Sale of Strategic Energy Development Inc. (SEDI)

On August 26, 2022, San Miguel Global Power sold its 100% shareholdings in SEDI to a third party for P1,200 with 10% downpayment upon signing of the contract. The amount of consideration, which will be collected on installment basis up to 2026 and subject to interest to be agreed by the relevant parties, is presented as part of "Non-trade receivables" under "Trade and other receivables - net" and "Noncurrent receivables and deposits - net" under "Other noncurrent assets - net" accounts in the consolidated statements of financial position as at December 31, 2024 and 2023 (Notes 8 and 18).

The Group recognized a gain on the sale amounting to P555, presented as part of "Gain on sale of investments and property and equipment" account in the 2022 consolidated statement of income.

- Sale of Daguma Agro-Minerals, Inc. (DAMI), Bonanza Energy Resources, Inc. (BERI) and Sultan Energy Phils. Corp. (SEPC)

On December 21, 2022, SPI entered into a Share Purchase Agreement with a third party for the sale of its 100% equity interests in DAMI, BERI and SEPC for a total consideration of P1,818 which was fully paid as at December 31, 2023.

Also on the same date, SPI entered into an agreement with the third party for the assignment of its deposit for future stock subscription amounting to P1,552, payable over a period of five years, subject to interest to be agreed upon by both parties. The amount is presented as part of "Noncurrent receivables and deposits - net" under "Other noncurrent assets - net" account in the consolidated statements of financial position as at December 31, 2024 and 2023 (Note 18).

DAMI and SEPC have coal mining properties, covered by Coal Operating Contracts issued by the Philippine Department of Energy (DOE), located in the provinces of Sarangani, South Cotabato and Sultan Kudarat (Note 34).

The Group recognized a gain on the sale amounting to P182, presented as part of "Gain on sale of investments and property and equipment" account in the 2022 consolidated statement of income.

Others

- SMCSLC

On November 28, 2024, SMCSLC and the Parent Company executed a Subscription Agreement to subscribe to an additional 142,940,000 common shares for a total subscription price of P3,002 or P21.00 per common share, which was fully paid in 2024.

- SMITS

On December 9, 2024, SMITS and the Parent Company executed a Subscription Agreement to subscribe to an additional 442,500 common shares for a total subscription price of P708 or P1,600.00 per common share, which was fully paid in 2024.

- ArchEn

On December 20, 2023, the BOD and stockholders of ArchEn approved the additional increase in the authorized capital stock from P300 divided into 3,000,000 common shares to P360 divided into 3,600,000 common shares, both with a par value of P100.00 per common share. On the same date, ArchEn and the Parent Company executed a Subscription Agreement to subscribe to an additional 150,000 common shares out of the proposed increase in authorized capital stock for a total subscription price of P45 or P300.00 per common share, which was fully paid in 2023.

The application for the Amendment of Articles of Incorporation for the increase in authorized capital stock of ArchEn was filed with the SEC on May 4, 2024 and was approved on May 9, 2024.

On June 10, 2024, ArchEn and the Parent Company executed a Subscription Agreement to subscribe to an additional 150,000 common shares of ArchEn for a subscription price of P45 or P300.00 per common share, which was fully paid in 2024.

- Globalwise Realty Corporation (GRC)

On October 10, 2023, the BOD and stockholders of GRC approved the additional increase in the authorized capital stock from P35 divided into 350,000 common shares to P70 divided into 700,000 common shares, both with a par value of P100.00 per common share. On the same date, GRC and the Parent Company executed a Subscription Agreement to subscribe to an additional 120,000 common shares out of the proposed increase in authorized capital stock for a total subscription price of P18 or P150.00 per common share, which was fully paid in 2023.

The application for the Amendment of Articles of Incorporation for the increase in authorized capital stock of GRC was filed with the SEC on December 22, 2023 and was approved on February 20, 2024.

On November 24, 2023, GRC and the Parent Company executed a Subscription Agreement to subscribe to an additional 255,000 common shares of GRC for a subscription price of P38 or P150.00 per common share, which was fully paid in 2023.

On February 8, 2024, the BOD and stockholders of GRC approved the additional increase in its authorized capital stock from P70 divided into 700,000 common shares to P1,450 divided into 14,500,000 common shares, both with a par value of P100.00 per common share. On the same date, GRC and the Parent Company executed a Subscription Agreement for SMC to subscribe to an additional 10,465,000 common shares out of the proposed increase in authorized capital stock for a total subscription price of P1,570 or P150.00 per common share. The Parent Company paid P1,545 as at December 31, 2024.

On March 7, 2024, GRC and the Parent Company executed a Subscription Agreement to subscribe to an additional 230,000 common shares of GRC for a subscription price of P35 or P150.00 per common share. The Parent Company paid P29 in 2024.

The application for the Amendment of Articles of Incorporation for the increase in authorized capital stock of GRC was filed with the SEC on August 8, 2024 and still pending approval as at March 13, 2025.

- AIBC

In October 2024, AIBC bought-back a total of 9,656,250 of its outstanding common shares at a price of P2.87 per share. AIBC paid P28 to the stockholders who exercised the buy-back option over its outstanding common shares. The offer to buy-back was approved by the BOD of AIBC on April 19, 2024.

As a result, AIBC became 74.27% directly owned by the Parent Company as at December 31, 2024.

- SMCACDC

The investment in SMCACDC consists of 1,270,000 redeemable preferred shares of stock amounting to P1,270 as at December 31, 2024 and 2023.

On July 7, 2023, the BOD of SMCACDC approved the redemption of the 700,000 preferred shares held by the Parent Company, which were issued in 2019. On September 29 and December 29, 2023, SMCACDC paid the total redemption price of P700 or P1,000.00 per preferred share corresponding to the par value of such preferred shares.

The preferred shares issued by SMCACDC are non-voting, non-convertible, and redeemable at the sole option of SMCACDC at a price and at such time that the BOD of SMCACDC shall determine. The preferred shares are entitled to dividends as declared by the BOD of SMCACDC. In the event of liquidation, dissolution, bankruptcy, or winding up of the affairs of SMCACDC, the holders of preferred stocks that are outstanding at that time shall enjoy preference in the payment. Furthermore, holders of preferred shares have no pre-emptive right to any issue of disposition of any stocks of any class of SMCACDC.

6. Segment Information

Operating Segments

The reporting format of the Group's operating segments is determined based on the Group's risks and rates of return which are affected predominantly by differences in the products and services produced. The operating businesses are organized and managed separately according to the nature of the products produced and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group's reportable segments are food and beverage, packaging, energy, fuel and oil, infrastructure, cement, and real estate.

The food and beverage segment is engaged in: (i) the processing and marketing of branded value-added refrigerated processed meats, canned meats, ready-to-eat viands, seafood and plant-based food products, the manufacture and marketing of butter, margarine, cheese, milk, ice cream and salad aids, the marketing of flour mixes, and the importation and marketing of coffee products (collectively known as "Prepared and Packaged Food"); (ii) the production and sale of feeds, veterinary medicine and pet care products ("Animal Nutrition and Health"); (iii) poultry and livestock farming, and the processing and sale of poultry and fresh meats ("Protein"); and (iv) the milling, production and marketing of flour and bakery ingredients, grain terminal handling, food service, and international operations ("Others"). It is also engaged in the production, marketing and selling of fermented, malt-based and non-alcoholic beverages within the Philippines and several foreign markets; and production of hard liquor in the form of gin, Chinese wine, brandy, rum, vodka and other liquor variants which are available nationwide, while some are exported to select countries.

The packaging segment is involved in the production and marketing of packaging products including, among others, glass containers, glass molds, polyethylene terephthalate (PET) bottles and preforms, PET recycling, plastic closures, corrugated cartons, woven polypropylene, kraft sacks and paperboard, pallets, flexible packaging, plastic crates, plastic floorings, plastic films, plastic trays, plastic pails and tubs, metal closures and two-piece aluminum cans, woven products, industrial laminates and radiant barriers. It is also involved in crate and plastic pallet leasing, PET bottle filling graphics design, packaging research and testing, packaging development and consultation, contract packaging and trading.

The energy segment sells, retails and distributes power, through power supply agreements (PSAs), retail supply contracts (RSCs), ancillary service procurement agreements (ASPA) and other power-related service agreements, either directly to customers [other generators, distribution utilities (DU), including Manila Electric Company (Meralco), electric cooperatives, industrial customers and National Grid Corporation of the Philippines (NGCP)] or through the Philippine Wholesale Electricity Spot Market (WESM).

The fuel and oil segment is engaged in refining crude oil and marketing and distribution of refined petroleum products.

The infrastructure segment has investments in companies which hold long-term concessions in the infrastructure sector in the Philippines. It is engaged in the management and operation, as well as construction and development of various infrastructure projects such as major toll roads, airports, railways and bulk water.

The cement segment is primarily engaged in the manufacturing, marketing and distribution of cement products.

The real estate segment is primarily engaged in leasing, sale of real estate, management services, and hotel operations.

Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist primarily of operating cash, receivables, inventories, biological assets, property, plant and equipment and concession rights, net of allowances, accumulated depreciation and amortization and impairment. Segment liabilities include all operating liabilities and consist primarily of accounts payable and accrued expenses and other noncurrent liabilities, excluding interest payable. Segment assets and liabilities do not include deferred taxes.

Inter-segment Transactions

Segment revenues, expenses and performance include sales and purchases between operating segments. Such transactions are eliminated in consolidation.

Major Customer

The Group does not have a single external customer from which sales revenue generated amounted to 10% or more of the total revenues of the Group.

Operating Segments

Financial information about reportable segments follows:

[illegible]

Forward

	Food and Beverage			Packaging			Energy			Fuel and Oil			Infrastructure			Cement			Real Estate and Others			Eliminations			Consolidated		
	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Segment liabilities	P83,615	P73,742	P69,749	P10,689	P9,603	P9,802	P124,537	P81,870	P73,768	P81,162	P66,707	P72,756	P59,873	P53,317	P69,783	P6,805	P6,974	P39,115	P98,598	P102,371	P103,096	(P157,705)	(P148,456)	(P189,869)	P307,574	P246,128	P248,200
Loans payable																									293,230	214,881	267,704
Long-term debt																									1,267,269	1,190,584	1,088,196
Lease liabilities																									42,545	56,572	75,475
Income and other taxes payable																									43,628	46,254	37,694
Dividends and distributions payable and others																									11,382	10,277	9,107
Deferred tax liabilities																									34,861	29,503	26,297
Consolidated Total Liabilities																									2,000,489	1,794,199	1,752,673
Capital expenditures (Note 13)	15,672	16,236	11,873	2,435	1,860	1,276	35,093	36,179	44,580	9,059	6,095	5,397	3,549	1,762	1,191	2,645	3,860	4,876	8,254	5,181	6,793	-	-	-	76,707	71,173	75,986
Depreciation of property, plant and equipment (Notes 13 and 28)	6,649	5,962	5,294	2,125	2,039	2,107	10,728	8,425	7,336	10,205	9,980	8,942	449	452	363	2,859	2,700	754	2,957	2,609	2,382	-	-	-	35,972	32,167	27,178
Noncash items other than depreciation of property, plant and equipment	6,623	9,022	8,474	634	805	577	10,351	2,527	14,230	3,712	2,625	6,360	6,879	7,614	5,211	(3)	14	257	14,459	(2,121)	6,704	-	-	-	42,655	20,486	41,813
Loss on (reversal of) impairment of trade and other receivables, goodwill, property, plant and equipment, trademark and brand names and other noncurrent assets (Notes 8, 13, 17, 18 and 32)	1,457	-	(31)	(3)	188	910	35	35	12	-	-	(1)	-	-	(1)	(22)	(20)	(19)	221	577	241	-	-	-	1,688	780	1,111

Disaggregation of Revenue

The following table shows the disaggregation of revenue by timing of revenue recognition and the reconciliation of the disaggregated revenue with the Group's reportable segments:

	Food and Beverage			Packaging			Energy			Fuel and Oil			Infrastructure			Cement			Real Estate and Others			Consolidated		
	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Timing of Revenue Recognition																								
Sales recognized at point in time	P400,578	P379,593	P358,573	P23,802	P24,000	P25,894	P -	P -	P -	P858,757	P785,207	P841,688	P -	P -	P -	P34,208	P36,588	P8,984	P19,252	P22,945	P24,822	P1,336,597	P1,248,333	P1,259,961
Sales recognized over time	12	10	14	927	825	900	196,593	159,693	212,843	-	-	-	36,555	34,002	29,004	-	-	-	4,695	3,840	3,869	238,782	198,370	246,630
Total External Sales	P400,590	P379,603	P358,587	P24,729	P24,825	P26,794	P196,593	P159,693	P212,843	P858,757	P785,207	P841,688	P36,555	P34,002	P29,004	P34,208	P36,588	P8,984	P23,947	P26,785	P28,691	P1,575,379	P1,446,703	P1,506,591

7. Cash and Cash Equivalents

Cash and cash equivalents consist of:

	<i>Note</i>	2024	2023
Cash in banks and on hand		P75,153	P64,282
Short-term investments		218,524	197,076
	<i>4, 39, 40</i>	P293,677	P261,358

Cash in banks earn interest at bank deposit rates. Short-term investments include demand deposits which can be withdrawn at any time depending on the immediate cash requirements of the Group and earn interest at short-term investment rates.

The Group's cash and cash equivalents earned interest income amounting to P12,207, P11,397 and P5,958 in 2024, 2023 and 2022, respectively (Note 31).

8. Trade and Other Receivables

Trade and other receivables consist of:

	<i>Note</i>	2024	2023
Trade		P196,886	P188,447
Non-trade	5	74,600	76,731
Amounts owed by related parties	33, 35	10,838	11,061
		282,324	276,239
Less allowance for impairment losses	4, 5	15,343	13,120
	<i>4, 39, 40</i>	P266,981	P263,119

Trade receivables are non-interest bearing and are generally on a 30 to 60-day term.

Non-trade receivables include claims from the Government, interest receivable, claims receivable, contracts receivable and others.

- a. Claims from the Government consist of duty drawback, VAT and specific tax claims, subsidy receivables from the Government of Malaysia under the Automatic Pricing Mechanism and due from Power Sector Assets and Liabilities Management Corporation (PSALM). Due from PSALM amounting to US\$60 pertains to SPPC's performance bond pursuant to the Ilijan Independent Power Producer (IPP) Administration (IPPA) Agreements that was drawn by PSALM in September 2015. The validity of PSALM's action is the subject of an ongoing case filed by SPPC with the Regional Trial Court (RTC) of Mandaluyong City (Note 43).
- b. Receivables recognized by SPI for WESM transactions as well as the cost of fuel, market fees and other charges related to the dispatch of the excess capacity of the Sual Power Plant.

On March 5, 2022, SPI entered into a Settlement Agreement with Team (Philippines) Energy Corporation (TPEC) and TeaM Sual Corporation (TSC) that aims to resolve all pending disputes on the dispatch of the excess capacity of the Sual Power Plant, including the claims of TPEC and SPI on historic imbalances arising from WESM transactions, cost of fuel, market fees and other charges. Pursuant to said agreement, SPI, TPEC and TSC have agreed to cause the dismissal of all ongoing cases and settle the historic imbalances, and the corresponding amounts claimed relative to the excess capacity of the Sual Power Plant.

In accordance with the Settlement Agreement, SPI recognized a receivable net of collections from TPEC which amounted to P1,103 and P1,618 as at December 31, 2024 and 2023, respectively. The noncurrent portion of the receivable amounting to P549 and P1,074 as at December 31, 2024 and 2023, respectively, is included as part of "Other noncurrent assets - net" account in the consolidated statements of financial position (Note 18). In 2022, SPI recognized the cost of its full dispatch rights on the capacity of the Sual Power Plant, amounting to P1,629, included as part of "Other intangible assets - net" account in the consolidated statements of financial position, with a carrying amount of P1,466 and P1,525 as at December 31, 2024 and 2023, respectively (Note 17).

- c. Receivables recognized by APEC from ALECO following the termination of the concession agreement on November 21, 2022 amounted to P1,641 as at December 31, 2024 and 2023 (Note 34).

Amounts owed by related parties include trade receivables amounting to P975 and P996 as at December 31, 2024 and 2023, respectively.

The movements in the allowance for impairment losses are as follows:

	<i>Note</i>	2024	2023
Balance at beginning of year		P13,120	P12,913
Charges for the year	27, 32	2,241	357
Amounts written off	4	(117)	(128)
Translation adjustments and others		99	(22)
Balance at end of year		P15,343	P13,120

9. Inventories

Inventories consist of:

	<i>Note</i>	2024	2023
At net realizable value:			
Finished goods and goods in process (including petroleum products)		P111,765	P99,489
Materials and supplies (including coal)		60,800	56,346
At cost:			
Raw land inventory and real estate projects		5,790	6,151
	4	P178,355	P161,986

The cost of finished goods and goods in process amounted to P112,395 and P100,035 as at December 31, 2024 and 2023, respectively.

If the Group used the moving-average method (instead of the first-in, first-out method, which is the Group's policy), the cost of petroleum, crude oil and other petroleum products would have increased by P167 and P1,522 as at December 31, 2024 and 2023, respectively.

The cost of materials and supplies amounted to P61,775 and P57,486 as at December 31, 2024 and 2023, respectively.

Inventories (including distribution or transshipment costs) charged to cost of sales amounted to P1,015,168, P929,217 and P1,021,867 in 2024, 2023 and 2022, respectively (Note 26).

The movements in the allowance for write-down of inventories to net realizable value and inventory obsolescence are as follows:

	Note	2024	2023
Balance at beginning of year		P1,686	P1,542
Provisions - net	26, 27	293	252
Write-off and others		(374)	(108)
Balance at end of year		P1,605	P1,686

Provisions for inventory losses amounted to P296 and P272 in 2024 and 2023, respectively. Reversals of provision for inventory losses pertain to inventories sold amounting to P3 and P20 in 2024 and 2023, respectively. Provisions for inventory losses, net of reversals, are included as part of "Cost of sales" and "Selling and administrative expenses" accounts in the consolidated statements of income (Notes 26 and 27).

The fair value of agricultural produce less costs to sell, which formed part of the cost of finished goods inventory, amounted to P138 and P115 as at December 31, 2024 and 2023, respectively, with corresponding costs at point of harvest amounting to P113 and P107, respectively. Net unrealized gain on fair valuation of agricultural produce amounted to P25, P8 and P17 in 2024, 2023 and 2022, respectively (Note 25).

The fair values of marketable hogs and grown broilers, which comprise the Group's agricultural produce, are categorized as Level 1 and Level 3, respectively, in the fair value hierarchy based on the inputs used in the valuation techniques.

The valuation model used is based on the following: (a) quoted prices for harvested mature grown broilers at the time of harvest; and (b) quoted prices in the market at any given time for marketable hogs; provided that there has been no significant change in economic circumstances between the date of the transactions and the reporting date. Costs to sell are estimated based on the most recent transaction and is deducted from the fair value to measure the fair value of agricultural produce at point of harvest. The estimated fair value would increase (decrease) if weight and quality premiums increase (decrease) (Note 4).

The net realizable value of raw land inventory and real estate projects is higher than the carrying amount as at December 31, 2024 and 2023, based on management's assessment.

The fair value of raw land inventory amounted to P29,533 and P25,518 as at December 31, 2024 and 2023, respectively. The fair value has been categorized as Level 3 in the fair value hierarchy based on the inputs used in the valuation techniques (Note 4).

In estimating the fair value of the raw land inventory, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management assessment, the best use of the Group's raw land inventory is its current use.

The Level 3 fair value of raw land inventory was derived using the observable recent transaction prices for similar raw land inventory in nearby locations adjusted for differences in key attributes such as property size, zoning, and accessibility. The most significant input into this valuation approach is the price per square meter, hence, the higher the price per square meter, the higher the fair value (Note 4).

10. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of:

	<i>Note</i>	2024	2023
Prepaid taxes and licenses	23	P126,022	P113,530
Restricted cash - current	4, 18, 39, 40	18,422	14,076
Advances to contractors and suppliers		6,731	4,901
Derivative assets	39, 40	1,198	2,063
Financial assets at amortized cost - current portion	4, 12, 39, 40	576	554
Prepaid insurance		476	544
Financial assets at FVPL	5, 12, 33, 39, 40	438	1,012
Prepaid rent		227	361
Catalyst		180	207
PSALM monthly fee outage credits		96	1,142
Others	34	3,814	3,034
		P158,180	P141,424

Prepaid taxes and licenses consist mainly of real property tax paid in advance, creditable withholding taxes and excess tax credits which can be utilized as a deduction against future income tax payable.

Restricted cash - current represents mainly: (i) cash in banks maintained by SMC NAIAX, SMCTC, SIDC, MMSS3, SMC Tollways, SMC MRT 7, LCWDC, and TADHC in accordance with the specific purposes and terms as required under certain loan and concession agreements. Certain loan agreements provide that the Security Trustee shall have control over and the exclusive right of withdrawal from the restricted bank accounts; and (ii) funds maintained in various financial institutions, as (a) cash flow waterfall accounts required under the respective credit facilities of LPI, MPI, MPCL and SMGP BESS, (b) environmental guarantee fund for remittance to the Department of Environment and Natural Resources (DENR) and (c) financial benefits to host communities, as required by law.

PSALM monthly fee outage credits pertain to the approved reduction in SPI's future monthly fees payable to PSALM resulting from the outages of the Sual Power Plant in 2024 and 2023.

Financial assets at FVPL include investment in debt securities under investment management agreement with Bank of Commerce (BankCom) amounting to P49 as at December 31, 2024 and 2023 (Note 33).

Prepaid rent pertains to advance rent paid for short-term and low valued leases, in accordance with the provision of the lease agreements.

“Others” consist mainly of prepayments for various operating expenses pertaining to the Group’s right to consideration for work completed but not billed at the reporting date on the sale of real estate projects.

The methods and assumptions used to estimate the fair values of derivative assets and financial assets at FVPL are discussed in Note 40.

11. Investments and Advances

Investments and advances consist of:

	<i>Note</i>	2024	2023
Investments in Shares of Stock of Associates and Joint Ventures - at Equity			
Acquisition Cost			
Balance at beginning of year		P21,290	P21,290
Additions		4,224	-
Reclassification		2	-
Balance at end of year		25,516	21,290
Accumulated Equity in Net Earnings			
Balance at beginning of year		2,421	1,821
Equity in net earnings		2,364	1,729
Share in other comprehensive income (loss)		9	(4)
Dividends		(1,180)	(1,125)
Reclassification		(144)	-
Balance at end of year		3,470	2,421
		28,986	23,711
Advances for Investments	5	23,962	13,378
	4	P52,948	P37,089

Investments in Shares of Stock of Associates

a. BankCom

The Parent Company through SMPI and SMCEC owns 31.94% and 4.87% equity interest in BankCom, respectively, as at December 31, 2024 and 2023.

As at December 31, 2024 and 2023, the fair value of the indirect equity investment by the Parent Company in common shares of stock of BankCom amounted to P3,486 and P3,755, respectively.

BankCom provides services such as deposit products, loans and trade finance, domestic and foreign fund transfers, foreign exchange, credit card and trust services.

b. Manila North Harbour Port, Inc. (MNHPI)

The Parent Company through SMHC owns 50% of the outstanding capital stock of MNHPI as at December 31, 2024 and 2023. MNHPI is the terminal operator of Manila North Harbor, a 60.96-hectare port facility situated at Tondo, City of Manila. The port has a total berth length of 5,758 meters and 36 berths which can accommodate all types of vessels such as containerized and non-container type vessels.

c. New NAIA Infra Corp. (NNIC)

The Parent Company through SMHC owns 33% of the outstanding capital stock of NNIC as at December 31, 2024. NNIC was incorporated on February 15, 2024 primarily to engage in development, expansion, rehabilitation, operation, management and maintenance activities of international and domestic airports, airfields and facilities appurtenant thereto for passenger and cargo as may be authorized by the Civil Aviation Authority of the Philippines (CAAP) or other appropriate government agency.

On March 18, 2024, NNIC was awarded by the Government of the ROP through the Department of Transportation (DOTr), and MIA Authority to rehabilitate, operate, expand and maintain the country's main international gateway, the NAIA, which covers improvements to its runway, main terminals and other facilities for a term of 15 years, with a ten-year extension subject to performance review.

On September 14, 2024, NNIC took over the management and operations of NAIA upon receipt of Notice to Start Operation and Maintenance and Certificate of Turnover of Existing Assets.

Investments in Shares of Stock of Joint Ventures

Angat Hydro and KWPP

PVEI, a subsidiary of San Miguel Global Power has an existing joint venture agreement with Korea Water Resources Corporation (K-Water), covering the acquisition, rehabilitation, operation and maintenance of the 218 megawatts (MW) Angat Hydroelectric Power Plant (Angat Power Plant) which was previously awarded by PSALM to K-Water.

PVEI holds 30,541,470 shares or 60% of the outstanding capital stock of Angat Hydro and 75 shares representing 60% of KWPP outstanding capital stock. PVEI and K-Water are jointly in control of the management and operation of Angat Hydro and KWPP.

Advances for Investments

- a. SMPI made advances to future investees amounting to P139 and P147 as at December 31, 2024 and 2023, respectively. These advances will be applied against future stock subscriptions of SMPI to the investee companies.

Impairment loss recognized on the advances for investments amounted to P12, P498 and P241 in 2024, 2023 and 2022, respectively (Note 32).

- b. San Miguel Global Power and SPI made deposits to certain landholding companies amounting to P14,307 and P5,876 as at December 31, 2024 and 2023, respectively. These deposits will be applied against future stock subscriptions.

San Miguel Global Power bought ownership interests in certain landholding companies. As a result, these landholding companies were consolidated and deposits amounting to P808 in 2023 were eliminated (Note 5).

- c. SMEII and its subsidiaries made advances for future investments amounting to P819 and P2,358 as at December 31, 2024 and 2023, respectively. These advances will be applied against future stock subscriptions.

In 2024, advances for investment paid by ESCPI amounting to P572 were reclassified to investment in shares of stock of subsidiaries as consideration transferred for the acquisition of Pacemphil.

Advances for investment amounting to P967 were reclassified to receivables, which were eliminated upon consolidation of Pacemphil.

- d. The Investment Management Agreement entered into by SMHL and Bryce Canyon Investments Limited (BCIL) for the sale and purchase of assets was terminated on December 16, 2022. Accordingly, the outstanding balance of advances for investment as at December 31, 2021 amounting to US\$409 (P22,870) was paid by BCIL.
- e. Other advances pertain to deposits made to certain companies which will be applied against future stock subscriptions.

The details of the Group's material investments in shares of stock of associates and joint ventures which are accounted for using the equity method are as follows:

	December 31, 2024						December 31, 2023				
	Angat Hydro and KWPP	BankCom	MNHPI	NNIC	Others	Total	Angat Hydro and KWPP	BankCom	MNHPI	Others	Total
Country of incorporation	Philippines	Philippines	Philippines	Philippines			Philippines	Philippines	Philippines		
Percentage of ownership	60.00%	36.81%	50.00%	33.00%			60.00%	36.81%	50.00%		
Share in net income (loss)	P348	P1,022	P1,101	(P330)	P223	P2,364	(P284)	P1,020	P951	P42	P1,729
Share in other comprehensive income (loss)	4	3	1	-	1	9	-	7	2	(13)	(4)
Share in total comprehensive income (loss)	P352	P1,025	P1,102	(P330)	P224	P2,373	(P284)	P1,027	P953	P29	P1,725
Dividends received	P -	P130	P1,050	P -	P -	P1,180	P -	P -	P1,125	P -	P1,125
Carrying amounts of investments in shares of stock of associates and joint ventures	P4,671	P14,135	P4,594	P3,894	P1,692	P28,986	P4,323	P13,385	P4,541	P1,462	P23,711

The following are the audited condensed financial information of the Group's material investments in shares of stock of associates and joint ventures:

	December 31, 2024					December 31, 2023			
	Angat Hydro and KWPP	BankCom	MNHPI	NNIC	Others	Angat Hydro and KWPP	BankCom	MNHPI	Others
Current assets	P1,350	P200,400	P1,960	P15,440	P6,355	P1,531	P107,738	P1,632	P5,461
Noncurrent assets	16,919	65,040	8,258	48,740	3,260	16,823	123,930	8,898	3,373
Current liabilities	(2,019)	(209,265)	(804)	(8,320)	(6,115)	(1,757)	(194,530)	(1,135)	(5,211)
Noncurrent liabilities	(10,636)	(22,945)	(2,451)	(44,097)	(268)	(11,567)	(6,287)	(2,537)	(404)
Net assets	P5,614	P33,230	P6,963	P11,763	P3,232	P5,030	P30,851	P6,858	P3,219
Sales	P2,357	P13,164	P5,848	P2,867	P6,321	P1,752	P11,763	P5,399	P4,770
Net income (loss)	P578	P3,025	P2,202	(P999)	P166	(P481)	P2,802	P1,922	(P48)
Other comprehensive income (loss)	7	9	3	-	4	-	18	3	(30)
Total comprehensive income (loss)	P585	P3,034	P2,205	(P999)	P170	(P481)	P2,820	P1,925	(P78)

12. Investments in Equity and Debt Instruments

Investments in equity and debt instruments consist of:

	<i>Note</i>	2024	2023
Government and other debt securities		P13,286	P13,838
Equity securities		7,311	5,989
Proprietary membership shares and others		1,467	1,156
	<i>4, 39, 40</i>	22,064	20,983
Less current portion	<i>10</i>	1,014	1,566
		P21,050	P19,417

Government and Other Debt Securities

Government and other debt securities include:

- a. Petrogen's investment in government securities classified as financial asset at amortized cost, deposited with the Bureau of Treasury in accordance with the provisions of the Insurance Code, for the benefit and security of its policyholders and creditors amounting to P680 and P658 as at December 31, 2024 and 2023, respectively. The investments in government securities bear fixed annual interest rates ranging from 2.63% to 6.25% in 2024 and 1.94% to 6.25% in 2023 and with maturities up to 2027 (Note 31).
- b. Investment in debt securities under investment management agreement with BankCom entered into by SMB and GSMI classified as financial assets at amortized cost amounting to a total of P3,500 as at December 31, 2024 and 2023 and by Petrogen classified as financial assets at FVOCI amounting to P669 and P668 as at December 31, 2024 and 2023, respectively (Note 33).

The investments in debt securities bear annual average interest rates ranging from 5.78% to 7.85% in 2024 and 7.45% to 7.85% in 2023 and with maturities up to 2029 (Notes 31 and 33).

Income earned from the investments in government and other debt securities amounted to P974, P964 and P141 in 2024, 2023 and 2022, respectively (Notes 31, 32 and 33).

Equity Securities

Equity securities include:

- a. Parent Company's investment in the shares of stock of Top Frontier, consists of 2,561,031 common shares amounting to P162 and P246 as at December 31, 2024 and 2023, respectively.

On December 20, 2022, the BOD of Top Frontier approved the redemption of the remaining 1,904,540 preferred shares held by the Parent Company. On December 21, 2022, Top Frontier redeemed the preferred shares at the redemption price of P35,424, corresponding to the original issue price, plus unpaid cash dividend amounting to P267.

Total dividend income from the investment in preferred shares of stock of Top Frontier amounted to P1,328 in 2022 presented as part of "Dividend income" under "Other income (charges) - net" account in the consolidated statements of income (Notes 32 and 33).

- b. Parent Company's investment in BankCom through SMCEC, consists of 416,666,670 Series 1 Preferred Shares amounting to P132.00 per preferred share or P5,500 as at December 31, 2024 and 2023 (Note 33).

Dividend income from the investment in preferred shares of stock of BankCom amounted to P303 in 2024 presented as part of "Dividend income" under "Other income (charges) - net" account in the consolidated statements of income (Notes 32 and 33).

The preferred shares are non-voting, except as provided by law, perpetual or non-redeemable, cumulative, convertible to common shares at the option of the holders, subject to requirements under laws, rules and regulations, have preference over common shares in case of liquidation, dissolution, or winding up of the affairs of BankCom and subject to the other terms and conditions as may be fixed by the BOD of BankCom, required under regulations, and to the extent permitted by applicable law.

The Group has irrevocably elected to classify these investments as financial assets at FVOCI as it intends to hold these investments for strategic purposes.

The Group recognized gain on financial assets at FVOCI amounting to P243, P155 and P50 in 2024, 2023 and 2022, respectively, in the consolidated statements of comprehensive income.

The movements in investments in equity and debt instruments are as follows:

	<i>Note</i>	2024	2023
Balance at beginning of year		P20,983	P20,802
Additions		2,107	616
Fair value gain		340	158
Amortization of premium		15	14
Redemption/disposals		(1,384)	(606)
Currency translation adjustments and others		3	(1)
Balance at end of year	<i>4, 10, 39, 40</i>	P22,064	P20,983

The investments in equity and debt instruments are classified as follows:

	<i>Note</i>	2024	2023
Noncurrent			
Financial assets at amortized cost	<i>4</i>	P11,604	P11,604
Financial assets at FVOCI		8,988	7,424
Financial assets at FVPL		458	389
		21,050	19,417
Current			
Financial assets at amortized cost	<i>4</i>	576	554
Financial assets at FVPL		438	1,012
	<i>10</i>	1,014	1,566
		P22,064	P20,983

The methods and assumptions used to estimate the fair value of investments in equity and debt instruments are discussed in Notes 3, 4 and 40.

13. Property, Plant and Equipment

Property, plant and equipment consist of:

	Note	Land and Land Improvements	Buildings and Improvements	Power Plants	Refinery and Plant Equipment	Service Stations and Other Equipment	Equipment, Furniture and Fixtures	Leasehold Improvements	Capital Projects in Progress	Total
Cost										
January 1, 2023		P53,863	P80,797	P203,466	P194,444	P20,482	P233,513	P9,971	P194,022	P990,558
Additions		320	734	1,728	394	514	7,698	173	59,612	71,173
Acquisition of a subsidiary	5, 11	448	-	-	-	-	-	-	-	448
Disposals/retirement		(6)	(168)	(76)	(1)	(918)	(2,943)	(14)	(14)	(4,140)
Reclassifications and others	5, 15	3,801	12,365	20,251	948	261	23,101	2,549	(55,165)	8,111
Currency translation adjustments		(102)	(276)	-	(1,278)	(494)	(773)	2	(38)	(2,959)
December 31, 2023		58,324	93,452	225,369	194,507	19,845	260,596	12,681	198,417	1,063,191
Additions	14	3,757	855	2,741	968	893	7,258	389	78,200	95,061
Acquisition of subsidiaries	5, 11	1,414	-	-	-	-	22	-	14	1,450
Disposals/retirement		(135)	(110)	-	(36)	(1,459)	(3,689)	(1)	(39)	(5,469)
Reclassifications and others	15	1,907	8,633	128,627	3,343	122	18,121	4,040	(84,396)	80,397
Currency translation adjustments		215	449	-	1,963	725	1,259	(21)	91	4,681
December 31, 2024		65,482	103,279	356,737	200,745	20,126	283,567	17,088	192,287	1,239,311
Accumulated Depreciation										
January 1, 2023		4,418	22,994	31,561	70,405	15,550	119,783	2,817	-	267,528
Depreciation	6, 28	560	2,518	8,760	6,336	950	12,496	547	-	32,167
Disposals/retirement		(6)	(117)	(13)	(1)	(818)	(1,980)	(14)	-	(2,949)
Reclassifications	5	(11)	(477)	-	31	14	467	(8)	-	16
Currency translation adjustments		1	(129)	-	(553)	(320)	(444)	-	-	(1,445)
December 31, 2023		4,962	24,789	40,308	76,218	15,376	130,322	3,342	-	295,317
Depreciation	6, 28	585	2,826	10,850	6,536	784	13,609	782	-	35,972
Disposals/retirement		-	(76)	-	(34)	(1,406)	(2,842)	(1)	-	(4,359)
Reclassifications		(773)	89	-	-	293	3,386	(2)	-	2,993
Currency translation adjustments		2	244	-	920	398	762	(7)	-	2,319
December 31, 2024		4,776	27,872	51,158	83,640	15,445	145,237	4,114	-	332,242
Accumulated Impairment										
January 1, 2023		-	3,417	-	-	-	11,395	26	-	14,838
Impairment	32	-	-	-	-	-	15	-	65	80
Disposals/retirement		-	(42)	-	-	-	(84)	-	-	(126)
Reclassifications		-	-	-	-	-	(122)	-	-	(122)
Currency translation adjustments		-	(72)	-	-	-	(196)	-	-	(268)
December 31, 2023		-	3,303	-	-	-	11,008	26	65	14,402
Impairment	32	-	460	-	-	-	179	-	207	846
Disposals/retirement		-	-	-	-	-	(92)	-	-	(92)
Reclassifications		-	(1)	-	-	-	-	-	-	(1)
Currency translation adjustments		-	104	-	-	-	361	(1)	-	464
December 31, 2024		-	3,866	-	-	-	11,456	25	272	15,619
Carrying Amount										
December 31, 2023		P53,362	P65,360	P185,061	P118,289	P4,469	P119,266	P9,313	P198,352	P753,472
December 31, 2024		P60,706	P71,541	P305,579	P117,105	P4,681	P126,874	P12,949	P192,015	P891,450

“Equipment, furniture and fixtures” includes machinery, transportation equipment, office equipment and tools and small equipment.

Total depreciation and impairment losses recognized in the consolidated statements of income amounted to P36,818, P32,247 and P27,283 in 2024, 2023 and 2022, respectively (Notes 28 and 32). These amounts include annual amortization of capitalized borrowing costs amounting to P1,252, P1,213 and P767 in 2024, 2023 and 2022, respectively.

Reclassifications and others mainly pertain to: (a) the Sual Coal-fired Thermal Power Plant, which was reclassified from “Right-of-use assets - net” account following the expiration of its IPPA Agreement with PSALM and its turnover to SPI in October 2024 (Note 34); (b) transfers to investment property due to change in usage as evidenced by ending of owner-occupation or commencement of operating lease to another party (Note 15); and (c) reclassifications from capital projects in progress account to specific property, plant and equipment accounts.

In 2024, Petron recognized the reversal of the conveyance of land declared as property dividends in 1993 amounting to P143 equivalent to the net book value of the land at the time of dividend declaration. The land were recognized as part of “Property, plant and equipment” and “Investment property” accounts at P110 and P33, respectively, presented as part of “Additions” (Notes 15 and 43).

The additions to property, plant and equipment in the consolidated statements of cash flows reflects the actual cash flow of the Group during the year. The difference from the total additions to property, plant and equipment represents noncash or unpaid portion, which is included as part of the increase in accounts payable and accrued expenses under operating activities in the statements of cash flows.

The Group has capitalized borrowing costs amounting to P6,117 and P3,881 in 2024 and 2023, respectively. The capitalization rates used to determine the amount of interest eligible for capitalization ranged from 2.81% to 9.43% and 2.83% to 9.52% in 2024 and 2023, respectively. The unamortized capitalized borrowing costs amounted to P31,238 and P25,860 as at December 31, 2024 and 2023, respectively.

Certain fully depreciated property, plant and equipment with aggregate costs of P116,544 and P104,277 as at December 31, 2024 and 2023, respectively are still being used in the Group’s operations.

As at December 31, 2024 and 2023, certain property, plant and equipment amounting to P269,015 and P165,263, respectively, are pledged as security for syndicated project finance loans (Note 21).

14. Right-of-Use Assets

The movements in right-of-use assets are as follows:

	Note	Land	Buildings and Improvements	Power Plants	Service Stations and Other Equipment	Machinery and Equipment	Total
Cost							
January 1, 2023		P17,026	P1,242	P113,399	P71	P685	P132,423
Additions		624	291	-	-	62	977
Disposals/retirement		(129)	(364)	-	-	(104)	(597)
Remeasurement, reclassifications and others		82	(1)	-	-	1	82
Currency translation adjustments		(55)	(5)	-	(2)	4	(58)
December 31, 2023		17,548	1,163	113,399	69	648	132,827
Additions		7,470	208	-	-	61	7,739
Disposals/retirement		(313)	(291)	-	-	(1)	(605)
Remeasurement, reclassifications and others	13, 43	(5,063)	(30)	(78,935)	-	(2)	(84,030)
Currency translation adjustments		(98)	12	-	4	(9)	(91)
December 31, 2024		19,544	1,062	34,464	73	697	55,840
Accumulated Depreciation							
January 1, 2023		4,561	837	14,283	15	572	20,268
Depreciation	28	977	293	3,571	4	54	4,899
Disposals/retirement		(95)	(337)	-	-	(104)	(536)
Remeasurement, reclassifications and others		107	13	-	-	-	120
Currency translation adjustments		(23)	(3)	-	-	-	(26)
December 31, 2023		5,527	803	17,854	19	522	24,725
Depreciation	28	955	185	3,143	4	64	4,351
Disposals/retirement		(86)	(227)	-	-	(1)	(314)
Remeasurement, reclassifications and others	13, 43	(1,237)	(61)	(14,974)	-	-	(16,272)
Currency translation adjustments		(45)	5	-	-	(5)	(45)
December 31, 2024		5,114	705	6,023	23	580	12,445
Accumulated Impairment							
December 31, 2023		88	-	-	-	-	88
Currency translation adjustments		5	-	-	-	-	5
December 31, 2024		93	-	-	-	-	93
Carrying Amount							
December 31, 2023		P11,933	P360	P95,545	P50	P126	P108,014
December 31, 2024		P14,337	P357	P28,441	P50	P117	P43,302

The Group recognized right-of-use assets for leases of office space, warehouse, factory facilities and parcels of land. The leases typically run for a period of 2 to 50 years. Some leases contain an option to renew the lease at the end of the lease term and are subjected to reviews to reflect current market rentals. The renewal option provides operational flexibility in managing the leased asset portfolio and aligns the business needs of the Group.

Total depreciation recognized in the consolidated statements of income amounted to P4,351, P4,899 and P5,614 in 2024, 2023 and 2022, respectively (Note 28).

The remeasurements pertain mainly to the change in the estimated dismantling costs of ARO during the year (Note 4).

The reclassifications and others in 2024 mainly relates to the Sual Coal-fired Thermal Power Plant which was reclassified to "Property, plant and equipment - net" account following the expiration of the IPPA Agreement between SPPC and PSALM and its turnover to SPI in October 2024 (Notes 13 and 34) and the reversal of right-of-use assets recognized previously by Petron due to pretermination of the lease contracts with PNOOC as a result of the conveyance of the landholdings (Note 43).

No impairment loss was recognized in 2024, 2023 and 2022.

The Group recognized interest expense related to these leases amounting to P2,803, P3,772 and P4,785 in 2024, 2023 and 2022, respectively (Note 30).

The Group also has certain leases of property and equipment with lease terms of 12 months or less and leases of equipment with low value. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases. The expenses relating to short-term leases, leases of low-value assets and variable lease payments that do not depend on an index or a rate amounted to P169, P18 and P3,622, respectively, in 2024, P194, P8 and P3,326, respectively, in 2023, and P82, P6 and P3,415, respectively, in 2022 (Notes 26 and 27).

The Group had total cash outflows for leases of P26,610, P28,222 and P34,237 in 2024, 2023 and 2022, respectively.

15. Investment Property

The movements in investment property are as follows:

	Note	Land, Land and Leasehold Improvements	Buildings and Improvements	Machinery and Equipment	Construction in Progress	Right-of-Use Asset	Total
Cost							
January 1, 2023		P53,752	P20,895	P18	P1,233	P20,037	P95,935
Additions		2,919	143	-	914	1,474	5,450
Acquisition of subsidiaries	5	214	-	-	916	-	1,130
Reclassifications	13	1,388	(272)	50	(99)	14	1,081
Disposals/retirement		(20)	(14)	-	-	(268)	(302)
Currency translation adjustments		(173)	(532)	-	(10)	(471)	(1,186)
December 31, 2023		58,080	20,220	68	2,954	20,786	102,108
Additions		4,873	171	-	3,230	1,744	10,018
Acquisition of a subsidiary	5	390	-	-	-	-	390
Reclassifications	13	268	225	(4)	(385)	(150)	(46)
Disposals/retirement		(21)	(59)	-	-	(274)	(354)
Currency translation adjustments		297	864	-	14	751	1,926
December 31, 2024		63,887	21,421	64	5,813	22,857	114,042
Accumulated Depreciation							
January 1, 2023		886	12,294	10	-	8,077	21,267
Depreciation	28	31	708	7	-	1,300	2,046
Reclassifications		(62)	387	-	-	(227)	98
Disposals/retirement		-	(10)	-	-	(268)	(278)
Currency translation adjustments		-	(538)	-	-	(22)	(560)
December 31, 2023		855	12,841	17	-	8,860	22,573
Depreciation	28	17	714	6	-	1,403	2,140
Reclassifications		759	81	(2)	-	(65)	773
Disposals/retirement		(1)	(57)	-	-	(262)	(320)
Currency translation adjustments		-	567	-	-	378	945
December 31, 2024		1,630	14,146	21	-	10,314	26,111
Accumulated Impairment							
January 1, 2023		8	-	-	-	-	8
Impairment	32	-	-	-	14	-	14
December 31, 2023		8	-	-	14	-	22
Impairment	32	-	-	-	2	-	2
Reclassifications and others		-	-	-	(2)	-	(2)
December 31, 2024		8	-	-	14	-	22
Carrying Amount							
December 31, 2023		P57,217	P7,379	P51	P2,940	P11,926	P79,513
December 31, 2024		P62,249	P7,275	P43	P5,799	P12,543	P87,909

Total depreciation recognized in the consolidated statements of income amounted to P2,140, P2,046 and P2,082 in 2024, 2023 and 2022, respectively (Note 28).

The reclassification relates to the change in usage as evidenced by ending of owner-occupation or commencement of operating lease to another party which was reclassified from "Property, plant and equipment - net" account mainly by SMPI and MVHI (Note 13).

Additions include land recognized by Petron arising from the reversal of the reconveyance of land declared as property dividends in 1993 amounting to P33 (Notes 13 and 43).

Impairment loss of P2 and P14 was recognized in 2024 and 2023, respectively. No impairment loss was recognized in 2022.

There are no other direct selling and administrative expenses other than depreciation and real property taxes arising from investment property that generated income in 2024, 2023 and 2022.

The fair value of investment property amounting to P187,191 and P143,726 as at December 31, 2024 and 2023, respectively, has been categorized as Level 3 in the fair value hierarchy based on the inputs used in the valuation techniques (Note 4).

The fair value of investment property was determined by external, independent property appraisers having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The independent appraisers provide the fair value of the Group's investment property on a regular basis.

Valuation Technique and Significant Unobservable Inputs

The valuation of investment property applied the following approaches:

Cost Approach. This approach is based on the principle of substitution, which holds that an informed buyer would not pay more for a given property than the cost of an equally desirable alternative. The methodology of this approach is a set of procedures that estimate the current reproduction cost of the improvements, deducts accrued depreciation from all sources, and adds the value of investment property.

Sales Comparison Approach. The market value was determined using the Sales Comparison Approach. The comparative approach considers the sale of similar or substitute property, registered within the vicinity, and the related market data. The estimated value is established by process involving comparison. The property being valued is then compared with sales of similar property that have been transacted in the market. Listings and offerings may also be considered. The observable inputs to determine the market value of the property are the following: location characteristics; size; time element; quality and prospective use; bargaining allowance and marketability.

Income Approach. The rental value of the subject property was determined using the Income Approach. Under the Income Approach, the market value of the property is determined first, and then the proper capitalization rate is applied to arrive at its rental value. The rental value of the property is determined based on what a prudent lessor or a prospective lessee are willing to pay for its use and occupancy considering the prevailing rental rates of similar property and/or rate of return a prudent lessor generally expects on the return on its investment. A study of current market conditions indicates that the return on capital for similar real estate investment range from 3.00% to 5.82%.

16. Biological Assets

Biological assets consist of:

	<i>Note</i>	2024	2023
Current:			
Growing stocks		P2,446	P2,608
Goods in process		795	907
		3,241	3,515
Noncurrent:			
Breeding stocks - net		2,652	2,667
	4	P5,893	P6,182

Growing stocks pertain to growing hogs and poultry livestock, while goods in process pertain to hatching eggs.

The amortization of breeding stocks recognized in the consolidated statements of income amounted to P3,339, P4,054 and P3,303 in 2024, 2023 and 2022, respectively (Note 28).

The movements in biological assets are as follows:

	<i>Note</i>	2024	2023
Cost			
Balance at beginning of year		P6,210	P6,116
Increase (decrease) due to:			
Production		61,112	62,668
Purchases		897	607
Mortality		(338)	(320)
Harvest		(58,580)	(58,792)
Retirement		(3,394)	(4,069)
Balance at end of year		5,907	6,210
Accumulated Amortization			
Balance at beginning of year		28	27
Amortization	28	3,339	4,054
Retirement		(3,353)	(4,053)
Balance at end of year		14	28
Carrying Amount		P5,893	P6,182

The Group harvested approximately 574.0 million and 540.4 million kilograms of grown broilers in 2024 and 2023, respectively, and 0.03 million and 0.04 million heads of marketable hogs in 2024 and 2023, respectively.

The aggregate fair value less estimated costs to sell of agricultural produce harvested during the year, determined at the point of harvest, amounted to P61,738 and P51,664 in 2024 and 2023, respectively.

17. Goodwill and Other Intangible Assets

Goodwill and other intangible assets consist of:

	2024	2023
Goodwill	P184,994	P182,791
Other intangible assets	340,496	306,638
	P525,490	P489,429

The movements in goodwill are as follows:

	Note	2024	2023
Gross Carrying Amount			
Balance at beginning of year		P184,660	P185,771
Additions	5, 38	1,488	-
Purchase price allocation adjustment	5	-	(683)
Cumulative translation adjustments		666	(428)
Balance at end of year		186,814	184,660
Accumulated Impairment			
Balance at beginning of year		1,869	1,671
Impairment	32	-	188
Cumulative translation adjustments		(49)	10
Balance at end of year		1,820	1,869
	4	P184,994	P182,791

The movements in other intangible assets with indefinite useful lives are as follows:

	Licenses	Trademarks and Brand Names	Total
Cost			
January 1, 2023	P2,125	P445	P2,570
Currency translation adjustments	7	(5)	2
December 31, 2023	2,132	440	2,572
Currency translation adjustments	111	12	123
December 31, 2024	2,243	452	2,695
Accumulated Impairment			
January 1, 2023	-	225	225
Currency translation adjustments	-	(2)	(2)
December 31, 2023	-	223	223
Currency translation adjustments	-	12	12
December 31, 2024	-	235	235
Carrying Amount			
December 31, 2023	P2,132	P217	P2,349
December 31, 2024	P2,243	P217	P2,460

The movements in other intangible assets with finite useful lives are as follows:

		Concession Rights			Mineral Rights and Evaluation Assets	Computer Software and Licenses and Others	Total
	Note	Toll Road	Airport	Water			
Cost							
January 1, 2023		P200,053	P74,831	P6,951	P12,800	P9,162	P303,797
Additions	8	7,019	44,163	27	2	13,466	64,677
Reclassifications and others		128	(141)	-	748	47	782
Currency translation adjustments		-	-	-	-	(30)	(30)
December 31, 2023		207,200	118,853	6,978	13,550	22,645	369,226
Additions	8	10,927	27,753	4	51	1,644	40,379
Acquisition of subsidiaries	5	-	-	950	-	-	950
Reclassifications and others		392	363	23	(3)	(15)	760
Currency translation adjustments		-	-	-	-	45	45
December 31, 2024		218,519	146,969	7,955	13,598	24,319	411,360
Accumulated Amortization							
January 1, 2023		49,710	2,091	977	507	3,497	56,782
Amortization	28	6,825	358	258	341	362	8,144
Reclassifications and others		-	-	-	2	-	2
Currency translation adjustments		-	-	-	-	(30)	(30)
December 31, 2023		56,535	2,449	1,235	850	3,829	64,898
Amortization	28	6,977	371	271	334	380	8,333
Reclassifications and others		-	-	23	(1)	(13)	9
Currency translation adjustments		-	-	-	-	45	45
December 31, 2024		63,512	2,820	1,529	1,183	4,241	73,285
Accumulated Impairment							
January 1, 2023		-	-	-	-	39	39
December 31, 2024 and 2023		-	-	-	-	39	39
Carrying Amount							
December 31, 2023		P150,665	P116,404	P5,743	P12,700	P18,777	P304,289
December 31, 2024		P155,007	P144,149	P6,426	P12,415	P20,039	P338,036

The Group has capitalized borrowing costs amounting to P30 and P75 in 2024 and 2023, respectively. The capitalization rates used to determine the amount of interest eligible for capitalization ranged from 8.81% to 8.91% and 5.87% to 9.20% in 2024 and 2023, respectively. The unamortized capitalized borrowing costs amounted to P39 and P42 as at December 31, 2024 and 2023, respectively.

Goodwill, licenses and trademarks and brand names with indefinite lives acquired through business combinations, have been allocated to individual cash-generating units, for impairment testing as follows:

	2024		2023	
	Goodwill	Licenses, Trademarks and Brand Names	Goodwill	Licenses, Trademarks and Brand Names
Energy	P69,944	P -	P69,944	P -
Cement	53,923	-	53,590	-
Fuel and oil	30,757	-	30,118	-
Infrastructure	23,105	-	21,950	-
Food and beverage	3,639	2,460	3,639	2,349
Packaging	3,552	-	3,476	-
Others	74	-	74	-
Total	P184,994	P2,460	P182,791	P2,349

The recoverable amount of goodwill has been determined based on fair value less costs to sell or a valuation using cash flow projections (value in use) covering a five-year period based on long range plans approved by management. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources. Cash flows beyond the five-year period are extrapolated using a constant growth rate determined per individual cash-generating unit to arrive at its terminal value. The growth rates used, which range from 1.00% to 10.19% and 2.88% to 8.82% in 2024 and 2023, respectively, are based on strategies developed for each business and include the Group's expectations of market developments and past historical performance. The discount rates applied to after tax cash flow projections ranged from 6% to 10% and 6% to 11% in 2024 and 2023, respectively. The discount rate also imputes the risk of the cash-generating units compared to the respective risk of the overall market and equity risk premium. The recoverable amount of goodwill has been categorized as Level 3 in the fair value hierarchy based on the inputs used in the valuation technique (Note 4).

No impairment loss was recognized for goodwill in 2024. Impairment loss recognized in 2023 and 2022 amounted to P188 and P789, respectively (Note 32).

The recoverable amount of licenses, trademarks and brand names has been determined based on a valuation using cash flow projections (value in use) covering a five-year period based on long range plans approved by management. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources. Cash flows beyond the five-year period are extrapolated using a determined constant growth rate to arrive at its terminal value. The growth rates used, which range from 2% to 12% and 2% to 5% in 2024 and 2023, respectively are based on strategies developed for each business and include the Group's expectations of market developments and past historical performance. The discount rates applied to after tax cash flow projections ranged from 7% to 12% in 2024 and 2023. The recoverable amount of trademarks and brand names has been categorized as Level 3 in the fair value hierarchy based on the inputs used in the valuation technique (Note 4).

Management's calculations are updated to reflect the most recent developments as at the reporting date. Management's expectations reflect performance to date and are based on its experience in times of recession and consistent with the assumptions that a market participant would make.

No impairment loss was recognized for licenses, trademarks and brand names in 2024, 2023 and 2022.

Other than the items on which impairment losses were already recognized, management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause its carrying amount to exceed its recoverable amount.

- *Gross Margins.* Gross margins are based on average values achieved in the period immediately before the budget period. These are increases over the budget period for anticipated efficiency improvements. Values assigned to key assumptions reflect past experience, except for efficiency improvement.

- *Discount Rates.* The Group uses the weighted-average cost of capital as the discount rate, which reflects management's estimate of the risk specific to each unit. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals.
- *Raw Material Price Inflation.* Consumer price forecast is obtained from indices during the budget period from which raw materials are purchased. Values assigned to key assumptions are consistent with external sources of information.

As at December 31, 2024 and 2023, certain other intangible assets amounting to P96,021 and P97,715, respectively, were pledged as security for syndicated project finance loans (Note 21).

18. Other Noncurrent Assets

Other noncurrent assets consist of:

	<i>Note</i>	2024	2023
Contract assets		P56,028	P39,138
Advances to contractors and suppliers		27,005	33,053
Deferred containers - net	4	20,643	17,484
Noncurrent receivables and deposits - net	4, 5, 8, 33, 34, 39, 40	8,797	9,181
Restricted cash	4, 39, 40	5,400	4,443
Deposits on land for future development		4,987	5,311
Derivative assets - noncurrent	3, 39, 40	1,584	301
Idle assets	4	1,296	2,610
Noncurrent prepaid expense		527	1,498
Catalyst		515	629
Noncurrent prepaid rent		299	180
Deferred exploration and development costs	4	92	76
Retirement assets	35	77	39
Noncurrent prepaid input tax		66	115
Others		2,334	4,671
		P129,650	P118,729

The movements in deferred containers - net are as follows:

	Note	2024	2023
Gross Carrying Amount			
Balance at beginning of year		P38,601	P35,240
Additions		11,355	5,563
Disposals/retirement/reclassifications		(3,673)	(2,235)
Currency translation adjustments		1	33
Balance at end of year		46,284	38,601
Accumulated Depreciation			
Balance at beginning of year		20,189	16,691
Depreciation	28	4,834	4,128
Disposals/retirement/reclassifications		69	(623)
Currency translation adjustments		4	(7)
Balance at end of year		25,096	20,189
Accumulated Impairment			
Balance at beginning of year		928	1,092
Impairment	27, 32	-	487
Disposals/reclassifications		(383)	(652)
Currency translation adjustments		-	1
Balance at end of year		545	928
		P20,643	P17,484

Contract assets mainly represent costs related to the development of the MRT 7 Project (Note 34). The difference between the additions in contract assets presented in the consolidated statements of cash flows and additions to contract assets represent noncash items such as capitalized borrowing cost, amortization of right-of-use assets and interest on lease liabilities.

In 2024, Petron reassessed its accounting policy for LPG cylinders which had previously been recognized as an outright expense. Petron considered its legal ownership of LPG cylinders, compliance with regulatory requirements under the LPG Industry Regulation Act and alignment with the recent interpretation of the SEC on the matter. The LPG cylinders were recognized as part of "Deferred containers - net" account amounting to P3,176, presented as part of "Additions".

Noncurrent receivables and deposits include amounts owed by related parties amounting to P4,412 and P4,410 as at December 31, 2024 and 2023, respectively (Note 33) and are presented net of allowance for impairment losses amounting to P590 and P567 as at December 31, 2024 and 2023, respectively (Note 4).

Restricted cash represents:

- i. MPCL's cash flow waterfall accounts and environmental guarantee fund amounting to P2,974 and P2,645 as at December 31, 2024 and 2023, respectively;
- ii. LPI's cash flow waterfall accounts amounting to P1,654 and P1,204 as at December 31, 2024 and 2023, respectively;
- iii. Cash in bank maintained by NCC and SCII in accordance with the specific purpose and term as required under its loan agreement, amounting to P554 and P273 as at December 31, 2024 and 2023, respectively;

- iv. Deposit in escrow by ESCPI to settle the remaining unpaid creditors under the Court-approved Rehabilitation Plan with Final Registry of Claims amounting to P141 as at December 31, 2023. On May 6, 2024, the escrow fund has been closed;
- v. Rehabilitation funds established by NCC, ECC and EERI in compliance with DENR Administrative Order No. 2005-07 for environmental protection and enhancement amounting to P162 and P130 as at December 31, 2024 and 2023, respectively; and
- vi. Deposit in escrow by ECC for a pending legal case amounting to P56 and P50 as at December 31, 2024 and 2023, respectively.

The methods and assumptions used to estimate the fair values of noncurrent receivables and deposits, and restricted cash are discussed in Note 40.

“Others” include marketing assistance to dealers and other noncurrent prepaid expenses.

19. Loans Payable

Loans payable consist of:

	<i>Note</i>	2024	2023
Parent Company			
Peso-denominated		P49,903	P21,300
Foreign currency-denominated		17,323	-
Subsidiaries			
Peso-denominated		201,697	180,123
Foreign currency-denominated		24,307	13,458
	<i>38, 39, 40</i>	P293,230	P214,881

Loans payable mainly represent unsecured Peso and foreign currency-denominated amounts obtained from local and foreign banks. Interest rates per annum for Peso-denominated loans ranged from 3.96% to 8.32% and from 3.50% to 7.85% in 2024 and 2023, respectively. Interest rates per annum for foreign currency-denominated loans ranged from 3.96% to 8.00% and 3.71% to 7.53% in 2024 and 2023, respectively (Note 30).

Loans payable include interest-bearing amounts payable to BankCom amounting to P6,941 and P6,382 as at December 31, 2024 and 2023, respectively (Note 33).

20. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of:

	<i>Note</i>	2024	2023
Non-trade	5	P135,297	P94,354
Trade	34	120,062	102,717
Customers' deposits		14,101	9,245
Accrued interest payable		6,215	5,653
Accrued payroll		6,105	6,245
Amounts owed to related parties	33	2,066	1,555
Derivative liabilities	39, 40	1,890	908
Deferred liability on consumer loyalty program		831	747
Current portion of IRO	4	581	320
Retention payable		406	249
Retirement liabilities	35	170	101
Deferred rent income		77	58
Redeemable preferred shares	4	19	19
Others		1,218	884
	39, 40	P289,038	P223,055

Trade payables are non-interest bearing and are generally on a 30 to 60-day term.

Non-trade payables include guarantee deposits, utilities, rent and other expenses payable to third parties.

Redeemable Preferred Shares. These represent the preferred shares of TADHC issued in 2010. The preferred shares are cumulative, non-voting, redeemable and with liquidation preference. The shares are preferred as to dividends, which are given in the form of coupons, at the rate of 90% of the applicable base rate (i.e., one year Bloomberg Valuation or BVAL). The dividends are cumulative from and after the date of issue of the preferred shares, whether or not in any period the amount is covered by available unrestricted retained earnings.

The preferred shares are required to be redeemed at the end of the ten-year period from and after the issuance of the preferred shares by paying the principal amount, plus all unpaid coupons (at the sole option of TADHC, the preferred shares may be redeemed earlier in whole or in part).

In the event of liquidation, dissolution, bankruptcy or winding up of the affairs of TADHC, the holders of the preferred shares are entitled to be paid in full, an amount equivalent to the issue price of such preferred shares plus all accumulated and unpaid dividends up to the current dividend period or proportionately to the extent of the remaining assets of TADHC, before any assets of TADHC will be paid or distributed to the holders of the common shares.

As at December 31, 2024 and 2023, the preferred shares remain outstanding as other requirements prior to redemption are pending from the shareholders.

"Others" include ARO, accruals for materials, repairs and maintenance, advertising, handling, contracted labor, supplies and various other payables.

The methods and assumptions used to estimate the fair value of derivative liabilities are discussed in Note 40.

21. Long-term Debt

Long-term debt consists of:

	2024	2023
Parent Company		
Peso-denominated Bonds:		
Fixed interest rate of 7.4458%, 7.8467% and 8.4890% maturing in 2028, 2029 and 2032, respectively (a)	P59,446	P59,299
Fixed interest rate of 5.2704% and 5.8434% maturing in 2027 and 2029, respectively (b)	29,758	29,699
Fixed interest rate of 7.2584% and 7.7197% maturing in 2031 and 2034, respectively (c)	19,748	-
Fixed interest rate of 7.465% maturing in 2027 (d)	18,652	29,762
Fixed interest rate of 6.625%, 5.7613% and 7.125% maturing in 2025, 2027 and 2028, respectively (e)	12,835	30,087
Peso-denominated Term Notes:		
Fixed interest rate of 6.9375% with maturities up to 2026 (f)	15,089	15,231
Fixed interest rate of 7.4998% with maturities up to 2029 (g)	5,104	5,148
Foreign currency-denominated Term Notes:		
Fixed interest rate of 6.55% maturing in 2028 (h)	8,630	8,247
Fixed interest rate of 6.68%, maturing in 2029 (i)	8,619	-
Floating interest rate based on Secured Overnight Financing Rate (SOFR) plus margin, maturing in 2029 (j)	112,973	-
Floating interest rate based on SOFR plus margin, with maturities up to 2035 (k)	108,534	81,332
Floating interest rate based on SOFR plus margin, maturing in 2028 (l)	75,553	71,892
Floating interest rate based on SOFR plus margin, maturing in 2026 (m)	51,564	49,074
Floating interest rate based on SOFR plus margin, maturing in 2027 (n)	40,016	38,099
Floating interest rate based on SOFR plus margin, maturing in 2028 (o)	17,054	16,244
Floating interest rate based on SOFR plus margin, maturing in 2028 (p)	16,987	16,166
Floating interest rate based on SOFR plus margin, maturing in 2028 (q)	11,369	10,837
Floating interest rate based on SOFR plus margin, maturing in 2026 (r)	5,751	5,488
Floating interest rate based on SOFR plus margin, maturing in 2027 (s)	5,748	5,487
Floating interest rate based on SOFR plus margin, maturing in 2029 (t)	2,864	-
Floating interest rate based on SOFR plus margin (u)	-	110,301
	626,294	582,393

Forward

	2024	2023
Subsidiaries		
Peso-denominated Bonds:		
Fixed interest rate of 5.9077%, 7.1051% and 8.0288% maturing in 2025, 2028 and 2032, respectively (v)	P39,650	P39,560
Fixed interest rate of 6.4783%, 6.7026% and 6.9331% maturing in 2030, 2031 and 2034, respectively (w)	34,529	-
Fixed interest rate of 3.4408% and 4.3368% maturing in 2025 and 2027, respectively (x)	17,917	17,869
Fixed interest rate of 5.05% and 5.25% maturing in 2025 and 2027, respectively (y)	14,963	14,927
Fixed interest rate of 7.60% maturing in 2026 (z)	6,902	16,111
Fixed interest rate of 8.0551% maturing in 2025 (aa)	6,788	19,948
Fixed interest rate of 5.1792% maturing in 2026 (ab)	4,746	4,740
Fixed interest rate of 6.625% maturing in 2027 (ac)	3,594	10,056
Fixed interest rate of 6.4872% maturing in 2025 (ad)	2,498	2,494
Fixed interest rate of 6.00% (ae)	-	2,537
Peso-denominated Term Notes:		
Fixed interest rate of 8.2104% and 7.7497% with maturities up to 2033 (af)	38,503	27,538
Fixed interest rate of 7.5758% and 8.0808% with maturities up to 2034 (ag)	31,854	-
Fixed interest rate of 6.2836%, 6.5362% and 7.3889% with maturities up to 2029 (ah)	29,415	32,497
Fixed interest rate of 7.1913% with maturities up to 2033 (ai)	28,625	29,791
Fixed interest rate of 8.7118% with maturities up to 2027 (aj)	17,731	22,832
Fixed interest rate of 8.2443% with maturities up to 2030 (ak)	13,410	14,643
Fixed interest rate of 3.80%, 3.875%, 3.95% and 4.15% with maturities up to 2028 (al)	11,894	11,897
Fixed interest rate of 4.8356% with maturities up to 2031 (am)	11,246	12,239
Fixed interest rate of 6.8412% and 6.5323% maturing in 2027 (an)	9,951	9,937
Fixed interest rate of 6.5716% and 6.5719% with maturities up to 2031 (ao)	9,925	-
Fixed interest rate of 7.5758% with maturities up to 2032 (ap)	9,883	-
Fixed interest rate of 7.3232% maturing in 2032 (aq)	9,873	-
Fixed interest rate of 7.7632% with maturities up to 2029 (ar)	9,684	-
Fixed interest rate of 3.5483% with maturities up to 2029 (as)	9,662	9,804
Fixed interest rate of 5.6276% with maturities up to 2029 (at)	8,173	9,355
Fixed interest rate of 7.968% and 8.541% maturing in 2028 (au)	7,451	7,439
Fixed interest rate of 4.6332% and 5.7513% maturing in 2025 and 2027, respectively (av)	6,986	6,972

Forward

	2024	2023
Fixed interest rate of 3.846% maturing in 2026 (aw)	P6,981	P6,970
Fixed interest rate of 7.4941% with maturities up to 2029 (ax)	6,959	-
Fixed interest rate of 5.00% with maturities up to 2025 (ay)	4,819	4,854
Fixed interest rate of 7.1663% with maturities up to 2027 (az)	4,483	4,975
Fixed interest rate of 7.4206% with maturities up to 2027 (ba)	3,114	4,356
Fixed interest rate of 7.5496% with maturities up to 2027 (bb)	3,114	4,355
Fixed interest rate of 8.1711%, 8.449%, 9.028% and 9.635% with maturities up to 2030 (bc)	3,011	3,342
Fixed interest rate of 6.492% maturing in 2025 (bd)	2,370	2,366
Fixed interest rate of 4.20% maturing in 2026 (be)	1,995	1,992
Fixed interest rate of 3.284% with maturities up to 2026 (bf)	1,889	1,940
Fixed interest rate of 5.1657% with maturities up to 2025 (bg)	1,500	2,232
Fixed interest rate of 4.59% with maturities up to 2025 (bh)	625	1,873
Fixed interest rate of 6.8672% maturing in 2025 (bi)	624	622
Fixed interest rate of 7.3725%, 7.0071%, 6.8047% and 6.6224% maturing in 2033 (bj)	129	-
Fixed interest rate of 5.556%, 5.825% and 5.997% (bk)	-	32,809
Fixed interest rate of 6.9265% (bl)	-	14,091
Fixed interest rate of 4.63% (bm)	-	9,983
Fixed interest rate of 5.5276% (bn)	-	1,606
Floating interest rate based on BVAL plus margin, with maturities up to 2038 (bo)	30,255	14,086
Floating interest rate based on BVAL plus margin, or Bangko Sentral ng Pilipinas (BSP) Term Deposit Auction Facility (BSP TDF) plus margin, whichever is higher, with maturities up to 2029 (as)	7,729	7,842
Floating interest rate based on BVAL plus margin, with maturities up to 2030 (bp)	6,050	7,187
Floating interest rate based on BVAL plus margin, with maturities up to 2029 (bq)	4,969	-
Floating interest rate based on BVAL plus margin, or BSP Overnight Lending Facility Rate plus margin, whichever is higher, with maturities up to 2030 (br)	4,199	3,852
Floating interest rate based on BVAL plus margin (bs)	-	19,877
Floating interest rate based on BVAL plus margin (bt)	-	586

Forward

	Note	2024	2023
Foreign currency-denominated Term Notes:			
Fixed interest rate of 8.331% with maturities up to 2030 (bu)		P16,494	P17,079
Floating interest rate based on SOFR plus margin, with maturities up to 2029 (bv)		28,347	-
Floating interest rate based on SOFR plus margin, with maturities up to 2027 (bw)		27,118	36,245
Floating interest rate based on SOFR plus margin, maturing in 2026 (bx)		17,249	16,421
Floating interest rate based on SOFR plus margin, maturing in 2027 (by)		17,085	16,249
Floating interest rate based on SOFR plus margin, maturing in 2027 (bz)		16,954	-
Floating interest rate based on SOFR plus margin, with maturities up to 2028 (ca)		10,227	12,172
Floating interest rate based on SOFR plus margin, maturing in 2025 (cb)		5,770	5,484
Floating interest rate based on SOFR plus margin, with maturities up to 2030 (bu)		5,428	5,621
Floating interest rate based on SOFR plus margin, maturing in 2025 (cc)		2,880	2,719
Floating interest rate based on Bank Bill Swap Rate (BBSY) plus margin, with maturities up to 2027 (cd)		1,603	-
Floating interest rate based on Tokyo Overnight Average Rate (TONA) plus margin, with maturities up to 2025 (ce)		788	2,512
Floating interest rate based on BBSY plus margin, with maturities up to 2027 (cf)		324	359
Floating interest rate based on BBSY plus margin, with maturities up to 2026 (cg)		40	77
Floating interest rate based on SOFR plus margin (ch)		-	10,993
Floating interest rate based on SOFR plus margin (ci)		-	5,487
Floating interest rate based on BBSY plus margin (cj)		-	1,791
		640,975	608,191
	38, 39, 40	1,267,269	1,190,584
Less current maturities		94,123	236,798
		P1,173,146	P953,786

- a. The amount represents the P60,000 fixed rate bonds issued by the Parent Company consisting of: (i) five-year and three months Series L Bonds, due in 2028 with an interest rate of 7.4458% per annum; (ii) seven-year Series M Bonds, due in 2029 with an interest rate of 7.8467% per annum; and (iii) ten-year Series N Bonds, due in 2032 with an interest rate of 8.4890% per annum. The Bonds were listed on the Philippine Dealing & Exchange Corp. (PDEX). Interest is payable every 14th of March, June, September and December of each year.

The proceeds of the issuance of the bonds were used for: (i) the optional redemption of the Parent Company's Series "2" Preferred Shares - Subseries "2-H"; (ii) the repayment of the Peso-denominated short-term loan facilities that were used to pay the Series A and Series D Bonds; (iii) the payment of Series E Bonds; and (iv) the refinancing of certain US Dollar-denominated obligations.

Unamortized debt issue costs amounted to P554 and P701 as at December 31, 2024 and 2023, respectively.

- b. The amount represents the first tranche of the P60,000 Shelf Registered Fixed Rate Bonds issued by the Parent Company amounting to P30,000. The Bonds were listed on the PDEX.

The first tranche of the fixed rate bonds listed on March 4, 2022, consists of: (i) five-year Series J Bonds, due in 2027 with an interest rate of 5.2704% per annum; and (ii) seven-year Series K Bonds, due in 2029 with an interest rate of 5.8434% per annum. Interest is payable every 4th of March, June, September and December of each year.

The proceeds of the issuance of the bonds were used for refinancing the Parent Company's short-term loan facilities and other general corporate purposes.

Unamortized debt issue costs amounted to P242 and P301 as at December 31, 2024 and 2023, respectively.

- c. The amount represents the first tranche of the P50,000 Shelf Registered Fixed Rate Bonds issued by the Parent Company amounting to P20,000. The Bonds were listed on the PDEX.

The first tranche of the fixed rate bonds listed on July 3, 2024, consists of: (i) six-year and six months Series O Bonds, due in 2031 with an interest rate of 7.2584% per annum; and (ii) ten-year Series P Bonds, due in 2034 with an interest rate of 7.7197% per annum. Interest is payable every 3rd of January, April, July and October of each year.

The proceeds of the issuance of the bonds were used for the partial payment of Series I Bonds and the remaining balance will be used for additional investment in the Manila International Airport (MIA) Project and other airport-related projects in Bulacan and the repayment of Series F Bonds on March 19, 2025.

Unamortized debt issue costs amounted to P252 as at December 31, 2024.

- d. The amount represents the first tranche of the P50,000 Shelf Registered Fixed Rate Bonds issued by the Parent Company amounting to P30,000. The Bonds were listed on the PDEX.

The first tranche of the fixed rate bonds listed on July 8, 2021, comprises six-year Series I Bonds, due in 2027 with an interest rate of 3.3832% per annum and with a put option on the part of the bondholder on the third anniversary of its issue date. Interest is payable every 8th of January, April, July and October of each year.

The proceeds of the issuance of the bonds were used to repay existing obligations.

The Parent Company partially paid P11,240 on July 8, 2024, as a result of the Put Option Exercise by the exercising Series I Bondholders. The remaining balance of the Series I Fixed Rate Peso-denominated Bonds was repriced at 7.465% per annum from 3.3832% per annum effective July 8, 2024, until maturity on July 8, 2027.

Unamortized debt issue costs amounted to P108 and P238 as at December 31, 2024 and 2023, respectively.

- e. The amount represents the first, second, third and fourth tranche of the P60,000 Shelf Registered Fixed Rate Bonds issued by the Parent Company amounting to P20,000, P10,000, P20,000 and P10,000, respectively. The Bonds were listed on the PDEX.
- The first tranche of the fixed rate bonds listed on March 1, 2017 amounting to P20,000 consists of: (i) five-year Series A Bonds, due in 2022 with an interest rate of 4.8243% per annum; (ii) seven-year Series B Bonds, due in 2024 with an interest rate of 5.284% per annum; and (iii) ten-year Series C Bonds, due in 2027 with an interest rate of 5.7613% per annum. Interest is payable every 1st of March, June, September and December of each year.
 - The second tranche of the fixed rate bonds listed on April 7, 2017 amounting to P10,000 comprises five-year Series D Bonds, due in 2022 with an interest rate of 5.1923% per annum. Interest is payable every 7th of January, April, July and October of each year.
 - The third tranche of the fixed rate bonds listed on March 19, 2018 amounting to P20,000 consists of: (i) five-year Series E Bonds, due in 2023 with an interest rate of 6.25% per annum; (ii) seven-year Series F Bonds, due in 2025 with an interest rate of 6.625% per annum; and (iii) ten-year Series G Bonds, due in 2028 with an interest rate of 7.125% per annum. Interest is payable every 19th of March, June, September and December of each year.
 - The fourth tranche of the fixed rate bonds listed on October 4, 2019 amounting to P10,000 comprises five-year Series H Bonds, due in 2024 with an interest rate of 5.55% per annum. Interest is payable every 4th of January, April, July and October of each year.

The proceeds of the issuance of the bonds were used to partially refinance various loans.

The Parent Company paid the P6,683 Series A Bonds, P10,000 Series D Bonds, P13,146 Series E Bonds, P7,294 Series B Bonds and P10,000 Series H Bonds on March 1, 2022, April 7, 2022, March 20, 2023, March 1, 2024 and October 4, 2024, respectively.

Unamortized debt issue costs amounted to P42 and P84 as at December 31, 2024 and 2023, respectively.

- f. The amount represents the drawdown by the Parent Company on June 24, 2019 from its term loan facility amounting to P16,000. The loan is amortized over seven years and is subject to a fixed interest rate of 6.9375% per annum payable quarterly. The proceeds of the loan were used for general corporate purposes.

The Parent Company paid the scheduled amortizations amounting to P880 and P720 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs amounted to P31 and P49 as at December 31, 2024 and 2023, respectively.

- g. The amount represents the drawdown by the Parent Company on June 30, 2023 from its term loan facility amounting to P5,200. The loan is amortized over six years and is subject to a fixed interest rate of 7.4998% per annum payable semi-annually and with a put option on the part of the lender on the third anniversary of the first drawdown date. The proceeds of the loan were used for the refinancing of Corona Virus Disease 2019 response activities during the period 2020 to 2022.

The Parent Company paid the scheduled amortization amounting to P52 as at December 31, 2024.

Unamortized debt issue costs amounted to P44 and P52 as at December 31, 2024 and 2023, respectively.

- h. The amount represents the drawdown by the Parent Company on July 31, 2023 from its term loan facility amounting to US\$150. The term of the loan is for five years and is subject to a fixed interest rate of 6.55% per annum, payable quarterly. The proceeds of the loan were used for general corporate purposes including the refinancing of external indebtedness, as well as related fees and expenses and payment of other transaction related fees, costs and expenses of the facility.

Unamortized debt issue costs amounted to P47 and P59 as at December 31, 2024 and 2023, respectively.

- i. The amount represents the drawdown by the Parent Company on May 17, 2024 from its term loan facility amounting to US\$150. The term of the loan is for five years and is subject to a fixed interest rate of 6.68% per annum, payable quarterly. The proceeds of the loan were used for general corporate purposes.

Unamortized debt issue costs amounted to P58 as at December 31, 2024.

- j. The amount represents the drawdown by the Parent Company on September 27, 2024 from its term loan facility amounting to US\$2,000. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used to refinance the matured loans drawn by the Parent Company amounting to US\$50 and US\$1,950 on December 27, 2019 and March 19, 2020, respectively.

Unamortized debt issue costs amounted to P2,717 as at December 31, 2024.

- k. The amount represents the drawdown by the Parent Company of US\$1,903 on various dates in 2024, 2023 and 2022 from its US\$2,165 term loan facility. The term of the loan is for 13 years and is subject to a floating interest rate. The proceeds of the loan were used to fund the land development works of the MIA Project in Bulacan.

Unamortized debt issue costs amounted to P1,535 and P1,348 as at December 31, 2024 and 2023, respectively.

- l. The amount represents the drawdown by the Parent Company of US\$1,330 on various dates in 2023 from its term loan facility. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes including the refinancing of external indebtedness, as well as related fees and expenses and payment of other transaction related fees, costs and expenses of the facility.

Unamortized debt issue costs amounted to P1,381 and P1,750 as at December 31, 2024 and 2023, respectively.

- m. The amount represents the drawdown by the Parent Company on various dates in 2022 and 2021 from its term loan facility amounting to US\$900. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes.

Unamortized debt issue costs amounted to P497 and P759 as at December 31, 2024 and 2023, respectively.

- n. The amount represents the drawdown by the Parent Company on various dates in 2022 from its term loan facility amounting to US\$700. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes.

Unamortized debt issue costs amounted to P475 and P660 as at December 31, 2024 and 2023, respectively.

- o. The amount represents the drawdown by the Parent Company on September 20, 2023 from its term loan facility amounting to US\$300. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used to refinance a total of US\$300 term loans availed in 2018.

Unamortized debt issue costs amounted to P300 and P367 as at December 31, 2024 and 2023, respectively.

- p. The amount represents the drawdown by the Parent Company of US\$200 and US\$100 on November 15 and 24, 2023, respectively, from its term loan facility amounting to US\$300. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes including the refinancing of external indebtedness, as well as related fees and expenses and payment of other transaction related fees, costs and expenses of the facility.

Unamortized debt issue costs amounted to P367 and P445 as at December 31, 2024 and 2023, respectively.

- q. The amount represents the drawdown by the Parent Company on July 10, 2023 from its term loan facility amounting to US\$200. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes including the refinancing of external indebtedness, as well as related fees and expenses and payment of other transaction related fees, costs and expenses of the facility.

Unamortized debt issue costs amounted to P200 and P237 as at December 31, 2024 and 2023, respectively.

- r. The amount represents the drawdown by the Parent Company on December 23, 2021 from its term loan facility amounting to US\$100. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes.

Unamortized debt issue costs amounted to P33 and P49 as at December 31, 2024 and 2023, respectively.

- s. The amount represents the drawdown by the Parent Company on August 2, 2022 from its term loan facility amounting to US\$100. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes.

Unamortized debt issue costs amounted to P36 and P50 as at December 31, 2024 and 2023, respectively.

- t. The amount represents the drawdown by the Parent Company on August 2, 2024 from its term loan facility amounting to US\$50. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes.

Unamortized debt issue costs amounted to P28 as at December 31, 2024.

- u. The amount represents the drawdown by the Parent Company of US\$50 and US\$1,950 on December 27, 2019 and March 19, 2020, respectively, from its term loan facility amounting to US\$2,000. The term of the loan is for five years and is subject to a floating interest rate based on SOFR plus margin. Effective June 30, 2023 the benchmark rate of US Dollar-denominated loans was changed from London Interbank Offered Rate (LIBOR) to SOFR. The proceeds of the loan were used for general corporate purposes.

The loan was fully paid on September 27, 2024.

Unamortized debt issue costs amounted to P439 as at December 31, 2023.

- v. The amount represents the first tranche of the P60,000 Shelf Registered Fixed Rate Bonds issued by San Miguel Global Power amounting to P40,000 on July 26, 2022. The Bonds were listed on the PDEX.

The Bonds consists of: (i) three-year Series K Bonds due in 2025 with an interest rate of 5.9077% per annum; (i) five-year and nine months Series L Bonds due in 2028 with an interest rate of 7.1051% per annum; and, (iii) ten-year Series M Bonds due in 2032 with an interest rate of 8.0288% per annum. Interest is payable every 26th of January, April, July and October of each year.

The proceeds of the issuance of the bonds were used: (i) to partially finance San Miguel Global Power's investments in power-related assets, particularly the LNG projects and related assets, coal power plant projects, Battery Energy Storage Systems (BESS) and solar power plant projects; (ii) for general corporate purposes; and (iii) for payment of transaction-related fees, costs and expenses.

Unamortized debt issue costs amounted to P350 and P440 as at December 31, 2024 and 2023, respectively.

- w. The amount represents the P35,000 fixed rate bonds issued by SMC Tollways on December 5, 2024, divided into: (i) five-year and three months Series A Bonds, due in 2030 with an interest rate of 6.4783% per annum; (ii) seven-year Series B Bonds, due in 2031 with an interest rate of 6.7026% per annum; and, (iii) ten-year Series C Bonds, due 2034 with an interest rate of 6.9331% per annum. Interest is payable every 5th of March, June, September and December of each year. The Bonds were listed on the PDEX.

The proceeds of the issuance of the bonds were used for the prepayment of existing indebtedness and to fund capital expenditure requirements of the Skyway Project and the SMC Skyway Stage 3 Project.

Unamortized debt issue costs amounted to P471 as at December 31, 2024.

- x. The amount represents the first tranche of the P50,000 Shelf Registered Fixed Rate Bonds issued by Petron on October 12, 2021 amounting to P18,000. The Bonds were listed on the PDEX.

The first tranche of the fixed rate bonds amounting to P18,000, consist of four-year Series E Bonds, due in 2025 with an interest rate of 3.4408% per annum and six-year Series F Bonds, due in 2027 with an interest rate of 4.3368% per annum. Interest is payable every 12th of January, April, July and October of each year.

The proceeds of the issuance of the bonds were used primarily for the redemption of its outstanding Series A Bonds, partial financing of the power plant project and payment of existing indebtedness.

Unamortized debt issue costs amounted to P83 and P131 as at December 31, 2024 and 2023, respectively.

- y. The amount represents the P15,000 fixed rate bonds issued by SMFB on March 10, 2020, divided into five-year Series A Bonds, due in 2025 with an interest rate of 5.05% per annum, and seven-year Series B Bonds, due in 2027 with an interest rate of 5.25% per annum. Interest is payable every 10th of March, June, September and December of each year. The Bonds were listed on the PDEX.

The proceeds of the issuance of the bonds were used to redeem the outstanding Series "2" Perpetual Preferred Shares of SMFB and payment of transaction-related fees, costs and expenses.

Unamortized debt issue costs amounted to P37 and P73 as at December 31, 2024 and 2023, respectively.

- z. The amount represents the first tranche of the P60,000 Shelf Registered Fixed Rate Bonds issued by San Miguel Global Power amounting to P30,000 on April 24, 2019. The Bonds were listed on the PDEX.

The Bonds consist of: (i) three-year Series H Bonds, due in 2022 with an interest rate of 6.8350% per annum; (ii) five-year Series I Bonds, due in 2024 with an interest rate of 7.1783% per annum; and, (iii) seven-year Series J Bonds, due in 2026 with an interest rate of 7.60% per annum. Interest is payable every 24th of January, April, July and October of each year.

The proceeds of the issuance of the bonds were used for refinancing of maturing long-term and short-term loans, investments in power-related assets and payment of transaction-related expenses.

San Miguel Global Power paid the P13,845 Series H Bonds and P9,232 Series I Bonds on April 25, 2022 and April 24, 2024, respectively.

Unamortized debt issue costs amounted to P21 and P44 as at December 31, 2024 and 2023, respectively.

aa. The amount represents the first and second tranche of the P40,000 Shelf Registered Fixed Rate Bonds issued by Petron amounting to P20,000 and P20,000 on October 27, 2016 and October 19, 2018, respectively. The Bonds were listed on the PDEX.

- The first tranche of the fixed rate bonds listed on October 27, 2016 amounting to P20,000, consists of: (i) five-year Series A Bonds, due in 2021 with an interest rate of 4.0032% per annum; and, (ii) seven-year Series B Bonds, due in 2023 with an interest rate of 4.5219% per annum. Interest is payable every 27th of January, April, July and October of each year.
- The second tranche of the fixed rate bonds listed on October 19, 2018 amounting to P20,000, consists of: (i) five-year and six months Series C Bonds, due in 2024 with an interest rate of 7.8183% per annum; and, (ii) seven-year Series D Bonds, due in 2025 with an interest rate of 8.0551% per annum. Interest is payable every 19th of January, April, July and October of each year.

The proceeds of the first tranche were used to partially settle the US\$475 and US\$550 Term Loan, repay short-term loans and for general corporate purposes.

The proceeds of the second tranche were used for the payment of short-term loans, redemption of a portion of Petron's Undated Subordinated Capital Securities (USCS) and for general corporate purposes.

Petron paid the P13,000 Series A Bonds, P7,000 Series B Bonds, and P13,200 Series C Bonds on October 27, 2021, October 27, 2023 and April 19, 2024, respectively.

Unamortized debt issue costs amounted to P12 and P52 as at December 31, 2024 and 2023, respectively.

ab. The amount represents the P15,000 fixed rate bonds issued by San Miguel Global Power on July 11, 2016, divided into: (i) five-year Series A Bonds, due in 2021 with an interest rate of 4.3458% per annum; (ii) seven-year Series B Bonds, due in 2023 with an interest rate of 4.7575% per annum; and, (iii) ten-year Series C Bonds, due in 2026 with an interest rate of 5.1792% per annum. Interest is payable every 11th of January, April, July and October of each year. The Bonds were listed on the PDEX.

The proceeds of the issuance of the bonds were used to refinance the US\$300 short-term loan that matured on July 25, 2016, which were used for the redemption of the US\$300 bond in January 2016.

San Miguel Global Power paid the P6,154 Series A Bonds and P4,090 Series B Bonds on July 12, 2021 and July 11, 2023, respectively.

Unamortized debt issue costs amounted to P10 and P16 as at December 31, 2024 and 2023, respectively.

- ac. The amount represents the first and second tranche of the P35,000 Shelf Registered Fixed Rate Bonds issued by San Miguel Global Power amounting to P20,000 and P15,000 on December 22, 2017 and August 17, 2018, respectively. The Bonds were listed on the PDEX.

- The first tranche of the fixed rate bonds listed on December 22, 2017 amounting to P20,000, consists of: (i) five-year Series D Bonds, due in 2022 with an interest rate of 5.375% per annum; (ii) seven-year Series E Bonds, due in 2024 with an interest rate of 6.25% per annum; and (iii) ten-year Series F Bonds, due in 2027 with an interest rate of 6.625% per annum. Interest is payable every 22nd of March, June, September and December of each year.
- The second tranche of the fixed rate bonds listed on August 17, 2018 amounting to P15,000 pertains to the five-year Series G Bonds, due in 2023 with an interest rate of 6.75% per annum. Interest is payable every 17th of February, May, August and November of each year.

The proceeds of the first tranche were used to refinance Peso-denominated short-term loans.

The proceeds of the second tranche were used to refinance the outstanding shareholder advances and partially refinance existing US Dollar-denominated loan obligations and payment of transaction-related expenses.

San Miguel Global Power paid the P9,913 Series D Bonds, P15,000 Series G Bonds, and P6,478 Series E Bonds on December 22, 2022, August 17, 2023, and December 23, 2024, respectively.

Unamortized debt issue costs amounted to P15 and P31 as at December 31, 2024 and 2023, respectively.

- ad. The amount represents the P7,300 fixed rate bonds issued by SMC SLEX on May 22, 2015, divided into: (i) five-year and three months Series A Bonds, due in 2020 with an interest rate of 4.9925% per annum; (ii) seven-year Series B Bonds, due in 2022 with an interest rate of 5.5796% per annum; and, (iii) ten-year Series C Bonds, due in 2025 with an interest rate of 6.4872% per annum. Interest is payable every 22nd of February, May, August and November of each year. The Bonds were listed on the PDEX.

The proceeds of the issuance of bonds were used to prepay the Peso-denominated Corporate Notes drawn in 2012.

SMC SLEX paid the P2,400 Series B Bonds and the P2,400 Series A Bonds on May 22, 2022 and August 24, 2020, respectively.

Unamortized debt issue costs amounted P2 and P6 as at December 31, 2024 and 2023, respectively.

- ae. The amount represents the P15,000 fixed rate bonds issued by SMB on April 2, 2014, divided into: (i) seven-year Series G Bonds, due in 2021 with an interest rate of 5.50% per annum; and (ii) ten-year Series H Bonds, due in 2024 with an interest rate of 6.00% per annum. Interest is payable every 2nd of April and October of each year. The Bonds were listed on the PDEX.

The proceeds of the issuance of Series G Bonds and Series H Bonds were used to partially refinance the payment of Series B Bonds.

SMB paid the P12,462 Series G Bonds and the P2,538 Series H Bonds on April 5, 2021 and April 2, 2024, respectively.

Unamortized debt issue costs amounted to P1 as at December 31, 2023.

- af. The amount represents the drawdown by SMGP BESS from its P40,000 term loan facility on October 27, 2023, and March 25, 2024 amounting to P28,000 and P12,000, respectively. The loan is subject to a fixed interest rate of 8.2104% and 7.7497% per annum and payable quarterly up to October 2033. The proceeds of the loan were used for the purchase of outstanding perpetual securities issued to the Parent Company and reimbursement or repayment of reimbursable advances from San Miguel Global Power, both of which were used to finance payments for interest, design, construction and the operation of its BESS projects, and cover transaction-related costs, fees and expenses.

Payments made amounted to P1,000 as December 31, 2024.

The drawdown includes payable to BankCom amounting to P5,655 and P4,060 as at December 31, 2024 and 2023, respectively (Note 33).

Unamortized debt issue costs amounted to P497 and P462 as at December 31, 2024 and 2023, respectively.

- ag. The amount represents the drawdown by MPGC from its P32,500 Omnibus Loan and Security Agreement (OLSA) with various banks dated December 17, 2024. The loan is subject to a fixed interest rate of 7.5758% and 8.0808% per annum and payable quarterly up to December 2034. The proceeds of the loan were used to finance the Mariveles Greenfield Power Plant project.

The drawdown includes payable to BankCom amounting to P7,500 as at December 31, 2024 (Note 33).

Unamortized debt issue costs amounted to P646 as at December 31, 2024.

- ah. The amount represents the drawdown by LPI from its P44,000 OLSA with various banks dated June 22, 2017. The loan consists of Tranche A amounting to P42,000 and Tranche B amounting to P2,000 drawn on June 28, 2017 and January 31, 2018, respectively. The loan is payable quarterly up to June 2029.

The proceeds of the loan were used for the settlement of the US\$360 short-term loan, acquisition of the Phase II Limay Greenfield Power Plant, repayment of shareholder advances and payment of transaction-related fees and expenses.

Payments made amounted to P14,338 and P11,185 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs amounted to P247 and P318 as at December 31, 2024 and 2023, respectively.

- ai. The amount represents the drawdown by SMEII on July 14, 2023 from its term loan facility amounting to P30,000. The loan is amortized over ten years up to May 2033 and is subject to a fixed interest rate of 7.1913% per annum. The proceeds of the loan were used for refinancing of existing short-term loan and/or other general corporate purposes.

Payment made amounted to P1,200 as at December 31, 2024.

Unamortized debt issue costs amounted to P175 and P209 as at December 31, 2024 and 2023, respectively.

- aj. The amount represents the loan drawn by MMSS3 from its P31,000 OLSA with various banks dated December 15, 2014.

The proceeds of the loan were used to partially finance the design, construction and operation and maintenance of the Skyway Stage 3 Project. The loan is payable in 35 unequal consecutive quarterly installments starting on the earlier of March 30, 2020 or one quarter after issuance of toll operation certificate by TRB. Final repayment date is 12 years after initial drawdown date.

Payments made amounted to P13,203 and P8,057 as at December 31, 2024 and 2023, respectively.

The drawdown includes payable to BankCom amounting to P2,124 and P2,738 as at December 31, 2024 and 2023, respectively (Note 33).

Unamortized debt issue costs amounted to P66 and P111 as at December 31, 2024 and 2023, respectively.

- ak. The amount represents the loan drawn by MPI from its P21,300 12-year OLSA with various banks dated August 9, 2018.

The proceeds of the loan were used by MPI for the repayment of the short-term loan used to fund the design, construction and operation of the Davao Greenfield Power Plant and payment of transaction-related fees and expenses. On August 17, 2023, the applicable fixed interest rate on the outstanding balance of the loan facility was repriced from 6.5077% and 7.7521% to 8.2443% per annum, pursuant to the terms of the OLSA.

Payments made amounted to P7,778 and P6,481 as at December 31, 2024 and 2023, respectively.

The drawdown includes payable to BankCom amounting to P2,031 and P2,226 as at December 31, 2024 and 2023, respectively (Note 33).

Unamortized debt issue costs amounted to P112 and P176 as at December 31, 2024 and 2023, respectively.

- al. The amount represents the loans drawn by SMB on March 30, 2021 from its loan facilities amounting to P12,000 with various banks. The loans are subject to fixed interest rates, where P10,000 and P2,000 will mature on March 30, 2026 and March 30, 2028, respectively. The proceeds of the loans were used for the payment of Series G Bonds.

Payments made amounted to P79 and P58 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs amounted to P27 and P45 as at December 31, 2024 and 2023, respectively.

am. The amount represents the loan drawn by NCC on various dates in 2023, 2022 and 2021 from the P12,500 OLSA with various banks dated June 22, 2021.

The loan is subject to a fixed interest rate of 4.8356% per annum and is payable in 34 unequal quarterly installments commencing on the seventh quarter from initial advance. Final repayment date is ten years from initial advance.

The proceeds of the loan were used to partially finance the development, design, construction, completion and operation of the cement plant in Sison, Pangasinan, repay the reimbursable sponsor advances and finance the transaction costs, other taxes, costs and operation expenses and other financing costs incurred in availing the loan.

Payments made amounted to P1,125 and P100 as at December 31, 2024 and 2023, respectively.

The drawdown includes payable to BankCom amounting to P2,002 and P2,183 as at December 31, 2024 and 2023, respectively (Note 33).

Unamortized debt issue costs amounted to P129 and P161 as at December 31, 2024 and 2023, respectively.

an. The amount represents the loan drawn by SMB amounting to P5,000 and P5,000 on December 20, 2022 and February 21, 2023 from its P10,000 term loan facility executed with a local bank on December 19, 2022. The loan is subject to fixed interest rates of 6.8412% and 6.5323% per annum for two years for loan drawn in 2022 and 2023, respectively, subject to repricing thereafter. The loan is payable in five years and four years and ten months and will mature in December 2027.

The proceeds of the loan were used to partially finance capital expenditures.

Unamortized debt issue costs amounted to P49 and P63 as at December 31, 2024 and 2023, respectively.

ao. The amount represents the loans drawn by SMB amounting to P7,000 and P3,000 from its P10,000 unsecured term loan facility executed with various local banks on December 10, 2024. The loan is subject to a fixed interest rate of 6.5716% and 6.5719% per annum for one year, subject to repricing thereafter. The loan will mature in December 2029 and December 2031.

Unamortized debt issue costs amounted to P75 as at December 31, 2024.

ap. The amount represents the drawdown by SSHCI on December 12, 2024 from its term loan facility amounting to P10,000. The loan is subject to a fixed interest rate of 7.5758% per annum and will mature on June 11, 2032. The proceeds of the loan were used to partially finance its existing debt obligations under the original loan facility.

The drawdown includes payable to BankCom amounting to P500 as at December 31, 2024 (Note 33).

Unamortized debt issue costs amounted to P117 as at December 31, 2024.

- aq. The amount represents the drawdown by SMC SLEX on December 12, 2024, from its term loan facility amounting to P10,000. The loan is subject to a fixed interest rate of 7.3232% per annum and will mature on June 11, 2032. The proceeds of the loan were used to refinance existing debt obligations.

The drawdown includes payable to BankCom amounting to P500 as at December 31, 2024 (Note 33).

Unamortized debt issue costs amounted to P127 as at December 31, 2024.

- ar. The amount represents the drawdown by San Miguel Global Power on July 19, 2024 amounting to P9,750 from its P10,000 term loan facility. The loan is subject to a fixed interest rate of 7.531% per annum and will mature in June 2029. The proceeds of the loan were used to refinance an existing loan.

Unamortized debt issue costs amounted to P66 as at December 31, 2024.

- as. The amount represents the loan drawn by SMFI amounting to P8,000 and P10,000 in 2020 and 2019, respectively, from its term loan facility amounting to P18,000. The loan is amortized for ten years and is subject to a floating interest rate based on BVAL plus margin or BSP TDF overnight rate plus margin, whichever is higher with a one-time option to convert to a fixed interest rate. The proceeds of the loan were used to refinance its existing short-term obligations, fund capital expansion projects and for other general corporate purposes.

On December 14, 2020, SMFI exercised its one-time option to convert its P10,000 loan to a fixed interest rate of 3.5483% per annum.

Payments made for the fixed interest loan amounted to P298 and P149 as at December 31, 2024 and 2023, respectively.

Payments made for the floating interest loan amounted to P238 and P119 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs for the fixed interest loan amounted to P40 and P47 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs for the floating interest loan amounted to P33 and P39 as at December 31, 2024 and 2023, respectively.

- at. The amount represents the drawdown by SMCTC on December 19, 2019 amounting to P12,000 from its P42,000 Second Amendment to the OLSA with various local banks dated December 16, 2019.

The proceeds of the loan were used for consolidation of project loans, re-leveraging the project, repayment of certain shareholder advance and partial financing of operation and maintenance of the project. The loan is payable in 39 quarterly installments commencing on the third month from initial drawdown. Final repayment date shall be ten years after receipt.

The loan is subject to repricing on the fifth year from date of initial drawdown.

Payments made amounted to P3,780 and P2,580 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs amounted to P47 and P65 as at December 31, 2024 and 2023, respectively.

- au. The amount represents the drawdown by San Miguel Global Power from its P10,000 term loan facility on June 15 and August 8, 2023 amounting to P5,000 and P2,500, respectively. The loan is subject to a fixed interest rate of 7.968% per annum and will mature in June 2028. The proceeds of the loan were used to: (a) partially refinance maturing debt obligations; (b) fund general corporate purposes, including investments in LNG and BESS; and (c) cover transaction-related costs, fees and expenses.

Unamortized debt issue costs amounted to P49 and P61 as at December 31, 2024 and 2023, respectively.

- av. The amount represents the loans drawn by SMB from a local bank on April 1, 2022 amounting to P4,000 with a term of three years subject to a fixed interest rate of 4.6332% per annum and P3,000 with a term of five years subject to a fixed interest rate of 5.7513% per annum, payable quarterly. The proceeds of the loan were used to pay the Series F Bonds which matured on April 2, 2022.

Unamortized debt issue costs amounted to P14 and P28 as at December 31, 2024 and 2023, respectively.

- aw. The amount represents the drawdown by PF-Hormel on September 29, 2021 from its loan facilities with various banks amounting to P7,000. The loan will mature on September 29, 2026 and is subject to a fixed interest rate of 3.846% per annum. The proceeds of the loan were used for refinancing of existing indebtedness and general corporate purposes.

Unamortized debt issue costs amounted to P19 and P30 as at December 31, 2024 and 2023, respectively.

- ax. The amount represents the drawdown by Petron on March 6, 2024 from its term loan facility amounting to P7,000. The loan is amortized over five years with two years grace period, after which the total principal will be amortized in seven equal semi-annual installments beginning March 6, 2026. The loan is subject to interest payable in semi-annual amortizations with fixed interest rate of 7.4941% per annum for the first two years and will thereafter be repriced to a new fixed rate until maturity on March 6, 2029. The proceeds of the loan were used to partially redeem Series C Offer Bonds on April 19, 2024.

Unamortized debt issue costs amounted to P41 as at December 31, 2024.

- ay. The amount represents the drawdown by San Miguel Global Power on May 28, 2021 from its term loan facility amounting to P5,000. The principal repayment is in semi-annual installments up to May 2025 and is subject to a fixed interest rate of 5.00% per annum payable quarterly. The proceeds of the loan were used for general corporate purposes.

Payments made amounted to P175 and P125 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs amounted to P6 and P21 as at December 31, 2024 and 2023, respectively.

- az. The amount represents the drawdown by Petron on May 19, 2022 from its term loan facility amounting to P5,000. The facility is subject to a fixed interest rate of 7.1663% per annum and amortized over five years with a two-year grace period, after which the total principal will be amortized in seven semi-annual payments beginning May 19, 2024. The proceeds of the loan were used for partial financing of the power plant project.

Unamortized debt issue costs amounted to P17 and P25 as at December 31, 2024 and 2023, respectively.

- ba. The amount represents the drawdown by Petron on June 15, 2022 from its term loan facility amounting to P5,000. The facility is subject to a fixed interest rate of 7.4206% per annum and amortized over five years with a 15-month grace period, after which the total principal will be amortized in 16 equal quarterly payments beginning September 15, 2023. The proceeds of the loan were used to partially pay its US Dollar-denominated term loan.

Payments made amounted to P1,875 and P625 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs amounted to P11 and P19 as at December 31, 2024 and 2023, respectively.

- bb. The amount represents the drawdown by Petron on June 16, 2022 from its term loan facility amounting to P5,000. The facility is subject to a fixed interest rate of 7.5496% per annum and amortized over five years with a 15-month grace period, after which the total principal will be amortized in 16 equal quarterly payments beginning September 16, 2023. The proceeds of the loan were used to pay its US Dollar-denominated term loan and various loan facilities.

Payments made amounted to P1,875 and P625 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs amounted to P11 and P20 as at December 31, 2024 and 2023, respectively.

- bc. The amount represents the drawdown by LCWDC in 2018 amounting to P4,200 from its P5,400 OLSA with various local banks dated September 16, 2016. The loan is subject to repricing on the seventh year from the initial drawdown date. The proceeds of the loan were used for the Bulacan Bulk Water Supply Project.

Payments made amounted to P1,176 and P840 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs amounted to P13 and P18 as at December 31, 2024 and 2023, respectively.

- bd. The amount represents the drawdown by Petron on September 8, 2022 from its term loan facility amounting to P2,375. The loan is subject to a fixed interest rate of 6.4920% per annum and will be fully paid on September 8, 2025. The proceeds of the loan were used to pay existing indebtedness.

Unamortized debt issue costs amounted to P5 and P9 as at December 31, 2024 and 2023, respectively.

- be. The amount represents the drawdown by SMCSLC on July 14, 2021 from its term loan facilities with various banks amounting to P2,000. The loan will mature on July 14, 2026, and is subject to a fixed interest rate of 4.20% per annum payable quarterly. The proceeds of the loan were used to refinance existing indebtedness and for general corporate purposes.

Unamortized debt issue costs amounted to P5 and P8 as at December 31, 2024 and 2023, respectively.

- bf. The amount represents the P2,000 seven-year term loan availed by SMMI on December 19, 2019. The loan is amortized for seven years and is subject to a floating interest rate based on BVAL plus margin with a one-time option to convert to a fixed interest rate within two years. The proceeds of the loan were used to refinance existing short-term loans, fund its capital expenditure requirements for the upgrade or expansion of its production facilities and/or finance other general corporate requirements.

On December 19, 2020, SMMI exercised its option to convert the interest rate from floating to fixed. As a result, the interest rate was fixed at 3.284% per annum.

Payments made amounted to P107 and P54 as at December 31, 2024 and December 31, 2023, respectively.

Unamortized debt issue costs amounted to P4 and P6 as at December 31, 2024 and 2023, respectively.

- bg. The amount represents the drawdown by SMYPC on January 30, 2020, from its term loan facility amounting to P5,000. The loan matured on January 30, 2025 and is subject to a fixed interest rate of 5.1657% per annum payable quarterly. The proceeds of the loan were used to refinance existing short-term loans.

Payments made amounted to P3,500 and P2,763 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs amounted to P5 as at December 31, 2023.

- bh. The amount represents the drawdown by Petron on April 27, 2020 from its term loan facility amounting to P5,000. The loan is amortized over five years and is subject to a fixed interest rate of 4.59% per annum payable quarterly. The proceeds of the loan were used for general corporate purposes.

Payments made amounted to P4,375 and P3,124 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs amounted to P3 as at December 31, 2023.

- bi. The amount represents the drawdown by Petron on September 30, 2022 from its term loan facility amounting to P625. The loan is subject to a fixed interest rate of 6.8672% per annum and will be fully paid on September 8, 2025. The proceeds of the loan were used to pay existing indebtedness.

Unamortized debt issue costs amounted to P1 and P3 as at December 31, 2024 and 2023, respectively.

- bj. The amount represents the drawdown by BWCI on various dates in 2023 amounting to a total of P130 from its P200 OLSA. The loan is amortized over ten years and is subject to a fixed interest rate payable quarterly. The loan will mature on January 31, 2033.

Unamortized debt issue costs amounted to P1 as at December 31, 2024.

- bk. The amount represents the loan drawn by SMC Tollways from its P41,200 Corporate Notes Facility Agreement with various local banks dated December 9, 2019.

The proceeds of the loan were mainly used to refinance existing debt obligations, invest and/or advance for infrastructure projects, for general corporate purposes and to finance transaction-related fees, taxes and expenses. The loan is payable in 40 quarterly installments commencing on the third month from initial issue date. Final repayment date is ten years from initial issue date.

The Notes are subject to repricing on the fifth year from initial issue date.

Payment made amounted to P8,097 as at December 31, 2023 and was fully paid on December 31, 2024.

Unamortized debt issue costs amounted P294 as at December 31, 2023.

- bl. The amount represents the drawdown by San Miguel Global Power on April 26, 2017 from its term loan facility amounting to P15,000. The loan is amortized over seven years and is subject to a fixed interest rate of 6.9265% per annum, payable quarterly. The proceeds of the loan were used for debt refinancing.

Payments made amounted to P15,000 and P900 as at December 31, 2024 and 2023, respectively.

The loan was fully paid on April 26, 2024.

Unamortized debt issue costs amounted to P9 as at December 31, 2023.

- bm. The amount represents the drawdown by SMB on December 19, 2019 from its term loan facility amounting to P10,000. The loan matured on December 26, 2024 and is subject to a fixed interest rate of 4.63% per annum. The proceeds of the loan were used for general corporate purposes.

The loan was fully paid on December 26, 2024.

Unamortized debt issue costs amounted to P17 as at December 31, 2023.

- bn. The amount represents the drawdown by Petron on July 25, 2017, from its term loan facility amounting to P15,000. The loan is amortized over seven years and is subject to a fixed interest rate of 5.5276% per annum payable quarterly. The proceeds of the loan were used to refinance the bridge loan availed on December 23, 2016, for the acquisition of the Refinery Solid Fuel-fired Power Plant.

Payment made amounted to P13,393 as at December 31, 2023 and was fully paid on December 31, 2024.

Unamortized debt issue costs amounted to P1 as at December 31, 2023.

- bo. The amount represents the drawdown by SMC MRT 7 on various dates in 2023 and 2024 amounting to P14,300 and P16,400, respectively, from the P100,000 OLSA with various banks dated May 18, 2023. The loan is subject to a floating interest rate and with a term of 15 years. The proceeds of the loan were used to finance the MRT 7 Project.

The drawdown includes payable to BankCom amounting to P1,996 and P930 as at December 31, 2024 and 2023, respectively (Note 33).

Unamortized debt issue costs amounted to P445 and P214 as at December 31, 2024 and 2023, respectively.

- bp. The amount represents the outstanding balance from the amended Omnibus Refinancing Agreement (ORA) executed by MPCL with local banks on January 17, 2023 (the "Amended ORA") amounting to P8,155. The loan is subject to a floating interest rate with maturities up to January 2030. MPCL holds a one-time right to convert the loan into a fixed interest rate borrowing on the second anniversary as allowed under the terms of the agreement.

Payments made amounted to P2,041 and P877 as at December 31, 2024 and 2023, respectively.

The drawdown includes payable to BankCom amounting to P3,687 and P4,389 as at December 31, 2024 and 2023, respectively (Note 33).

Unamortized debt issue costs amounted to P64 and P91 as at December 31, 2024 and 2023, respectively.

- bq. The amount represents the drawdown by Petron on April 18, 2024 from its unsecured term loan facility amounting to P5,000. The loan is amortized over five years with two-year and six months grace period, after which the total principal will be amortized in six equal semi-annual installments beginning October 18, 2026. The loan is subject to a floating interest rate payable in semi-annual amortizations. The proceeds of the loan were used to partially redeem Series C Bonds on April 19, 2024.

Unamortized debt issue costs amounted to P31 as at December 31, 2024.

- br. The amount represents the drawdown by SMC NAIAx on various dates in 2022 to 2023 amounting to P4,311 and in 2024 amounting to P761, from the P5,656 OLSA with various banks dated December 21, 2022. Proceeds of the loan were used mainly to refinance the remaining balance of the old loan facility, finance its investments, expansion, and capital expenditure programs in the Projects; and cover transaction costs, fees and expenses in connection with or arising from the making of the term loan facility. The loan is payable in 30 equal quarterly installments commencing on the third month from initial drawdown date. Final repayment date is seven years and six months from the signing date of the OLSA.

The loan is subject to annual repricing from the date of initial drawdown.

Payments made amounted to P834 and P417 as at December 31, 2024 and 2023, respectively.

The drawdown includes payable to BankCom amounting to P1,272 and P1,168 as at December 31, 2024 and 2023, respectively (Note 33).

Unamortized debt issue costs amounted to P39 and P42 as at December 31, 2024 and 2023, respectively.

- bs. The amount represents the drawdown by SSHCI on various dates in 2023 and 2022 amounting to P4,200 and P15,800, respectively, from its P20,000 term loan facility. The term of the loan is for three years and is subject to a floating interest rate based on BVAL plus margin payable quarterly. The proceeds of the loan were used to partially finance investments, expansion and capital expenditure programs in toll roads, other infrastructure and infrastructure-related projects and other related and/or allied businesses which provide service to the toll roads and other infrastructure-related projects.

The loan was fully paid on December 13, 2024.

The drawdown includes payable to BankCom amounting to P1,000 as at December 31, 2023 (Note 33).

Unamortized debt issue costs amounted to P123 as at December 31, 2023.

- bt. The amount represents drawdowns by SMYPC of P1,449 and P551 in 2020 and 2019, respectively from its term loan facility amounting to P2,000. The loan is amortized for five years and is subject to a floating interest rate payable quarterly. The proceeds of the loan were used to finance the capital expenditure in relation to Line 3 of the glass manufacturing plant project.

Payment made amounted to P1,413 as at December 31, 2023 and was fully paid as at December 31, 2024.

Unamortized debt issue costs amounted to P1 as at December 31, 2023.

- bu. The amount represents total outstanding loan drawn in various tranches by MPCL from its Omnibus Expansion Financing Agreement with various local banks dated December 1, 2015, to finance the construction of the additional 335 MW Coal-fired plant within MPCL existing facilities. The loan is divided into fixed interest tranche amounting to US\$395 as at December 31, 2024 and 2023, and floating interest tranche based on six-month SOFR plus margin amounting to US\$130 as at December 31, 2024 and 2023. The loan has maturities up to December 15, 2030. On December 16, 2023, the applicable fixed interest rate on the outstanding balance of the loan facility was repriced from 5.5959% to 8.331%, pursuant to the terms of the agreement.

Payments made for the fixed interest tranche amounted to US\$107 and US\$83 as at December 31, 2024 and 2023, respectively, while the payments made for the floating interest tranche amounted to US\$35 and US\$27 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs for the fixed interest tranche amounted to P140 and P173 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs for the floating interest tranche amounted to P46 and P57 as at December 31, 2024 and 2023, respectively.

- bv. The amount represents the drawdown by Petron on various dates in 2024 from its term loan facility amounting to a total of US\$500. The loan is amortized over five years with two-year grace period, after which the total principal will be amortized in seven equal semi-annual installments beginning July 11, 2026. The facility is subject to a floating interest rate based on SOFR plus a spread, repriced every 1, 3 or 6 months. The proceeds of the loan were used to partially repay outstanding debt obligations and settle liabilities for crude oil importations.

Unamortized debt issue costs amounted to P575 as at December 31, 2024.

- bw. The amount represents the drawdowns by Petron in November and December 2022 amounting to US\$267 and US\$228 loans, respectively, from its US\$550 term loan facility. The loan is amortized over five years with a two-year grace period, after which the total principal will be amortized in seven equal semi-annual installments beginning November 8, 2024. The facility is subject to a floating interest rate based on SOFR plus a spread, repriced every 1, 3 or 6 months. The proceeds of the loan were used to partially prepay the US\$800 term loan facility availed in 2019 and the US\$150 term loan availed in 2020.

In 2023, Petron drew an additional US\$55 to partially prepay JPY15,000 and US\$800 term loan facilities.

On February 17, 2023, Petron increased its term loan facility from \$550 to US\$669 and availed US\$88 from the additional US\$119 loan facility in May 2023 to fully pre-terminate the US\$800 term loan facility. In August 2023, the remaining US\$31 was drawn to pay Petron's P7,000 Series B Bonds on October 27, 2023.

Payments made amounted to US\$192 as at December 31, 2024.

Unamortized debt issue costs amounted to P474 and P797 as at December 31, 2024 and 2023, respectively.

- bx. The amount represents the balance of the US\$300 five-year term loan availed in tranches by San Miguel Global Power on March 12, 2021 and June 7, 2021. These were drawn from a Syndication Agreement executed on May 21, 2021 which amended the Facility Agreement dated March 9, 2021, increasing the loan facility from US\$200 to US\$300. The loan is subject to a floating interest rate based on SOFR plus margin and will mature in March 2026. The proceeds of the loan were used as repayment of Facility A Loan that matured on March 12, 2021, and the payment of Series A Bonds in July 2021.

Unamortized debt issue costs amounted to P105 and P190 as at December 31, 2024 and 2023, respectively.

- by. The amount represents the drawdown of San Miguel Global Power on August 26, 2022, from its term loan facility amounting to US\$300. The term of the loan is for five years and is subject to a floating interest rate based on SOFR plus margin and will mature in August 2027. The proceeds of the loan were used for general corporate purposes, including capital expenditures and refinancing of loans, and payment of other transaction related fees, costs and expenses of the facility.

Unamortized debt issue costs amounted to P269 and P362 as at December 31, 2024 and 2023, respectively.

- bz. The amount represents the drawdown of San Miguel Global Power on September 9, 2024 from its term loan facility amounting to US\$200. The initial loan amount under the facility agreement was increased from US\$200 to US\$300 on October 9, 2024. The term of the loan is for three years and is subject to a floating interest rate based on SOFR plus margin and will mature on August 30, 2027. The proceeds of the loan were used to refinance existing loan obligations.

Unamortized debt issue costs amounted to P400 as at December 31, 2024.

- ca. The amount represents the drawdown of Petron on July 13, 2023 from its term loan facility amounting to US\$225. The facility was signed on March 28, 2023, which subsequently increased from US\$150 to US\$225 on June 8, 2023. The facility is amortized over five years with a two-year grace period, after which the total principal will be amortized in seven equal semi-annual installments beginning on March 28, 2025. The facility is subject to a floating interest rate based on SOFR plus a spread, repriced every 1, 3 or 6 months. The proceeds of the US\$225 Facility were used to partially refinance the redemption of US\$500 SPCS.

Payments made amounted to US\$45 as at December 31, 2024.

Unamortized debt issue costs amounted to P185 and P286 as at December 31, 2024 and 2023, respectively.

- cb. The amount represents drawdown by San Miguel Global Power on May 24, 2022 from its term loan facility amounting to US\$100. The term of the loan is three years and is subject to a floating interest rate based on SOFR plus margin and will mature in May 2025. The proceeds of the loan were used for working capital requirements relating to expansion projects, for general corporate purposes, and payment of other transaction related fees, costs and expenses of the facility.

Unamortized debt issue costs amounted to P15 and P53 as at December 31, 2024 and 2023, respectively.

- cc. The amount represents drawdown by San Miguel Global Power on October 31, 2023, from its term loan facility amounting to US\$50. The loan is subject to a floating interest rate based on SOFR plus margin and will mature in April 2025. The proceeds of the loan were used for loan refinancing and payment of other transaction related fees, costs and expenses of the facility.

Unamortized debt issue costs amounted to P12 and P50 as at December 31, 2024 and 2023, respectively.

- cd. The amount represents the drawdown by SMYA amounting to AU\$45 on July 22, 2024 from its syndicated facility agreement executed with various banks. The loan is subject to a floating interest rate and will mature in July 2027 but has an option to extend until July 2029. The proceeds of the loan were used to refinance existing indebtedness.

Unamortized debt issue costs amounted to P14 as at December 31, 2024.

- ce. The amount represents the drawdown by Petron on April 22, 2020 from its term loan facility amounting to JPY15,000 with various banks. The loan is amortized over five years and is subject to a floating interest rate based on JPY LIBOR plus a spread payable every 1, 3 or 6 months as selected by the borrower. Due to the global discontinuation of JPY LIBOR by December 31, 2021, an amendment was made to the JPY Facility adopting the TONA as the new benchmark rate. Beginning December 29, 2021, the floating interest rate on the JPY15,000 facility is based on TONA plus a spread, repriced every 1, 3, or 6 months. The proceeds of the loan were used to partially prepay its US\$1,000 term loan facility.

Payments made amounted to JPY12,857 and JPY8,571 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs amounted to P2 and P17 as at December 31, 2024 and 2023, respectively.

- cf. The amount represents the drawdown by SMYA on November 11, 2022 amounting to AU\$10. The loan is amortized over five years and is subject to interest based on BBSY rate plus margin. The proceeds of the loan were used to finance short-term obligations and general corporate purposes.

Payments made amounted to AU\$2 and AU\$1 as at December 31, 2024 and 2023, respectively.

- cg. The amount represents the loan drawn by SMYA on February 25, 2021 amounting to AU\$5. The loan is amortized over five years and is subject to interest based on BBSY rate plus margin. The proceeds of the loan were used to refinance maturing short-term obligations and general corporate purposes.

Payments made amounted to AU\$4 and AU\$3 as at December 31, 2024 and 2023, respectively.

- ch. The amount represents the drawdown of San Miguel Global Power on January 21, 2022 from its term loan facility amounting to US\$200. The initial loan amount under the facility agreement was increased from US\$100 to US\$200 on December 16, 2021. The term of the loan is for three years and is subject to a floating interest rate based on SOFR plus margin and matured in September 2024. The proceeds of the loan were used for capital expenditures relating to expansion projects and payment of other transaction related fees, costs and expenses of the facility.

The loan was fully paid on October 10, 2024.

Unamortized debt issue costs amounted to P81 as at December 31, 2023.

- ci. The amount represents drawdown by San Miguel Global Power on March 16, 2023 from its term loan facility amounting to US\$100. The loan is subject to a floating interest rate based on SOFR plus margin and matured in September 2024. The proceeds of the loan were used for general corporate purposes, capital expenditures, refinancing of loan, and payment of other transaction related fees, costs and expenses of the facility.

The loan was fully paid on October 10, 2024.

Unamortized debt issue costs amounted to P50 as at December 31, 2023.

- cj. The amount represents the drawdown by SMYA on July 31, 2019 amounting to AU\$80 from AU\$100 syndicated facility agreement entered into by SMYA on July 23, 2019. The loan is amortized over five years and is subject to interest based on BBSY rate plus margin. The proceeds of the loan were used to refinance maturing short-term obligations and general corporate purposes.

Payments made amounted to AU\$81 and AU\$33 as at December 31, 2024 and 2023, respectively.

The loan was fully paid on July 31, 2024.

Unamortized debt issue costs amounted to P6 as at December 31, 2023.

The gross amount of long-term debt payable to BankCom amounted to P27,267 and P18,694 as at December 31, 2024 and 2023, respectively (Note 33).

The debt agreements contain, among others, covenants relating to merger and consolidation, negative pledge, maintenance of certain financial ratios, working capital requirements, restrictions on loans and guarantees, disposal of a substantial portion of assets, significant changes in the ownership or control of subsidiaries, payments of dividends and redemption of capital stock.

The Group is required to comply with the following financial ratios:

Parent Company	Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) to consolidated total interest expense	Not less than 2.00:1.00
	Consolidated net debt to consolidated total equity	Does not exceed 2.10:1.00
Major subsidiaries:		
Petron	Net leverage	Not to exceed 6.50
	Consolidated gross debt to consolidated net worth	Not to exceed 2.75
San Miguel Global	Net debt to equity	Not more than 3.25x
Power	Interest coverage	Not less than 2.25x
SMFB	Consolidated debt to consolidated equity	Not more than 3.50x
	Consolidated total EBITDA to consolidated interest expense	Not less than 2.00x

The Group is in compliance with the covenants of the debt agreements as at December 31, 2024 and 2023.

Long-term debt includes syndicated project finance loans amounting to P141,287 and P138,481 as at December 31, 2024 and 2023, respectively, which were secured by certain property, plant and equipment and other intangible assets (Notes 13 and 17).

On February 28, 2025, Petron made a full drawdown from the P5,000 unsecured term loan facility signed and executed on February 26, 2025. This facility is subject to a financial covenant ratio of consolidated gross debt to consolidated net worth, which must not exceed 2.75x.

The movements in debt issue costs are as follows:

	Note	2024	2023
Balance at beginning of year		P13,250	P11,507
Additions		6,310	5,525
Amortization	30	(3,821)	(3,717)
Reclassification, capitalized and others		(326)	(65)
Balance at end of year		P15,413	P13,250

Repayment Schedule

The annual maturities of long-term debt are as follows:

Year	Gross Amount	Debt Issue Costs	Net
2025	P95,114	P991	P94,123
2026	185,221	2,401	182,820
2027	233,162	2,405	230,757
2028	254,148	3,416	250,732
2029 and thereafter	515,037	6,200	508,837
Total	P1,282,682	P15,413	P1,267,269

Contractual terms of the Group's interest-bearing loans and borrowings and exposure to interest rate, foreign currency and liquidity risks are discussed in Note 39.

22. Other Noncurrent Liabilities

Other noncurrent liabilities consist of:

	Note	2024	2023
Retirement liabilities - noncurrent	5, 35	P12,380	P10,652
Retention payable - noncurrent		4,109	8,934
ARO	4	2,021	4,442
IRO	4	1,211	1,248
Obligation to ROP - service concession agreement	4, 34	713	46
Cash bonds		426	439
Customers' deposits	39, 40	418	381
Mine rehabilitation obligation (MRO) and decommissioning	4, 5	142	103
Derivative liabilities - noncurrent	4, 39, 40	127	269
Amounts owed to related parties	33	2	2
Cylinder deposits		-	748
Others	5	3,209	1,481
	39, 40	P24,758	P28,745

"Others" include deferred rent income and liability to contractor and supplier.

23. Income Taxes

The components of income tax expense are shown below:

	2024	2023	2022
Current	P24,386	P21,678	P19,442
Deferred	3,106	6,730	(6,125)
	P27,492	P28,408	P13,317

The movements of deferred tax assets and liabilities are accounted for as follows:

2024	Balance at January 1	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Balance at December 31
Allowance for impairment losses on trade and other receivables and inventory	P2,108	(P272)	P -	P6	P1,842
MCIT	1,174	304	-	-	1,478
NOLCO	7,855	191	-	-	8,046
Undistributed net losses (earnings) of foreign subsidiaries	(846)	(882)	-	23	(1,705)
Leases	(24,266)	2,211	-	(22)	(22,077)
Unrealized intercompany charges and others	4,105	(4,658)	566	(413)	(400)
	(P9,870)	(P3,106)	P566	(P406)	(P12,816)

2023	Balance at January 1	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Balance at December 31
Allowance for impairment losses on trade and other receivables and inventory	P2,017	P92	P -	(P1)	P2,108
MCIT	808	366	-	-	1,174
NOLCO	14,816	(6,961)	-	-	7,855
Undistributed net earnings of foreign subsidiaries	(846)	-	-	-	(846)
Leases	(22,404)	(105)	-	(1,757)	(24,266)
Unrealized intercompany charges and others	1,866	(122)	614	1,747	4,105
	(P3,743)	(P6,730)	P614	(P11)	(P9,870)

The above amounts are reported in the consolidated statements of financial position as follows:

	Note	2024	2023
Deferred tax assets	4	P22,045	P19,633
Deferred tax liabilities		(34,861)	(29,503)
		(P12,816)	(P9,870)

As at December 31, 2024, the NOLCO of the Group, which are presented as part of "Deferred tax assets" account in the consolidated statement of financial position, that can be claimed as deduction from future taxable income are as follows:

Year Incurred/Paid	Carryforward Benefits Up To	NOLCO
2020	December 31, 2025	P5,414
2021	December 31, 2026	544
2022	December 31, 2025	2,988
2023	December 31, 2026	464
2024	December 31, 2027	28,728
		P38,138

As at December 31, 2024, the MCIT of the Group, which are presented as part of “Deferred tax assets” account in the consolidated statement of financial position, that can be claimed as deduction from corporate income tax due are as follows:

Year Incurred/Paid	Carryforward Benefits Up To	MCIT
2022	December 31, 2025	P94
2023	December 31, 2026	988
2024	December 31, 2027	396
		P1,478

As at December 31, 2024 and 2023, deferred tax assets in respect of NOLCO and others amounting to P58,182 and P14,284, respectively, has not been recognized because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

On September 30, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 25-2020 to implement Section 4 (bbbb) of Republic Act (RA) No. 11494 (“Bayanihan to Recover as One Act”), relative to NOLCO which provides that the net operating loss of a business or enterprise for taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five consecutive taxable years immediately following the year of such loss.

The net operating loss for the said taxable years may be carried over as a deduction even after the expiration of RA No. 11494, provided that the same is claimed within the next five consecutive taxable years following the year such loss was incurred.

For taxable years 2024, 2023 and 2022, the expiration period of NOLCO reverted to three years.

The reconciliation between the statutory income tax rate on income before income tax and the Group’s effective income tax rate is as follows:

	2024	2023	2022
Statutory income tax rate	25.00%	25.00%	25.00%
Increase (decrease) in income tax rate resulting from:			
Interest income subject to final tax	(5.73%)	(4.80%)	(4.43%)
Equity in net earnings of associates and joint ventures	(0.92%)	(0.59%)	(0.75%)
Gain on sale of investments subject to final or capital gains tax	(0.85%)	(0.03%)	(0.46%)
Others, mainly income subject to different tax rates - net	25.34%	19.28%	13.87%
Effective income tax rate	42.84%	38.86%	33.23%

**Percentages are computed based on amounts in nearest peso.*

RA No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

The CREATE Act, which seeks to reduce the corporate income tax rates and to rationalize the current fiscal incentives by making it time-bound, targeted and performance-based, was passed on March 26, 2021 and took effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation on April 11, 2021.

Key provisions of the CREATE Act which have an impact on the Group are: (i) reduction of Regular Corporate Income Tax (RCIT) rate from 30% to 25% for domestic and resident foreign corporations effective July 1, 2020; (ii) reduction of MCIT rate from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023; and (iii) repeal of the imposition of improperly accumulated earnings tax. The rate of MCIT reverted to 2% based on gross income starting July 1, 2023.

Accordingly, current and deferred taxes as at and for the year ended December 31, 2024 and 2023 were computed and measured using the applicable income tax rates. MCIT was computed using 2% and 1.5% tax rates in 2024 and 2023, respectively.

RA No. 12066 or the CREATE to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act

The CREATE MORE Act, which seeks to improve the country's fiscal incentives policies by clarifying issues in the implementation of the CREATE Act, took effect on November 28, 2024. Key provisions of the CREATE MORE Act which have an impact on the Group are: (i) reduction of RCIT rate from 25% to 20% and expanded deductions for Registered Business Enterprises (RBEs) under the Enhanced Deductions Regime; and (ii) broadened eligibility and extended period of incentives for RBEs.

International Tax Reform - Pillar Two Model Rules

The Top Frontier Group has applied the amendments to PAS 12, *Income Taxes* (International Tax Reform - Pillar Two Model Rules), which provide a mandatory temporary exception from accounting for deferred taxes arising from Pillar Two income taxes. No deferred tax assets or liabilities have been recognized in relation to Pillar Two legislation.

'Pillar Two legislation' has been enacted or substantively enacted in certain jurisdictions where the Top Frontier Group operates. For Australia, Japan, Vietnam and the Netherlands, the legislation is effective beginning January 1, 2024. For Hong Kong, Indonesia, Malaysia, New Zealand, and Singapore, the legislation is not yet effective as at December 31, 2024.

As part of the Top Frontier Group, the Group is in scope of the enacted or substantively enacted legislation and has performed a Transitional Country-by-Country (CbCR) Safe Harbor (TCSH) test to determine jurisdictions that can be excluded from the full Pillar Two calculations. The test was based on the most recent tax filings, CbCR reports, and financial statements for the covered entities. Except for Malaysia and Singapore, all jurisdictions passed the TCSH test.

Top Frontier Group is in the process of performing full Pillar Two calculations for Malaysia and Singapore and does not expect exposure to 'Pillar Two income taxes' since the enacted legislations in these jurisdictions are not yet effective as at December 31, 2024.

24. Equity

a. Amendments to the Articles of Incorporation

On July 23, 2009, during the annual stockholders' meeting of the Parent Company, the stockholders approved the amendments to the Articles of Incorporation for the declassification of the common shares of the Parent Company. The authorized capital stock of the Parent Company amounting to P22,500 was divided into 2,034,000,000 Class "A" common shares, 1,356,000,000 Class "B" common shares with a par value of P5.00 per share and 1,110,000,000 Series "1" Preferred Shares with a par value of P5.00 per share, and defined the terms and features of the Series "1" Preferred Shares. The SEC approved the amendments to the Amended Articles of Incorporation of the Parent Company on August 20, 2009.

During the April 18, 2012 and June 14, 2012 meetings of the BOD and stockholders of the Parent Company, respectively, the BOD and stockholders approved the amendments to the Articles of Incorporation of the Parent Company, to increase the authorized capital stock of the Parent Company from P22,500 to P30,000 as follows: (a) the increase in the number of the common shares from 3,390,000,000 common shares to 3,790,000,000, or an increase of 400,000,000 common shares; and (b) the creation and issuance of 1,100,000,000 Series "2" Preferred Shares with a par value of P5.00 per share.

On September 21, 2012, the SEC approved the amendment to the Articles of Incorporation of the Parent Company to increase the authorized capital stock, and consequently creating the Series "2" Preferred Shares.

On June 9, 2015, during the annual stockholders meeting of the Parent Company, the stockholders approved the amendment to Article VII of the Amended Articles of Incorporation of the Parent Company to reclassify 810,000,000 Series "1" Preferred Shares to Series "2" Preferred Shares, consisting of 691,099,686 Series "1" preferred treasury shares to Series "2" preferred treasury shares and 118,900,314 Series "1" preferred unissued shares to Series "2" preferred unissued shares. With the approved reclassification, the resulting distribution of the preferred shares of the Parent Company was 300,000,000 for Series "1" Preferred Shares and 1,910,000,000 for Series "2" Preferred Shares. The stockholders also approved the issuance of the Series "2" Preferred Shares subject to the passage of Enabling Resolutions containing the details of the terms and conditions of the issuance.

The amendment to Article VII of the Amended Articles of Incorporation of the Parent Company to reclassify 810,000,000 Series "1" Preferred Shares to Series "2" Preferred Shares was approved by the SEC on July 14, 2015.

b. Capital Stock

Common Shares

On July 27, 2010, the BOD of the Parent Company approved the offer to issue approximately 1,000,000,000 common shares (from the unissued capital stock and treasury shares) at a price of not less than P75.00 per share.

Effective August 26, 2010, all Class "A" common shares and Class "B" common shares of the Parent Company were declassified and are considered as common shares without distinction, as approved by the SEC. Both are available to foreign investors, subject to the foreign ownership limit.

The Parent Company has a total of 33,162 and 33,379 common shareholders as at December 31, 2024 and 2023, respectively.

The number of issued and outstanding shares of common stock are as follows:

	2024	2023	2022
Issued shares	3,288,649,125	3,288,649,125	3,288,649,125
Less treasury shares	904,752,537	904,752,537	904,752,537
Issued and outstanding shares	2,383,896,588	2,383,896,588	2,383,896,588

Preferred Shares

i. Series "1" Preferred Shares

Series "1" Preferred Shares have a par value of P5.00 per share and are entitled to receive cash dividends upon declaration by and at the sole option of the BOD of the Parent Company at a fixed rate of 8% per annum calculated in respect of each Series "1" Preferred Share by reference to the Issue Price thereof in respect of each dividend period.

Series "1" Preferred Shares are non-voting except as provided for under the Corporation Code. The Series "1" Preferred Shares are redeemable in whole or in part, at the sole option of the Parent Company, at the end of three years from the issue date at P75.00 plus any accumulated and unpaid cash dividends.

All shares rank equally with regard to the residual assets of the Parent Company, except that holders of preferred shares participate only to the extent of the issue price of the shares plus any accumulated and unpaid cash dividends.

On July 23, 2009, the stockholders of the Parent Company approved the Offer by the Parent Company to exchange existing common shares of up to approximately 35% of the issued and outstanding capital stock of the Parent Company with Series "1" Preferred Shares. The exchange ratio was one common share for one Series "1" Preferred Share and the qualified shareholders of record as at July 2, 2009, were vested with the right to participate on the exchange.

On October 5, 2009, the Parent Company completed the exchange of 476,296,752 Class "A" Common Shares and 396,876,601 Class "B" Common Shares for Series "1" Preferred Shares.

On October 15, 2009, the BOD of the Parent Company approved the issuance, through private placement, of up to 226,800,000 Series "1" Preferred Shares.

On December 22, 2009, the Parent Company issued 97,333,000 Series "1" Preferred Shares to qualified buyers and by way of private placement to not more than 19 non-qualified buyers at the issue price of P75.00 per Series "1" Preferred Share.

On December 8, 2010 and October 3, 2011, the Parent Company listed 873,173,353 and 97,333,000 Series "1" Preferred Shares worth P65,488 and P7,300, respectively.

On August 13, 2012, the BOD of the Parent Company approved the redemption of Series “1” Preferred Shares at a redemption price of P75.00 per share.

On October 5, 2012, 970,506,353 Series “1” Preferred Shares were reverted to treasury.

On April 14, 2015, the Parent Company reissued 279,406,667 Series “1” Preferred Shares held in treasury in the name of certain subscribers at P75.00 per share. The Series “1” Preferred Shares became tradable on the PSE beginning June 10, 2015.

On March 12, 2020, the BOD of the Parent Company approved the redemption of Series “1” Preferred Shares at a redemption price of P75.00 per share.

On April 14, 2020, 279,406,667 Series “1” Preferred Shares were reverted to treasury.

On June 11, 2024, the BOD of the Parent Company approved the amendment of the Articles of Incorporation of the Parent Company to reclassify 300,000,000 Series “1” Preferred Shares to Series “2” Preferred Shares. The purpose of the reclassification is to allow the Parent Company to issue additional preferred shares as a new subseries of Series “2” Preferred Shares under the more flexible terms and conditions of the Series “2” Preferred Shares.

As at December 31, 2024, the Parent Company has 300,000,000 Series “1” Preferred Shares of which 279,406,667 are treasury shares, and 20,593,333 are unissued. As stated in the Amended Articles of Incorporation of the Parent Company, the Series “1” Preferred Shares may be issued at a dividend rate based on a specific formula, shall have a maturity of five years, with an early redemption option of three years. On the other hand, the Series “2” Preferred Shares allow for more flexibility for the Parent Company, through the approval of the BOD of Enabling Resolutions, to determine the terms and conditions of the issuance based on prevailing market condition.

The Amended Articles of Incorporation of the Parent Company reflecting the amendments was approved by the SEC on February 25, 2025.

The Parent Company has 279,406,667 Series “1” Preferred Shares held in treasury as at December 31, 2024 and 2023.

The Parent Company has no outstanding Series “1” Preferred Shares as at December 31, 2024 and 2023.

ii. Series “2” Preferred Shares

Subseries 2-A, Subseries 2-B and Subseries 2-C

In September 2012, the Parent Company issued 1,067,000,000 Series “2” Preferred Shares at the issue price of P75.00 per share. The said Series “2” Preferred Shares worth P80,025 were listed on the PSE on September 28, 2012. The SEC approved the registration and issued a permit to sell on August 10, 2012.

The Series "2" Preferred Shares were issued in three subseries (Subseries "2-A", Subseries "2-B" and Subseries "2-C") and are Peso-denominated, perpetual, cumulative, non-participating and non-voting.

The Parent Company has the redemption option starting on the third, fifth and seventh year and every dividend payment thereafter, with a step-up rate effective on the fifth, seventh and tenth year, respectively, if the shares are not redeemed. Dividend rates are 7.500%, 7.625% and 8.000% per annum for Subseries "2-A", Subseries "2-B" and Subseries "2-C" Preferred Shares, respectively.

On September 21, 2015, the Parent Company redeemed its 721,012,400 Series "2" Preferred Shares - Subseries "2-A" at a redemption price of P75.00 per share plus any unpaid cash dividends. The Parent Company paid P54,076 to the holders of Subseries "2-A" Preferred Shares. The redemption was approved by the BOD of the Parent Company on August 20, 2015.

On September 23, 2019, the Parent Company redeemed its 90,428,200 Series "2" Preferred Shares - Subseries "2-B" at a redemption price of P75.00 per share. The Parent Company paid P6,782 to the holders of Subseries "2-B" Preferred Shares. The redemption was approved by the BOD of the Parent Company on September 12, 2019.

On September 21, 2021, the Parent Company redeemed its outstanding 255,559,400 Series "2" Preferred Shares - Subseries "2-C" at a redemption price of P75.00 per share. The Parent Company paid P19,167 to the holders of Subseries "2-C" Preferred Shares. The redemption was approved by the BOD of the Parent Company on August 5, 2021.

The Parent Company has no outstanding Series "2" Subseries "2-A", Subseries "2-B" and Subseries "2-C" Preferred Shares as at December 31, 2024 and 2023.

Subseries 2-D, Subseries 2-E and Subseries 2-F

On September 21, 2015, the Parent Company issued and listed on the PSE 446,667,000 Series "2" Preferred Shares held in treasury in three subseries (Subseries "2-D", Subseries "2-E" and Subseries "2-F") and are Peso-denominated, perpetual, cumulative, non-participating and non-voting. Dividend rates are 5.9431%, 6.3255% and 6.8072% per annum for Subseries "2-D", Subseries "2-E" and Subseries "2-F" Preferred Shares, respectively. The SEC approved the registration and issued a permit to sell on August 6, 2015.

On September 21, 2020, the Parent Company redeemed its 89,333,400 Series "2" Preferred Shares - Subseries "2-D" at a redemption price of P75.00 per share plus any unpaid cash dividends. The Parent Company paid P6,700 to the holders of Subseries "2-D" Preferred Shares. The redemption was approved by the BOD of the Parent Company on August 6, 2020.

On September 21, 2021, the Parent Company redeemed its 134,000,100 Series "2" Preferred Shares - Subseries "2-E" at a redemption price of P75.00 per share plus any unpaid cash dividends. The Parent Company paid P10,050 to the holders of Subseries "2-E" Preferred Shares. The redemption was approved by the BOD of the Parent Company on August 5, 2021.

The Subseries “2-F” Preferred Shares include 1,333,500 shares amounting to P100 held by a subsidiary, which were reclassified to treasury shares upon consolidation of the subsidiary on December 14, 2022 (Note 5).

As at December 31, 2024 and 2023, only the 223,333,500 Series “2” Preferred Shares -Subseries “2-F” remain outstanding.

Subseries 2-G, Subseries 2-H and Subseries 2-I

On February 24, 2016, the BOD of PSE approved the listing application of the Parent Company of up to 975,571,800 shares of Series “2” Preferred Shares under shelf registration (the Shelf Registered Shares) and the offering of up to 400,000,000 shares of Series “2” Preferred Shares (the First Tranche) with a par value of P5.00 per share and an offer price of P75.00 per share. The SEC approved the Shelf Registered Shares and issued a permit to sell on March 8, 2016.

The Parent Company offered the “First Tranche” of up to: (i) 280,000,000 shares of Series “2” Preferred Shares consisting of Subseries “2-G”, Subseries “2-H” and Subseries “2-I”; and (ii) 120,000,000 shares of Series “2” Preferred Shares to cover the oversubscription option. The First Tranche was re-issued and offered from the Series “2” Preferred Shares Subseries held in treasury. The First Tranche was issued on March 30, 2016 which was also the listing date of the Shelf Registered Shares.

Dividend rates are 6.5793%, 6.3222% and 6.3355% per annum for Subseries “2-G”, Subseries “2-H” and Subseries “2-I” Preferred Shares, respectively.

Following the completion of the Parent Company’s follow-on offering of 280,000,000 Series “2” Preferred Shares, with an oversubscription option of 120,000,000 Series “2” Preferred Shares, the Parent Company re-issued the Series “2” Preferred Shares held in treasury, as follows: (i) 244,432,686 Series “2” Preferred Shares; and (ii) 155,567,314 Subseries “2-A” Preferred Shares (collectively, the “Offer Shares”). The Series “2” Preferred Shares were Series “1” Preferred Shares held in treasury that were reclassified to Series “2” Preferred Shares on June 9, 2015.

The remaining 575,571,800 Shelf Registered Shares were no longer issued due to the expiration of the shelf registration, which is a period of three years from the date of approval.

On March 30, 2021, the Parent Company redeemed its 66,666,600 Series “2” Preferred Shares - Subseries “2-G” at a redemption price of P75.00 per share plus any unpaid cash dividends. The Parent Company paid P5,000 to the holders of Subseries “2-G” Preferred Shares. The redemption was approved by the BOD of the Parent Company on March 11, 2021.

On December 21, 2022, the Parent Company redeemed its 164,000,000 Series “2” Preferred Shares - Subseries “2-H” at a redemption price of P75.00 per share plus any unpaid cash dividends. The Parent Company paid P12,300 to the holders of Subseries “2-H” Preferred Shares. The redemption was approved by the BOD of the Parent Company on September 22, 2022.

As at December 31, 2024 and 2023, only the 169,333,400 Series “2” Preferred Shares - Subseries “2-I” remain outstanding.

Subseries 2-J and Subseries 2-K

On September 30, 2020, the BOD of the PSE approved the listing application of the Parent Company of up to 533,333,334 Series "2" Preferred Shares under shelf registration (the Shelf Registered Shares) and the offering of up to 266,666,667 Series "2" Preferred Shares (the First Tranche) with a par value of P5.00 per share and an offer price of P75.00 per share. The SEC approved and rendered effective the shelf registration of the Shelf Registered Shares on October 9, 2020 and issued a permit to sell the First Tranche on the same date.

The Parent Company offered the First Tranche consisting of: (i) 133,333,400 Subseries "2-J" Preferred Shares; and (ii) an Oversubscription Option of up to 133,333,267 Subseries "2-J" Preferred Shares at an offer price of P75.00 per share. The First Tranche consisting of 266,666,667 Subseries "2-J" Preferred Shares was issued on October 29, 2020, which was also the date when the First Tranche was listed on the PSE.

The Parent Company offered a Second Tranche of the Shelf Registered Shares, consisting of: (i) 133,333,400 Subseries "2-K" Preferred Shares; and (ii) an Oversubscription Option of up to 133,333,267 Subseries "2-K" Preferred Shares at an offer price of P75.00 per share. The Second Tranche consisting of 183,904,900 Subseries "2-K" was issued and listed on the PSE on December 10, 2020.

The First and Second Tranche were re-issued and offered from the Subseries "2-A" Preferred Shares held in treasury.

Dividend rates are 4.75% and 4.50% per annum for Subseries "2-J" and Subseries "2-K" Preferred Shares, respectively.

Subseries 2-M

On August 23, 2023, the Parent Company issued via private placement 173,333,325 Subseries "2-M" Preferred Shares at an offer price of P75.00 per share, with a fixed dividend rate of 8.375% per annum. Subseries "2-M" Preferred Shares were listed on the PSE on August 29, 2023. The Subseries "2-M" Preferred Shares are cumulative, non-voting, non-participating, non-convertible, redeemable, Peso-denominated preferred shares issued out of the treasury shares of the Parent Company.

Subseries 2-L, Subseries 2-N and Subseries 2-O

On October 17, 2023, the BOD of the PSE approved the shelf registration application of the Parent Company of up to 866,666,700 Series "2" cumulative, non-voting, non-participating, non-convertible, redeemable and re-issuable (the Shelf Registered Shares) and with an offer Supplement for the First Tranche of 400,000,000 Subseries "2-L", Subseries "2-N" and Subseries "2-O" Preferred Shares (the "Base Offer Shares") and an Oversubscription Option of up to 266,666,700 Subseries "2-L", Subseries "2-N" and Subseries "2-O" Preferred Shares, with a par value of P5.00 per share and an offer price of P75.00 per share. The SEC approved and rendered effective the shelf registration of the Shelf Registered Shares on November 9, 2023 and issued a permit to sell the First Tranche on the same date.

On December 1, 2023, the First Tranche consisting of 165,358,600 Subseries "2-L" Preferred Shares, 100,115,100 Subseries "2-N" Preferred Shares, and 187,859,700 Subseries "2-O" Preferred Shares was issued and listed on the PSE.

Dividend rates are 7.9145%, 8.3466% and 8.5936% per annum for Subseries "2-L", Subseries "2-N" and Subseries "2-O" Preferred Shares, respectively.

The Parent Company has 288,194,494, including the 1,333,500 preferred shares held by a subsidiary (Note 5), Series "2" Preferred Shares held in treasury as at December 31, 2024 and 2023.

The Parent Company has 1,469,905,192 outstanding Series "2" Preferred Shares as at December 31, 2024 and 2023.

The Parent Company has a total of 290 and 277 preferred shareholders as at December 31, 2024 and 2023, respectively.

c. *Treasury Shares*

Treasury shares consist of:

	2024	2023	2022
Common	P67,093	P67,093	P67,093
Preferred	42,670	42,670	89,670
	P109,763	P109,763	P156,763

Common Shares

The Parent Company has 904,752,537 common shares held in treasury as at December 31, 2024, 2023 and 2022.

1. In the Entry of Judgment received on January 27, 2015, the Supreme Court entered in the Book of Entries of Judgments the Resolution of September 4, 2012 in G.R. Nos. 177857-58 and 178193 wherein the Supreme Court clarified that the 753,848,312 SMC Series "1" Preferred Shares of the Coconut Industry Investment Fund (CIIF) companies converted from the CIIF block of SMC shares, with all the dividend earnings as well as all increments arising therefrom shall now be the subject matter of the January 29, 2012 Decision and declared owned by the Government and used only for the benefit of all coconut farmers and for the development of the coconut industry. Thus, the fallo of the Decision dated January 24, 2012 was accordingly modified.

On October 5, 2016, the Supreme Court of the Philippines in G.R. Nos. 177857-58 and 178193 issued a Judgment denying the “Manifestation and Omnibus Motion” filed by the Presidential Commission on Good Government to amend the Resolution Promulgated on September 4, 2012 to Include the “Treasury Shares” Which are Part and Parcel of the 33,133,266 CIIF Block of SMC Shares of 1983 Decreed by the Sandiganbayan, and Sustained by the Honorable Court, as Owned by the Government. The denial of the motion is without prejudice to the right of the ROP to file the appropriate action or proceeding to determine the legal right of the Parent Company to the 25,450,000 treasury shares of the Parent Company. On November 29, 2016, the Supreme Court denied with finality the motion for reconsideration of the ROP. To date, no such further action or proceeding has been filed by the ROP relating to the 25,450,000 Treasury Shares of the Parent Company.

2. In 2009, 873,173,353 common shares reverted to treasury were acquired through the exchange of common shares to preferred shares, on a one-for-one basis, at P75.00 per share amounting to P65,488.
3. On May 5, 2011, the Parent Company completed the secondary offering of its common shares. The offer consists of 110,320,000 shares of stock of the Parent Company consisting of 27,580,000 common shares from the treasury shares of the Parent Company and 82,740,000 SMC common shares held by Top Frontier, priced at P110.00 per share.
4. Also on May 5, 2011, US\$600 worth of exchangeable bonds of the Parent Company sold to overseas investors were simultaneously listed on the Singapore Exchange Securities Trading Limited (SGX-ST). The exchangeable bonds have a maturity of three years, a coupon of 2% per annum and a conversion premium of 25% of the offer price. The exchangeable bonds are exchangeable for common shares to be re-issued from the treasury shares of the Parent Company. The initial exchange price for the exchange of the exchangeable bonds into common shares is P137.50 per share.

On December 5, 2011, 765,451 common shares were delivered to the bondholders of the Parent Company's exchangeable bonds who exercised their exchange rights under the terms and conditions of the bonds at an exchange price of P113.24 per share. Subsequently on December 8, 2011 and February 10 and 16, 2012, the delivered common shares of stock of the Parent Company were transacted and crossed on the PSE via a special block sale in relation to the issuance of common shares pursuant to the US\$600 exchangeable bonds of the Parent Company.

In 2014, 2013 and 2012, additional 1,077,573, 6,540,959 and 1,410,604 common shares, respectively, were delivered to the bondholders of the Parent Company's exchangeable bonds who exercised their exchange rights under the terms and conditions of the bonds at exchange prices ranging from P80.44 to P113.24 per share. The additional common shares of stock of the Parent Company were transacted and crossed on the PSE on various dates via special block sales.

A total of 9,794,587 common shares were issued to the bondholders of the Parent Company's exchangeable bonds as at December 31, 2014.

5. In 2014 and 2013, 68,150 common shares and 3,410,250 common shares, respectively, under the Parent Company's Employee Stock Purchase Plan (ESPP) were cancelled and held in treasury shares.

In 2016, the Parent Company discontinued the ESPP.

d. Capital Securities

SPCS

On December 5, 2019, the BOD approved the establishment of a medium term note programme amounting to US\$3,000 (the "Programme"), and the issuance of US\$500 perpetual securities out of the Programme. The Programme and the initial issuance of perpetual securities were both registered on the SGX-ST.

The Programme will be available for a medium term and will allow the Parent Company to tap the financial market for funding through the issuance of securities, including but not limited to corporate notes, bonds, and perpetual securities and other similar instruments at different currencies (other than Philippine Peso). The establishment of the Programme will give the Parent Company ready access to funding and will give the Parent Company the flexibility to fund its contemplated investments and projects such as the MRT 7 construction, the MIA, as well as the refinancing of its existing obligations and for other general corporate purposes. All instruments and securities that will be issued out of the Programme shall be exempt securities and shall not be required to be registered with the PSE.

On July 29, 2020, the Parent Company issued US\$500 (P24,595) SPCS at an issue price of 100%, with a rate of distribution of 5.5% per annum, payable every January 29 and July 29 of each year. The securities were issued under the Programme. The net proceeds were used to finance investments and various projects, to refinance existing obligations and for general corporate purposes.

RPS

On July 1, 2020, the Parent Company issued P4,000 RPS to a related party, with a rate of distribution of 5% per annum, payable every January 1, April 1, July 1 and October 1 of each year. The RPS was purchased at an amount equivalent to its face value on May 25, 2023.

On August 4, 2020, the Parent Company issued US\$100 (P4,909) RPS to a related party at an issue price of 100%, with a rate of distribution of 2.5% per annum, payable every February 5, May 5, August 5 and November 5 of each year.

The RPS are capital securities with no fixed redemption date. The security holders have the right to receive distribution payable quarterly in arrears. The Parent Company has the right to defer this distribution under certain conditions. The net proceeds of RPS were used by the Parent Company for general corporate purposes.

e. Unappropriated Retained Earnings

The unappropriated retained earnings of the Parent Company are restricted in the amount of P67,093 in 2024, 2023 and 2022, representing the cost of common shares held in treasury.

The unappropriated retained earnings of the Group include the accumulated earnings in subsidiaries and equity in net earnings of associates and joint ventures not available for declaration as dividends until declared by the respective investees.

f. Appropriated Retained Earnings

The BOD of certain subsidiaries approved additional appropriations amounting to P30,222, P34,817 and P23,602 in 2024, 2023 and 2022, respectively, to finance future capital expenditure projects. Reversal of appropriations amounted to P37,543, P18,651 and P19,228 in 2024, 2023 and 2022, respectively.

g. Non-controlling Interests

Non-controlling interests consist of:

	2024	2023
Capital securities of subsidiaries	P222,343	P189,484
Share in the net assets of subsidiaries	126,768	117,964
Preferred shares of subsidiaries	44,823	41,497
	P393,934	P348,945

The following are the developments relating to the capital securities and preferred shares of subsidiaries:

Energy

▪ San Miguel Global Power

a) Issuance of SPCS

The outstanding SPCS of San Miguel Global Power are as follows:

Date of Issuance	Initial Rate of Distribution Per Annum	Balance as at December 31, 2024	
December 2, 2024	8.125%	US\$500	P28,882
September 12 and 30, 2024	8.75%	900	49,849
June 9 and September 15, 2021	5.45%	684	32,417
October 21 and December 15, 2020	7.00%	194	9,613
January 21, 2020	5.70%	493	24,807
November 5, 2019	5.95%	113	5,627
		US\$2,884	P151,195

Date of Issuance	Initial Rate of Distribution Per Annum	Balance as at December 31, 2023	
June 9 and September 15, 2021	5.45%	US\$684	P32,416
October 21 and December 15, 2020	7.00%	724	34,884
January 21, 2020	5.70%	593	29,836
November 5, 2019	5.95%	492	24,445
April 25 and July 3, 2019	6.50%	783	40,187
		US\$3,276	P161,768

On August 27 and November 14, 2024, San Miguel Global Power announced on the SGX-ST website the following:

- a. that it will undertake to invite eligible holders of San Miguel Global Power's outstanding US Dollar-denominated SPCS listed with the SGX-ST (collectively, the "Existing Securities"): (i) 7.00% SPCS issued on October 21 and December 15, 2020; (ii) 5.70% SPCS issued on January 31, 2020; and (iii) 5.95% SPCS issued on November 5, 2019
 - (1) to offer to exchange some or all of its Existing Securities for new US Dollar-denominated SPCS to be issued by San Miguel Global Power (the "Exchange Offers"); and
 - (2) to tender for purchase for cash some or all of its Existing Securities up to an aggregate nominal amount and at a purchase price, to be determined by San Miguel Global Power (the "Tender Offers", and together with the Exchange Offers, the "Offers"); and
- b. that it will undertake the offer and issuance of up to US\$600 in SPCS or such other amount as San Miguel Global Power may later determine (collectively together with the Tender Offers, the "Additional New Securities").

On September 12, 2024, San Miguel Global Power completed the issuance of US\$800 SPCS (P44,300, net of directly attributable transaction costs amounting to P660) at an issue price of 100%, with an initial rate of distribution of 8.75% per annum and step-up date of September 12, 2029.

The US\$800 SPCS consist of the following:

- (i) US\$532 (P29,456, net of directly attributable transaction costs amounting to P439) in aggregate principal amount of SPCS issued in exchange for Existing Securities (with a carrying value of P25,801) pursuant to the Exchange Offers; and
- (ii) US\$268 (P14,844, net of directly attributable transaction costs amounting to P221) in aggregate principal amount of Additional New Securities. The proceeds of the issuance of SPCS covered the purchase of Existing Securities, amounting to US\$157 (with a carrying value equivalent to P7,679), accepted pursuant to the Tender Offers.

On September 30, 2024, San Miguel Global Power completed the issuance of US\$100 SPCS (P5,549, net of directly attributable transaction costs amounting to P54) at an issue price of 100% plus an amount corresponding to accrued distribution from and including September 12, 2024 to, but excluding, September 30, 2024.

The US\$100 SPCS is consolidated into and form a single series with the US\$800 SPCS issued on September 12, 2024, bringing the total securities to US\$900. The US\$800 SPCS and US\$100 SPCS are identical in all respects, other than with respect to the date of issuance and issue price.

On December 2, 2024, San Miguel Global Power completed the issuance of US\$500 SPCS (P28,882, net of directly attributable transaction costs amounting to P445) at an issue price of 100%, with an initial rate of distribution of 8.125% per annum and step-up date of March 2, 2030.

The US\$500 SPCS consist of the following:

- (i) US\$274 (P15,823, net of directly attributable transaction costs amounting to P244) in aggregate principal amount of SPCS issued in exchange for Existing Securities (with a carrying value of P13,402) pursuant to the Exchange Offers; and
- (ii) US\$226 (P13,059, net of directly attributable transaction costs amounting to P201) in aggregate principal amount of Additional New Securities. The proceeds of the issuance of SPCS partly covered the purchase of Existing Securities, amounting to US\$46 (with a carrying value equivalent to P2,236), accepted pursuant to the Tender Offers.

As a result of the foregoing, the movements in the Existing Securities are as follows:

Title of Existing Securities	Principal of Existing Securities	Accepted Exchange Offers	Accepted Tender Offers	Remaining Principal of Existing Securities	Amount in Philippine Peso*
7.00% SPCS issued on October 21 and December 15, 2020	US\$724	(US\$436)	(US\$94)	US\$194	P9,613
5.70% SPCS issued on January 31, 2020	593	(100)	-	493	24,807
5.95% SPCS issued on November 5, 2019	492	(270)	(109)	113	5,627
	US\$1,809	(US\$806)	(US\$203)	US\$800	P40,047

*Net of transaction costs.

The difference between the price and net carrying value of the Existing Securities accepted pursuant to the Offers amounted to P8,574 and was recognized as part of the "Equity reserves" account in the consolidated statements of financial position.

The net proceeds of the issuances of the Additional New Securities and the US\$100 SPCS were applied to the following: (i) costs and expenses related to the Exchange Offers, including payment of accrued distribution amount in respect of the Existing Securities accepted for exchange pursuant to the terms and conditions of the Exchange Offers; (ii) costs and expenses related to the Tender Offers, including payment of the purchase price and the accrued distribution amount in respect of the Existing Securities accepted for purchase pursuant to the terms and conditions of the Tender Offers; and (iii) for pre-development costs of solar energy projects and BESS projects.

The US\$800, US\$100 and US\$500 SPCS were listed on the SGX-ST on September 13, October 1 and December 3, 2024, respectively.

The Securities were offered to holders of Existing Securities pursuant to the Offers and were sold mainly offshore and to a limited number of qualified buyers in the Philippines. Hence, the Offers and sale of the Securities qualified as exempt transactions for which no confirmation of exemption from the registration requirements of the Securities Regulation Code were required to be filed with the SEC.

The holders of the Securities have conferred a right to receive distributions on a semi-annual basis from their issuance dates at the initial rate of distribution, subject to the step-up rate. San Miguel Global Power has a right to defer this distribution under certain conditions.

The Securities constitute direct, unconditional, unsecured and unsubordinated obligations of San Miguel Global Power with no fixed redemption date and are redeemable in whole, but not in part, at San Miguel Global Power's option on the step-up date, or any distribution payment date thereafter or upon the occurrence of certain other events, at the principal amounts of the Securities plus any accrued, unpaid or deferred distribution.

b) Repurchase of SPCS

On October 26, 2022, the BOD of San Miguel Global Power authorized the conduct of tender offer to the holders of its US Dollar-denominated SPCS listed on the SGX-ST to purchase for cash said SPCS up to a total aggregate principal amount of US\$400. The conduct of the tender offer commenced on October 26, 2022, and expired on November 4, 2022 (the "Expiration Deadline"). All valid tender offers from security holders, representing an aggregate of US\$124 in principal amount of SPCS were accepted by San Miguel Global Power. Security holders that validly tendered their securities at or prior to the Expiration Deadline and which San Miguel Global Power accepted for purchase from such security holders were paid the applicable purchase price amounting to US\$81 (P4,703, inclusive of transaction costs of P25) and the relevant accrued distribution amounting to US\$2 (P102) on November 9, 2022.

The difference between the price paid and the net carrying value of the SPCS repurchased amounting to P1,297, net of transaction costs, was recognized as part of "Equity reserves" account in the consolidated statements of financial position.

The payment for the repurchased SPCS was funded by San Miguel Global Power's issuance of RPS to SMC.

c) Redemption of SPCS

On April 23, 2024, San Miguel Global Power completed the redemption of its US\$783 remaining securities (with a net carrying value of P40,187) out of the US\$800 SPCS issued in April and July 2019, pursuant to the terms and conditions of the securities. The redemption price includes the principal amount and any accrued but unpaid distributions up to (but excluding) the step-up date.

The difference between the price paid and the net carrying value of the US\$783 securities amounted to P4,853 and was recognized as part of the "Equity reserves" account in the consolidated statement of financial position as at December 31, 2024.

The US\$783 securities were redeemed using in part the proceeds of the RPS issued in April 2024 and cash generated from operations.

d) Issuance of Redeemable Perpetual Capital Securities (RPCS)

On April 19, 2024, San Miguel Global Power issued US\$800 RPCS to a third party (P43,432, net of directly attributable transaction costs amounting to P2,688) at an issue price of 100%. Proceeds of the issuance were used for general corporate purposes, including capital expenditures and refinancing of maturing obligations.

Fuel and Oil

▪ Petron

a) Redemption of SPCS

On January 19, 2023, Petron redeemed US\$22 (P1,118) from US\$500 SPCS issued in 2018 at a purchase price of US\$927.00 per US\$1,000.00 in principal amount.

On July 19, 2023, the remaining outstanding SPCS with an aggregate amount of US\$478 (P23,763) was fully redeemed at a purchase price of US\$1,000.00 per US\$1,000.00 in principal amount. Following such redemption, distributions ceased to accrue and the redeemed securities were cancelled and delisted from the SGX-ST.

The difference between the price paid and the net carrying amount of the SPCS redeemed amounting to P1,538, net of transaction costs, was recognized as part of "Equity reserves" account in the consolidated statements of financial position as at December 31, 2024 and 2023.

b) Redemption of Series 3A Preferred Shares

On December 26, 2024, Petron redeemed its 13,403,000 Series 3A Preferred Shares issued on June 25, 2019 at a redemption price of P1,000.00 per share or a total of P13,403. The redemption was approved by the BOD of Petron on June 26, 2024.

c) Issuance of Series 4 Preferred Shares

On July 7, 2023, Petron issued and listed on the PSE 5,000,000 Series 4A, 2,995,000 Series 4B, and 6,005,000 Series 4C Preferred Shares (inclusive of the oversubscription of 1,500,000 shares) under the 50,000,000 Series 4 Shelf Registered Preferred Shares at an issue price of P1,000.00 per share or for a total amount of P14,000. The Series 4 Shelf Registered Preferred Shares, which were approved for issue by the SEC on June 14, 2023, are cumulative, deferrable, non-voting, non-participating, non-convertible, redeemable, and reissuable Peso-denominated perpetual preferred shares. The net proceeds were used to partly fund the full redemption on July 19, 2023 of the remaining US\$478 SPCS issued in 2018.

Petron has the redemption option starting on the second and half, third and fifth year or on any dividend payment date thereafter for Series 4A, Series 4B and Series 4C Preferred Shares, respectively. Dividend rates are 6.7079%, 6.7972% and 7.0861% per annum for Series 4A, Series 4B and Series 4C Preferred Shares, respectively.

On September 23, 2024, Petron issued and listed on the PSE additional 16,830,000 Series 4 Preferred Shares at an offer price of P1,000.00 per share for a total amount of P16,830. The additional Series 4 Preferred Shares were issued in two sub-series: (i) 8,500,000 Series 4D Preferred Shares; and (ii) 8,330,000 Series 4E Preferred Shares. The Series 4D and 4E Preferred Shares are cumulative, deferrable, non-voting, non-participating, non-convertible, redeemable, and reissuable Peso-denominated perpetual preferred shares.

Petron has the redemption option starting on the third and fifth year from listing date or on any dividend payment date thereafter for Series 4D and 4E Preferred Shares, respectively. Series 4D and 4E Preferred Shares have dividend rates of 6.8364% and 7.1032% per annum, respectively. Cash dividends are payable quarterly every March 23, June 23, September 23 and December 23 of each year, as and if declared by Petron's BOD. The net proceeds were used to fully redeem Petron's Series 3A Preferred Shares on December 26, 2024, refinance maturing obligations, and fund general corporate purposes, including the purchase of crude oil inventory.

The details of material share in the net assets of subsidiaries are as follows:

	December 31, 2024		December 31, 2023	
	Petron	SMFB	Petron	SMFB
Percentage of non-controlling interests	31.74%	11.24%	31.74%	11.24%
Carrying amount of non-controlling interests	P17,232	P75,254	P15,462	P70,402
Net income attributable to non-controlling interests	P1,031	P18,010	P1,836	P17,636
Other comprehensive income (loss) attributable to non-controlling interests	P1,251	P553	(P1,068)	(P545)
Dividends paid to non-controlling interests	P511	P13,778	P510	P12,229

The following are the audited condensed financial information of subsidiaries with material non-controlling interests:

	December 31, 2024		December 31, 2023	
	Petron	SMFB	Petron As restated	SMFB
Current assets	P255,873	P144,192	P233,007	P135,889
Noncurrent assets	212,929	232,914	212,762	219,886
Current liabilities	(252,259)	(116,706)	(237,293)	(103,008)
Noncurrent liabilities	(112,333)	(80,211)	(108,816)	(83,652)
Net Assets	P104,210	P180,189	P99,660	P169,115
Sales	P867,966	P400,872	P801,027	P379,822
Net income	P8,471	P40,933	P10,112	P38,105
Other comprehensive income (loss)	2,926	899	(2,493)	(1,672)
Total Comprehensive Income	P11,397	P41,832	P7,619	P36,433
Cash flows provided by operating activities	P13,208	P58,055	P20,316	P71,388
Cash flows used in investing activities	(10,216)	(25,349)	(7,550)	(27,690)
Cash flows used in financing activities	(1,285)	(32,080)	(21,753)	(27,751)
Effect of exchange rate changes on cash and cash equivalents	1,163	588	(677)	(39)
Net increase (decrease) in cash and cash equivalents	P2,870	P1,214	(P9,664)	P15,908

25. Sales

Sales consist of:

	Note	2024	2023	2022
Goods		P1,532,679	P1,408,087	P1,472,886
Services		42,700	38,616	33,705
	6, 33	P1,575,379	P1,446,703	P1,506,591

26. Cost of Sales

Cost of sales consist of:

	Note	2024	2023	2022
Inventories	9, 40	P1,015,168	P929,217	P1,021,867
Taxes and licenses		125,643	115,944	106,351
Depreciation and amortization	28	46,427	43,390	37,846
Power purchases	34	29,665	25,250	57,089
Fuel and oil		19,725	21,850	23,212
Personnel	29	17,720	15,347	12,791
Contracted services		16,610	14,932	12,794
Freight, trucking and handling		14,204	13,728	12,367
Repairs and maintenance		9,019	7,614	5,328
Communications, light and water		6,143	9,846	4,406
Tolling fees	34	5,777	5,825	6,692
Energy fees	34	1,574	1,641	10,452
Rent		812	839	879
Others	9, 34	3,540	2,987	2,533
		P1,312,027	P1,208,410	P1,314,607

27. Selling and Administrative Expenses

Selling and administrative expenses consist of:

	2024	2023	2022
Selling	P48,517	P46,871	P43,469
Administrative	54,019	46,937	40,503
	P102,536	P93,808	P83,972

Selling expenses consist of:

	Note	2024	2023	2022
Personnel	29	P15,081	P13,769	P12,454
Freight, trucking and handling		9,756	9,833	10,247
Depreciation and amortization	28	8,138	7,611	6,801
Advertising and promotions		7,934	7,015	5,885
Rent		2,306	2,179	2,017
Repairs and maintenance		2,069	2,171	1,783
Taxes and licenses		1,101	1,056	949
Supplies		950	1,219	916
Professional fees		603	575	561
Communications, light and water		498	491	717
Others		81	952	1,139
		P48,517	P46,871	P43,469

Administrative expenses consist of:

	Note	2024	2023	2022
Personnel	29	P19,732	P18,002	P16,783
Contracted services		7,242	6,375	4,523
Depreciation and amortization	28	4,767	4,856	4,595
Taxes and licenses		4,711	4,673	3,845
Travel, entertainment and representation		4,641	4,680	3,119
Professional fees		3,162	2,899	2,605
Repairs and maintenance		2,624	1,908	1,855
Impairment loss	8, 9, 13, 15, 18	2,323	319	115
Supplies		1,208	945	916
Communications, light and water		885	930	948
Rent		690	478	408
Research and development		89	80	45
Others		1,945	792	746
		P54,019	P46,937	P40,503

28. Depreciation and Amortization

Depreciation and amortization are distributed as follows:

	Note	2024	2023	2022
Cost of sales:				
Property, plant and equipment	13	P31,048	P27,091	P22,435
Other intangible assets	17	7,985	7,813	7,178
Right-of-use assets	14	3,575	3,950	4,532
Biological assets				
and others	15, 16, 18	3,819	4,536	3,701
	26	46,427	43,390	37,846
Selling and administrative expenses:				
Property, plant and equipment	13	4,924	5,076	4,743
Right-of-use assets	14	776	949	1,082
Investment property, deferred containers and others	15, 17, 18	7,205	6,442	5,571
	27	12,905	12,467	11,396
		P59,332	P55,857	P49,242

“Others” include depreciation of investment property and amortization of catalyst in cost of sales, and depreciation of idle assets and amortization of computer software and licenses in selling and administrative expenses.

29. Personnel Expenses

Personnel expenses consist of:

	Note	2024	2023	2022
Salaries and wages		P33,229	P29,863	P26,543
Retirement costs	35	2,088	1,787	2,028
Other employee benefits		17,216	15,468	13,457
		P52,533	P47,118	P42,028

Personnel expenses are distributed as follows:

	Note	2024	2023	2022
Cost of sales	26	P17,720	P15,347	P12,791
Selling expenses	27	15,081	13,769	12,454
Administrative expenses	27	19,732	18,002	16,783
		P52,533	P47,118	P42,028

30. Interest Expense and Other Financing Charges

Interest expense and other financing charges consist of:

	Note	2024	2023	2022
Interest expense		P91,505	P83,083	P54,269
Other financing charges	21, 35	7,908	8,220	6,526
		P99,413	P91,303	P60,795

Amortization of debt issue costs included as part of "Other financing charges" amounted to P3,821, P3,717 and P2,824 in 2024, 2023 and 2022, respectively (Note 21).

Interest expense on loans payable, long-term debt and lease liabilities is as follows:

	Note	2024	2023	2022
Loans payable	19	P17,713	P15,400	P7,718
Long-term debt	21	70,989	63,911	41,766
Lease liabilities	14, 34	2,803	3,772	4,785
		P91,505	P83,083	P54,269

31. Interest Income

Interest income consists of:

	Note	2024	2023	2022
Interest from short-term investments, cash in banks and others	7, 12, 35	P14,042	P13,206	P6,761
Interest from amounts owed by related parties	12, 33, 35	662	821	347
		P14,704	P14,027	P7,108

32. Other Income (Charges)

Other income (charges) consists of:

	Note	2024	2023	2022
Construction costs (a)	4, 17, 34	(P57,772)	(P60,606)	(P60,461)
Gain (loss) on foreign exchange - net	39	(20,514)	2,485	(21,518)
Provision on impairment (b)	8, 11, 13, 17, 18	(1,688)	(780)	(1,111)
Construction revenue (a)	4, 17, 34	57,772	60,606	60,461
Miscellaneous gain (c)	5, 43	3,509	2,291	22
Gain (loss) on derivatives - net	40	614	(1,379)	2,920
Dividend income	12, 33	330	25	1,352
Others - net (d)	4, 34	1,270	1,444	2,157
		(P16,479)	P4,086	(P16,178)

- a. The construction revenue recognized in profit or loss approximates the construction costs recognized. When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Construction costs are recognized by reference to the stage of completion of the construction activity of toll road, airport, port, and water concession rights as at the reporting date.

- b. Provision on impairment mainly consists of:

SMBHK

In 2024, SMBHK identified a shortfall in the actual results against previous forecasts due to various factors, including but not limited to, a decline in demand for its own brewed products in light of fierce market competition and more outbound travel spending. Indicators of impairment existed for the noncurrent assets employed in the manufacturing operations in Hong Kong, comprising primarily the production plant and machinery.

SMBHK determined the recoverable amount of the cash-generating unit to which these assets belong to be P1,706 as at December 31, 2024, which is lower than the carrying amount. Based on SMBHK management's assessment, impairment loss of P673 was recognized in property, plant and equipment employed in SMBHK's production plant.

SMFI

In 2024, impairment loss amounting to P784 was recognized by SMFI due to discontinued hog farm operations and indefinitely suspended capital projects. This was based on management's assessment that the recoverable amount of certain idle assets consisting of buildings and improvements, and machinery and equipment is lower than the carrying amount.

SMYA

The Group's packaging operations in Australia particularly the wine filling and bottling operations is being challenged by the ongoing restrictions imposed by China on importations from Australia, including wines. In 2021, China imposed a punitive tariff on Australian wines which severely impacted the Australian wine industry. The ongoing trade restriction and the lingering effect of COVID-19 led to the decline in demand for products of SMYA compared to forecasted revenues. Management has determined that the carrying amount of the cash generating unit is higher than the recoverable value. Accordingly, impairment loss of P188 and P789 in 2023 and 2022, respectively, were recognized by SMYA.

SMPI

SMPI made advances to future investees that will be applied against future stock subscriptions. Management assessed that the carrying amount of advances for investments may not be recoverable in full. Accordingly, additional impairment losses amounting to P12, P498 and P241 were recognized in 2024, 2023 and 2022, respectively (Note 12).

- c. Miscellaneous gain represents the income recognized in 2024 by Petron from the reversal of ARO and pretermination of lease related to the reconveyance of landholdings from Philippine National Oil Company (PNOC) amounting to P1,794 and P1,715, respectively. GSMI recognized income from the assignment of products rights amounting to P1,530 in 2023. The Group recognized income from the Tax Credit Certificates (TCC) issued by the BIR in relation to the claims for refund filed for overpayment of excise taxes for San Mig Light amounting to P761 in 2023 (Note 43) and gain from the consolidation of Mema amounting to P22 in 2022 (Note 5).
- d. "Others" consist of rent income, commission income, changes in fair value of financial assets at FVPL, insurance claims, casualty loss, loss on retirement of breeding stocks and expenses of closed facilities.

33. Related Party Disclosures

The Parent Company, certain subsidiaries and their shareholders, associates and joint ventures purchase products and services from one another in the normal course of business. The Parent Company requires approval of the BOD for related party transactions amounting to at least ten percent (10%) of the total consolidated assets based on its latest audited financial statements.

Amounts owed by/owed to related parties are collectible/will be settled in cash. An assessment is undertaken at each financial year by examining the financial position of the related party and the market in which the related party operates.

The following are the transactions with related parties and the outstanding balances as at December 31:

	Note	Year	Revenue from Related Parties	Purchases from Related Parties	Amounts Owed by Related Parties	Amounts Owed to Related Parties	Terms	Conditions
Ultimate Parent Company	8, 36	2024	P9	P -	P -	P516	Settled on dividend payment date	Unsecured
		2023	7	-	-	516		
	18	2024	-	-	3,037	-	To be settled on the first anniversary of commercial operations of the Nonoc Project; interest bearing	Unsecured; no impairment
		2023	-	-	3,037	-		
Retirement plans	8, 35	2024	30	-	3,166	-	On demand;	Unsecured;
		2023	29	-	3,332	-	non-interest bearing	no impairment
	8, 31, 35	2024	234	-	4,127	-	On demand;	Unsecured;
		2023	239	-	4,129	9	interest bearing	no impairment
Associates	8, 18, 20, 22	2024	1,984	-	940	161	On demand;	Unsecured;
		2023	2,466	-	1,119	73	non-interest bearing	no impairment
	8, 10, 12, 18, 19, 21, 31	2024	637	1,394	9,720	34,208	Less than 1 to 12 years;	Unsecured;
		2023	469	1,447	9,717	25,076	interest bearing	secured; no impairment
Joint ventures	8,18, 20, 22	2024	88	1,103	268	456	On demand;	Unsecured;
		2023	74	65	197	18	non-interest bearing	no impairment
	8	2024	13	-	621	-	On demand;	Unsecured;
		2023	40	-	621	-	interest bearing	with impairment
	8, 18, 31	2024	81	-	1,485	-	Less than 1 to 10.5 years;	Unsecured;
		2023	77	-	1,479	-	interest bearing	no impairment
Shareholder of the Ultimate Parent Company	8, 20	2024	-	-	1,300	-	On demand;	Unsecured;
		2023	-	-	1,300	-	non-interest bearing	no impairment
Shareholders in subsidiaries	8, 20	2024	43	1,265	96	1,368	On demand;	Unsecured;
		2023	30	990	100	1,304	non-interest bearing	no impairment
Others	8, 20, 22	2024	543	1,559	208	126	On demand;	Unsecured;
		2023	452	2,965	157	161	non-interest bearing	no impairment
Total		2024	P3,662	P5,321	P24,968	P36,835		
Total		2023	P3,883	P5,467	P25,188	P27,157		

1. Revenue consists of sale of power, fuel and other products and services to related parties.
2. Purchases consist of purchase of inventories, power and other products and services from related parties.
3. Amounts owed by related parties consist of current and noncurrent receivable, advances to suppliers and deposits and share in expenses.
 - a) Amounts owed by related parties include interest bearing receivable from the Ultimate Parent Company related to the remaining balance of the consideration for the sale of Clariden Holdings, Inc. (Clariden) amounting to P2,312 and the assignment of certain receivables of the Ultimate Parent Company amounting to P725.
 - (i) *Amounts owed by the Ultimate Parent Company amounting to P2,312:* On September 27, 2019, SMC and Top Frontier agreed in writing that the second payment amounting to P1,099, plus 5.75% interest rate per annum of any portion thereof unpaid, and the final payment amounting to P1,213, plus 6.00% interest rate per annum of any portion thereof unpaid, shall be payable and the interest shall be accrued, on the first anniversary of commercial operations of the Nonoc Project or such extended date as may be mutually agreed by the parties in writing.
 - (ii) *Amounts owed by the Ultimate Parent Company amounting to P725:* On September 27, 2019, the parties agreed in writing that the amounts plus 5.75% interest rate per annum of any portion thereof unpaid shall be payable and the interest shall be accrued, upon commencement of commercial operations of the Nonoc Project.

The Nonoc Project is primarily focused in extracting nickel deposits in Nonoc Island, Surigao City, Surigao del Norte undertaken by Philnico Industrial Corporation, Pacific Nickel Philippines, Inc., and Philnico Processing Corp., indirect subsidiaries of Clariden. As at December 31, 2024 and 2023, the Nonoc Project has not yet started commercial operations.

These amounts are included as part of noncurrent receivables and deposits under "Other noncurrent assets - net" account in the consolidated statements of financial position as at December 31, 2024 and 2023 (Note 18).

- b) The Parent Company has advances to and receivables from San Miguel Corporation Retirement Plan (SMCRP) amounting to P6,311 and P6,522 as at December 31, 2024 and 2023, respectively, included as part of "Amounts owed by related parties" under "Trade and other receivables - net" account in the consolidated statements of financial position (Note 8). Portion of the advances are subject to interest rate of 5.75% per annum. Interest income earned from the advances amounted to P189 in 2024 and P188 in 2023 and 2022 (Note 35).
- c) Petron has advances to Petron Corporation Employee Retirement Plan (PCERP) amounting to P982 and P937 as at December 31, 2024 and 2023, respectively, included as part of "Amounts owed by related parties" under "Trade and other receivables - net" account in the consolidated statements of financial position (Note 8). Portion of the advances are subject to interest rate of 5% per annum. Interest income earned from the advances amounted to P45 in 2024 and 2023 and P58 in 2022 (Note 35).

- d) Amounts owed by related parties include investments in equity and debt instruments under investment management agreement with BankCom for a total amount of P9,718 and P9,717 as at December 31, 2024 and 2023, respectively, presented as part of "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts in the consolidated statements of financial position (Notes 10 and 12). Income earned from investments in equity and debt instruments amounted to P627, P466 and P1,369 in 2024, 2023 and 2022, respectively (Notes 31 and 32).
- e) Amounts owed by related parties include interest-bearing receivable from joint ventures amounting to P621 included as part of "Trade and other receivables - net" account in the consolidated statements of financial position (Note 8). Allowance for impairment losses pertaining to these receivables amounted to P621 as at December 31, 2024 and 2023. Interest income earned from the receivable amounted to P13 and P40 in 2024 and 2023, respectively (Note 31).
- f) Amounts owed by joint ventures include the interest-bearing loans granted to Angat Hydro by PVEI.

In January 2017, PVEI granted shareholder advances to Angat Hydro amounting to US\$32 (P1,579). The advances are subject to interest of 4.5% per annum and were due on April 30, 2017. The due date of the advances was extended to December 31, 2025, as agreed by the parties. As at December 31, 2024 and 2023, the remaining balance of the shareholder advances amounted to US\$2 (P132) and US\$2 (P126), respectively.

In February 2023 and June and October 2021, PVEI granted additional shareholder advances to Angat Hydro amounting to P344, P600 and P409, respectively. The advances are subject to interest of 6.125%, 4.6% and 6.125% per annum, respectively, and are due on January 5, 2032.

As at December 31, 2024 and 2023, the outstanding balance of advances amounted to P1,485 and P1,479, respectively, presented as part of "Trade and other receivables - net" and "Other noncurrent assets - net" accounts in the consolidated statements of financial position (Notes 8 and 18). Interest income earned from the advances amounted to P81, P77 and P59 in 2024, 2023 and 2022, respectively (Note 31).

- g) Amounts owed by related parties include the receivable from the assignment by ECC to FEHI of the advances for future investment in KSHI amounting to P1,300, presented as part of "Trade and other receivables - net" account in the consolidated statements of financial position as at December 31, 2024 and 2023 (Notes 5 and 8).
4. Amounts owed to related parties consist of trade payables, professional fees and leases. Amounts owed to a related party for the lease of office space presented as part of "Lease liabilities - current portion" amounted to P9 and P4 as at December 31, 2024 and 2023, respectively, and as part of "Lease liabilities - net of current portion" amounted to P35 and P5 as at December 31, 2024 and 2023, respectively. The amount owed to the Ultimate Parent Company pertains to dividends payable (Note 36).

5. The amounts owed to associates include interest bearing loans payable to BankCom presented as part of “Loans payable” account amounting to P6,941 and P6,382 and “Long-term debt” account amounting to P27,267 and P18,694 in the consolidated statements of financial position as at December 31, 2024 and 2023, respectively (Notes 19 and 21). Interest expense incurred on the loans amounted to P1,394, P1,447, and P1,004 in 2024, 2023 and 2022, respectively.

The amounts owed to associates include syndicated project finance loans amounting to P20,584 and P12,375 as at December 31, 2024 and 2023, respectively, which were secured by certain property, plant and equipment and other intangible assets (Notes 13 and 17).

The compensation of key management personnel of the Group, by benefit type, follows:

	Note	2024	2023	2022
Short-term employee benefits		P659	P544	P631
Retirement benefits	35	57	47	17
		P716	P591	P648

There were no known transactions with parties that fall outside the definition "related parties" under PAS 24, *Related Party Disclosures*, but with whom SMC or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent parties on an arm's length basis.

34. Significant Agreements and Lease Commitments

Significant Agreements

- Energy
 - *IPPA Agreements*

As a result of the biddings conducted by PSALM for the appointment of the IPP Administrator for the capacity of the following power plants, the Group was declared the winning bidder to act as IPP Administrator through the following appointed subsidiaries:

Subsidiary	Power Plant	Location
SPI	Sual Coal - Fired Power Station (Sual Power Plant)	Sual, Pangasinan Province
SRHI	San Roque Hydroelectric Multi-purpose Power Plant (San Roque Power Plant)	San Roque, Pangasinan Province

SPPC also became the IPP Administrator for the Ilijan Power Plant, a natural gas-fired combined cycle power plant located in Ilijan, Batangas, in June 2010 until the Ilijan Power Plant was turned over to SPPC in June 2022.

The IPPA Agreements are with the conformity of the National Power Corporation (NPC), a government-owned and controlled corporation created by virtue of RA No. 6395, as amended, whereby NPC confirms, acknowledges, approves and agrees to the terms of the IPPA Agreements and further confirms that for so long as it remains the counterparty of the IPP, it will comply with its obligations and exercise its rights and remedies under the original agreement with the IPP at the request and instruction of PSALM.

The IPPA Agreements include, among others, the following common salient rights and obligations:

- i. the right and obligation to manage and control the capacity of the power plant for its own account and at its own cost and risks;
- ii. the right to trade, sell or otherwise deal with the capacity (whether pursuant to the spot market, bilateral contracts with third parties or otherwise) and contract for or offer related ancillary services, in all cases for its own account and at its own cost and risks. Such rights shall carry the rights to receive revenues arising from such activities without obligation to account therefore to PSALM or any third party;
- iii. the right to receive a transfer of the power plant upon termination of the IPPA Agreement at the end of the cooperation period or in case of buy-out;
- iv. for SPI and previously for SPPC, the right to receive an assignment of NPC's interest in existing short-term bilateral power supply contracts;
- v. the obligation to supply and deliver, at its own cost, fuel required by the IPP and necessary for the Sual Power Plant to generate the electricity required to be produced by the IPP;
- vi. maintain the performance bond in full force and effect with a qualified bank; and
- vii. the obligation to pay PSALM the monthly payments and energy fees in respect of all electricity generated from the capacity, net of outages.

SPI served as the IPP Administrator for the Sual Power Plant from November 2009 until the end of the IPPA Agreement term on October 24, 2024. Accordingly, PSALM turned over the Sual Power Plant to SPI on October 25, 2024 (Notes 13 and 14).

Relative to the IPPA Agreements, SRHI has to pay PSALM monthly payments for 18 years until April 26, 2028, SPPC for 12 years until June 26, 2022 and SPI for 15 years until October 1, 2024. Energy fees amounted to P1,574, P1,641 and P10,452 in 2024, 2023 and 2022, respectively (Note 26). SPI and SRHI renewed their performance bonds amounting to US\$58 and US\$20 which expired on November 2, 2024 and January 25, 2025, respectively. Subsequently, the performance bond of SRHI was renewed up to January 25, 2026.

On June 16, 2015, SPPC renewed its performance bond amounting to US\$60 with a validity period of one year. This performance bond was subsequently drawn by PSALM on September 4, 2015, which is subject to an ongoing case (Note 43).

The SRHI's lease liabilities are carried at amortized cost using 3.30% and 7.90% US Dollar and Philippine Peso discount rates, respectively.

The discount determined at the inception of the agreement is amortized over the period of the IPPA Agreements and recognized as part of "Interest expense and other financing charges" account in the consolidated statements of income. Interest expense amounted to P1,347, P2,421 and P3,462 in 2024, 2023 and 2022, respectively (Note 30).

In October 2024, the IPPA Agreement between SPI and PSALM ended. Accordingly, the Sual Power Plant was reclassified from "Right-of-use assets" to "Property, plant and equipment" account pursuant to the terms and conditions of the IPPA Agreement.

The power plants under the remaining IPPA lease arrangements with PSALM, presented under "Right-of-use assets - net" account in the consolidated statements of financial position, amounted to P28,441 and P95,545 as at December 31, 2024 and 2023, respectively (Note 14).

- *Land Lease Agreement with PSALM*

SPPC

On April 4, 2022, SPPC entered into a long-term lease agreement with PSALM for parcels of land with an aggregate area of 242,445.50 square meters. The leased premises shall be used for the operation, management, expansion and maintenance of the Ilijan Power Plant. The lease term is for a period of 25 years, which commenced upon the expiration of the IPPA Agreement between PSALM and SPPC in June 2022 and is subject to renewal upon mutual agreement of both parties.

Subsequently, upon the request of SPPC, PSALM issued a certification for the inclusion in the lease agreement of certain parcels of land, with an aggregate area of 24,116 square meters, where the Ilijan switchyard is located.

In 2022, SPPC paid in advance the total lease charges amounting to P1,823 covering the entire leased premises and whole duration of the lease term.

On April 17, 2023, SPPC paid a consent fee amounting to P104 to PSALM for the planned lease of 37,870 square meters of land to NGCP.

On July 26, 2024, an agreement was executed with PSALM for the purchase by SPPC of 258,701 square meters out of the leased premises for a total consideration of P1,210 (inclusive of the unamortized balance of the advance rental paid in 2022). Consequently, the total area covered by the long-term lease agreement was reduced to 7,860.50 square meters.

SPI

On October 25, 2024, SPI entered into a long-term lease agreement with PSALM covering certain parcels of land with an aggregate area of 2,887,329 square meters. The leased premises shall be used for the operation, management, expansion and maintenance of the Sual Power Plant. The lease term is for 25 years commencing in October 2024, upon expiration of the IPPA Agreement between SPI and PSALM, and is subject to renewal upon mutual agreement of both parties.

In 2024, SPI partially paid in advance the total lease charges amounting to P6,604 covering the entire leased premises and whole duration of the lease term. The remaining balance to be paid in full in March 2025.

MPCL

MPCL has an existing lease agreement with PSALM for the lease of the 183,791 square meters land located in Barangay Bani, Masinloc, Zambales. The lease agreement will expire on April 11, 2028.

○ *Market Participation Agreements (MPA)*

SPI, SRHI, SPPC, LPI, MPI, and MPCL each entered into separate MPAs with the Philippine Electricity Market Corporation (PEMC) to satisfy the conditions contained in the Philippine WESM Rules on WESM membership and to set forth the rights and obligations of a WESM member.

The relevant parties in each of the MPAs acknowledged that PEMC was entering into the agreement in its capacity as both governing arm and autonomous group market operator of the WESM, and that in due time the market operator functions shall be transferred to an independent market operator (IMO) pursuant to RA No. 9136, otherwise known as the “Electric Power Industry Reform Act of 2001” (EPIRA). The parties further agreed that upon such transfer, all rights, obligations, and authority of PEMC under the MPA shall also pertain to the IMO and that all references to PEMC shall also refer to such IMO.

Upon the initiative of the DOE and PEMC, Independent Electricity Market Operator of the Philippines (IEMOP) was incorporated and assumed the functions and obligations as the market operator of the WESM commencing on September 26, 2018. Consequently, SPI, SRHI, SPPC, LPI, MPI and MPCL each entered into separate Supplemental MPAs with PEMC and IEMOP for the transfer of rights of the market operator to IEMOP. SMGP Kabankalan, SMGP BESS, MPGC and EERI also entered into separate MPAs with IEMOP upon commencement of their commercial operations.

Under the WESM Rules, the cost of administering and operating the WESM shall be recovered through a charge imposed on all WESM members or transactions, as approved by the ERC. Market fees charged by IEMOP to the relevant subsidiaries amounted to P1,102, P372 and P201 in 2024, 2023 and 2022, respectively (Note 26).

EERI, MPCL and LPI each has a guarantee, in the form of surety bond or standby letter of credit, to secure the full and prompt performance of obligations for its transactions as a Direct Member and trading participant in the WESM, which is valid until June 10, 2025, July 21, 2025 and October 24, 2025, respectively.

○ *PSAs and RSCs*

SPI, SPPC, SRHI, MPI, LPI, MPCL, MPGC and EERI have offtake contracts such as PSAs and RSCs with various counterparties to sell electricity produced by the power plants. Counterparties for PSAs include DUs, electric cooperatives, third party Retail Electricity Suppliers (RES) and other entities.

Counterparties for RSCs are contestable customers, or large industrial users who have been certified contestable by the ERC.

Majority of the consolidated sales of the Group are through long-term offtake contracts, which may have provisions for take-or-pay, passing on fuel costs, foreign exchange differentials or certain other fixed costs and minimum offtake level. Most of the agreements provide for renewals or extensions subject to mutually agreed terms and conditions by the parties and applicable rules and regulations. Tariff structures vary depending on the customer and their needs, with some having structures based on energy-based pricing or capacity-based pricing.

For capacity-based contracts, the customers are charged with the capacity fees based on the contracted capacity plus the energy fees for the associated energy taken during the month. As stipulated in the contracts, energy-based contracts on the other hand are based on the actual energy consumption of customers using the basic energy charge and/or adjustments.

SPI, SPPC, SRHI, MPI, LPI, MPCL and MPGC can also purchase power from WESM or other power generation companies during periods when power generated from the power plants is not sufficient to meet the customers' power requirements. Power purchases amounted to P29,665, P25,250 and P57,089 in 2024, 2023 and 2022, respectively (Note 26).

On March 2, 2021, EERI and MPCL executed long-term PSAs with Meralco for the supply and delivery of 1,200 MW and 600 MW contract capacity starting in November 2024 and April 2025, respectively.

On March 17, 2023, EERI and MPCL each submitted a Notice of Termination to Meralco due to the non-occurrence of the acceptance date of ERC's Final Approvals on or before the longstop date prescribed in the respective agreements. The termination of the agreements took effect upon the lapse of 15 days from the receipt of the notice and will not result in any liability on the part of EERI and MPCL.

SPPC and Meralco also executed two separate emergency PSAs in 2023, (i) dated March 23, 2023, for the supply of 300 MW from March 26, 2023, which increased to 480 MW from April 1, 2023; and (ii) dated August 7, 2023, for the supply of 330 MW, both with terms expiring on March 25, 2024. These agreements were executed as a result of the termination of the PSA dated September 30, 2019, between SPPC and Meralco effective December 7, 2022, for the supply of 670 MW baseload capacity.

On February 5, 2024, the following contracts were executed: (i) the PSA of EERI with Meralco for the supply and delivery of 1,200 MW contract capacity; and (ii) the PSA of MPGC with Meralco for the supply and delivery of 300 MW contract capacity commencing not later than April 26, 2025. Both PSAs have a term of 15 years. With the issuance by the ERC of a Notice of Resolution on December 10, 2024, providing for the approval of the PSA of EERI, commercial operations for Unit 1 of the Batangas Combined Cycle Power Plant (BCCPP) commenced on December 29, 2024, for the supply of 400 MW to Meralco.

Also on February 5, 2024, SPPC executed a 15-year PSA with Meralco for the supply and delivery of contract capacity of 810 MW commencing on December 26, 2023, to be increased to 1,010 MW on February 26, 2024, and to be further increased to 1,200 MW on March 26, 2024 (the “2024 SPPC PSA”). Given that the ERC has yet to issue a provisional authority and/or interim relief to the joint application filed by Meralco and SPPC for approval of the 2024 SPPC PSA at that time, Meralco and SPPC executed an emergency PSA on March 25, 2024 to supply 810 MW from March 26, 2024, to March 31, 2024, which increased to 1,200 MW (net) from April 1, 2024 until the earlier of the implementation of the 2024 SPPC PSA and March 25, 2025. On May 9, 2024, the ERC granted provisional authority to implement the 2024 SPPC PSA which commenced on June 20, 2024.

On March 20, 2024, LPI also executed a PSA with Meralco for the supply of 400 MW until February 25, 2025, pursuant to a competitive selection process conducted by Meralco for its 400 MW baseload power requirements. As at the report date, an interim relief on the PSA with LPI was issued by the ERC on July 11, 2024 is in effect.

On July 31, 2024, Meralco awarded in favor of SRHI a PSA for the supply of 340 MW (net) renewable energy mid-merit supply capacity to be sourced from the San Roque Hydroelectric Power Plant for a term of ten years.

On September 2, 2024, Meralco awarded in favor of MPCL a PSA for the supply of 500 MW baseload capacity to be sourced from Units 3 and 4 of the Masinloc Coal-fired Thermal Power Plant for a term of 15 years effective September 2025. As at the report date, the application for the approval of the PSA of MPCL has been filed with and has yet to be approved by the ERC.

The PSAs of Meralco with MPGC and SRHI have been approved by the ERC on November 26, 2024, and December 3, 2024, respectively. However, MPGC and SRHI are still awaiting for the issuance and receipt of the respective orders of approval from the ERC.

○ ASPA

- i. On September 8, 2017, MPCL entered into an ASPA with the NGCP for a period of five years effective from May 26, 2018 allocating the entire capacity of its 10 MW Masinloc Phase I BESS as frequency regulating reserve for the NGCP to maintain power quality, reliability and security of the grid. This ASPA expired on May 25, 2023.

On May 2, 2023, MPCL entered into an ASPA with NGCP for a period of five years to allocate the 8 MW capacity of the Masinloc Phase 1 BESS as contingency reserve. On August 15, 2023, the ERC granted provisional authority to MPCL for the implementation of the ASPA which commenced on September 9, 2023.

- ii. On May 6, 2021, SMGP Kabankalan entered into an ASPA with NGCP for a period of five years commencing on January 26, 2022, allocating its 20 MW Kabankalan 1 BESS to provide ancillary services to the Visayas grid based on the Provisional Authority granted by the ERC.

- iii. On May 2, 2023, SMGP BESS entered into several ASPAs with NGCP for its 330 MW BESS located in various sites nationwide, to provide ancillary services for a period of five years, of which 220 MW and 110 MW commenced operations in 2023 and March 2024, respectively, following the Provisional Authority granted by the ERC on the relevant ASPA.
- *Coal Supply Agreements*

SPI, MPI, LPI, MPCL and MPGC have supply agreements with various coal suppliers for the coal requirements of the power plants.
- *LNG Supply Agreements*

SPPC and EERI have supply agreements with various LNG suppliers for the natural gas requirements of the Ilijan Power Plant and BCCPP.
- *Engineering, Procurement, and Construction (EPC) Contracts*

EERI, MPGC, MPCL and SMGP BESS have EPC agreements with various third-party contractors for the ongoing construction of its respective power plants and BESS projects.
- *Distribution Wheeling Service (DWS) Agreements*

As RES, LPI and MPCL each entered into DWS Agreements with certain DUs for the conveyance of electricity through its distribution systems in order to supply the power requirements of their respective contestable customers. The agreements are valid and binding upon execution unless terminated by either party.

The DWS charges from the DUs are passed on to the contestable customers who have opted for a single billing arrangement as provided in the ERC Supplemental Switching Rules.
- *Agreement for the use of LNG Terminal*

On May 26, 2023, SPPC entered into a Novation Agreement with SMCGP Transpower Pte. Ltd. (SMCGP Transpower). This agreement involved the transfer and assignment to SPPC of all the rights and obligations held by SMCGP Transpower under its Terminal Use Agreement (TUA) with Linseed Field Corporation (LFC) dated April 11, 2022.

EERI, LFC, and SPPC, entered into an Amendment Agreement dated October 22, 2024, wherein EERI was made a party to the TUA and shall have the same rights, obligations, and liabilities granted to SPPC under the TUA.

- Fuel and Oil

- *Supply Agreements*

Petron has assigned all its rights and obligations to PSTPL (as Assignee) to have a term contract to purchase Petron's crude oil requirements from Saudi Arabian Oil Company (Saudi Aramco) and Kuwait Petroleum Corporation (KPC), Abu Dhabi National Oil Company (ADNOC), Chevron USA Inc. Singapore Branch (Chevron) and Shell International Eastern Trading Company (SIETCO). The contract with Saudi Aramco is from January 1, 2024 to December 31, 2024 with automatic annual extension thereafter unless terminated at the option of either party, upon at least 60 days written notice. The contract with Saudi Aramco has been extended for another year. The contract with KPC from July 1, 2023 to December 31, 2024 was renewed from January 1, 2025 to December 31, 2025 while the contract from ADNOC from January 1, 2024 to December 31, 2024 has been terminated. Lastly, the contract with Chevron is from December 1, 2024 to November 30, 2025 and the contract with SIETCO is for three years from November 6, 2023.

PMRMB acquires crude oil and condensate for the Port Dickson Refinery from various sources through a combination of term purchase contracts and spot market purchases. PMRMB has a term supply contract for Tapis crude oil and Terengganu condensate with Exxon Mobile Exploration and Production Malaysia Inc. ("EMEPMI") for a period of two years until March 2026 supplemented by other short-term supply contracts and spot crude purchases. As at December 31, 2024, about 45% of the crude and condensate volume is sourced from EMEPMI, while the balance from other term and spot purchases. Pricing is determined through a formula that is linked to international industry benchmarks. PMRMB also utilizes Port Dickson Refinery spare capacity for crude processing arrangement of third parties to optimize utilization and benefits.

Outstanding liabilities of the Group for such purchases are shown as part of "Accounts payable and accrued expenses" account in the consolidated statements of financial position as at December 31, 2024 and 2023 (Note 20).

- *Lease Agreement with PNO*

On September 30, 2009, Petron through NVRC entered into a 30-year lease with PNO without rent-free period, covering a property which it shall use as site for its refinery, commencing on January 1, 2010 and ending on December 31, 2039. Based on the latest valuation of the property conducted by a third-party appraiser acceptable to both parties, the annual rental shall be P238 retroactive to year 2022, payable on the 15th day of January each year without the necessity of demand. This lease is subject to renewal options and annual escalation clauses of 3% per annum to be applied starting 2018 until the next re-appraisal is conducted. The leased premises shall be reappraised every fifth year in which the new rental rate shall be determined equivalent to 5% of the reappraised value, and still subject to annual escalation clause of 3% for the four years following the re-appraisal.

As at December 31, 2024, said lease contract along with the lease contracts for its bulk plants and service stations which are the subject landholdings of the rescinded deeds of conveyance were considered deemed canceled with the Supreme Court's ruling in favor of Petron (Note 43). As at December 31, 2024 and 2023, Petron leases other parcels of land from PNOC for its pipeline right-of-way and service stations.

- Infrastructure
 - *Airport Concession Agreement*
 - i. *Boracay Airport*

The ROP awarded TADHC the Airport Project through a Notice of Award (NOA) issued on May 15, 2009. The Airport Project is proposed to be implemented through a Contract-Add-Operate and Transfer Arrangement, a variant of the Build-Operate-Transfer (BOT) contractual arrangement under RA No. 6957, as amended by RA No. 7718, otherwise known as the BOT Law, and its Revised Implementing Rules and Regulations.

On June 22, 2009, TADHC entered into a Concession Agreement with the ROP, through the DOTr and CAAP. Based on the Concession Agreement, TADHC has been granted with the concession of the Airport Project which includes the development and upgrade of the Caticlan Airport (marketed and promoted as Boracay Airport) as an international airport. Subject to existing law, the Concession Agreement also grants to TADHC the franchise to operate and maintain the Boracay Airport up to the end of the concession period, which is for a period of 25 years (as may be renewed or extended for another 25 years upon written agreement of the parties), and to collect the fees, rentals and other charges as may be determined in accordance with the Concession Agreement.

The salient features of the Concession Agreement are presented below:

1. The operations and management of the Boracay Airport shall be transferred to TADHC, provided that the ROP shall retain the operations and control of air traffic services, national security matters, immigration, customs and other governmental functions and the regulatory powers insofar as aviation security, standards and regulations are concerned at the Boracay Airport.
2. As concessionaire, TADHC shall have full responsibility in all aspect of the operation and maintenance of the Boracay Airport and shall collect the regulated and other fees generated from it and from the end users. To guarantee faithful performance of its obligation in respect to the operation and maintenance of the Boracay Airport, TADHC shall post in favor of the ROP, an Operations and Maintenance Performance Security (OMPS) amounting to P25, which must be valid for the entire concession period of 25 years. As at December 31, 2024, TADHC has yet to pay the OMPS as the Airport Project has not yet entered the In-Service Date.

3. Immediately upon receiving the Notice to Commence Implementation (NCI) and provided all conditions precedent in the Concession Agreement are fulfilled or waived, TADHC shall start all the activities necessary to upgrade and rehabilitate the Boracay Airport into a larger and more technologically advanced aviation facility to allow international airport operations.
4. TADHC shall finance the cost of the Airport Project, while maintaining a debt-to-equity ratio of 70:30, with debt pertaining to a loan with BankCom. TADHC's estimated capital commitment to develop the Airport Project amounts to P2,500, including possible advances to the ROP for the right of way up to the amount of P466. Such ratio is complied with as TADHC fully issued its authorized capital stock as a leverage to the loan obtained (Notes 21 and 33).
5. TADHC shall also post a P250 Work Performance Security in favor of the ROP as guarantee for faithful performance by TADHC of the works required to be carried out in connection with the construction and completion of civil, structural, sanitary, mechanical, electrical and architectural infrastructure. This performance security shall be partially released by the ROP from time to time to the extent of the percentage-of-completion of the Airport Project. TADHC has paid P0.8 premiums in 2024 and 2023 for the Work Performance Security and is included as part of "Airport concession rights" under "Other intangible assets" account in the consolidated statements of financial position (Note 17). The unamortized portion is included as part of "Prepaid expenses and other current assets" account in the consolidated statements of financial position (Note 10).
6. In consideration for allowing TADHC to operate and manage the Boracay Airport, TADHC shall pay the ROP P8 annually. The first payment shall be made immediately upon the turnover by the ROP of the operations and management of the Boracay Airport to TADHC, and every year thereafter until the end of the concession period. The operations and management of the Boracay Airport was turned over to TADHC on October 16, 2010.

After fulfillment of all contractual and legal requirements, the Concession Agreement became effective on December 7, 2009. The NCI issued to TADHC by the DOTr was accepted by TADHC on December 18, 2009.

In accordance with the license granted by the ROP, as expressly indicated in the Concession Agreement, TADHC presently operates the Boracay Airport. TADHC completed the rehabilitation of the existing airport terminal building and facilities on June 25, 2011. Construction work for the extension of runway has been completed in 2016. The construction of the new terminal building is ongoing and expected to be completed in 2025.

ii. MIA

On August 14, 2019, the ROP, through the DOTr, issued a NOA to SMHC, awarding the MIA Project. In accordance with the NOA, SMAI was registered by SMHC as the concessionaire.

The MIA Project shall create a gateway for international and domestic travel, with the necessary ancillary facilities to support the creation of a new airport city outside Metro Manila to decongest the existing road networks and provide an alternative higher capacity airport facility.

A. Concession Agreement

On September 18, 2019, SMAI entered into a Concession Agreement with the ROP, through the DOTr, for the right to finance, design, construct, supply, complete, test, commission and eventually operate and maintain the MIA Project for a period of 50 years from the issuance of the Certificate of Substantial Completion for the first phase.

The salient features of the Concession Agreement are presented below:

1. The MIA shall consist of airfield facilities, passenger and cargo terminal buildings, airport support facilities and an airport toll road facility which will connect the MIA to the North Luzon Expressway and will be implemented in three phases, with increasing capacity for each phase completed.
2. The implementation of the first phase shall be completed within a period of five years from the date of commencement of construction, with the remaining phases subject to the timely submission and approval of the required documentation for each phase.
3. SMAI shall turnover 100 hectares of land to the ROP as government center land area and execute the necessary documents to transfer full ownership in favor of the ROP.
4. SMAI shall be responsible for the acquisition of right-of-way and possession of sufficient title to the facilities of the site of the MIA and the removal or abatement of all liens, encumbrances and hazardous substances within the MIA's vicinities as the case may be.
5. SMAI shall provide proper maintenance of the MIA's facilities and ensure that all airport facilities and airport toll road are in the condition required upon turnover to the ROP at the end of the concession period.
6. All revenues derived from the operations, maintenance and management of the MIA shall accrue to SMAI, including the lease or sublease of all business or commercial ventures and activities consistent with the MIA's operations.

B. Legislative Franchise

On December 20, 2020, RA No. 11506 lapsed into law, granting SMAI a franchise to construct, develop, establish, operate and maintain a domestic and international airport in the municipality of Bulakan and to construct, develop, establish, operate and maintain an adjacent Airport City (the MIA Project). The franchise is for a period of 50 years. RA No. 11506 became effective on January 15, 2021 and enhances the earlier Concession Agreement.

The salient features of RA No. 11506 are as follows:

1. SMAI shall be exempt from any and all direct and indirect taxes of any kind, nature and description, including but not limited to income taxes, value-added taxes, excise taxes, customs duties and tariffs, business taxes, among others during a ten-year construction period beginning from the effectivity of RA No. 11506. After the construction period, SMAI shall be exempt from income and real estate taxes until SMAI has fully recovered the costs incurred in the construction of the MIA Project.
2. After SMAI has fully recovered the costs, SMAI shall be entitled to generate income from its operations equivalent to an internal rate of return of 12% per annum. Any amount in excess shall be remitted to the national government.
3. SMAI is also required to offer at least 20% of its outstanding capital stock to any securities exchange in the Philippines for public participation within 5 years upon full recovery of costs incurred in the construction of the MIA Project.

o MRT 7 Concession Agreement

The ROP awarded ULC BVI the financing, design, construction, supply, completion, testing, commissioning and operation and maintenance of the MRT 7 Project through a NOA issued on January 31, 2008. The MRT 7 Project is an integrated transportation system, under a Build-Gradual Transfer-Operate, Maintain and Manage scheme, which is a modified Build-Transfer-Operate arrangement under RA No. 6957, as amended by RA No. 7718, otherwise known as the BOT Law, and its Revised Implementing Rules and Regulations, to address the transportation needs of passengers and to alleviate traffic in Metro Manila, particularly traffic going to and coming from North Luzon.

On June 18, 2008, ULC BVI entered into the MRT 7 Agreement or Concession Agreement with the ROP through the DOTr, for a 25-year concession period, subject to extensions as may be provided for under the Concession Agreement and by law. Based on the Concession Agreement, ULC BVI has been granted the right to finance, design, test, commission, construct and operate and maintain the MRT 7 Project, which consists of a highway, Intermodal Transport Terminal and Metro Rail Transit System including the depot and rolling stock.

The ROP through the DOTr granted ULC BVI the following rights under the Concession Agreement:

- To finance, design, construct, supply, complete and commission the MRT 7 Project;
- To designate a Facility Operator and/or a Maintenance Provider to Operate and Maintain the MRT 7 Project;
- To receive the Amortization Payments and the Revenue Share as specified in the Concession Agreement;
- To charge and collect the Agreed Fares or the Actual Fares and/or to receive the Fare Differential, if any;
- Development Rights as specified in the Concession Agreement; and
- To do any and all acts which are proper, necessary or incidental to the exercise of any of the above rights and the performance of its obligations under the Concession Agreement.

The salient features of the Concession Agreement are presented below:

1. The MRT 7 Project cost shall be financed by ULC BVI through debt and equity at a ratio of approximately 75:25 and in accordance with existing BSP regulations on foreign financing components, if any. Based on the Concession Agreement, ULC BVI's estimated capital commitment to develop the MRT 7 Project amounts to US\$1,236, adjusted to 2008 prices at US\$1,540 per National Economic and Development Authority Investment Coordination Committee approval on July 14, 2014.
2. ULC BVI shall post a Performance Security for Construction and Operations and Maintenance in favor of the ROP as guarantee for faithful performance by ULC BVI to develop the MRT 7 Project. This performance security for operations and maintenance shall be reduced every year of the concession period to the amounts as specified in the Concession Agreement.
3. All rail-based revenues above 11.90% internal rate of return of ULC BVI for the MRT 7 Project over the cooperation period, which means the period covering the construction and concession period, shall be shared equally by ULC BVI and the ROP at the end of the concession period. All rail-based revenues above 14% internal rate of return shall wholly accrue to the ROP.
4. As payment for the gradual transfer of the ownership of the assets of the MRT 7 Project, the ROP shall pay ULC BVI a fixed amortization payment on a semi-annual basis in accordance with the schedule of payment described in the Concession Agreement. The ROP's amortization payment to ULC BVI shall start when the MRT 7 Project is substantially completed.

5. For every semi-annual full payment made by the ROP through the DOTr, and actually received by ULC BVI, the latter shall issue a Certificate of Transfer of Ownership, in favor of the former representing a pro-indiviso interest in the assets of the MRT 7 Project in proportion to the amortization payment made over the total amortization payment to be made during the concession period. After the end of the concession period but provided that all the amortization payment and other amounts due to ULC BVI under the Concession Agreement shall have been fully paid, settled and otherwise received by ULC BVI, full ownership of the assets of the MRT 7 Project shall be transferred to it, free from all liens and encumbrances.
6. The amortization payments shall be adjusted pursuant to the escalation formula based on parametric formula for price adjustment reflecting changes in the prices of labor, materials and equipment necessary in the implementation/completion of the MRT 7 Project both local and at the country where the equipment/components shall be sourced.
7. Net passenger revenue shall be shared by the ROP and ULC BVI on a 30:70 basis.
8. The ROP grants ULC BVI the exclusive and irrevocable commercial Development Rights (including the right to lease or sublease or assign interests in, and to collect and receive any and all income from, but not limited to, advertising, installation of cables, telephone lines, fiber optics or water mains, water lines and other business or commercial ventures or activities over all areas and aspects of the MRT 7 Project with commercial development potentials) from the effectivity date of the Concession Agreement until the end of the concession period, which can be extended for another 25 years, subject to the ROP's approval. In consideration of the Development Rights granted, ULC BVI or its assignee shall pay the ROP 20% of the net income before tax actually realized from the exercise of the Development Rights.
9. Upon the expiration of the concession period and payment in full of the amortization payments and the other obligations of the ROP through the DOTr, the Concession Agreement shall be deemed terminated, and all the rights and obligations thereunder shall correspondingly cease to exist, other than all rights and obligations accrued prior to the date of such expiration including, without limitation, the obligations of ROP through the DOTr to make termination payments in accordance with the Concession Agreement and following expiration of the concession period, the Development Rights of ULC BVI pursuant to the Concession Agreement shall survive.

10. If ULC BVI and ROP through the DOTr are not able to agree on the solution to be adopted in an appropriate Variation Order within the period specified in the Concession Agreement, then ULC BVI may proceed to terminate the Concession Agreement. Also, if either of ULC BVI and ROP through the DOTr intends to terminate the Concession Agreement, by mutual agreement under the Concession Agreement, it shall give a notice of intention to terminate to the other. Following receipt of the Intent Notice, the parties shall meet for a period of up to eight weeks and endeavor to agree on the terms, conditions arrangements, and the necessary payments for such termination. If at the expiration of the said period, ULC BVI and ROP through the DOTr are unable to agree on and execute an agreement for the mutual termination of the Concession Agreement, the same shall remain valid and in effect.

On July 23, 2014, the ROP through the DOTr confirmed their obligations under the MRT 7 Agreement dated June 18, 2008 through the Performance Undertaking issued by the Department of Finance (DOF), which was received by ULC BVI on August 19, 2014. The Performance Undertaking is a recognition of the obligations of the ROP through the DOTr under the Concession Agreement, particularly the remittance of semi-annual amortization payment in favor of ULC BVI. The issuance of the Performance Undertaking triggers the obligation of ULC BVI to achieve financial closure within 18 months from the date of the receipt of the Performance Undertaking. Within the aforementioned period, ULC BVI achieved Financial Closure, as defined in the MRT 7 Agreement. There were no changes in the terms of the Concession Agreement in 2024.

On April 20, 2016, ULC BVI through the Parent Company, led the ground breaking ceremony for the MRT 7 Project.

Pursuant to Section 19.1 of the Concession Agreement, on September 30, 2016, ULC BVI sent a request letter to the ROP through the DOTr to secure the latter's prior approval in relation to the intention of ULC BVI to assign all its rights and obligations under the Concession Agreement to SMC MRT 7, the designated special purpose company for the MRT 7 Project. The assignment of the rights and obligations from ULC BVI to SMC MRT 7 will be achieved through execution of the Accession Agreement. Based on the Concession Agreement, ULC BVI may assign its rights, title, interests or obligations therein, provided that the following conditions are met:

- The assignment will not in any way diminish ULC BVI's principal liability under the Concession Agreement; and
- ULC BVI secures from ROP, through the DOTr, its prior approval, which shall not be unreasonably withheld.

In addition, the letter dated September 30, 2016 from ULC BVI also requested that upon submission by SMC MRT 7 of the lenders' recognition that the Financing Agreements for the MRT 7 Project is for its benefit, the DOTr shall cause the amendment of the Performance Undertaking dated July 23, 2014 by changing the addressee and beneficiary thereof from ULC BVI to SMC MRT 7.

On December 12, 2016, the ROP through the DOTr gave its consent to the assignment of all the rights and obligations of ULC BVI under the Concession Agreement to SMC MRT 7.

Following the DOTr's approval, SMC MRT 7 and ULC BVI carried out the Accession Agreement on January 12, 2017.

- o *Toll Road Concession Agreements*

- i. *SLEX*

SMC SLEX. On February 1, 2006, SMC SLEX executed the Supplemental Toll Operation Agreement (STOA) with MATES, Philippine National Construction Corporation (PNCC) and the ROP through the TRB. The STOA authorizes SMC SLEX by virtue of a joint venture to carry out the rehabilitation, construction and expansion of the SLEX, comprising of: Toll Road (TR)1 (Alabang viaduct); TR2 (Filinvest to Calamba, Laguna); TR3 (Calamba, Laguna to Sto. Tomas, Batangas) and TR4 (Sto. Tomas, Batangas to Lucena City). The concession granted shall expire 30 years from February 1, 2006.

On December 14, 2010, the TRB issued the Toll Operations Certificate for Phase 1 of the SLEX i.e., TR1, TR2 and TR3, and approved the implementation of the initial toll rate starting April 1, 2011.

In 2012, SMC SLEX received a letter from the DOF informing SMC SLEX of the conveyance by PNCC to the ROP of its shares of stock in SMC SLEX, by way of deed of assignment. Moreover, SMC SLEX also received the Declarations of Trust signed by the individual nominees of PNCC, in favor of the ROP, in which each nominee affirmed their holding of single, qualifying share in SMC SLEX in favor of the ROP.

On July 21, 2015, SMC SLEX entered into a MOA with Ayala Corporation (AC), on the inter-operability of the SLEX and Muntinlupa-Cavite Expressway (MCX) (formerly known as the Daang Hari-SLEX Connector Road). AC is the concession holder of MCX while MCX Tollway, Inc. is the facility operator of MCX.

The MOA on inter-operability provides the framework that will govern the interface and integration of the technical operations and toll operation systems between the MCX and the SLEX, to ensure seamless travel access into MCX and SLEX for road users. MCX opened and operated as a toll expressway on July 24, 2015.

In 2019, SMC SLEX commenced the construction of TR4 and is ongoing as at December 31, 2024.

SLEXTR5. On June 3, 2022, a STOA was executed by and among the ROP as the Grantor, acting by and through the TRB, PNCC, SLEXTR5 as the Investor, and MATES as the Operator, wherein the SLEXTR5 was granted the exclusive right, privilege, responsibility, and obligation to design and construct the TR5 Project, and to finance the same, while MATES was granted the exclusive right, privilege, responsibility, and obligation to operate and maintain the TR5 Project.

The TR5 Project is a 420-kilometer (km) extension of SLEX from Lucena City, Quezon to Matnog, Sorsogon.

The TR5 Project shall be owned by the ROP, without prejudice to the rights and the entitlements of SLEXTR5 and MATES under the STOA. The legal transfer of ownership of the TR5 Project to the ROP shall be deemed to occur automatically on a continuous basis in accordance with the progress of the construction thereof.

The franchise period for the TR5 Project shall be 30 consecutive years commencing from the issuance of the Toll Operation Certificate or the Toll Operation Permit for the entire TR5 Project to SLEXTR5 and/or MATES.

ii. NAIA Expressway

On July 8, 2013, SMC NAIAX entered into a Concession Agreement with the ROP, through the Department of Public Works and Highways (DPWH), wherein SMC NAIAX was granted the right to finance, design, construct, operate and maintain the NAIA Expressway Project. The NAIA Expressway Project links the three NAIA terminals to the Skyway, the Manila-Cavite Toll Expressway and the Entertainment City of the Philippine Amusement and Gaming Corporation.

On September 22, 2016, SMC NAIAX started commercial operations of NAIA Expressway upon receipt of the Toll Operations Permit from the TRB. The Toll Operations Permit for Phase II A and B was issued on September 9, 2016 and December 19, 2016, respectively.

At the end of the concession period, SMC NAIAX shall turnover the NAIA Expressway to the DPWH in the condition required for turnover as described in the Minimum Performance Standards Specifications of the Concession Agreement.

iii. Skyway

On June 10, 1994, PNCC, the franchise holder for the construction, operations and maintenance of the Metro Manila Expressway, including any and all extensions, linkages or stretches thereof, such as the proposed Skyway, and PT Citra Lamtoro Gung Persada (Citra), as joint proponents, submitted to the ROP through the TRB, the Joint Investment Proposal covering not only the proposed Skyway but also the planned Metro Manila Tollways. The Joint Investment Proposal embodied, among others, that Citra in cooperation with PNCC committed itself to finance, design and construct the Skyway in three stages, consisting of: (a) South Metro Manila Skyway (SMMS) as Stages 1 and 2; (b) North Metro Manila Skyway and the Central Metro Manila Skyway as Stage 3; and (c) Metro Manila Tollways as Stage 4. The Joint Investment Proposal was approved by the TRB on November 27, 1995.

○ Skyway Stages 1 and 2

The STOA for SMMS was executed on November 27, 1995 by and among SMC Skyway, PNCC and the ROP acting through the TRB. Under the STOA, the design and the construction of the SMMS and the financing thereof, shall be the primary and exclusive privilege, responsibility and obligation of SMC Skyway as investor. On the other hand, the operations and maintenance of the SMMS shall be the primary and exclusive privilege, responsibility and obligation of PNCC, through its wholly-owned subsidiary, the PNCC Skyway Corporation (PSC).

On July 18, 2007, the STOA was amended, to cover among others, the implementation of Stage 2 of the SMMS (Stage 2); the functional and financial integration of Stage 1 of the SMMS (Stage 1) and Stage 2 upon the completion of the construction of Stage 2; and the grant of right to SMC Skyway to nominate to the TRB a qualified party to perform the operations and maintenance of the SMMS to replace PSC. SMC Skyway, PNCC and PSC then entered into a MOA for the successful and seamless turnover of the operations and maintenance responsibilities for the SMMS from PSC to SOMCO.

The SMMS shall be owned by the ROP, without prejudice to the rights and entitlement of SMC Skyway and SOMCO under the STOA. The legal transfer of ownership of the SMMS to the ROP shall be deemed to occur automatically on a continuous basis in accordance with the progress of construction. The toll revenues are shared or distributed among SMC Skyway, SOMCO and PNCC for the operations and maintenance of the SMMS.

The 30-year franchise period for the Integrated Stage 1 and Stage 2 commenced on April 25, 2011.

Under the STOA, SMC Skyway may file an application to adjust the toll rates which shall be of two kinds, namely periodic and provisional adjustments. Periodic adjustments for the Integrated Stage 1 and Stage 2 may be applied for every year. SMC Skyway may file an application for provisional adjustment upon the occurrence of a force majeure event or significant currency devaluation. A currency devaluation shall be deemed significant if it results in a depreciation of the value of the Philippine Peso relative to the US Dollar by at least five percent. The applicable exchange rate shall be the exchange rate between the currencies in effect as at the date of approval of the prevailing preceding toll rate.

- Skyway Stage 3

The Stage 3 STOA was executed on July 8, 2013 by and among the ROP as the Grantor, acting by and through the TRB, PNCC, MMSS3 as the Investor, and Central Metro Manila Skyway Corporation (CMMSC) as the Operator, wherein MMSS3 was granted the primary and exclusive privilege, responsibility and obligation to design and construct the Skyway Stage 3 Project, and to finance the same, while CMMSC was granted the primary and exclusive privilege, responsibility and obligation to operate and maintain the Skyway Stage 3 Project.

The Skyway Stage 3 Project is an elevated roadway with the entire length of approximately 17.93 km from Buendia Avenue in Makati to Balintawak, Quezon City and will connect to the existing Skyway Stage 1 and 2. This is envisioned to inter-connect the northern and southern areas of Metro Manila to help decongest traffic in Metro Manila and stimulate the growth of trade and industry in Luzon, outside of Metro Manila.

The Skyway Stage 3 Project shall be owned by the ROP, without prejudice to the rights and the entitlements of MMSS3 and CMMSC under the Stage 3 STOA. The legal transfer of ownership of the Skyway Stage 3 Project to the ROP shall be deemed to occur automatically on a continuous basis in accordance with the progress of the construction thereof.

The franchise period for the Skyway Stage 3 Project is 30 consecutive years commencing from the issuance of the Toll Operation Certificate for the entire Skyway Stage 3 Project to MMSS3 and/or CMMSC.

MMSS3 and CMMSC shall enter into a revenue sharing agreement to set forth the terms and conditions of their sharing of the toll revenues from the Skyway Stage 3 Project.

On December 29, 2020, the Skyway Stage 3 Project was partially opened to the public. It was formally inaugurated and opened to motorists on January 14, 2021, free of toll fee. On July 1, 2021, MMSS3 received the Toll Operation Permit and started its full toll operation.

- o Skyway Stage 4

On July 14, 2014, the Stage 4 STOA was executed by and among the ROP as the Grantor, acting through the TRB, PNCC, MMSS4 as the Investor, and Metro O&M Corporation (MOMCO) as the Operator. MMSS4 was granted the primary and exclusive privilege, responsibility and obligation to finance the design and construction of Skyway Stage 4 Project, while MOMCO was granted the primary and exclusive privilege, responsibility, and obligation to operate and maintain the same.

The Skyway Stage 4 Project shall be owned by the ROP, without prejudice to the rights and the entitlements of MMSS4 and MOMCO under the Stage 4 STOA. The legal transfer of ownership shall be deemed to occur automatically on a continuous basis in accordance with the progress of the construction thereof. The 30-year concession period shall commence from the date of issuance of the Toll Operation Certificate by the TRB to MMSS4 and/or MOMCO.

As at December 31, 2024, the Skyway Stage 4 Project is in the inception of its construction stage.

iv. TPLEX

SMCTC entered into a Concession Agreement with the ROP through the DPWH and the TRB to finance, design, construct, operate and maintain and impose and collect tolls from the users of the TPLEX Project. The TPLEX Project is a toll expressway from La Paz, Tarlac to Rosario, La Union which is approximately 89.21 km and consists of four-lane expressway with nine toll plazas from start to end.

The TPLEX Project shall be owned by the ROP without prejudice to the rights and entitlement of SMCTC. The legal transfer of ownership of the TPLEX Project shall be deemed to occur automatically on a continuous basis in accordance with the progress of construction and upon issuance of the Certificate of Substantial Completion for each segment of the TPLEX Project.

The toll revenue collected from the operation of the TPLEX Project is the property of SMCTC. SMCTC shall have the right to assign or to enter into such agreements with regard to the toll revenue and its collection, custody, security and safekeeping.

The concession period shall be for a term of 35 years starting from the effective date of the Concession Agreement and may be extended.

On October 31, 2013, SMCTC opened the first section of the TPLEX Project from Tarlac to Gerona. The Section 1B from Gerona to Rosales was opened to motorists on December 23, 2013. The 30.31 km stretch from Gerona to Carmen was fully operational on April 16, 2014. The 14.91 km stretch from Carmen (Tomana) to Urdaneta was fully operational starting February 17, 2015.

On July 28, 2016, the Segment 7A (Urdaneta to Binalonan) was opened. Segment 7B (Binalonan to Pozorrubio) was opened to motorists on December 7, 2017, while Segment 8 (Pozorrubio to Rosario), which is the final phase of the TPLEX Project, was completed and became operational on July 15, 2020.

v. *STAR*

On June 18, 1998, SIDC and the ROP, individually and collectively through the DPWH and the TRB, entered into a Toll Concession Agreement covering the STAR Project. The STAR Project consists of two stages as follows:

Stage	Project Description
Stage I	Operations and maintenance of the 22.16 km toll road from Sto. Tomas, Batangas to Lipa City, Batangas
Stage II (Phases I and II)	Finance, design, construction, operations and maintenance of the 19.74 km toll road from Lipa City, Batangas to Batangas City, Batangas

Under the Toll Concession Agreement, the STAR Project and any stage or phase or ancillary facilities thereof of a fixed and permanent nature shall be owned by the ROP, without prejudice to the rights and entitlements of SIDC. The legal transfer of ownership of the STAR Project and/or any stage, phase or ancillary thereof shall be deemed to occur automatically on a continuous basis in accordance with the progress of the construction and upon the ROP's issuance of the Certificate of Substantial Completion. The right of way shall be titled in the ROP's name regardless of the construction.

In December 2006, the Toll Concession Agreement was amended to extend the original concession period from 30 years beginning January 1, 2000, to 36 years and shall be valid until December 31, 2035.

The TRB issued the Toll Operations Certificate for Stage II Phase II on December 13, 2016.

vi. *PAREX*

On November 29, 2019, the PNCC and SMHC, as joint proponents, submitted to the ROP through the TRB, the Joint Investment Proposal covering the PAREX Project. The said proposal embodied, among others, that SMHC in cooperation with PNCC committed itself to finance, design and construct the PAREX Project in three segments. The Joint Investment Proposal was approved by the TRB on March 4, 2020 and the STOA was executed on September 21, 2021 by and among PREC, SOMCO, PNCC and the ROP acting through the TRB. Under the STOA, the design and the construction of the PAREX Project and the financing thereof, shall be the primary and exclusive privilege, responsibility and obligation of PREC as investor. Whereas the operations and maintenance of the PAREX Project shall be the primary and exclusive privilege, responsibility, and obligation of SOMCO as operator.

The PAREX Project shall consist of three segments:

Segment I	- Radial Road No. 10 to Skyway Stage 3 to Plaza Azul, approximately 5.740 km
Segment II	- Skyway Stage 3 to San Juan River Circumferential Road No. 5 (C-5), approximately 7.325 km
Segment III	- C-5 to Southeast Metro Manila Expressway or (C-6), approximately 6.300 km

The PAREX shall be owned by the ROP, without prejudice to the rights and entitlement of PREC and SOMCO under the STOA. The legal transfer of ownership of the PAREX to the ROP shall be deemed to occur automatically on a continuous basis in accordance with the progress of construction. The toll revenues are shared or distributed between PREC and SOMCO for the operations and maintenance of the PAREX.

The 30-year franchise period shall commence from the issuance of the Toll Operation Certificate.

Under the STOA, PREC may file an application to adjust the toll rates which shall be of two kinds, namely periodic and contingency. Periodic adjustments can be applied every two years of the existing toll rate to a new toll rate on the respective toll review date. On the other hand, contingency adjustment can be applied upon the occurrence of a force majeure event and/or additional cost of any required repair or reconstruction works arising out of force majeure to the extent not covered by insurance.

vii. NALEX

On March 21, 2022, a STOA was executed by and among the ROP as the Grantor, acting by and through the TRB, PNCC, NALEC as the Investor, and SOMCO as the Operator, wherein NALEC was granted the exclusive right, privilege, responsibility and obligation to design and construct the NALEX Project, and to finance the same, while SOMCO was granted the exclusive right, privilege, responsibility, and obligation to operate and maintain the NALEX Project.

The NALEX Project is a mixed at-grade and elevated viaduct expressway, with the entire length of approximately 136.4 km from Balintawak, Quezon City to Tarlac City, that will link the existing Skyway Stage 3 to TPLEX.

The NALEX Project shall be owned by the ROP, without prejudice to the rights and the entitlements of NALEC and SOMCO under the STOA. The legal transfer of ownership of the NALEX Project to the ROP shall be deemed to occur automatically on a continuous basis in accordance with the progress of the construction thereof.

The franchise period for the NALEX Project shall be 30 consecutive years commencing from the issuance of the Toll Operation Certificate or the Toll Operation Permit for the entire NALEX Project to NALEC and/or SOMCO.

viii. SALEX

On June 20, 2022, a STOA was executed by and among the ROP as the Grantor, acting by and through the TRB, PNCC, SALEC as the Investor, and SOMCO as the Operator, wherein SALEC was granted the exclusive right, privilege, responsibility and obligation to design and construct the SALEX Project, and to finance the same, while SOMCO was granted the exclusive right, privilege, responsibility, and obligation to operate and maintain the SALEX Project.

The SALEX Project is a mixed at-grade and elevated viaduct expressway, with an entire length of approximately 40.65 km, that will link the existing Skyway Stage 3, PAREX, NAIA Expressway to the MIA.

The SALEX Project shall be owned by the ROP, without prejudice to the rights and the entitlements of SALEC and SOMCO under the STOA. The legal transfer of ownership of the SALEX Project to the ROP shall be deemed to occur automatically on a continuous basis in accordance with the progress of the construction thereof.

The franchise period for the SALEX Project shall be 30 consecutive years commencing from the issuance of the Toll Operation Certificate or the Toll Operation Permit for the entire SALEX Project to SALEC and/or SOMCO.

ix. *PLEX*

On October 19, 2023, SMC PLEX entered into a Tollway Concession Agreement (TCA) with the Provincial Government of Pangasinan (PGP). Under the TCA, the PLEX Project will include the financing, engineering, design, construction, operation, and maintenance of a 76.8 km toll road. Subject to existing law, the TCA also grants to SMC PLEX the franchise to operate and maintain the PLEX Project up to the end of the concession period, which is for a period of 35 years (as may be renewed or extended upon written agreement of the parties), and to collect the toll fees, rentals and other charges, as may be determined in accordance with the TCA.

The following are the salient features of the TCA:

1. The PLEX Phase 1 involves the financing, engineering, design, construction, operation, and maintenance of a 42.76 km toll road. The PLEX Project covers the construction of a four-lane expressway composing of three Segments and a spur road as follows: (a) Segment 1: Binalonan - Manaoag (6.90 km); (b) Segment 2: Manaoag - Calasiao (11.30 km); (c) Segment 2-A: Calasiao Spur (2.39 km); and (d) Segment 3: Calasiao - Lingayen (22.17 km).
2. PLEX Phase 2 is approximately a 34.04 km toll road, from Lingayen, Pangasinan to Alaminos, Pangasinan. PLEX Phase 2 covers the construction of a four-lane expressway beginning from the end of PLEX Phase 1.
3. SMC PLEX shall have the right to designate an operator, with prior consent of the PGP, to operate and maintain the PLEX Project. As at December 31, 2024, SMC PLEX has not yet designated an operator.
4. To guarantee the faithful performance by SMC PLEX of the construction of the PLEX Project, PLEX shall post in favor of the Grantor, prior to the Construction Commencement Date, a Construction Performance Security which shall be two percent of the total project cost before financing. This performance security shall be partially released by the PGP from time to time to the extent of the percentage-of-completion of the PLEX Project.
5. As concessionaire, SMC PLEX shall have full responsibility for all aspects of the Operation and Maintenance of the PLEX Project and shall collect, for its own account, the fees generated from the PLEX Project. To guarantee faithful performance of its obligation in respect to the operation and maintenance of the PLEX Project, SMC PLEX shall post in favor of the PGP an OMPS amounting to P56, which must be valid for at least one year, and shall be renewed every year thereafter until the end of concession period.
6. SMC PLEX shall finance the cost of the PLEX Project, while maintaining a debt-to-equity ratio of 70:30.
7. SMC PLEX shall enter into an interoperability agreement with the concessionaire/s and operator/s of other existing toll road projects, one year prior to the start of Operation and Maintenance.

8. The PGP shall be entitled to a five percent share in the Toll Revenue and Commercial Development Revenue of PLEX Phase 1 from the start of the concession period and shall terminate at the end of the concession period.
9. Ten years after the date of issuance of the Toll Operations Certificate for the PLEX Phase 1 and every year thereafter until the end of the concession period, SMC PLEX shall submit to the PGP its actual historical cash flows from Revenues based on the audited financial statements to test if the Project Internal Rate of Return has exceeded ten percent as of the relevant testing date. If the Project Internal Rate of Return has not exceeded ten percent as of the relevant testing date, the PGP shall not be entitled to any Province Earnings Share. If it exceeded ten percent as of the relevant testing date, the PGP shall be entitled, starting from the calendar year immediately following the calendar year of such testing date, to thirty percent of the Earnings before Taxes of the concessionaire. The amount of the Province Earnings Share shall be determined every quarter of the relevant calendar year where the PGP is entitled for such share. If it has exceeded twelve percent as of the relevant testing date, the PGP shall be entitled, starting from the calendar year immediately following the calendar year of such testing date, to seventy percent of the Earnings before Taxes of the concessionaire.
10. At the end of the concession period, SMC PLEX shall transfer the ownership and all its rights, title to, and interest in the PLEX Phase 1 to the PGP, free from any lien and encumbrance and in consideration of the sum of One Peso. On the transfer date, SMC PLEX shall deliver the Warranty Security, amounting to P100, which shall be valid for a period of one year from the turnover of the facilities.

x. *CBEX*

On February 7, 2023, SMC CBEX entered into a TCA with the Provincial Government of Cavite (PGC). Under the TCA, the CBEX Project will include the financing, engineering, design, construction, operation and maintenance of a 27.06 km toll road. Subject to existing law, the TCA also grants to SMC CBEX the franchise to operate and maintain the CBEX Project up to the end of the concession period, which is for a period of 35 years (as may be renewed or extended for another 50 years upon written agreement of the parties), and to collect the toll fees, rentals and other charges, as may be determined in accordance with the TCA.

The following are the salient features of the TCA:

1. SMC CBEX shall have the right to designate an operator, with prior consent of the PGC, to operate and maintain the CBEX Project. As at December 31, 2024, SMC CBEX has not yet designated an operator.
2. To guarantee the faithful performance by SMC CBEX of the construction of the CBEX Project, SMC CBEX shall post in favor of the Grantor, prior to the Construction Commencement Date, a Construction Performance Security which shall be two percent of the total project cost before financing. This performance security shall be partially released by the PGC from time to time to the extent of the percentage-of-completion of the CBEX Project.

3. As concessionaire, SMC CBEX shall have full responsibility in all aspects of the operation and maintenance of the CBEX Project and shall collect the regulated and other fees generated from it and from the end users. To guarantee faithful performance of its obligation in respect to the operation and maintenance of the CBEX Project, SMC CBEX shall post in favor of the PGC an OMPS amounting to P100, which must be valid for the entire concession period of 35 years.
4. SMC CBEX shall finance the cost of the CBEX Project, while maintaining a debt-to-equity ratio of 70:30.
5. SMC CBEX shall enter into an interoperability agreement with the concessionaire/s and operator/s of other existing toll road projects within three months from issuance of the Toll Operation Permit.
6. SMC CBEX shall remit to the PGC the Province Earnings Share of 70% of the net income of the CBEX Project after SMC CBEX has achieved Return of Investment based on the CBEX Project's free cash flows. The Province Earnings Share shall be remitted quarterly after the date of issuance of Toll Operation Permit and every year thereafter until the end of the concession period.
7. At the end of the concession period, SMC CBEX shall transfer ownership to the PGC without lien and encumbrance in an operational/serviceable condition as provided for by the TCA. On the transfer date, SMC CBEX shall deliver the Warranty Security, amounting to P100, which shall be valid for a period of one year from the turnover of the facilities.

xi. NBEX

On July 31, 2023, SMC NBEX entered into a TCA with the Provincial Government of Batangas (PGB), following the issuance of a NOA on March 22, 2023. Under the TCA, the NBEX Project will include the financing, engineering, design, construction, operation and maintenance of a 60.9 km toll road. Subject to existing law, the TCA also grants to SMC NBEX the franchise to operate and maintain the NBEX Project up to the end of the concession period, which is for a period of 35 years (as may be renewed or extended for another 50 years upon written agreement of the parties), and to collect the toll fees, rentals and other charges, as may be determined in accordance with the TCA.

The following are the salient features of the TCA:

1. SMC NBEX shall have the right to designate an operator, with prior consent of the PGB, to operate and maintain the project. As at December 31, 2024, SMC NBEX has not designated an operator.
2. To guarantee the faithful performance by SMC NBEX of the construction of the NBEX Project, SMC NBEX shall post in favor of the Grantor, prior to the Construction Commencement Date, a Construction Performance Security which shall be two percent of the total project cost before financing. This performance security shall be partially released by the PGB from time to time to the extent of the percentage-of-completion of the NBEX Project.

3. As concessionaire, SMC NBEX shall have full responsibility in all aspects of the operation and maintenance of the NBEX Project and shall collect the regulated and other fees generated from it and from the end users. To guarantee faithful performance of its obligation in respect to the operation and maintenance of the NBEX Project, SMC NBEX shall post in favor of the PGB an OMPS amounting to P100, which must be valid for the entire concession period of 35 years. As at December 31, 2024, SMC NBEX has yet to pay the OMPS as the NBEX Project has not yet entered the In-Service Date.
4. SMC NBEX shall finance the cost of the NBEX Project, while maintaining a debt-to-equity ratio of 70:30.
5. SMC NBEX shall enter into an interoperability agreement with the concessionaire/s and operator/s of other existing toll road projects within three months from issuance of the Toll Operation Permit.
6. SMC NBEX shall remit to the PGB the Province Earnings Share of 70% of the net income of the NBEX Project after SMC NBEX has achieved Return of Investment based on the NBEX Project's free cash flows. The Province Earnings Share shall be remitted quarterly after the date of issuance of Toll Operation Permit and every year thereafter until the end of the concession period.
7. At the end of the concession period, SMC NBEX shall transfer the ownership to the PGB without lien and encumbrance in an operational/serviceable condition as provided for by the TCA. On the transfer date, SMC NBEX shall deliver the Warranty Security, amounting to P100, which shall be valid for a period of one year from the turnover of the facilities.

xii. TPLEX Extension

On July 3, 2024, TPLEXE was awarded by the Government of the ROP, through the DPWH, rights to the financing, design, construction, operation and maintenance of the TPLEX Extension Project under a BOT scheme under RA No. 6957, as amended by the RA No. 7718, and its Implementing Rules and Regulations.

The TPLEX Extension Project is comprised of a 59.4 km toll road from Rosario, La Union to San Juan, La Union, with four travel lanes, divided into three segments: (1) Rosario-Tubao; (2) Tubao-Naguilian and (3) Naguilian-San Juan. There shall be five interchanges located at: (1) Rosario, La Union; (2) Tubao, La Union; (3) Naguilian, La Union; (4) Bauang, La Union and (5) San Juan, La Union; inclusive of civil works, toll facilities and toll system of the toll road.

The TPLEX Extension Project is owned by the ROP without prejudice to the rights and entitlement of TPLEXE. The legal transfer of ownership of the TPLEX Extension Project shall be deemed to occur automatically on a continuous basis in accordance with the progress of construction and upon issuance of the Certificate of Substantial Completion for each segment of the TPLEX Extension Project.

The concession period for the TPLEX Extension Project shall be 34 years commencing from the effectivity date of the STOA.

- *Water Concession Agreements*

- i. *Bulacan Bulk Water Supply Project*

On December 7, 2015, MWSS issued a NOA to SMC - K-water Consortium (the Consortium) awarding the Bulacan Bulk Water Supply Project. In accordance with the NOA, the LCWDC was registered by the Consortium as the concessionaire.

On January 15, 2016, a Concession Agreement was executed between MWSS and LCWDC for a 30-year period, subject to extensions as may be provided for under the Concession Agreement. The Bulacan Bulk Water Supply Project shall comprise of the supply of treated bulk water, planning, financing, development, design, engineering and construction of facilities including the management, operation and maintenance in order to alleviate the chronic water shortage and provide potable water needs of the province of Bulacan.

On January 24, 2019, LCWDC commenced operations upon issuance of the Certificate of Final Acceptance by the MWSS for the completion of all works required under Stage 1 of the Bulacan Bulk Water Supply Project.

On April 25, 2019, MWSS issued the Certificate of Final Acceptance for Stage 2 of the Bulacan Bulk Water Supply Project.

Upon issuance of the Certificate of Final Acceptance by MWSS for completion of all works for Stage 1, LCWDC officially commenced its operations and started delivery of potable bulk water to the first seven Water Districts of Bulacan. Thereafter, on 24 April 2020, LCWDC successfully completed Stages 1 & 2 of the Project and delivered bulk water to a total of 12 Water Districts.

Other salient features of the Concession Agreement are as follows:

1. LCWDC shall pay annual water rights fee to the Provincial Government of Bulacan amounting to P5 for the first five years of operation, subject to adjustment based on the Concession Agreement starting on the sixth contract year onwards.
2. LCWDC shall pay an annual Concession Fee and Operation and Maintenance Fee to MWSS amounting to the equivalent of 2.5% of the Annual Gross Revenue of LCWDC and P5, respectively.
3. MWSS and the Water Service Providers (WSPs) of the Province of Bulacan entered into a Memoranda of Understanding where the parties agreed to cooperate with each other towards the successful implementation of the Bulacan Bulk Water Service Project. Pursuant thereto, MWSS, LCWDC, and the individual WSPs for Stages 1 & 2 has entered into individual MOA where the MWSS, through LCWDC, has committed to supply the potable bulk water and the WSPs have agreed to accept the water and/or pay the Bulk Water Charges at the rate of Eight Pesos and Fifty Centavos plus VAT, subject to certain adjustments as provided under the Concession Agreement and the MOA.

4. LCWDC utilized the National Housing Authority (NHA) site for the water treatment facility. The NHA site is the 5.5 hectares located at Pleasant Hills, San Jose Del Monte, Bulacan intended as the site for the water treatment facility. LCWDC paid in staggered cash in the aggregate amount of P165.
5. At the end of the concession period, LCWDC shall transfer the facilities to MWSS in the condition required for turnover as described in the Minimum Performance Standards and Specifications of the Concession Agreement.

ii. Obando Water Project

On October 12, 2017, OWCI entered into a Concession Agreement with OWD. The Concession Agreement sets forth the rights and obligations of OWCI as Concessionaire throughout the 25-year concession period. The OWD will monitor and review the performance of the concessionaire during the concession period.

Under the Agreement, OWD grants OWCI (as contractor to perform certain functions and as agent for the exercise of certain rights and powers under PD No. 564), the sole right to manage, operate, maintain, repair, refurbish and expand the fixed and movable assets required to provide water and sanitation services in the entire Municipality of Obando for a period of 25 years commencing on January 1, 2018 until December 31, 2042 or the early termination date as the case may be. While OWCI has the right to manage, operate, repair and refurbish specified OWD facilities in the service area, legal title to these assets remains with the OWD. The legal title to all fixed assets contributed to the existing OWD system by OWCI during the concession remains with OWCI until the Expiration Date (or the early termination date) at which time all rights, titles and interest in such assets will automatically vest in OWD.

The initial water tariff, exclusive of VAT and/or any applicable tax, to be charged to the customers for the first three years of the Concession Agreement shall be based on the 2005 Local Water Utilities Administration (LWUA) approved tariff table of OWD. Under the Concession Agreement, in the event that one or more grounds for extraordinary price adjustment has occurred or is expected to occur, an appropriate price adjustment to be applied to the tariff or an appropriate adjustment to the service obligations of the concessionaire will be determined by OWD.

Grounds for extraordinary price adjustment means any of the following circumstances:

- a. Change in law or change in the interpretation of the terms of the Concession Agreement;
- b. Extraordinary cost incurred due to prolonged force majeure;
- c. A material change has been made to the basis of calculation or definition of the Consumer Price Index or replacement index agreed;
- d. Change in assumptions at the time of the execution of the Agreement; and

- e. The concessionaire has incurred significant additional costs as a result of an event of force majeure which are not covered by insurance.

In 2023, the following provisions in the Concession Agreement were amended:

- Deferral of certain service obligations on continuity of supply, water availability and pressure, non-revenue water reduction, and supply of sanitation services and septage management system;
- Exclusion of the island barangays from the service area;
- Correction on provision of water other than through a water main and base and additional concession fee;
- Adjustment on the disconnection, performance security, tariff schedule and amendment on the extraordinary price adjustment;
- Adjustment for failure to meet service obligations and addition of formula for the early termination amount; and
- Basis of franchise tax has shifted from OWCI's gross receipt to OWD's gross receipt to align with BIR regulations.

iii. Bulakan Water Project

On June 14, 2019, BWCI entered into a Concession Agreement with BWD. The Concession Agreement sets forth the rights and obligations of BWCI as concessionaire throughout the 25-year concession period. BWD will monitor and review the performance of the concessionaire during the concession period.

Under the Concession Agreement, BWD grants BWCI, (as contractor to perform certain functions and as agent for the exercise of certain rights and powers), the sole right to manage, operate, maintain, repair, refurbish and expand, and as appropriate, decommission, the facilities in the entire Municipality of Bulakan for a period of 25 years commencing on June 14, 2019 until June 13, 2044 or the early termination date as the case may be.

While BWCI has the right to manage, operate, repair and refurbish specified BWD facilities in the service area, legal title to these assets remains with the BWD. The legal title to all fixed assets contributed to the existing BWD system by BWCI during the concession remains with BWCI until the Expiration Date (or the early termination date) at which time all rights, titles and interest in such assets will automatically vest in BWD.

The water tariff, exclusive of VAT and/or any applicable tax, to be charged to the customers is based on the agreed tariff escalation clause under the Concession Agreement.

Under the Concession Agreement, in the event that one or more grounds for extraordinary price adjustment has occurred or is expected to occur, an appropriate price adjustment to be applied to the tariff or an appropriate adjustment to the service obligations of the concessionaire will be determined by BWD.

Grounds for extraordinary price adjustment means any of the following circumstances:

- Change in law or change in the interpretation of the terms of the Concession Agreement;
- Any event of force majeure;
- A material change has been made to the basis of calculation or definition of the Consumer Price Index or replacement index;
- The business assumptions of the concessionaire have proven to be incorrect in a material way; or
- The concessionaire has incurred significant additional costs as a result of an event of force majeure which are not covered by insurance.

On November 21, 2022, BWD received tariff approval letter from LWUA approving the 43% tariff increase effective December 2022 (December 2022 consumption; January 2023 Billing) this is in accordance with the LWUA Board Resolution no. 55, Series of 2022 dated November 11, 2022).

As a result of the above terms of the Concession Agreement, BWCI recognized service concession asset and service concession obligation, on the commencement date.

On August 14, 2024, through its Board Resolution No. 030, series 2024, BWD approved the adjusted timeline for the fulfillment of the service obligations of BWCI under the Concession Agreement.

- Food and Beverage

- *Toll Agreements*

The significant subsidiaries of SMFB have entered into toll processing with various contract growers, breeders, contractors and processing plant operators (collectively referred to as the "Parties"). The terms of the agreements include the following, among others:

- The Parties have the qualifications to provide the contracted services and have the necessary manpower, facilities and equipment to perform the services contracted.
- Tolling fees paid to the Parties are based on the agreed rate per acceptable output or processed product. The fees are normally subject to review in cases of changes in costs, volume and other factors.
- The periods of the agreement vary. Negotiations for the renewal of any agreement generally commence six months before expiry date.

Total tolling expenses included as part of “Cost of sales” account in the consolidated statements of income amounted to P5,777, P5,825 and P6,692 in 2024, 2023 and 2022, respectively (Note 26).

▪ Cement

○ *Mineral Production Sharing Agreement (MPSA)*

NCC, ECC and its subsidiaries have the following existing MPSAs granted by the Philippine Government through the Mines and Geosciences Bureau (MGB) and the DENR. Details of the MPSA are as follows:

i. NCC

<u>MPSA No.</u>	<u>Location</u>	<u>Date of Issuance</u>
106-98-1	Labayug, Sison, Pangasinan	March 12, 1998

The MPSA has an initial term of 25 years from the date of issuance and an approved renewal of another 25 years or until March 12, 2048.

NCC has the following key commitments under its MPSA:

- The Philippine Government share shall be the excise tax on mineral products at the time of removal and at the rate provided for in RA No. 7729 amending Section 151 (a) of the Revised National Internal Revenue Code, as well as other taxes, duties and fees levied by existing laws.

Excise taxes paid to the Philippine Government aggregated to P15, P14 and P11 in 2024, 2023 and 2022, respectively.

- Allotment of a minimum of 1.50% of the direct drilling and milling costs necessary to implement the activities for community development.

Allotment made amounted to P8 in 2024 and P6 in 2023 and 2022.

On July 23, 2021, NCC filed its MPSA renewal to the DENR, as part of the covenants of the OLSA. The application was consequently received by the Office of the Regional Director, Mines and Geoscience Bureau Region I on July 26, 2021.

ii. ECC and subsidiaries

MPSA No.	Location	Date of Issuance
245-2007-III	Dona Remedios Trinidad and San Ildefonso, Bulacan	July 25, 2007
181-2002-III	Akle, San Ildefonso, Bulacan	December 9, 2002
161-00-III	Akle, San Ildefonso, Bulacan	September 12, 2000
100-97-VII	Ginatilan, Cebu	December 29, 1997
101-97-VII	Ginatilan and Malabuyoc, Cebu	December 29, 1997
059-96-VII	Lo-oc, Malabuyoc, Cebu	August 6, 2020
060-96-VII	Lo-oc, Malabuyoc, Cebu	August 6, 2020
083-97-IX	Siayan, Sindangan and Jose Dalman, Zamboanga del Norte	November 20, 1997

The MPSAs have a term of 25 years from the issuance date and may be renewed thereafter for another term not exceeding 25 years. On August 6, 2020, the MGB approved the extension of the terms of the MPSAs 059-96-VII and 060-96-VII in Cebu sites for a period of nine years until November 18, 2030.

In 2024, ECC secured a 25-year extension for its MPSA 181-2002-III. Furthermore, ECC began commercial operations under MPSA 245-2007-III after receiving approval for its mining plan. Consequently, additional provision for MRO amounting to P34 was recognized (Note 13).

In August 2022, ECC applied for an extension of the term of MPSAs 100-97-VII and 101-97-VII from Cebu sites. As at December 31, 2024, ECC has not yet received the approval for the extension.

ECC and subsidiaries have the following key commitments under the MPSAs:

- Payment to the Philippine Government of 4% excise tax of the market value of the minerals or mineral products extracted from the area and annual occupation fee based on the rate provided in the existing rules and regulations.

Excise taxes paid to the Philippine Government amounted to P48, P61, and P13 in 2024, 2023 and 2022, respectively.

- Allotment of a minimum of 1% of the direct drilling and milling costs necessary to implement the activities for community development.

Pursuant to Administrative Order No. 2010-21: "Revised Implementing Rules and Regulations of RA No. 7942, otherwise known as the Philippine Mining Act of 1995," the allotment for community development activities was revised to 1.5% of the operating costs.

Allotment for community development activities amounted to P14, P7, and P13 in 2024, 2023 and 2022, respectively.

As at December 31, 2024, ECC and subsidiaries are compliant with the foregoing commitments and obligations.

Lease Commitments

- Group as Lessor

The Group has entered into operating leases on its investment property portfolio, consisting of certain service stations and other related structures, machinery and equipment, surplus office spaces as well as leased property (Note 15). These non-cancellable leases will expire up to year 2038. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

The future minimum lease receipts under non-cancellable operating leases are as follows:

	2024	2023
Within one year	P1,609	P1,370
More than one to two years	787	657
More than two to three years	533	402
More than three to four years	532	361
More than four to five years	365	342
More than five years	4,073	2,486
	P7,899	P5,618

Rent income recognized in the consolidated statements of income amounted to P2,284, P2,004 and P1,766 in 2024, 2023 and 2022, respectively (Note 32). Income from sub-leasing recognized in the consolidated statements of income amounted to P1,696, P1,608 and P1,275 in 2024, 2023 and 2022, respectively.

35. Retirement Plans

The Parent Company and majority of its subsidiaries have funded, noncontributory, defined benefit retirement plans (collectively, the Retirement Plans) covering all of their permanent employees. The Retirement Plans of the Parent Company and majority of its subsidiaries pay out benefits based on final pay. Contributions and costs are determined in accordance with the actuarial studies made for the Retirement Plans. Annual cost is determined by using the projected unit credit method. Majority of the Group's latest actuarial valuation date is December 31, 2024. Valuations are obtained on a periodic basis.

Majority of the Retirement Plans are registered with the BIR as tax-qualified plans under RA No. 4917, as amended. The control and administration of the Group's Retirement Plans are vested in the Board of Trustees of each Retirement Plan. The majority of the Board of Trustees of the Group's Retirement Plans who exercises voting rights over the shares and approves material transactions are employees and/or officers of the Parent Company and its subsidiaries. The Retirement Plans' accounting and administrative functions are undertaken by the Retirement Funds Office of the Parent Company.

The following table shows a reconciliation of the net defined benefit retirement liability and its components:

	Fair Value of Plan Assets		Present Value of Defined Benefit Retirement Obligation		Effect of Asset Ceiling		Net Defined Benefit Retirement Liability	
	2024	2023	2024	2023	2024	2023	2024	2023
Balance at beginning of year	P25,908	P22,249	(P36,620)	(P31,873)	(P2)	(P6)	(P10,714)	(P9,630)
Benefit obligation of consolidated subsidiaries	-	-	(4)	-	-	-	(4)	-
Recognized in Profit or Loss								
Current service costs	-	-	(2,068)	(1,785)	-	-	(2,068)	(1,785)
Past service costs	-	-	(9)	(2)	-	-	(9)	(2)
Interest expense	-	-	(2,236)	(2,264)	-	-	(2,236)	(2,264)
Interest income	1,598	1,632	-	-	-	-	1,598	1,632
Settlement loss	-	-	(11)	-	-	-	(11)	-
	1,598	1,632	(4,324)	(4,051)	-	-	(2,726)	(2,419)
Recognized in Other Comprehensive Income								
Remeasurements								
Actuarial gains (losses) arising from:								
Experience adjustments	-	-	(1,644)	(1,612)	-	-	(1,644)	(1,612)
Changes in financial assumptions	-	-	(286)	(1,249)	-	-	(286)	(1,249)
Changes in demographic assumptions	-	-	19	(710)	-	-	19	(710)
Return on plan assets excluding interest income	(401)	1,296	-	-	-	-	(401)	1,296
Changes in the effect of asset ceiling	-	-	-	-	(9)	4	(9)	4
	(401)	1,296	(1,911)	(3,571)	(9)	4	(2,321)	(2,271)
Others								
Contributions	3,318	3,301	-	-	-	-	3,318	3,301
Benefits paid	(3,252)	(2,567)	3,479	2,802	-	-	227	235
Transfers from other plans	71	19	(71)	(19)	-	-	-	-
Transfers to other plans	(23)	(19)	23	19	-	-	-	-
Other adjustments	29	(3)	(282)	73	-	-	(253)	70
	143	731	3,149	2,875	-	-	3,292	3,606
Balance at end of year	P27,248	P25,908	(P39,710)	(P36,620)	(P11)	(P2)	(P12,473)	(P10,714)

The Group's annual contribution to the Retirement Plans consists of payments covering the current service cost plus amortization of unfunded past service liability.

Retirement costs recognized as part of "Personnel expenses" in the consolidated statements of income by the Parent Company amounted to P113, P89 and P87 in 2024, 2023 and 2022, respectively (Note 29).

Retirement costs recognized as part of "Personnel expenses" in the consolidated statements of income by the subsidiaries amounted to P1,975, P1,698 and P1,941 in 2024, 2023 and 2022, respectively (Note 29). Certain subsidiaries made amendments to their respective Retirement Plans in terms of the percentage of final pay based on the adjusted credited years of service. As a result, the Group recognized past service costs amounting to P9, P2 and P258 in 2024, 2023 and 2022, respectively.

The net interest income (expense) on the defined benefit retirement asset (liability) recognized as part of "Interest expense and other financing charges" and "Interest income" accounts in the consolidated statements of income by the Parent Company amounted to (P14), (P75) and P191 in 2024, 2023 and 2022, respectively (Notes 30 and 31).

The net interest expense on the defined benefit retirement liability recognized as part of "Interest expense and other financing charges" and "Interest income" accounts in the consolidated statements of income by the subsidiaries amounted to P624, P557 and P310 in 2024, 2023 and 2022, respectively (Notes 30 and 31).

As at December 31, 2024, net retirement assets and liabilities, included as part of "Other noncurrent assets - net" account, amounted to P77 (Note 18) and under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts, amounted to P170 and P12,380, respectively (Notes 20 and 22).

As at December 31, 2023, net retirement assets and liabilities, included as part of "Other noncurrent assets - net" account, amounted to P39 (Note 18) and under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts, amounted to P101 and P10,652, respectively (Notes 20 and 22).

The carrying amounts of the Group's retirement fund approximate fair values as at December 31, 2024 and 2023.

The Group's plan assets consist of the following:

	In Percentages	
	2024	2023
Investments in marketable securities and shares of stock	80.51	79.53
Investments in pooled funds:		
Fixed income portfolio	3.59	4.11
Stock trading portfolio	0.74	0.74
Investments in real estate	2.60	2.74
Others	12.56	12.88

Investments in Marketable Securities

As at December 31, 2024, the plan assets include:

- 45,227,625 common shares and 9,252,860 Subseries “2-F”, 9,782,770 Subseries “2-I”, 3,900,620 Subseries “2-J”, 4,008,450 Subseries “2-K”, 2,995,200 Subseries “2-L”, 7,441,600 Subseries “2-N” and 3,873,600 Subseries “2-O” Preferred Shares of the Parent Company with fair market value per share of P86.00, P73.30, P72.25, P71.90, P70.00, P77.65, P79.70 and P82.30, respectively;
- 832,357,597 common shares and 474,160 Series 3B, 136,500 Series 4B, 736,500 Series 4C, 235,000 Series 4D and 286,000 Series 4E Preferred Shares of Petron with fair market value per share of P2.43, P1,030.00, P1,020.00, P1,043.00, P1,050.00 and P1,050.00, respectively;
- 33,635,700 common shares of SMB with fair market value per share of P20.00;
- 19,154,430 common shares of GSML with fair market value per share of P275.00;
- 25,304,900 common shares of SMFB with fair market value per share of P52.75;
- 300 common shares of SMPI with fair market value per share of P134.12;
- 5,997,311 common shares of Top Frontier with fair market value per share of P63.10;
- 435,246,060 common shares of BankCom with fair market value per share of P6.75; and
- investment in shares of stock of the PSE, other equity securities and bonds which amounted to P8,233.

As at December 31, 2023, the plan assets include:

- 43,044,317 common shares and 9,151,060 Subseries “2-F”, 9,782,770 Subseries “2-I”, 3,900,620 Subseries “2-J”, 4,008,450 Subseries “2-K”, 2,680,200 Subseries “2-L”, 7,441,600 Subseries “2-N” and 3,873,600 Subseries “2-O” Preferred Shares of the Parent Company with fair market value per share of P102.10, P72.50, P70.50, P67.95, P68.00, P78.00, P77.00 and P78.00, respectively;
- 821,600,597 common shares and 12,960 Series 3A, 474,160 Series 3B, 136,500 Series 4B and 736,500 Series 4C Preferred Shares of Petron with fair market value per share of P3.55, P970.00, P980.00, P1,000.00 and P973.00, respectively;
- 33,635,700 common shares of SMB with fair market value per share of P20.00;
- 19,154,430 common shares of GSML with fair market value per share of P168.70;
- 24,179,970 common shares of SMFB with fair market value per share of P51.00;
- 300 common shares of SMPI with fair market value per share of P134.12;

- 5,997,311 common shares of Top Frontier with fair market value per share of P101.90;
- 435,246,060 common shares of BankCom with fair market value per share of P7.27; and
- investment in shares of stock of the PSE, other equity securities and bonds which amounted to P7,348.

The fair market value per share of the above marketable securities is determined based on quoted market prices in active markets as at the reporting date (Note 4).

The Group's Retirement Plans recognized a gain (loss) on the investment in marketable securities of Top Frontier, Parent Company and its subsidiaries amounting to P382, P2,180 and (P9,544) in 2024, 2023 and 2022, respectively.

Dividend income from the investment in shares of stock of the Parent Company and its subsidiaries amounted to P956, P618 and P395 in 2024, 2023 and 2022, respectively.

Investments in Shares of Stock

The Group's plan assets also include San Miguel Brewery Inc. Retirement Plan's investment in 8,608,494 preferred shares of stock of BPI (inclusive of nominee shares), accounted for under the cost method since cost approximates fair value, amounting to P859 as at December 31, 2024 and 2023.

Investments in Pooled Funds

Investments in pooled funds were established mainly to put together a portion of the funds of the Retirement Plans of the Group to be able to draw, negotiate and obtain the best terms and financial deals for the investments resulting from big volume transactions.

The Board of Trustees approved the percentage of asset to be allocated to fixed income instruments and equities. The Retirement Plans have set maximum exposure limits for each type of permissible investment in marketable securities and deposit instruments. The Board of Trustees may, from time to time, in the exercise of its reasonable discretion and taking into account existing investment opportunities, review and revise such allocation and limits.

Approximately 86% of the Retirement Plans' investments in pooled funds in stock trading portfolio include investments in shares of stock of the Parent Company and its subsidiaries as at December 31, 2024 and 2023.

Approximately 58% and 64% of the Retirement Plans' investments in pooled funds in fixed income portfolio include investments in shares of stock of the Parent Company and its subsidiaries as at December 31, 2024 and 2023, respectively.

Investments in Real Estate

The Retirement Plans of the Group have investments in real estate properties as at December 31, 2024 and 2023. The fair value of investment property amounted to P989 as at December 31, 2024 and 2023.

Others

Others include the Retirement Plans' investments in trust account, government securities, bonds and notes, cash and cash equivalents and receivables which earn interest. Investment in trust account represents funds entrusted to a financial institution for the purpose of maximizing the yield on investible funds.

The Board of Trustees reviews the level of funding required for the retirement fund. Such a review includes the asset-liability matching (ALM) strategy and investment risk management policy. The Group's ALM objective is to match maturities of the plan assets to the defined benefit retirement obligation as they fall due. The Group monitors how the duration and expected yield of the investments match the expected cash outflows arising from the retirement benefit obligation. The Group is expected to contribute P2,940 to the Retirement Plans in 2025.

The Retirement Plans expose the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk as follows:

Investment and Interest Rate Risks. The present value of the defined benefit retirement obligation is calculated using a discount rate determined by reference to market yields to government bonds. Generally, a decrease in the interest rate of a reference government bond will increase the defined benefit retirement obligation. However, this will be partially offset by an increase in the return on the Retirement Plans' investments and if the return on plan asset falls below this rate, it will create a deficit in the Retirement Plans. Due to the long-term nature of the defined benefit retirement obligation, a level of continuing equity investments is an appropriate element of the long-term strategy of the Group to manage the Retirement Plans efficiently.

Longevity and Salary Risks. The present value of the defined benefit retirement obligation is calculated by reference to the best estimates of: (1) the mortality of the plan participant; and (2) the future salaries of the plan participants. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the defined benefit retirement obligation.

The overall expected rate of return is determined based on historical performance of the investments.

The principal actuarial assumptions used to determine retirement benefits are as follows:

	In Percentages	
	2024	2023
Discount rate	3.50 - 7.00	3.00 - 7.00
Salary increase rate	3.00 - 8.00	3.00 - 8.00

Assumptions for mortality and disability rates are based on published statistics and mortality and disability tables.

The weighted average duration of defined benefit retirement obligation ranges from 2.30 to 19.40 years and 1.50 to 20.10 years as at December 31, 2024 and 2023, respectively.

As at December 31, 2024 and 2023, the reasonably possible changes to one of the relevant actuarial assumptions, while holding all other assumptions constant, would have affected the defined benefit retirement obligation by the amounts below:

	Defined Benefit Retirement Obligation			
	2024		2023	
	1 Percent Increase	1 Percent Decrease	1 Percent Increase	1 Percent Decrease
Discount rate	(P1,972)	P2,326	(P1,862)	P2,081
Salary increase rate	2,640	(2,333)	2,324	(2,129)

The outstanding balances of the Group's receivable from the retirement plans are as follows:

- a. The Parent Company has advances to and receivables from SMCRP amounting to P6,311 and P6,522 as at December 31, 2024 and 2023, respectively, included as part of "Amounts owed by related parties" under "Trade and other receivables - net" account in the consolidated statements of financial position (Notes 8 and 33). Portion of the advances are subject to interest per annum of 5.75% in 2024 and 2023. Interest income earned from the advances amounted to P189 in 2024 and P188 in 2023 and 2022 (Notes 31 and 33).
- b. Petron has advances to PCERP amounting to P982 and P937 as at December 31, 2024 and 2023, respectively, included as part of "Amounts owed by related parties" under "Trade and other receivables - net" account in the consolidated statements of financial position (Notes 8 and 33). The advances are subject to interest per annum of 5% in 2024 and 2023. Interest income earned from the advances amounted to P45 in 2024 and 2023 and P58 in 2022 (Notes 31 and 33).

In 2022, portion of Petron's advances to PCERP were converted into contribution to the retirement plan (Note 33).

Transactions with the Retirement Plans are made at normal market prices and terms. Outstanding balances as at December 31, 2024 and 2023 are unsecured and settlements are made in cash. There have been no guarantees provided for any retirement plan receivable. The Group has not made any provision for impairment losses relating to the receivables from the Retirement Plans in 2024, 2023 and 2022.

36. Dividends and Distributions

Dividends

The BOD of the Parent Company approved the declaration and payment of the following cash dividends for common and preferred shares as follows:

2024

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend Per Share
Common	March 11, 2024	March 27, 2024	April 26, 2024	P0.35
	June 11, 2024	June 28, 2024	July 26, 2024	0.35
	November 7, 2024	November 22, 2024	December 2, 2024	0.35
	December 5, 2024	January 3, 2025	January 24, 2025	0.35
Preferred SMC2F	January 18, 2024	March 21, 2024	April 4, 2024	1.27635
	May 14, 2024	June 21, 2024	July 4, 2024	1.27635
	August 8, 2024	September 20, 2024	October 4, 2024	1.27635
	November 7, 2024	December 20, 2024	January 3, 2025	1.27635
SMC2I	January 18, 2024	March 21, 2024	April 4, 2024	1.18790625
	May 14, 2024	June 21, 2024	July 4, 2024	1.18790625
	August 8, 2024	September 20, 2024	October 4, 2024	1.18790625
	November 7, 2024	December 20, 2024	January 3, 2025	1.18790625
SMC2J	January 18, 2024	March 21, 2024	April 4, 2024	0.890625
	May 14, 2024	June 21, 2024	July 4, 2024	0.890625
	August 8, 2024	September 20, 2024	October 4, 2024	0.890625
	November 7, 2024	December 20, 2024	January 3, 2025	0.890625
SMC2K	January 18, 2024	March 21, 2024	April 4, 2024	0.84375
	May 14, 2024	June 21, 2024	July 4, 2024	0.84375
	May 14, 2024	June 21, 2024	July 4, 2024	0.1031250
	August 8, 2024	September 20, 2024	October 4, 2024	0.84375
SMC2L	January 18, 2024	March 21, 2024	April 4, 2024	1.48396875
	May 14, 2024	June 21, 2024	July 4, 2024	1.48396875
	May 14, 2024	June 21, 2024	July 4, 2024	0.3297708333333333
	August 8, 2024	September 20, 2024	October 4, 2024	1.48396875
SMC2M	January 18, 2024	March 21, 2024	April 4, 2024	1.5703125
	May 14, 2024	June 21, 2024	July 4, 2024	1.5703125
	May 14, 2024	June 21, 2024	July 4, 2024	0.5059895833333333
	August 8, 2024	September 20, 2024	October 4, 2024	1.5703125
SMC2N	January 18, 2024	March 21, 2024	April 4, 2024	1.5649875
	May 14, 2024	June 21, 2024	July 4, 2024	1.5649875
	May 14, 2024	June 21, 2024	July 4, 2024	0.347775
	August 8, 2024	September 20, 2024	October 4, 2024	1.5649875
SMC2O	January 18, 2024	March 21, 2024	April 4, 2024	1.611300
	May 14, 2024	June 21, 2024	July 4, 2024	1.611300
	May 14, 2024	June 21, 2024	July 4, 2024	0.3580666666666667
	August 8, 2024	September 20, 2024	October 4, 2024	1.611300
	November 7, 2024	December 20, 2024	January 3, 2025	1.611300

2023

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend Per Share
Common	March 9, 2023	March 31, 2023	April 28, 2023	P0.35
	June 13, 2023	June 30, 2023	July 26, 2023	0.35
	September 7, 2023	October 6, 2023	October 27, 2023	0.35
	December 7, 2023	January 5, 2024	January 26, 2024	0.35
Preferred SMC2F	January 26, 2023	March 21, 2023	April 4, 2023	1.27635
	May 11, 2023	June 21, 2023	July 5, 2023	1.27635
	August 3, 2023	September 21, 2023	October 5, 2023	1.27635
	November 9, 2023	December 21, 2023	January 4, 2024	1.27635
SMC2I	January 26, 2023	March 21, 2023	April 4, 2023	1.18790625
	May 11, 2023	June 21, 2023	July 5, 2023	1.18790625
	August 3, 2023	September 21, 2023	October 5, 2023	1.18790625
	November 9, 2023	December 21, 2023	January 4, 2024	1.18790625
SMC2J	January 26, 2023	March 21, 2023	April 4, 2023	0.890625
	May 11, 2023	June 21, 2023	July 5, 2023	0.890625
	August 3, 2023	September 21, 2023	October 5, 2023	0.890625
	November 9, 2023	December 21, 2023	January 4, 2024	0.890625
SMC2K	January 26, 2023	March 21, 2023	April 4, 2023	0.84375
	May 11, 2023	June 21, 2023	July 5, 2023	0.84375
	August 3, 2023	September 21, 2023	October 5, 2023	0.84375
	November 9, 2023	December 21, 2023	January 4, 2024	0.84375
SMC2M	November 9, 2023	December 21, 2023	January 4, 2024	1.5703125

On January 16, 2025, the BOD of the Parent Company declared cash dividends to all preferred shareholders of record as at March 21, 2025 on the following shares to be paid on April 4, 2025, as follows:

Class of Shares	Dividends Per Share
SMC2F	P1.27635
SMC2I	1.18790625
SMC2J	0.890625
SMC2K	0.84375
SMC2L	1.48396875
SMC2M	1.5703125
SMC2N	1.5649875
SMC2O	1.611300

On March 13, 2025, the BOD of the Parent Company declared cash dividends at P0.35 per share to all common shareholders of record as at March 28, 2025 to be paid on April 25, 2025.

Distributions

The Parent Company paid P2,102 and P2,007 to the holders of SPCS in 2024 and 2023, respectively, as distributions in accordance with the terms and conditions of their respective separate subscription agreements with the Parent Company.

37. Basic and Diluted Earnings Per Common Share

Basic and diluted EPS is computed as follows:

	<i>Note</i>	2024	2023	2022
Net income (loss) attributable to equity holders of the Parent Company		(P7,411)	P198	(P12,968)
Dividends on preferred shares	24, 36	(7,416)	(4,185)	(4,293)
Distributions on capital securities	24, 36	(2,102)	(2,007)	(2,157)
Net loss attributable to common shareholders of the Parent Company (a)		(P16,929)	(P5,994)	(P19,418)
Weighted average number of common shares outstanding (in millions) - basic and diluted (b)		2,384	2,384	2,384
Basic and diluted loss per common share attributable to equity holders of the Parent Company (a/b)		(P7.10)	(P2.51)	(P8.15)

As at December 31, 2024, 2023 and 2022, the Parent Company has no dilutive debt or equity instruments.

38. Supplemental Cash Flow Information

Supplemental information with respect to the consolidated statements of cash flows is presented below:

- a. Changes in noncash current assets, certain current liabilities and others are as follows (amounts reflect actual cash flows rather than increases or decreases of the accounts in the consolidated statements of financial position):

	2024	2023	2022
Trade and other receivables - net	(P1,561)	(P24,104)	(P66,502)
Inventories	(16,046)	27,789	(43,902)
Prepaid expenses and other current assets	(13,154)	(13,928)	(19,926)
Accounts payable and accrued expenses	41,388	(2,026)	16,744
Income and other taxes payable and others	(10,803)	6,883	19,817
	(P176)	(P5,386)	(P93,769)

b. Acquisition of subsidiaries, net of cash and cash equivalents acquired.

	2024	2022
Cash and cash equivalents	P110	P12,957
Trade and other receivables - net	20	2,155
Inventories	14	2,299
Prepaid expenses and other current assets	9	4,724
Investments and advances - net	-	165
Property, plant and equipment - net	1,450	36,969
Right-of-use assets - net	-	26
Investment property - net	390	-
Other intangible assets - net	950	1,346
Deferred tax assets	42	103
Other noncurrent assets - net	-	1,108
Accounts payable and accrued expenses	(1,642)	(9,505)
Income and other taxes payable	(123)	(205)
Long-term debt - net of debt issue costs	(129)	(4,040)
Deferred tax liabilities	(14)	(13)
Other noncurrent liabilities	(857)	(170)
Lease liabilities	-	(36)
Non-controlling interests	15	(23)
Net assets	235	47,860
Cash and cash equivalents	(110)	(12,957)
Goodwill in subsidiaries	1,488	54,273
Other intangible assets - net	-	6,960
Investments in equity and debt instruments	-	4,077
Investments and advances - net	(573)	(2,987)
Gain on consolidation	-	(22)
Net cash flows	P1,040	P97,204

c. Changes in liabilities arising from financing activities

	Loans Payable	Long-term Debt	Lease Liabilities	Dividends and Distributions Payable
Balance at January 1, 2024	P214,881	P1,190,584	P56,572	P4,605
Changes from Financing Cash Flows				
Proceeds of borrowings	1,334,679	357,390	-	-
Payments of borrowings	(1,256,795)	(309,435)	-	-
Payments of lease liabilities	-	-	(20,195)	-
Dividends and distributions paid	-	-	-	(50,928)
Total Changes from Financing Cash Flows	77,884	47,955	(20,195)	(50,928)
Effect of Changes in Foreign Exchange Rates	495	24,454	506	-
Other Changes	(30)	4,276	5,662	51,483
Balance at December 31, 2024	P293,230	P1,267,269	P42,545	P5,160

	Loans Payable	Long-term Debt	Lease Liabilities	Dividends and Distributions Payable
Balance at January 1, 2023	P267,704	P1,088,196	P75,475	P4,037
Changes from Financing Cash Flows				
Proceeds of borrowings	1,145,761	292,879	-	-
Payments of borrowings	(1,197,861)	(190,822)	-	-
Payments of lease liabilities	-	-	(20,995)	-
Dividends and distributions paid	-	-	-	(44,145)
Total Changes from Financing Cash Flows	(52,100)	102,057	(20,995)	(44,145)
Effect of Changes in Foreign Exchange Rates	(1,007)	(3,328)	(234)	-
Other Changes	284	3,659	2,326	44,713
Balance at December 31, 2023	P214,881	P1,190,584	P56,572	P4,605

39. Financial Risk and Capital Management Objectives and Policies

Objectives and Policies

The Group has significant exposure to the following financial risks primarily from its use of financial instruments:

- Market Risk (Interest Rate Risk, Foreign Currency Risk and Commodity Price Risk)
- Liquidity Risk
- Credit Risk

This note presents information about the exposure to each of the foregoing risks, the objectives, policies and processes for measuring and managing these risks, and for management of capital.

The principal non-trade related financial instruments of the Group include cash and cash equivalents, financial assets at FVPL, investments in equity and debt instruments, restricted cash, short-term and long-term loans, dividends and distributions payable and derivative instruments. These financial instruments, except financial assets at FVPL and derivative instruments, are used mainly for working capital management purposes. The trade-related financial assets and financial liabilities of the Group such as trade and other receivables, noncurrent receivables and deposits, accounts payable and accrued expenses, lease liabilities and other noncurrent liabilities arise directly from and are used to facilitate its daily operations.

The outstanding derivative instruments of the Group such as options, forwards and swaps are intended mainly for risk management purposes. The Group uses derivatives to manage its exposures to foreign currency, interest rate and commodity price risks arising from the operating and financing activities. The accounting policies in relation to derivatives are set out in Note 3 to the consolidated financial statements.

The BOD has the overall responsibility for the establishment and oversight of the risk management framework of the Group.

The risk management policies of the Group are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The BOD constituted the Audit and Risk Oversight Committee to assist the BOD in fulfilling its oversight responsibility of the Group's corporate governance process relating to the: a) quality and integrity of the consolidated financial statements and financial reporting process and the systems of internal accounting and financial controls; b) performance of the internal auditors; c) annual independent audit of the consolidated financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; d) compliance with tax, legal and regulatory requirements; e) evaluation of management's process to assess and manage the enterprise risk issues; and f) fulfillment of the other responsibilities set out by the BOD. The Audit and Risk Oversight Committee shall prepare such reports as may be necessary to document the activities of the committee in the performance of its functions and duties. Such reports shall be included in the annual report of the Group and other corporate disclosures as may be required by the SEC and/or the PSE.

The Audit and Risk Oversight Committee also oversees how management monitors compliance with the risk management policies and procedures of the Group and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Internal Audit assists the Audit and Risk Oversight Committee in monitoring and evaluating the effectiveness of the risk management and governance processes of the Group. Internal Audit undertakes both regular and special reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Oversight Committee.

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates. The Group's exposure to changes in interest rates relates primarily to the long-term borrowings and investment securities. Investment securities acquired or borrowings issued at fixed rates expose the Group to fair value interest rate risk. On the other hand, investment securities acquired, or borrowings issued at variable rates expose the Group to cash flow interest rate risk.

The Group manages its interest cost by using an optimal combination of fixed and variable rate debt instruments. The management is responsible for monitoring the prevailing market-based interest rate and ensures that the mark-up rates charged on its borrowings are optimal and benchmarked against the rates charged by other creditor banks.

On the other hand, the investment policy of the Group is to maintain an adequate yield to match or reduce the net interest cost from its borrowings pending the deployment of funds to their intended use in the operations and working capital management. However, the Group invests only in high-quality securities while maintaining the necessary diversification to avoid concentration risk.

In managing interest rate risk, the Group aims to reduce the impact of short-term fluctuations on the earnings. Over the longer term, however, permanent changes in interest rates would have an impact on profit or loss.

The management of interest rate risk is also supplemented by monitoring the sensitivity of the Group's financial instruments to various standard and non-standard interest rate scenarios.

The Group uses interest rate swaps as hedges of the variability in cash flows attributable to movements in interest rates. The Group applies a hedge ratio of 1:1 and determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities, and notional amounts. The Group assesses whether the derivative designated in the hedging relationship is expected to be effective in offsetting changes in cash flows, of the hedged item using the hypothetical derivative method.

The following are the main sources of ineffectiveness in the hedge relationships:

- the effect of the counterparty's and the Group's own credit risk on the fair value of the derivative contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- changes in the timing of the hedged transactions.

Interest Rate Risk Table

The terms and maturity profile of the interest-bearing financial instruments, together with its gross amounts, are shown in the following tables:

December 31, 2024	<1 Year	1-2 Years	>2-3 Years	>3-4 Years	>4-5 Years	>5 Years	Total
Fixed Rate							
Philippine Peso-denominated Interest rate	P69,559 3.284% - 9.635%	P75,072 3.284% - 9.635%	P111,758 3.5483% - 9.635%	P93,032 3.5483% - 9.635%	P81,440 3.5483% - 9.635%	P172,129 4.8356% - 9.635%	P602,990
Foreign currency-denominated (expressed in Philippine Peso) Interest rate	1,453 8.331%	1,519 8.331%	1,588 8.331%	10,338 6.55% - 8.331%	10,416 6.68% - 8.331%	8,674 8.331%	33,988
Floating Rate							
Philippine Peso-denominated Interest rate	1,895 BVAL + margin or applicable reference rate, whichever is higher	2,923 BVAL + margin or applicable reference rate, whichever is higher	4,045 BVAL + margin or applicable reference rate, whichever is higher	4,383 BVAL + margin or applicable reference rate, whichever is higher	10,936 BVAL + margin or applicable reference rate, whichever is higher	29,632 BVAL + margin or applicable reference rate, whichever is higher	53,814
Foreign currency-denominated (expressed in Philippine Peso) Interest rate	22,207 SOFR/ applicable reference rate + margin	105,707 SOFR/ applicable reference rate + margin	115,771 SOFR/ applicable reference rate + margin	146,395 SOFR/ applicable reference rate + margin	138,428 SOFR/ applicable reference rate + margin	63,382 SOFR/ applicable reference rate + margin	591,890
	P95,114	P185,221	P233,162	P254,148	P241,220	P273,817	P1,282,682
December 31, 2023	<1 Year	1-2 Years	>2-3 Years	>3-4 Years	>4-5 Years	>5 Years	Total
Fixed Rate							
Philippine Peso-denominated Interest rate	P98,099 3.284% - 9.635%	P73,303 3.284% - 9.635%	P75,000 3.284% - 9.635%	P118,771 3.3832% - 9.635%	P87,199 3.5483% - 9.635%	P142,861 3.5483% - 9.635%	P595,233
Foreign currency-denominated (expressed in Philippine Peso) Interest rate	1,330 8.331%	1,391 8.331%	1,454 8.331%	1,520 8.331%	9,895 6.55% - 8.331%	9,967 8.331%	25,557
Floating Rate							
Philippine Peso-denominated Interest rate	2,286 BVAL + margin or applicable reference rate, whichever is higher	21,819 BVAL + margin or applicable reference rate, whichever is higher	1,938 BVAL + margin or applicable reference rate, whichever is higher	1,938 BVAL + margin or applicable reference rate, whichever is higher	2,398 BVAL + margin or applicable reference rate, whichever is higher	23,561 BVAL + margin or applicable reference rate, whichever is higher	53,940
Foreign currency-denominated (expressed in Philippine Peso) Interest rate	136,617 SOFR/ applicable reference rate + margin	23,802 SOFR/ applicable reference rate + margin	88,505 SOFR/ applicable reference rate + margin	73,884 SOFR/ applicable reference rate + margin	120,336 SOFR/ applicable reference rate + margin	85,960 SOFR/ applicable reference rate + margin	529,104
	P238,332	P120,315	P166,897	P196,113	P219,828	P262,349	P1,203,834

The sensitivity to a reasonably possible 1% increase in the interest rates, with all other variables held constant, would have decreased the Group's profit before tax (through the impact on floating rate borrowings) by P6,457, P5,830 and P4,916 in 2024, 2023 and 2022, respectively. A 1% decrease in the interest rate would have had the equal but opposite effect. These changes are considered to be reasonably possible given the observation of prevailing market conditions in those periods. There is no impact on the Group's other comprehensive income.

Foreign Currency Risk

The functional currency is the Philippine Peso, which is the denomination of the bulk of the Group's transactions. The exposure to foreign currency risk results from significant movements in foreign exchange rates that adversely affect the foreign currency-denominated transactions of the Group. The risk management objective with respect to foreign currency risk is to reduce or eliminate earnings volatility and any adverse impact on equity. The Group enters into foreign currency hedges using a combination of non-derivative and derivative instruments such as foreign currency forwards, options or swaps to manage its foreign currency risk exposure.

Short-term currency forward contracts (deliverable and non-deliverable) and options are entered into to manage foreign currency risks arising from importations, revenue and expense transactions, and other foreign currency-denominated obligations. Currency swaps are entered into to manage foreign currency risks relating to long-term foreign currency-denominated borrowings.

Certain derivative contracts are designated as cash flow hedges. The Group applies a hedge ratio of 1:1 and determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of the cash flows. The Group assesses whether the derivatives designated in the hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the cumulative dollar-offset and hypothetical derivative method.

The following are the main sources of ineffectiveness in the hedge relationships:

- the effect of the counterparty's and the Group's own credit risk on the fair value of the derivative contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in foreign exchange rates; and
- changes in the timing of the hedged transactions.

Information on the Group's foreign currency-denominated monetary assets and monetary liabilities and their Philippine Peso equivalents is as follows:

	December 31, 2024		December 31, 2023	
	US Dollar	Peso Equivalent	US Dollar	Peso Equivalent
Assets				
Cash and cash equivalents	US\$1,619	P93,731	US\$1,720	P95,227
Trade and other receivables	952	55,088	1,322	73,163
Prepaid expenses and other current assets	18	1,046	21	1,165
Noncurrent receivables	37	2,184	33	1,857
	2,626	152,049	3,096	171,412
Liabilities				
Loans payable	720	41,630	243	13,458
Accounts payable and accrued expenses	2,405	139,067	2,497	138,309
Long-term debt (including current maturities)	10,820	625,878	10,018	554,661
Lease liabilities (including current portion)	369	21,417	434	24,066
Other noncurrent liabilities	30	1,775	25	1,447
	14,344	829,767	13,217	731,941
Net foreign currency-denominated monetary liabilities	US\$11,718	P677,718	US\$10,121	P560,529

The Group reported net gain (loss) on foreign exchange amounting to (P20,514), P2,485 and (P21,518) in 2024, 2023 and 2022, respectively, with the translation of its foreign currency-denominated assets and liabilities (Note 32). These mainly resulted from the movements of the Philippine Peso against the US Dollar as shown in the following table:

	US Dollar to Philippine Peso
December 31, 2024	P57.845
December 31, 2023	55.370
December 31, 2022	55.755

The management of foreign currency risk is also supplemented by monitoring the sensitivity of the Group's financial instruments to various foreign currency exchange rate scenarios.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (due to translation of results and financial position of foreign operations):

	P1 Decrease in the US Dollar Exchange Rate		P1 Increase in the US Dollar Exchange Rate	
	Effect on Income before Income Tax	Effect on Equity	Effect on Income before Income Tax	Effect on Equity
December 31, 2024				
Cash and cash equivalents	(P1,454)	(P1,307)	P1,454	P1,307
Trade and other receivables	(431)	(898)	431	898
Prepaid expenses and other current assets	(10)	(15)	10	15
Noncurrent receivables	(34)	(28)	34	28
	(1,929)	(2,248)	1,929	2,248
Loans payable	425	612	(425)	(612)
Accounts payable and accrued expenses	1,874	2,387	(1,874)	(2,387)
Long-term debt (including current maturities)	10,786	8,123	(10,786)	(8,123)
Lease liabilities (including current portion)	277	301	(277)	(301)
Other noncurrent liabilities	28	23	(28)	(23)
	13,390	11,446	(13,390)	(11,446)
	P11,461	P9,198	(P11,461)	(P9,198)
	P1 Decrease in the US Dollar Exchange Rate		P1 Increase in the US Dollar Exchange Rate	
	Effect on Income before Income Tax	Effect on Equity	Effect on Income before Income Tax	Effect on Equity
December 31, 2023				
Cash and cash equivalents	(P1,238)	(P1,425)	P1,238	P1,425
Trade and other receivables	(429)	(1,076)	429	1,076
Prepaid expenses and other current assets	(10)	(19)	10	19
Noncurrent receivables	(31)	(25)	31	25
	(1,708)	(2,545)	1,708	2,545
Loans payable	-	242	-	(242)
Accounts payable and accrued expenses	1,338	2,054	(1,338)	(2,054)
Long-term debt (including current maturities)	9,977	7,775	(9,977)	(7,775)
Lease liabilities (including current portion)	341	349	(341)	(349)
Other noncurrent liabilities	16	21	(16)	(21)
	11,672	10,441	(11,672)	(10,441)
	P9,964	P7,896	(P9,964)	(P7,896)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's foreign currency risk.

Commodity Price Risk

Commodity price risk is the risk that future cash flows from a financial instrument will fluctuate because of changes in commodity prices.

The Group enters into various commodity derivatives to manage its price risks on strategic commodities. Commodity hedging allows stability in prices, thus offsetting the risk of volatile market fluctuations. Through hedging, prices of commodities are fixed at levels acceptable to the Group, thus protecting raw material cost and preserving margins. For hedging transactions, if prices go down, hedge positions may show marked-to-market losses; however, any loss in the marked-to-market position is offset by the resulting lower physical raw material cost.

The Parent Company enters into commodity derivative transactions on behalf of its subsidiaries to reduce cost by optimizing purchasing synergies within the Group and managing inventory levels of common materials.

Commodity Swaps, Futures and Options. Commodity swaps, futures and options are used to manage the Group's exposures to volatility in prices of certain commodities such as fuel oil, crude oil, coal, aluminum, soybean meal and wheat.

Commodity Forwards. The Group enters into forward purchases of various commodities. The prices of the commodity forwards are fixed either through direct agreement with suppliers or by reference to a relevant commodity price index.

Liquidity Risk

Liquidity risk pertains to the risk that the Group will encounter difficulty to meet payment obligations when they fall due under normal and stress circumstances.

The Group's objectives to manage its liquidity risk are as follows: a) to ensure that adequate funding is available at all times; b) to meet commitments as they arise without incurring unnecessary costs; c) to be able to access funding when needed at the least possible cost; and d) to maintain an adequate time spread of refinancing maturities.

The Group constantly monitors and manages its liquidity position, liquidity gaps and surplus on a daily basis. A committed stand-by credit facility from several local banks is also available to ensure availability of funds when necessary. The Group also uses derivative instruments such as forwards and swaps to manage liquidity.

The table below summarizes the maturity profile of the Group's financial assets and financial liabilities based on contractual undiscounted receipts and payments used for liquidity management.

December 31, 2024	Carrying Amount	Contractual Cash Flow	1 Year or Less	> 1 Year - 2 Years	> 2 Years - 5 Years	Over 5 Years
Financial Assets						
Cash and cash equivalents	P293,677	P293,677	P293,677	P -	P -	P -
Trade and other receivables - net	266,981	266,981	266,981	-	-	-
Derivative assets (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	2,782	2,782	1,198	275	1,309	-
Financial assets at FVPL (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	896	896	438	-	-	458
Financial assets at FVOCI (included under "Investments in equity and debt instruments" account)	8,988	9,239	54	54	821	8,310
Financial assets at amortized cost (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	12,180	15,245	1,345	846	12,731	323
Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account)	8,797	9,000	35	3,669	141	5,155
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	23,822	23,822	18,422	3,578	2	1,820
Financial Liabilities						
Loans payable	293,230	295,002	295,002	-	-	-
Accounts payable and accrued expenses (excluding current retirement liabilities, derivative liabilities, IRO, ARO and deferred income)	285,456	285,456	285,456	-	-	-
Dividends and distributions payable	5,160	5,160	5,160	-	-	-
Derivative liabilities (included under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts)	2,017	2,017	1,890	-	127	-
Long-term debt (including current maturities)	1,267,269	1,627,846	178,609	260,245	857,456	331,536
Lease liabilities (including current portion)	42,545	52,752	12,655	8,750	16,299	15,048
Other noncurrent liabilities (excluding noncurrent retirement liabilities, derivative liabilities, IRO, ARO, MRO, deferred income and other noncurrent non-financial liabilities)	7,068	7,068	-	2,824	1,738	2,506

December 31, 2023	Carrying Amount	Contractual Cash Flow	1 Year or Less	> 1 Year - 2 Years	> 2 Years - 5 Years	Over 5 Years
Financial Assets						
Cash and cash equivalents	P261,358	P261,358	P261,358	P -	P -	P -
Trade and other receivables - net	263,119	263,119	263,119	-	-	-
Derivative assets (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	2,364	2,364	2,063	-	301	-
Financial assets at FVPL (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	1,401	1,401	1,012	-	-	389
Financial assets at FVOCI (included under "Investments in equity and debt instruments" account)	7,424	7,738	54	54	1,970	5,660
Financial assets at amortized cost (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	12,158	16,822	1,333	846	2,636	12,007
Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account)	9,181	10,613	843	1,541	2,156	6,073
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	18,519	18,519	14,076	3,111	-	1,332
Financial Liabilities						
Loans payable	214,881	217,073	217,073	-	-	-
Accounts payable and accrued expenses (excluding current retirement liabilities, derivative liabilities, IRO, ARO, and deferred income)	220,952	220,952	220,952	-	-	-
Dividends and distributions payable	4,605	4,605	4,605	-	-	-
Derivative liabilities (included under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts)	1,177	1,177	908	-	269	-
Long-term debt (including current maturities)	1,190,584	1,521,481	312,675	181,041	699,563	328,202
Lease liabilities (including current portion)	56,572	69,146	20,878	6,467	22,334	19,467
Other noncurrent liabilities (excluding noncurrent retirement liabilities, derivative liabilities, IRO, ARO, MRO, deferred income and other noncurrent non-financial liabilities)	11,023	11,023	-	5,577	3,671	1,775

Credit Risk

Credit risk is the risk of financial loss to the Group when a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from trade and other receivables and investment securities. The Group manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Group's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk.

The Group has regular internal control reviews to monitor the granting of credit and management of credit exposures.

Trade and Other Receivables

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on the credit risk.

The Group obtains collateral or arranges master netting agreements, where appropriate, so that in the event of default, the Group would have a secured claim.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the standard payment and delivery terms and conditions are offered. The Group ensures that sales on account are made to customers with appropriate credit history. The Group has detailed credit criteria and several layers of credit approval requirements before engaging a particular customer or counterparty. The review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer and are reviewed on a regular basis. Customers that fail to meet the benchmark creditworthiness may transact with the Group only on a prepayment basis.

Investment in Debt Instruments

The Group limits its exposure to credit risk by investing only in liquid debt instruments with counterparties that have high credit ratings. The Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields.

Credit Quality

In monitoring and controlling credit extended to counterparty, the Group adopts a comprehensive credit rating system based on financial and non-financial assessments of its customers. Financial factors being considered comprise the financial standing of the customer while the non-financial aspects include but are not limited to the assessment of the customer's nature of business, management profile, industry background, payment habit and both present and potential business dealings with the Group.

The credit quality of financial assets is being managed by the Group using internal credit ratings. Credit quality of the financial assets was determined as follows:

High grade includes deposits or placements to reputable banks and companies with good credit standing. High grade financial assets include cash and cash equivalents and derivative assets.

Standard grade pertains to receivables from counterparties with satisfactory financial capability and credit standing based on historical data, current conditions and the Group's view of forward-looking information over the expected lives of the receivables. Standard grade financial assets include trade and other receivables and noncurrent receivables and deposits.

Receivables with high probability of delinquency and default were fully provided with allowance for impairment losses.

Financial information on the Group's maximum exposure to credit risk, without considering the effects of collaterals and other risk mitigation techniques, is presented below.

	Note	December 31, 2024	December 31, 2023
Cash and cash equivalents (excluding cash on hand)	4, 7	P287,803	P256,366
Trade and other receivables - net	8	266,981	263,119
Derivative assets	10, 18	2,782	2,364
Investments in debt instruments at FVPL	10, 12	438	1,012
Investments in debt instruments at FVOCI	12	669	668
Investments in debt instruments at amortized cost	4, 10, 12	12,180	12,158
Noncurrent receivables and deposits - net	4, 18	8,797	9,181
Restricted cash	4, 10, 18	23,822	18,519
		P603,472	P563,387

The table below presents the Group's exposure to credit risk and shows the credit quality of the financial assets by indicating whether the financial assets are subjected to 12-month ECL or lifetime ECL. Assets that are credit-impaired are separately presented.

	December 31, 2024					
	Financial Assets at Amortized Cost			Financial Assets at FVPL	Financial Assets at FVOCI	Total
	12-Month ECL	Lifetime ECL not Credit Impaired	Lifetime ECL Credit Impaired			
Cash and cash equivalents (excluding cash on hand)	P287,803	P -	P -	P -	P -	P287,803
Trade and other receivables	-	266,981	15,343	-	-	282,324
Derivative assets	-	-	-	1,230	1,552	2,782
Investments in debt instruments at FVPL	-	-	-	438	-	438
Investments in debt instruments at FVOCI	-	-	-	-	669	669
Investments in debt instruments at amortized cost	12,180	-	-	-	-	12,180
Noncurrent receivables and deposits	-	8,797	590	-	-	9,387
Restricted cash	23,822	-	-	-	-	23,822

	December 31, 2023					
	Financial Assets at Amortized Cost			Financial Assets at FVPL	Financial Assets at FVOCI	Total
	12-Month ECL	Lifetime ECL not Credit Impaired	Lifetime ECL Credit Impaired			
Cash and cash equivalents (excluding cash on hand)	P256,366	P -	P -	P -	P -	P256,366
Trade and other receivables	-	263,119	13,120	-	-	276,239
Derivative assets	-	-	-	1,270	1,094	2,364
Investments in debt instruments at FVPL	-	-	-	1,012	-	1,012
Investments in debt instruments at FVOCI	-	-	-	-	668	668
Investments in debt instruments at amortized cost	12,158	-	-	-	-	12,158
Noncurrent receivables and deposits	-	9,181	567	-	-	9,748
Restricted cash	18,519	-	-	-	-	18,519

The aging of receivables is as follows:

December 31, 2024	Trade	Non-trade	Amounts Owed by Related Parties	Total
Current	P130,568	P40,453	P9,120	P180,141
Past due:				
1 - 30 days	23,898	2,197	105	26,200
31 - 60 days	5,447	5,572	38	11,057
61 - 90 days	2,309	151	30	2,490
Over 90 days	34,664	26,227	1,545	62,436
	P196,886	P74,600	P10,838	P282,324

December 31, 2023	Trade	Non-trade	Amounts Owed by Related Parties	Total
Current	P127,332	P42,108	P8,709	P178,149
Past due:				
1 - 30 days	17,482	8,071	66	25,619
31 - 60 days	5,049	282	14	5,345
61 - 90 days	3,322	1,331	14	4,667
Over 90 days	35,262	24,939	2,258	62,459
	P188,447	P76,731	P11,061	P276,239

Various collaterals for trade receivables such as bank guarantees, time deposits and real estate mortgages are held by the Group for certain credit limits.

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible based on historical payment behavior and analyses of the underlying customer credit ratings. There are no significant changes in their credit quality.

The Group computes impairment loss on receivables based on past collection experience, current circumstances and the impact of future economic conditions, if any, available at the reporting period (Note 4). There are no significant changes in the credit quality of the counterparties during the year.

The Group's cash and cash equivalents, derivative assets, investments in debt instruments and restricted cash are placed with reputable entities with high quality external credit ratings.

The Group's exposure to credit risk arises from default of counterparty. Generally, the maximum credit risk exposure of trade and other receivables and noncurrent receivables and deposits is its carrying amount without considering collaterals or credit enhancements, if any. The Group has no significant concentration of credit risk since the Group deals with a large number of homogenous counterparties.

The Group does not execute any credit guarantee in favor of any counterparty.

Financial and Other Risks Relating to Livestock

The Group is exposed to financial risks arising from the change in cost and supply of feed ingredients and the selling prices of chicken, hogs and related products, all of which are determined by constantly changing market forces such as supply and demand and other factors. The other factors include environmental regulations, weather conditions and livestock diseases for which the Group has little control. The mitigating factors are listed below:

- The Group is subject to risks affecting the food industry, generally, including risks posed by food spoilage and contamination. Specifically, the fresh meat industry is regulated by environmental, health and food safety organizations and regulatory sanctions. The Group has put into place systems to monitor food safety risks throughout all stages of manufacturing and processing to mitigate these risks. Furthermore, representatives from the government regulatory agencies are present at all times during the processing of dressed chicken and hogs in all dressing and meat plants and issue certificates accordingly. The authorities, however, may impose additional regulatory requirements that may require significant capital investment at short notice.
- The Group is subject to risks relating to its ability to maintain animal health status considering that it has no control over neighboring livestock farms. Livestock health problems could adversely impact production and consumer confidence. However, the Group monitors the health of its livestock on a daily basis and proper procedures are put in place.
- The livestock industry is exposed to risk associated with the supply and price of raw materials, mainly grain prices. Grain prices fluctuate depending on the harvest results. The shortage in the supply of grain will result in adverse fluctuation in the price of grain and will ultimately increase the Group's production cost. If necessary, the Group enters into forward contracts to secure the supply of raw materials at a reasonable price.

Other Market Price Risk

The Group's market price risk arises from its investments carried at fair value (financial assets at FVPL and FVOCI). The Group manages its risk arising from changes in market price by monitoring the changes in the market price of the investments.

Capital Management

The Group maintains a sound capital base to ensure its ability to continue as a going concern, thereby continue to provide returns to stockholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, pay off existing debts, return capital to shareholders or issue new shares.

The Group monitors capital on the basis of debt-to-equity ratio, which is calculated as total debt divided by total equity. Total debt is defined as total current liabilities and total noncurrent liabilities, while equity is total equity as shown in the consolidated statements of financial position.

The BOD has overall responsibility for monitoring capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the external environment and the risks underlying the Group's business, operation and industry.

The Group, except for BankCom which is subject to certain capitalization requirements by the BSP, is not subject to externally imposed capital requirements.

40. Financial Assets and Financial Liabilities

The table below presents a comparison by category of the carrying amounts and fair values of the Group's financial instruments:

	December 31, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	P293,677	P293,677	P261,358	P261,358
Trade and other receivables - net	266,981	266,981	263,119	263,119
Derivative assets (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	2,782	2,782	2,364	2,364
Financial assets at FVPL (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	896	896	1,401	1,401
Financial assets at FVOCI (included under "Investments in equity and debt instruments" account)	8,988	8,988	7,424	7,424
Financial assets at amortized cost (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	12,180	12,180	12,158	12,158
Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account)	8,797	8,797	9,181	9,181
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	23,822	23,822	18,519	18,519
Financial Liabilities				
Loans payable	293,230	293,230	214,881	214,881
Accounts payable and accrued expenses (excluding current retirement liabilities, derivative liabilities, IRO, ARO and deferred income)	285,456	285,456	220,952	220,952
Dividends and distributions payable	5,160	5,160	4,605	4,605
Derivative liabilities (included under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts)	2,017	2,017	1,177	1,177
Long-term debt (including current maturities)	1,267,269	1,306,606	1,190,584	1,211,878
Lease liabilities (including current portion)	42,545	42,545	56,572	56,572
Other noncurrent liabilities (excluding noncurrent retirement liabilities, derivative liabilities, IRO, ARO, MRO, deferred income and other noncurrent non-financial liabilities)	7,068	7,068	11,023	11,023

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and Cash Equivalents, Trade and Other Receivables, Financial Assets at Amortized Cost, Noncurrent Receivables and Deposits and Restricted Cash. The carrying amount of cash and cash equivalents and trade and other receivables approximates fair value primarily due to the relatively short-term maturities of these financial instruments. In the case of financial assets at amortized cost, noncurrent receivables and deposits and restricted cash, the fair value is based on the present value of expected future cash flows using the applicable discount rates based on current market rates of identical or similar quoted instruments.

Derivatives. The fair values of forward exchange contracts are calculated by reference to current forward exchange rates. In the case of freestanding currency and commodity derivatives, the fair values are determined based on quoted prices obtained from their respective active markets. Fair values for stand-alone derivative instruments that are not quoted from an active market and for embedded derivatives are based on valuation models used for similar instruments using both observable and non-observable inputs.

Financial Assets at FVPL and Financial Assets at FVOCI. The fair values of publicly traded instruments and similar investments are based on quoted market prices in an active market. For debt instruments with no quoted market prices, a reasonable estimate of their fair values is calculated based on the expected cash flows from the instruments discounted, using the applicable discount rates of comparable instruments quoted in active markets.

Loans Payable, Accounts Payable and Accrued Expenses and Dividends and Distributions Payable. The carrying amount of loans payable, accounts payable and accrued expenses and dividends and distributions payable approximates fair value due to the relatively short-term maturities of these financial instruments.

Long-term Debt, Lease Liabilities and Other Noncurrent Liabilities. The fair value of interest-bearing fixed rate loans is based on the discounted value of expected future cash flows using the applicable market rates for similar types of instruments as at the reporting date. Discount rates used for Philippine Peso-denominated loans range from 4.7% to 7.8% and 5.1% to 6.0% as at December 31, 2024 and 2023, respectively. The discount rates used for foreign currency-denominated loans range from 4.2% to 4.4% and 3.9% to 5.3% as at December 31, 2024 and 2023, respectively. The carrying amounts of floating rate loans with quarterly interest rate repricing approximate their fair values.

Derivative Financial Instruments

The Group's derivative financial instruments according to the type of financial risk being managed and the details of freestanding and embedded derivative financial instruments that are categorized into those accounted for as cash flow hedges and those that are not designated as accounting hedges are discussed below.

The Group enters into various foreign currency, interest rate and commodity derivative contracts to manage its exposure on foreign currency, interest rate and commodity price risks. The portfolio is a mixture of instruments including forwards, swaps and options.

Derivative Instruments Accounted for as Cash Flow Hedges

The Group designated the following derivative financial instruments as cash flow hedges:

December 31, 2024	Maturity			Total
	1 Year or Less	> 1 Year - 2 Years	> 2 Years - 5 Years	
Foreign currency risk:				
Call spread swaps:				
Notional amount	US\$ -	US\$40	US\$515	US\$555
Average strike rate	-	P51.35 to P55.40	P54.30 to P61.62	
Interest rate risk:				
Interest rate options:				
Notional amount	US\$ -	US\$225	US\$1,050	US\$1,275
Interest rate	-	0.39% to 2.91%	0.50% to 6.25%	

December 31, 2023	Maturity			Total
	1 Year or Less	> 1 Year - 2 Years	> 2 Years - 5 Years	
Foreign currency risk:				
Call spread swaps:				
Notional amount	US\$190	US\$ -	US\$80	US\$270
Average strike rate	P48.00 to P53.70	-	P51.35 to P59.00	
Foreign currency and interest rate risks:				
Cross currency swap:				
Notional amount	US\$30	US\$ -	US\$ -	US\$30
Average strike rate	P50.635	-	-	
Fixed interest rate	3.60% to 4.01%	-	-	
Interest rate risk:				
Interest rate options:				
Notional amount	US\$ -	US\$ -	US\$525	US\$525
Interest rate	-	-	0.39% to 6.35%	

The following are the amounts relating to hedged items:

December 31, 2024	Change in Fair Value Used for Measuring Hedge Ineffectiveness	Hedging Reserve	Cost of Hedging Reserve
Foreign currency risk:			
US Dollar-denominated borrowings	(P880)	P -	(P752)
Foreign currency and interest rate risks:			
US Dollar-denominated borrowings	(75)	-	-
Interest rate risk:			
US Dollar-denominated borrowings	(516)	380	(309)

December 31, 2023	Change in Fair Value Used for Measuring Hedge Ineffectiveness	Hedging Reserve	Cost of Hedging Reserve
Foreign currency risk:			
US Dollar-denominated borrowings	P4	P -	(P290)
Foreign currency and interest rate risks:			
US Dollar-denominated borrowings	(142)	(23)	20
Interest rate risk:			
US Dollar-denominated borrowings	59	148	(258)

There are no amounts remaining in the hedging reserve from hedging relationships for which hedge accounting is no longer applied.

The following are the amounts related to the designated hedging instruments:

	Notional Amount	Carrying Amount		Line Item in the Consolidated Statement of Financial Position where the Hedging Instrument is Included	Changes in the Fair Value of the Hedging Instrument Recognized in Other Comprehensive Income	Cost of Hedging Recognized in Other Comprehensive Income	Amount Reclassified from Hedging Reserve to the Consolidated Statement of Income	Amount Reclassified from Cost of Hedging Reserve to the Consolidated Statement of Income	Line Item in the Consolidated Statement of Income Affected by the Reclassification
		Assets	Liabilities						
December 31, 2024									
Foreign currency risk: Call spread swaps	US\$555	P1,297	P -	Other noncurrent assets - net	P880	(P892)	(P880)	P276	Interest expense and other financing charges, and Other income (charges) - net
Foreign currency and interest rate risks: Cross currency swap	-	-	-		75	(27)	(44)	-	Interest expense and other financing charges, and Other income (charges) - net
Interest rate risk: Interest rate options	1,275	255	(127)	Other noncurrent assets - net and Other noncurrent liabilities	516	(68)	(207)	-	Interest expense and other financing charges
	Notional Amount	Carrying Amount		Line Item in the Consolidated Statement of Financial Position where the Hedging Instrument is Included	Changes in the Fair Value of the Hedging Instrument Recognized in Other Comprehensive Income	Cost of Hedging Recognized in Other Comprehensive Income	Amount Reclassified from Hedging Reserve to the Consolidated Statement of Income	Amount Reclassified from Cost of Hedging Reserve to the Consolidated Statement of Income	Line Item in the Consolidated Statement of Income Affected by the Reclassification
		Assets	Liabilities						
December 31, 2023									
Foreign currency risk: Call spread swaps	US\$270	P832	P -	Prepaid expenses and other current assets, and Other noncurrent assets - net	(P4)	P10	P4	P197	Interest expense and other financing charges, and Other income - net
Foreign currency and interest rate risks: Cross currency swap	30	137	-	Prepaid expenses and other current assets	142	105	(291)	(9)	Interest expense and other financing charges, and Other income - net
Interest rate risk: Interest rate options	525	125	(269)	Other noncurrent assets - net, and Other noncurrent liabilities	(59)	(202)	(77)	(21)	Interest expense and other financing charges

The hedges were assessed to be effective as the critical terms of the hedged items match the hedging instruments. No ineffectiveness was recognized in the 2024, 2023 and 2022 consolidated statements of income.

The table below provides a reconciliation by risk category of components of equity and analysis of other comprehensive income items, net of tax, resulting from cash flow hedge accounting.

	2024		2023	
	Hedging Reserve	Cost of Hedging Reserve	Hedging Reserve	Cost of Hedging Reserve
Beginning balance	P125	(P528)	P339	(P595)
Changes in fair value:				
Foreign currency risk	880	(892)	(4)	10
Foreign currency and interest rate risks	75	(27)	142	105
Interest rate risk	516	(68)	(59)	(202)
Amount reclassified to profit or loss	(1,131)	276	(364)	167
Tax effect	(85)	178	71	(13)
Ending balance	P380	(P1,061)	P125	(P528)

Derivative Instruments Not Designated as Hedges

The Group enters into certain derivatives as economic hedges of certain underlying exposures. These include freestanding and embedded derivatives found in host contracts, which are not designated as accounting hedges. Changes in fair value of these instruments are accounted for directly in the consolidated statements of income. Details are as follows:

Freestanding Derivatives

Freestanding derivatives consist of interest rate, foreign currency and commodity derivatives entered into by the Group.

Interest Rate Swap

The Group has outstanding interest rate swap with notional amount of US\$75 and US\$90 as at December 31, 2024 and 2023, respectively. Under the agreement, the Group receives floating interest rate based on SOFR and pays fixed interest rate up to 2026. The net positive fair value of the swap amounted to P32 and P47 as at December 31, 2024 and 2023, respectively.

Currency Forwards

The Group has outstanding foreign currency forward contracts with aggregate notional amount of US\$1,066 and US\$978 as at December 31, 2024 and 2023, respectively, and with various maturities in 2025 and 2024. The net negative fair value of these currency forwards amounted to P991 and P385 as at December 31, 2024 and 2023, respectively.

Currency Options

The Group has outstanding currency options with aggregate notional amount of US\$50 and US\$200 as at December 31, 2024 and 2023, respectively, and with various maturities in 2025 and 2024. The net negative fair value of these currency options amounted to P5 and P18 as at December 31, 2024 and 2023, respectively.

Commodity Swaps

The Group has outstanding swap agreements covering its fuel oil requirements, with various maturities in 2024 and 2025. Under the agreements, payment is made either by the Group or its counterparty for the difference between the hedged fixed price and the relevant price index.

The outstanding notional quantity of fuel oil was 100.6 million barrels and 51.1 million barrels as at December 31, 2024 and 2023, respectively. The net positive fair value of these swaps amounted to P339 and P738 as at December 31, 2024 and 2023, respectively.

Embedded Derivatives

The Group's embedded derivatives include currency forwards embedded in non-financial contracts.

Embedded Currency Forwards

The total outstanding notional amount of currency forwards embedded in non-financial contracts amounted to US\$170 and US\$145 as at December 31, 2024 and 2023, respectively. These non-financial contracts consist mainly of foreign currency-denominated purchase orders, sales agreements and capital expenditures. The embedded forwards are not clearly and closely related to their respective host contracts. The net negative fair value of these embedded currency forwards amounted to P35 and P20 as at December 31, 2024 and 2023, respectively.

The Group recognized marked-to-market gain (loss) from freestanding and embedded derivatives amounting to P614, (P1,379) and P2,920 in 2024, 2023 and 2022, respectively (Note 32).

Fair Value Changes on Derivatives

The net movements in fair value of all derivative instruments are as follows:

	2024	2023
Balance at beginning of year	P1,187	P792
Net change in fair value of derivatives:		
Designated as accounting hedge	1,751	43
Not designated as accounting hedge	614	(1,379)
	3,552	(544)
Less fair value of settled instruments	2,787	(1,731)
Balance at end of year	P765	P1,187

Fair Value Hierarchy

Financial assets and financial liabilities measured at fair value in the consolidated statements of financial position are categorized in accordance with the fair value hierarchy. This hierarchy groups financial assets and financial liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities (Note 3).

The table below analyzes financial instruments carried at fair value by valuation method:

	December 31, 2024			December 31, 2023		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial Assets						
Derivative assets	P -	P2,782	P2,782	P -	P2,364	P2,364
Financial assets at FVPL	438	458	896	1,012	389	1,401
Financial assets at FVOCI	1,635	7,353	8,988	1,407	6,017	7,424
Financial Liabilities						
Derivative liabilities	-	2,017	2,017	-	1,177	1,177

The Group has no financial instruments valued based on Level 3 as at December 31, 2024 and 2023. In 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

41. Events After the Reporting Date

Parent Company

Approval by the Stockholders of the Reclassification of the Common Shares Held in Treasury to Series "2" Preferred Shares Held in Treasury

On March 27, 2025, the stockholders of the Parent Company approved the following: (1) the amendment to Article VII of the Amended Articles of Incorporation of the Parent Company to reclassify the 904,752,537 common shares currently held as treasury shares, into Series "2" Preferred Shares held in treasury; (2) the amendment of the authorized capital stock of the Parent Company from P30,000 with a par value of P5.00 per share or 6,000,000,000 shares divided into 3,790,000,000 common shares and 2,210,000,000 Series "2" Preferred Shares to 2,885,247,463 common shares and 3,114,752,537 Series "2" Preferred Shares; and (3) the issuance of the common and Series "2" Preferred Shares of the Parent Company, subject to such terms and conditions determined by management, with the approval and conformity of the BOD and stockholders.

San Miguel Global Power

Joint Investments with Meralco and Aboitiz Power Corporation (AboitizPower) into the Country's First Integrated LNG-to-Power Facility Projects in Batangas City

On March 1, 2024, Meralco PowerGen Corporation (MGen) and Therma NatGas Power, Inc. (TNGP, a subsidiary of AboitizPower), through their joint venture entity, Chromite Gas Holdings Inc. (CGHI), have entered into binding agreements with San Miguel Global Power and its relevant subsidiaries, for MGen and TNGP to jointly invest for a 67% equity interest in San Miguel Global Power's gas-fired power plants, namely: (i) the brownfield 1,200 MW Ilijan Power Plant owned by SPPC; (ii) the greenfield 1,320 MW BCCPP owned by EERI; and (iii) land owned by IPIEC where the gas-fired power plant and related facilities of EERI as well as the Batangas LNG Terminal are located.

The transaction also involved the joint acquisition by CGHI and San Miguel Global Power of LFC, the owner of the Batangas LNG Terminal, which receives, stores and processes LNG to fuel for SPPC's Ilijan Power Plant and later on for EERI's BCCPP.

The transaction has customary closing conditions and has been issued the requisite regulatory approvals, including the review and approval of the PCC. On May 17, 2024, Top Frontier filed its application for the approval of the transaction with the PCC. On December 23, 2024, the PCC publicly disclosed its approval of the joint acquisition of power facilities and Batangas LNG Terminal by MGen, TNGP and San Miguel Global Power, subject to certain commitments from the parties aimed at ensuring fair competition and promoting transparency in the power industry.

On January 27, 2025, San Miguel Global Power completed the following transactions pursuant to the agreements executed on March 1, 2024, with CGHI:

- Investment by CGHI of 67% equity interests in: (i) SPPC; (ii) EERI; and (iii) IPIEC.
- Acquisition by CGHI and San Miguel Global Power of 67% and 32.98% equity interests, respectively, in LFC.

As a result of the transactions, San Miguel Global Power's equity interests in SPPC, EERI and IPIEC were diluted from 100% to 33%. Consequently, the Group derecognized the assets and liabilities of SPPC, EERI and IPIEC and recognized the 33% equity interests at their fair market values and a revaluation gain estimated at P52,706 and P21,724, respectively.

Issuance of Capital Securities

On February 19, 2025, San Miguel Global Power issued US\$100 SPCS (the "Additional Securities") and obtained the approval in-principle from the SGX-ST for the listing and quotation of the Additional Securities.

The Additional Securities shall be consolidated with and shall form a single series with the US\$500 SPCS issued on December 2, 2024. The net proceeds of the Additional Securities shall be applied primarily for the partial purchase, repurchase and/or redemption of the outstanding 7.00% SPCS issued on October 21, 2020 and December 15, 2020.

Petron

Issuance of Series G, Series H and Series I Fixed Rate Peso-denominated Bonds

On March 4, 2025, the BOD of Petron approved the public offer and issuance of up to P25,000 Peso-denominated Retail Bonds with an oversubscription option of up to P7,000, to be taken from the bond shelf registration rendered effective by the SEC and valid until September 2025.

The net proceeds of the issuance of the bonds will be used for repayment of Series D and Series E Bonds due in 2025 and other existing debt, for capital expenditures and for general corporate purposes.

Common Share Buyback Program of up to 620,000,000 Common Shares

On March 4, 2025, the BOD of Petron approved the common share buyback of up to 620,000,000 shares as follows, with terms and conditions to be determined by Management: (a) up to 167,000,000 shares (the "Maximum Volume" or about P400 (the "Maximum Amount") and during a period of up to six months or until the Maximum Volume or the Maximum Amount is exhausted or unless earlier terminated by Management; and (b) repurchase of all of the 459,156,097 common shares held by PCERP via a block sale based on the simple average of the three-day close prior to the execution date.

42. Registration with the Board of Investments (BOI) and Others

a. San Miguel Global Power

- In 2013, MPI and LPI were granted incentives by the BOI on a pioneer status for six years subject to the representations and commitments set forth in the application for registration, the provisions of Omnibus Investments Code of 1987 [Executive Order (EO) No. 226], the rules and regulations of the BOI and the terms and conditions prescribed. On October 5, 2016, BOI granted LPI's request to move the start of its commercial operation and Income Tax Holiday (ITH) reckoning date from February 2016 to September 2017 or when the first kilowatt-hour (kWh) of energy was transmitted after commissioning or testing, or one month from the date of such commissioning or testing, whichever comes earlier as certified by NGCP. Subsequently, on December 21, 2016, BOI granted a similar request of MPI to move the start of its commercial operation and ITH reckoning date from December 2015 to July 2016, or the actual date of commercial operations subject to compliance with the specific terms and conditions, due to delay in the implementation of the project for reasons beyond its control. MPI's request for the further extension of the ITH reckoning date from July 2016 to September 2017 was likewise approved by the BOI on December 5, 2018. The ITH incentives shall only be limited to the conditions given under their respective BOI registrations' specific terms and conditions. The ITH period for Unit 1 and Unit 2 of LPI commenced on May 26, 2017, and expired on May 25, 2023. The ITH incentives of MPI expired on September 26, 2023.
- On September 20, 2016, LETI was registered with the BOI under EO No. 226 as expanding operator of 2 x 150 MW Circulating Fluidized Bed Coal-fired Power Plant (Phase II Limay Greenfield Power Plant) on a non-pioneer status. The BOI categorized LETI as an "Expansion" based on the 2014 to 2016 IPP's Specific Guidelines for "Energy" in relation to LPI's 2 x 150 MW Coal-fired Power Plant (Phase I Limay Greenfield Power Plant). As a registered entity, LETI is entitled to certain incentives that include, among others, an ITH for three years from January 2018 or the date of actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration. The ITH incentives shall only be limited to the conditions given under the specific terms and conditions of LETI's BOI registrations.

In June 2017, the BOI approved the transfer of ownership and registration of Phase II Limay Greenfield Power Plant from LETI to LPI. On July 13, 2018, the BOI granted the request of LPI to move the start of its commercial operation and ITH reckoning date from January 2018 to March 2018 or actual start of commercial operations, whichever is earlier. The ITH period for Phase II Limay Greenfield Power Plant (Unit 3 and Unit 4) commenced on March 26, 2018, and expired in 2021.

- On October 12, 2012, MPCL received the BOI approval for the application as expanding operator of 600 MW Coal-fired Thermal Power Plant. As a registered entity, MPCL is entitled to ITH for three years from June 2017 or the actual start of commercial operations, whichever is earlier (but not earlier than the date of registration) subject to compliance with the specific terms and conditions set forth in the BOI registration. On May 27, 2014, the BOI approved MPCL's request to move the start of its commercial operation and the reckoning date of the ITH entitlement from June 2017 to December 2018. On June 17, 2015, the BOI subsequently granted MPCL's requests to downgrade the registered capacity from 600 MW to 300 MW.
- On December 21, 2015, MPCL received the BOI approval for the application as new operator of 10 MW BESS Project on a pioneer status. The BESS facility provides 10 MW of interconnected capacity and enhances the reliability of the Luzon grid using the *Advancion* energy storage solution. As a registered entity, MPCL is entitled to incentives that include, among others, an ITH for six years from December 2018 or the date of the actual start of commercial operations, whichever is earlier (but not earlier than the date of registration) subject to compliance with the specific terms and conditions of MPCL's BOI registration. The ITH period for the 10 MW BESS of MPCL commenced on December 1, 2018. On October 1, 2020, MPCL likewise received the BOI approval on the additional 20 MW BESS Phase 2 Project of MPCL.

On February 23, 2021, MPCL received the BOI approval for the applications as the new operator of a 315 MW Super Critical Pulverized Coal Thermal Power Plant Unit 4, and as the new operator of 315 MW Super Critical Pulverized Coal Thermal Power Plant Unit 5. Each registered activity is entitled to a four-year ITH reckoned from the start of commercial operations.

On November 12 and December 26, 2024, MPCL submitted to BOI the request to transfer its registration from EO No. 226 to CREATE Act for Units 4 and 5, and BESS Phase 2 Project, respectively.

- On August 24, 2016, SMGP Kabankalan received the BOI approval for the application as the new operator of the 2 x 20 MW Kabankalan *Advancion* Energy Storage Array on a pioneer status. SMGP Kabankalan, a registered entity, is entitled to incentives that include, among others, an ITH for six years from July 2019 to December 2024 or the date of the actual start of commercial operations, whichever is earlier (but not earlier than the date of registration). On November 27, 2019, SMGP Kabankalan filed a request with the BOI to move the reckoning date of the ITH entitlement from July 2019 to July 2021. Due to the delays brought about by the pandemic, a subsequent request was filed to move the reckoning date to January 2022. On December 17, 2021, the BOI granted the request of SMGP Kabankalan Storage for the movement of the start of commercial operations and ITH reckoning to January 2022. The incentives shall be limited to the specific terms and conditions of SMGP Kabankalan's BOI registration.
- On November 29, 2019, the BOI approved the application of SMGP BESS as the new operator of BESS Component of the Integrated Renewable Power Facility (R-Hub) covering various sites across the Philippines. The BOI has also approved SMGP BESS' subsequent applications covering additional sites. Each registered site was granted certain incentives including ITH, among others. On November 12, 2024, SMGP BESS submitted to BOI the request to transfer its registration from EO No. 226 to CREATE Act.

- On February 23, 2021, EERI received the BOI approval for the applications as the new operator of 850 MW BCCPP Phase 1 and 850 MW BCCPP Phase 2 located in Barangay Dela Paz Proper, Batangas City, Batangas. Each registered activity is entitled to a four-year ITH reckoned from April 2023 and October 2026, for Phase 1 and Phase 2, respectively, or the date of the actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

On December 19, 2023, the BOI approved EERI's request to move the start of commercial operations from April 2023 to August 2024 for Phase 1. The BOI further granted EERI's request to amend the registered capacity from 850 MW to 1,320 MW for Phase 1 and 850 MW to 440 MW for Phase 2.

On December 19, 2024, EERI requested to transfer its registration from EO No. 226 to CREATE Act.

- On November 29, 2022, the BOI approved the application of SMC Global Light and Power Corp. (SGLPC) as a Renewable Energy Developer of Solar Energy Resources located at Lucanin Industrial Estate, Mariveles, Bataan. SGLPC was granted certain incentives including a seven-year ITH reckoned from the start of commercial operation in October 2023, among others. SGLPC requested BOI to move the start of commercial operation due to events that are beyond its control.

Registration with the Authority of the Freeport Area of Bataan (AFAB)

On April 24, 2019, MPGC was registered with the AFAB, subject to annual renewal, as engaged in business of producing and generating electricity, and processing fuels alternative for power generation, among others, at the Freeport Area of Bataan (FAB). MPGC has been granted a renewed certificate of registration with AFAB for the year 2022, issued on December 13, 2021. On October 7, 2022, the AFAB issued an Advisory to FAB registered enterprises on the renewal of registration and issuance of certificate of entitlement to tax incentives stating that the registration issued for the year 2022 will no longer be renewed and shall be valid and in effect as long as the FAB registered enterprise remains in good standing or until revoked or cancelled.

As a FAB registered enterprise, MPGC will operate 4 x 150 MW power plant located in Mariveles, Bataan. AFAB granted MPGC certain incentives that include, among others, an ITH of 4 years for original project effective on the committed date or actual date of start of commercial operations, whichever is earlier. MPGC, however, due to circumstances beyond its control, has requested with AFAB to move the reckoning date of the start of commercial operations and the ITH for each unit. The said request was approved by AFAB on October 11, 2024.

License Granted by the ERC

On August 4, 2008 and August 24, 2016, MPCL and LPI, respectively, were granted a RES License by the ERC pursuant to Section 29 of the EPIRA, which requires all suppliers of electricity to the contestable market to secure a license from the ERC. The term of the RES License is for a period of five years from the time it was granted and renewable thereafter.

On December 13, 2023, the ERC granted the renewal of the RES License of MPCL and LPI for another five years valid from September 30, 2023 until September 29, 2028.

b. SMFB

SMFI

SMFI is registered with the BOI and AFAB for certain feedmill, poultry, meats and ready-to-eat meals projects. In accordance with the provisions of EO No. 226 otherwise known as “The Omnibus Investment Code of 1987” and the RA No. 9728, also known as “The Freeport Area of Bataan Act of 2009”, pursuant to RA No. 11534, the projects are entitled, among others, to fiscal incentives described as follows:

- *New Producer of Animal Feeds (Pellet, Crumble and Mash).* The San Ildefonso, Bulacan Feedmill project (Bulacan Feedmill Project) was registered with the BOI on a non-pioneer status on April 14, 2016 under Certificate of Registration No. 2016-074. The Bulacan Feedmill Project is entitled to ITH for four years from July 2018 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration, extendable under certain conditions, but in no case should the aggregate ITH period exceed eight years.

Notwithstanding the expiration of ITH benefit in 2022, SMFI is still required to continue the submission of annual reports to the BOI until 2027, or for a period of five years from the last year of ITH availment pursuant to BOI Circular No. 2014-01.

- *New Producer of Animal and Aqua Feeds.* The Sta. Cruz, Davao feedmill project (Davao Feedmill Project) was registered with the BOI on a non-pioneer status on April 14, 2016 under Certificate of Registration No. 2016-073. The Davao Feedmill Project is entitled to ITH for four years from July 2018 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration, extendable under certain conditions, but in no case should the aggregate ITH period exceed eight years.

On May 24, 2019, the BOI approved SMFI’s request to move the Davao Feedmill Project’s start of commercial operations and ITH reckoning date to April 2019.

Notwithstanding the expiration of ITH benefit in 2023, SMFI is still required to continue the submission of annual reports to the BOI until 2028, or for a period of five years from the last year of ITH availment pursuant to BOI Circular No. 2014-01.

- *New Producer of Animal Feeds (Pellet, Crumble and Mash).* The Mandaue, Cebu feedmill project (Cebu Feedmill Project) was registered with the BOI on a non-pioneer status on November 10, 2015 under Certificate of Registration No. 2015-251. The Cebu Feedmill Project is entitled to ITH for four years from July 2018 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration, extendable under certain conditions, but in no case should the aggregate ITH period exceed eight years.

On May 24, 2019, the BOI approved SMFI’s request to move the Cebu Feedmill Project’s start of commercial operations and ITH reckoning date to December 2019.

Notwithstanding the expiration of ITH benefit in 2023, SMFI is still required to continue the submission of annual reports to the BOI until 2028, or for a period of five years from the last year of ITH availment pursuant to BOI Circular No. 2014-01.

- SMFI's Bataan feedmill project (Bataan Feedmill Project) was registered with the AFAB as a *Manufacturer of Feeds for Poultry, Livestock and Marine Species* on January 6, 2017 under Certificate of Registration No. 2017-057, valid for a period of one year, renewable annually subject to qualifications as determined by AFAB.

Said AFAB registration of the Bataan Feedmill Project has been renewed accordingly as follows:

Registration Renewal Date	Certificate of Registration No.	Annual Period Covered
March 6, 2018	2018-096	2018
February 14, 2019	2019-079	2019
December 10, 2019	2020-047	2020
December 29, 2020	2021-081	2021
May 30, 2022	2022-111	2022

Under the terms of SMFI's AFAB registration, the Bataan Feedmill Project is entitled to incentives which include, among others, ITH for four years from May 2018 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

- *New Domestic Producer of Animal Feeds (in Pellet, Crumble and Mash)*. The Phividec, Tagoloan, Misamis Oriental feedmill project (CDO Feedmill Project) was registered with the BOI on a pioneer status on May 27, 2020 under Certificate of Registration No. 2020-075. The CDO Feedmill Project is entitled to ITH for four years from June 2020 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration, extendable under certain conditions, but in no case should the aggregate ITH period exceed eight years.

Notwithstanding the expiration of ITH benefit in 2024, SMFI is still required to continue the submission of annual reports to the BOI until 2029, or for a period of five years from the last year of ITH availment pursuant to BOI Circular No. 2014-01.

- *New Domestic Producer of Animal Feeds (in Pellet, Crumble and Mash)*. The Barangay Soyung, Echague, Isabela feedmill project (Echague Feedmill Project) was registered with the BOI pursuant to RA No. 11534 on a non-pioneer status on June 5, 2023 under Certificate of Registration No. 2023-100. The Echague Feedmill Project is entitled to ITH for six years from June 5, 2023 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

- *New Domestic Producer of Dressed Whole Chickens, Further Processed/Cut Up Chickens, and Other Chicken Parts (Liver, Gizzard, Fats, and Skins).* The Barangay Darong, Sta. Cruz, Davao del Sur Magnolia Poultry Processing Plant project (MPPP Davao del Sur Project) was registered with the BOI pursuant to RA No. 11534 on a non-pioneer status on January 3, 2024 under Certificate of Registration No. 2024-006. The MPPP Davao del Sur Project is entitled to ITH for five years from January 2024 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.
- *New Domestic Producer of Dressed Whole Chickens, Further Processed/Cut Up Chickens, and Other Chicken Parts (Liver, Gizzard, Fats, and Skins).* The Barangay Ilaya, Palsabangon, Pagbilao, Quezon Magnolia Poultry Processing Plant project (MPPP Pagbilao Project) was registered with the BOI pursuant to RA No. 11534 on a non-pioneer status on June 20, 2024 under Certificate of Registration No. 2024-133. The MPPP Pagbilao Project is entitled to ITH for six years from June 2024 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.
- *New Domestic Producer of Animal Feeds.* The Barangay Pulong Balibaguhan, Mabini, Batangas feedmill project (Mabini Feedmill Project) was registered with the BOI pursuant to RA No. 11534 on a non-pioneer status on July 16, 2024 under Certificate of Registration No. 2024-201. The Mabini Feedmill Project is entitled to ITH for six years from July 2024 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

With the current provisions of RA No. 11534, registered investment projects prior to CREATE granted with ITH are entitled to finish their ITH entitlement as scheduled and are given an option to reapply for new tax incentives for the same activity as provided under Section 294 (B) of the same Act.

SMMI

SMMI was registered with the BOI under Registration No. 2016-035 on a non-pioneer status as an Expanding Producer of Wheat Flour and its By-Products (Bran and Pollard) for its flour mill expansion project in Mabini, Batangas on February 16, 2016.

Under the terms of SMMI's BOI registration and subject to certain requirements as provided in EO No. 226, SMMI is entitled to incentives which include, among others, ITH for three years from July 2017 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

On October 25, 2017, the BOI approved SMMI's request to adjust the ITH reckoning date to December 2018 or actual start of commercial operations, whichever is earlier.

On July 25, 2019, the BOI approved SMMI's subsequent request to further adjust the ITH reckoning date to July 2019 or actual start of commercial operations, whichever is earlier. The ITH period of the project commenced on December 1, 2019.

On August 7, 2020, by virtue of Resolution No. 15-19, Series of 2020, the BOI approved SMMI's request for amendment of ITH Base Figure from Peso sales value of P9,582 to sales volume of 388,447 metric tons.

The three-year ITH incentive ended on June 30, 2022.

Notwithstanding the expiration of ITH benefit in 2022, SMMI is still required to continue the submission of annual reports to the BOI for a period of five years from the last year of ITH availment pursuant to BOI Circular No. 2014-01.

PF-Hormel

PF-Hormel was registered with the BOI under Registration No. 2017-033 on a non-pioneer status as an Expanding Producer of Processed Meat (Hotdog) for its project in General Trias, Cavite on January 31, 2017.

Under the terms of PF-Hormel's BOI registration and subject to certain requirements as provided in EO No. 226, PF-Hormel is entitled to incentives which include, among others, ITH for three years from December 2017 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration. The ITH period of the project commenced on December 1, 2017 until November 2020.

Notwithstanding the expiration of ITH benefit in 2020, PF-Hormel is still required to submit the annual reports to the BOI until 2025, or for a period of five years from the last year of ITH availment pursuant to BOI Circular No. 2014-01.

Domestic Producer of Canned Meat Products. The Sitio de Fuego, Barangay San Francisco, General Trias, Cavite cannery project (PHC Cannery Project) was registered with the BOI pursuant to CREATE Act on a non-pioneer status on January 3, 2024 under Certificate of Registration No. 2024-005. The PHC Cannery Project is entitled to ITH for six years from January 2024 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

c. Petron

Petron Bataan Refinery

In December 2021, the Petron Bataan Refinery (PBR) renewed its registration with the AFAB as a registered enterprise. The registration shall be valid and in effect as long as the registered enterprise remains in good standing or until revoked or cancelled. As a registered domestic market enterprise engaged in the oil refinery facility as its registered business activity, PBR, under Sec. 311 of RA No. 11534 is granted duty-free importation of merchandise including capital equipment, raw materials, spare parts, and accessories subject to compliance with the conditions specified under the CREATE Act. Meanwhile, pursuant to Section 295(G) of the Tax Code, as amended by the CREATE Act, PBR's crude oil importations are exempt from duties and taxes, while applicable taxes are paid upon the withdrawal of finished products sourced from the crude oil importation.

Petron Solid Fuel-Fired Power Plant

On October 11, 2019, the BOI approved Petron's application under EO No. 226 as a New Operator of its 44.4 MW Solid Fuel-Fired Power Plant. The BOI is extending the following major incentives:

- a. ITH for four years from January 2024 or actual start of commercial operations, whichever is earlier, but availment shall in no case earlier than the date of registration. Income qualified for ITH shall be limited to the income directly attributable to the eligible revenue generated from the net capacity of the registered project; with optional bonus year on specific cases provided that the aggregate ITH availment (regular and bonus year) shall not exceed eight years.
- b. Importation of capital equipment, spare parts and accessories at zero duty under EO No. 85 and its Implementing Rules and Regulations; provided that such capital equipment shall be for the direct and exclusive use of the registered activity.
- c. Importation of consigned equipment for a period of ten years from date of registration subject to posting of the appropriate re-export bond.

The project commenced its commercial operation in January 2023 and Petron availed of the ITH in 2024.

Certificate of entitlement has been timely obtained by Petron to support its ITH incentive.

- d. Packaging

SMYPC

On December 7, 2018, the BOI issued the certificate of registration to SMYPC's Plastic Caps Plant in Laguna as an expanding producer of injection plastic caps on a non-pioneer status under EO No. 226. The registration entitles SMYPC to certain tax and other incentives including but not limited to a three-year ITH starting June 1, 2019 when it started its commercial operations and will expire on May 31, 2022. On May 13, 2022, the BOI approved SMYPC's request for the deferment of its ITH availment for the year 2021. SMYPC is therefore entitled for the remaining ITH entitlement period from January 2022 to May 31, 2023.

On June 19, 2019, the BOI issued the certificate of registration to SMYPC's Plastics Plant in Cebu as a new producer of plastic products such as but not limited to crates and poultry flooring on a non-pioneer status. The registration entitles SMYPC to a four-year ITH starting July 1, 2019 when its commercial operations started and expired on June 30, 2023.

In addition to the ITH, SMYPC is entitled to the following benefits:

- i. Importation of capital equipment, spare parts and accessories at zero duty from the date of effectivity of EO No. 85 and its Implementing Rules and Regulations for a period of three years from the effectivity of the EO or on July 25, 2019 and until July 24, 2022.
- ii. Exemption from taxes and duties on imported spare parts and consumable supplies for export producers with Custom Bonded Manufacturing Warehouse (CBMW) exporting at least 70% of production.

- iii. Tax credit equivalent to the national internal revenue taxes and duties paid on raw materials and supplies and semi-manufactured products used in producing its export product and forming part thereof for a period of ten years from start of commercial operations.
- iv. Additional deduction for labor expense for a period of five years from registration an amount equivalent to 50% of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment as against the previous year, if the project meets the prescribed ratio of capital equipment to the number of workers set by the Board. This may be availed of for the first five years from the date of registration but not simultaneously with ITH.
- v. Importation of consigned equipment for a period of ten years from the date of registration, subject to posting of re-export bond.
- vi. Employment of foreign nationals.
- vii. Simplification of Customs procedures for the importation of equipment, spare parts, raw materials and supplies.
- viii. Exemption from wharfage dues, and any export tax, duty, impost and fee for a period of ten years from the date of registration.
- ix. Access to CBMW subject to the Customs rules and regulations.

The BOI issued a certificate of registration for SMYPC's Glass Plant in Cavite for its Glass Expansion Project under EO No. 226 was transferred to SMYPC. The registration entitles SMYPC to certain tax and other incentives including but not limited to ITH incentive starting March 1, 2019 and will expire on February 28, 2022. On May 13, 2022, the BOI approved SMYPC's request for the deferment of its ITH availment for the year 2021. SMYPC is therefore entitled for the remaining ITH entitlement period from January 2022 to February 28, 2023.

SYFMC

On December 3, 2019, the BOI issued the certificate of registration to SYFMC's project as a new producer of molds for glass on a pioneer status under EO No. 226. The registration entitles SYFMC to certain tax and other incentives.

The ITH incentive is for a period of six years starting May 1, 2020 when it started its commercial operations. The income qualified for ITH shall be limited to the income directly attributable to the eligible revenue granted from the registered project.

e. Cement

ECC

On July 31, 2017, the BOI approved the application of ECC as an expanding producer of cement (Line 3) in Bulacan on a non-pioneer status. ECC's registration with the BOI entitles it to the following fiscal and nonfiscal incentives available to its registered project, among others:

- i. ITH for income directly attributable to Line 3 for three years from May 2018 or actual start of commercial operations, whichever is earlier.
- ii. Importation of capital equipment, spare parts and accessories at zero duty.

- iii. Additional deduction from taxable income of 50% of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment as against the previous year if the project meets the requirements as stated in the BOI certificate.
- iv. Importation of consigned equipment for a period of ten years from date of registration, subject to posting of re-export bond.
- v. Tax credit equivalent to the national internal revenue taxes and duties paid on raw materials and supplies and semi-manufactured products used in producing export product and forming part thereof for a period of ten years from start of commercial operation.
- vi. Exemption from wharfage dues, and any export tax, duty, impost and fee for a period of ten years from date of registration.
- vii. Employment of foreign nationals which may be allowed in supervisory, technical or advisory positions for five years from the date of registration.
- viii. Simplification of customs procedures for the importation of equipment, spare parts, raw materials and supplies.

In April 2022, the ITH incentive for Line 3 expired.

On September 14, 2022, the BOI approved the application of ECC as an expanding producer of cement in under Tier 1, "All Qualified Manufacturing Activities including Agro-Processing" of the 2022 Strategic Investment Priority Plan (SIPP). ECC's registration with the BOI entitled to provide for the following fiscal and nonfiscal incentives:

- ITH for income directly attributable to Finishing Mill 5 for two years from December 2022 or actual start of commercial operations, whichever is earlier.
- After ITH, enhanced deductions for five years.
- Duty exemption on importation of capital equipment, raw materials, spare parts, or accessories for 11 years from date of registration, unless otherwise extended in the SIPP.
- Employment of foreign nationals.
- Simplification of customs procedures for the importation of equipment, spare parts, raw materials and supplies.

In December 2024, the ITH incentive for Finish Mill 5 expired.

In 2024 and 2023, ECC availed benefits from ITH amounting to P398 and P327, respectively.

NCC

Lines A and B Cement Plant and Grinding Facility registration entitles NCC to the following benefits:

- i. ITH for four years from January 2023 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.

- ii. Importation of capital equipment, spare parts and accessories at zero duty under EO No. 22 and its Implementing Rules and Regulation.
- iii. Additional deduction from taxable income of 50% of wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment as against the previous year, if the project meets the requirements as stated in the BOI Certificate.
- iv. Importation of consigned equipment for a period of ten years from the date of registration, subject to posting of re-export bond.
- v. Tax credit equivalent to the national internal revenue taxes and duties paid on raw materials and supplies and semi-manufactured products used in producing its export product and forming part thereof for a period of ten years from start of commercial operations.
- vi. Exemption from wharfage dues, and any export tax, duty, impost and fee for a period of ten years from date of registration.
- vii. Employment of foreign nationals which may be allowed in supervisory, technical or advisory positions for five years from date of registration.
- viii. Simplification of Customs procedures for the importation of equipment, spare parts, raw materials and supplies.

NCC requested for the amendment of project timetable, movement of start of commercial operation and ITH Reckoning date and amendment of Line B from fully integrated cement manufacturing line to cement grinding facility.

On January 18, 2024, the BOI approved NCC's request for the amendment of project timetable, including the movement of start of commercial operation and ITH reckoning date and the amendment of Line B from fully integrated cement manufacturing line to cement grinding facility only.

Solid North Mineral Corp. (SNMC)

On March 23, 2018, the BOI approved the application of SNMC as a new producer of good, fine and coarse limestone on a non-pioneer status. SNMC's registration with the BOI entitles it to the following fiscal and nonfiscal incentives available to its registered project, among others:

- i. Four-year ITH incentive, starting April 1, 2019, for activities directly attributable in producing good, fine and coarse limestone.
- ii. Importation of capital equipment, spare parts and accessories at zero duty.
- iii. Additional deduction from taxable income of 50% of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment as against the previous year if the project meets the requirements as stated in the BOI certificate.
- iv. Importation of consigned equipment for a period of ten years from date of registration, subject to posting of re-export bond.
- v. Exemption from wharfage dues, and any export tax, duty, impost and fee for a period of ten years from date of registration.

- vi. Additional deduction from taxable income of expenses incurred in the development of necessary and major infrastructure facilities.

On October 5, 2020, the BOI granted the deferment of SNMC's ITH availment for taxable year 2020 due to the adverse effects of the COVID-19 pandemic. SNMC is entitled to its remaining ITH entitlement equivalent to three years and three months or from January 1, 2021 to March 31, 2024.

In 2024 and 2023, ITH incentives availed by SNMC amounted to P16 and P64, respectively.

South Western Cement Corporation (SWCC)

On August 23, 2017, SWCC was registered with the BOI as a new producer of cement on a non-pioneer status but with pioneer incentives (the project being located in a less-developed area) under the heading "All Qualified Manufacturing Activities including Agro-Processing" of the 2017 Investment Priorities Plan under EO No. 226. SWCC's registration with BOI entitles it to the following fiscal and non-fiscal incentives available to its registered project, among others:

- i. ITH for six years from May 2020 or actual start of commercial operations, whichever is earlier but in no case earlier than the date of registration.
- ii. Importation of capital equipment, spare parts and accessories at zero duty under EO No. 22 and its implementing rules and regulations. Only equipment directly needed and exclusively used in its operation shall be entitled to capital equipment incentives.
- iii. Additional deduction from taxable income of 50% of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment as against the previous year, if the project meets the prescribed ratio of capital equipment to the number of workers set by the BOI. This may be availed of for the first five years from date of registration but not simultaneously with ITH.
- iv. Importation of consigned equipment for a period of ten years from the date of registration, subject to posting of re-export bond.
- v. Tax credit equivalent to the national internal revenue taxes and duties paid on raw materials and suppliers and semi-manufactured products used in producing its export product and forming part thereof for a period of ten years from start of commercial operations.
- vi. Exemption from wharfage dues, and any export tax, duty, impost and fee for a period of ten years from date of registration.
- vii. Employment of foreign nationals may be allowed in supervisory, technical or advisory positions for five years from date of registration. The president, general manager and treasurer of foreign-owned registered enterprises or their equivalent shall not subject to the foregoing limitations.
- viii. Simplification of customs procedures for the importation of equipment, spare parts, raw materials and supplies.
- ix. Additional deduction from taxable income equivalent to 100% of expenses incurred in the development of necessary and major infrastructure and facilities.

On August 26, 2020, the BOI approved the request of SWCC for the movement of start of commercial operation and ITH reckoning date of its registered activity from May 2020 to December 2023 due to ongoing processing of permits in the Cebu site.

On September 6, 2022, the BOI approved the request of SWCC for the movement of start of commercial operation from December 2023 to January 2027 and partially granted the request for the movement of ITH reckoning date of December 2023 to December 2025 noting that its operation has been affected by the COVID-19 pandemic for two years. Accordingly, no tax benefits from ITH incentives have been availed of in 2024 and 2023.

Ionic Cementworks Industries Inc. (ICII)

- *New Producer of Cement (Barangay Ilayang Palsabangon, Pagbilao, Quezon)*. ICII was registered with the BOI on a non-pioneer status on April 17, 2018, under Certificate of Registration No. 2018-086. ICII's registration with the BOI entitles it to the following fiscal and non-fiscal incentives available to its registered project, among others:
 - i. ITH
 - ITH for four years from May 2021 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.
 - Application for Bonus years, provided that the aggregate availment shall not exceed eight years.
 - ii. Importation of capital equipment, spare parts and accessories at zero duty under EO No.22 and its Implementing Rules and Regulation.
 - iii. Additional deduction from taxable income for a period of five years of 50% of wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment as against the previous year, if the project meets the requirements as stated in the BOI Certificate.
 - iv. Importation of consigned equipment for a period of ten years from the date of registration, subject to posting of re-export bond.
 - v. Employment of foreign nationals which may be allowed in supervisory, technical or advisory positions for five years from date of registration.
 - vi. Simplification of Customs procedures for the importation of equipment, spare parts, raw materials and supplies.
 - vii. Exemption from wharfage dues, and any export tax, duty, impost and fee for a period of ten years from date of registration.

- *New Producer of Cement (Malicboy Cement Plant Project, Barangay Kanlurang Malicboy, Pagbilao, Quezon).* ICII was registered with the BOI on a non-pioneer status under Certificate of Registration No. 2021-095 on May 21, 2021. ICII's registration with the BOI entitles it to the following fiscal and non-fiscal incentives available to its registered project, among others:
 - i. ITH
 - ITH for four years from January 2026 or actual start of commercial operations of Line 1, whichever is earlier, but in no case earlier than the date of registration.
 - Application for Bonus years, provided that the aggregate availment shall not exceed eight years.
 - ii. Importation of capital equipment, spare parts and accessories at zero duty under EO No. 85 and its Implementing Rules and Regulation.
 - iii. Additional deduction from taxable income for a period of five years of 50% of wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment as against the previous year, if the project meets the requirements as stated in the BOI Certificate.
 - iv. Importation of consigned equipment for a period of ten years from the date of registration, subject to posting of re-export bond.
 - v. Employment of foreign nationals which may be allowed in supervisory, technical or advisory positions for five years from date of registration.
 - vi. Simplification of Customs procedures for the importation of equipment, spare parts, raw materials and supplies.
 - vii. Exemption from wharfage dues, and any export tax, duty, impost and fee for a period of ten years from date of registration.

ICII has not started commercial operations as at December 31, 2024. Thus, ICII has not availed yet of any tax incentives.

Armstrong Fly-Ash and Logistics Company, Inc. (AFALCI)

On December 1, 2017, the BOI approved the application of AFALCI as a new producer of Hi Carbon Fly-ash (Ecotherm) and Low Carbon Fly-ash (ProAsh) on a non-pioneer status. AFALCI's registration with the BOI entitled to provide for the following fiscal and nonfiscal incentives:

- i. ITH for income directly attributable to the revenue generated from the registered project Ecotherm and ProAsh for four years from May 2018 or actual start of commercial operations, whichever is earlier.
- ii. Importation of capital equipment, spare parts and accessories at zero duty.
- iii. Additional deduction from taxable income of 50% of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment as against the previous year if the project meets the requirements as stated in the BOI certificate.

- iv. Importation of consigned equipment for a period of ten years from date of registration, subject to posting of re-export bond.
- v. Tax credit equivalent to the national internal revenue taxes and duties paid on raw materials and supplies and semi-manufactured products used in producing export products and forming part thereof for a period of ten years from start of commercial operation.
- vi. Exemption from wharfage dues, and any export tax, duty, impost and fee for a period of ten years from date of registration.
- vii. Employment of foreign nationals which may be allowed in supervisory, technical or advisory positions for five years from the date of registration.
- viii. Simplification of customs procedures for the importation of equipment, spare parts, raw materials and supplies.

On May 1, 2018, AFALCI started its commercial operations.

On September 17, 2020, the BOI granted the deferment of AFALCI's ITH availment for taxable year 2020 up to April 2023 due to the adverse effects of the COVID-19 pandemic.

In April 2023, AFALCI's ITH with the BOI as a New Producer of Hi Carbon Fly-ash (Ecotherm) and Low Carbon Fly-ash (Pro-ash) on a non-pioneer status expired.

AFALCI has availed ITH incentive amounting to P10 in 2023.

SCII

SCII is registered with the BOI as a new producer of cement on a non-pioneer status under Certificate of Registration No. 2022-044 on April 8, 2022. In accordance with the provisions of EO No. 226, also known as the Omnibus Investments Code of 1987, SCII is eligible to the grant of several incentives.

SCII's registration with the BOI entitles it to the following fiscal and non-fiscal incentives available to its registered project, among others:

- i. ITH
 - a) ITH for two years from July 2022 for income directly attributable to the eligible revenue generated from the registered project.
 - b) Enhanced deductions for five years, after ITH, as follows:
 - o Additional depreciation allowance of the assets acquired for the entity's production of goods and services (qualified capital expenditure) - additional 10% for buildings; and additional 25% for machinery and equipment;
 - o Additional 50% deduction on the labor expense incurred in the taxable year;
 - o Additional 50% deduction on power expense incurred in the taxable year;
 - o Deduction for reinvestment allowance to manufacturing industry;

- Enhanced NOLCO; and
 - Other types of enhanced deductions that shall be determined relevant and applicable to the registered project under SIPP.
- ii. Importation of capital equipment, raw materials, spare parts and accessories at zero duty.
 - iii. Employment of foreign nationals which may be allowed in supervisory, technical or advisory positions for five years from date of registration.
 - iv. Simplification of Customs procedures for the importation of equipment, spare parts, raw materials and supplies.

On November 26, 2022, SCII requested the BOI to defer the start of its ITH availment period from July 1, 2022 to January 1, 2023 due to the delay in its commencement of commercial operations brought about by COVID-19 pandemic and the corresponding implementation of lockdowns and mobility restrictions.

On June 1, 2023, the BOI approved and confirmed the deferment of SCII's ITH. The entitlement period is January 1, 2023 to December 31, 2024. In December 31, 2024, the ITH for the Cement Grinding Plant-Line 1 has expired.

In compliance with the SCII's BOI COR Specific Terms and Conditions no. 7, SCII has incurred P2,239 domestic spending on capital equipment and raw materials in 2024.

f. SMCSLC

SMCSLC

SMCSLC is registered with the BOI under the Omnibus Investments Code of 1987 for the operation of domestic cargo vessels and motor tankers, where SMCSLC is entitled to the following incentives:

- i. *Employment of Foreign Nationals.* This may be allowed in supervisory, technical or advisory positions for five years from the date of registration of the project as indicated above. The president, general manager and treasurer of foreign-owned registered firms or their equivalent shall not be subjected to the foregoing limitations.
- ii. *Additional Deduction for Labor Expense.* For the first five years from registration, SMCSLC shall be allowed an additional deduction from taxable income equivalent to 50% of the wages of additional skilled and unskilled workers in the direct labor force. The incentive shall be granted only if the enterprise meets a prescribed capital to labor ratio and shall not be availed simultaneously with the ITH.
- iii. *Importation of Capital Equipment, Spare Parts and Accessories.* For the operation of motor tankers, SMCSLC may import capital equipment, spare parts and accessories at zero percent duty from the date of registration of the project as indicated above pursuant to EO No. 528 and its implementing rules and regulations.

On November 19, 2024, SMCSLC applied for the cancellation of the BOI registration for its vessels' Kalusugan 2, SL Tanglad, SL Banaba, SL Yakal, Katarungan 2, SL Bignay and Katapatan 2 under the provision of BOI Circular 2014-01 Section 2 par. d, Voluntary surrender of certificate of registration after a period of five years from the last year of ITH availment. BOI approved the cancellation on January 23, 2025.

The incentives with no specific number of years of entitlement as discussed in the foregoing may be enjoyed for a maximum period of ten years from the start of commercial operations and/or date of registration.

SLHBTC

In 2014, SLHBTC's registration with the BOI as an oil terminal for storage and bulk marketing of petroleum products in its Main Office located at Tondo Manila was granted with registration number 2013-068. In 2015, SLHBTC registered its own fuel storage facilities at Limay, Bataan under Registration No. 2015-027. In 2016, its newly built oil terminal located at Tagoloan, Cagayan de Oro was also registered with the BOI under Registration No. 2016-145. With the registration, SLHBTC is entitled to the following incentives under RA No. 8479 from date of registration or date of actual start of commercial operations, whichever is earlier, and upon fulfillment of the terms enumerated below:

- i. *Additional Deduction from Taxable Income.* SLHBTC shall be allowed an additional deduction from taxable income of 50% of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment as against the previous year if the project meets the prescribed ratio of capital equipment to the number of workers set by the BOI and provided that this incentive shall not be availed of simultaneously with the ITH.
- ii. *Minimum Duty of 3% and VAT on Imported Capital Equipment.* Importation of brand new capital equipment, machinery and accompanying spare parts, shall be entitled to this incentive subject to the following conditions:
 - they are not manufactured domestically in sufficient quantity of comparable quality and at reasonable prices;
 - the equipment is reasonably needed and will be exclusively used in the registered activity; and
 - prior BOI approval is obtained for the importation as endorsed by the DOE.
- iii. *Tax Credit on Domestic Capital Equipment.* This shall be granted on locally fabricated capital equipment equivalent to the difference between the tariff rate and the three percent duty imposed on the imported counterpart.
- iv. *Importation of Consigned Equipment.* SLHBTC is entitled for importation of consigned equipment for a period of five years from the date of registration subject to posting of the appropriate bond, provided that such consigned equipment shall be for the exclusive use of the registered activity.
- v. *Exemption from Taxes and Duties on Imported Spare Parts for Consigned Equipment with Bonded Manufacturing Warehouse.* SLHBTC is entitled to this exemption upon compliance with the following requirements:
 - at least 70% of production is imported;

- such spare parts and supplies are not locally available at reasonable prices, sufficient quantity and comparable quality; and
 - all such spare and supplies shall be used only on bonded manufacturing warehouse on the registered enterprise under such requirements as the Bureau of Customs may impose.
- vi. *Exemption from Real Property Tax on Production Equipment or Machinery.* Equipment and machinery shall refer to those reasonably needed in the operations of the registered enterprise and will be used exclusively in its registered activity. BOI Certification to the appropriate Local Government Unit will be issued stating therein the fact of the applicant's registration with the BOI.
- vii. *Exemption from the Contractor's Tax.* BOI certification to the BIR will be issued stating therein the fact of the applicant's registration with the BOI.
- viii. *Employment of Foreign Nationals.* This may be allowed in supervisory, technical or advisory positions for five years from date of registration. The President, General Manager and Treasurer of foreign-owned registered enterprise or their equivalent shall not be subject to the foregoing limitations.

The incentives with no specific number of years of entitlement above may be enjoyed for a maximum period of ten years from the start of commercial operation and/or date of registration.

No ITH incentive was availed in 2024 and 2023 because entitlements were already expired.

Molave Tanker Corporation (MTC)

MTC is registered with the BOI under the Omnibus Investments Code of 1987 for the operation of domestic cargo vessels and motor tankers where MTC is entitled to the following incentives:

- i. *Employment of Foreign Nationals.* This may be allowed in supervisory, technical or advisory positions for five years from the date of registration of the project as indicated above. The President, General Manager and Treasurer of foreign-owned registered firms or their equivalent shall not be subjected to the foregoing limitations.
- ii. *Importation of Consigned Equipment.* For the operation of cargo vessels, MTC is entitled to importation of consigned equipment for a period of ten years from the date of registration, subject to the posting of re-export bond.
- iii. *Importation of Capital Equipment, Spare Parts and Accessories.* For the operation of motor tankers, MTC may import capital equipment, spare parts and accessories at zero percent duty from the date of registration of the project as indicated above, pursuant to EO No. 528 and its implementing rules and regulations.
- iv. *Additional Deduction for Labor Expense.* For the first five years from registration, MTC shall be allowed an additional deduction from taxable income equivalent to 50% of the wages of additional skilled and unskilled workers in the direct labor force. The incentive shall be granted only if the enterprise meets a prescribed capital to labor ratio and shall not be availed simultaneously with the ITH.

- v. *Simplification of Customs procedures for the importation of equipment, spare parts, raw materials and supplies.*

The incentives with no specific number of years of entitlement as discussed in the foregoing may be enjoyed for a maximum period of ten years from the start of commercial operations and/or date of registration.

No ITH incentive was availed in 2024 and 2023 because entitlements were already expired.

Balyena Tanker Corporation (BTC)

BTC is registered with the BOI under the Omnibus Investments Code of 1987, as amended, for the operation of domestic cargo vessels and motor tankers where BTC is entitled to the following incentives:

i. *ITH*

- *New Domestic Shipping Operator (One Cargo Vessel - BTC Mt. Samat, 1,685 GT).* The project was registered on July 30, 2018, where BTC is entitled to ITH for four years until July 29, 2022.
- *New Domestic Shipping Operator (Cargo Vessel BTC - Harina, 872 GT).* The project was registered on November 9, 2018, where BTC is entitled to ITH for four years until November 8, 2022.
- *New Domestic Shipping Operator (Deck Cargo Vessel - BTC Mount Makiling, 1,685 GT).* The project was registered on November 9, 2018, where BTC is entitled to ITH for four years until November 8, 2022. On December 14, 2023, BOI approved BTC's request for deferment of ITH incentive availment period until November 8, 2023 noting that its operation has been affected by COVID-19 pandemic and it has not fully enjoyed the incentives granted.
- *New Domestic Shipping Operator (Cargo Vessel - BTC Soya, 2,426 GT).* The project was registered on July 19, 2019, where BTC is entitled to ITH for four years until July 18, 2023.
- *New Domestic Shipping Operator (Cargo Vessel - BTC Cassava, 2,426 GT).* The project was registered on July 19, 2019, where BTC is entitled to ITH for four years until July 18, 2023.

The 100% ITH incentives shall be limited only to the revenue generated by the registered project.

- ii. *Employment of Foreign Nationals.* This may be allowed in supervisory, technical or advisory positions for five years from the date of registration of the project as indicated above. The President, General Manager and Treasurer of foreign-owned registered firms or their equivalent shall not be subjected to the foregoing limitations.
- iii. *Importation of Consigned Equipment.* For the operation of cargo vessels, BTC is entitled for importation of consigned equipment for a period of ten years from the date of registration, subject to the posting of re-export bond.

- iv. *Importation of Capital Equipment, Spare Parts and Accessories.* For the operation of motor tankers, BTC may import capital equipment, spare parts and accessories at zero percent duty from the date of registration of the project as indicated above pursuant to EO No. 528 and its implementing rules and regulations.
- v. *Additional deduction for labor expense.* For the first five years from registration, BTC shall be allowed an additional deduction from taxable income equivalent to 50% of the wages of additional skilled and unskilled workers in the direct labor force. The incentive shall be granted only if the enterprise meets a prescribed capital to labor ratio and shall not be availed simultaneously with the ITH.
- vi. *Simplification of Customs procedures for the importation of equipment, spare parts, raw materials and supplies.*
- vii. *Exemption from wharfage dues and any export tax, duty, impost and fees for a period of ten years from date of registration.*

The incentives with no specific number of years of entitlement as discussed in the foregoing may be enjoyed for a maximum period of ten years from the start of commercial operations and/or date of registration.

No ITH incentive was availed in 2024 because entitlements were already expired. ITH incentives availed in 2023 amounted to P0.4.

Narra Tanker Corporation (NTC)

NTC is registered with the BOI under the Omnibus Investments Code of 1987 for the operation of domestic cargo vessels and motor tankers where NTC is entitled to the following incentives:

- i. *ITH*
 - *New Domestic Shipping Operator (Oil Tanker Vessel/Barge Ship - NTC Haribon, 2,467 GT).* The project was registered on May 15, 2019, where NTC is entitled to ITH for four years from May 2019 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration. The 100% ITH incentives shall be limited only to the revenue generated by the registered project.
 - *New Domestic Shipping Operator (Oil Tanker Vessel/Barge Ship - NTC Falcon, 2,467 GT).* The project was registered on May 15, 2019, where NTC is entitled to ITH for four years from May 2019 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration. The 100% ITH incentives shall be limited only to the revenue generated by the registered project.
 - *New Domestic Shipping Operator (Oil Tanker Vessel/Barge Ship - NTC Heron, 2,219 GT).* The project was registered on October 3, 2019, where NTC is entitled to ITH for four years from October 2019 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration. The 100% ITH incentives shall be limited only to the revenue generated by the registered project.

- *New Domestic Shipping Operator (Oil Tanker Vessel/Barge Ship - NTC Flamingo, 2,219 GT).* The project was registered on October 3, 2019, where NTC is entitled to ITH for four years from October 2019 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration. The 100% ITH incentives shall be limited only to the revenue generated by the registered project.
- ii. *Employment of Foreign Nationals.* This may be allowed in supervisory, technical or advisory positions for five years from the date of registration of the project as indicated above. The President, General Manager and Treasurer of foreign-owned registered firms or their equivalent shall not be subjected to the foregoing limitations.
- iii. *Importation of Consigned Equipment.* For the operation of cargo vessels, NTC is entitled for importation of consigned equipment for a period of ten years from the date of registration, subject to the posting of re-export bond.
- iv. *Importation of Capital Equipment, Spare Parts and Accessories.* For the operation of motor tankers, NTC may import capital equipment, spare parts and accessories at zero percent duty from the date of registration of the project as indicated above, pursuant to EO No. 528 and its implementing rules and regulations.
- v. *Additional deduction for labor expense.* For the first five years from registration, NTC shall be allowed an additional deduction from taxable income equivalent to 50% of the wages of additional skilled and unskilled workers in the direct labor force. The incentive shall be granted only if the enterprise meets a prescribed capital to labor ratio and shall not be availed simultaneously with the ITH.
- vi. *Simplification of Customs procedures for the importation of equipment, spare parts, raw materials and supplies.*

The incentives with no specific number of years of entitlement as discussed in the foregoing may be enjoyed for a maximum period of ten years from the start of commercial operations and/or date of registration.

No incentive was availed in 2024 because entitlements were already expired. ITH incentives availed in 2023 amounted to P28.

Batangas Shipyard Corporation (BtSC)

BtSC is registered with Philippine Economic Zone Authority (PEZA) as an Ecozone Export Enterprise to engage in oil rig construction, shipbuilding, ship repair and conversion, and leasing activity taken over from Seatrium Philippines Marine, Inc. the Batangas Shipyard Special Economic Zone since June 10, 2024. Under its registration, BtSC is entitled to the following incentives:

- i. Income generated from its registered activities is subject to 5% GIT under the provisions of RA No. 11534 until December 31, 2034.
- ii. BtSC is exempted from Expanded Withholding Taxes on payments received from its registered activities until December 31, 2034.
- iii. BtSC is exempted from paying national and local taxes including local business tax, permits, fees and licenses until December 31, 2034.

- iv. BtSC is entitled to duty exemption on importation of capital equipment, raw materials, spare parts and accessories until December 31, 2024 and shall continue to avail of the said incentives thereafter, in accordance with Title IV of this CREATE More Law, the provisions of RA 10863 or Customs Modernization and Tariff Act, as amended, and other applicable laws
- v. BtSC is exempted from wharfage dues on exportation of its registered export products until December 31, 2024.

The availment of the foregoing incentives is subject to all evaluation and processing requirements of PEZA.

SMC Cebu Shipyard Land, Inc (SCSLI)

Effective September 2, 2024, SCSLI is registered with the PEZA as an Ecozone Developer/Operator to develop, administer, manage and operate the Batangas Shipyard Special Economic Zone.

SCSLI is liable to pay 5% final tax on gross taxable income in accordance with RA No. 11534.

43. Other Matters

a. Contingencies

The Group is a party to certain lawsuits or claims (mostly labor related cases) filed by third parties which are either pending decision by the courts or are subject to settlement agreements. The outcome of these lawsuits or claims cannot be presently determined. In the opinion of management and its legal counsel, the eventual liability from these lawsuits or claims, if any, will not have a material effect on the consolidated financial statements of the Group.

- **Excess Excise Tax Payments**

Filed by the Parent Company

In 2004, the Parent Company was assessed excise taxes by the BIR on “San Mig Light” which at that time was one of its products. These assessments were contested by the Parent Company but nonetheless made the corresponding payments. Consequently, the Parent Company filed three claims for refund for overpayments of excise taxes with the BIR.

The first and second claims for refund were then elevated to the Court of Tax Appeals (CTA) and went all the way to the Supreme Court which was resolved in favor of the Parent Company. On September 8, 2020, the BIR issued TCC Nos. 121-20-00012 and 121-20-00013 amounting to P782 and P926, respectively in favor of SMC. TCC amounting to P782 were applied in full, while TCC amounting to P569 out of P926 were applied partially to SMC’s tax obligations as at December 31, 2024.

The third claim for refund was consolidated with a claim for refund which was filed by SMB, a company to which, effective October 1, 2007, the Parent Company had spun off its domestic beer business. The claim was also favorably resolved in favor of the Parent Company and SMB. On August 10, 2020, the BIR issued TCC No. 121-20-00010 amounting to P105 in favor of SMC, which was applied in full to the Parent Company’s tax obligations as at December 31, 2021.

Filed by SMB

SMB filed 13 claims for refund for overpayments of excise taxes with the BIR which were then elevated to the CTA by way of petition for review. Five of these claims (i.e., CTA Case Nos. 7973, 8209, 8400, 8591 and 8748) were decided by the Supreme Court in favor of SMB and TCC amounting to P1,430, P1,569 and P761 were received in 2019, 2020 and 2023, respectively. One claim (CTA Case No. 10241) was withdrawn with the issuance of a TCC in the amount of P162 in 2021. The remaining seven claims for refund are still pending before the courts, as follows:

- (a) Claim for refund of overpayments for the period of January 1, 2013 to December 31, 2013 - Third Division docketed as CTA Case No. 8955 (December 19, 2014);
- (b) Claim for refund of overpayments for the period of January 1, 2014 to December 31, 2014 - Third Division docketed as CTA Case No. 9223 (December 22, 2015);
- (c) Claim for refund of overpayments for the period of January 1, 2015 to December 31, 2015 - Second Division docketed as CTA Case No. 9513 (December 28, 2016);
- (d) Claim for refund of overpayments for the period from January 1, 2016 to December 31, 2016 - First Division docketed as CTA Case No. 9743 (December 29, 2017);
- (e) Claim for refund of overpayments for the period from January 1, 2017 to December 31, 2017 - Third Division docketed as CTA Case No. 10000 (December 27, 2018);
- (f) Claim for refund of overpayments for the period from January 1, 2018 to December 31, 2018 - First Division docketed as CTA Case No. 10223 (December 11, 2019); and
- (g) Claim for refund for overpayments for the period of January 23, 2020 to February 9, 2020 - First Division docketed as CTA Case No. 10745 (via electronic mail on January 21, 2022, registered mail on January 24, 2022, and personal filing on February 2, 2022).

CTA Case No. 8955, SMB's claim for refund for P83, was decided against SMB by the CTA Third Division for having purportedly availed of the wrong mode of appeal as SMB should have filed the petition with the RTC rather than through a collateral attack on issuances of the BIR via a judicial claim for refund. SMB, through counsel, filed a Motion for Reconsideration, arguing that the case involves a claim for refund and is at the same time a direct attack on the BIR issuances which imposed excise tax rates which are contradictory to, and violative of, the rates imposed in the Tax Code. With the denial of SMB's Motion for Reconsideration on January 5, 2018, SMB elevated the case to the CTA *En Banc* by way of a Petition for Review. On September 19, 2018, the CTA *En Banc* reversed and set aside the decision of the CTA Third Division and remanded the case to the CTA Third Division for the resolution of the same on the merits (docketed as CTA EB Case No. 1772). A Motion for Reconsideration was filed by the BIR which was subsequently denied by the CTA *En Banc* in a resolution dated January 24, 2019. The BIR sought an extension within which to file a Petition for Review with the Supreme Court which was docketed as G.R. No. 244738. After the BIR filed a Manifestation stating that it will no longer file a Petition for Review on Certiorari, the Supreme Court issued a Resolution dated January 8, 2020 considering the case closed and terminated. The records were remanded to the CTA Third Division and the case is now submitted for the CTA Third Division's decision.

CTA Third Division partially granted SMB's Petition on September 14, 2023. The BIR is ordered to refund or issue a TCC in the reduced amount of P83, representing overpayment of excise taxes on the "San Mig Light" removals for the period from January 1, 2013 to December 31, 2013. The BIR filed a Motion for Reconsideration with CTA Third Division which was denied.

On March 20, 2024, the BIR elevated the case to the CTA *En Banc* by way of Petition for Review dated March 15, 2024 which was docketed as CTA EB No. 2890. On November 26, 2024, the CTA *En Banc* rendered its Decision denying the BIR's Petition for Review in CTA EB No. 2890. On December 11, 2024, the BIR filed a Motion for Reconsideration on the said Decision to which SMB filed an Opposition on January 30, 2025.

CTA Case No. 9223, SMB's claim for refund for P60, was partially decided in favor of SMB by the CTA Third Division in April 2019. From the CTA Third Division, SMB and the BIR filed separate Petitions for Review with the CTA *En Banc*. On February 21, 2022, the CTA *En Banc* rendered a Decision denying the separate Petitions for Review. On March 21, 2022, SMB filed a Petition for Review to the Supreme Court, where it was docketed as G.R. No. 258812. The BIR also elevated the CTA *En Banc*'s Decision to the Supreme Court which was docketed as G.R. No. 261197. In G.R. No. 258812, the Supreme Court issued a Resolution requiring the BIR to comment on SMB's Petition to which the Office of the Solicitor General filed a Comment dated February 19, 2024. In a Resolution dated June 3, 2024, the Supreme Court required SMB and the BIR to file their respective Replies on each other's Comment. SMB filed the required Reply on October 24, 2024 while the BIR filed its Reply on November 5, 2024.

CTA Case No. 9513, SMB's claim for refund for P48, was partially decided in favor of SMB by the CTA Second Division. From the CTA Second Division, SMB and the BIR filed separate Petitions for Review with the CTA *En Banc*. On February 4, 2021, the CTA *En Banc* affirmed the decision of the CTA Second Division. Both parties filed motions for partial reconsideration of the CTA *En Banc*'s Decision. In its October 22, 2021 Resolution, the CTA *En Banc* denied the parties' motion for reconsideration. SMB and the BIR filed separate Petitions for Review on Certiorari with the Supreme Court docketed as G.R. No. 257784 and 259263, respectively. These were consolidated by the Supreme Court, after which the BIR filed its comment to SMB's Petition as directed by the court. On September 11, 2023, SMB received the Supreme Court's Resolution dated March 22, 2023 requiring the former to file its Comment on the BIR's Petition for Review in G.R. No. 259263. SMB filed the required Comment on September 18, 2023.

CTA Case No. 9743, SMB's claim for refund for P30, was partially decided in favor of SMB by the CTA First Division. The Motion for Partial New Trial of SMB and Motion for Reconsideration filed by SMB and the BIR were denied. Both parties filed their respective Petition for Review with the CTA *En Banc*. On February 10, 2022, the CTA *En Banc* rendered a Decision denying the Petitions for Review. The BIR moved for reconsideration while SMB filed a Petition for Review on Certiorari with the Supreme Court which was docketed as G.R. No. 258813. Upon denial by the CTA *En Banc* of the BIR's motion for reconsideration, the BIR also filed a Petition for Review on Certiorari with the Supreme Court which was docketed as G.R. No. 261196 which the Supreme Court denied in a Resolution dated April 19, 2023 for failure to sufficiently show that the CTA committed any reversible error.

In G.R. No. 258813, the Supreme Court issued a Resolution dated October 2, 2023 ordering the BIR to refund or issue a TCC in the amount P3.

The Supreme Court issued an Entry of Judgment stating that its Resolution dated April 19, 2023 in G.R. No. 261196 had become final and executory, and another Entry of Judgment stating that its Resolution dated October 2, 2023 in G.R. No. 258813 had likewise become final and executory.

Following SMB's Motion for Execution, the CTA First Division issued a Writ of Execution dated September 9, 2024 in CTA Case No. 9743 ordering the BIR to refund to SMB the total amount of P30.

CTA Case No. 10000, SMB's claim for refund for P123, was filed on December 27, 2018 and is pending with the CTA Third Division. On September 22, 2021, the CTA Third Division partially granted SMB's Petition for Review and ordered the refund of P123. The BIR filed for a motion for reconsideration which was denied by the CTA Third Division. The BIR filed a Petition for Review with CTA *En Banc* docketed as CTA *En Banc* No. 2625. SMB filed its Comment dated July 25, 2022. On August 2, 2023, the CTA *En Banc* promulgated its Decision in CTA EB No. 2625 affirming the decision of the CTA Third Division in favor of SMB. The BIR moved for reconsideration but the same was denied by the CTA *En Banc* on January 8, 2024. The BIR then filed a Petition for Review on Certiorari with the Supreme Court which was docketed as G.R. No. 271254.

CTA Case No. 10223, SMB's claim for refund for P147, was filed on December 11, 2019 and is pending with the CTA Second Division. In its Resolution dated July 19, 2022, the case was submitted for decision. On July 5, 2023, the CTA Second Division promulgated its Decision which ordered the Commissioner of Internal Revenue (CIR) to refund or to issue a TCC in favor of SMB in the amount of P147 representing erroneously, excessively, and/or illegally collected excise taxes due on the removals of its subject beer products for the period covering January 1, 2018 to December 31, 2018.

On July 25, 2023, the CIR filed a Motion for Reconsideration on the aforesaid Decision, to which SMB filed an Opposition. In a Resolution dated October 9, 2023, the Court denied the Motion for Reconsideration of the CIR.

On December 14, 2023, the CIR appealed the Decision and Resolution of the CTA Second Division to the CTA *En Banc* by way of a Petition for Review, which was docketed as CTA EB No. 2834. On February 28, 2025, the CTA En Banc promulgated its Decision in CTA EB No. 2834 affirming the decision of the CTA Second Division in favor of SMB.

CTA Case No. 10745, SMB's claim for refund for P1,069, was personally filed on February 2, 2022 and is pending with the CTA First Division. The case is a consolidation of two claims, to wit:

- i. P8 under RA No. 10351 - the overpayment arose from the BIR's imposition of excise tax of P27.07 per liter on SMB's beer products for the period January 23, 2020 to February 9, 2020 based on Revenue Memorandum Circular (RMC) No. 90-2012 and RR No. 17-2012. Said BIR issuances are inconsistent with RA No. 10351 which imposes an excise tax of P26.44 per liter under Section 143 of the National Internal Revenue Code (NIRC), as amended by RA No. 10351 beginning January 1, 2020.
- ii. P1,061 under RA No. 11467 - the overpayment arose from the BIR's imposition of excise tax of P35.00 per liter on SMB's beer products, as provided under Section 143 of the NIRC, as amended by RA No. 11467, for the period January 23, 2020 to February 9, 2020. The said imposition was based on RMC No. 65-2020, as amended by RMC No. 113-2020, implementing RA No. 11467 at an earlier date (i.e., January 23, 2020) which is inconsistent with the actual effectivity date of RA No. 11467 (i.e., February 10, 2020).

On November 18, 2024, the CTA First Division rendered a Decision ordering the BIR to refund or issue a TCC in favor of SMB in the amount of P1,069. On December 11, 2024, the BIR filed a Motion for Partial Reconsideration of the said Decision.

Filed by GSMI

GSMI filed two claims for refund for overpayments of excise taxes with the BIR which were then elevated to the CTA by way of petition for review as follows:

- (a) CTA Case Nos. 8953 and 8954: These cases pertain to GSMI's Claims for Refund with the BIR, in the amounts of P582 in Case No. 8953, and P133 in Case No. 8954, or in the total amount of P715, representing payments of excise tax erroneously, excessively, illegally, and/or wrongfully assessed on and collected from GSMI by the BIR on removals of its distilled spirits or finished products for the periods from January 1, 2013 up to May 31, 2013 in Case No. 8953, and from January 8, 2013 up to March 31, 2013 in Case No. 8954.

The aforementioned assessment and collection arose from the imposition and collection of excise taxes on GSMI's finished products processed and produced exclusively from its inventory of ethyl alcohol, notwithstanding that excise taxes had already been previously paid by GSMI on said ethyl alcohol.

After several hearings and presentation of evidence, both parties filed their respective Formal Offers of Evidence.

On July 28, 2020, the CTA Third Division rendered its Decision and denied GSMI's Petition for Review. GSMI received the said Decision on August 24, 2020, for which it timely filed a Motion for Reconsideration on the aforementioned Decision on September 2, 2020, to which the CIR filed its Opposition.

The CTA Third Division issued an Amended Decision dated February 1, 2021 which partially granted GSMI's Motion for Reconsideration and ruled that GSMI is entitled to a partial refund of its erroneously and excessively paid excise taxes in the amount of P320 out of its original claim of P715.

GSMI and CIR subsequently filed Motions for Reconsideration on the aforesaid Amended Decision and Oppositions to each other's Motion for Reconsideration. In a Resolution dated October 28, 2021, the CTA Third Division denied for lack of merit GSMI's Motion for Reconsideration and CIR's Motion for Partial Reconsideration of the Amended Decision.

On January 4, 2022, GSMI elevated to the CTA *En Banc* the Decision dated July 28, 2020, Amended Decision dated February 1, 2021, and Resolution dated October 28, 2021 of the CTA Third Division, by way of a Petition for Review, which was docketed as CTA EB No. 2555.

Earlier, the CIR also filed a Petition for Review with the CTA *En Banc* elevating thereto the Amended Decision dated February 1, 2021 and Resolution dated October 28, 2021 of the CTA Third Division, and the same was docketed as CTA EB No. 2544.

On March 28, 2022, the Court *En Banc* ordered the Parties to file their respective Comments/Oppositions to the Petitions for Review. On April 7, 2022, GSMI filed a Motion for Extension of Time to File Comment on the Petition for Review in CTA EB No. 2544.

On April 21, 2022, GSMI filed its Comment on the Petition for Review. On May 30, 2022, the Court *En Banc* promulgated a Resolution which denied GSMI's Motion for Extension and submitted the Petitions for Review for decision. On June 13, 2022, GSMI filed its Motion for Reconsideration assailing the said Resolution.

On October 4, 2022, the Court *En Banc* promulgated a Resolution which set aside the May 30, 2022 Resolution insofar as the Petitions for Review were submitted for decision. The Resolution likewise directed the CIR to file a Comment to GSMI's Motion for Reconsideration, to which the CIR failed despite due notice.

On January 18, 2023, the CTA *En Banc* granted GSMI's Motion for Extension of Time to File Comment on the Petition for Review in CTA E.B. No. 2544 and admitted GSMI's Comment as part of the records of the case.

In a Decision dated January 18, 2024 received by GSMI on January 23, 2024, the CTA *En Banc* denied both the Petitions for Review of GSMI and the CIR, and affirmed the Amended Decision of the CTA Third Division dated October 28, 2021 awarding GSMI a partial refund of P320 only.

GSMI had 15 days from January 23, 2024, or until February 7, 2024, within which to file a Petition for Review on Certiorari with the Supreme Court. On January 30, 2024, GSMI filed a Motion for Extension of Time to File Petition for Review on Certiorari, praying for an extension of 30 days from February 7, 2024, or until March 8, 2024 within which to file a Petition for Review on Certiorari.

On March 4, 2024, GSMI filed with the Supreme Court a Petition for Review on Certiorari dated March 1, 2024, and the same was docketed as Supreme Court G.R. No. 271363.

- (b) CTA Case No. 11052: This case is a judicial claim for refund of alleged deficiency taxes paid under protest by GSMI in connection with its removals of alcohol products for the period covering January 23, 2020 to February 9, 2020, in the aggregate amount of P66.

On July 22, 2020, GSMI received a Notice of Discrepancy dated July 6, 2020 issued by the BIR (the "Original NOD"), which enjoined GSMI to pay alleged deficiency excise taxes in the amount of P40, inclusive of interests, for the period covering January 27, 2020 to February 9, 2020.

On August 6, 2020, GSMI submitted to the BIR its Letter-Reply to the Original NOD, where it emphasized that it is not liable to pay the alleged deficiency excise tax liability, and thus, requested its cancellation and withdrawal.

On October 13, 2020, GSMI received from the BIR a Letter dated September 18, 2020 with an attached Amended Notice of Discrepancy, which modified the amount of the alleged deficiency excise tax liability to P72, inclusive of interests, for the period covering January 23, 2020 to February 9, 2020.

On October 28, 2020, GSMI submitted to the BIR its Letter-Reply to the Amended NOD, where it reiterated its position that it is not liable for the alleged deficiency excise taxes.

On November 11, 2020, GSMI received from the BIR a Letter dated November 6, 2020 which reiterated the finding of alleged deficiency excise tax under the Amended NOD.

On December 29, 2020, GSMI paid under protest the amount of P66, representing the deficiency excise tax portion under the Amended NOD, through the BIR Electronic Filing and Payment System (eFPS).

On January 8, 2021, GSMI submitted to the BIR a Letter-Reply to the BIR's Letter dated November 6, 2020. GSMI reiterated its position that it is not liable for the alleged deficiency excise tax liability under the Amended NOD and informed the BIR that it paid under protest the amount of P66 through eFPS on December 29, 2020. In the same Letter-Reply, GSMI explained that with respect to the assessed penalties from the alleged late payment of the deficiency excise tax, it would avail the remedies available under Revenue Regulations No. 13-2001, as amended.

On July 16, 2021, GSMI received a copy of Letter of Authority (LOA) No. LOA-121-2021-00000109 dated July 1, 2021 issued by the BIR, authorizing its revenue officers to examine GSMI's books of accounts and other accounting records for all internal revenue taxes except for value-added tax for taxable year 2020.

On August 3, 2021, GSMI filed with the CIR an administrative claim for refund of the erroneously or illegally collected deficiency excise tax for the period covering January 23, 2020 to February 9, 2020, in the amount of P66, which GSMI paid under protest on December 29, 2020.

On March 7, 2022, the BIR issued a letter notifying GSMI on the transmittal of the entire docket to CIR's Legal Service Division for its resolution and issuance of a clarificatory ruling on the administrative claim for refund.

Prior to the expiry of the two-year statutory period to file judicial action for the recovery of erroneously or illegally collected internal revenue taxes, GSMI filed a Petition for Review with the CTA on December 28, 2022 pursuant to Section 204(C) and 229, Tax Code, and Section 3(a), Rule 8, Revised Rules of the Court of Tax Appeals in order to preserve its right to claim by judicial action its claims for refund of its erroneously or illegally collected deficiency excise taxes, in connection with its removals of alcohol products for the period covering January 23, 2020 to February 9, 2020.

The case was docketed as CTA Case No.11052, and was raffled to the CTA's First Division. In a Resolution dated May 29, 2023, the CTA First Division ordered the transfer of the case to the CTA Third Division.

Upon service of Summons to the CIR and the filing of the CIR's Answer dated March 24, 2023, pre-trial conference was held on July 26, 2023. Pursuant to the CTA's Order, the parties filed their Joint Stipulation of Facts and Issues on August 29, 2023. Pre-trial was terminated upon the issuance of the CTA's Pre-Trial Order on September 5, 2023.

GSMI presented its lone witness during the hearing on October 4, 2023. At the same hearing, the CTA ordered GSKI to file its Formal Offer of Evidence within ten days therefrom, or not later than October 13, 2023.

GSMI filed its Formal Offer of Evidence on October 13, 2023. Respondent CIR filed his Comment with Manifestation on GSKI's Formal Offer of Evidence on November 17, 2023. Respondent CIR's counsel manifested that they will no longer present testimonial evidence since there was no report of the investigation on GSKI's refund claim forwarded to their office.

On January 25, 2024, GSKI received the CTA's Resolution dated January 23, 2024, which admitted its Exhibits "P-1" to "P-17" and "P-19" to "P-21", inclusive of sub-markings. Moreover, the CTA's Resolution noted the manifestation of Respondent CIR that he will no longer present evidence, constraining the CTA to direct the parties to submit their respective memorandum within 30 days from receipt of the Resolution.

GSKI filed its Memorandum on 23 February 2024.

- (c) CTA Case No. 9059: This case pertains to GSKI's Claim for Refund with the BIR, in the total amount of P26, representing payments of excise tax erroneously, excessively, illegally, and/or wrongfully assessed on and collected from GSKI by the BIR on removals of its distilled spirits or finished products for the period from June 1, 2013 up to July 31, 2013.

The aforementioned assessment and collection arose from the imposition and collection of excise taxes on GSKI's finished products processed and produced exclusively from its inventory of ethyl alcohol, notwithstanding that excise taxes had already been previously paid by GSKI on the said ethyl alcohol.

After the presentation of its testimonial and documentary evidence, GSKI filed its Formal Offer of Evidence and Supplemental Offer of Evidence, which were all admitted by the CTA. BIR's presentation of evidence was set to January 23, 2019.

In a decision dated February 6, 2020, the CTA denied GSKI's Claim for refund for insufficiency of evidence. On February 20, 2020, GSKI filed a Motion for Reconsideration of the said Decision. However, the Motion for Reconsideration was denied by the CTA on June 9, 2020. On August 28, 2020, GSKI elevated the case to the CTA *En Banc* by way of a Petition for Review.

In a Decision dated November 10, 2021, the CTA *En Banc* denied the Petition for Review filed by GSKI. The Decision dated February 6, 2020 and the Resolution dated June 9, 2020 of the CTA Second Division were affirmed.

On December 10, 2021, GSMI elevated the Decision of the CTA *En Banc* to the Supreme Court by way of a Petition for Review, which was docketed as Supreme Court G.R. No. 25839.

This case is still pending resolution before the Supreme Court as at December 31, 2024.

- Deficiency Tax Liabilities

IBI

On December 27, 2016, IBI received a Formal Letter of Demand for tax year 2012 with a demand for payment of income tax, VAT, withholding tax, documentary stamp tax (DST) and miscellaneous tax deficiencies with administrative penalties. IBI filed a Protest. Due to the inaction of the BIR, IBI filed a Petition for Review with the CTA Third Division and docketed as CTA Case No. 9657.

On March 2, 2020, the CTA First Division promulgated its Decision partially granting IBI's Petition for Review. The assessment for deficiency income tax, VAT, DST and compromise penalty are cancelled and set aside. However, the assessment for deficiency expanded withholding tax is affirmed, and IBI was ordered to pay deficiency expanded withholding tax including interest and surcharges amounting to P5.

On October 29, 2020, the BIR filed a Petition for Review with CTA *En Banc*. On January 25, 2021, IBI filed its Comment to the Petition for Review. On July 21, 2022, the CTA *En Banc* denied the BIR's Petition for Review. Thereafter, the BIR filed for a motion for reconsideration which was also denied by the CTA *En Banc*.

The BIR filed a Petition for Review on Certiorari dated January 9, 2023 with the Supreme Court docketed as G.R. No. 264402.

SMFI

(a) SMFI vs. Office of the City Treasurer, City of Davao

SMFI filed several protests against the assessments issued by the City Treasurer of Davao City imposing permit fees to slaughter against its poultry dressing plants in Sirawan, Toril District and Los Amigos, Tugbok District both located in Davao City.

Following the dismissal of the appeals filed by SMFI with the Davao RTC, the following Petitions for review were filed with the CTA:

- CTA Case AC No. 209, filed on August 23, 2018
- CTA Case AC No. 210, filed on November 12, 2018
- CTA Case AC No. 249, filed on February 26, 2021

It is SMFI's position that Section 367 (a) of the 2005 Revenue Code of the City of Davao (Revenue Code of Davao City) on the imposition of permit fee to slaughter is applicable only to slaughterhouses operated by the City Government of Davao City. SMFI's poultry dressing plants in Sirawan, Toril District and Los Amigos, Tugbok District, being privately owned and operated slaughterhouses, are beyond the coverage of Section 357 (a) of the Revenue Code of Davao City. In addition, given that SMFI is already paying ante and post-mortem fees for the slaughter of poultry products pursuant to Section 367 (d) of the same Revenue Code, the assessment of permit fee to slaughter would constitute double taxation.

In CTA Case AC No. 209, the CTA First Division dismissed SMFI's Petition on May 29, 2020, and denied the Motion for Reconsideration on February 22, 2021. A Petition for Review was filed on May 12, 2021 with the CTA *En Banc* and docketed as CTA Case EB No. 2474. On January 31, 2023, the CTA *En Banc* denied SMFI's Petition. SMFI filed for a Motion for Reconsideration which was likewise denied on August 4, 2023. Following the denial, SMFI elevated and filed a Petition for Review with the Supreme Court on December 27, 2023.

Moreover, the CTA First Division also dismissed on July 3, 2020 the Petition docketed as CTA Case AC No. 210, and on July 28, 2021, SMFI's Motion for Reconsideration was denied. On October 8, 2021, SMFI filed a Petition for Review with the CTA *En Banc* docketed as CTA Case EB No. 2535, which was likewise denied on May 18, 2023. Thus, a Motion for Reconsideration was filed on September 15, 2023, with the same being denied on March 4, 2024.

Lastly, the CTA Special Third Division on October 12, 2022, dismissed the Petition for Review docketed as CTA Case AC No. 249 on the ground of lack of jurisdiction on permit fees as it is not a tax, therefore outside the CTA's jurisdiction. On December 22, 2022, SMFI filed a Motion for Reconsideration but was denied on November 9, 2023.

On April 2, 2024, SMFI Management decided not to pursue the above cases as the poultry dressing plants were already closed, therefore SMFI will no longer have future economic benefit from winning the cases.

- Oil Spill Incident in Guimaras

On August 11, 2006, MT Solar I, a third-party vessel contracted by Petron to transport approximately two million liters of industrial fuel oil, sank 13 nautical miles southwest of Guimaras, an island province in the Western Visayas region of the Philippines. In separate investigations by the Philippine Department of Justice (DOJ) and the Special Board of Marine Inquiry (SBMI), both agencies found the owners of MT Solar I liable. The DOJ found Petron not criminally liable, but the SBMI found Petron to have overloaded the vessel. Petron has appealed the findings of the SBMI to the DOTr and is awaiting its resolution. Petron believes that SBMI can impose administrative penalties on vessel owners and crew, but has no authority to penalize other parties, such as Petron, which are charterers.

Complaints for damages for non-payment of compensation for the clean-up operations during the oil spill were filed with the RTC of Guimaras by a total of 1,063 plaintiffs who allegedly did not receive any payment of their claims for damages arising from the oil spill. The total claims amounted to P292. The cases were pending as at December 31, 2024. In the course of plaintiffs' presentation of evidence, they moved for trial by the commissioner, which was denied by the trial court. The plaintiffs elevated the matter by way of a petition for certiorari to the Court of Appeals in Cebu City. On January 9, 2020, the Court of Appeals issued a Resolution granting plaintiffs' motion for reconsideration of the earlier resolution denying their petition and ordering Petron to file its comment on plaintiffs' petition within 10 days. On February 6, 2020, Petron filed a motion for reconsideration of said Resolution which remains pending as at December 31, 2024. On September 25, 2024, the Court of Appeals denied the motion for reconsideration of another respondent International Oil Pollution Compensation ("IOPC") Funds and directed IOPC to file its comment. The Court of Appeals held in abeyance any further action on the petition pending compliance with the directives of the said resolution. In the meantime, proceedings before the trial court continue. In one of the cases, the plaintiffs have already rested its case and trial dates have been set for the presentation of defendants' evidence. In the other case, plaintiffs are already expected to complete the presentation of their evidence testified so far. As at December 31, 2024 and 2023, the Group has not set up any provision related to this case because while the case is still pending, Petron believes the resolution will be in its favor.

- Lease Agreements with PNOC

On October 20, 2017, Petron filed with the RTC of Mandaluyong City a complaint against the PNOC for the reconveyance of the various landholdings it conveyed to PNOC in 1993 as a result of the government-mandated privatization of Petron.

The subject landholdings consisted of the refinery lots in Limay, Bataan, 23 bulk plant sites and 66 service station lots located in different parts of the country. The Deeds of Conveyance covering the landholdings provide that the transfer of these lots to PNOC was without prejudice to the continued long-term use by Petron of the conveyed lots for its business operation. Thus, PNOC and Petron executed three lease agreements covering the refinery lots, the bulk plants, and the service station sites, all with an initial lease term of 25 years which expired in August 2018, with a provision for automatic renewal for another 25 years. In 2009, Petron, through its realty subsidiary, NVRC, had an early renewal of the lease agreement for the refinery lots with an initial lease term of 30 years, renewable for another 25 years.

The complaint alleged that PNOC committed a fundamental breach of the lease agreements when it refused to honor both the automatic renewal clause in the lease agreements for the bulk plants and the service station sites and the renewed lease agreement for the refinery lots on the alleged ground that all such lease agreements were grossly disadvantageous to PNOC, a government-owned-and-controlled corporation.

On December 11, 2017, the trial court granted Petron's prayer for a writ of preliminary injunction, enjoining PNOC from committing any act aimed at ousting Petron from possession of the subject properties until the case is decided.

The court-mandated mediation in 2018 and the judicial dispute resolution proceedings before the court in 2019 were likewise terminated, after the parties failed to agree to a settlement. Petron filed a motion for summary judgment on May 17, 2019. In a resolution dated November 13, 2019, the trial court granted Petron's motion for summary judgment and ordered: (i) the rescission of the Deeds of Conveyance dated 1993 relating to Petron's conveyance of such leased premises to PNOC pursuant to a property dividend declaration in 1993; (ii) the reconveyance by PNOC to Petron of all such properties; and (iii) the payment by Petron to PNOC of the amount of P143, with legal interest from 1993, representing the book value of the litigated properties at the time of the property dividend declaration. PNOC filed a motion for reconsideration. Petron also filed a motion for partial reconsideration seeking a modification of the judgment to include an order directing PNOC to return to Petron all lease payments the latter had paid to PNOC since 1993.

Following the trial court's denial of their separate motions for reconsideration, both PNOC and Petron filed their respective notices of appeal with the trial court. In a decision dated December 13, 2021, the Court of Appeals dismissed both appeals of Petron and PNOC and affirmed the resolution of the trial court as described above. In a resolution promulgated on October 6, 2022, the Court of Appeals denied the respective motions for reconsideration of Petron and PNOC. The PNOC filed a Petition for Review on Certiorari with the Supreme Court in December 2022 which the Supreme Court denied on July 25, 2023 on the ground that PNOC failed to sufficiently show that the Court of Appeals committed any reversible error in the challenged decision and resolution as to warrant the Supreme Court's exercise of its discretionary appellate jurisdiction.

In a resolution dated November 25, 2024, the Supreme Court denied with finality the motion for reconsideration and the motion to refer to the Supreme Court *En Banc* that the PNOC filed in December 2023. The November 2024 resolution also ordered the immediate issuance of the entry of judgment and declared that no further pleadings or motions shall be entertained.

On January 21, 2025, PNOC filed a second motion for reconsideration. A second motion for reconsideration is generally prohibited under the Internal Rules of the Supreme Court. As at March 4, 2025, Petron has not received any notice from the Supreme Court on its action on PNOC's second motion for reconsideration.

Given the finality of the Supreme Courts's ruling, Petron recognized in its books the reversal of the conveyance of the land declared as property dividends in 1993 at P143 equivalent to the net book value of the land at the time of dividend declaration and instead recognized a liability for cash dividends to PNOC of the same amount plus legal interest of P267 computed from 1993 to 2024. The landholdings were recognized as part of "Property, plant and equipment" and "Investment property" amounting to P110 and P33, respectively (Notes 13 and 15). Correspondingly, all accruals related to the lease contracts with PNOC on the subject landholdings of the rescinded deeds of conveyance, namely, lease liabilities amounting to P3,629 (Note 19), ARO amounting to P2,600 (Note 22) for the cost of land restoration and remediation at the end of lease term, and the corresponding right-of-use assets amounting to P2,720 (Note 14) recognized previously were reversed which resulted in the recognition of gain on lease termination of P3,509 (Note 32).

- Generation Payments to PSALM

SPPC and PSALM are parties to the Ilijan IPPA Agreement covering the appointment of SPPC as the IPP Administrator of the Ilijan Power Plant.

SPPC and PSALM have an ongoing dispute arising from differing interpretations of certain provisions related to generation payments under the Ilijan IPPA Agreement. As a result of such dispute, the parties have arrived at different computations regarding the subject payments. In a letter dated August 6, 2015, PSALM has demanded payment of the difference between the generation payments calculated based on its interpretation and the amount which has already been paid by SPPC, plus interest, covering the period December 26, 2012 to April 25, 2015.

On August 12, 2015, SPPC initiated a dispute resolution process with PSALM as provided under the terms of the Ilijan IPPA Agreement, while continuing to maintain that it has fully paid all of its obligations to PSALM. Notwithstanding the bona fide dispute, PSALM issued a notice terminating the Ilijan IPPA Agreement on September 4, 2015. On the same day, PSALM also called on the performance bond posted by SPPC pursuant to the Ilijan IPPA Agreement.

On September 8, 2015, SPPC filed a Complaint with the RTC of Mandaluyong City requesting the RTC that its interpretation of the relevant provisions of the Ilijan IPPA Agreement be upheld and asked that a 72-hour Temporary Restraining Order (TRO) be issued against PSALM for illegally terminating the Ilijan IPPA Agreement and drawing on the performance bond of SPPC. On even date, the RTC issued a 72-hour TRO which prohibited PSALM from treating SPPC as being in Administrator Default and from performing other acts that would change the status quo ante between the parties before PSALM issued the termination notice and drew on the performance bond of SPPC. The TRO was extended for until September 28, 2015.

On September 28, 2015, the RTC issued an order granting a Preliminary Injunction enjoining PSALM from proceeding with the termination of the Ilijan IPPA Agreement while the main case is pending. PSALM sought for reconsideration of the said order but was later on denied by the RTC. PSALM filed with the Court of Appeals a Petition for Review on Certiorari assailing the RTC's order of denial. The Court of Appeals ruled in favor of SPPC and affirmed the RTC's issuance of a writ of preliminary injunction against PSALM prohibiting it from terminating the Ilijan IPPA Agreement while the main case in the lower court is pending and named Meralco as intervenor (the "2017 Court of Appeals Decision").

PSALM filed a Motion for Reconsideration of the 2017 Court of Appeals Decision but it was denied by the Court of Appeals in its resolution dated July 12, 2018 (the "2018 Court of Appeals Resolution").

On September 19, 2018, PSALM filed a Petition for Certiorari with urgent prayer for the issuance of a TRO and/or Writ of Preliminary Injunction before the Supreme Court praying for the reversal and nullification of the 2017 Court of Appeals Decision and the 2018 Court of Appeals Resolution but was denied by the Supreme Court in its resolution dated March 4, 2019 (the "March 4, 2019 Supreme Court Resolution"). PSALM filed a Motion for Reconsideration thereof and was denied by the Supreme Court in a resolution dated August 5, 2019 which became final and executory on the same date.

After years of resolving other related issues, pre-trial proceeded on November 19, 2021 and the parties filed the Joint Stipulation of Facts on April 6, 2022.

On August 30, 2024, SPPC filed its Formal Offer of Evidence. On September 12, 2024, in compliance with a directive from the court, SPPC submitted additional hard copies of its exhibits. The court admitted SPPC's documentary evidence through an Order dated October 11, 2024.

On November 22, 2024, PSALM filed its Formal Offer of Evidence. In an Order dated December 19, 2024, the trial court admitted PSALM's exhibits and directed the parties to submit their respective closing Memoranda. SPPC filed its Memorandum on February 3, 2025.

Although the proceedings before the RTC remain pending, the Ilijan Power Plant was turned over by PSALM to SPPC pursuant to the IPPA Agreement and the Deed of Sale executed between PSALM and SPPC on June 3, 2022.

▪ Intellectual Property Rights

- i. G.R. No. 196372: This case pertains to GSMI's application for the registration of the trademark "GINEBRA" under Class 33 covering gin with the Intellectual Property Office of the Philippines (IPOPHL). The IPOPHL rejected GSMI's application on the ground that "GINEBRA" is a Spanish word for gin and is a generic term incapable of appropriation.

When the Court of Appeals affirmed the IPOPHL's ruling, GSMI filed a Petition for Review on Certiorari (the Petition) with the Supreme Court. The Supreme Court denied GSMI's Petition. GSMI moved for a reconsideration thereof and likewise filed a Motion to Refer its Motion for Reconsideration to the Supreme Court *En Banc*. The Supreme Court denied GSMI's Motion for Reconsideration with finality, as well as GSMI's Motion to Refer to its Motion for Reconsideration to the Supreme Court *En Banc*.

Subsequently, GSMI filed a Manifestation with Motion for Relief from Judgment (the "Manifestation") and invoked the case of "*League of Cities vs. Commission of Elections*" (G.R. Nos. 176951, 177499 and 178056) to invite the Supreme Court *En Banc* to re-examine the case. The Office of the Solicitor General filed its Comment Opposition to the Manifestation.

On June 26, 2018, the Supreme Court *En Banc* issued a Resolution which resolves to: (a) Accept the subject case which was referred to it by the Third Division in the latter's resolution dated August 7, 2017; (b) Treat as a Second Motion for Reconsideration (of the resolution dated June 22, 2011) GSMI's Manifestation with Motion for Relief from Judgment dated November 28, 2011; (c) Reinstate the Petition; and (d) Require the respondents to Comment on the Petition within a non-extendible period of ten days from notice thereof.

Respondents, through the Office of the Solicitor General, filed their Comment dated July 31, 2018 while GSMI filed its Reply with Leave on August 20, 2018.

On January 4, 2019, the Supreme Court Third Division issued a Resolution ordering the consolidation of the previously consolidated cases (G.R. Nos. 216104, 210224 and 219632) with the *En Banc* case (G.R. No. 196372), stating that "considering that all these cases involve identical parties and raise interrelated issues which ultimately stemmed from the registration of trademark of Tanduay Distillers, Inc. (TDI) and GSMI before the IPOPHL.

On February 3, 2020, GSMI filed a Manifestation with the Supreme Court Third Division, informing the Court that on January 27, 2020, it received a copy of a Decision dated December 27, 2019 rendered by the IPOPHL Director General in the consolidated appealed cases involving GSMI's Oppositions to TDI's applications for the registration of the marks "Ginebra Lime & Device," "Ginebra Orange & Device," "Ginebra Especial & Device" and "Ginebra Pomelo & Device", for use on gin products. In the joint Decision, the IPOPHL Director General ruled in favor of GSMI and held that despite being generic or descriptive, the term "GINEBRA" had already attained a secondary meaning in relation to the gin products of GSMI. The Manifestation was filed to inform the Supreme Court Third Division of the status of cases in IPOPHL which involve GSMI's claim over "GINEBRA".

In a Resolution dated March 10, 2020, the Supreme Court *En Banc* resolved to transfer the consolidated cases from the Third Division to the *En Banc*, where this case which has the lowest docket number, i.e. G.R. No. 196372, was originally assigned, hence, all four cases are now consolidated and pending before the Supreme Court *En Banc*. Furthermore, the Supreme Court *En Banc* also noted GSMI's Manifestation dated February 3, 2020 on the IPO Director General's Decision dated December 27, 2019.

On August 9, 2022, the Supreme Court *En Banc* promulgated a Decision in the four consolidated Petitions. For G.R. No. 196372, GSMI's Petition for Review was granted. The Director of the Bureau of Trademarks was directed to reinstate GSMI's trademark application for "GINEBRA", cause its publication and give it due course.

On April 17, 2023, GSMI received a copy of TDI's Motion for Reconsideration of the Decision dated August 9, 2022. On August 29, 2023, the Supreme Court *En Banc* issued a Resolution which denied with finality the Motion for Reconsideration filed by TDI in the consolidated Petitions.

- ii. G.R. Nos. 210224 and 219632: These cases pertain to GSMI's Complaint for Unfair Competition, Trademark Infringement and Damages against TDI filed with the RTC, arising from TDI's distribution and sale of its gin product bearing the trademark "Ginebra Kapitan" and use of a bottle design, which general appearance was nearly identical and confusingly similar to GSMI's product. The RTC dismissed GSMI's complaint.

When GSMI elevated the case to the Court of Appeals, due to technicalities, two cases were lodged in the Court of Appeals: 1.) Petition for Review (CA-G.R. SP No. 127255), and 2.) Appeal (CA-G.R. SP No. 100332).

Acting on GSMI's Petition for Review, the Court of Appeals reversed, set aside the RTC's Decision, and ruled that "GINEBRA" is associated by the consuming public with GSMI. Giving probative value to the surveys submitted by GSMI, the Court of Appeals ruled that TDI's use of "GINEBRA" in "Ginebra Kapitan" produces a likelihood of confusion between GSMI's "Ginebra San Miguel" gin product and TDI's "Ginebra Kapitan" gin product. The Court of Appeals likewise ruled that "TDI knew fully well that GSMI has been using the mark/word 'GINEBRA' in its gin products and that GSMI's 'Ginebra San Miguel' has already obtained, over the years, a considerable number of loyal customers who associate the mark 'GINEBRA' with GSMI.

On the other hand, upon GSMI's Appeal, the Court of Appeals also set aside the RTC's Decision and ruled that "GINEBRA" is not a generic term, there being no evidence to show that an ordinary person in the Philippines would know that "GINEBRA" is a Spanish word for "gin". According to the Court of Appeals, because of GSMI's use of the term in the Philippines since the 1800s, the term "GINEBRA" now exclusively refers to GSMI's gin products and to GSMI as a manufacturer. The Court of Appeals added that "the mere use of the word 'GINEBRA' in 'Ginebra Kapitan' is sufficient to incite an average person, even a gin-drinker, to associate it with GSMI's gin product", and that TDI "has designed its bottle and label to somehow make a colorable similarity with the bottle and label of Ginebra S. Miguel".

TDI filed separate Petitions for Review on Certiorari with the Supreme Court, docketed as G.R. Nos. 210224 and 219632, which were eventually consolidated by the Supreme Court on April 18, 2016.

On October 26, 2016, GSMI filed its Comment on TDI's Petition for Review on Certiorari.

On December 17, 2018, the Supreme Court consolidated this case with Ginebra San Miguel Inc. vs. Court of Appeals, Director General of the Intellectual Property Office, and Director of the Bureau of Trademarks (G.R. No. 196372).

On February 3, 2020, GSMI filed a Manifestation with the Supreme Court Third Division, informing the Court that on January 27, 2020, it received a copy of a Decision dated December 27, 2019 rendered by the IPOPHL Director General in the consolidated appealed cases involving GSMI's Oppositions to TDI's applications for the registration of the marks "Ginebra Lime & Device," "Ginebra Orange & Device," "Ginebra Especial & Device" and "Ginebra Pomelo & Device", for use on gin products. In the joint Decision, the IPOPHL Director General ruled in favor of GSMI and held that despite being generic or descriptive, the term "GINEBRA" had already attained a secondary meaning in relation to the gin products of GSMI. The Manifestation was filed to inform the Supreme Court Third Division of the status of cases in IPOPHL which involve GSMI's claim over "GINEBRA".

In a Resolution dated March 10, 2020, the Supreme Court *En Banc* resolved to transfer the consolidated cases from the Third Division to the *En Banc*. Furthermore, the Supreme Court *En Banc* also noted GSMI's Manifestation.

On August 9, 2022, the Supreme Court *En Banc* promulgated a Decision in the four consolidated Petitions. For G.R. Nos. 210224 and 219632, TDI's Petitions for Review were denied, with modification, such that TDI shall pay GSMI temperate damages of P0.3 and attorney's fees of P0.2; other awards of damages against TDI are deleted.

On April 17, 2023, GSMI received a copy of TDI's Motion for Reconsideration of the Decision dated August 9, 2022. On August 29, 2023, the Supreme Court *En Banc* issued a Resolution which denied with finality the Motion for Reconsideration filed by TDI in the consolidated Petitions.

- iii. G.R. No. 216104: This case pertains to TDI's application for the registration of the trademark "GINEBRA KAPITAN" for Class 33 covering gin with the IPOPHL.

GSMI opposed TDI's application, alleging that it would be damaged by the registration of "GINEBRA KAPITAN" because the term "GINEBRA" has acquired secondary meaning and is now exclusively associated with GSMI's gin products. GSMI argued that the registration of "GINEBRA KAPITAN" for use in TDI's gin products will confuse the public and cause damage to GSMI. TDI countered that "GINEBRA" is generic and incapable of exclusive appropriation, and that "GINEBRA KAPITAN" is not identical or confusingly similar to GSMI's mark. GSMI's mark.

The IPOPHL ruled in favor of TDI and held that: (a) "GINEBRA" is generic for "gin"; (b) GSMI's products are too well known for the purchasing public to be deceived by a new product like "GINEBRA KAPITAN"; and (c) TDI's use of "GINEBRA" would supposedly stimulate market competition.

On July 23, 2014, the Court of Appeals reversed and set aside the IPOPHL's ruling and disapproved the registration of "GINEBRA KAPITAN". The Court of Appeals ruled that "GINEBRA" could not be considered as a generic word in the Philippines considering that, to the Filipino gin-drinking public, it does not relate to a class of liquor/alcohol but rather has come to refer specifically and exclusively to the gin products of GSMI.

TDI filed a Petition for Review on Certiorari with the Supreme Court, which was subsequently consolidated with the case of "*Tanduay Distillers, Inc. vs. Ginebra San Miguel Inc.*", docketed as G.R. No. 210224 on August 5, 2015.

On October 26, 2016, GSMI filed its Comment on TDI's Petition for Review on Certiorari.

On December 17, 2018, the Supreme Court consolidated this case with *Ginebra San Miguel Inc. vs. Court of Appeals, Director General of the Intellectual Property Office, and Director of the Bureau of Trademarks* (G.R. No. 196372).

On February 3, 2020, GSMI filed a Manifestation with the Supreme Court Third Division, informing the Court that on January 27, 2020, it received a copy of a Decision dated December 27, 2019 rendered by the IPOPHL Director General in the consolidated appealed cases involving GSMI's Oppositions to TDI's applications for the registration of the marks "Ginebra Lime & Device," "Ginebra Orange & Device," "Ginebra Especial & Device" and "Ginebra Pomelo & Device", for use on gin products. In the joint Decision, the IPOPHL Director General ruled in favor of GSMI and held that despite being generic or descriptive, the term "GINEBRA" had already attained a secondary meaning in relation to the gin products of GSMI. The Manifestation was filed to inform the Supreme Court Third Division of the status of cases in IPOPHL which involve GSMI's claim over "GINEBRA".

In a Resolution dated March 10, 2020, the Supreme Court *En Banc* resolved to transfer the consolidated cases from the Third Division to the *En Banc*. Furthermore, the Supreme Court *En Banc* also noted GSMI's Manifestation dated February 3, 2020 on the IPOPHL Director General's Decision dated December 27, 2019.

On August 9, 2022, the Supreme Court *En Banc* promulgated a Decision in the four consolidated Petitions. For, G.R. No. 216104, TDI's Petition for Review for the rejection of TDI's trademark application for "GINEBRA KAPITAN" was denied.

On April 17, 2023, GSMI received a copy of TDI's Motion for Reconsideration of the Decision dated 9 August 2022. On August 29, 2023, the Supreme Court *En Banc* issued a Resolution which denied with finality the Motion for Reconsideration filed by TDI in the consolidated Petitions.

- Imported Industrial Fuel Oil

SLHBTC has an on-going case with the CTA against the Commissioner of Customs (the Commissioner). On January 16, 2016, a Warrant of Seizure and Detention was issued against the 44,000 metric tons of fuel imported by SLHBTC with approximate value of P751. The Commissioner alleged that SLHBTC discharged fuel directly from the vessel carrying SLHBTC's imported fuel to another vessel via loop loading without paying duties and taxes and therefore, violating the Customs Modernization Tariff Act and other customs regulations. On January 20, 2017, the District Collector of Customs issued a decision forfeiting the fuel in favor of the government.

Subsequently on March 23, 2017, SLHBTC filed with the CTA a petition seeking the lifting and termination of the Warrant of Seizure and Detention and the reversal of the decision issued by the District Collector of Customs.

On April 19, 2017, SLHBTC filed with the CTA a Motion for Special Order to release the 44,000 metric tons of fuel, which was granted on January 28, 2018 subject to the posting of a surety bond amounting to P123 or one and one-half times of the assessed amount of P82 representing VAT. SLHBTC posted the surety bond and the 44,000 metric tons of fuel were released.

On December 1, 2021, the customs officer representing the District Collector of Customs was cross-examined by the SLHBTC legal counsel. He admitted that he did not examine the imported documents prior to recommending the issuance of a Writ of Seizure and Detention.

On February 24, 2022, the CTA decided to lift and terminate the Warrant of Seizure and Detention issued by the Commissioner and reversed the decision issued by the District Collector of Customs in January 2017 to forfeit the fuel in favor of the government. Moreover, the order granted by the CTA in January 2018 to release the 44,000 metric tons of fuel is now permanent and the surety bond of P123 shall be released and discharged to SLHBTC upon finality of judgment.

On October 5, 2022, the Commissioner filed a Petition for Review with the CTA *En Banc*. After technical issues were clarified, SLHBTC filed its comment on January 30, 2023. There has been no action from the CTA since then. As at March 11, 2024, the Commissioner has not appealed the decision of the CTA.

On April 16, 2024, the Commissioner filed a Motion for Reconsideration that seeks to reverse the CTA *En Banc*'s decision on denying the Commissioner's petition for review last October 2022. Subsequently, on October 15, 2024, CTA *En Banc* released its Notice for Resolution, denying the Commissioner's Motion for Reconsideration last April 16, 2024 due to lack of merit.

On January 23, 2025, the SLHBTC's legal counsel received a copy of the Petition for Certiorari under Rule 45 of the Rules of Court, filed by the Commissioner before the Supreme Court. In this petition, the Commissioner now seeks to annul the CTA *En Banc*'s decision dated March 8, 2024 and Resolution October 15, 2024. SLHBTC's legal counsel have yet to receive an order to comment, or any other action from the Supreme Court since the filing of the Commissioner's petition.

SLHBTC and its legal counsel assessed that it has a meritorious case and the final outcome will not have a material adverse effect on the SLHBTC's business financial condition and results of operations.

- Criminal Cases

SPPC

On September 29, 2015, SPPC filed a criminal complaint for estafa and for violation of Section 3(e) of RA No. 3019, otherwise known as the Anti-Graft and Corrupt Practices Act, before the DOJ, against certain officers of PSALM, in connection with the termination of SPPC's Ilijan IPPA Agreement, which was made by PSALM with manifest partiality and evident bad faith. Further, it was alleged that PSALM fraudulently misrepresented its entitlement to draw on the performance bond posted by SPPC, resulting in actual injury to SPPC in the amount of US\$60. On June 13, 2017, the DOJ endorsed the complete records of the complaint to the Office of the Ombudsman for appropriate action.

On a related matter, on November 14, 2018, SPPC filed with the Office of the Ombudsman-Field Investigation Office, an administrative complaint against an executive officer of PSALM and several unidentified persons for violation of the Ombudsman Act and the Revised Administrative Code, in the performance of their functions as public officers.

In a Resolution dated March 10, 2021, which was approved by the Ombudsman on February 15, 2022, the Graft Investigation and Prosecution Officer ("GIPO") dismissed the criminal complaint against the Respondents. In a Decision of the same date, approved by the Ombudsman also on February 15, 2022, the GIPO also dismissed the administrative complaint against the Respondents.

On March 21, 2022, SPPC filed a Motion for Reconsideration of the resolution dismissing the criminal complaint. In an Order dated May 25, 2022, the Office of the Ombudsman denied SPPC's Motion for Reconsideration. SPPC has decided not to question the dismissal of the criminal complaint.

SPI

On October 21, 2015, SPI filed a criminal complaint for Plunder and violation of Section 3(e) and 3(f) of RA No. 3019, before the DOJ against a certain officer of PSALM, and certain officers of TPEC and TSC, relating to the illegal grant of the so-called "excess capacity" of the Sual Power Plant in favor of TPEC which enabled it to receive a certain amount at the expense of the Government and SPI.

In a Resolution dated July 29, 2016, the DOJ found probable cause to file an Information against the respondents for Plunder and violation of Section 3(e) and 3(f) of RA No. 3019 (the "July 29, 2016 DOJ Resolution"). The DOJ further resolved to forward the entire records of the case to the Office of the Ombudsman for their proper action. Respondents have respectively appealed said DOJ's Resolution of July 29, 2016 DOJ Resolution, through the filing of a Petition for Review with the Secretary of Justice.

On October 25, 2017, the DOJ issued a Resolution partially granting the Petition for Review by reversing the July 29, 2016 DOJ Resolution insofar as the conduct of the preliminary investigation. On November 17, 2017, SPI filed a motion for partial reconsideration of said October 25, 2017 DOJ Resolution dated October 25, 2017.

While the said Motion for Partial Reconsideration is pending, SPI and the Respondents filed before the DOJ a Joint Motion to Dismiss dated June 6, 2022 praying for the dismissal of the criminal complaint filed by SPI.

In a Resolution promulgated on May 5, 2023, the DOJ affirmed its Resolution dated October 25, 2017. The DOJ held that considering SPI's desistance, SPI's Motion for Partial Reconsideration of the DOJ's Resolution of October 25, 2017 was considered dismissed and/or withdrawn.

- Civil Case

On June 17, 2016, SPI filed with the RTC Pasig a civil complaint for consignment against PSALM arising from PSALM's refusal to accept SPI's remittances corresponding to the proceeds of the sale on the WESM for electricity generated from capacity in excess of the 1,000 MW of the Sual Power Plant ("Sale of the Excess Capacity"). With the filing of the complaint, SPI also consigned with the RTC Pasig, the amount corresponding to the proceeds of the Sale of the Excess Capacity for the billing periods December 26, 2015 to April 25, 2016.

PSALM filed an Answer dated August 17, 2016 stating that it has no right to, and is not the owner of, the proceeds of the sale on the WESM of electricity generated from the capacity in excess of 1,000 MW of the Sual Plant and that the consignment should belong to TPEC as it is rightfully entitled to the 200 MW and to the payments which SPI made consequent therewith.

On October 3, 2016, SPI filed an Omnibus Motion to Admit Supplemental Complaint and to Allow Future Consignment without Tender (the "Omnibus Motion"). Together with this Omnibus Motion, SPI consigned with the RTC Pasig an additional amount corresponding to the proceeds of the Sale of the Excess Capacity for the billing periods from April 26, 2016 to July 25, 2016. After this, SPI continuously consigned additional proceeds of Sale of the Excess Capacity for succeeding billing periods.

On May 22, 2018, the RTC Pasig issued an order dismissing the complaint for consignment filed by SPI on the ground that the court has no jurisdiction over the subject matter of the complaint and finding that the ERC has the technical competence to determine the proper interpretation of "contracted capacity", the fairness of the settlement formula and the legality of the memorandum of agreement.

On July 4, 2018, SPI filed its Motion for Reconsideration to the May 22, 2018 order which dismissed the consignment case.

After the case was later re-raffled to RTC Branch 268, in an Order dated September 30, 2021, the RTC Branch 268: (a) granted SPI's Motion for Reconsideration of the Order of May 22, 2018, which dismissed the case for lack of jurisdiction; (b) granted SPI's Omnibus Motion to Admit Supplemental Complaint and Allow Future Consignations without Tender; and (c) reinstated the Complaint (the "September 30, 2021 Order").

On October 5, 2022, SPI and PSALM filed an Omnibus Motion to Dismiss and Release Deposited Monies, whereby PSALM, consistent with its representation and acknowledgment in its Answer that the consigned amounts rightfully belong to TPEC, agreed to the release of the said amounts to TPEC and SPI, relying on PSALM's representation and acknowledgment, did not object to the release of the consigned amounts to TPEC.

On October 10, 2022, the RTC issued an Order granting the Omnibus Motion and authorized TPEC's named representative in the Omnibus Motion to withdraw the consigned amounts.

Further related thereto, on December 1, 2016, SPI received a copy of a Complaint filed by TPEC and TSC with the ERC against SPI and PSALM in relation to the Excess Capacity issues, which issues have already been raised in the abovementioned cases. SPI filed a Motion to Dismiss and Motion to Suspend Proceeding of the instant case.

On June 6, 2022, SPI, TPEC and TSC filed a Joint Motion to Dismiss the ERC complaint. SPI received the Order from the ERC on June 22, 2022, asking the parties to submit a copy of the settlement agreement within 5 days from receipt of such order. TPEC, TSC and SPI filed with the ERC a Compliance and Submission attaching the settlement agreement on June 28, 2022. As at December 31, 2024, the case is still pending as the ERC has not issued any resolution granting the Joint Motion to Dismiss filed by the parties.

The total amount consigned with the RTC Pasig amounting to P491 was released to TPEC on December 20, 2022.

- TRO Issued to Meralco

On December 5, 2013, Meralco wrote the ERC requesting for clearance and authority: (i) to collect a generation charge of P7.90 per kWh in its December 2013 billings to its customers for its generation cost for the month of November 2013; and (ii) to defer to February 2014 the recovery of the remaining P3,000, representing a portion of the generation costs for the November 2013 supply month which was not passed on to customers in December 2013, subject to the inclusion of the appropriate carrying charge. In response thereto, the ERC, in its letter dated December 9, 2013, granted Meralco the authority to implement a staggered collection of its generation cost for the power supplied in November 2013. The ERC, however, did not approve Meralco's request to recover the carrying costs and directed it to file a formal application for this instead.

As a result, Meralco was constrained to fix its generation rate to its October 2013 level of P5.67 per kWh. The TRO originally had a period of 60 days.

On January 8, 2014, Meralco filed its Consolidated Comment/Opposition with Counter-Petition (the “Counter-Petition”) which prayed, among others, for the inclusion of SPI, SPPC, SRHI, MPCL and several generators as respondents to the case. On January 10, 2014, the Supreme Court issued an order treating the Counter-Petition as in the nature of a third party and granting the prayer to include SPI, SPPC, SRHI and MPCL as respondents in the Petition.

On February 18, 2014, the Supreme Court extended the TRO issued on December 23, 2013 for another 60 days or until April 22, 2014 and granted additional TROs enjoining the PEMC and the generators from demanding and collecting the deferred amounts. In a Resolution dated April 22, 2014, the Supreme Court extended indefinitely the effectivity of the TROs issued on December 23, 2013 and February 18, 2014.

In the Petition filed by special interest groups, the Supreme Court was made aware of the order of the ERC dated March 3, 2014 (the “March 3, 2014 ERC Order”) (as defined and discussed under “*ERC Order Voiding WESM Prices*”), in which the ERC declared void the WESM prices during the November and December 2013 supply months and imposed regulated prices in their stead. The March 3, 2014 ERC Order likewise directed PEMC to: (a) calculate these “regulated prices” based on a formula identified by the ERC as representative of 2013 market prices under normalized conditions; and (b) to collect the same from the WESM participants involved.

A decision was promulgated by the Supreme Court *En Banc* on August 3, 2021 (the “Supreme Court Decision”), affirming the December 9, 2013 ERC Order, which approved the staggered imposition by Meralco of its generation rate for November 2013 from its consumers and declared as null and void the March 3, 2014 ERC Order. SPI, SPPC, and SRHI however received a copy of the Supreme Court Decision through their counsel only on July 5, 2022, while MPCL received the same on July 6, 2022.

On July 26, 2022, the special interest groups sought reconsideration of the Supreme Court Decision by filing separate Motions for Reconsideration where they prayed that the Supreme Court Petition be granted. The ERC likewise filed a Motion for Partial Reconsideration of the Supreme Court Decision and sought the reinstatement of the March 3, 2014 ERC Order, among others.

These motions were denied with finality by the Supreme Court *En Banc*, in its resolution dated October 11, 2022, which also directed the entry of judgment of the Supreme Court Decision be made immediately. On January 4, 2023, the external counsel of SPPC, SPI and SRHI received a copy of the Entry of Judgement from the Supreme Court *En Banc* dated October 11, 2022, while the external counsel of MPCL received a copy of the same on January 5, 2023.

With this, the relevant subsidiaries namely, SPPC, MPCL and SPI are pursuing the implementation of the Supreme Court Decision as at December 31, 2024. SPPC, MPCL and SPI have aggregate outstanding receivables from Meralco estimated at P1,276 included under “Trade and other receivables” account in the condensed consolidated statements of financial position as at December 31, 2024.

- ERC Order Voiding WESM Prices

Relative to the above-cited Petition, on December 27, 2013, the DOE, ERC and PEMC, acting as a tripartite committee, issued a joint resolution setting a reduced price cap on the WESM of P32.00 per kWh. The price was set to be effective for 90 days until a new cap is decided upon.

On March 3, 2014, the ERC, in the exercise of its police power, issued an order in Miscellaneous Case No. 2014-021, declaring the November and December 2013 Luzon WESM prices void, imposed the application of regulated prices and mandated PEMC, the operator of the WESM, to calculate and issue adjustment bills using recalculated prices (the “March 3, 2014 ERC Order”).

Subsequent orders were issued by the ERC setting the period for compliance of the March 3, 2014 ERC Order (collectively, together with the March 3, 2014 Order, the “2014 ERC Orders”). Based on these orders, SPI and SRHI recognized a reduction in the sale of power while MPCL, SMELC and SPPC recognized a reduction in its power purchases. Consequently, a payable and receivable were also recognized for the portion of over-collection or over-payment, the settlement of which have been covered by a 24-month Special Payment Arrangement with PEMC which was already completed on May 25, 2016.

SPI, SPPC, SRHI and MPCL filed various pleadings requesting ERC for the reconsideration of the March 3, 2014 ERC Order. Other generators also requested the Supreme Court to stop the implementation of the March 3, 2014 ERC Order. The ERC denied the motions for reconsideration filed by the generators.

On June 26, 2014, SPI, SPPC and SRHI, while on December 12, 2014, MPCL appealed the said ERC denial before the Court of Appeals through their respective Petitions for Review.

After consolidating the cases, the Court of Appeals, in its decision dated November 7, 2017 (the “November 7, 2017 Decision”), granted the Petition for Review filed by SPI, SPPC, SRHI and MPCL, declared the 2014 ERC Orders null and void and accordingly reinstated and declared as valid the WESM prices for Luzon for the supply months of November to December 2013.

Motions for Reconsideration of the November 7, 2017 Decision and several other motions which were filed by various intervenors, were denied by the Court of Appeals through its Omnibus Resolution dated March 29, 2019. The intervenors filed Petitions for Review on Certiorari before the SC, which were also denied by the Supreme Court through its resolutions dated September 11, 2019 and October 1, 2019. Entries of judgment have been issued by the Supreme Court certifying that the resolutions denying the Petitions for Review on Certiorari filed by various intervenors against SPI, SPPC, SRHI and MPCL, among others, have become final and executory.

The ERC and Meralco also filed separate Petitions for Review appealing the November 7, 2017 Decision and Omnibus Resolution dated March 29, 2019 of the Court of Appeals, which nullified and set aside the 2014 ERC Orders, declaring the WESM prices for November and December 2013 void.

In a Resolution dated November 4, 2020, the Supreme Court directed the consolidation of the separate petitions filed by the ERC and Meralco considering that said cases involve the same parties, raise the same issues, and assail the same decision and resolution, and the transfer of the petition filed by Meralco to the Third Division of the Supreme Court handling the petition by the ERC.

The ERC filed its Consolidated Reply to the comments on its petition dated November 18, 2020.

The Supreme Court has not yet promulgated a decision as at December 31, 2024. However, on August 3, 2021, a decision was rendered by the Supreme Court *En Banc* in a separate case (as discussed under “*TRO Issued to Meralco*”) declaring the March 3, 2014 ERC Order as null and void, which is the subject of the aforementioned Petition. Considering that this decision of the Supreme Court *En Banc* covers the March 3, 2014 ERC Order, the difference between the actual Luzon WESM prices and the regulated prices (based on the March 3, 2014 ERC Order) for WESM sales and purchases by SPI, SPPC, SRHI, SMELC and MPCL amounting to up to P2,322 will have to be settled with the IEMOP, the current operator of the WESM, in favor of the relevant SMGP subsidiaries.

b. EPIRA

The EPIRA sets forth the following: (i) Section 49 created PSALM to take ownership and manage the orderly sale, disposition and privatization of all existing NPC generation assets, liabilities, IPP contracts, real estate and all other disposable assets; (ii) Section 31(c) requires the transfer of the management and control of at least 70% of the total energy output of power plants under contract with NPC to the IPP Administrators as one of the conditions for retail competition and open access; and (iii) Pursuant to Section 51(c), PSALM has the power to take title to and possession of the IPP contracts and to appoint, after a competitive, transparent and public bidding, qualified independent entities who shall act as the IPP Administrators in accordance with the EPIRA. In accordance with the bidding procedures and supplemented bid bulletins thereto to appoint an IPP Administrator relative to the capacity of the IPP contracts, PSALM has conducted a competitive, transparent and open public bidding process following which San Miguel Global Power was selected winning bidder of the IPPA Agreements (Note 34).

The EPIRA requires generation and DU companies to undergo public offering within five years from the effective date and provides cross ownership restrictions between transmission and generation companies. If the holding company of generation and DU companies is already listed on the PSE, the generation company or the DU need not comply with the requirement since such listing of the holding company is deemed already as compliance with the EPIRA.

A DU is allowed to source from an associated company engaged in generation up to 50% of its demand except for contracts entered into prior to the effective date of the EPIRA. Generation companies are restricted from owning more than 30% of the installed generating capacity of a grid and/or 25% of the national installed generating capacity. The Group is in compliance with the restrictions as at December 31, 2024 and 2023.

c. *Claims for Price Adjustments on the Meralco PSAs*

On October 22, 2019, SPI and SPPC each filed before the ERC a Joint Application with Meralco for the approval of their respective PSA with Meralco with prayer for provisional authority (the “Application”). The PSA of SPPC covers the supply of 670 MW baseload capacity to Meralco (“SPPC PSA”) while the PSA of SPI covers the supply of 330 MW baseload capacity to Meralco (“SPI PSA”) both for a period of ten years (collectively, the “PSAs”). The PSAs were awarded by Meralco to each of SPPC and SPI after they emerged as the winning bidders in the competitive selection process conducted by Meralco in September 2019.

On March 16, 2020, the ERC released Orders both dated December 10, 2019, granting provisional authority to implement the SPPC PSA and SPI PSA.

On May 11, 2022, SPPC and SPI each filed a Joint Motion for Price Adjustment with Meralco (the “Joint Motion”) seeking approval from the ERC to temporarily increase the contract price under the SPPC PSA and SPI PSA for a period of six months, to recover incremental fuel costs covering January to May 2022 billing periods arising from a Change in Circumstances (as defined in the PSAs) to be collected over a period of six months.

On September 29, 2022, the ERC denied the foregoing Joint Motions filed by each of SPPC and SPI with Meralco requesting for the proposed price adjustments (the “September 29, 2022 ERC Orders”).

SPPC Court of Appeals Petition

On November 10, 2022, SPPC filed with the Court of Appeals a Petition for Certiorari under Rule 65 with Application for the Issuance of a TRO and/or Writ of Preliminary Injunction to annul, reverse and set aside the September 29, 2022 ERC Order for SPPC (the “SPPC Court of Appeals Petition”).

In a Resolution dated November 23, 2022, the 14th Division of the Court of Appeals granted SPPC’s application for a 60-day TRO, conditioned upon the posting of a bond in the amount of P50,000 (the “TRO Bond”). The Court of Appeals later issued a TRO on December 2, 2022, after posting by SPPC of the TRO Bond, and the writ of preliminary injunction for the SPPC CA Petition on February 23, 2023.

On July 10, 2023, SPPC received the Court of Appeals’ Joint Decision dated June 27, 2023 (the “June 27, 2023, Court of Appeals Decision”) which granted the consolidated petitions of SPPC and SPI. The Court of Appeals: (i) annulled and set aside the September 29, 2022 ERC Orders for having been issued with grave abuse of discretion; (ii) granted the Joint Motions for Price Adjustment with Provisional Authority and/or Interim Relief without prejudice to any further requests for price adjustments for June 2022 onwards (for SPPC, from June 2022 to January 25, 2023 [date of writ of preliminary injunction] and for SPI, from June 2022 to the date of the finality of the Joint Decision); and (iii) made permanent the writ of preliminary injunction issued in favor of SPPC. On January 16, 2024, SPPC received, through its external counsel, a copy of the Resolution issued by the Court of Appeals dated December 28, 2023, denying the separate Motions for Reconsideration filed by National Association of Electricity Consumers for Reforms (NASECORE) and the ERC.

The June 27, 2023 Court of Appeals Decision was later on confirmed by the Supreme Court in a Resolution dated April 3, 2024 which denied the ERC's Petition for Review on Certiorari "for failure of petitioner [ERC] to sufficiently show that the Court of Appeals committed any reversible error in the challenged joint decision and resolution as to warrant the exercise of this Court's discretionary appellate jurisdiction." ERC's Motion for Reconsideration of the Supreme Court Resolution was also denied with finality in another Supreme Court Resolution dated July 10, 2024, and received on August 30, 2024. An Entry of Judgment has already been issued for this case.

Pursuant thereto, SPPC filed on October 10, 2024 its Motion for Issuance of Writ of Execution with the ERC to enforce the June 27, 2023 Court of Appeals Decision. The motion is pending with the ERC to date. On February 6, 2025, SPPC filed a Motion to Resolve (re: Motion for Issuance of Writ of Execution) with the ERC. On March 11, 2025, SPPC also filed with the Court of Appeals separate Motions to Direct the Court of Origin to Issue Writ of Execution to compel the ERC to issue writs of execution on the June 27, 2023 Court of Appeals Decision.

Related thereto, pursuant to the June 27, 2023 Court of Appeals Decision, SPPC issued a Notice of Change in Circumstances (CIC) on August 18, 2023, informing Meralco of its request for price adjustments for the period May 26, 2022 to December 6, 2022 and requested the cooperation and assistance of Meralco in seeking the necessary approvals on the recovery of the additional claim due to CIC, as provided under the SPPC PSA, through the filing of a joint motion for the adjustment of the Contract Price with the ERC. In a letter dated January 30, 2024, Meralco acknowledged SPPC's right to the adjustment in the Contract Price as a result of the CIC under the SPPC PSA and in a letter dated August 30, 2024, validated the amounts being claimed therein.

On November 21, 2024, SPPC filed a Motion for Price Adjustment with the ERC, for its CIC claim for the period May 26, 2022 to December 6, 2022 pursuant to the SPPC PSA, with its claims anchored on essentially the same legal bases established or ruled on by the Court of Appeals in its Joint Decision and confirmed by the Supreme Court with finality. The motion remains pending to date with the ERC.

On January 15, 2025, SPPC and San Miguel Global Power executed an agreement wherein SPPC assigned in favor of San Miguel Global Power all of its rights of action under the above claims for price adjustments from Meralco, in contemplation of the imminent dilution of San Miguel Global Power's equity interest in SPPC from 100% to 33%.

SPI Court of Appeals Petition

On November 10, 2022, SPI also filed with the Court of Appeals a Petition for Certiorari under Rule 65 with Application for the Issuance of a TRO and/or Writ of Preliminary Injunction to annul, reverse and set aside the September 29, 2022 ERC Order for SPI (the "SPI Court of Appeals Petition"). This was raffled to the 17th Division of the Court of Appeals which was subsequently transferred to its 16th Division.

On November 24, 2022, SPI filed an Urgent Motion for Consolidation of the instant Petition with the SPPC Court of Appeals Petition pending before the 13th Division.

On July 10, 2023, SPI received the Court of Appeals Joint Decision dated June 27, 2023 (the “June 27, 2023 Court of Appeals Decision”) which granted the consolidated petitions of SPPC and SPI. The Court of Appeals: (i) annulled and set aside the September 29, 2022 ERC Orders for having been issued with grave abuse of discretion; (ii) granted the Joint Motions for Price Adjustment with Provisional Authority and/or Interim Relief in ERC Case Nos. 2019-081 and 2019-083, without prejudice to any further requests for price adjustments for June 2022 onwards (for SPPC, from June 2022 to January 25, 2023 [date of writ of preliminary injunction] and for SPI, from June 2022 to the date of the finality of the Joint Decision); and (iii) denied SPI’s Motion for Partial Reconsideration of the January 13, 2023 Court of Appeals Resolution and its application for the issuance of a writ of preliminary injunction for being moot and academic. On January 16, 2024, SPI received, through its external counsel, a copy of the Resolution issued by the Court of Appeals dated December 28, 2023, denying the separate Motions for Reconsideration filed by NASECORE and the ERC.

The June 27, 2023 Court of Appeals Decision was later on confirmed by the Supreme Court in a Resolution dated April 3, 2024, and received on May 21, 2024, which denied the ERC’s Petition for Review on Certiorari “for failure of petitioner [ERC] to sufficiently show that the Court of Appeals committed any reversible error in the challenged joint decision and resolution as to warrant the exercise of this Court’s discretionary appellate jurisdiction.” ERC’s Motion for Reconsideration of the SC Resolution was denied with finality in an SC Resolution dated July 10, 2024, and received on August 30, 2024. An Entry of Judgment has already been issued for this case.

Pursuant thereto, SPI filed on October 10, 2024 its Motion for Issuance of Writ of Execution with the ERC to enforce the June 27, 2023 Court of Appeals Decision. The motion is pending with the ERC. On March 11, 2025, SPI also filed with the Court of Appeals separate Motions to Direct the Court of Origin to Issue Writ of Execution to compel the ERC to issue writs of execution on the June 27, 2023 Court of Appeals Decision.

Related thereto, pursuant to the June 27, 2023 Court of Appeals Decision, SPI issued a Notice of Change in Circumstances on August 18, 2023, informing Meralco of its request for price adjustments for the period June 2022 to July 2023, and requested the cooperation and assistance of Meralco in seeking the necessary approvals on the recovery of the additional claim due to CIC, as provided under the PSA, through the filing of a joint motion for the adjustment of the Contract Price with the ERC. In a letter dated January 30, 2024, Meralco acknowledged SPI’s right to the adjustment in the Contract Price as a result of the CIC under the SPI PSA, and in a letter dated August 30, 2024, validated the amounts being claimed therein.

On November 21, 2024, SPI filed a Motion for Price Adjustment with the ERC, for its CIC claim for the period June 2022 to July 2023 pursuant to SPI PSA with its claims anchored on essentially the same legal bases established or ruled on by the CA in its Joint Decision and confirmed by the Supreme Court with finality. The motion remains pending to date with the ERC.

d. Joint Agreement with Citicore Renewable Energy Corporation (CREC) for the Group's Solar Projects

On June 28, 2024, San Miguel Global Power through its subsidiary, SGLPC, signed an agreement with CREC for a 153.5 MW peak solar power plant to be constructed in Barangay Lucanin, Mariveles, Province of Bataan, that is expected to be completed next year. The solar power plant shall be located in a property with an area of approximately 158 hectares owned by an affiliate. Upon commencement of operations, all capacity to be generated by the solar power plant shall be supplied to the Group or any of its affiliates under long-term energy supply contracts.

e. Investment Agreement

The Parent Company entered into an Investment Agreement with Cerulean Infrastructure Investments Limited subject to terms and conditions defined in the Investment Agreement.

f. Commitments

The outstanding purchase commitments of the Group amounted to P245,288 and P248,484 as at December 31, 2024 and 2023, respectively.

These consist mainly of construction, acquisition, upgrade or repair of fixed assets needed for normal operations of the business and will be funded by available cash, short-term loans and long-term debt.

g. Foreign Exchange Rates

The foreign exchange rates used in translating the US Dollar accounts of foreign subsidiaries, associates and joint ventures to Philippine Peso were closing rates of P57.845 and P55.370 in 2024 and 2023, respectively, for consolidated statements of financial position accounts; and average rates of P57.279, P55.632 and P54.502 in 2024, 2023 and 2022, respectively, for income and expense accounts.

h. Certain accounts in prior years have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported financial performance for any period.

COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P	W	-	0	0	0	2	7	7		

COMPANY NAME

S	A	N		M	I	G	U	E	L		C	O	R	P	O	R	A	T	I	O	N		A	N	D				
S	U	B	S	I	D	I	A	R	I	E	S																		

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

N	o	.		4	0		S	a	n		M	i	g	u	e	l		A	v	e	n	u	e						
M	a	n	d	a	l	u	y	o	n	g		C	i	t	y														

Form Type

A A F S

Department requiring the report

Secondary License Type, If Applicable

COMPANY INFORMATION

Company's email Address

N/A

Company's Telephone Number/s

8632-3000

Mobile Number

N/A

No. of Stockholders

33,452

Annual Meeting (Month / Day)

Second Tuesday of June

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Ms. Bella O. Navarra

Email Address

N/A

Telephone Number/s

8632-3000

Mobile Number

N/A

CONTACT PERSON's ADDRESS

No. 40 San Miguel Avenue, Mandaluyong City

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

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



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Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

Agreed-Upon Procedures Report on the Use of Proceeds from the Issuance of Series 2-L, 2-N and 2-O Preferred Shares (the "Offering")

The Board of Directors and Stockholders
SAN MIGUEL CORPORATION
No. 40 San Miguel Avenue
Mandaluyong City

Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of assisting San Miguel Corporation (the "Company") in complying with the requirement of the Philippine Stock Exchange (PSE) to submit an external auditor's report on the accuracy of the information being represented by the Company relating to the use of proceeds from the Offering as of and for the period ended December 31, 2024.

Responsibilities of the Engaging Party and the Responsible Party

The Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the Philippine Standard on Related Services (PSRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until September 20, 2026

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024

and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the ethical requirements in the Code of Ethics for Professional Accountants in the Philippines.

Our firm applies Philippine Standard on Quality Control (PSQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Company, on the use of proceeds from the Offering.

The results of agreed-upon procedures performed are summarized as follows:

1. We have obtained and checked the mathematical accuracy of the Company's Report for the period ended December 31, 2024. No exceptions were noted.
2. We have compared the list of all the disbursement in the Progress Report with the schedule of planned use of proceeds from the Offering as indicated in the Final Offer Supplement dated November 8, 2023 (the "Offer Supplement") and agreed amounts to the related supporting documents such as proof of bank transfer, billing invoices or statements, and official receipts. No exceptions were noted.

As presented by the Company and based on the above procedures, the table below lists the details and amounts of disbursements of the proceeds from the Offering for the period ended December 31, 2024:

Purpose	Disbursements		Difference (In Millions)
	Allocations per Offer Supplement (In Millions)	Amounts per Progress Report (In Millions)	
Underwriting and selling fees, filing fees, taxes, legal and professional fees and other expenses	P379	P379	P -
Repayment of Philippine Peso-dominated short-term loans	16,530	16,530	-
Repayment of the Series H Bonds	9,866	9,866	-
Repayment of the Series B Bonds	7,294	7,294	-
Total	P34,069	P34,069	P -



The table below shows the amount of disbursement per Progress Report and the actual disbursements showing the balance of proceeds as at and for the period ended December 31, 2024:

Purpose	Amount of Disbursement Per Progress Report (In Millions)	Actual Disbursements (In Millions)	Difference (In Millions)
Underwriting and selling fees, filing fees, taxes, legal and professional fees and other expenses	P310	P310	P -
Repayment of Philippine Peso-dominated short-term loans	16,530	16,530	-
Repayment of the Series H Bonds	9,866	9,866	-
Repayment of the Series B Bonds	7,294	7,294	-
Total	P34,000	P34,000	P -

3. The net proceeds from the Offering amounting to P49,621 million were to be adjusted as and when fees of the Offering are disbursed.
4. We have obtained written management representation and confirmed that there were no reallocations made on the Company's planned use of proceeds from the Offering or any changes in the work program as disclosed in the Offer Supplement.

R.G. MANABAT & CO.

DARWIN P. VIROCEL
Partner

April 15, 2025
Makati City, Metro Manila

San Miguel Corporation
Proceeds of the Issuance of Series "2", in Subseries "L",
Subseries "N" and Subseries "O" Preferred Shares
December 31, 2024
(Amounts in Millions)

i. Gross and Net Proceeds as Disclosed in the Final Offer Supplement ^a		
Gross proceeds		P50,000
Estimated fees, commissions and expenses relating to the issue:		
Underwriting fees	P275	
PSE filing fee (inclusive of VAT)	56	
Taxes	25	
Philippine SEC filing and legal research fee	13	
Estimated legal and other professional fees	6	
Estimated other expenses	4	379
Net proceeds		P49,621
ii. Actual Gross and Net Proceeds ^b		
Gross proceeds		P34,000
Underwriting fees	P218	
PSE filing fee (inclusive of VAT)	56	
Taxes	17	
Philippine SEC filing and legal research fee	13	
Legal and other professional fees	5	
Other expenses	1	310*
Net proceeds/balance of the proceeds		P33,690
iii. Each Expenditure Item Where the Proceeds were Used		
Repayment of Philippine Peso-denominated short-term loans	P16,530	
Repayment of the Series H Bonds	9,866	
Repayment of the Series B Bonds	7,294	P33,690
iv. Balance of the Proceeds as of End of Reporting Period		P -

a. The Gross and Net Proceeds as Disclosed in the Final Offer Supplement is based on (i) 400,000,000 Series "2" Preferred Shares with an (ii) oversubscription option of 266,666,700 Series "2" Preferred Shares at P75.00 per share amounting to P50,000 million.

b. The Actual Gross and Net Proceeds is based on (i) 400,000,000 Series "2" Preferred Shares with an (ii) oversubscription option of 53,333,400 Series "2" Preferred Shares at P75.00 per share amounting to P34,000 million.

* Expenses of the Offering include: (i) payment of filing fees with the SEC and PSE; (ii) underwriting and selling fees of PCCL; (iii) documentary stamp taxes; (iv) legal counsel's fees; and (iv) other miscellaneous fees (i.e., expenses for publication, marketing and other out-of-pocket expenses).



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Agreed-Up Upon Procedures Report on the Use of Proceeds from the Issuance of the Fixed-Rate Bonds Series “O” and Series “P” (the “Offering”)

The Board of Directors and Stockholders
SAN MIGUEL CORPORATION
No. 40 San Miguel Avenue
Mandaluyong City

Purpose of this Agreed-Up Upon Procedures Report

Our report is solely for the purpose of assisting San Miguel Corporation (the “Company”) in complying with the requirement of the Philippine Stock Exchange (PSE) to submit an external auditor’s report on the accuracy of the information being represented by the Company relating to the use of proceeds from the Offering as of and for the period ended December 31, 2024.

Responsibilities of the Engaging Party and the Responsible Party

The Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner’s Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the Philippine Standard on Related Services (PSRS) 4400 (Revised), *Agreed-Up Upon Procedures Engagements*. An agreed-upon procedures engagement involves performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until September 20, 2026

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024

and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the ethical requirements in the Code of Ethics for Professional Accountants in the Philippines.

Our firm applies Philippine Standard on Quality Control (PSQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Company, on the use of proceeds from the Offering.

The results of agreed-upon procedures performed are summarized as follows:

1. We have obtained and checked the mathematical accuracy of the Company's Report for the period ended December 31, 2024. No exceptions were noted.
2. We have compared the list of all the disbursement in the Progress Report with the schedule of planned use of proceeds from the Offering as indicated in the Final Offer Supplement dated June 13, 2024 (the "Offer Supplement") and agreed amounts to the related supporting documents such as proof of bank transfer, billing invoices or statements, and official receipts. No exceptions were noted.

As presented by the Company and based on the above procedures, the table below lists the details and amounts of disbursements of the proceeds from the Offering for the period ended December 31, 2024:

Purpose	Disbursements		Difference (In Millions)
	Allocations per Offer Supplement (In Millions)	Amounts per Progress Report (In Millions)	
Underwriting and selling fees, filing fees, taxes, legal and professional fees and other expenses	P251	P251	P -
Redemption of Series "I" Fixed-Rate Bonds	11,240	11,240	-
Additional investment in the Manila International Airport	1,589	1,589	-
Total	P13,080	P13,080	P -

The table below shows the amount of disbursement per Progress Report and the actual disbursements showing the balance of proceeds as at and for the period ended December 31, 2024:

Purpose	Amount of Disbursement Per Progress Report (In Millions)	Actual Disbursements (In Millions)	Difference (In Millions)
Underwriting and selling fees, filing fees, taxes, legal and professional fees and other expenses	P268	P268	P -
Redemption of Series "I" Fixed-Rate Bonds	11,240	11,240	-
Additional investment in the Manila International Airport	1,589	1,589	-
Total	P13,097	P13,097	P -

3. The net proceeds from the Offering amounting to P19,749 million were to be adjusted as and when fees of the Offering are disbursed.
4. We have obtained written management representation and confirmed that there were no reallocations made on the Company's planned use of proceeds from the Offering or any changes in the work program as disclosed in the Offer Supplement.

R.G. MANABAT & CO.



DARWIN P. VIROCEL
Partner

April 15, 2025
Makati City, Metro Manila

San Miguel Corporation
Proceeds of the Offering of Series "O" and Series "P" Fixed-Rate Bonds
December 31, 2024
(Amounts in Millions)

i. Gross and Net Proceeds as Disclosed in the Final Prospectus		
Gross proceeds		P20,000
Estimated fees, commissions and expenses		
Relating to the issue:		
Taxes to be paid by the Company	P150	
Underwriting fees	80	
Philippine SEC filing and legal research fee	5	
Estimated legal and other professional fees	6	
Estimated other expenses	10	251
Net proceeds		P19,749
ii. Actual Gross and Net Proceeds		
Gross proceeds		P20,000
Expenses related to the Offering		268*
Net proceeds		P19,732
iii. Each Expenditure Item Where the Proceeds were Used		
Partial redemption of Series "I" Fixed-Rate Bonds		P11,240
Additional investment in the Manila International Airport		1,589
Total expenditure where the proceeds were used		P12,829
iv. Balance of the Proceeds as of End of Reporting Period		P6,903

** Expenses of the Offering include: (i) payment of filing fees with the SEC; (ii) other miscellaneous fees (i.e., expenses for publication, marketing and other out-of-pocket expenses); (iii) issue management, underwriting and selling agent fees; (iv) payment of documentary stamp taxes; (v) listing application, listing and maintenance fees with the PDEX; (iv) additional miscellaneous fees; and (vii) registry fees with PDTC.*

ANNEX “C”

SUPPLEMENTARY SCHEDULES



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**REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY SUPPLEMENTARY INFORMATION FOR FILING
WITH THE SECURITIES AND EXCHANGE COMMISSION**

The Board of Directors and Stockholders
San Miguel Corporation
No. 40 San Miguel Avenue
Mandaluyong City

We have audited, in accordance with Philippine Standards on Auditing, the separate financial statements of San Miguel Corporation (the Company) as at and for the years ended December 31, 2024 and 2023, on which we have rendered our report dated April 15, 2025.

Our audits were made for the purpose of forming an opinion on the separate financial statements of the Company taken as a whole. The supplementary information included in the Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management.

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until September 20, 2026

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BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



This supplementary information is presented for purposes of complying with the Revised Securities Regulation Code (SRC) Rule 68, and is not a required part of the separate financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audits of the separate financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the separate financial statements taken as a whole.

R.G. MANABAT & CO.

A handwritten signature in black ink, appearing to read 'D. Virocel', with a stylized flourish at the end.

DARWIN P. VIROCEL

Partner

CPA License No. 0094495

SEC Accreditation No. 94495-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and up to audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

Tax Identification No. 912-535-864

BIR Accreditation No. 08-001987-031-2022

Issued June 27, 2022; valid until June 27, 2025

PTR No. MKT 10467159

Issued January 2, 2025 at Makati City

April 15, 2025

Makati City, Metro Manila

**RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2024**
(In Millions)

SAN MIGUEL CORPORATION
No. 40 San Miguel Avenue, Mandaluyong City

Unappropriated retained earnings, January 1, 2024		P438,651
Adjustments:		
Unrealized gain from exchange of shares	(P331,126)	
Treasury shares - common	(67,093)	
Unrealized foreign exchange gains, except those attributable to cash and cash equivalents (net of tax)	(1,565)	
Unearned income due to escalation of contractual lease for subsequent years (net of tax)	(15)	
Net movement of deferred tax asset not considered in the reconciling items under other categories	(3,449)	(403,248)
Unappropriated retained earnings available for dividend declaration, January 1, 2024		35,403
Less: Items that are directly debited to unappropriated retained earnings		
Dividends and distributions declared during the reporting period		(13,318)
Unappropriated retained earnings available for dividend declaration, as adjusted		22,085
Net loss for the current period		(14,798)
Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards (unearned income due to escalation of contractual lease for subsequent years)		(9)
Add: Unrealized income recognized in the profit or loss in prior reporting 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	1,565	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards (unearned income due to escalation of contractual lease for subsequent years)	15	1,580
Adjusted net loss		(13,227)

Forward

Add: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of deferred tax asset not considered in the reconciling items under the previous categories		
Realized (part of reconciling item of previous year)	P1,704	
Unrealized	(73)	P1,631
Unappropriated retained earnings available for dividend declaration, December 31, 2024		P10,489



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**REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY SUPPLEMENTARY INFORMATION FOR FILING
WITH THE SECURITIES AND EXCHANGE COMMISSION**

The Board of Directors and Stockholders
San Miguel Corporation
No. 40 San Miguel Avenue
Mandaluyong City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of San Miguel Corporation (the Company) and Subsidiaries (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 rendered our report dated April 15, 2025.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements of the Group taken as a whole. The supplementary information included in the Map of the Conglomerate is the responsibility of the Group's management.

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until September 20, 2026

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financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



This supplementary information is presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

R.G. MANABAT & CO.

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DARWIN P. VIROCEL

Partner

CPA License No. 0094495

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Tax Identification No. 912-535-864

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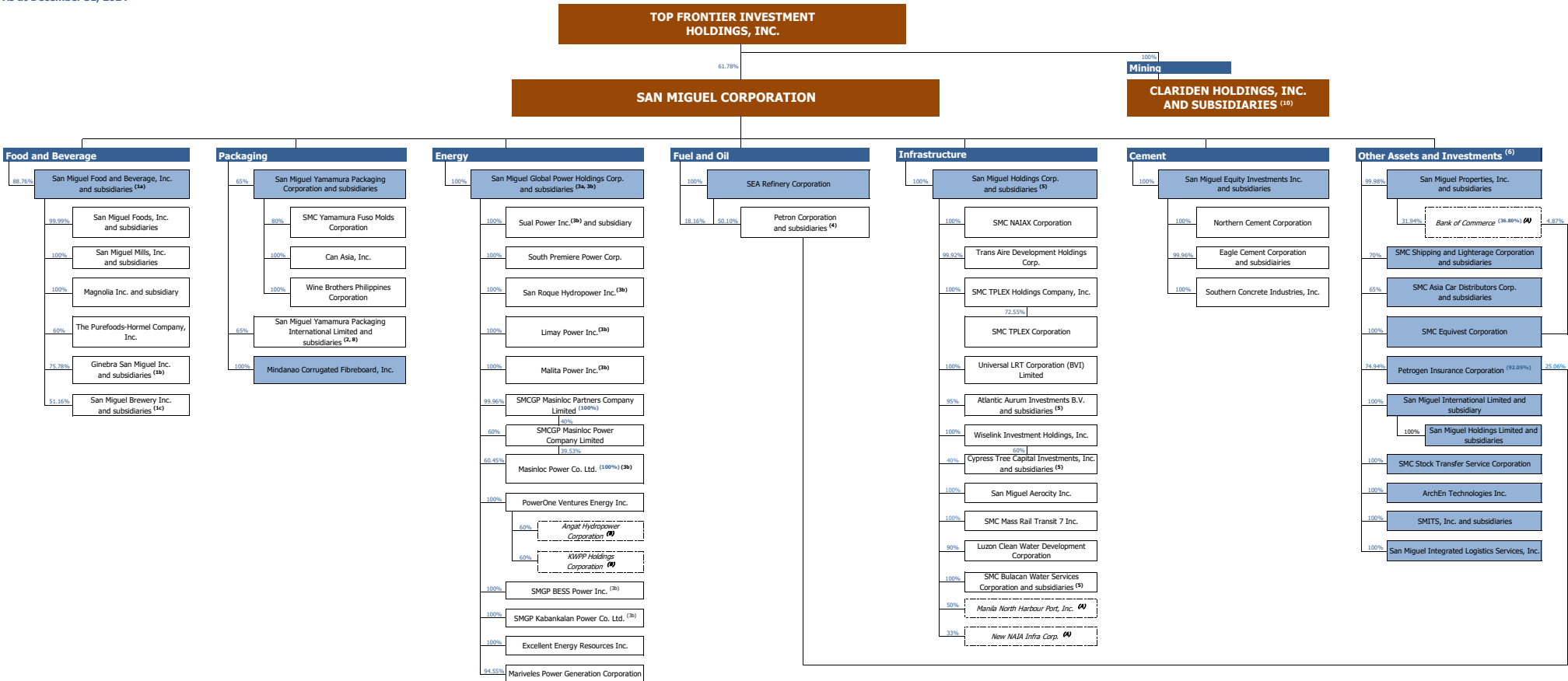
PTR No. MKT 10467159

Issued January 2, 2025 at Makati City

April 15, 2025

Makati City, Metro Manila

SAN MIGUEL CORPORATION
GROUP STRUCTURE *
As at December 31, 2024



* The group structure includes the Parent Company, Top Frontier Investment Holdings, Inc., its co-subsidiary, Clariden Holdings, Inc. and its subsidiaries and San Miguel Corporation's major subsidiaries, associates and joint ventures.

Note:
(4) Associate
(30) Joint Venture

I. Subsidiaries

1. San Miguel Food and Beverage, Inc. subsidiaries also include: (a) San Miguel Super Coffeemix Co., Inc., PT San Miguel Foods Indonesia and San Miguel Foods International, Limited and subsidiary, San Miguel Foods Investment (BVI) Limited and subsidiary, San Miguel Pure Foods (VN) Co., Ltd.; (b) Ginebra San Miguel Inc. subsidiaries including Distileria Bago, Inc., and East Pacific Star Bottlers Phils Inc. and (c) San Miguel Brewery Inc. subsidiaries including Iconic Beverages, Inc., Brewery Properties Inc. and subsidiary and San Miguel Brewing International Limited and subsidiaries including, San Miguel Brewery Hong Kong Limited and subsidiaries, PT. Delta Djakarta Tbk. and subsidiary, San Miguel (Baoding) Brewery Co., Ltd., San Miguel Brewery Vietnam Company Limited, San Miguel Beer (Thailand) Limited and San Miguel Marketing (Thailand) Limited. San Miguel (Baoding) Brewery Co., Ltd. and PT San Miguel Foods Indonesia are in the process of liquidation as at December 31, 2024.
2. San Miguel Yamamura Packaging International Limited subsidiaries include San Miguel Yamamura Phu Tho Packaging Company Limited, San Miguel Yamamura Glass (Vietnam) Limited, San Miguel Yamamura Haiphong Glass Company Limited, Zhaoqing San Miguel Yamamura Glass Company Limited, Foshan San Miguel Yamamura Packaging Company Limited and subsidiary, San Miguel Yamamura Packaging and Printing Sdn. Bhd., San Miguel Yamamura Woven Products Sdn. Bhd. and subsidiary, Packaging Research Centre Sdn. Bhd., San Miguel Yamamura Plastic Films Sdn. Bhd., San Miguel Yamamura Australasia Pty Ltd and subsidiaries including SMYC Pty Ltd. and subsidiary, Foshan Cospak Packaging Co Ltd., SMYV Pty Ltd, SMYP Pty Ltd and subsidiary, SMYBB Pty Ltd, SMYJ Pty Ltd and Vinocor Ltd.
3. (a) San Miguel Global Power Holdings Corp. subsidiaries also include San Miguel Electric Corp., SMC PowerGen Inc., SMC Power Generation Corp., Albay Power and Energy Corp., Lumiere Energy Technologies, Inc., Central Luzon Premiere Power Corp., Oceantech Power Generation Corporation and subsidiary and Prime Electric Generation Corporation and subsidiary.

(b) The Securities and Exchange Commission (SEC) approved the change in corporate names of the following entities on the respective dates:

<i>San Miguel Global Power Holdings Corp. (formerly SMC Global Power Holdings Corp.)</i>	<i>March 22, 2023</i>
<i>Sual Power Inc. (formerly San Miguel Energy Corporation)</i>	<i>March 9, 2023</i>
<i>San Roque Hydropower Inc. (formerly Strategic Power Devt. Corp.)</i>	<i>March 31, 2023</i>
<i>Limay Power Inc. (formerly SMC Consolidated Power Corporation)</i>	<i>February 7, 2023</i>
<i>Malita Power Inc. (formerly San Miguel Consolidated Power Corporation)</i>	<i>March 9, 2023</i>
<i>Masinloc Power Co. Ltd. (formerly Masinloc Power Partners Co. Ltd.)</i>	<i>November 13, 2023</i>
<i>SMGP BESS Power Inc. (formerly Universal Power Solutions, Inc.)</i>	<i>November 3, 2023</i>
<i>SMGP Kabankalan Power Co. Ltd. (formerly SMCGP Philippines Energy Storage Co. Ltd.)</i>	<i>September 21, 2023</i>
4. Petron Corporation subsidiaries include Petron Marketing Corporation, Petron Freeport Corporation, Overseas Ventures Insurance Corporation Ltd., New Ventures Realty Corporation and subsidiaries, Mema Holdings Inc. and subsidiaries, Petron Singapore Trading Pte., Ltd., Petron Global Limited, Petron Oil & Gas International Sdn. Bhd. and subsidiaries including Petron Fuel International Sdn. Bhd., Petron Oil (M) Sdn. Bhd. and Petron Malaysia Refining & Marketing Bhd. (collectively Petron Malaysia), Petron Finance (Labuan) Limited and Petrochemical Asia (HK) Limited and subsidiaries.
5. San Miguel Holdings Corp. subsidiaries also include Alloy Manila Toll Expressways, Inc., SMC Infraventures Inc. and subsidiary, SMC Skyway Stage 4 Corporation, Pasig River Expressway Corporation, Intelligent E-Processes Technologies Corp., SMC Northern Access Link Expressway Corp., SMC Southern Access Link Expressway Corp., South Luzon Toll Road-5 Expressway Inc., TPLEX Operations and Maintenance Corporation, SMC NBEX Inc., SMC CBEX Inc., SMC PLEX Inc., and SMC TPLEX Extension Infrastructure Corp.

Atlantic Aurum Investments B.V. and subsidiaries include SMC Tollways Corporation and subsidiaries including Stage 3 Connector Tollways Holdings Corporation and subsidiary, SMC Skyway Stage 3 Corporation, and SMC Skyway Corporation and subsidiary, Skyway O&M Corporation, SMC SLEX Holdings Company Inc. and subsidiaries, Manila Toll Expressway Systems Inc. and SMC SLEX Inc.

Cypress Tree Capital Investments, Inc. and subsidiaries include Star Infrastructure Development Corporation and Star Tollway Corporation (collectively the Star Tollways Group).

SMC Bulacan Water Services Corporation and subsidiaries include Obando Water Company, Inc. and Bulakan Water Company, Inc.
6. Other Assets and Investments also include Anchor Insurance Brokerage Corporation, Davana Heights Development Corporation and subsidiaries, Silvertides Holdings Corporation and subsidiary, Deity Holdings Corporation, Fonterra Verde Holdings Inc., One Verdana Holdings Inc. and Worldsummit Holdings Corporation.

San Miguel Properties, Inc. subsidiaries include SMPI Makati Flagship Realty Corp., Bright Ventures Realty, Inc. and Tierra Verdosa Services Corp. (formerly *Tierra Verdosa Real Estate Services, Inc.* effective October 21, 2024).

SMC Shipping and Lighterage Corporation and subsidiaries include SL Harbor Bulk Terminal Corporation.

San Miguel Holdings Limited subsidiaries include San Miguel Insurance Company, Ltd.

II. Co-Subsidiary

- 7 Clariden Holdings, Inc. subsidiaries include V.I.L. Mines, Incorporated, Prima Lumina Gold Mining Corp., Excelon Asia Holding Corporation, New Manila Properties, Inc. and Philnico Holdings Limited and subsidiaries including Pacific Nickel Philippines, Inc., Philnico Industrial Corporation and Philnico Processing Corp. (collectively the Philnico Group).



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**REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY SUPPLEMENTARY INFORMATION FOR FILING
WITH THE SECURITIES AND EXCHANGE COMMISSION**

The Board of Directors and Stockholders
San Miguel Corporation
No. 40 San Miguel Avenue
Mandaluyong City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of San Miguel Corporation (the Company) and Subsidiaries (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 rendered our report dated April 15, 2025.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements of the Group taken as a whole. The supplementary information included in the Supplementary Schedules of Annex 68-J is the responsibility of the Group's management.

Firm Regulatory Registration & Accreditation:

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This supplementary information is presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

R.G. MANABAT & CO.

A handwritten signature in black ink, appearing to read 'D. Virocel', with a stylized flourish at the end.

DARWIN P. VIROCEL

Partner

CPA License No. 0094495

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April 15, 2025

Makati City, Metro Manila

SAN MIGUEL CORPORATION AND SUBSIDIARIES

**INDEX TO FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2024**

A	- FINANCIAL ASSETS	
B	- AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)	NOT APPLICABLE
C	- AMOUNTS RECEIVABLE/PAYABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS	
D	- LONG-TERM DEBT	
E	- INDEBTEDNESS TO RELATED PARTIES	NOT APPLICABLE*
F	- GUARANTEES OF SECURITIES OF OTHER ISSUERS	NOT APPLICABLE
G	- CAPITAL STOCK	

* Balance of account is less than 5% of total assets of the Group

SAN MIGUEL CORPORATION AND SUBSIDIARIES
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2024
(Amounts in Millions, except No. of Shares Data)

Name of Issuing Entity / Description of Each Issue	Number of shares or Principal Amount of Bonds and Notes	Amount Shown in the Statements of Financial Position	Value Based on Market Quotations at December 31, 2024	Income Received and Accrued
Cash and cash equivalents	-	₱ 293,677	Not applicable	₱ 12,207
Trade and other receivables - net	-	266,981	Not applicable	309
Derivative assets	-	2,782	Not applicable	614 *
Financial assets at FVPL	-	896	Not applicable	93
Financial assets at FVOCI**	-	8,988	₱ 8,988	1,004
Financial assets at amortized cost**	-	12,180	12,180	896
Noncurrent receivables and deposits - net	-	8,797	Not applicable	162
Restricted cash	-	23,822	Not applicable	876
		₱ <u>618,123</u>	₱ <u>21,168</u>	₱ <u>16,161</u>

* This represents net marked-to-market gains/losses from derivative assets and derivative liabilities that have matured during the year and those that are still outstanding as of year-end.

** The number of shares or principal amounts of bonds and notes are presented in ATTACHMENT TO SCHEDULE A - FINANCIAL ASSETS.

See Notes 39 and 40 of the Consolidated Financial Statements.

SAN MIGUEL CORPORATION AND SUBSIDIARIES
ATTACHMENT TO SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2024
(Amounts in Millions, Except No. of Shares Data)

Name of Issuing Entity	No. of Shares or Principal Amount of Bonds and Notes	Value Based on Market Quotation at December 31, 2024 (a)
San Miguel Corporation		
Alabang Country Club	7 P	109
Alta Vista Golf and Country Club	2	1
Apo Golf & Country Club	3	-
Baguio Country Club	1	6
Bancom Group Inc	999,546	-
Calatagan Golf Club	1	1
Camp John Hay	2	1
Canlubang Golf Club	3	12
Capitol Hills Golf & Country Club	1	-
Casino Espanol de Manila	2	-
Cebu Country Club	1	18
Celebrity Sports Plaza	3	1
Club Filipino	8	2
Continental Potash	7,909	-
Evercrest	2	-
Export & Industry Bank	940,560,000	-
Green Valley Club - Baguio	1	-
Greenfield Tennis Club	3	-
Iloilo Golf Club	1	-
Inter island Broadcasting Corp	4,458,928	-
Landgolf Inc	2	-
Makati Executive Center	1	-
Makati Sports Club	11	18
Manila Bankers Life	250,000	1
Manila Electric Company	100,331	1
Manila Golf & Country Club	3	433
Manila Polo Club	2	100
Manila Southwoods Golf & Country Club	1	6
Medical Doctors Inc.	83,379	203
Merchant Investment	41,660	-
Metropolitan Club	2	1
Metropolitan Theater	198	-
Mimosa Golf & Country Club	3	2
Montserrat Trading	1,000	-
Motor Services	52,500	-
Naga Telephone Co.	220	-
Negros Occidental Golf club	6	-
Norcem Philippines	80,000	-
Orchard Golf & Country Club	5	15
Pacific Club Corporate	1	-
Pantranco South Express	340,992	-
People's Press	1,500	-
Phil. Columbian Club	3	-
Phil. International Fair	500	-
Phil. Long Distance Tel. Co	230,594	2
Phil. Overseas Resources	10,000	-
Puerto Azul Golf Club	3	1
Quezon City Sports Club	1	1
Sta Elena Properties	7	5
Sta Elena Golf Club	1	24
Sta Lucia Realty Golf Club	2	1
Subic Bay Yacht Club	1	-
Tagaytay Highland Golf and Country Club	2	6
Tagaytay Midlands Country Club	1	3
The Country Club - Canlubang	2	8
Top Frontier Holdings, Inc. - Common	2,561,031	162
Universal Leisure Club	1	-
Valle Verde Golf Club	53	16
Valley Golf Club Inc.	2	10
Fiber Hub Telecoms, Inc	1,410,000	1,427

Name of Issuing Entity	No. of Shares or Principal Amount of Bonds and Notes	Value Based on Market Quotation at December 31, 2024 (a)
SMC Equivest Corporation		
Bank of Commerce - Preferred	416,666,670 P	5,500
Ginebra San Miguel Inc		
BOC Trust	1,500	1,500
Petrogen Insurance Corporation		
Government Security	680	680
Corporate Bonds under IMA with BOC	668	668
San Miguel Brewery Inc.		
HSBC Holdings	20,400	12
Pacific Club Kowloon	1	9
Hongkong Arts Centre Ltd.	1	-
The American Club Hong Kong	1	10
Hong Kong Football Club	1	9
BOC Trust	10,000	10,000
Discovery Bay Golf Club	1	10
San Miguel Properties, Inc.		
Apo Golf & Country Club	1	1
Mimosa Golf & Country Club	4	2
Sta. Elena Golf & Country Club	1	24
Metro Club	1	-
Meralco	91,011	1
Riviera Golf Course and Country Club	-	51
Tagaytay Highlands Golf and Country Club	1	3
Tagaytay Midlands Country Club	1	-
San Miguel Paper Packaging Corp.		
Phil Long Distance Tel.	5,200	-
Orchard Golf & Country Club	1	1
Evercrest Golf & Country Club	1	-
Apo Golf & Country Club	1	-
San Miguel Yamamura Packaging Corporation		
Evercrest Golf & Country Club	1	-
Manila Southwoods Golf & Country Club	1	-
Manila Southwoods Golf and Country Club	1	4
Orchard Golf and Country Club	-	14
Orchard Golf and Country Club	1	-
Philippine Longdistance Tel. Co.	1	-
Puerto Azul	1	18
Riviera Golf Course and Country Club	1	2
Mindanao Corrugated Fibreboard, Inc.		
Apo Golf Country Club	1	-
Food and Beverage Group		
Valle Verde Country Club	2	2
Capitol Hills Golf and Country Club, Inc.	5,753	-
Golf Club Bogor Raya	1	-
Manila Southwoods Golf & Country Club	1	15
Manila Electric Co.	1	6
Tagaytay Highland Golf and Country Club	1	24
Club Filipino	14,895	-
Piltel	1	3
Royal Tagaytay Country Club	2	-
Endless Vacation Club Phils. Inc.	1	-
Phil. Assoc. of Hod Raisers	1	3
Eagle Cement Corporation		
Retail Treasury Bonds	400	389
BOC Trust	50	49

Name of Issuing Entity	No. of Shares or Principal Amount of Bonds and Notes	Value Based on Market Quotation at December 31, 2024 (a)
Petron		
Alabang Country Club A	1 P	15
Alta Vista Golf B	1	-
Apo Golf and Country Club	1	-
Bacolod Golf	1	-
Canlubang Golf & Co. Club	1	4
Capitol Hills Club	3	-
Casino Espanol de Cebu	1	1
Celebrity Sports	1	-
Club Filipino Inc de Cebu	1	-
Eagle Ridge Golf & Co. Club -C	2	1
Iloilo Golf and Country Club	2	-
Leyte Golf	1	-
Makati Sports Club B	1	1
Mla. Golf and Country Club (Corporate)	2	300
Manila Polo Club	4	100
Mla. Southwoods Golf & Co. Club A	3	8
Mimosa Golf & Country Club (Corporate)	1	-
Orchard Golf & Country Club C	2	8
Pueblo de Oro Golf	1	-
Quezon City Sports Club B	1	-
Riviera Golf Club C	1	1
Tagaytay Highlands	2	6
The Palm Country Club - A	2	3
Tower Club	1	-
Valle Verde Country Club (individual)	1	1
Valley Golf Club	1	6
Victorias Golf	1	-
Meralco B - 10% Cumulative Preferred Stock Series "B" (CPB)	237,008	2

Total Financial Assets

P 22,064

See Notes 4, 10, 12, 33, 39 and 40 of the Consolidated Financial Statements.

SAN MIGUEL CORPORATION AND SUBSIDIARIES
SCHEDULE C - AMOUNTS PAYABLE TO RELATED PARTIES WHICH ARE ELIMINATED
DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Amounts in Millions)

NAME OF RELATED PARTY	BEGINNING BALANCE	ADDITIONS/ CTA/RECLASS/ OTHERS	AMOUNTS PAID/ DEBIT MEMO	TOTAL	CURRENT	NONCURRENT	ENDING BALANCE
San Miguel Corporation	₱ 81,745	₱ 60,425	₱ (42,827)	₱ 99,343	₱ 89,438	₱ 9,905	₱ 99,343
San Miguel International Limited and Subsidiaries	10,015	5,263	(1,573)	13,705	13,705	-	13,705
San Miguel Global Power Holdings Corp. and Subsidiaries	13,765	4,637	(7,896)	10,506	6,589	3,917	10,506
San Miguel Integrated Logistics Services, Inc.	6,514	4,204	(4,607)	6,111	6,111	-	6,111
SMC Shipping and Lighterage Corporation and Subsidiaries	4,728	24,267	(23,902)	5,093	5,093	-	5,093
Petron Corporation and Subsidiaries	3,663	11,383	(11,239)	3,807	3,807	-	3,807
San Miguel Yamamura Packaging Corp. and Subsidiaries	3,660	19,765	(20,103)	3,322	3,133	189	3,322
San Miguel Food and Beverage, Inc. and Subsidiaries	1,930	1,522	(1,145)	2,307	2,169	138	2,307
San Miguel Holdings Corp. and Subsidiaries	2,152	8,670	(9,045)	1,777	1,720	57	1,777
Archen Technologies, Inc.	1,236	3,007	(2,686)	1,557	1,557	-	1,557
Petrogen Insurance Corporation	1,182	3,677	(3,451)	1,408	1,408	-	1,408
San Miguel Equity Investments Inc. and Subsidiaries	1,625	733	(1,212)	1,146	1,083	63	1,146
Others	4,307	19,741	(18,845)	5,203	4,988	215	5,203
	₱ 136,522	₱ 167,294	₱ (148,531)	₱ 155,285	₱ 140,801	₱ 14,484	₱ 155,285

SAN MIGUEL CORPORATION AND SUBSIDIARIES
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED
DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Amounts in Millions)

NAME OF RELATED PARTY	BEGINNING BALANCE	ADDITIONS/ CTA/RECLASS/ OTHERS	AMOUNTS COLLECTED/ CREDIT MEMO	TOTAL	CURRENT	NONCURRENT	ENDING BALANCE
San Miguel Holdings Corp. and Subsidiaries	₱ 30,969	₱ 20,264	₱ (11,720)	₱ 39,513	₱ 38,097	₱ 1,416	₱ 39,513
Sea Refinery Corporation	31,382	-	(469)	30,913	30,913	-	30,913
San Miguel Food and Beverage, Inc. and Subsidiaries	19,534	45,645	(47,052)	18,127	16,402	1,725	18,127
San Miguel Global Power Holdings Corp. and Subsidiaries	6,395	9,836	(2,669)	13,562	13,422	140	13,562
San Miguel Properties, Inc. and Subsidiaries	7,800	12,098	(9,086)	10,812	5,939	4,873	10,812
Petron Corporation and Subsidiaries	5,044	11,191	(8,409)	7,826	7,826	-	7,826
San Miguel Corporation	7,849	15,150	(15,510)	7,489	7,489	-	7,489
Challenger Aero Air Corporation	7,090	950	(1,047)	6,993	6,993	-	6,993
San Miguel Integrated Logistics Services, Inc.	3,060	1,825	(1,323)	3,562	1,312	2,250	3,562
Petrogen Insurance Corporation	1,595	1,924	(974)	2,545	2,545	-	2,545
SMC Shipping and Lighterage Corporation and Subsidiaries	2,087	24,305	(23,986)	2,406	2,406	-	2,406
San Miguel Equity Investments, Inc. and Subsidiaries	2,354	764	(971)	2,147	2,147	-	2,147
Fortunate Land Inc. and a Subsidiary	2,010	-	-	2,010	-	2,010	2,010
San Miguel Yamamura Packaging Corp. and Subsidiaries	1,710	8,674	(8,550)	1,834	1,834	-	1,834
San Miguel International Limited and Subsidiaries	1,332	289	(467)	1,154	1,028	126	1,154
Others	6,311	6,253	(8,172)	4,392	2,246	2,146	4,392
	₱ 136,522	₱ 159,168	₱ (140,405)	₱ 155,285	₱ 140,599	₱ 14,686	₱ 155,285

SAN MIGUEL CORPORATION AND SUBSIDIARIES
SCHEDULE D - LONG-TERM DEBT
DECEMBER 31, 2024
(Amounts in Millions)

TITLE OF ISSUE AND TYPE OF OBLIGATION	Amount Authorized by Indenture		Amount Shown as Current		Amount Shown as Noncurrent		Outstanding Balance	INTEREST RATES	Number of Periodic Installments	Final Maturity	
Parent Company											
<u>Peso - denominated Bonds:</u>											
	PHP	60,000	PHP	-	PHP	59,446	PHP	59,446	7.4458%, 7.8467% and 8.4890%	Bullet	March 2028, December 2029 and December 2032
	PHP	30,000		-		29,758		29,758	5.2704% and 5.8434%	Bullet	March 2027 and March 2029
	PHP	20,000		-		19,748		19,748	7.2584% and 7.7197%	Bullet	January 2031 and July 2034
	PHP	30,000		-		18,652		18,652	7.4650%	Bullet	July 2027
	PHP	60,000		2,437		10,398		12,835	6.625%, 5.7613% and 7.125%	Bullet	March 2025, March 2027 and March 2028
<u>Peso - denominated Term Notes:</u>											
	PHP	16,000		160		14,929		15,089	6.9375%	Amortized	June 2026
	PHP	5,200		52		5,052		5,104	7.4998%	Amortized	June 2029
<u>Foreign currency - denominated Term Notes:</u>											
	US\$	2,000		-		112,973		112,973	SOFR + margin	Bullet	February 2029
	US\$	2,165		5,424		103,110		108,534	SOFR + margin	Amortized	June 2035
	US\$	1,330		-		75,553		75,553	SOFR + margin	Bullet	March 2028
	US\$	900		-		51,564		51,564	SOFR + margin	Bullet	October 2026
	US\$	700		-		40,016		40,016	SOFR + margin	Bullet	March 2027
	US\$	300		-		17,054		17,054	SOFR + margin	Bullet	September 2028
	US\$	300		-		16,987		16,987	SOFR + margin	Bullet	November 2028
	US\$	200		-		11,369		11,369	SOFR + margin	Bullet	June 2028
	US\$	150		-		8,630		8,630	6.55%	Bullet	July 2028
	US\$	150		-		8,619		8,619	6.68%	Bullet	May 2029
	US\$	100		-		5,751		5,751	SOFR + margin	Bullet	December 2026
	US\$	100		-		5,748		5,748	SOFR + margin	Bullet	May 2027
	US\$	50		-		2,864		2,864	SOFR + margin	Bullet	July 2029
			PHP	8,073	PHP	618,221	PHP	626,294			
Subsidiaries											
<u>Peso - denominated Bonds:</u>											
<u>San Miguel Global Power Holdings Corp.</u>											
	PHP	40,000	PHP	4,986	PHP	34,664	PHP	39,650	5.9077%, 7.1051% and 8.0288%	Bullet	July 2025, July 2028 and July 2032
	PHP	30,000		-		6,902		6,902	7.6000%	Bullet	April 2026
	PHP	15,000		-		4,746		4,746	5.1792%	Bullet	July 2026
	PHP	35,000		-		3,594		3,594	6.625%	Bullet	December 2027

SAN MIGUEL CORPORATION AND SUBSIDIARIES
SCHEDULE D - LONG-TERM DEBT
DECEMBER 31, 2024
(Amounts in Millions)

TITLE OF ISSUE AND TYPE OF OBLIGATION	Amount Authorized by Indenture			Amount Shown as Current		Amount Shown as Noncurrent		Outstanding Balance	INTEREST RATES	Number of Periodic Installments	Final Maturity
<u>SMC SLEX Inc.</u>	PHP	7,300	PHP	-	PHP	2,498	PHP	2,498	6.4872%	Bullet	May 2025
<u>SMC Tollways Corporation</u>	PHP	35,000		-		34,529		34,529	6.4783%, 6.7026% and 6.9331%	Bullet	March 2030, December 2031 and December 2034
<u>Petron Corporation</u>	PHP	20,000		6,788		-		6,788	8.0551%	Bullet	October 2025
	PHP	18,000		8,975		-		8,975	3.4408%	Bullet	October 2025
				-		8,942		8,942	4.3368%	Bullet	October 2027
				8,975		8,942		17,917			
<u>San Miguel Food and Beverage, Inc.</u>	PHP	15,000		7,995		-		7,995	5.0500%	Bullet	March 2025
				-		6,968		6,968	5.2500%	Bullet	March 2027
				7,995		6,968		14,963			
<u>Peso - denominated Term Notes:</u>											
<u>San Miguel Brewery Inc.</u>	PHP	4,000		-		3,992		3,992	3.80%	Bullet	March 2026
	PHP	2,500		17		2,399		2,416	3.875%	Amortized	March 2026
	PHP	2,000		-		1,996		1,996	3.95%	Bullet	March 2026
	PHP	1,500		-		1,497		1,497	3.95%	Bullet	March 2026
	PHP	2,000		-		1,993		1,993	4.15%	Amortized	March 2028
		12,000		17		11,877		11,894			
	PHP	4,000		3,998		-		3,998	4.6332%	Bullet	April 2025
	PHP	3,000		-		2,988		2,988	5.7513%	Bullet	April 2027
		7,000		3,998		2,988		6,986			
	PHP	10,000		-		9,951		9,951	6.8412% and 6.5323%	Bullet	December 2027
	PHP	10,000		-		9,925		9,925	6.5716% and 6.5719%	Amortized	December 2029 and December 2031

SAN MIGUEL CORPORATION AND SUBSIDIARIES
SCHEDULE D - LONG-TERM DEBT
DECEMBER 31, 2024
(Amounts in Millions)

TITLE OF ISSUE AND TYPE OF OBLIGATION	Amount Authorized by Indenture	Amount Shown as Current	Amount Shown as Noncurrent	Outstanding Balance	INTEREST RATES	Number of Periodic Installments	Final Maturity			
<u>SMGP BESS Power Inc.</u>										
PHP	40,000	PHP	1,931	PHP	36,572	PHP	38,503	8.2104% and 7.7497%	Amortized	October 2033
<u>Mariveles Power Generation Corporation</u>										
PHP	32,500	-	31,854	31,854	7.5758% and 8.0808%	Amortized	December 2031 and December 2034			
<u>SMC Mass Rail Transit 7 Inc.</u>										
PHP	100,000	-	30,255	30,255	BVAL + margin	Bullet	June 2038			
<u>Limay Power Inc.</u>										
PHP	44,000	3,318	26,097	29,415	6.2836%, 6.5362% and 7.3889%	Amortized	June 2029			
<u>San Miguel Equity Investments Inc.</u>										
PHP	30,000	2,367	26,258	28,625	7.1913%	Amortized	May 2033			
<u>Petron Corporation</u>										
PHP	7,000	-	6,959	6,959	7.4941%	Amortized	March 2029			
PHP	5,000	-	4,969	4,969	BVAL + margin	Amortized	April 2029			
PHP	5,000	492	3,991	4,483	7.1663%	Amortized	May 2027			
PHP	5,000	1,243	1,871	3,114	7.4206%	Amortized	June 2027			
PHP	5,000	1,243	1,871	3,114	7.5496%	Amortized	June 2027			
PHP	3,000	2,994	-	2,994	6.492% and 6.8672%	Bullet	September 2025			
PHP	5,000	625	-	625	4.5900%	Amortized	April 2025			
<u>San Miguel Global Power Holdings Corp</u>										
PHP	10,000	-	7,451	7,451	7.968% and 8.541%	Bullet	June 2028			
PHP	5,000	4,819	-	4,819	5.00%	Bullet	May 2025			
PHP	10,000	491	9,193	9,684	7.7632%	Amortized	June 2029			
<u>SMC Skyway Stage 3 Corporation</u>										
PHP	31,000	5,520	12,211	17,731	8.7118%	Amortized	August 2027			
<u>San Miguel Foods, Inc.</u>										
PHP	10,000	148	9,514	9,662	3.5483%	Amortized	December 2029			
PHP	8,000	119	7,610	7,729	BVAL + margin or BSP TDF + margin whichever is higher	Amortized	December 2029			

SAN MIGUEL CORPORATION AND SUBSIDIARIES
SCHEDULE D - LONG-TERM DEBT
DECEMBER 31, 2024
(Amounts in Millions)

TITLE OF ISSUE AND TYPE OF OBLIGATION	Amount Authorized by Indenture	Amount Shown as Current	Amount Shown as Noncurrent	Outstanding Balance	INTEREST RATES	Number of Periodic Installments	Final Maturity
<u>Malita Power Inc.</u>	PHP 21,300	PHP 1,251	PHP 12,159	PHP 13,410	8.2443%	Amortized	August 2030
<u>SMC SLEX Inc.</u>	PHP 10,000	2,513	7,360	9,873	7.3232%	Amortized	June 2032
<u>Northern Cement Corporation</u>	PHP 12,500	1,370	9,876	11,246	4.8356%	Amortized	June 2031
<u>SMC SLEX Holdings Company Inc.</u>	PHP 10,000	16	9,867	9,883	7.5758%	Amortized	June 2032
<u>SMC TPLEX Corporation</u>	PHP 12,000	1,364	6,809	8,173	5.6276%	Amortized	September 2029
<u>The Purefoods-Hormel Company, Inc.</u>	PHP 7,000	-	6,981	6,981	3.8460%	Bullet	September 2026
<u>Masinloc Power Co. Ltd.</u>	PHP 8,155	1,142	4,908	6,050	BVAL + margin	Amortized	January 2030
<u>SMC NAIAX Corporation</u>	PHP 5,656	599	3,600	4,199	BVAL + credit spread or BSP OLF + margin whichever is higher	Amortized	June 2030
<u>Luzon Clean Water Development Corporation</u>	PHP 5,400	414	2,597	3,011	8.17110%, 8.4490%, 9.0280% and 9.6350%	Amortized	March 2030
<u>SMC Shipping and Lighterage Corporation</u>	PHP 2,000	-	1,995	1,995	4.200%	Bullet	July 2026
<u>San Miguel Mills, Inc.</u>	PHP 2,000	51	1,838	1,889	3.2840%	Amortized	December 2026
<u>San Miguel Yamamura Packaging Corporation</u>	PHP 5,000	1,500	-	1,500	5.1657%	Amortized	January 2025
<u>Bulakan Water Company, Inc.</u>	PHP 130	-	129	129	6.6224%, 6.8047%, 7.3725% and 7.0071%	Amortized	January 2033

SAN MIGUEL CORPORATION AND SUBSIDIARIES
SCHEDULE D - LONG-TERM DEBT
DECEMBER 31, 2024
(Amounts in Millions)

TITLE OF ISSUE AND TYPE OF OBLIGATION	Amount Authorized by Indenture	Amount Shown as Current	Amount Shown as Noncurrent	Outstanding Balance	INTEREST RATES	Number of Periodic Installments	Final Maturity
<u>Foreign currency - denominated Term Notes:</u>							
<u>Petron Corporation</u>							
US\$ 500 PHP	-	28,347	28,347	SOFR + Margin	Amortized	July 2029	
US\$ 669	5,238	21,880	27,118	SOFR + Margin	Amortized	November 2027	
US\$ 225	1,032	9,195	10,227	SOFR + Margin	Amortized	July 2028	
JPY 15,000	788	-	788	TONA + margin	Amortized	March 2025	
<u>San Miguel Global Power Holdings Corp</u>							
US\$ 300	-	17,249	17,249	SOFR + Margin	Bullet	March 2026	
US\$ 300	-	17,085	17,085	SOFR + Margin	Bullet	August 2027	
US\$ 300	-	16,954	16,954	SOFR + Margin	Bullet	September 2027	
US\$ 100	5,770	-	5,770	SOFR + Margin	Bullet	May 2025	
US\$ 50	2,880	-	2,880	SOFR + Margin	Bullet	April 2025	
<u>Masinloc Power Co. Ltd.</u>							
US\$ 770	1,422	15,072	16,494	8.331%	Amortized	December 2030	
US\$ 255	468	4,960	5,428	SOFR + Margin	Amortized	December 2030	
<u>San Miguel Yamamura Australasia Pty. Ltd</u>							
AUD 45	22	1,581	1,603	BBSY + margin	Amortized	July 2027	
AUD 10	108	216	324	BBSY + margin	Amortized	November 2027	
AUD 5	33	7	40	BBSY + margin	Amortized	February 2026	
	PHP	86,050	PHP 554,925	PHP 640,975			
Total Long-term Debt	PHP	94,123	PHP 1,173,146	PHP 1,267,269			

See Notes 21, 30, 33, 38, 39 and 40 of the Consolidated Financial Statements.

SAN MIGUEL CORPORATION AND SUBSIDIARIES
SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 2024

Description	Number of Shares Authorized	Number of Shares Issued	Treasury Shares	Number of Shares Outstanding	Number of Shares Reserved for Options	Affiliates	Subsidiary	Number of Shares Held by Directors, Officers and Employees
Issued shares								
Common stock	3,790,000,000	3,288,649,125	904,752,537	2,383,896,588	134,641,564	46,395	-	3,972,835
Series "1"								
Preferred Shares	300,000,000	279,406,667	279,406,667	-	-	-	-	-
Series "2"								
Preferred Shares	1,910,000,000	1,758,099,686	288,194,494	1,469,905,192	-	-	1,333,500	610,300
	6,000,000,000	5,326,155,478	1,472,353,698	3,853,801,780	134,641,564	46,395	1,333,500	4,583,135

* See Notes 24, 36 and 37 of the Consolidated Financial Statements.



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Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

REPORT OF INDEPENDENT AUDITORS ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
San Miguel Corporation
No. 40 San Miguel Avenue
Mandaluyong City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of San Miguel Corporation (the Company) and Subsidiaries (the Group), as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated April 15, 2025.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements of the Group 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, is the responsibility of the Group'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.

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until September 20, 2026

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



This schedule is presented for the purpose of complying with the Revised Securities Regulation Code 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 Group's 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.

R.G. MANABAT & CO.

A handwritten signature in black ink, appearing to read 'D. Virocel', with a long horizontal line extending to the left.

DARWIN P. VIROCEL

Partner

CPA License No. 0094495

SEC Accreditation No. 94495-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and up to audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

Tax Identification No. 912-535-864

BIR Accreditation No. 08-001987-031-2022

Issued June 27, 2022; valid until June 27, 2025

PTR No. MKT 10467159

Issued January 2, 2025 at Makati City

April 15, 2025

Makati City, Metro Manila

SAN MIGUEL CORPORATION AND SUBSIDIARIES

FINANCIAL SOUNDNESS INDICATORS

The following are the major performance measures that San Miguel Corporation and Subsidiaries (the Group) uses. Analyses are employed by comparisons and measurements based on the financial data as of December 31, 2024 and 2023 for liquidity, solvency and profitability ratios and for the periods ending December 31, 2024 and 2023 for operating efficiency ratios.

	December 31	
	2024	2023
<u>Liquidity:</u>		
Current Ratio	1.22	1.12
Quick Ratio	0.76	0.70
<u>Solvency:</u>		
Debt to Equity Ratio	2.96	2.70
Asset to Equity Ratio	3.96	3.70
<u>Profitability:</u>		
Return on Average Equity Attributable to Equity Holders of the Parent Company	(2.48%)	0.07%
Interest Rate Coverage Ratio	1.65	1.80
Return on Assets	1.43%	1.84%
<u>Operating Efficiency:</u>		
Volume Growth	11%	6%
Revenue Growth (Decline)	9%	(4%)
Operating Margin	10%	10%

The manner by which the Group calculates the key performance indicators is as follows:

KPI	Formula
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Quick Ratio	$\frac{\text{Current Assets} - \text{Inventory} - \text{Current Portion of Biological Assets} - \text{Prepayments}}{\text{Current Liabilities}}$
Debt to Equity Ratio	$\frac{\text{Total Liabilities (Current + Noncurrent)}}{\text{Equity}}$
Asset to Equity Ratio	$\frac{\text{Total Assets (Current + Noncurrent)}}{\text{Equity}}$
Return on Average Equity	$\frac{\text{Net Income Attributable to Equity Holders of the Parent Company}}{\text{Average Equity Attributable to Equity Holders of the Parent Company}}$
Interest Rate Coverage Ratio	$\frac{\text{Earnings Before Interests and Taxes}}{\text{Interest Expense and Other Financing Charges}}$
Return on Assets	$\frac{\text{Net Income}}{\text{Average Total Assets}}$
Volume Growth	$\left(\frac{\text{Sum of all Businesses' Revenue at Prior Period Prices}}{\text{Prior Period Net Sales}} \right) - 1$
Revenue Growth	$\left(\frac{\text{Current Period Net Sales}}{\text{Prior Period Net Sales}} \right) - 1$
Operating Margin	$\frac{\text{Income from Operating Activities}}{\text{Net Sales}}$

San Miguel Corporation and Subsidiaries
Supplementary Schedule of External Auditor Fee-Related Information
December 31, 2024 and 2023
(Amounts in Millions)

	2024	2023
Total Audit Fees*	P116	P107
Non-audit services fees:		
Other assurance services	P16	P4
Tax services	7	2
All other services	10	1
Total Non-audit Fees	33	7
Total Audit and Non-Audit Fees	P149	P114

Audit and Non-audit fees of other related entities**

	2024	2023
Total Audit and Non-Audit Fees	P1	P -
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Non-audit Fees	-	-
Total Audit and Non-Audit Fees	P1	P -

*The schedule includes entities that San Miguel Corporation has direct and indirect control (e.g. subsidiaries, joint ventures and associates). Fees for international companies should be translated using the rate when the expense was incurred or accrued.

**Sample of other related entities for purposes of accomplishing the report: When there is evidence that the subsidiary is acquired with the intention of disposing of it within twelve months and that management is actively seeking a buyer.

SAN MIGUEL CORPORATION AND SUBSIDIARIES

TRADE AND OTHER RECEIVABLES

December 31, 2024

(In Millions)

				Past Due			
		Total	Current	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days
Trade	P	196,886	P 130,568	P 23,898	P 5,447	P 2,309	P 34,664
Non-trade		74,600	40,453	2,197	5,572	151	26,227
Amounts Owed by Related Parties		10,838	9,120	105	38	30	1,545
Total		282,324	P <u>180,141</u>	P <u>26,200</u>	P <u>11,057</u>	P <u>2,490</u>	P <u>62,436</u>
Less allowance for impairment losses		15,343					
Net	P	<u><u>266,981</u></u>					

ANNEX “D”

SAN MIGUEL CORPORATION
2024
PRINCIPAL PROPERTIES

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
FOOD AND BEVERAGE BUSINESS							
1	SAN MIGUEL BREWERY INC.						
	A. DOMESTIC						
	Production Facilities						
	Polo Brewery	Marulas, Valenzuela City, Metro Manila	Owned	Good			
	San Fernando Brewery	Brgy. Quebiawan, McArthur Highway, San Fernando, Pampanga	Owned	Good			
	Sta. Rosa Brewery	Sta. Rosa Industrial Complex, Brgy. Pulong Sta. Cruz, Sta. Rosa, Laguna	Owned	Good			
	Bacolod Brewery	Brgy. Granada, Sta. Fe, Bacolod City, Negros Occidental	Owned	Good			
	Mandaue Brewery	National Highway, Brgy. Tipolo, Mandaue City	Owned	Good			
	Davao Brewery	Brgy. Darong, Sta. Cruz, Davao del Sur	Owned	Good			
	Cagayan de Oro Brewery	Sta. Ana, Tagoloan, Misamis Oriental	Building & Facilities- Owned; Land-Rented	Good	1,230,428.97	March 25, 2028	The lease may be renewed for a period of 25 years upon such terms and conditions mutually agreed upon by the parties
	Sales/Area Offices and Warehouses						
	San Fernando Region Office	SMC Complex, Brgy. Quebiawan, McArthur Highway, San Fernando, Pampanga	Owned	Good			
	Carmen Sales Office	Carmen East, Rosales, Pangasinan	Owned	Good			
	Dagupan Sales Office	Caranglaan Dist., Dagupan City, Pangasinan	Owned	Good			
	Baguio Sales Office	Naguilian Road, San Carlos Heights, Brgy. Irisan, Baguio City, Benguet	Owned	Good			
	Carlatan Sales Office	Pennsylvania Ave., Brgy. Madayegdeg, San Fernando, La Union	Owned	Good			
	Cauayan Sales Office	Brgy. San. Fermin, Cauayan, Isabela	Owned	Good			
	Santiago Sales Office	National Road, Brgy. Mabini, Santiago City, Isabela	Owned	Good			
	Region Office (Angeles Sales Office)	San Andres St., San Angelo Subdivision, Sto. Domingo, Angeles City, Pampanga	Owned	Good			
	Region Office	Brgy. 22, San Guillermo, San Nicolas, Ilocos Norte	Owned	Good			
	Central North Luzon Area	Brgy. Tablac, Candon City, Ilocos Sur	Owned	Good			
	Central North Luzon Area	Maharlika Highway, Brgy. Sta Maria, Lal-lo, Cagayan	Owned	Good			
	Guiguinto Sales Office	Cagayan Valley Rd., Brgy. Sta. Cruz, Guiguinto, Bulacan	Owned	Good			
	San Isidro Sales Office	Gapan-Olongapo Rd., Poblacion San Isidro, Nueva Ecija	Owned	Good			
	Caloocan Sales Office	A. Cruz cor S. Asistio St., Brgy. 95, East Grace Park, Caloocan City	Owned	Good			
	Tondo Sales Office	Honorio Lopez Blvd cor Gamban St., Balut, Tondo, Manila	Owned	Good			
	Cubao Sales Office	Brgy. Mangga, Cubao, Quezon City	Owned	Good			
	Portion of Tondo Sales Office	portion of Tondo S.O. - Buendia cor. Guidote St., Tondo Manila	Owned	Good			
	Novaliches Sales Office	Novaliches S.O. - Quirino Highway, Brgy. Kaligayahan, Novaliches, Quezon City, Metro Manila	Owned	Good			
	Pureza Sales Office	489 Pureza St. corner Lardizabal St., Barangay 425, 489 Pureza, Sta. Mesa, Manila	Owned	Good			
	Sta. Ana Sales Office	M. Carreon St., Brgy. 864, Sta. Ana District, Manila	Owned	Good			
	Taytay Sales Office	Manila East Rd., Brgy. Dolores, Taytay, Rizal	Owned	Good			
	Sucat Sales Office	Dr. A. Santos Ave., Bgy. San Dionisio, Parañaque City	Owned	Good			
	Parañaque Sales Office	No. 100 Bernabe Subd., Brgy. San Dionisio, Sucat, Parañaque City, Metro Manila	Owned	Good			
	Canlubang Sales Office	Silangan Exit, Canlubang, Calamba City, Laguna	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Lucena Sales Office	Maharlika Highway, Brgy. Isabang, Lucena City, Quezon	Owned	Good			
	Gumaca Sales Office	Maharlika Highway, Brgy. Villa Bota, Gumaca, Quezon	Owned	Good			
	Naga Sales Office	Maharlika Highway, Brgy. Concepcion Grande Pequeña, Naga City, Camarines Sur	Owned	Good			
	Puerto Princesa Sales Office	Brgy. Mandaragat, Puerto Princesa City, Palawan	Owned	Good			
	San Jose Sales Office	Aurora Quezon and Calderon St., Brgy. Labangan, San Jose, Occidental Mindoro	Owned	Good			
	Batangas Sales Office	National Rd., Brgy. Balagtas, Batangas City, Batangas	Owned	Good			
	South Luzon Area	Ayala Highway, Brgy. Balintawak, Lipa City, Batangas	Owned	Good			
	Bacolod Region Office (Bacolod Sales Office)	Brgy. Granada, Sta. Fe, Bacolod City, Negros Occidental	Owned	Good			
	Iloilo Sales Office	Muelle Loney St., Brgy. Legaspi, Iloilo City	Owned	Good			
	Himamaylan Sales Office	National Hi-way, Brgy. 4, Himamaylan City, Negros Occidental	Owned	Good			
	Negros	Flores St., Brgy. Sum-Ag, Bacolod City, Negros Occidental	Owned	Good			
	Numancia Sales Office	Brgy., Camansi Norte, Numancia, Aklan	Owned	Good			
	Roxas Sales Office	Brgy. Libas, Roxas City, Capiz	Owned	Good			
	IGBR Region Office	Meliza St. Brgy. Zamora, Iloilo City	Owned	Good			
	CV North & South Region Offices	National Highway, Brgy. Tipolo, Mandaue City	Owned	Good			
	Region Office	Brgy. Darong Sta. Cruz, Davao del Sur	Owned	Good			
	Davao Sales Office	National Highway, Bgy. Ulas, Talomo, Davao City	Owned	Good			
	Region Office	National Highway, Brgy. Magugpo, Tagum City	Owned	Good			
	Mindanao	Sergio Osmeña, Brgy. Poblacion, Koronadal City	Owned	Good			
	Region Office	National Highway, Brgy. Lagao, Gen. Santos City	Owned	Good			
	Opol Sales Office	National Highway, Brgy. Luyong Bonbon, Opol, Misamis Oriental	Owned	Good			
	Zamboanga Sales Office	R.T. Lim Blvd., Baliwasan, Zamboanga City	Owned	Good			
	Mindanao	Brgy. Bongtod, Tandag City, Surigao del Sur	Owned	Good			
	Mindanao	J.P. Rizal Ave., Poblacion, Digos City	Owned	Good			
	Butuan Sales Office	R. Calo St., Fort Poyohan, Butuan City	Owned	Good			
	Cabanatuan Sales Office	Cabanatuan S.O. - Emilio Vergara Blvd., Brgy. Sumacab Este Cabanatuan City, Nueva Ecija	Land & Building-Rented	Good	300,000.00	August 31, 2029	Renewable upon mutual agreement of both parties.
	Warehouse	Barangay Sta. Rita, Guiguinto, Bulacan	Warehouse Parking space - rented	Good	439,958.46	May 31, 2027	Renewable upon mutual agreement of both parties
	Valenzuela Sales Office	Valenzuela S.O. - Bldg. 23 Plastic City Cpd., #8 T. Santiago St., Brgy. Canumay, Valenzuela City, Metro Manila	Land, Warehouse and Open Space-Rented	Good	461,317.15	April 30, 2025	Renewable upon mutual agreement of both parties
	Warehouse (Balintawak Sales Office)	Kaingin Rd., Brgy. Apolonio Samson, Balintawak, Quezon City	Warehouse, covered space and open space - Rented	Good	780,995.00	September 30, 2025	Renewable upon mutual agreement of both parties
	Warehouse	Kaingin Rd., Brgy. Apolonio Samson, Balintawak, Quezon City	Warehouse-Rented	Good	252,510.00	November 30, 2025	Renewable upon mutual agreement of both parties
	Warehouse	685 Tandang Sora Ave., Quezon City	Warehouse-Rented	Good	177,857.14	May 31, 2025	The Contract is subject to renewal or extension under such terms and conditions as may be mutually agreed upon between the parties in writing.
	Pasig Sales Office	Pasig S.O. - Mercedes Ave., Pasig City, Metro Manila	Land & Warehouse-Rented	Good	1,464,433.70	December 31, 2024	Renewable upon mutual agreement of both parties

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Masbate Sales Office	Bgy. Pinamaruhan, Mobo, Masbate	Land, Warehouse and Open Space-Rented	Good	204,899.63	March 31, 2026	Renewable upon mutual agreement of both parties
	Legazpi Sales Office	Legazpi S.O. - Tahao Street, Bgy. Gogon, Legaspi City, Bicol	Warehouse, Office & Open Space-Rented	Good	487,600.00	December 31, 2024	Renewable upon mutual agreement of both parties
	Dasmariñas Sales Office	Dasmariñas S.O. - Brgy. Langkaan II, Governors Drive, Dasmariñas, Cavite	Warehouse-Rented	Good	526,246.88	January 31, 2025	Renewable upon mutual agreement of both parties
	Imus Sales Office	Warehouse No. 5, 7 and 8, The Warehouse Malagasang II-C, City of Imus, Cavite	Warehouse-Rented	Good	793,990.20	April 30, 2026	Renewable upon mutual agreement of both parties
	Bulan Sales Office	Bulan S.O. -Sitio Pawa, Brgy. Lajong, Bulan, Sorsogon	Warehouse-Rented	Good	125,812.50	October 31, 2025	Renewable upon mutual agreement of both parties
	Pila Sales Office	Pila S.O. - Brgy. Bulilan Norte, National Highway, Pila, Laguna	Warehouse-Rented	Good	267,857.14	September 30, 2025	Renewable upon mutual agreement of both parties
	Dumaguete Region Office	Dumaguete Region Office - Brgy. Pulang Tubig, Dumaguete City	Land & Land Improvement-Rented	Good	77,510.16	December 31, 2024	Renewable at the option of the lessee
	Dumaguete Sales Office	West Rovira Road, Pulantubig, Dumaguete City	Warehouse-Rented	Good	219,260.75	December 31, 2025	Renewable upon mutual agreement of both parties
	Iloilo Sales Office	Brgy. Pagduque, Dumangas, Iloilo	Warehouse-Rented	Good	396,241.27	June 15, 2026	Renewable upon mutual agreement of both parties
	Catbalogan Sales Office	Brgy. Mercedes, Diversion Road, Catbalogan City, Samar	Warehouse & Open Space-Rented	Good	96,600.00	November 30, 2031	Renewable upon mutual agreement of both parties
	Catbalogan Sales Office	Brgy. Mercedes, Diversion Road, Catbalogan City, Samar	Warehouse, Office Space & Open Space-Rented	Good	196,350.00	November 30, 2031	Renewable upon mutual agreement of both parties
	Tagbilaran Sales Office	Tagbilaran S.O. - Tomas Cloma Ave., Taloto District, Tagbilaran City, Bohol	Warehouse-Rented	Good	160,714.29	October 31, 2026	Renewable upon mutual agreement of both parties
	Tacloban Sales Office/Region Office	Fatima Village, Tacloban City, Leyte	Portion of Land-Rented/Portion of Land-Owned	Good	280,447.36	May 31, 2027	Renewable upon mutual agreement of both parties
	Butuan Sales Office	Montilla Boulevard, Villa Kananga, Butuan City	Warehouse Facilities and Office-Rented	Good	468,750.00	September 30, 2026	Renewable upon mutual agreement of both parties
	Region Office	Brgy. Aguada, Ozamiz City	Building-Rented	Good	127,145.53	August 31, 2032	Renewable upon mutual agreement of both parties
	Liloy Sales Office	Liloy S.O. - Baybay, Liloy, Zamboanga del Norte	Warehouse-Rented	Good	75,892.86	September 30, 2026	Renewable upon mutual agreement of both parties
	Dipolog Sales Office	Dipolog S.O. - Sta. Filomena, Dipolog City	Warehouse-Rented	Good	50,892.86	September 30, 2025	Renewable upon mutual agreement of both parties
	Terminal						
	Bataan Malt Terminal (land, building, machineries & equipment, furnitures & fixtures)	Mariveles, Bataan	Building & Facilities-Owned; Land-Rented	Good	655,179.77	June 30, 2025	Renewable upon mutual agreement of both parties
	Investment Properties	Brgy. Estefania, Bacolod City (9 lots)	Owned	Good			
		No. 31 Rosario St., Brgy. Granada, Bacolod City	Owned	Good			
		Brgy. Penabatan, Pulilan, Bulacan	Owned	Good			
		L26 B11, Brgy. Sto.Domingo, Sta.Rosa, Laguna	Owned	Good			
		Jaro, Iloilo (2 lots)	Owned	Good			
		Barrio of Tinajeros, Malabon City (2 lots)	Owned	Good			
		Bo. of San Jose and Poblacion Cabanatuan City (3 lots)	Owned	Good			
		Barrio of Mallorca,San Leonardo.Nueva Ecija (2 lots)	Owned	Good			
		Poblacion,San Leonardo.Nueva Ecija	Owned	Good			
		Lot 5009 Imus Estate,Imus Cavite	Owned	Good			
		Imus Friar,Imus, Prov. of Cavite (2 lots)	Owned	Good			
		Lot 5159 Poblacion, Imus Prov. Of Cavite	Owned	Good			
		Barrio of San Rafael & San Roque (2 lots)	Owned	Good			
		Bo. Of Pob. 2nd Municipality of Tarlac (2 lots)	Owned	Good			
		71-B-3-B-4 Barrio Suizo Municipality of Tarlac	Owned	Good			
		Bgy. Paringao, Municipality of Bauang, La Union	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
		Bo. Mabilao, San Fabian, Pangasinan (5 lots)	Owned	Good			
		Brgy. Gabut Norte, Badoc, Ilocos Norte	Owned	Good			
		Pozorrubio, Pangasinan	Owned	Good			
	Head Office						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
	B. INTERNATIONAL						
	Breweries						
	San Miguel Beer (Thailand) Ltd.	89 Moo2, Tiwanon Rd., Baan Mai, Muang , Pathumtani 12000, Thailand	Owned	Good			
	PT Delta Jakarta Tbk	Jalan Inspeksi Tarum Barat Desa Setia Dharma Tambun Bekasi Timur 17510, Indonesia	Building Owned. Land under Land Use Rights	Good			
	San Miguel Brewery Hong Kong Limited	22 Wang Lee Street, Yuen Long Industrial Estate, Yuen Long, New Territories, Hong Kong	Building-Owned; Land-Rented	Good	HKD 220,800.00	2047	No renewal options
	San Miguel (Guangdong) Brewery Co.,Ltd	San Miguel Road 1#, Longjiang Town, Shunde District, Guangdong Province, China	Owned	Good			
	San Miguel (Baoding) Brewery Co. Ltd.	Shengli Street, Tianwei West Road, Baoding City, Hebei Province, China	Owned	Good			
	San Miguel Brewery Vietnam Ltd.	Quoc Lo 1 , Suoi Hiep , Dien Khanh , Khanh Hoa	Owned	Good			
	Sales/Area Offices and Warehouses						
	San Miguel (China) Investment Co. Ltd.	1-7A, 1-9C, 1-7C Parkview Tower Chaoyang District Beijing 100027, China	Owned	Good			
	San Miguel Brewery Hong Kong Limited	9 th Floor, Citimark Building , No.28 Yuen Shun Circuit, Siu Lek Yuen, Shatin, NT, Hong Kong	Land-Rented	Good	HKD 39,290.00	2047	No renewal options
	San Miguel Brewery Hong Kong Limited	San Miguel Industrial Building, No. 9-11 Shing Wan Road, Tai Wai, Shatin, NT, Hongkong	Land-Rented	Good	HKD 165,528.00	2047	No renewal options
	San Miguel (Guangdong) Brewery Co.,Ltd						
	San Miguel (Guangdong) Brewery Co.,Ltd	San Miguel Road 1#, Longjiang Town, Shunde District, Guangdong Province, China	Owned	Good			
	Guangzhou Admin Office	Room 1801, No.19 South East Road, Yuexiu District, Guangzhou,	Office Space-Rented	Good	RMB11,571.00	June 25, 2025	Renewable upon mutual agreement of both parties
	Shenzhen Sales Office	Room 319, 3rd Floor, Liangji Zhihui Building, No. 184 Qingquan Road, Longhua Street, Longhua District, Shenzhen	Office Space-Rented	Good	RMB 5,180.00	October 31, 2025	At the end of contract, in the same condition, we have the priority right of renewal, lease and rent will be discussed by both parties
	Apartment	Room 2801, Floor 2, Building 9, Poly Liangxi Garden, No. 36, Qingfeng West Road, Nanhai District, Foshan City, Guangdong Province, China	Apartment-Rented	Good	RMB 12,000.00	June 30, 2025	At the end of contract, in the same condition, we have the priority right of renewal, lease and rent will be discussed by both parties
	Apartment	Room 2201, Block 3, Zone 1, No. 26 Kerun Road, Chancheng District, Foshan City, Guangdong Province, China	Apartment - Rented	Good	RMB 6,000.00	November 30, 2025	At the end of contract, in the same condition, we have the priority right of renewal, lease and rent will be discussed by both parties
	San Remo Taiwan (SRT)						
	Taipei Office	3F-3, No.167, Fusing N. Rd., Taipei, Taiwan (ROC)	Office Space-Rented	Good	NTD143,800	April 15, 2025	At the end of contract , lease and rent will be discussed by both parties
	Taichung Office	No.159, Shuwang Rd., Dali Dist., Taichung City 412, Taiwan (R.O.C.)	Office Space-Rented	Good	NTD 39,000	December 31, 2025	At the end of contract , lease and rent will be discussed by both parties
	Kaohsiung Office	No.305-6, Renlin Rd., Renwu Dist., Kaohsiung City 814, Taiwan (R.O.C.)	Office Space-Rented	Good	NTD76,000	April 30, 2025	At the end of contract , lease and rent will be discussed by both parties
	San Miguel China Investment Company Limited	Rooms 1213 and 1218, 12F, No. 1 Building, No. 12 Nongzhanguan South Road, Chaoyang District, Beijing China 100026	Office Space-Rented	Good	RMB 13,654.00	September 30, 2026	Renewable upon mutual agreement of both parties

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	San Miguel Baoding Brewery Company Limited						
	San Miguel Baoding Brewery Company Limited	Shengli Street, Tianwei West Road, Baoding City ,Hebei Province, China	Land-Rented	Good	Entire rent paid at the start of lease term	June 01, 2046	Renewable upon mutual agreement of both parties
	San Miguel Baoding Brewery Company Limited	1-1-2601, Zhengyulvgu, Chaoyang North Street, Baoding City , Hebei Province, China	Office Space-Rented	Good	RMB 3,406.17	March 06, 2025	Renewable upon mutual agreement of both parties
	San Miguel Marketing Thailand Limited						
	North sales office	North Office 86-86/1 Sridonchai Rd., Tambon Chang Khlan, Amphur Muang Chiang Mai, Chiang Mai	Office Space-Rented	Good	THB 16,000.00	December 31, 2024	Renewable upon mutual agreement of both parties
	South sales office (Phuket)	14/4 Moo 4 , Tambon Wichit Amphor Muang, Phuket	Office Space-Rented	Good	THB 23,157.9	December 31, 2024	Renewable upon mutual agreement of both parties
	South sales office (Samui)	44/38 Moo 1 Tambon Maenam,Amphur Koh Samui Suratthani	Office Space-Rented	Good	THB 21,052.63	December 31, 2024	Renewable upon mutual agreement of both parties
	Northeast sales office	44/50 Moo 3 Chataphadung Rd, Thumbon Naimuang, Amphur Muang Khonkean	Office Space-Rented	Good	THB 11,578.95	December 31, 2024	Renewable upon mutual agreement of both parties
	Pattaya sales office	263/91 Moo 12 Tambon Nongprue Banglamung Chonburi	Office Space-Rented	Good	THB 25,263.16	December 31, 2024	Renewable upon mutual agreement of both parties
	San Miguel Brewery Vietnam Limited						
	San Miguel Brewery Vietnam Ltd.	Quoc Lo 1A, Suoi Hiep , Dien Khanh, Khanh Hoa	Land-Rented	Good	VND 44,185,733.00	November 12, 2044	Renewable upon mutual agreement of both parties
	Ho Chi Minh Sales Office	180 Nguyen Van Troi Street, Ward 8, Phu Nhuan Dist, HCM City	Leased	Good	USD 8,774.70	March 31, 2025	Renewable upon mutual agreement of both parties
	Da Nang Sales Office	180 2/9 Street, Da Nang City, Vietnam	Leased	Good	VND 28,000,000	October 05, 2026	Renewable upon mutual agreement of both parties
	Nha Trang Sales Office	Lot 33 TT2, K98 Tran Nhat Duat extended area, Phuoc Hoa Ward, Nha Trang City	Leased	Good	VND 26,000,000	March 31, 2026	Renewable upon mutual agreement of both parties
	Vung Tau Sale Office	80 Huyen Trang Cong Chua Ward 8, Vung Tau	Leased	Good	VND 7,700,000	June 30, 2025	Renewable upon mutual agreement of both parties
	Ho Chi Minh Warehouse	2 Truong Son Highway, Hamlet 2, Hiep Binh Phuoc Ward, Thu Duc City, Ho Chi Minh City	Leased	Fair	USD 1,280.00 + VND 4,000,000	May 09, 2025	Renewable upon mutual agreement of both parties
	Da Nang Warehouse	3rd Floor, 184 Tran Phu, Phuoc Ninh Ward, Hai Chau District, Danang	Leased	Fair	VND 8,500,000.00	April 24, 2025	Renewable upon mutual agreement of both parties
	Apartment	1/18 Nguyen Van Mai, Ward 4, Tan Binh District, HCMC Lease Location: Apartment Room No. 403 (4th floor)	Leased	Good	VND 15,500,000	August 18, 2025	Renewable upon mutual agreement of both parties
	Apartment	Apartment Rental K.17-08 (6 floor) of Kingston Residen	Leased	Good	VND 22,222,222	May 31, 2025	Renewable upon mutual agreement of both parties
	Apartment	Room 1670-Muong Thanh	Leased	Good	VND 8,000,000	April 01, 2025	Renewable upon mutual agreement of both parties
2	GINEBRA SAN MIGUEL INC.						
	A. HEAD OFFICE						
	GSMI Office Space	3rd and 6th Floors SMPC Bldg., St. Francis Ave., Ortigas Centre, Mandaluyong City	Owned	Good			
	GSMI Office Space	5th Floor SMPC Bldg., St Francis Ave., Ortigas Center, Mandaluyong City	Rented	Good	1,190,903.99	August 31, 2025	Renewable upon mutual agreement of both parties
	B. NORTH LUZON						
	Plants						
	GSMI Sta. Barbara Plant (Land and Facilities)	Tebag West, Sta. Barbara, Pangasinan	Owned	Good			
	EPSBPI Cauayan Plant (Land and Facilities)	San Fermin, Cauayan, Isabela	Owned	Good			
	Warehouse/Sales Office						
	EPSBPI Cauayan Warehouse	Prenza Highway San Fermin 3305 City of Cauayan Isabela Philippines	Owned	Good			
	GSMI Cauayan Sales Office	327 Prenza Highway, San Fermin, Cauayan Isabela	Owned	Good			
	EPSBPI Cauayan Warehouse	327 Prenza Highway, San Fermin, Cauayan Isabela	Owned	Good			
	GSMI Pua Warehouse 1	Don Jose Canciller St., Cauayan City, Isabela	Rented	Good	193,868.00	December 31, 2024	Renewable upon mutual agreement of both parties
	GSMI La Union Sales Office - Bauang	R-Hub Bldg. Disso-or 2501 Bauang La Union Philippines	Rented	Good	36,000.00	October 31, 2026	Renewable upon mutual agreement of both parties

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	GSMI San Fernando Sales Office	#162 Baiti 2000 City of San Fernando Pampanga	Rented	Good	475,000.00	December 31, 2024	Renewable upon mutual agreement of both parties
	GSMI Lunec Warehouse 1	Brgy. Lunec, Malasiqui, Pangasinan	Rented	Good	49,500.00	December 31, 2024	Renewable upon mutual agreement of both parties
	GSMI New Marich Warehouse	Argonza St. San Fermin, Cauayan City, Isabela	Rented	Good	80,000.00	January 15, 2025	Short-term lease only
	Depot						
	GSMI Alcohol Depots #1 and #2	Brgy. Namonitan, Sto. Tomas (Damortis), La Union	Owned	Good			
	Land						
	GSMI Lingayen Property	Libsong East, Lingayen, Pangasinan	Owned	Good			
	GSMI Olongapo Property	Sta. Rita, Olongapo City, Zambales	Owned	Good			
	GSMI Minien West Sta. Barbara Property	Minien West, Sta. Barbara, Pangasinan	Owned	Good			
	GMSI Maticmatic Sta. Barbara Property	Maticmatic, Sta. Barbara, Pangasinan	Owned	Good			
	EPSBPI San Fermin Cauyan Isabela	San Fermin, Cauyan, Isabela	Owned	Good			
	EPSBPI San Fermin Cauyan Isabela	San Fermin, Cauyan, Isabela	Owned	Good			
	C. GMA						
	Land						
	GSMI Pandacan Sales Office_Land	631 Tomas Claudio St. Zone 93 Barangay 865 1011 Pandacan NCR, City of Manila, First District Philippines	Owned	Good			
	Warehouse/Sales Office						
	GSMI Pandacan Sales Office Facilities	631 Tomas Claudio St. Zone 93 Barangay 865 1011 Pandacan NCR, City of Manila, First District Philippines	Owned	Good			
	GSMI Sucat Parañaque Sales Office	#8380 Dr. A. Santos Avenue, BF Homes, Parañaque City	Owned	Good			
	GSMI Maybunga Pasig City Sales Office	403 F. Legaspi St. Maybunga 1607 City of Pasig NCR, Second District Philippines	Rented	Good	334,860.35	July 31, 2027	Renewable upon mutual agreement of both parties
	D. SOUTH LUZON						
	Plants						
	EPSBPI Ligao Plant (Land and Facilities)	Km 503, Hacienda Mitra, Paulog, Ligao City, Albay	Owned	Good			
	GSMI Cabuyao Plant (Land and Facilities)	Silangan Industrial Estate, Brgy. Pittland, Terelay Phase, Cabuyao, Laguna	Owned	Good			
	Warehouse/Sales Office						
	GSMI Ligao Sales Office	Km. 503, Hacienda Mitra, Brgy. Paulog, Ligao City, Albay 4504	Owned	Good			
	EPSBPI Ligao Warehouse Extension	Km. 503, Hacienda Mitra, Brgy. Paulog, Ligao City, Albay 4504	Owned	Good			
	GSMI Lucena Sales Office	Sales Office Building National Rd. Gulang-Gulang 4301 Lucena City (Capital) Quezon Philippines	Owned	Good			
	GSMI Lucena Warehouse and Storage Facility (Land and Facilities)	Bgy. Gulang-gulang, Lucena City, Quezon	Owned	Good			
	GSMI Cabuyao Warehouse	Telerey Phase Canlubang Industrial Estate Pittland 4025 City of Cabuyao Laguna Philippines	Owned	Good			
	EPSBPI Ligao Warehouse	Hacienda Mitra Paulog 4504 City of Ligao Albay Philippines	Owned	Good			
	Depot						
	GSMI Cotta Depot	Francisco Ferdinand St., Teacher's Village, Bgy. Cotta, Lucena City	Owned	Good			
	GSMI Tabangao Depot (Land and Tanks)	Bgy. Tabangao, Aplaya, Batangas City	Owned	Good			
	GSMI Bauan Depot	San Pedro 4201 Bauan Batangas	Owned	Good			
	Land						
	GSMI Bauan Batagas	San Pedro 4201 Bauan Batangas Philippines	Owned	Good			
	E. VISAYAS						
	Plants						
	GSMI Mandaue Plant (Land and Facilities)	Subangdaku, Mandaue City, Cebu	Owned	Good			
	DBI Alcohol Distillery (Land and Facilities)	Km 13.5, Brgy. Taloc, Bago City, Negros Occidental	Owned	Good			
	DBI Deepwell Sites (Land and Facilities)	Brgy. Taloc, Bago City, Negros Occidental	Owned	Good			

Company Name / Subsidiary	Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
Warehouse/Sales Office						
GSMI Bago City Sales Office	Km 13.5, Brgy. Taloc, Bago City, Negros Occidental	Owned	Good			
Distileria Bago, Inc. (Aged Alcohol Warehousing and Management)	Brgy. Taloc, Bago City, Negros Occidental	Owned	Good			
GSMI Tacloban Sales Office	Purok 1 Brgy. 91 Maharlika Highway, Abucay Tacloban City	Rented	Good	37,321.43	October 31, 2026	Renewable upon mutual agreement of both parties
GSMI Iloilo Sales Office	Arrowgo Warehouse, Tacas, Jaro, Iloilo City	Rented	Good	121,640.00	October 31, 2026	Renewable upon mutual agreement of both parties
GSMI Nothern Samar Sales Office	Sitio Cabicalan Londres Allen, Northern Samar	Rented	Good	50,000.00	August 31, 2026	Renewable upon mutual agreement of both parties
GSMI Escalante City Sales Office	Purok Makiangyon Alimango 6124 City of Escalante Negros Occidental Philippines	Rented	Good	40,000.00	March 15, 2026	Renewable upon mutual agreement of both parties
GSMI Mandaue City Warehouse	Mandaue Port, J. Cenniza St., Looc Mandaue City, Cebu	Owned	Good			
Depot						
GSMI Ouano Alcohol Depot (Tank)	Ouano, Mandaue City	Owned	Good			
Land						
DBI Relocation Site	Brgy. Calumangan, Bago City, Negros Occidental	Owned	Good			
DBI (160sq.m new acquisition)	Brgy. Taloc, Bago City, Negros Occidental	Owned	Good			
GSMI Bago Plant (Land)	Brgy. Calumangan, Bago City, Negros Occidental	Owned	Good			
GSMI Looc Land (Depot)	Mandaue Port, J. Cenniza St., Looc Mandaue City	Owned	Good			
F. MINDANAO						
Warehouse/Sales Office						
GSMI Davao Warehouse and Sales Office	Brgy. Talomo, Ulas, Davao City	Owned	Good			
GSMI Pagadian Sales Office	Highway Rizal Ave. Purok Nangka, Tuburan District. Pagadian City, Zamboanga del Sur	Rented	Good	25,000.00	August 31, 2027	Renewable upon mutual agreement of both parties
GSMI Cagayan de Oro Sales Office	Limac Warehouse Diversion Road Bulua Zone 8 9000 Cagayan De Oro City	Rented	Good	120,912.00	April 30, 2026	Renewable upon mutual agreement of both parties
GSMI Polomolok Sales Office	Door 10 BTY and Sons Dev. Corp Glamang 9504 Polomolok South Cotabato	Rented	Good	105,000.00 (September 01, 2024 to August 31, 2027) 115,500.00 (September 01, 2027 to August 31, 2029)	August 31, 2029	Renewable upon mutual agreement of both parties
3 FOOD GROUP						
Admin Office/Sales Office						
Iloilo Office - Agro Industrial Cluster	Meliza St., Iloilo City	Owned	Good			
Davao Region Office - Agro Industrial Cluster	2F, MPPP DavSur 2, Sitio Rambutan, Brgy. Darong, Sta.Cruz, Davao del Sur	Owned	Good			
NMIN Region Office (SMFI - AIC)	SMFI B-MEG Plant Mis.Or.2 Zone 4 Brgy Gracia Tagoloan Mis.Or.	Owned	Good			
Sta. Rosa Poultry Office (SMFI - Feeds, SMFI - AIC)	Sta. Rosa Complex, Bo. Pulong Sta. Cruz, Sta. Rosa, Laguna	Owned	Good			
Admin Office and Feedmill/Processing Plant/Product Development Laboratory/Warehouse						
Cavite Admin Office, Magnolia Processing Plant & Depots - Magnolia Inc. (Magnolia)	Governor's Drive, Bo. De Fuego, Gen. Trias, Cavite	Owned	Good			
Depok Office and Poultry Processing Plant - PT San Miguel Purefoods Indonesia	Jl. Raya Bogor Km. 37 Sukamaju, Cilodong, Depok, Indonesia	Owned	Good			
Tarlac Office, Feedmill and Warehouse - Feeds	Luisita Industrial Park, San Miguel,Tarlac City	Owned	Good			
Bataan Feedmills and Warehouse - Feeds	Mindanao Avenue, Corner 10th Ave. BEZ, Mariveles, Bataan City	Owned	Good			
Pasig Office and Product Development Laboratory - SMFI-Corporate	SMFG Cmpd., Legaspi cor. Eagle St., Ugong, Pasig City	Owned	Good			
Bacolod Warehouse - San Miguel Mills Inc.	Reclamation Area, Barangay Poblacion, Bacolod City	Owned	Good			
Isabela Feedmill and Warehouse - Feeds	Bo. Soyung, Echague, Isabela City	Owned	Good			
Bulacan Feedmill and Warehouse (San Ildefonso) - Feeds	Brgy. Malipampang San Ildefonso, Bulacan	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Pangasinan Feedmill, Office and Laboratory - SMFI - Feeds	Brgy. Bued, Binalonan, Pangasinan City	Owned	Good			
	Admin Office & Magnolia Poultry Processing Plant - SMFI - Poultry	SMC Complex, Quebiawan, San Fernando, Pampanga	Owned	Good			
	Marikina Processed Meats Plant (used as warehouse) - Purefoods-Hormel	JP Rizal St., Bo. San Roque, Marikina City	Owned	Good			
	Camarines Sur Office - SMFI - AIC; Office, Quality Assurance Office, Magnolia Poultry Processing Plant, Cold Storage and Holding Room - SMFI - Poultry; Cold Storage - SMFI - Meats	Sta. Rita Industrial Estate, Sagurong, Pili, Camarines Sur	Owned	Good			
	Isabela Sales Office & BMEG Isabela Plant - SMFI - Poultry	Soyung, Echague, Isabela	Owned	Good			
	General Santos Office and Vetmed Hub - SMFI - Poultry	Puttingbato, Calumpang, Gen. Santos City	Owned	Good			
	Farm/Hatchery						
	Isabela Cattle Farm - Meats	3305 San Luis, Cauayan, Isabela City	Owned	Good			
	Calamba Hatchery - Poultry	Brgy Licheria, Calamba City	Owned	Good			
	Bataan Farm - Poultry	Brgy. General Lim, Orion, Bataan City	Owned	Good			
	Bukidnon Hatchery - Poultry	Kapitan Bayong, Impasug-ong, Bukidnon City	Owned	Good			
	Laguna Cattle Farm & R&D - SMFI - Meats; Office - SMFI - AIC	Brgy. Mabacan, Calauan, Laguna	Owned	Good			
	Camarines Sur Magnolia Poultry Hatchery - SMFI - Poultry; SMFI - AIC	Brgy. San Juan, Baao, Camarines Sur	Owned	Good			
	Magnolia Poultry Farm Davao Del Sur - SMFI - Poultry	Brgy Hagonoy Crossing, Hagonoy, Davao Del Sur	Owned	Good			
	Flourmill/Feedmill and Warehouse						
	Iloilo Feedmill - Feeds	Brgy. Gua-an, Leganes, Iloilo	Owned	Good			
	Mabini Flourmill - San Miguel Mills, Inc.	Brgy. Bulacan, Mabini, Batangas City	Owned	Good			
	Tabangao Flourmill - San Miguel Mills, Inc.	Brgy. Tabangao, Batangas City	Owned	Good			
	Bukidnon Feedmill - Feeds	Impalutao, Impasug-ong, Bukidnon City	Owned	Good			
	Davao Feedmill and Warehouse- Feeds	Sitio Landing, Brgy. Darong , Sta. Cruz, Davao Del Sur	Owned	Good			
	Pavia Iloilo Feedmill - SMFI - Feeds	Brgy. Mali-ao Pavia, Iloilo	Owned	Good			
	Ormoc Feedmill - SMFI - Feeds	Brgy. Macabug, Ormoc City	Owned	Good			
	Misamis Oriental Feedmill and Warehouse - SMFI - Feeds	Brgy Gracia, Sitio Kivulda, Phividec, Tagoloan, Misamis Oriental	Owned	Good			
	Mandaue Feedmill - SMFI - Feeds	JL Ceniza St., Brgy Looc, Mandaue City	Owned	Good			
	General Santos Feedmill - SMFI - Feeds	San Miguel Purefoods Compound, Rivera St., Calumpang, General Santos City	Owned	Good			
	Grain Terminal						
	Mabini Bulk Grain Handling Terminal - San Miguel Mills, Inc. (GBGTC)	Brgy. Balibaguhan and Brgy. Bulacan, Mabini, Batangas City	Owned	Good			
	Land						
	Pasig Land (Parking Lot) - Golden Avenue Corp. (GAC)	San Miguel Ave., Corner Tektite Road, Pasig City	Owned	Good			
	Bulacan Land - SMFI Feeds	Malipampang, San Ildefonso, Bulacan	Owned	Good			
	Bacolod Land - SMMI	Reclamation Area, Barangay Poblacion, Bacolod City	Owned	Good			
	Isabela Land - Feeds	Bo. Soyung, Echague, Isabela City	Owned	Good			
	Iloilo Land - Feeds	Brgy. Gua-an, Leganes, Iloilo	Owned	Good			
	Davao Land - SMFI - Feeds	Darong, Sta. Cruz, Davao	Owned	Good			
	Catbalogan Property (Land & Building) - SMFI - SMIS	Brgy. 048 Payao, Catbalogan City, Samar	Owned	Good			
	Cavite Land 1 (Magnolia)	Lot 1-E of Subdivision Plan (LRA), PSD-417836, Brgy. San Francisco, General Trias, Cavite	Owned	Good			
	Cavite Land 2 (Magnolia)	Lot 2 of the Consol.-Subd. Plan (LRA) PCS-32472, Barangay of De Fuego General Trias, Cavite	Owned	Good			
	Cavite Land 3 (Magnolia)	Lot 3, (LRA) PCS-32472, LRC Rec. No. 5964 Barangay of De Fuego, General Trias, Cavite	Owned	Good			

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Processing Plant						
Binh Duong Processing Plant - San Miguel Purefoods (VN) Co., Ltd.	An Tay, Ben Cat, Binh Duong, Vietnam	Owned	Good			
Cavite Processed Meat Plant - Purefoods Hormel Company, Inc.	Bo. De Fuego, Brgy. San Francisco, Gen. Trias, Cavite	Owned	Good			
Davao Processing Plant 2- SMFI - Poultry	Sitio Rambutan, Brgy. Darong, Sta.Cruz, Davao del Sur	Owned	Good			
Cavite Fresh Meat Processing Plant - Meats	Governor's Drive Bo. Langkaan 1, Dasmarinas Cavite City	Owned	Good			
Laguna Ice Cream Plant - Golden Food Management Inc. (GFMI)	Sta. Rosa Industrial Complex, Brgy. Pulong Sta. Cruz, Sta. Rosa, Laguna	Owned	Good			
San Fernando Processing Plant - SMFI - Feeds	SMC Complex, Quebiawan, San Fernando, Pampanga	Owned	Good			
Magnolia Poultry Processing Plant Pagbilao - SMFI - Poultry	Pagbilao, Quezon	Owned	Good			
MPPP Leyte - SMFI - Poultry	Brgy. Antipolo, Albueva, Leyte	Owned	Good			
Processing Plant and Cold Storage						
Mandaue Poultry Processing Plant and Cold Storage - Poultry	Riverside, Canduman, Mandaue City	Owned	Good			
Sta. Rosa Cold Storage - SMFI - Poultry	LNPI Compound Sta. Rosa Industrial Complex, Pulong Sta. Cruz, City of Sta. Rosa, Laguna	Owned	Good			
Warehouse						
Sta. Rosa Warehouse - SMFI - SMIS	Sta. Rosa Industrial Complex, Brgy. Pulong Sta. Cruz, Sta. Rosa City, Laguna	Owned	Good			
Admin Office						
Ho Chi Minh Office - SMPFVN	6F Mekong Tower, 235-241 Ward 13, Tan Binh, Ho Chi Minh City, Vietnam	Rented	Good	VND 38,646,597.17/ PHP 90,560	July 31, 2025	Renewable every five years
Zamboanga Office - Agro Industrial Cluster	Don Alfonso Marquez Subd., MCLL Highway Tetuan Zamboanga City	Rented	Good	31,408.46	December 31, 2025	Renewable every three years
Bukidnon Office - Agro Industrial Cluster	Propia St. , Malaybalay, Bukidnon	Rented	Good	147,321.43	January 31, 2025	Renewable every two years
Dumaguete Office - Agro Industrial Cluster	Unit 1-C, JC Building, Ipil Road, Brgy. Daro, Dumaguete City	Rented	Good	40,202.87	October 30, 2027	Renewable every three years
Bacolod Office - Agro Industrial Cluster	NFCC Cybercentre Complex, Lacson Cr. Hernaez St., Bacolod City	Rented	Good	334,530.00	December 31, 2025	One year (under tacit renewal until new rate is approved by Negros Sanguniang Panlalawigan)
C5 Pasig Office - SMFB, SMFI, PHC, Magnolia, Coffee, SMMI	#100 E. Rodriguez Jr. Ave., (C5 Road), Brgy. Ugong, Pasig City 1604	Owned	Good			
Tacloban Office - Agro Industrial Cluster	Unit 12, 2nd Floor Bldg. B, Metrobank Center, Juan Luna St., Brgy. Poblacion, Palo, Leyte	Rented	Good	59,588.98	October 21, 2028	Renewable every five years
Central Luzon Office - Agro Industrial Cluster	SMPFC Region Office, SMC Complex, Quebiawan, San Fernando, Pampanga	Owned	Good			
PD Laboratory	Legaspi cor Eagle St Brgy Ugong, Pasig City	Owned	Good			
Admin Office and Cold Storage/Processing Plant/Warehouse						
Butuan Office and Cold Storage - SMFI - AIC and SMFI - Poultry	Km 9 Tag-ibo Butuan City	Rented	Good	11,127.16 (Office) 449,450 (Processing Plant) 228,920 (Cold Storage) 220,530 (Holding Room)	December 31, 2025 (Office - AIC) December 31, 2025 (Cold Storage - Poultry)	Negotiations for the renewal shall commence six months before expiry date. The decision to renew or not to renew should be made by the parties within a period not exceeding three months from date of expiry
Misamis Occidental Office and Cold Storage - SMFI - AIC and SMFI - Poultry	Mailen, Clarin, Misamis Occidental	Rented	Good	133,090 (Cold Storage) 250,027 (Holding room) 14,946.00 (Office)	December 31, 2025	-Renewable every three years (Office) -Six months before expiry date. The decision to renew or not to renew should be made by the parties within a period not exceeding three months from date of expiry (Cold Storage & Holding Room)
Cebu Office, Labatory & Cold Storage - SMFI - Poultry	Brgy. Pangdan, Naga City, Cebu	Rented	Good	39,200.00 (Office and Labatory) 3,837,745.7 (Cold Storage & Warehouse)	January 31, 2025	Renewable every three years

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Mandaue Admin Office, Warehouse and Cold Storage - SMFI - Poultry	Lot 2459-B1&B2 Batiller Street, Barangay Umapad, Mandaue City	Rented	Good	654,740.00	Continuing unless terminated and agreed by both parties	Under renewal process
	JM1 Farm - SMFI - Meats	Brgy. Kalasungay, Malaybalay City	Rented	Good	650,000.00	August 31, 2025	Renewable every three years
	Cold Storage						
	Misamis Oriental Dressing Plant (Processing, Cold Storage, Holding Room)- Poultry	Mohon Tagoloan Misamis Oriental	Rented	Good	422,620.00	September 30, 2025	The Lessee maybe pre-terminate the Contract without cause by giving 60 days prior written notice to the Lessor
	Misamis Oriental Cold Storage - Meats	Sta. Ana, Tagoloan, Misamis Oriental	Rented	Good	118,552.00	September 30, 2025	Renewed upon the expiry of its contract term for the like period(s) under the same terms and conditions, except as may be otherwise agreed by the parties in writing
	Palawan Cold Storage - Poultry	Abara Road, Brgy. San Pedro, Puerto Princesa City, Palawan	Rented	Good	388,080.00	December 31, 2024	Renewable every year
	Cold Storage and Blast Freezing Facility/Holding Room/Laboratory/Warehouse/Processing Plant/Mixes Storage/Office						
	Bulacan Cold Storage and Holding Room - Poultry	#95 Landicho St., Brgy. Balasing, Sta. Maria, Bulacan	Rented	Good	182,249 (Cold Storage) 186,015 (Holding room)	May 31, 2025	Renewable every three years
	Pampanga Cold Storage & Selling Station-SMFI - Meats & Mixes Storage - Poultry	888 Quezon Rd, Brgy. San Isidro, San Simon, Pampanga	Rented	Good	1,967,612.59 (Cold Storage) 51,785.71 (Selling Station) 30,140 (Mixes Storage)	December 31, 2024 (Cold and Mixes Storage) June 30, 2024 (Selling Station)	Renewable upon mutual agreement of both parties
	Bulacan Cold Storage, Holding Room and Laboratory & Liquidator's Office- SMFI - Poultry	Brgy. Caysio, Sta. Maria, Bulacan	Rented	Good	2,851,878 (Cold Storage) 1,402,838 (Holding Room) 56,952 (Laboratory) 9,750 (Office)	February 28, 2025	Renewable every three years
	La Union Cold Storage, Holding Room and Laboratory - Poultry	Brgy. Rabon, Rosario, La Union 2506	Rented	Good	2,200,767 (Cold Storage & Holding Room) 72,081.00 (Laboratory)	September 30, 2026	Renewable every three years
	Pampanga Cold Storage, Holding Room and Labatory - SMFI - Poultry	Brgy. San Isidro, San Simon, Pampanga	Rented	Good	731,185 (Cold Storage) 317,853.00 (Holding Room) 49,090.00 (Labatory)	July 08, 2025	Renewable every three years
	Tarlac Cold Storage, Holding Room and Laboratory - Poultry	Brgy. San Nicolas Balas, Concepcion, Tarlac 2316	Rented	Good	1,810,069.00 (Cold Storage) 1,211,826.00 (Holding Room) 37,882.07 (Laboratory)	December 31, 2024	Renewable every three years
	Bataan Cold Storage and Holding Room - Poultry	Brgy. Tumalo, Hermosa, Bataan	Rented	Good	2,898,065(Cold Storage) 1,335,372 (Holding Room) 28,764.14 (Labatory)	December 31, 2024	Renewable every three years
	Nueva Ecija Cold Storage, Holding Room and Laboratory- SMFI - Poultry	Km104, Brgy Tabuating, San Leonardo, Nueva Ecija	Rented	Good	693,070 (Cold Storage) 914,660.00 (Holding Room) 28,570.00 (Labatory)	March 08, 2027	Renewable every three years
	Iloilo Cold Storage and Processing Plant - Poultry	Barangay Tungay, Sta. Barbara, Iloilo	Rented	Good	902,691.69 (Cold storage) 474,483.96 (Processing plant)	December 31, 2026	Renewable every three years
	Negros Occidental Processing Plant and Cold Storage & Laboratory - Poultry	Hda Binunga, Brgy Guinhalaran, Silay City, Negros Occidental	Rented	Good	395,541.76 (Processing Plant) 1,804,330 (Cold Storage)	December 31, 2027	Renewable upon mutual agreement of both parties
	El Salvador Processing Plant; Cold Storage; Holding Room - SMFI Poultry	Upper Linabo, Brgy. Cogon, El Salvador City	Rented	Good	2,121,510 (Cold Storage) 453,490 (Holding room)	March 3, 2026	Six months before expiry date. The decision to renew or not to renew should be made by the parties within a period not exceeding three months from date of expiry

Company Name / Subsidiary	Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
Depot						
Iloilo Depot - Magnolia	3M Dragon, Leganes St., Brgy Lupa Santa Barbara Iloilo	Rented	Good	1,925,280.00	December 31, 2024	Renewable every year
Consolacion Cebu Depot - Magnolia	Cebu-North Road, Tayud, Consolacion, Cebu	Rented	Good	3,129,995.82	December 31, 2024	Renewable every year
Cagayan de Oro Depot - Magnolia	Brgy. Cugman, Cagayan de Oro City	Rented	Good	3,215,241.51	December 31, 2024	Renewable every year
Bacolod Depot - Magnolia	Magsasay Cor Araneta Sts., Brgy. Singcang, Bacolod City	Rented	Good	1,665,833.20	December 31, 2024	Renewable every year
Davao Depot - Magnolia	San Miguel Brewery Sales Office, Ulas Davao City	Rented	Good	87,746,089.33	December 31, 2025	Renewable every year
Foreshore						
Mabini Bulk Grain Handling Terminal Foreshore - GBGTC	Brgy. Balibaguhan and Brgy. Bulacan, Mabini, Batangas	Rented	Good	373,949.14	February 28, 2025	Lease may be renewed for another 25 years at the option of the DENR
Mabini Foreshore - San Miguel Mills, Inc.	Brgy. Bulacan, Mabini, Batangas	Rented	Good	49,089.06	Continuing unless terminated and agreed by both parties	Lease may be renewed for another 25 years at the option of the DENR; Under renewal process
Land						
Mabini Bulk Grain Handling Terminal (Land only) - GBGTC	Brgy. Balibaguhan and Brgy. Bulacan, Mabini, Batangas	Owned	Good			
Pangasinan Feedmill (Land only) - SMFI - Feeds	Brgy. Bued, Binalonan, Pangasinan	Owned	Good			
Mabini New Flourmill (Land Only) - SMMI	Brgy. Bulacan, Mabini, Batangas	Owned	Good			
Bataan Farm (Land only) - SMFI - Poultry	Brgy. General Lim, Orion, Bataan	Owned	Good			
Bataan Feedmill (Land only) - SMFI - Feeds	Mindanao Avenue, Corner 10th Ave. BEZ, Mariveles, Bataan	Rented	Good	1,459,250 (Plant 1) 867,642 (Plant 2) 962,064 (Extension warehouse)	December 31, 2054 - Plant 1 March 31, 2041 - Plant 2 & Extension Warehouse	Renewable upon mutual agreement of both parties
Cebu Land - San Miguel Mills, Inc.	P. Rodriguez Street & Dad Cleland Road, Poblacion, Lapu-Lapu, Cebu	Rented	Good	Jan-June : 4,042,478.91 July-Dec : 4,244,602.85	May 31, 2031	Renewable upon mutual written agreement of the parties
Pasig Office (Land Only) - San Miguel Foods, Inc. - Corporate	SMFG Cmpd., Legaspi cor. Eagle St., Ugong, Pasig	Owned	Good			
Laguna Ice Cream Plant (Land Only) - GFMI	Sta. Rosa Industrial Complex, Brgy. Pulong Sta. Cruz, Sta. Rosa, Laguna	Owned	Good			
Ready-to-Eat Plant (Land Only) - Great Food Solutions	Sta. Rosa Industrial Complex, Brgy. Pulong Sta. Cruz, Sta. Rosa, Laguna	Owned	Good			
Bulacan Feedmill (Land Only) - SMFI - Feeds	Brgy. Malipampang San Ildefonso, Bulacan	Owned	Good			
Davao Land - SMFI - Feeds	Sitio Landing, Brgy. Darong, Sta. Cruz, Davao Del Sur	Owned	Good			
Farm/Hatchery						
Bataan Hatchery Farm (Land only)- SMFI - Poultry	Brgy. General Lim, Orion, Bataan	Owned	Good			
Processing Plant						
Puerto Princesa Dressing Plant - Poultry	Brgy Tagburos, Puerto Princesa	Rented	Good	22,400.00	December 31, 2024	Renewable every two years
Lucena Processing Plant - Poultry	Brgy. Bocohan, Lucena	Rented	Good	1,534,600.00	December 31, 2025	Renewable every year
Isabela Processing Plant and Laboratory - SMFI - Poultry	Garit Sur, Echague Isabela	Rented	Good	3,541,247(Processing Plant); 40,765.17(Laboratory)	March 15, 2027	Renewable every three years
Rizal Processing Plant - Poultry	#1 Sitio Kapatagan, Brgy. Pinugay, Baras, Rizal	Rented	Good	327,431.86	December 31, 2025	Renewable every year
Batangas Processing Plant - Poultry	Brgy Aya, San Jose, Batangas	Rented	Good	3,314,850.00	December 31, 2024	Renewable upon mutual agreement of both parties
South Cotabato Processing Plant - Meats	Purok 3, Brgy. Glamang, Polomolok, South Cotabato	Rented	Good	208,272.87	August 31, 2025	Renewable upon mutual agreement of both parties
Tacloban Processing Plant - Poultry	Brgy. 69 Anibong, Tacloban City	Rented	Good	132,000.00	December 31, 2025	Renewable upon mutual agreement of both parties
Sales Office						
Iloilo Office - San Miguel Integrated Sales	Orbe St., Brgy. Baybay Norte, Miag-ao, Iloilo	Rented	Good	8,928.57	June 30, 2028	Renewable upon mutual agreement of both parties
Sales Office and Cold Storage/Laboratory/Warehouse						
Commissary Warehouse/Storage - SMMI, Purefoods-Hormel	Sta Rosa Industrial Complex, Pulong Sta Cruz, Sta. Rosa Laguna	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Warehouse						
	LSL Multi-Serve-Managed Warehouses - SMFI - Feeds	Bay 6 Everland Agri Corp., Km. 12, Sasa, Davao City; Km. 11, Sasa, Davao	Rented	Good	529,750.00	December 31, 2025	Renewal every year
	SMCSL-Managed Warehouses - SMFI - Feeds	Manila; Bataan; Batangas; Camarines Sur; Cebu; Iloilo; Bacolod; Cagayan de Oro; Ozamiz; Bukidnon; General Santos; Zamboanga; Davao	Rented	Good	40,190,860.58	December 31, 2026	Renewable every three years
	D Meter-Managed Warehouses - SMFI - Feeds	Cristo Rey Capas, Tarlac 2315; 15 Victoria Hills St. Bungad, Project 7, Quezon City, Metro Manila	Rented	Good	600,976.83	December 31, 2024	Renewable upon mutual agreement of both parties
	Tarlac Warehouse - SMFI - Feeds	Mabini, Moncada, Tarlac	Rented	Good	547,870.00	December 31, 2024	Renewable every year
	Camarines Sur Warehouse - SMFI - Feeds	Santiago, Pili, Camarines Sur	Rented	Good	273,240.00	December 31, 2024	Renewable every year
	Pangasinan Warehouse - SMFI - Feeds	Brgy. Barraca,Villasis, Pangasinan	Rented	Good	711,110.40	December 31, 2024	Renewable every year
	Pangasinan Warehouse - SMFI - Feeds	Urdaneta, Pangasinan	Rented	Good	1,487,024.00	December 31, 2024	Renewable every year
	Camarines Sur Warehouse - SMFI - Feeds	Brgy. San Jose & Sagurong, Pili, Camarines Sur	Rented	Good	617,971.20	December 31, 2024	Renewable every year
	Parañaque Warehouse - SMFI - AIC,SMFI - SMIS and SMFI - Great Food Solutions (GFS)	Pacific Coast Plaza Building, 1st Villamor Street, Parañaque	Rented	Good	59,423.29 (AIC) 156,017.75 (SMIS) 24,433.47 (GFS)	December 31, 2024	Mutually be agreed upon between the parties.
	Tarlac Warehouse - SMFI - Feeds	Brgy. Estrada Capas, Tarlac	Rented	Good	895,000.00	December 31, 2024	Renewable every year
	Laguna Warehouse - SMFI - Poultry	Denson Warehouse, Brgy. Parian, Calamba, Laguna	Rented	Good	290,936.58	July 31, 2025	Renewable every year
	Isabela Warehouse - SMFI - Feeds	Bo. Soyung, Echague, Isabela	Rented	Good	1,176,238.00	March 15, 2025	Renewable upon mutual agreement of both parties
	Isabela Warehouse (Lucky J3 and J88)- SMFI - Feeds	Brgy. Victoria, Alicia, Isabela	Rented	Good	1,540,000.00	March 15, 2025	Renewable upon mutual agreement of both parties
	Paranaque Warehouse - SMMI	8380 Dr. A. Santos Avenue, Barangay BF Homes, Parañaque City	Owned	Good			
	Samar Warehouse-SMMI	Catbalogan Samar	Owned	Good			
	Bulacan Warehouse - SMFI - Feeds	Cagayan Valley Rd, Brgy. Matimbubong, San Ildefonso, Bulacan	Rented	Good	700,000.00	December 31, 2024	Renewable upon mutual agreement of both parties
	Batangas Warehouse - SMFI - Feeds	Brgy. Balibaguhan, Mabini Batangas	Owned	Good			
	Bacolod Warehouse - SMFI - Feeds	Lot 1 Bredco Port, Brgy. Poblacion, Bacolod City	Owned	Good			
	SMILSI ULAS Warehouse - SMFI - Poultry	San Miguel Brewery Regional Sales Office, Mac Arthur Highway, Ulas, Talomo, Davao City.	Owned	Good			
	Davao Warehouse - SMFI - Feeds	Km. 15 National Highway Ilang, Davao City	Rented	Good	892,875.20	December 31, 2025	Renewable every year
	SMCSL-Managed Warehouses - SMFI - AIC	Pasacao & Pili Camarines Sur	Rented	Good	1,352,628.00	December 31, 2025	Renewable every year
4	OTHERS- SAN MIGUEL FOOD AND BEVERAGE INC.						
	Admin Office						
	Pasig Office - San Miguel Food and Beverage, Inc. (SMFB)	17F, 18F, 21F, 22F, 23F JMT Corporate Condominium Building, ADB Avenue, Ortigas Center, Pasig City	Owned	Good			
	Land						
	Mabini Land - SMFB	Brgy. Bulacan, Mabini, Batangas City	Owned	Good			
	Bukidnon	Capitan Bayong, Impasugong	Owned	Good			
	Davao	Barrio Talomo, City of Davao	Owned	Good			
	Zamboanga	Barangay Boalan, City of Zamboanga	Owned	Good			
	Zamboanga	Brgy. Boalan, Mercedes, City of Zamboanga	Owned	Good			
	South Cotabato	Burgos St, Pob. Surallah, South Cotabato	Owned	Good			
	Misamis Oriental	Manticao, Misamis Oriental	Owned	Good			
	Misamis Oriental	Bo. Carmen Cagayan De Oro, Misamis Oriental	Owned	Good			
	Lanao Del Norte	Bgy Tacub, Kauswagan, Lanao Del Norte	Owned	Good			
	Iligan	Bo. San Isidro, Iligan City	Owned	Good			
	Camiguin	Malingin, Mainit, Catarman, Camiguin	Owned	Good			
	Taytay Rizal	Barrio of Moson Taytay, Rizal	Owned	Good			
	Quezon City	36 St. James St. Kingsport Subd., Novaliches, Quezon City	Owned	Good			
	B. RENTED						
	Admin Office						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
	C5 Pasig Office	#100 E. Rodriguez Jr. Ave., (C5 Road), Brgy. Ugong, Pasig City 1604	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
PACKAGING BUSINESS							
	A. DOMESTIC						
1	SAN MIGUEL YAMAMURA PACKAGING CORPORATION						
	SMYPC Main Office, SMYPC Trading and SMYPC Contract Packaging						
	Building / Office Space	San Miguel Properties Centre, Saint Francis St., Mandaluyong City	Owned	Good			
	SMYPC Rightpak Plant, SMYPC Canlubang PET & Caps Plant, SMYPC MCLP Canlubang Plant and SMYPC Leasing Operations						
	Land	Canlubang Industrial Estate, Canlubang, Laguna	Owned	Good			
	Land - under 150-3300	CBPP, SMC Complex, Mandaue City	Owned	Good			
	SMYPC Cebu Beverage Packaging Plant, SMYPC Cebu Glass Plant and SMYPC MCLP Mandaue Plant						
	Land	SMC Mandaue Complex, Hi-way, Tipolo, Mandaue City, Cebu	Owned	Good			
	SMYPC MCLP Mandaue						
	Warehouse - SMC	SMC Mandaue Complex, Hi-way, Tipolo, Mandaue City, Cebu	Owned	Good			
	Warehouse - Brewery	SMC Mandaue Complex, Hi-way, Tipolo, Mandaue City, Cebu	Owned	Good			
	SMYPC Cebu Beverage Packaging Plant & SMYPC Cebu Glass Plant						
	Warehouse	SMC Wharf, Tipolo, Mandaue City, Cebu	Owned	Good			
	SMYPC Cebu Glass Plant						
	Warehouse	Quano Wharf, Mandaue City	Owned	Good			
	Warehouse	GSK, Jagobiao, Mandaue City	Rented	Good	2,615,080.00	April 30, 2026	Renewable for a period in accordance with the mutual written agreement of both parties
	Warehouse	LDGP, Tayud, Consolacion	Rented	Good	453,065.00	October 14, 2025	Renewable for a period in accordance with the mutual written agreement of both parties
	Warehouse	Bassett Land, Tayud, Consolacion	Rented	Good	172,630.66	April 25, 2025	Renewed until April 25, 2025
	Warehouse	CBPP, SMC Complex, Mandaue City	Owned	Good			
	SMYPC San Fernando Bev. Packaging Plant						
	Land and Warehouse	Brgy. Maimpis, City of San Fernando, Pampanga (Gate 2, SMC PET Plant)	Owned	Good			
	Warehouse SMDCI	Brgy. Maimpis, City of San Fernando, Pampanga (Gate 2, SMC PET Plant)	Owned	Good			
	SMYPC Pet Recycling Plant and SMYPC MCLP San Fernando Plant						
	Land	SMC San Fernando Complex, Quebiauan, San Fernando City	Owned	Good			
	SMYPC Manila Glass Plant						
	Land	Muelle dela Industria St., Binondo, Manila City	Owned	Good			
	Warehouse	San Fernando Brewery, San Fernando, Pampanga	Owned	Good			
	Warehouses 1, 2 & 3	No. 35 Calle Malusak, San Pablo, Malolos City, Bulacan	Rented	Good	881,684.70	June 30, 2025	Renewable for a period in accordance with the mutual written agreement of both parties
	Warehouse Extension 2	Mabalas Brgy Calulut San Fernando Pampanga	Rented	Good	507,500.00	April 30, 2025	Renewable for a period in accordance with the mutual written agreement of both parties
	Warehouse Extension 3	Mabalas Brgy Calulut San Fernando Pampanga	Rented	Good	261,000.00	April 30, 2025	Renewable for a period in accordance with the mutual written agreement of both parties
	SMYPC Glass Business Office						
	Land	Barrio Halayhay, Tanza, Cavite	Owned	Good			
	SMYPC Manila Plastics Plant						
	GTU Warehouse	2068 B Candido St. Mapulang Lupa, Valenzuela City	Rented	Good	1,252,650.24	May 31, 2025	Renewable for a period in accordance with the mutual written agreement of both parties
	Bocau Warehouse (Ecostorage)	#276 Boontown Industrial Park Brgy. Tambobong, Bocaue , Bulacan	Rented	Good	525,000.00	September 30, 2025	Renewable for a period in accordance with the mutual written agreement of both parties -Renewed: Oct. 2024 to Sept. 2025
	MCLP Warehouse	MCLP warehouse ,Canlubang Laguna	Owned	Good			
	SMYPC MPP Cebu Operations						
	Inhouse MCO Warehouse	SMC Mandaue Complex, Hi-way, Tipolo, Mandaue City, Cebu	Owned	Good			
	SMCSL Warehouse	SMC Wharf, Tipolo, Mandaue City, Cebu	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Warehouse Rental of Bassette Land	Sitio Bangkerohan, Tayud, Consolacion	Rented	Good	620,978.40	December 31, 2025	Renewable for a period in accordance with the mutual written agreement of both parties -With renewal of contract for BPG Processing Jan 01, 2025 to Dec 31, 2025
	SMYPC SMY Glass Plant						
	Land	Km 27, Aguinaldo Highway, Imus, Cavite	Owned	Good			
	Land & Warehouse	Canlubang Industrial Estate, Canlubang, Laguna	Owned	Good			
	Warehouse San Simon	Quezon Road, San Simon, Pampanga	Rented	Good	606,100.00	March 31, 2025	Renewable for a period in accordance with the mutual written agreement of both parties
	Warehouse	Tagoloan, Misamis Oriental	Owned	Good			
	Springfield Warehouses	Sitio Pantay, Brgy. Maguyam, Silang Cavite	Rented	Good	1,827,990.0	June 04, 2025	Renewable for a period in accordance with the mutual written agreement of both parties
	STMI Warehouse	Km 52 Bo Lawa, Calamba Laguna	Rented	Good	2,255,040.00	April 15, 2025	Renewable for a period in accordance with the mutual written agreement of both parties
	Tagoloan Warehouse	Tagoloan Misamis Oriental	Owned	Good			
2	SMC YAMAMURA FUSO MOLDS CORPORATION	Governor Dr., Bo. De Fuego, Bgy. San Francisco, Gen. Trias, Cavite	Owned	Good			
3	MINDANAO CORRUGATED FIBREBOARD, INC.						
	Land	Km 12 Sasa, Davao City	Owned	Good			
4	CAN ASIA, INC.						
	Land	Bgy. San Francisco de Malabon, Gen. Trias, Cavite	Owned	Good			
	B. INTERNATIONAL						
5	SAN MIGUEL YAMAMURA PACKAGING INTERNATIONAL LTD. AND SAN MIGUEL YAMAMURA GLASS (VIETNAM) LTD.	9/F Citimark Building, 28 Yuen Shun Circuit, Siu Lek Yuen, Shatin, N.T. Hongkong, PRC	Owned	Good			
6	ZHAOQING SAN MIGUEL YAMAMURA GLASS COMPANY LTD.						
	Plant	12 North Avenue, Housha St., Zhaoqing City Guangdong Province, PRC	Land Use Rights	Good			
	Warehouse	Duanzhou Science and Technology Industrial Area, Zhaoqing City	Rented	Good	533,652.26	January 31, 2026	Negotiation by both parties
	Warehouse	Duanzhou district Taihe Road Junfu Industrial Park third building four, Zhaoqing City	Rented	Good	719,278.26	September 30, 2025	Negotiation by both parties
	Storage yard	Duanzhou District Guangmao line road bridge bottom east, Zhaoqing City	Rented	Good	223,114.67	March 31, 2027	Negotiation by both parties
7	FOSHAN SAN MIGUEL YAMAMURA PACKAGING COMPANY LTD.	3 Dongdi Road, Junan Township, Guangdong Province, PRC	Land Use Rights	Good			
8	SAN MIGUEL YAMAMURA HAIPHONG GLASS COMPANY LTD.	17-A Ngo Quyen St., Ngo Quyen District, Haiphong City, Vietnam	Land Use Rights	Good			
9	SAN MIGUEL YAMAMURA PHU THO PACKAGING COMPANY LTD.	1 Le Van Khuong Street, Hiep Thanh Ward, District 12, Ho Chi Minh City, Vietnam	Land Use Rights	Good			
10	SAN MIGUEL YAMAMURA PLASTICS FILMS SDN. BHD.	No. 172, Jalan Usaha 5, lots 83, 84, 85, 75, 76 Ayer Keroh Industrial Estate, 75450 Melaka, Malaysia	Owned	Good			
11	SAN MIGUEL YAMAMURA PACKAGING AND PRINTING SDN. BHD. AND PACKAGING RESEARCH CENTRE SDN.	Lot 5078 and 5079, Jalan Jenjarum 28/39, Seksyen 28, 40400 Shah Alam, Selangor Darul Ehsan, Malaysia	Owned	Good			
12	SAN MIGUEL YAMAMURA WOVEN PRODUCTS SDN. BHD.						
	Office Space	Lot 9 and 10, Jalan Usuha 4, Ayer Keroh Industrial Estate, 75450 Melaka, Malaysia Lot 4305, Jalan Usaha 8, Ayer Keroh Industrial Estate, 75450 Melaka, Malaysia	Owned	Good			
	Plant	Lot 75, Jalan Usaha 5, Ayer Keroh Industrial Estate, 75450 Melaka	Rented	Good	MYR 22,932.00	December 31, 2024	The tenancy will automatically renew every two years for five consecutive terms subject to early termination.

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Warehouse	Lot 4320, Jalan Usaha 6, Ayer Keroh Industrial Estate, 75450 Melaka, Malaysia	Rented	Good	MYR 7,000.00	March 30, 2025	In the event that the tenant is desirous of extending the period of tenancy herein created, the landlord shall upon receipt of a written request from the tenant made not less than one month before expiration of the term hereby created, at the expense of the tenant, grant to the tenant a tenancy of the premises for a further term of one year from the expiration of the term (the "Renewal Term").
	Warehouse	83, Jalan Usaha 6, Kawasan Perindustrian Air Keroh, 75450 Melaka, Malaysia	Rented	Good	MYR 9,500.00	February 28, 2025	In the event that the tenant is desirous of extending the period of tenancy herein created, the landlord shall upon receipt of a written request from the tenant made not less than one month before expiration of the term hereby created, at the expense of the tenant, grant to the tenant a tenancy of the premises for a further term of one year from the expiration of the term (the "Renewal Term").
13	INSA ALLIANCE SDN. BHD.						
	Office Space	Plo 64 & Plo 65, Jln Kejuteraan 4, Kaw. Perindustrian, Jln Genuang, 85000 Segamat, Johor.	Owned	Burnt in fire			
	Plant	Plo 64 & Plo 65, Jln Kejuteraan 4, Kaw. Perindustrian, Jln Genuang, 85000 Segamat, Johor.	Owned	Burnt in fire			
	Warehouse	Plo 136, Jln Kejuteraan 4, Kaw. Perindustrian, Jln Genuang, 85000 Segamat, Johor.	Owned	Good			
	Plant	PT 3197, Jalan TP 3, Taman Perindustrian Bukit Rambai Fasa 6, 75260 Melaka.	Rented	Good	MYR 35,000.00	March 31, 2026	Renewable upon mutual agreement of both parties
14	SAN MIGUEL YAMAMURA AUSTRALASIA						
	Office	1 Culverston Road, Minto NSW, Australia	Rented	Good	AUD 167,742.27	July 31, 2027	Renewable upon mutual agreement of both parties
	Production	21 Huntsmore Road, Minto NSW, Australia (Unit 1)	Rented	Good	AUD 28,735.00	July 31, 2027	Renewable upon mutual agreement of both parties
	SMYC PTY LTD						
	Plant	21 Huntsmore Road, Minto NSW, Australia (Unit 2)	Rented	Good	AUD 32,578.71	July 31, 2027	Renewable upon mutual agreement of both parties
	Warehouse	21 Huntsmore Road, Minto NSW, Australia (Unit 3)	Rented	Good	AUD 33,842.39	July 31, 2030	Renewable upon mutual agreement of both parties
	Warehouse	117-121 Lewis Rd, Knoxfield, Victoria	Rented	Good	AUD 100,962.80	September 07, 2031	Renewable upon mutual agreement of both parties
	Warehouse	Warehouse 5, Acacia Link Industrial Estate, 25 Industrial Crescent, Willawong, Queensland	Rented	Good	AUD 44,148.95	October 31, 2027	Renewable upon mutual agreement of both parties
	Warehouse	30-32 Rosberg Rd, Wingfield, South Australia	Rented	Good	AUD 50,892.83	June 18, 2027	Renewable upon mutual agreement of both parties
	Warehouse	52 McDowell Street Welshpool, Western Australia	Rented	Good	AUD 46,666.67	September 30, 2029	Renewable upon mutual agreement of both parties
	Warehouse	22 Kinta Drive, Beresfield, Newcastle	Rented	Good	AUD 8,249.16	November 30, 2026	Renewable upon mutual agreement of both parties
	Warehouse	10-12 Linear Court, Derwent Park, Tasmania	Rented	Good	AUD 15,897.93	November 16, 2025	Renewable upon mutual agreement of both parties
	SMYBB PTY LTD						
	Plant	114-118 Talinga Road, Cheltenham, Victoria	Rented	Good	AUD 86,511.57	January 01, 2028	Renewable upon mutual agreement of both parties
	Plant	160 May Terrace Ottoway, South Australia	Rented	Good	AUD 53,801.56	October 17, 2026	Renewable upon mutual agreement of both parties
	Plant	160 May Terrace Ottoway, South Australia	Rented	Good	AUD 27,205.88	November 01, 2026	Renewable upon mutual agreement of both parties
	Plant	Lionels Vineyard, Payne Road Jindong, Western Australia (Margaret River)	Rented	Good	AUD 35,019.59	July 01, 2029	Renewable upon mutual agreement of both parties
	Plant/Office	Lot 147, Sturt Highway, Nuriootpa, South Australia	Rented	Good	AUD 46,284.52	February 01, 2031	Renewable upon mutual agreement of both parties
	Plant/Office	463-469 Cowra Avenue, Mildura, Victoria	Rented	Good	AUD 25,401.25	July 31, 2027	Renewable upon mutual agreement of both parties
	Plant/Office	487-501 Cowra Avenue, Mildura, Victoria	Owned	Good			
	Plant/Office	503-513 Cowra Avenue, Mildura, Victoria	Rented	Good	AUD 30,930.28	May 16, 2025	Renewable upon mutual agreement of both parties
	Plant	Port Adelaide Distribution Centre 25-91 Bedford Road Gillam SA	Rented	Good	AUD 27,748.85	July 06, 2025	Renewable upon mutual agreement of both parties
	SMYJ Pty Ltd						
	Plant	Warehouse 02, 95 South Gippsland Highway, Dandenong South Victoria	Rented	Good	AUD 94,989	April 27, 2029	Renewable upon mutual agreement of both parties
	SMYV PTY LTD						
	Plant/Office	34-38 Aldershot Road, Lonsdale South Australia	Owned	Good			

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15	COSPAK LIMITED	27 Ross Reid Place, East Tamaki, Auckland, New Zealand	Rented	Good	NZD 146,730.65	July 31, 2026	Renewable upon mutual agreement of both parties
16	FOSHAN NANHAI COSPAK PACKAGING COMPANY LIMITED	Beijia Team of Niande Village Committee, Nanfeng Road, Leping Town, Sanshui District, Foshan City, Guangdong Province, PRC	Rented	Good	¥ 60,262	October 31, 2026	Renewable upon mutual agreement of both parties
FUEL AND OIL BUSINESS							
1	PETRON CORPORATION						
	<u>Refinery and Powerplant</u>						
	Petron Bataan Refinery	Petron Bataan Refinery, Limay, Bataan	Owned	Good			
	Power Plant (Units 1, 2, 3, 4, 5 and 6)	Brgy. Lamao, Limay, Bataan	Owned	Good			
	Polypropylene Plant	PNOC-AFC Petrochemicals Estate Barangay Batangas Dos Mariveles, Bataan	Owned	Good			
	<u>Metro Manila and Manufacturing</u>						
	Terminal (Navotas)	PFDA CMPD., Navotas, M.M.	Rented Except Building & Facilities	Good	1,450,558.33	Aug 26, 2039	Renewable upon mutual agreement of both parties
	Terminal (Rosario)	Gen. Trias, Rosario, Cavite	Owned	Good			
	Terminal (Pandacan)	Jesus St., Pandacan, Manila	Owned	Good			
	Terminal (SLHBTC)	Tondo, Manila	Owned	Good			
	Lube Oil Manufacturing Plant	Block 12 and Pipeline Row, Harbour Centre, North Harbor, Tondo, Manila.	Owned	Good			
	Lube Oil Manufacturing Plant	Block 13, Harbour Centre, North Harbor, Tondo, Manila	Owned	Good			
	Airport Installations	Laoag Airport Installation, Laoag Airport, Brgy. Araniw, Laoag City	Rented Except Building & Facilities	Good	3,180.00	October 31, 2029	Renewable upon mutual agreement of both parties
	Airport Installations	NAIA Airport Installation (Petron) & JOCASP, JOCASP Compound, NAIA Complex, Pasay City	Rented Except Building & Facilities	Good	833,133.46	December 31, 2035	Renewable at the option of the lessee
	<u>Luzon Operations</u>						
	Terminal (Palawan)	Brgy. Masipag, Puerto Princesa City	Rented Except Building & Facilities	Good	182,325.94	November 30, 2028	Renewable at the option of the lessee
	Terminal (Palawan)	Parola, Brgy. Maunlad, Puerto Princesa City, Palawan	Owned	Good			
	Sales Office (Pasacao)	Sitio Camangui, Brgy. Santa Rosa del Sur, Pasacao, Camarines Sur	Rented Except Building & Facilities	Good	Jan - 489,675.38 Jun - 514,159.14	May 31, 2027	Renewable upon mutual agreement of both parties
	Terminal (Poro)	Poro Pt., San Fernando, La Union	Owned	Good			
	Terminal (Poro)	Poro Pt., San Fernando, La Union	Owned	Good			
	Sales Office (Calapan)	Sixteen Enterprises Compound, Brgy. Masipit, Calapan City, Oriental Mindoro	Rented	Good	Jan - 26,741.14 Jul - 28,078.19	June 30, 2027	Renewable upon mutual agreement of both parties
	Sales Office (San Jose)	Purok Tagumpay 2, Brgy. Caminawit, San Jose, Occidental Mindoro	Rented	Good	17,000.00	April 30, 2026	Renewable upon mutual agreement of both parties
	Sales Office (Masbate)	Masbate	Rented except Building & Facilities	Good	4,759.53	December 31, 2026	Renewable upon mutual agreement of both parties.
	Terminal (Batangas)	Bo. Mainaga, Mabini, Batangas	Owned	Good			
	Terminal (Bataan)	Limay, Bataan	Owned	Good			
	Sales Office (Odiongan)	Brgy. Pootoy, Odiongan, Romblon	Rented	Good	67,175.33	December 31, 2051	Renewable at the option of the lessee
	Terminal (SL PanAsia)	Limay, Bataan	Owned	Good			
	Terminal (SL PanAsia)	Limay, Bataan	Rented Except Building & Facilities	Good	43,836.00	December 31, 2024	Renewable upon mutual agreement of both parties
	Airport Installations	Puerto Princesa Airport, Palawan	Rented Except Building & Facilities	Good	80,762.50	September 30, 2025	Renewable upon mutual agreement of both parties

Company Name / Subsidiary	Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
Visayas Operations						
Depot (Amlan)	Tandayag, Amlan, Negros Oriental	Rented Except Building & Facilities	Good	57,594.16	November 30, 2033	Renewable at the option of the lessee
Terminal (Bacolod)	Bo. San Patricio, Bacolod City, Negros Occidental	Owned	Good			
Terminal (Bacolod)	Bo. San Patricio, Bacolod City, Negros Occidental	Owned	Good			
Depot (Siquijor Mini BP)	Candanay Sur, Siquijor	Rented Except Building & Facilities	Good	180,912.91	March 31, 2035	
Terminal (Iloilo)	Brgy. Mansaya, Lapuz, Iloilo City	Owned	Good			
Terminal (Iloilo)	Brgy. Mansaya, Lapuz, Iloilo City	Rented Except Building & Facilities	Good	4,200,000 (thruput-based)	April 04, 2039	Effective for 20 years
Terminal (Iloilo)	Brgy. Mansaya, Lapuz, Iloilo City	Owned	Good			
Depot (Isabel)	LIDE, Isabel, Leyte	Rented Except Building & Facilities	Good	740,740.67	February 28, 2025	Renewable upon mutual agreement of both parties
Terminal (Mactan)	MEPZ, Lapu- lapu City	Rented Except Building & Facilities	Good	780,000.00	September 30, 2045	Continuing unless terminated by both parties
Terminal (Mactan)	MEPZ, Lapu- lapu City	Rented Except Building & Facilities	Good	11,570.88	September 30, 2043	Continuing unless terminated by both parties
Terminal (Mactan)	MEPZ, Lapu- lapu City	Rented Except Building & Facilities	Good	104,000.00	December 31, 2024	Continuing unless terminated by both parties
Terminal (Ormoc)	Bo. Linao, Ormoc City, Leyte	Owned	Good			
Terminal (Ormoc)	Bo. Linao, Ormoc City, Leyte	Rented Except Building & Facilities	Good	5,000.00	May 31, 2025	Renewable upon mutual agreement of both parties
Terminal (Roxas)	Sitio Pook, Brgy. Culasi, Roxas, City	Owned	Good			
Terminal (Tacloban)	Brgy 69 Rawis Anibong, Tacloban City	Owned	Good			
Terminal (Tacloban)	Brgy 69 Rawis Anibong, Tacloban City	Rented Except Building & Facilities	Good	434,109.38	January 02, 2039	Renewable upon mutual agreement of both parties
Depot (Tagbilaran)	Graham Ave., Tagbilaran, Bohol	Owned	Good			
Terminal (Mandaue)	Looc, Mandaue City, Cebu	Owned	Good			
Terminal (Mandaue)	Looc, Mandaue City, Cebu	Owned	Good			
Airport Installations	Iloilo Airport, Cabatuan, Iloilo City	Rented Except Building & Facilities	Good	68,502.00	April 30, 2028	
Mindanao Operations						
Terminal (Davao)	Km. 9, Bo. Pampanga, Davao City	Owned	Good			
Terminal (Bawing)	Purok Cabu, Bawing, General Santos City	Owned	Good			
Terminal (Iligan)	Bo. Tomas Cabili, Iligan City, Lanao del Norte	Owned	Good			
Terminal (Jimenez)	Jimenez, Misamis Occidental	Rented Except Building & Facilities	Good	243,101.25	March 02, 2035	Renewable upon mutual agreement of both parties
Terminal (Jimenez)	Jimenez, Misamis Occidental	Rented Except Building & Facilities	Good	246,139.94	December 16, 2029	Renewable upon mutual agreement of both parties
Terminal (Nasipit)	Talisay, Nasipit, Agusan del Norte	Owned	Good			
Terminal (Nasipit)	Talisay, Nasipit, Agusan del Norte	Rented	Good	92,400.00	December 31, 2024	Renewable upon mutual agreement of both parties. Yearly renewal.
Terminal (Nasipit)	Talisay, Nasipit, Agusan del Norte	Rented	Good	7,310.00	July 31, 2029	Renewable at option of the lessee
Terminal (SL Phividec)	SL Phividec, Mindanao	Owned	Good			
Terminal (Tagoloan)	Tagoloan, Misamis Oriental PNOC- 13,836 sq m	Owned	Good			
Terminal (Tagoloan)	Tagoloan, Misamis Oriental - 13,499 sq m.	Owned	Good			
Terminal (Tagoloan)	Tagoloan, Misamis Oriental PHIVIDEC/NVRC (FLA)- 19,965 sq m.	Rented Except Building & Facilities	Good	187,161.22	February 9, 2034	Renewable at the option of the lessee
Terminal (Zamboanga)	Bgy. Campo Islam, Lower Calarian, Zamboanga City	Owned	Good			
Airport Installations	Laguindingan, Misamis Oriental CAAP- 4000 sq m.	Rented Except Building & Facilities	Good	224,210.00	March 30, 2025	Renewable upon mutual agreement of both parties

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Airport Installations	Davao Airport	Rented Except Building & Facilities	Good	36,792.00	December 31, 2024	Renewable upon mutual agreement of both parties
	Airport Installations	Zamboanga International Airport	Rented Except Building & Facilities	Good	94,684.80	November 30, 2029	Renewable at the option of the lessee
	Gasul Operations						
	Depot (LPG Operation)	Lakandula Drive, brgy. Bonot, Legaspi City	Owned	Good			
	Depot (Gasul - San Fernando)	Brgy Dela Paz Norte, San Fernando, Pampanga	Owned	Good			
	Refilling Plant (San Pablo)	San Pablo	Owned	Good			
	Terminal (Gasul – Pasig)	100 E. Rodriguez Jr. Avenue (C-5 Road) Brgy. Ugong, Pasig City, Metro Manila	Owned	Good			
2	PETRON MALAYSIA REFINING & MARKETING BHD						
	Refinery						
	Port Dickson Refinery	Lot 1222, 1593-1595, 1757, 1803, 1805, 1836, 1838, 1926-1930, 2645-2647, 12111-12112, 30151-30156 Mukim Port Dickson, Negeri Sembilan	Owned	Good			
	Lumut LPP plant	Lot 15636, Lumut Port Industrial Park, Mukim Lumut, Jalan Kampung Acheh, Sitiawan, Perak.	Owned	Good			
	Terminals and Depots						
	Port Dickson Terminal	Batu 1.5, Jalan Pantai, 71009 Port Dickson, Negeri Sembilan	Owned	Good			
	Bagan Luar Terminal	Lot 95-125, Lot 2327-2338 Section 4 Butterworth, Seberang Perai Utara, Penang	Owned	Good			
	KLIA Aviation Depot	Forward Fuel Base, Jalan FFB Kuala Lumpur International Airport (KLIA) 64000 Sepang Selangor Darul Ehsan, Malaysia	Rented	Good	MYR 8,976.00	Continuing unless terminated and agreed by both parties	Contract automatically renewed on yearly basis unless terminated in accordance with the termination provision in the agreement
	KVDT- MPP (Tie-in facilities for MPP/KVDT)	GM 1397 Lot 194 Mukim and Daerah Port Dickson Negeri Sembilan	Rented Except Building & Facilities	Good	MYR 8,100.00	June 30, 2026	Renewable upon mutual agreement of both parties
3	PETRON FUEL INTERNATIONAL SDN BHD						
	Kuantan Terminal	Lot 1863, Mukim Sungai Karang, Tanjung Gelang, Kuantan Port, 26100 Kuantan. PAHANG	Rented	Good	Terminal 1 MYR 20,895.61 Terminal 2 MYR 19,693.79	Terminal 1 December 2027 Terminal 2 December 2027	Current rate is RM13.27 per square meter per year from January 1, 2022 until December 31, 2025 and shall be increased by 10% on January 1, 2026 and after every three years thereafter.
	Pasir Gudang Terminal	Jalan Cecair Satu, Kawasan Perdagangan Bebas, Lembaga Pelabuhan Johor, 81700 Pasir Gudang, Johor.	Rented	Good	MYR 5,976.43 (Monthly Rental for 11.95 Acres land)	June 2051	An option for renewal for a period of 30 years. Note: Revision of assessment fee effective 2017 by Johor Port after approval by MPPG.
	Westport JV	Terminal Bersama Sdn Bhd, Jeti Petrokimia, Pelabuhan Barat, 49290 Pulau Indah, Selangor	Rented	Good	MYR 126,487.35	August 01, 2070	Renewable upon expiry of lease term
4	PETRON OIL (M) SDN BHD						
	Tawau Terminal	Jalan Tg Batu Laut, 91000 Tawau, Sabah	Rented Except Building & Facilities	Good	MYR .125 (Yearly Rental - MYR 1.50)	October 2902	No option stated in the agreement
	Sandakan Terminal	Jalan Kampung Karamunting, Sandakan, Sabah	Rented Except Building & Facilities	Good	MYR 778,000.00 (Total Rental)	December 31, 2078	Revised lease offered to start from January 1, 2019 for a period of 60 years. The lease has been fully paid in 2021.
	Sepangar Bay Terminal	P.O. Box 10558, Kota Kinabalu 88806, Sabah	Rented Except Building & Facilities	Good	MYR 25,333.33 (Yearly Rental - MYR 304,000.00)	July 2031	An option for renewal for a period of 15 years.

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
ENERGY BUSINESS							
1	SUAL POWER INC.						
	1200 MW Sual Coal-Fired Thermal Power Plant	Brgy. Pangascasan, Sual, Pangasinan	Owned	Good			
	Land (where the 1200 MW Sual Coal-Fired Power Plant and related facilities are situated)	Brgy. Pangascasan, Sual, Pangasinan	Rented	Good	Initial Tranche - 277,048,301 Final Payment prior to March 2025 - 6,462,841,411	October 25, 2049	Renewable for another 25 years or the remaining corporate life of the Lessor if its original corporate life is extended, whichever is shorter, upon mutual written agreement of both parties. With assignable option to purchase upon issuance by the Lessor of an Option Existence Notice.
2	SAN ROQUE HYDROPOWER INC.						
	345 MW San Roque Multi-Purpose Hydroelectric Power Plant	Brgy. San Roque, San Manuel, Pangasinan	IPPA with PSALM	Good			
3	SOUTH PREMIERE POWER CORP.						
	1200 MW Ilijan Natural Gas Combined Cycle Power Plant	Brgy. Ilijan, Batangas City, Batangas	Owned	Good			
	Land (where the 1200 MW Ilijan Natural Gas Combined Cycle Power Plant and related facilities are situated)	Brgy. Ilijan, Batangas City, Batangas	Owned	Good			
	Natural Gas Receiving Facility (NGRF) and the land where it is situated	Brgy. Ilijan, Batangas City, Batangas	Rented ^(a)	Good	\$11,483,761.89 (one time payment)	April 4, 2047	Renewable for another 25 years or the remaining corporate life of the Lessor if its original corporate life is extended, whichever is shorter, upon mutual written agreement of both parties. With assignable option to purchase upon issuance by the Lessor of an Option Existence Notice.
4	LIMAY POWER INC. ^(b)						
	Phase I - 2 X 150 MW Coal-Fired Power Plant (Units 1 and 2)	Brgy. Lamao, Limay, Bataan	Owned	Good			
	Phase II - 2 X 150 MW Coal-Fired Power Plant (Units 3 and 4)	Brgy. Lamao, Limay, Bataan	Owned	Good			
	Land - Site 1 (where a portion of the Phase I power plant and related facilities are situated)	Brgy. Lamao, Limay, Bataan	Owned	Good			
	Land - Site 2 (where a portion of the Phase II power plant and related facilities are situated)	Brgy. Lamao, Limay, Bataan	Owned	Good			
	Land (Ash Dump Facility)	Brgy. Lamao, Limay, Bataan	Owned	Good			
	Offshore/Foreshore land	Brgy. Lamao, Limay, Bataan	Rented	Good	2,034,084.17	December 2042	Renewable for another 25 years at the option of the Lessor
	Land - Site 3 (where a portion of the Phase II power plant and related facilities are situated)	Brgy. Lamao, Limay, Bataan	Rented	Good	512,248.44	March 2042	Renewable for another 25 years to be agreed by both parties

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
5	MALITA POWER INC. ^(c)						
	2 X 150 MW Coal-Fired Power Plant (Units 1 and 2)	Brgy. Culaman, Malita, Davao Occidental	Owned	Good			
	5 X 1.6 MW Diesel Generator Set	Brgy. Sangali, Zamboanga, Philippines	Owned	Good			
	1 X TM2500 60HZ Mobile Gas Turbine Generator	Brgy. Sangali, Zamboanga, Philippines	Owned	Ongoing construction			
	Land (where Units 1 and 2 power plant and related facilities are situated)	Brgy. Culaman, Malita, Davao Occidental	Owned	Good			
	Offshore/Foreshore land	Brgy. Culaman, Malita, Davao Occidental	Rented	Good	55,300.51	February 2043	Renewable for another 25 years at the option of the Lessor
	Offshore/Foreshore land	Brgy. Culaman, Malita, Davao Occidental	Rented	Good	558,354.47	February 2043	Renewable for another 25 years at the option of the Lessor
	Offshore/Foreshore Land	Brgy. Culaman, Malita, Davao Occidental	Rented	Good	387,903.40	February 2048	Renewable for another 25 years at the option of the Lessor
	Offshore/Foreshore Land	Brgy. Culaman, Malita, Davao Occidental	Rented	Good	570,000.00	May 2048	Renewable for another 25 years at the option of the Lessor
	Offshore/Foreshore Land	Brgy. Culaman, Malita, Davao Occidental	Rented	Good	754,780.02	May 2048	Renewable for another 25 years at the option of the Lessor
6	GRAND PLANTERS INTERNATIONAL INC.						
	Land - Site 1 (where a portion of the LPI Phase I and II power plants and related facilities are situated) ^(b)	Brgy. Lamao, Limay, Bataan	Owned	Good			
	Land - Site 1 (where the 50 MW Lamao battery energy storage system [BESS] facility of SMGP BESS Power Inc. is situated) ^(e)	Brgy. Lamao, Limay, Bataan	Owned	Good			
	Land - Site 2	Brgy. Alangan, Limay, Bataan	Owned	Good			
	Land	Brgy. Biaan, Mariveles, Bataan	Owned	Good			
	Land	No. 169 E. Delos Santos Avenue, Mandaluyong City	Rented	Good	892,857.14	March 22, 2036	Renewable
	Land	Brgy. Batangas II, Mariveles, Bataan	Owned	Good			
	Land	Brgy. Alion, Mariveles, Bataan	Owned	Good			
7	MASINLOC POWER CO. LTD. ^(d)						
	344 MW coal-fired power plant (Unit 1)	Brgy. Bani, Masinloc, Zambales	Owned	Good			
	344 MW coal-fired power plant (Unit 2)	Brgy. Bani, Masinloc, Zambales	Owned	Good			
	335 MW coal-fired power plant (Unit 3)	Brgy. Bani, Masinloc, Zambales	Owned	Good			
	350 MW coal-fired power plant (Unit 4)	Brgy. Bani, Masinloc, Zambales	Owned	Ongoing construction			
	350 MW coal-fired power plant (Unit 5)	Brgy. Bani, Masinloc, Zambales	Owned	Ongoing construction			
	10 MW battery energy storage project (Phase 1)	Brgy. Bani, Masinloc, Zambales	Owned	Good			
	20 MW battery energy storage system (Phase 2)	Brgy. Bani, Masinloc, Zambales	Owned	Substantially complete			
	Land (where Units 3, 4, 5 power plants and related facilities are situated)	Brgy. Bani, Masinloc, Zambales	Rented	Good	Lease with PSALM - US\$3,966.43	April 2028	With assignable option to purchase
8	ALPHA WATER REALTY SERVICES CORPORATION ^(d)						
	Land (where Units 1, 2, 3, 4 and 5 power plant and related facilities, and the 10 MW and 20 MW Battery Energy Storage Systems (BESS) projects of MPCL are situated)	Brgy. Bani, Masinloc, Zambales	Owned	Good			
	Land (where the transmission line of Units 4 and 5 of MPCL is situated)	Brgy. Bani, Masinloc, Zambales	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
9	SMGP KABANKALAN POWER CO. LTD.						
	Land (where the 20 MW and 10MW BESS are situated)	Brgy. Binicuil, Kabankalan, Negros Occidental	Owned	Good			
	20 MW BESS (Phase 1)	Brgy. Binicuil, Kabankalan, Negros Occidental	Owned	Good			
	10 MW BESS (Phase 2)	Brgy. Binicuil, Kabankalan, Negros Occidental	Owned	Substantially complete			
10	MARIVELES POWER GENERATION CORPORATION ^(e)						
	Units 1, 2 and 3 Coal-Fired Power Plant	Sitio Lusong, Brgy. Bataan, Mariveles, Bataan	Owned	Good			
	Unit 4 Coal-Fired Power Plant	Sitio Lusong, Brgy. Bataan, Mariveles, Bataan	Owned	Ongoing construction			
	Land (where the 4 x 150 MW coal-fired power plant project is situated)	Sitio Lusong, Brgy. Bataan, Mariveles, Bataan	Owned	Good			
	Land (where the transmission network project is situated)	Sitio Lusong, Brgy. Bataan, Mariveles, Bataan	Owned	Good			
	Land (for transmission line)	Brgy. Malaya and Maligaya, Mariveles Bataan	Rented	Good	33,528,000 (one time payment)	October 31, 2046	Renewable upon mutual agreement by both parties
	Land (for transmission line)	Brgy. Bataan, Mariveles, Bataan	Owned	Good			
11	TOPGEN ENERGY DEVELOPMENT INC.						
	Land (where the 10 MW Tagum BESS project of SMGP BESS is situated) ^(f)	Brgy. Magdum Tagum City, Davao del Norte	Owned	Good			
	Land	Barrio Centro Occidental, Polangui, Albay	Owned	Good			
	Land	Brgy. Penafrancia, Daraga, Albay	Owned	Good			
	Land	Sta. Maria, Davao del Sur	Owned	Good			
	Land	Culaman, Malita, Davao del Sur	Owned	Good			
	Land	Lais, Malita, Davao del Sur	Owned	Good			
	Land	Lais, Malita, Davao Occidental	Owned	Good			
	Land	Sulop, Davao del Sur	Owned	Good			
12	SMGP BESS POWER INC. ^(f)						
	Land and 20 MW Malita BESS	Brgy. Culaman, Malita, Davao Occidental	Owned	Good			
	Land and 50 MW Lamao BESS	Brgy. Lamao, Limay, Bataan	Owned	Good			
	Land and 40 MW Bataan Combined Cycle Power Plant BESS	Brgy. Luz, Limay, Bataan	Land - Rented; BESS - Owned	Land - Good; BESS - Good	215,804.45	April 15, 2045	Renewable upon mutual agreement by both parties
	Land and 20 MW Jasaan BESS	Jasaan, Misamis Oriental	Land - Rented; BESS - Owned	Land - Good; BESS - Good	300,000.00	April 15, 2045	Renewable upon mutual agreement by both parties
	Land and 20 MW Toledo BESS	Calong-calong and Talevera, Toledo City, Cebu	Land - Rented; BESS - Owned	Land - Good; BESS - Good	110,000.00	April 15, 2045	Renewable upon mutual agreement by both parties
	Land and 20 MW Villanueva BESS	Brgys. Sta. Ana, Tagaloan and San Maritin , Villanueva, Phividec Industrial Estate of Misamis Oriental - Special Economic Zone (PIEMO-SEZ)	Land - Rented; BESS - Owned	Land - Good; BESS - Substantially complete	342,368.34	June 04, 2045	Renewable upon mutual agreement by both parties
	Land and 20 MW Tabango BESS	Brgy. Tugas, Tabango, Leyte	Land - Rented; BESS - Owned	Land - Good; BESS - Ongoing Construction	4,326.85	March 01, 2036	Renewable upon mutual agreement by both parties
	Land - for the underground facility interconnecting the 20MW Tabango BESS to NGCP transmission lines	Barrio Tabango, San Isidro, Leyte	Rented	Good	95,250.23	September 26, 2032	Renewable upon mutual agreement by both parties
	Land and 50 MW Mexico BESS	Brgy. San Jose Matulid, Mexico, Pampanga	Owned	Land - Good; BESS - Ongoing Construction			
	Land and 20 MW Mexico-2 BESS	Brgy. San Jose Matulid, Mexico, Pampanga	Land - Rented; BESS - Owned	Land - Good; BESS - Ongoing Construction	372,023.81	June 03, 2036	Renewable upon mutual agreement by both parties
	Land and 20 MW Maco BESS	Brgys. Dumlan and Concepcion, Maco, Compostela Valley, Davao del Norte	Owned	Land - Good; BESS - Good			
	Land and 40 MW Gamu BESS	Brgy. Lenzon, Gamu, Isabela	Owned	Land - Good; BESS - Substantially complete			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Land and 40 MW Magapit BESS	Brgy. Magapit, Lal-lo, Cagayan	Owned	Land - Good; BESS - Substantially complete			
	Land and 20 MW Ubay BESS	Brgy. Imelda, Ubay, Bohol	Owned	Good			
	Land and 50 MW San Manuel BESS	Brgy. Sto. Domingo, San Manuel, Pangasinan	Owned	Land - Good; BESS - Good			
	Land and 50 MW Concepcion BESS	Brgy. Sta. Rosa, Concepcion, Tarlac	Owned	Land - Good; BESS - Substantially complete			
	Land and 40 MW Ormoc BESS	Brgy. Dolores, Ormoc City, Leyte	Owned	Land - Good; BESS - Substantially complete			
	Land and 50 MW Lumban BESS	Brgy. Halang & Lewin, Lumban, Laguna	Owned	Land - Good; BESS - Ongoing Construction			
	Land and 10 MW Tagum BESS	Brgy. Magdum Tagum City, Davao del Norte	Owned	Land - Good; BESS - Ongoing Construction			
	Land and 80 MW Mariveles BESS	Mariveles, Bataan	Owned	Land - Good; BESS - Ongoing Construction			
13	EXCELLENT ENERGY RESOURCES INC. (EERI)						
	Batangas Combined Cycle Power Plant (BCCPP)	Barangay Ilijan and Dela Paz, Batangas	Owned	Ongoing Construction			
	Land (to be used as water source for BCCPP)	Barangay Dela Paz, Batangas	Owned	Good			
14	SAN MIGUEL GLOBAL POWER HOLDINGS CORP.						
	C5 Office Space	100 E. Rodriguez Jr. Avenue (C-5 Road) Brgy. Ugong, Pasig City, Metro Manila	Owned	Good			
15	MULTI-VENTURES INVESTMENT HOLDINGS, INC.						
	Land	Ternate, Naic and Maragondon, Cavite	Owned	Good			
16	SMC GLOBAL LIGHT AND POWER CORP.						
	Land (for planned Solar Power Project)	Barangay San Luis, Cauayan City, Isabela	Owned	Good			
	Land (for planned Solar Power Project)	Barangay Lucanin, Mariveles, Bataan	Owned	Good			
17	ILIJAN PRIMELINE INDUSTRIAL ESTATE CORP.						
	Land (a portion of which are used (i) for the BCCPP and related facilities of EERI and (ii) for the Liquefied Natural Gas Terminal of a third party)	Barangays Ilijan and Dela Paz, Batangas	Owned	Good			
18	SMC POWERGEN INC.						
	Land (where the 20 MW Ubay BESS facility of SMGP BESS is situated) ⁽⁷⁾	Brgy. Imelda, Ubay, Bohol	Owned	Good			
19	BLUE EAGLE STAR, CORP.						
	Land	Maragondon and Ternate, Cavite	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
INFRASTRUCTURE BUSINESS							
1	SAN MIGUEL HOLDINGS CORP.						
	Office Space	Wing A and B - 11/F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
	Office Space	20/F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
	Office Space - 83 sq meters	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
	Office Space	4th Floor San Miguel Properties Center St. Francis Street Mandaluyong City	Owned	Good			
	Office Space - 635.75 sq meters	Unit C and D - 23rd Floor of the JMT Corporate Condominium, ADB Avenue, Ortigas Center, Pasig City	Owned	Good			
	Office Space	19th floor San Miguel Properties Centre St. Francis St. Ortigas Center Mandaluyong City	Owned	Good			
	Office Space	Unit A - 18th Floor of the JMT Corporate Condominium, ADB Avenue, Ortigas Center Pasig City	Owned	Good			
2	SMC NAIAX Corporation						
	Office Space	11/F San Miguel Properties Centre, St. Francis Street, Mandaluyong City	Owned	Good			
	Office Space	Unit C 18th Floor of the JMT Corporate Condominium, ADB Avenue, Ortigas Center	Owned	Good			
	Parking	(B-4) JMT Corporate Condominium, ADB Avenue, Ortigas Center	Owned	Good			
3	TERRAMINO HOLDINGS, INC AND ASSETVALUES HOLDING COMPANY, INC.						
	Office Space	11F and 20/F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
4	UNIVERSAL LRT CORPORATION (BVI) LIMITED						
	Office Space	11/F San Miguel Properties Centre, St. Francis Street, Mandaluyong City	Owned	Good			
5	TRANS AIRE DEVELOPMENT HOLDINGS, CORP.						
	Office Space	Wing B 2/F 40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
6	SMC TPLEX HOLDINGS COMPANY, INC.						
	Land	Emilio Vergara Highway Corner Mabini Street Extension, Sta. Arcadia, Cabanatuan, Nueva Ecija	Owned	Good			
	Land	Maharlika Highway, Malipampang, San Ildefonso, Bulacan	Owned	Good			
7	SMC TPLEX CORPORATION						
	Office space (Old)	Unit 06 UG Pioneer Highlands Condo Tower 2, Pioneer corner Madison Streets, Mandaluyong City	Owned	Good			
	Office space	11th Floor San Miguel Properties Center St. Francis Street Mandaluyong City	Owned	Good			
	Office space	The JMT Bldg, ADB Ave. Ortigas Center, Pasig City	Owned	Good			
	Parking	The JMT Bldg, ADB Ave. Ortigas Center, Pasig City	Owned	Good			
	DPWH Office & Lodging	Narang-Ay Apartment, San Nicolas, Villasis, Pangasinan	Rented	Good	18,947.37	December 31, 2025	Subject to renewal or extension as mutually agreed between the parties
	DPWH Office & Lodging - Section1&2	Arnel M. Flores Poblacion 1, Gerona Tarlac	Rented	Good	5,500.00	December 31, 2025	Subject to renewal or extension as mutually agreed between the parties
8	OPTIMAL INFRASTRUCTURE DEVELOPMENT, INC.						
	Land	Manila Harbour Centre, Brgy. 128 Zone 10 (Isla de Balut/Vitas), Tondo, Manila City	Owned	Good			
9	WISELINK INVESTMENT HOLDINGS, INC.						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
10	ATLANTIC AURUM INVESTMENTS B.V.						
	Office Space	Museumlaan 2, 3581 HK, Utrecht, The Netherlands	Owned by the Service Provider	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
11	STAGE 3 CONNECTOR TOLLWAYS HOLDINGS CORPORATION						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
12	SMC SKYWAY STAGE 3 CORPORATION						
	Office Space	Unit D - 18th Floor of the JMT Corporate Condominium ADB Avenue, Ortigas Center Pasig City	Owned	Good			
	Office Space	11/F San Miguel Properties Centre, 7 St. Francis Street, Mandaluyong City	Owned	Good			
	Office Space	23rd Floor One Magnificent Mile-CITRA Building, San Miguel Avenue, Ortigas Center 1605 Pasig City	Owned	Good			
13	SMC SKYWAY CORPORATION						
	Office Space	21st to 24th Floors One Magnificent Mile-CITRA Building, San Miguel Avenue, Ortigas Center 1605 Pasig City	Owned	Good			
	Office Space	3/F Toll Operations Building, Doña Soledad Avenue, Brgy. Don Bosco, Parañaque City	Owned	Good			
	Office Space	11/F San Miguel Properties Centre, #7 St. Francis Street, Ortigas Center, Mandaluyong City	Owned	Good			
14	SKYWAY O&M CORPORATION						
	Office Space	1st ,2nd & 3rd Floors TOB Doña Soledad Avenue, Bicutan, Paranaque City	Owned	Good			
15	ALLOY MANILA TOLL EXPRESSWAYS INC.						
	Office Space	GF Operations and Control Center, Km.44 South Luzon Expressway, Sitio Latian, Brgy. Mapagong, Calamba City, Laguna	Owned by ROP (South Luzon Tollway Corporation Concession Rights)	Good			
	Land	Km.44 Sitio Latian, Brgy. Mapagong, Calamba City, Laguna	Owned	Good			
16	JETHANDLER ASIA SERVICES, INC.						
	Office Space	Caticlan, Malay, Aklan	Rented	Good	67,611.86	August 31, 2027	Renewable upon mutual agreement in writing by the parties through their duly authorized representatives
	Lot Rental	Caticlan, Malay, Aklan	Rented	Good	45,439.49	July 12, 2025	No renewal options
	Lot Rental	Caticlan, Malay, Aklan	Rented	Good	97,484.21	July 12, 2026	Renewable for another period of two years upon mutual agreement of the parties
	PNP and OTS Office	Caticlan, Malay, Aklan	Rented	Good	18,947.37	December 31, 2025	Subject to renewal or extension upon expiration at the option of the lessee and on such terms and conditions as may mutually be agreed upon between the parties.
	PNP-SOU Staffhouse	Caticlan, Malay, Aklan	Rented	Good	12,631.58	December 31, 2025	Subject to renewal or extension upon expiration at the option of the lessee and on such terms and conditions as may mutually be agreed upon between the parties
	PNP-AVSEC Barracks	Caticlan, Malay, Aklan	Rented	Good	10,526.32	December 31, 2025	Subject to renewal or extension upon expiration at the option of the lessee and on such terms and conditions as may mutually be agreed upon between the parties
	TABON Staffhouse	Caticlan, Malay, Aklan	Rented	Good	35,087.72	February 7, 2026	No renewal options
17	MANILA TOLL EXPRESSWAY SYSTEMS, INC.						
	Office Space	GF Operations and Control Center, Km.44 South Luzon Expressway, Sitio Latian, Brgy. Mapagong, Calamba City, Laguna	Owned by ROP (South Luzon Tollway Corporation Concession Rights)	Good			
18	SMC INFRAVENTURES INC.						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
19	SMC SLEX INC.						
	Land	Lot 3122-C, Sitio Latian, Brgy. Mapagong, Calamba, Laguna	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Office Space	11F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
20	SMC SKYWAY STAGE 4 CORPORATION						
	Office Space	Unit B 18th Floor of the JMT Corporate Condominium, ADB Avenue, Ortigas Center, Pasig City	Owned	Good			
	Office Space	11/F San Miguel Properties Centre, 7 St. Francis Street, Mandaluyong City	Owned	Good			
21	CYPRESS TREE CAPITAL INVESTMENTS, INC.						
	Office Space	7th Floor Electra House Condominium, 115- 117 Esteban St., Legaspi Village, Makati City	Rented	Good	51,959.82	December 31, 2024	No renewal options
22	STAR INFRASTRUCTURE DEVELOPMENT CORPORATION						
	Land	Brgy. Lapu Lapu, Ibaan, Batangas	Owned	Good			
	Office Space	23F JMT Corporate Condominium, ADB Ave., Ortigas Center, Pasig City	Owned	Good			
23	STAR TOLLWAY CORPORATION						
	Office Space	Brgy. Tambo, Lipa City, Batangas	Owned by ROP (Star Infrastructure Development Corporation Concession Rights)	Good			
24	ULCOM COMPANY, INC.						
	Office Space	11/F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
25	SMC MASS RAIL TRANSIT 7, INC.						
	Office Space	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
	Office Space	GF, 2F, 4F and Meeting Rooms G, H, I and J of 808 Bldg. Meralco Avenue Cor Gen Lim Street, Brgy. San Antonio, Pasig City	Owned	Good			
	Office Space	4th Floor Kayumanggi Center, Commonwealth cor. Luzon Avenue, Quezon City	Rented	Good	226,957.50	November 30, 2025	Renewal and extension upon expiration of contract may be mutually agreed upon between parties.
	Condo Unit for Project Director	Dover Hill Condominium, Mabini Cor Ortega and Pilar St., Addition Hills, San Juan City	Rented	Good	130,075.00	February 11, 2025	The Parties may agree in writing to renew and extend the lease period within 90 days from expiration of the lease period
	Office Space	22nd Floor of OMM Citra Building, No 39 San Miguel Avenue, Ortigas Center, Pasig City	Owned	Good			
	Office Space	7th Floor #100 E. Rodriguez Jr. Ave., (C5 Road), Brgy. Ugong, Pasig City 1604	Owned	Good			
	Parking Space	No. 17B Gen. Atienza Street, San Antonio Village, Brgy San Antonio, Pasig City	Owned	Good			
26	AEROFUEL STORAGE MANAGEMENT INC.						
	Office Space	11/F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
27	ARGONBAY CONSTRUCTION COMPANY, INC.						
	Office Space	5th Floor, 808 Building, Meralco Avenue, Brgy Antonio Pasig City	Owned	Good			
28	INTELLIGENT E- PROCESSES TECHNOLOGIES CORP.						
	Office Space	23F San Miguel Properties Centre, 7 St. Francis Street, Ortigas Center, Mandaluyong City	Owned	Good			

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	Office Space	KM 44 South Luzon, Brgy. Mapagong, Sitio Latian, Calamba, Laguna	Owned	Good			
29	LUZON CLEAN WATER DEVELOPMENT CORPORATION						
	Office Space	BBW Administration Bldg. Don Manuel F. Reyes Ave. PH 1, Gate 1, Pleasant Hills Subd., Brgy. San Manuel City of SJDM, Bulacan 3023	Owned	Good			
30	PASIG RIVER EXPRESSWAY CORPORATION						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
31	TPLEX OPERATIONS AND MAINTENANCE CORP						
	Office Space	Brgy. San Pascual Tarlac City	Owned	Good			
	Office Space	Brgy Baculong, Victoria, Tarlac	Owned	Good			
	Office Space	Brgy Palakipak, Rosales, Pangasinan	Owned	Good			
	Office Space	Gerona, Tarlac	Owned	Good			
	Office Space	Urdaneta, Pangasinan	Owned	Good			
	Office Space	Rosario, La Union	Owned	Good			
32	SINCERE LUMBER CO., INC.						
	Office Space	11/F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
	Land	1500 Quirino Ave., Paco, Manila City, Metro Manila	Owned	Good			
33	SAN MIGUEL AEROCITY INC						
	Office Space	3rd Floor, 808 Building, Meralco Avenue, Brgy Antonio Pasig City	Owned	Good			
	Parking Space	21 Gen Atienza St., Brgy San Antonio Pasig City	Owned	Good			
34	SMC Central Access Link Expressway Corp.						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
35	SMC Marilao Access Link Expressway Corp.						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
36	SMC Northern Access Link Expressway Corp.						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
37	SMC Southern Access Link Expressway Corp.						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
38	SOUTH LUZON TOLL ROAD-5 EXPRESSWAY INC						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
39	SMC TOLLWAYS CORPORATION						
	Office Space	11F San Miguel Properties Centre, 7 St. Francis St., Ortigas Center, Mandaluyong City	Owned	Good			
40	SMC SLEX Holdings, Inc.						
	Office Space	11F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
41	ASSETVALUES HOLDING COMPANY INC						
	Office Space	11F and 20/F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
42	SMC AEROTROPOLIS INC						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
43	PHILIPPINE INTERNATIONAL AIRPORT INC.						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
44	SMC AVIATION CITY INC.						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
45	TOLL ROAD OPERATION AND MAINTENANCE VENTURE CORPORATION						
	Office Space	11/F San Miguel Properties Centre, #7 St. Francis Street, Ortigas Center, Mandaluyong City	Owned	Good			
46	SMC CBEX INC						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
47	SMC NBEX INC						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
48	AEROCITY CEMENT INC.						
	Office Space	11/F San Miguel Properties Centre, #7 St. Francis Street, Ortigas Center, Mandaluyong City	Owned	Good			
49	DURACEMENT INC.						
	Office Space	11/F San Miguel Properties Centre, #7 St. Francis Street, Ortigas Center, Mandaluyong City	Owned	Good			
50	SMC PLEX INC.						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
51	SMC BULACAN WATER SERVICES CORPORATION						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
52	BULACAN WATER COMPANY, INC.						
	Office Space	9001, Deretcho St., Bagumbayan, Bulacan, Bulacan	Rented	Good	58,564.00	December 31, 2024	Not for extension
	Office Space	Unit 23 DTMI Complex, 202 Daan Estacion, San Jose, Bulakan, Bulacan	Rented	Good	43,000.00	April 30, 2027	Started renting May 1, 2024, contract still for finalization. Transferred Jan 1, 2025
53	OBANDO WATER COMPANY, INC.						
	Office Space	OEG Plaza Paliwas, Obando, Bulacan	Rented	Good	67,923.91	December 31, 2025	Subject to renewal or extension as mutually agreed between the parties

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
CEMENT BUSINESS							
1	SAN MIGUEL EQUITY INVESTMENTS INC. AND SUBSIDIARIES						
	San Miguel Equity Investments Inc.						
	Office Space	40 San Miguel Avenue, Bgry. Wack-Wack Mandaluyong City	Owned	Good			
2	IONIC CEMENTWORKS INDUSTRIES INC.						
	Land	Pagbilao, Quezon	Owned	Good			
3	SOUTHSTRONG CEMENT INDUSTRIES CORP.						
	Land	Leganes, Iloilo	Owned	Good			
	Land	Tayasan, Negros Oriental	Owned	Good			
4	PRIMERO CEMENTO INDUSTRIES CORP.						
	Land	Agno, Pangasinan	Owned	Good			
5	SOUTHERN CONCRETE INDUSTRIES INC.						
	Land	Darong, Sta. Cruz, Davao del Sur	Owned	Good			
	Land	Darong, Sta. Cruz, Davao del Sur	Owned	Good			
	Cement Grinding Plant	Darong, Sta. Cruz, Davao del Sur	Owned	Good			
6	E-NOVATE HOLDINGS, INC.						
	Land	Cagniog and Trinidad, Surigao City	Owned	Good			
7	NORTHERN CEMENT CORPORATION						
	Head Office Space	3rd Flr 155 Edsa Building, 155 Edsa Brgy Wack Wack Mandaluyong	Owned	Good			
	Cement Plant	Brgy. Labayug, Sison Pangasinan	Owned	Good			
	Cement Plant	Brgy. Labayug, Sison Pangasinan	Owned	On-going Construction			
	Land	Brgy. Inoman, Pozorrubio, Pangasinan	Owned	Good			
	Land	Brgy. Labayug, Inmalog - Sison Pangasinan	Owned	Good			
	Land	Brgy. Bila And Paldit - Sison, Pangasinan	Owned	Good			
	Land	Brgy. Amagbagan, Sison, Pangasinan	Owned	Good			
	Land	Brgy. Bobonan, Inoman, Sugcong - Pozorrubio, Pangasinan	Owned	Good			
	Land	Brgy. Lunec, Malasiqui, Pangasinan	Owned	Good			
	Land	Brgy. Asin, Malasiqui, Pangasinan	Owned	Good			
	Land	Brgy. La Paz, Villasis And Mangan Dampay - Malasiqui, Pangasinan	Owned	Good			
	Land	Brgy. Mangan Dampay, Taloyan, Bacudao - Malasiqui, Pangasinan	Owned	Good			
	Land	Brgy. Ansagan, Tuba, Benguet	Owned	Good			
	Land	Brgy. Tubod And Namonitan - Sto Tomas, La Union	Owned	Good			
	Land	Brgy. Namonitan And Casantaan - Sto Tomas, La Union	Owned	Good			
	Land	Brgy. Guset sur, Sto. Domingo - San Manuel Pangasinan	Owned	Good			
	Land	Brgy. Paldit, Sison, Pangasinan	Rented	Good	80,405.74	December 31, 2025	Renewable subject to conditions
	Land	Brgy Olympia, Makati City	Rented	Good	35,740.34	December 31, 2024	Renewable subject to conditions
8	EAGLE CEMENT CORPORATION						
	Head Office Space	2F Smits Bldg. 155 EDSA, Brgy. Wack-Wack, Mandaluyong City	Owned	Good			
	Cement Plant	Brgy. Akle, San Ildefonso, Bulacan	Owned	Good			
	Cement Grinding Plant	Brgy. Lamao, Limay, Bataan	Owned	Good			
	Land	Brgy. Akle, San Ildefonso, Bulacan	Owned	Good			
	Land	Brgy. Bohol na Mangga, San Ildefonso, Bulacan	Owned	Good			
	Land	Brgy. Alagao, San Ildefonso, Bulacan	Owned	Good			
	Land	Brgy. Talbak, DRT, Bulacan	Owned	Good			
	Land	Brgy. Kalawakan, DRT, Bulacan	Owned	Good			
	Land	Brgy. Biak-na-Bato, San Miguel, Bulacan	Owned	Good			
	Land	Brgy. Mabalasbalas, San Rafael, Bulacan	Owned	Good			

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	Land	Brgy. Gabihan, San Ildefonso, Bulacan	Owned	Good			
	Land	Brgy. Caingin, San Rafael, Bulacan	Owned	Good			
	Land	Brgy. Caigsing, Ginatilan, Cebu	Owned	Good			
	Land	Brgy. Campisong, Ginatilan, Cebu	Owned	Good			
	Land	Brgy. Guiwanon, Ginatilan, Cebu	Owned	Good			
	Land	Brgy. Looc, Ginatilan, Cebu	Owned	Good			
	Land	Brgy. Malatbo, Ginatilan, Cebu	Owned	Good			
	Land	Brgy. Poblacion, Ginatilan, Cebu	Owned	Good			
	Land	Brgy. Sapang Putol, San Ildefonso, Bulacan	Owned	Good			
	Land	Brgy. Umpucan, San Ildefonso, Bulacan	Owned	Good			
	Land	Brgy. Sibul, San Miguel, Bulacan	Owned	Good			
	Land	Mabalacat, Pampanga	Owned	Good			
	Land	Harvard Street, Wack Wack Village Subdivision, Brgy Wack Wack, Mandaluyong City	Owned	Good			
	Land	(EDSA), Wack Wack Subdivision, Brgy Wack Wack, Mandaluyong City	Owned	Good			
	Warehouse Space	Malasique, Pangasinan	Rented	Good	160,230.00	September 14, 2026	Renewable subject to conditions
	Warehouse Space & Driveway	Paranaque City	Owned	Good			
	Parking Space	Paranaque City	Owned	Good			
	Warehouse Space	Ibaan, Batangas	Rented	Good	274,428.00	December 31, 2028	Renewable subject to conditions
	Parking Space	Ibaan, Batangas	Rented	Good	267,857.14	December 31, 2028	Renewable subject to conditions
	Warehouse Space	Imus, Cavite	Rented	Good	239,285.71	April 30, 2025	Renewable subject to conditions

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
OTHERS							
1	SAN MIGUEL CORPORATION						
	Iligan Coconut Oil Mill	Sta.Filomena, Iligan City	Owned	Good			
	Land and Warehouse	A. Del Rosario Ave., Brgy. Tipolo, Mandaue City	Owned	Good			
	Land	Banilad, Mandaue - Petron Station	Owned	Good			
	Land	Alfonso, Cavite - Management Training Center	Owned	Good			
	Office Space	Meralco Ave., Pasig City - 808 Building	Owned	Good			
	Warehouse Only	Northbay Blvd., Navotas, Metro Manila	Owned	Good			
	Land	San Fernando, Pampanga	Owned	Good			
	Office Space	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
	Land	San Rafael, Tarlac	Owned	Good			
	Land	Tagaytay - Petron Station	Owned	Good			
	Land	Tunasan - Petron Station	Owned	Good			
	Land	Looc Ouano, Mandaue City	Owned	Good			
	Warehouse Only	SMC Complex, Quebiawan, San Fernando, Pampanga	Owned	Good			
2	REAL ESTATE BUSINESS						
	San Miguel Properties, Inc.						
	Bel Aldea Subdivision	Brgy. San Francisco, Gen. Trias, Cavite	Owned	Good			
	Maravilla Subdivision	Brgy. San Francisco, Gen. Trias, Cavite	Owned	Good			
	Asian Leaf Subdivision	Brgy. San Francisco, Gen. Trias, Cavite	Owned	Good			
	Office Spaces	San Miguel Properties Centre, Mandaluyong City	Owned	Good			
	Office Building	155 Edsa (SMITS), Ortigas Center, Mandaluyong City	Owned	Good			
	Land	620 Lee St., Mandaluyong City	Owned	Good			
	Land	San Isidro Road corner Unnamed Road Lot, Brgy. Tatalon, Cabuyao, Laguna	Owned	Good			
	Land and Building	808 Bldg. Meralco Avenue corner General Lim St., Brgy. San Antonio, Pasig City	Owned	Good			
	Land	Along Commerce Avenue Corner Asean Drive and Jakarta Lane, Filinvest Corporate City, Brgy. Alabang, Muntinlupa City	Owned	Good			
	Land	Brgy. Canlubang and Majada, Calamba City, Laguna	Owned	Good			
	Land	Barrio de Fuego, Gen. Trias, Cavite	Owned	Good			
	Land	Barrio Sinaliw Munti, Alfonso, Cavite	Owned	Good			
	Land	Brgys. of Mabatac, Sinaliw and Kaytitinga, Sitios of Amuyong and Haulian, Alfonso, Cavite	Owned	Good			
	Land	Brgys. Lourdes and Santiago, Lubao, Pampanga	Owned	Good			
	Land	Cagay Road, Brgy. Asid, Masbate City	Owned	Good			
	Land	Brgy. Tagabuli, Sta. Cruz, Davao del Sur	Owned	Good			
	Land	Sitio Landing, Brgy. Darong, Sta. Cruz, Davao del Sur	Owned	Good			
	Land	Brgy. Bato, Sta. Cruz, Davao del Sur	Owned	Good			
	Land	Brgy. Yapak, Boracay Island, Malay, Aklan	Owned	Good			
	Land	327 Brgy. Prenz-San Fermin, Cauayan City, Isabela	Owned	Good			
	Land	471 F. Ortigas St., Brgy. Hagdang Bato Libis, Mandaluyong City	Owned	Good			
	Land/Building/Improvements	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
	Land and Building	Dr. A Santos Ave. (Sucat Road), Parañaque City	Owned	Good			
	Land	Brgy. Boot, Tanuan, Batangas	Owned	Good			
	Land	Brgy. Glamang (Silway), Polomolok, South Cotabato	Owned	Good			
	Land	Maragondon / Mabacao - Magallanes Road, Brgy. Mabato, Maragondon, Cavite	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Land	Acacia St., Brgy. Hagdang Bato, Mandaluyong City	Owned	Good			
	Land	Sixto Avenue, Maybunga, Pasig City	Owned	Good			
	Land	National Road, Brgy. Bunawan, Davao City	Owned	Good			
	Land and Building	Crestview Heights Subd., San Roque, Antipolo, Rizal	Owned	Good			
	Land	618 Lee St. Brgy. Addition Hills, Mandaluyong City	Owned	Good			
	Land	Brgy. Bucal Calamba, Laguna	Owned	Good			
	Land	Brgy. Tawala, Panglao, Bohol	Owned	Good			
	Land and Building	635 Lee St. Addition Hills Mandaluyong City	Owned	Good			
	Land and Building	Brgy. Sasa, Davao City	Owned	Good			
	Land	Brgy. De Fuego, Brgy. San Francisco General Trias,	Owned	Good			
	Land and Building	Lot1-D Brgy. Parian, Calamba City, Laguna	Owned	Good			
	Land	Bowen Island -Bugsuk, Balabac, Palawan	Owned	Good			
	Land and Building	Brgy. Nibaliw West, San Fabian, Pangasinan	Owned	Good			
	Land	Naic, Cavite	Owned	Good			
	Land	Ternate, Cavite	Owned	Good			
	Bright Ventures Realty, Inc.						
	Land	A. Marcos cor M.H. del Pilar and A. Mabini Sts., Addition Hills, San Juan City	Owned	Good			
	Land / Dover Hill	No. 168 Pilar Corner P. Zamora Sts., Brgy. Addition Hills, San Juan City	Owned	Good			
	Brillar Realty and Development Corp.						
	Land	Limbones Island, Brgy. Papaya, Nasugbu, Batangas	Owned	Good			
	Dimanyan Wakes Holdings, Inc.						
	Land	Bo. Bulalacao, Bulalacao Island, Coron, Palawan	Owned	Good			
	Busuanga Bay Holdings Inc.						
	Land	Bo. Bulalacao, Bulalacao Island, Coron, Palawan	Owned	Good			
	Bulalacao Property Holdings, Inc.						
	Land	Bo. Bulalacao, Bulalacao Island, Coron, Palawan	Owned	Good			
	Calamian Prime Holdings, Inc.						
	Land	Bo. Bulalacao, Bulalacao Island, Coron, Palawan	Owned	Good			
	Palawan White Sands Holdings Corp.						
	Land	Bo. Bulalacao, Bulalacao Island, Coron, Palawan	Owned	Good			
	Coron Islands Holdings, Inc.						
	Land	Bo. Bulalacao, Bulalacao Island, Coron, Palawan	Owned	Good			
	SMC Originals, Inc.						
	Land	Antonio Arnaiz Avenue corner Estacion St., Brgy. Pio del Pilar, Makati City	Owned	Good			
	Silang Resources, Inc.						
	Land	Brgys. San Vicente, San Miguel, Biluso And Lucsuhin, Silang, Cavite	Owned	Good			
	Tanauan Resources, Inc.						
	Land	No. 34 McKinley Road, Brgy. Forbes Park (North Side), Makati City	Owned	Good			
	SMPI Makati Flagship Realty Corp.						
	Land and Building	117 Legaspi and Gallardo Sts., Legaspi Village, Makati City	Owned	Good			
	Carnell Realty, Inc.						
	Land	621 Lee St., Mandaluyong City	Owned	Good			
	Grandioso Realty Corporation						
	Land	National Road, Brgy. Tambler, General Santos City	Owned	Good			
	Sta. Cruz Resource Management, Inc.						
	Land and Building	54 and 50 Hydra St., Bel Air 3, Makati City	Owned	Good			
	Maison 17 Properties, Inc.						
	Land	116 Legaspi and Gallardo Sts., Legaspi Village, Makati City	Owned	Good			

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	Integrated Geosolutions, Inc.						
	Land	Bo.Diezmo, Cabuyao, Laguna	Owned	Good			
	Tierra Castellanas Development Inc.						
	Land	Brgy. Bungoy, Dolores, Quezon	Owned	Good			
	Excel Unified Land Resources Corp.						
	Wedge Woods Subdivision	Silang, Cavite	Owned	Good			
	512 Acacia Holdings, Inc.						
	Land	512 Acacia Ave., Ayala Alabang Village Phase II-A, Brgy. Alabang, Muntinlupa City	Owned	Good			
	La Belle Plume Realty Inc						
	Land	Western Visayas	Owned	Good			
	La Verduras Realty Corp.						
	Land	No. 38 Gen. Delgado Street, San Antonio Village, Pasig City	Owned	Good			
	First Monte Sierra Realty Corporation						
	Land	Brgy. San Antonio, Basco, Batanes	Owned	Good			
	Lanes and Bi-Ways Realty Corp.						
	Land	403 Columbia St., East Greenhills, Mandaluyong City	Owned	Good			
	Land	#2 Columbia St. N.East Greenhills, San Juan	Owned	Good			
	Premiata Realty, Inc.						
	Land	52 Mercedes cor 61 Aries, Bel Air 3, Makati City	Owned	Good			
	Picanto de Alta Realty Corp.						
	Land	1331 J.P. Laurel St. Brgy. 643 Zone 066, San Miguel District, Manila	Owned	Good			
	Kingsborough Realty, Inc.						
	Land	37 Gen. Delgado St., San Antonio Village, Pasig City	Owned	Good			
	E- Fare Investment Holdings Inc.						
	Land	Mariveles, Bataan	Owned	Good			
	Zobel Polo Club Inc.						
	Land	Lipa, Batangas	Owned	Good			
	Apice Solare Resources Corp.						
	Land	National Road, Barangay Igmaya-an, District 1, Don Salvador Benedicto, Negros Occidental	Owned	Good			
	Roca Pesada Realty Corp.						
	Land	118 Esteban Abada St. Varsity Hills, Quezon City	Owned	Good			
	Uno Clarity Investment Holdings Inc.						
	Land and Building	Buruanga, Aklan	Owned	Good			
	Zee2 Resources Inc.						
	Land	82 Cambridge Circle, North Forbes Park, Makati City	Owned	Good			
	Quicksilver Development Corp.						
	Land	50 McKinley Road North Forbes Park Makati City	Owned	Good			
	Max Harvest Holdings Inc.						
	Land	Brgy. Anyatam San Ildefonso Bulacan	Owned	Good			
	High Garden Land Resources Inc.						
	Land	82 EDSA Brgy Wack-Wack, Mandaluyong City	Owned	Good			
	One Wilson Cayenne Holdings, Inc.						
	Land	708-A & B J.R Yulo St. Mandaluyong City	Owned	Good			
	Land	6-C East St. Addition Hills Mandaluyong City	Owned	Good			
	Auburnite Holdings Inc.						
	Land	Bungahan, Biñan, Laguna	Owned	Good			
	Land	Mamplasan, Biñan, Laguna	Owned	Good			
	Bricktree Properties Inc.						
	Land	Bancalaan, Palawan	Owned	Good			
	Agricultural Investors, Inc						
	Land	Bugsuk, Palawan	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Unexplored Land Developers, Inc						
	Land	Bugsuk Palawan	Owned	Good			
	Ocean-side Maritime Enterprises, Inc						
	Land	Bugsuk Palawan	Owned	Good			
	Labayug Air Terminals Incorporated						
	Land	Bugsuk Palawan	Owned	Good			
	Pura Electric Co. Inc						
	Land	Bugsuk Palawan	Owned	Good			
	Punong Bayang Housing Development Corporation						
	Land	Bugsuk Palawan	Owned	Good			
	Habagat Realty Development Incorporated						
	Land	Bugsuk Palawan	Owned	Good			
	Spade One Resorts Corporation						
	Land	Bugsuk Palawan	Owned	Good			
	Ondarre Holdings Corp.						
	Land	Mandaluyong City	Owned	Good			
	Soracil Prime Inc.						
	Land	Mandaluyong City	Owned	Good			
	Casa Sabroso Holdings Inc.						
	Land / Dover Hill	Mabini corners Ortega & Pilar St. San Juan City	Owned	Good			
3	PACIFIC CENTRAL PROPERTIES, INC.						
	Land	Limay, Combined Power Plant, Limay, Bataan	Owned	Good			
	Land	Dauin, Negros Oriental	Owned	Good			
	Land	Outlook Drive, Baguio City	Owned	Good			
4	SMC SHIPPING AND LIGHTERAGE CORPORATION AND SUBSIDIARIES						
	SMC Shipping and Lighterage Corporation						
	Land	Maribojoc-Cortes National Road Junction, Barrio Salvador, Cortes, Bohol	Owned	Good			
	Land and Building	Dr. A. Santos Avenue corner Unnamed Road, Brgy. San Antonio, Parañaque City	Owned	Good			
	Land	Mariveles Bataan Lot #1 and #2, Barrio of Lucanin, Mariveles, Bataan	Owned	Good			
	Land	Mariveles Bataan Lot #3, Barrio of Agnipa and Cabcaban, Mariveles, Bataan	Owned	Good			
	Land	National Road, Brgy. San Pedro, Bauan and Brgy. San Juan, Mabini, Batangas	Owned	Good			
	Building (Admin Buildings, Warehouses D, C, R, S, I, N, Q, L, M, Terminals, Parking Shed, Loading Bay)	Ouano Wharf, Looc, Manduae City	Owned	Good			
	Building (KCSLI)	Dad Cleland Avenue, Looc, Lapu Lapu City	Owned	Good			
	Land and Building	Brgy. Loboc, Lapaz, Iloilo	Owned	Good			
	Land	Yard 2, Engineering Island, Baseco Compound, Port Area, Manila City	Rented	Good	5,305,626.90	January 02, 2037	Renewable upon mutual agreement of the parties
	Land	Block 22 Manila Harbor Center, Tondo, Manila City	Rented	Good	2,114,996.59	July 14, 2025	Renewable upon mutual agreement of the parties
	Land	San Pedro, Bauan, Batangas	Rented	Good	487,094.47	December 06, 2042	SMCSL can exercise an option to purchase the reclaimed lot during the life of the lease period should the municipality decide to sell the property
	Land	Brgy. Tubod, Municipality of Sto. Tomas, La Union	Rented	Good	200,000.00	August 31, 2027	Renewable upon mutual agreement of the parties
	Land	Putting Buhangin hi-way, Orion (TCT #s 226614, 2015000040, 2015000041)	Rented	Good	289,891.80	June 30, 2034	Renewable upon mutual agreement of the parties
	Land	Bo. of Gua-an, Municipality of Leganes, Province of Iloilo	Owned	Good			
	Land	Ouano Wharf, Looc, Manduae City	Owned	Good			
	Land	Road Lot 3 Brgy. 128 Zone 010, Tondo, Manila	Owned	Good			
	Land	Santa Elena, Orion, Bataan	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Land, Land Improvement (e.g. Pier), Building, and Machineries	Namonitan, Santo Tomas, La Union	Owned	Good			
	Warehouse	Limay, Bataan	Owned	Good			
	Coal Warehouse	Namonitan, Santo Tomas, La Union	Owned	Good			
	Land	Baluart, Tagoloan Misamis Oriental	Owned	Good			
	Land	Lot 1118 & 1119 Puting Buhangin Orion Bataan	Owned	Good			
	Warehouse	Mactan, Cebu	Owned	Good			
	Warehouse	Loboc, Iloilo	Owned	Good			
	Warehouse	Tagoloan, Misamis Oriental	Owned	Good			
	Pier	Iloilo	Owned	Good			
	Pier	Mandaue, Cebu	Owned	Good			
	Warehouse (1, 2, 3, & 4)	Mabini, Bauan, Batangas	Owned	Good			
	Blk 12 (Lot 1) and Blk 14 (Lot 1-15)	Harbor, Manila	Owned	Good			
	Warehouses 1,11,12 & 12A 4,700sqm in total	Zone 3, Upper Agusan, Cagayan de Oro City	Rented	Good	658,260.00	March 31, 2025	Renewable upon mutual agreement of the parties
	Warehouse (3&5)	Bicol Oil Mill Cmpd. Balogo, Pasacao, Camarines Sur	Rented	Good	337,500.00	March 31, 2025	Renewable upon mutual agreement of the parties
	Warehouse rental for Feedmill Plant	CDO	Owned	Good			
	Warehouse rental for Feedmill Plant	Iloilo	Owned	Good			
	Foreshore Area	Looc, Lapu Lapu City	Rented	Good	10,835.33	October 03, 2025	Renewable after one year or upon mutual agreement of the parties
	Foreshore Area	Looc, Lapu Lapu City	Rented	Good	1,398.79	October 03, 2025	Renewable after one year or upon mutual agreement of the parties
	Foreshore Area	Looc, Lapu Lapu City	Rented	Good	27,994.66	January 24, 2025	Renewable after one year or upon mutual agreement of the parties
	Foreshore Area	Looc, Lapu Lapu City	Rented	Good	1,763.17	October 03, 2025	Renewable after one year or upon mutual agreement of the parties
	Foreshore Area	Looc, Lapu Lapu City	Rented	Good	5,246.54	February 15, 2025	Renewable after one year or upon mutual agreement of the parties
	Warehouse	218 Don Jose Canciller Avenue, Cauayan City	Rented	Good	64,260.00	July 15, 2025	Renewable upon mutual agreement of the parties
	Warehouse	Leganes, Iloilo (5A & 6A)	Rented	Good	2,106,046.06	June 30, 2025	Renewable upon mutual agreement of the parties
	Warehouse (GMC3)	Taboc, Brgy. San Jose, Pili Cam Sur	Rented	Good	202,500.00	December 31, 2025	Renewable upon mutual agreement of the parties
	Warehouse 1&2 (Cosay)	National Highway, Santiago, Pili, Camarines Sur	Rented	Good	221,785.71	December 31, 2025	Renewable upon mutual agreement of the parties
	Warehouse 5-7	Sitio Pantay, Baranggay Maguyam, Silang, Cavite	Rented	Good	559,020.00	December 31, 2025	Renewable upon mutual agreement of the parties
	Warehouse 8	Sitio Pantay, Baranggay Maguyam, Silang, Cavite	Rented	Good	186,340.00	December 31, 2025	Renewable upon mutual agreement of the parties
	Warehouse 13-15	Sitio Pantay, Baranggay Maguyam, Silang, Cavite	Rented	Good	900,900.00	December 31, 2025	Renewable upon mutual agreement of the parties
	Bldg 2 Doors 5-7	PLDC Diversion Road, Naga City, Camarines Sur	Rented	Good	321,428.57	December 31, 2025	Renewable upon mutual agreement of the parties
	Warehouse 1-3	Sitio Tawagan, Tayud, Consolacion, Cebu	Rented	Good	480,000.00	December 31, 2025	Renewable upon mutual agreement of the parties
	Warehouse PKS-F	Sitio Tawagan, Tayud, Consolacion, Cebu	Rented	Good	209,760.00	December 31, 2025	Renewable upon mutual agreement of the parties
	Warehouse 1&2	Tabok, Mandaue City, Cebu	Rented	Good	396,480.00	December 31, 2024	Renewable upon mutual agreement of the parties
	Warehouse 3	Sta. Elena, Orion Bataan	Rented	Good	1,555,200.00	December 31, 2026	Renewable upon mutual agreement of the parties
	Condo	15J Pearl of the Orient Ermita, Manila	Rented	Good	19,000.00	May 19, 2025	Renewable upon mutual agreement of the parties
	Condo	33J Pearl of the Orient Ermita, Manila	Rented	Good	18,000.00	April 07, 2025	Renewable upon mutual agreement of the parties
	Condo	3615 Admiral Baysuites, Malate, Manila	Rented	Good	23,500.00	October 02, 2025	Renewable upon mutual agreement of the parties
	Condo	709 Burgundy Place Condominium, Loyola Heights, QC	Rented	Good	22,864.28	July 31, 2025	Renewable upon mutual agreement of the parties

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Condo	Unit 2201 Grand Riviera Suites Roxas Boulevard, Corner Padre Faura St., Ermita, Manila	Rented	Good	25,000.00	June 15, 2025	Renewable upon mutual agreement of the parties
	Warehouse (B1-B3)	Parang, Batangas	Rented	Good	618,000.00	June 30, 2025	Renewable upon mutual agreement of the parties
	Office Space	2nd Floor, Unit G, Blk 9 Lot 4-6 Manila Harbour Center, Fernando St. Cor. Francisco St. Zone 10 Barangay 128, Tondo Manila	Rented	Good	24,421.26	September 01, 2025	Renewable upon mutual agreement of the parties
	Office Space	2nd Floor, Unit F, Blk 9 Lot 4-6 Manila Harbour Center, Fernando St. Cor. Francisco St. Zone 10 Barangay 128, Tondo Manila	Rented	Good	24,421.26	May 01, 2025	Renewable upon mutual agreement of the parties
	Office Space	5th Floor, Unit B, Blk 9 Lot 4-6 Manila Harbour Center, Fernando St. Cor. Francisco St. Zone 10 Barangay 128, Tondo Manila	Rented	Good	51,838.45	March 02, 2025	Renewable upon mutual agreement of the parties
	Office Space	3rd Floor, Blk 9 Lot 4-6 Manila Harbour Center, Fernando St. Cor. Francisco St. Zone 10 Barangay 128, Tondo Manila	Rented	Good	388,350.77	February 15, 2025	Renewable upon mutual agreement of the parties
	Office Space	4th Floor, Blk 9 Lot 4-6 Manila Harbour Center, Fernando St. Cor. Francisco St. Zone 10 Barangay 128, Tondo Manila	Rented	Good	388,350.77	January 17, 2025	Renewable upon mutual agreement of the parties
	Staffhouse	Poblacion Norte, Sta. Barbara, Pangasinan	Rented	Good	8,500.00	April 14, 2025	Renewable upon mutual agreement of the parties
	Staffhouse	Maharlika Hi-way, Brgy. Paulog, Ligao City, Albay	Rented	Good	6,000.00	August 19, 2025	Renewable upon mutual agreement of the parties
	Condo	Bldg 1. Unit 1207, Brgy. 99 and 101 Vitas and Velasquez St. Tondo, Manila	Rented	Good	18,000.00	July 15, 2025	Renewable upon mutual agreement of the parties
	Condo	Unit 2, No. 681, Beaterio Street corner Magallanes Street, Intramuros, Manila	Rented	Good	25,000.00	June 15, 2025	Renewable upon mutual agreement of the parties
	Condo	Bldg 5. Unit 1415, Brgy. 99 and 101 Vitas and Velasquez St. Tondo, Manila	Rented	Good	19,000.00	April 30, 2025	Renewable upon mutual agreement of the parties
	Condo	Bldg 10. Unit 233, Brgy. 99 and 101 Vitas and Velasquez St. Tondo, Manila	Rented	Good	17,000.00	March 31, 2025	Renewable upon mutual agreement of the parties
	Condo	4F-414, Brgy. 99 and 101 Vitas and Velasquez St. Tondo, Manila	Rented	Good	15,000.00	March 15, 2025	Renewable upon mutual agreement of the parties
	Condo	Bldg 10. Unit 1056, Brgy. 99 and 101 Vitas and Velasquez St. Tondo, Manila	Rented	Good	18,000.00	May 31, 2025	Renewable upon mutual agreement of the parties
	Warehouse (2,3,4,9,12)	MCT Complex, Tagoloan, Misamis Oriental	Rented	Good	2,922,500.00	March 31, 2025	Renewable upon mutual agreement of the parties
	Land	Manila North Harbor Centre (5,645.70)	Rented	Good	300,000.00	December 31, 2037	Renewable upon mutual agreement of the parties
	Studio Type Room	Emerald Street, Dona Salud, Sasa, Davao City	Rented	Good	3,500.00	August 26, 2025	Renewable upon mutual agreement of the parties
	Boarding House	Phase 3, Santan St. Gran Plains Subd., Jaro, Iloilo City	Rented	Good	7,000.00	May 16, 2025	Renewable upon mutual agreement of the parties
	Office space	Brgy. San Pedro, Bauan, Batangas	Owned	Good			
	Condo	Bldg 1. Unit 763, Brgy. 99 and 101 Vitas and Velasquez St. Tondo, Manila	Rented	Good	13,000.00	December 31, 2025	Renewable upon mutual agreement of the parties
	Condo	Bldg 3. Unit 558, Brgy. 99 and 101 Vitas and Velasquez St. Tondo, Manila	Rented	Good	17,000.00	December 31, 2025	Renewable upon mutual agreement of the parties
	Condo	Bldg 4. Unit 620, Brgy. 99 and 101 Vitas and Velasquez St. Tondo, Manila	Rented	Good	17,000.00	July 15, 2025	Renewable upon mutual agreement of the parties
	Studio Type Room	Zone 1, Brgy. San Jose, Pili, Camarines Sur	Rented	Good	2,000.00	July 15, 2025	Renewable upon mutual agreement of the parties
	Condo	Bldg 4. Unit 456, Brgy. 99 and 101 Vitas and Velasquez St. Tondo, Manila	Rented	Good	17,000.00	September 22, 2025	Renewable upon mutual agreement of the parties
	Warehouse 1,3 & 4	Labak, Batangas	Rented	Good	531,000.00	December 31, 2024	Renewable upon mutual agreement of the parties
	Warehouse ORMOC	Cogon, Ormoc	Rented	Good	236,250.00	August 15, 2025	Renewable upon mutual agreement of the parties
	Warehouse (Bldg. 1-8)	Ibaan, Batangas	Rented	Good	1,169,260.00	June 30, 2025	Renewable upon mutual agreement of the parties
	Warehouse (Whse-1)	Tayud, Consolacion, Cebu	Rented	Good	262,946.43	December 31, 2025	Renewable upon mutual agreement of the parties
	SMC Shipping and Lighterage Corporation and SL Mariveles Drydocking and Shipyard Corporation						
	Building (Warehouses, Admin Building, Slipway, Seawall, Guardhouse)	Luzon Avenue, Baseco Compound, Mariveles, Bataan	Owned	Good			
	Land	Baseco Compound Luzon Avenue Mariveles, Bataan	Rented	Good	730,747.07	December 31, 2025	Renewable upon mutual agreement of the parties
	Landrights and improvements	Barangay San Miguel, Municipality of Bauan, Province of Batangas.	Owned	Good			
	Land	Mariveles, Bataan	Rented	Good	2,956,503.96	September 30, 2030	Renewable upon mutual agreement of the parties

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	SMC Shipping and Lighterage Corporation and Baseco Shipyard Corporation						
	Building (Warehouses, Admin Building, Improvements, Container Yard, Access Roads, Guardhouse, Truckscale, Equipments)	Yard 2, Engineering Island, Baseco Compound, Port Area, Manila City	Owned	Good			
	Land	Yard 2, Engineering Island, Baseco Compound, Port Area Manila	Rented	Good	2,523,293.73	December 31, 2025	Renewable upon mutual agreement of the parties
	SL Harbour Bulk Terminal Corporation						
	Land	Blk14 Lots 1-5 Manila Harbour Centre, Brgy. 128, Zone 10, Tondo District, Manila City	Owned	Good			
	Land	Blk15 Lots 8-9 Brgy. 128 Zone 010, Tondo, Manila	Owned	Good			
	Land	Blk4 Lot 10 Road Lot 3, Brgy. 128 Zone 010, Tondo, Manila	Owned	Good			
	Land	Manila Harbour Center Lot 3 fronting Blk 14 (BERTHING 5)	Rented	Good	620,905.26	May 14, 2025	Renewable upon mutual agreement of the parties
	Land	Manila Harbour Center Lot 3 fronting Blk 15 (BERTHING 4)	Rented	Good	470,210.53	May 14, 2025	Renewable upon mutual agreement of the parties
	Foreshore and Offshore Areas	Gracia, Tagoloan, Misamis Oriental (41,682 sqm)	Rented	Good	33,524.36	March 07, 2029	May be renewed for 25 years upon terms and conditions mutually agreed upon by the parties
	Foreshore and Offshore Areas	Gracia, Tagoloan, Misamis Oriental (50,152 sqm)	Rented	Good	284,416.71	March 07, 2029	May be renewed for 25 years upon terms and conditions mutually agreed upon by the parties
	Foreshore and Offshore Areas, and Port Facility	Gracia, Tagoloan, Misamis Oriental (121,396 sqm)	Rented	Good	297,144.87	August 03, 2025	Renewable upon mutual agreement of the parties
	Building (Admin Buildings, Terminals, Parking Shed, Loading Bay, Mini Laboratory, Storage Areas)	Manila Harbour Centre, Brgy. 128, Zone 10, Tondo, Manila City	Owned	Good			
	Land Improvements (Walkways, Driveway, Ground Improvements, Access Roads, Catwalks, Perimeter Fence, Etc.)	Manila Harbour Centre, Brgy. 128, Zone 10, Tondo, Manila City	Owned	Good			
	Buildings (Admin Building, Bulk Office, Mini Laboratory, etc.)	Limay, Bataan	Owned	Good			
	Buildings (Admin Building, Mini Laboratory, etc.)	Tagoloan, Misamis Oriental	Owned	Good			
	Land	Blk12 Rd 10 Cor Rd 21 New Harbour Center, Brgy. 128 Zone 010, Tondo, Manila	Owned	Good			
	Land	Blk14 Lot 5 Rd Lot 3 Cor Rd Lot 9 New Harbour Center, Brgy. 128 Zone 010, Tondo, Manila	Owned	Good			
	Land	Barrio Kitang, Limay, Bataan (228,616 sqm)	Rented	Good	585,814.96	December 31, 2024	Renewable on a year to year basis for as long as the original lease agreement is in effect and under such terms and conditions based on the mutual consent and agreement of both parties
	Land	Block 15, Lots 1-7, Manila Harbour Centre, Tondo, Manila	Rented	Good	3,206,685.37	January 26, 2026	Renewable upon mutual agreement of the parties
	Leasehold Improvements (Driveway, Pier, Perimeter Fence, etc.)	Limay, Bataan	Owned	Good			
	Leasehold Improvements (Driveway, Pier, Perimeter Fence, etc.)	Tagoloan, Misamis Oriental	Owned	Good			
	Machinery and Equipment (Fuel Tanks)	Bataan Combined Cycle Power Plant, Barangay Luz, Kitang 2, Limay, Bataan	Rented	Good	5,466,151.47	December 31, 2024	Renewable upon mutual agreement of the parties
	Machinery and Equipment (Fuel Tanks, Water Tanks, Tank Truck Loading Racks, etc.)	Manila Harbour Centre, Brgy. 128, Zone 10, Tondo, Manila City	Owned	Good			
	Machinery and Equipment (Fuel Tanks, Water Tanks, Tank Truck Loading Racks, etc.)	Limay, Bataan	Owned	Good			
	Machinery and Equipment (Fuel Tanks, Water Tanks, Tank Truck Loading Racks, etc.)	Tagoloan, Misamis Oriental	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Land	386,755 sqm land in Manila Harbour Center	Rented	Good	206,480.71	April 30, 2025	Renewable upon mutual agreement of the parties
	Land	The lease agreement pertains to lease of land in Manila Harbor Blk 4 lot 11.	Owned	Good			
	Land	Road Lot 3 fronting lot 10 and 11 of block 4, Manila Harbour Centre, Tondo, Manila City	Rented	Good	334,844.21	May 14, 2025	Renewable upon mutual agreement of the parties
	MG8 Terminal Inc.						
	Land	Road Lot 19 (New Harbor Center) Brgy. 128 Zone 010, Tondo, Manila	Owned	Good			
	Land	Lucanin, Mariveles, Bataan	Owned	Good			
	Land	Mabini, Batangas	Owned	Good			
	Land	Lot 10181, CAD-584, C-24 San Pedro, Bauan Cadastre	Owned	Good			
	Land	Lot 10184-A, of the sub. Plan, Psd-04-148187 being a portion of Lot - 10184 Cad 584, Bauan Cadastre	Owned	Good			
	Land	Lot 14038-B of the sub. Plan Psd-04-195256 being portion of Lot 14038 Cad 584, Bauan Cad., LRC Rec. No.	Owned	Good			
	Land	Lot 10156 Cad-584 San Pedro, Bauan, Batangas TCT 05-0034-00532	Owned	Good			
	Land and pier and port facilities		Owned	Good			
	SMC Shipyard Cebu Land Inc.						
	Land and Building	Dad Cleland Ave., Looc, Lapu Lapu City	Owned	Good			
	La Union Shipyard and Marine Service Corporation						
	Buildings	Tubod Sto. Tomas La Union	Owned	Good			
	Leasehold Improvemens/Shipyard	Tubod Sto. Tomas La Union	Owned	Good			
	Batangas Shipyard Corporation						
	Various Land	San Miguel, Bauan, Batangas	Owned	Good			
	Various Land Improvements (Pier and Dolphin, Graving Dock, Quay Walls)	San Miguel, Bauan, Batangas	Owned	Good			
	Various Building and Improvements (Sheds, Panel Line Workshop, Outfitting Workshop, Admin Building)	San Miguel, Bauan, Batangas	Owned	Good			
	Elite Marine Construction Corporation						
	Land	Barangay Putting Buhangin, Orion, Bataan	Rented	Good	30,000.00	December 31, 2025	Renewable upon mutual agreement of the parties
	Land	Lot 1071, Barangay Putting Buhangin, Orion, Bataan	Rented	Good	44,555.00	September 01, 2025	Renewable upon mutual agreement of the parties
	Condo	125 Bernadette Street, 8th Avenue, Grace Park, Caloocan City	Rented	Good	15,789.47	August 07, 2025	Renewable upon mutual agreement of the parties
	Office space	5th floor, Unit J Kynsna Bldg, Blk 9 Lot 4-6 Manila Harbour Centre Fernando St Cor. Francisco Siero St Barangay 128 Zone 10 Dist 1 1012 Tondo I / II NCR, City of Manila, First District Philippines	Rented	Good	30,660.53	April 01, 2025	Renewable upon mutual agreement of the parties
	Office space	3rd floor, Kynsna Bldg, Blk 9 Lot 4-6 Manila Harbour Centre Fernando St Cor. Francisco Siero St Barangay 128 Zone 10 Dist 1 1012 Tondo I / II NCR, City of Manila, First District Philippines	Owned	Good			
	Staffhouse	Umbuyan, Brgy. Perez, Bulakan, Bulacan	Rented	Good	30,000.00	August 20, 2025	Renewable upon mutual agreement of the parties
	Office space	5th floor, Unit I Kynsna Bldg, Blk 9 Lot 4-6 Manila Harbour Centre Fernando St Cor. Francisco Siero St Barangay 128 Zone 10 Dist 1 1012 Tondo I / II NCR, City of Manila, First District Philippines	Rented	Good	56,917.94	February 01, 2025	Renewable upon mutual agreement of the parties
	Cupertino Realty Corporation						
	Land 1	PPA Bypass Road, Barangay Loboc, La Paz, City of Ilo-Ilo	Owned	Good			
	Land 2	Barangay Loboc, La Paz, City of Ilo-Ilo	Owned	Good			
	Building 1	Barangay Loboc, La Paz, City of Ilo-Ilo	Owned	Good			
	Building 2	Barangay Loboc, La Paz, City of Ilo-Ilo	Owned	Good			
	88 Philippine Spun Poles Corporation						

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
	Building (Warehouse1, Warehouse Expansion, Water Reservoir, Mixing Building, Mixing Control Room, Laboratory Facility)	1 Provincial Highway Santa Elena Oriuon Bataan	Owned	Good			
	Leasehold Improvements (Permanent Connection, Road Network Development, Storm Drainage)	1 Provincial Highway Santa Elena Oriuon Bataan	Owned	Good			
5	SM BULK WATER CO., INC.						
	Land	Bobulusan, Guinobatan, Albay	Owned	Good			
	Land	Brgy. Batang, Ligao City	Owned	Good			
	Land	Tabuyoc, Apalit, Pampanga	Owned	Good			
6	SMC STOCK TRANSFER SERVICE CORPORATION						
	Office Space	Units 1505, Robinsons Equitable Tower, ADB Avenue, corner Poveda, Pasig City	Owned	Good			
	Office Space	Units 1506-1507, Robinsons Equitable Tower, ADB Avenue, corner Poveda, Pasig City	Owned	Good			
	Parking Space	Parking Slots 31-33, Robinsons Equitable Tower, ADB Avenue, corner Poveda, Pasig City	Owned	Good			
7	SAN MIGUEL PAPER PACKAGING CORPORATION						
		8380 Dr. A Santos Avenue, Sucat, Parañaque City	Owned	Good			
8	SAN MIGUEL INTEGRATED LOGISTICS SERVICES INC.						
	Land	Lucanin Industrial Estate Mariveles Bataan.	Owned	Good			
	Land	Brgy Quebiawan, San Fernando Pampanga	Owned	Good			
	Office	#100 E. Rodriguez Jr. Ave., (C5 Road), Brgy. Ugong, Pasig City 1604	Owned	Good			
	Land	Brgy Darong Municipality of Sta. Cruz Davao Del Sur	Owned	Good			
	Land	Purok 5, Brgy Rawis Legazpi City	Owned	Good			
	Land	A. Mabini Street San Juan City	Owned	Good			
	Land	Fe Martinez St. Brgy Anghit Daet Camarines Norte	Owned	Good			
9	SAN MIGUEL INTEGRATED MERCHANDISING SERVICES INC.						
	Office	6th Floor, Unit C&D, JMT Corporate Condominium, ADB Avenue, Mandaluyong City	Rented	Good	459,559.43	March 31, 2025	Renewable upon mutual agreement of the parties
	Office	6th Floor, Unit A&B, JMT Corporate Condominium, ADB Avenue, Mandaluyong City	Rented	Good	340,998.43	April 30, 2026	Renewable upon mutual agreement of the parties
	Office	G/F, IT Benedicto College, A.S. Fortuna Street, Bakilid, Mandaue City	Rented	Good	62,370.00	January 31, 2025	New contract upon expiration of the previous
	Office	Lot 1 C. Ramon Diaz St., Villa Corazon del Rosario, Naga City, Camarines Sur	Rented	Good	11,590.00	March 28, 2025	New contract upon expiration of the previous
	Office	Kingspire Business Centre, KM. 71, Mc Arthur Hiway, Brgy. San Isidro, San Fernando City, Pampanga	Rented	Good	30,911.21	July 31, 2025	New contract upon expiration of the previous
	Office	Room 304, 2nd Floor, G & J E Bldg., Cor. Hernaez Locsin Sts., Brgy. 38, Bacolod City, 6100	Rented	Good	7,500.00	February 14, 2025	New contract upon expiration of the previous
	Office	127B, Sorongon Drive, Brgy. Danao, Iloilo City	Rented	Good	12,053.57	November 30, 2025	New contract upon expiration of the previous
	Office	2nd Floor, 1st Door, Realmark Commercial Hub Mons. #430 Hayes St., Pinikitan, Cagayan De Oro City	Rented	Good	10,000.00	October 15, 2025	New contract upon expiration of the previous
10	SMC MULTI-SERVICES INC.						
	Office	#100 E. Rodriguez Jr. Ave., (C5 Road), Brgy. Ugong, Pasig City 1604	Owned	Good			

Company Name / Subsidiary		Address	Rented / Owned	Condition	Monthly Rental (In PhP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
11	SMC REPAIRS & MAINTENANCE INC.						
	Office	#100 E. Rodriguez Jr. Ave., (C5 Road), Brgy. Ugong, Pasig City 1604	Owned	Good			
12	SMC INTEGRATED FARM SPECIALISTS INC.						
	Office	#100 E. Rodriguez Jr. Ave., (C5 Road), Brgy. Ugong, Pasig City 1604	Owned	Good			

^(a) In January 2024, SPPC has fully paid the land purchase price net of unused rentals to PSALM.

All owned properties are free of liens and encumbrances, except for the following:

- ^(b) The Power Plant, including all related facilities therein, and the leasehold rights for the leased land are mortgaged in favor of the lenders to secure the loan obligation of LPI;
- ^(c) The Power Plant, including all related facilities therein, and the leasehold rights for the leased land are mortgaged in favor of the lenders to secure the loan obligation of MPI; and
- ^(d) The Power Plant, including all related facilities therein, and the land are mortgaged in favor of the lenders to secure the loan obligation of MPCL.
- ^(e) The Power Plant, including all related facilities therein, and the leasehold rights for the leased land are mortgaged in favor of the lenders to secure the loan obligation of MPGC.
- ^(f) The BESS, including all related facilities therein, and the leasehold rights for the leased land are mortgaged in favor of the lenders to secure the loan obligation of SMGP BESS.

ANNEX “E”

SAN MIGUEL CORPORATION
LIST OF PRODUCTS FOR 2024



LIST OF PRODUCTS

I. BEER AND NAB

1. San Miguel Pale Pilsen
2. San Mig Light
3. San Miguel Super Dry
4. San Miguel Premium All-Malt
5. Red Horse
6. Red Horse Super
7. Gold Eagle
8. San Miguel Cerveza Negra
9. San Miguel Flavored Beer
10. San Mig Zero
11. San Miguel NAB
12. San Miguel Flavored NAB
13. San Miguel Cerveza Blanca
14. San Miguel Chocolate Lager (Limited Edition)
15. Blue Ice
16. Dragon
17. W1N Bia (Bia Hoi)
18. Anker
19. Kuda Putih
20. Bruck
21. Knight
22. San Mig Hard Seltzer
23. Batavia

ALCOHOL-FREE BEVERAGE

1. San Mig Free

NON-ALCOHOLIC BEVERAGES

1. Magnolia Fruit Drink
2. Magnolia Healthtea
3. Cali
4. Magnolia Flavored Water (formerly San Mig Flavored Water)

BREWED FOR PRIVATE LABEL

1. Ikinama
2. Kiwamugi
3. Ceus
4. Elite

BREWED UNDER LICENSING/TOLLING
AGREEMENT

1. Carlsberg
2. Sunlik

IMPORTED/DISTRIBUTED

1. Kirin Ichiban
2. Samuel Adams
3. Sam 76
4. Angry Orchard
5. Spitfire
6. Whitstable Bay
7. Mahou
8. Magners
9. Arcobrau

II. SPIRITS

1. GINEBRA SAN MIGUEL
2. GINEBRA SAN MIGUEL PREMIUM GIN
3. G.S.M. BLUE LIGHT GIN
4. G.S.M. BLUE FLAVORS (Mojito, Margarita, Gin Pomelo, Cosmopolitan and Lychee Martini)
5. PRIMERA LIGHT (Primera Light Imported)
6. VINO KULAFU (Chinese Wine)
7. ANTONOV VODKA
8. 1834 PREMIUM DISTILLED GIN
9. ARCHANGEL RESERVE PREMIUM DRY GIN
10. FREEDOM ISLAND LIGHT RUM
11. G&T ULTRALIGHT SPIRIT DRINK (Lemon Ginger and Apple Black Tea)
12. SAN MIGUEL ETHYL ALCOHOL

For Export Only

13. TONDEÑA MANILA RUM (Gold)

III. FOOD

San Miguel Foods, Inc.

POULTRY

Live Broilers

Dressed Chicken (Wholes)

- Magnolia Fresh Chicken (Fresh Chilled, Frozen)
- Magnolia Spring Chicken (Fresh Chilled, Frozen)
- Magnolia Big Bird (Fresh and Frozen)
- Magnolia Jumbo Chicken (Fresh and Frozen)
- Magnolia Free Range Chicken (Fresh and Frozen)

Cut-ups

- Magnolia Chicken Cut-ups (Fresh Chilled, Frozen)
- Magnolia Chicken Station Cut-ups (Cut and packed in the Chicken Stations)
- Magnolia Free Range Cut-ups

Marinated, Ready to Cook

- Magnolia Chicken Timplados Ready-to-Cook (Fried Chicken, BBQ, Tocino, Teriyaki, Spicy Wings, Oriental Wings, Inasal, Spicy Fried Chicken, Roasters Lemon Herb, Roasters Smoked Pepper, Bola-Bola, Chicken Longanisa, Grillers Classic Roast, Cheesy Fingers, All-around Pangsahog, All-around Giniling, Fried Chicken Drumsticks with BBQ seasoning, Pinoy Streat Foods Chicken Skin, Classic Burger), Toppings (Adobo, Bopis, Spicy Curry, Bistek, and Afritada), BBQ Chicken Ribs

- Magnolia Chicken Station Timplados (Vanilla Fingers, Lumpiang Shanghai, Spicy Neck, Chicken Frillers, Korean BBQ, Chicken Siomai, Chicken Tapa) – produced in Chicken Stations

- Magnolia Chicken Streat Sarap (Isaw, Chicken Feet, Chicken Neck)

- Magnolia Real Chicken Burger Steak

Giblets

- Magnolia Chicken Giblets (Fresh and Frozen Liver and Gizzard)

Institutional

- Whole Chicken
- Customized Bone-in Cut-ups and Deboned Fillets

Brown Eggs

- Magnolia Cage-Free Brown Eggs 12s
- Magnolia Egg-A-Day 7s

FRESH MEATS

Live Hogs

Wholesale Cuts

- Pork
 - Hog Carcass
 - Boxed Primal Parts

Beef

- Beef Forequarters
- Beef Hindquarters
- Boxed Primal Cuts

Retail Cut-ups

- Monterey Primal Cuts (Pork, Beef)
- Monterey Meatshop Cut Ups (Pork, Beef) - cut and packed in Monterey Meatshops

Marinated

- Monterey Meatshop Timplados (Pork, Beef) - produced in Monterey Meatshops
- Pork BBQ Tenderloin Skewers
- Monterey Exclusives (Pork BBQ, Baby Back Ribs, American Style Ribs, Pork Tocino)

FEEDS

Animal and Aquatic Feeds

Hog Feeds

- B-MEG Premium Hog Feeds
- B-MEG Premium Super Inahin Hog Pellets
- B-MEG Premium Super Biik Hog Pellets
- B-MEG Expert Premium Formulation Hog Pellets
- B-MEG Expert Complete Nutrition Hog Feeds
- B-MEG Mega Mash
- B-MEG Essential Hog Feeds
- B-MEG Essential Performix
- B-MEG Bonanza Hog Pellets
- Jumbo Hog Feeds
- Pureblend Hog Feeds

Poultry Feeds

- B-MEG Essential Layer
- B-MEG Essential Broiler
- B-MEG Essential Broiler Breeder
- B-MEG Premium Layer
- B-MEG Premium Broiler
- B-MEG Expert Layer
- B-MEG Layer
- B-MEG Broiler
- B-MEG Ducks
- B-MEG Free Range Chicken Feeds
- B-MEG Integra
- B-MEG Powermaxx
- B-MEG Derby Ace
- B-MEG F-Series
- B-MEG Pigeon Pellets
- Pureblend Layer Feeds
- Pureblend Broiler Feeds
- Pureblend Duck Feeds

Aquatic Feeds

- B-MEG Prize Catch Super Premium Extruded Floating Feeds
- B-MEG Prize Catch Premium Extruded Floating Feeds
- B-MEG Prize Catch Premium Sinking Feeds
- B-MEG Aquaration Extruded Floating Feeds
- B-MEG Aquaration Extruded Sinking Feeds

Others

- Pureblend Quail Feeds
- B-MEG Horse Feeds

Concentrates

B-MEG Hog Concentrate
B-MEG Essential Pig Protein Concentrate
B-MEG Essential Goat Concentrate

Animal Health Care Veterinary Medicines**Anti-infective - Water Soluble Preparations**

Amoxil-V (Amoxicillin 20%)
Cephalexin 20%
Chlortetracycline 25%
Cotrimoxazole 48%
Doxa-V (Doxycycline 20%)
Dox-C-Lin Gold Premium
B-MEG Power Maxx Trimaxx

Supplement/Vitamins - Water Soluble Preparations

Elec-V (Electrolytes)
Multi-V (Multi-vitamins)
Multivitamins + Minerals + Amino Acids
Vitamin B-Complex (Broiler)
B-MEG Power Maxx Electromaxx
B-MEG Power Maxx Multimaxx

Anti-Inflammatory/Anti-pyretic - Water Soluble Preparation

Para-V

Dewormer/Anti-nematodal - Water Soluble Preparations

Bulatigok SD (Levamisole 2%)
Bulatigok (Levamisole 20%)

Injectables

Alamycin LA

Supplement/Vitamins - Injectables

Iron Vet
Norovit

Oral Preparations

B-MEG Power Maxx Trifast
B-MEG Power Maxx Worm-X
B-MEG Power Maxx Worm-X Maxx
B-MEG Power Maxx Multimax D5

Anti-infective - Liquid Preparations

Norfloxacin 20%

Supplement/Vitamins - Liquid Preparations

Vitamin ADE OS
Vitamin E 60%
Multi-V
Multi-V Plus (MV+AA OS)
PneumoCare (Essential Oils + Ethanol)
Vita-Levo

Anti-infective - Feed Premix

Tiamulin 10%

Supplement/Vitamins - Feed Premixes

B-MEG Essential Swine Vitamin
B-MEG Essential Swine Mineral
B-MEG Essential Poultry Vitamin

B-MEG Essential Poultry Mineral

Disinfectants

Protect Plus
Protect Plus Gold
Aqua Care
Calci Clear
Sanivir Smoke

Others

B-MEG Power Maxx Feather Shine Shampoo
Cyrokill
Long Last
Zyrox Fly Bait

Pet Care

Mainstream Dog Food

Nutri Chunks Hi-Protein Puppy Lamb
Nutri Chunks Optimum Adult Beef
Nutri Chunks Optimum Adult Lamb
Nutri Chunks Coatshine Adult Salmon
Nutri Chunks Maintenance Adult Beef
Nutri Chunks Maintenance Small Breed Lamb

Economy Dog Food

AlphaPro Regular Bites Adult Beef
AlphaPro Small Bites Adult Beef

Cat Food

Majesty Cat Food Salmon Flavor

Dog Treats

NutriChunks Milk Flavored Sticks
NutriChunks Beef Flavored Sticks

Pet Health/Wellness

NutriChunks Wormshot Dewormer
NutriChunks Multi-V Yum Supplement

San Miguel Mills, Inc.

Hard Wheat Flour

Emperor
King
Pacific
Monarch
Harina de Pan de Sal
Count

Soft Wheat Flour

Queen
Countess
Red Dragon
Nova
Vega
Alpha
Polaris

Specialty Flour

Baron All-Purpose Flour
Gallant All-Purpose Flour

Baron Siopao Flour
Princess Cake Flour
Golden Wheat Whole Wheat Flour (Fine and Coarse)

Customized Flour

Royal Premium Noodle Flour
Royal Special Noodle Flour
Prince Miki Flour
Prince Noodle Flour
Prince Wrapper Flour

Premixes

Bake Best Bibingka Mix
Bake Best Brownie Mix
Bake Best Butter Cake Mix
Bake Best Crinkle Mix
Bake Best Pan De Sal Mix
Bake Best Puto Mix
Bake Best Yeast Raised Doughnut Mix

Bakery Ingredients

Bake Best Baking Powder
Bake Best Bread Improver
Bake Best Gold Bread Improver
Bake Best Platinum Bread Improver
Emperor's Best Instant Yeast

Other Wheat Flours

Mabini
Humabon
Bonifacio
Other Customized Flours for Institutional Accounts

The Purefoods-Hormel Company, Inc.

REFRIGERATED MEATS

Hotdogs

Purefoods Tender Juicy Hotdog
Classic (Regular, Jumbo, Cocktail, Balls, Kingsize, Giant), Cheesedog (Regular, Jumbo), Cheeseballs, Cheesy Pizza, Cheesy Spaghetti, Chicken, Chicken & Cheese, Chili, Chili & Cheese, Classic Corndog, Cheesy Corndog, Spaghetti Sauce
Star Hotdog
Classic (Regular, Jumbo, Footlong), Cheesedog (Regular, Jumbo, Footlong), Chicken Tasty (Regular, Jumbo)
Purefoods Beefies Hotdog
Classic (Regular, Jumbo), Lots-A-Cheese (Regular, Jumbo)
Purefoods Deli Franks (German, Angus Beef, Cheese, Spicy Pepper Beef)
Purefoods Deli Sausages (Bockwurst, Schublig, Hungarian Cheese, Breakfast Sausage)
Higante Hotdog (Classic, Cheesedog, Chicken)
Vida Hotdog
Bongga Hotdog

Breaded, Battered and Fried

Purefoods Chicken Nuggets (Chicken Breast Nuggets, Crazy Cut Shapes, Letters & Numbers, Bacon & Cheese, Cheese Overload, Drumsticks, Chicken Popcorn, Spicy Chicken Nuggets)
Purefoods Fish Nuggets
Purefoods Shrimp Tempura
Purefoods Tail-On Shrimp
Purefoods Squid Rings

Purefoods Chicken Katsu
Purefoods Pork Katsu
Purefoods Chicken Karaage
Purefoods Crispy Fried Chicken (Classic, Soy Garlic, Garlic Parmesan)
Star Chicken Nuggets (Chicken, Chick'n Cheese)
Star Burger Bites

Bacon

Purefoods Bacon (Honeycured, Maple-flavored, Thick Cut Honeycured, Bacon Crumble, Beef Bacon)
Hormel Black Label Bacon
Vida Bacon

Patties

Purefoods Deli Patty (Angus Beef, Breakfast Sausage)

Whole Hams

Purefoods Fiesta Ham (Whole, Pre-Sliced, Bone-in, Chicken)
Purefoods Jamon de Bola (Pork, Chicken)
Purefoods Chinese Ham
Purefoods Brick Ham
Purefoods Pear-Shaped Ham (Pork, Chicken)
Jamon Royale

Sliced Hams

Purefoods Ham (Sweet, Cooked, Chicken)
Purefoods Fiesta Ham Slices
Star Sweet Ham
Vida Sweet Ham

Ready-to-Cook/Ready-to-Eat

Purefoods Chicken Teriyaki, Chicken Balls
Ready-to-Eat Viands (Kare Kare, Bistek Tagalog, Lechon Paksiw, Pork Binagoongan, Pork Humba, Beef Caldereta, Beef Pares, Bicol Express, Chicken Afritada, Callos, Korean Beef Stew, Dinuguan, Chicken Pastel, Chicken Curry, Pininyahang Manok, Chicken Caldereta, Beef Mechado)
Ready-to-Eat Classic Filipino Soups (Beef Bulalo, Beef Kansi, Chicken Binakol, Sinampalukang Manok)
Purefoods Sauces (Spaghetti Sauce)

Native Line

Purefoods Tocino (Classic, Sweet Chili, Chicken)
Purefoods Longanisa (Hamonado, Recado, Chicken, Cebu Chorizo)
Purefoods Tapa (Beef, Chicken, Sweet & Spicy Beef, Hot & Spicy Chicken)
Purefoods Adobo Flakes
Purefoods Embutido
Purefoods BBQ ala Liempo (Pinoy BBQ)
Purefoods Salt & Pepper Liempo
Purefoods Chicken Inasal
Purefoods Chicken Barbecue
Purefoods Sisig
Purefoods Chicharon Bulaklak
Purefoods Chicken (Gizzard, Neck, Feet)
Star Nutri-Meats Burger (Classic, Chicken)

Plant-Based

Veega Meat Free Line (Burger Patty, Sausage, Giniling, Nuggets, Balls)
Veega Meat Free RTE Line (Bulgogi, Spicy Soy Garlic Balls)
Veega Vegan Line (Adobo Flakes, Tapa, Tocino)

Foodservice/Specialty

Purefoods Foodservice Korean Corndog with Tender Juicy

Purefoods Foodservice Sausage (Patty, Italian Sausage)
Purefoods Foodservice Bacon (Sliced and Diced)
Purefoods Foodservice Beef Toppings
Purefoods Foodservice Pepperoni
Purefoods Foodservice Sauce (Marinara, Alfredo, Carbonara, Meaty Bolognese, and Bolognese Meat Free)
Purefoods Foodservice Angus Burger Patty 860g
Purefoods Foodservice Value Chicken Burger 400g
Purefoods Foodservice Chicken Chunks in Brine 500g

GROCERY PRODUCTS

Corned Meats

Purefoods Corned Beef (Classic, Hash, Chili, Hot & Spicy, with Chunks, Bulgogi, Mechado, Salpicao, Bistek, Gyudon, Caldereta, Shawarma)
Purefoods Corned Chicken (Classic, Hot & Spicy)
Chunkee Corned Beef
Star Corned Beef (Regular, Chunky Cheese)
Star Carne Norte
Bongga Carne Norte (Regular, Hot & Spicy)

Luncheon Meats

Purefoods Luncheon Meat Round Can (Classic, BBQ, Chili Pepper, Bacon, Cheese, Lite)
Purefoods Luncheon Meat Square Can (Classic, Lite, Chicken)
Purefoods Chinese Style Luncheon Meat
Purefoods Chicken Luncheon Meat
Star Beef Loaf
Star Meat Loaf
Star Nutri-Meats Ulam Loaf (Hot & Spicy, Embutido)
Bongga Beef Loaf
SPAM (Regular, Less Sodium, Lite, Tocino, Hot & Spicy, Bacon)

Sausages

Purefoods Vienna Sausage
Star Nutri-Meats Sausage

Canned Viands

Purefoods Sizzling Delights (Sisig, Chicken Sisig)
Ulam King (Caldereta, Menudo, Mechado)
Star Nutri-Meats Ulam (Adobo, Bicol Express, Bistek, Caldereta, Humba, Kare-Kare, Mechado, Pares, Curry, Afritada, and Hot & Spicy)
Star Nutri-Meats Giniling (Classic Guisado, Tomato Sauce, Gata, Oyster Sauce)

Canned Chicken

Purefoods Chicken (Broth, Afritada, Homestyle-Curry, Hot & Spicy)

Specialty Grocery Products

Purefoods Liver Spread
Purefoods Meaty Sauce (Home-style, Sweet-style)
Purefoods Chorizo Bilbao Style
Purefoods Chili Con Carne
Star Nutri-Meats Liver spread

Peanut Butter

SKIPPY (Creamy, Chunky, No Sugar No Salt Added)

Magnolia Inc.

BUTTER, MARGARINE, AND CHEESE

Butter and Margarine

Magnolia Gold Butter (Salted, Unsalted)
Magnolia Gold Spreadable
Magnolia Butter-licious! (Salted and Unsalted)
Whipped Butterblend (Food Service)
Butterblend (Food Service)

Refrigerated Margarine

Dari Creme (Classic, Buttermilk)
Dari Creme Spreadable
Buttercup
Baker's Best

Non-Refrigerated Margarine

Star Margarine (Classic, Sweet Blend, Garlic, Chocolate)
Delicious Margarine
Delicious All Purpose Fat Spread
Magnolia Non-Refrigerated Margarine (Food Service)
Primex Shortening (Food Service)
NRM Buttermilk (Food Service)
Delicious Baking Fat Spread (Food Service)

Cheese

Magnolia Cheezee Block (Regular, Milky White)
Magnolia Cheezee Spread (Plain, Pimiento, Milky White)
Magnolia Cheezee Squeeze (Cheddar, Pimiento)
Daily Quezo
Magnolia Quickmelt
Magnolia Cheddar
Magnolia Cream Cheese (Block, Spread)
Magnolia Cheeseballs (Queso de Bola, Gold Edam) - Seasonal
Magnolia Food Service Cheese (Cheese Sauce, Filled Cheese, Cheese food, Hi-Colored Cheese, Sharp Flavored Melting Cheese)

MILK

Magnolia Chocolait
Magnolia Fresh Milk
Magnolia Low Fat Milk
Magnolia Full Cream Milk
Magnolia Non Fat Milk
San Miguel Gold Label Chocolait (for export)

ALL-PURPOSE CREAM

Magnolia All-Purpose Cream

SALAD AIDS

Magnolia Real Mayonnaise
Magnolia Sandwich Spread
Magnolia Mayoriffic
Magnolia Creamy Chicken Spread
Daily Mayo

FLOUR MIXES

Magnolia Pancake
Magnolia All Purpose Flour
Magnolia Cake Mixes
Magnolia Golden Crunch (Original, Sweet & Spicy)

ICE CREAM**Bulk Ice Cream**

Magnolia Classic (Kesong Puti, Avocado, Vanilla, Chocolate, Ube)

Magnolia Gold Label (Vanilla, Chocolate, Ube, Mango, Avocado, S'mores, Double Dutch, Cookies and Cream, Rocky Road, Wintermelon Milk Tea, Quadruple Chocolate, Choco Peanut Butter, Taro White Cheese, Tablea Yema, Avocado Macchiato, Ube Keso, Kesong Puti, Mango Dark Chocolate, Latte Choco Brownie)
 Magnolia Food Service (Tablea Yema, Taro White Cheese, Kesong Puti, Macapuno, Buko Pandan, Dark Chocolate, Ube Keso, Wintermelon milk tea)

San Miguel Gold Label (For Export)

SMGL Mellorine (Ube, Ube Keso, Creamy Halo-Halo, Mango, Avocado Macchiato, Macapuno, Ube Swirl, Avocado, Keso, Kesong Puti, Taro White Cheese, Macapuno, Tsokolate, Kape't Tsokolate, Tablea Yema, Langka, Langka't Kasuy, Buko, Buko Pandan)
 SMGL Frozen Dessert (Ube, Macapuno Ube Swirl, Creamy Halo-Halo, Mango, Avocado, Buko Pandan, Durian, Ube Keso)
 SMGL Ice Confectionery (Ube, Ube Keso, Macapuno Ube Swirl, Creamy Halo-Halo, Avocado, Buko Pandan, Durian, Mango)
 Magnolia Gold Label (Vanilla, Chocolate, Mango, Cookies & Cream, Double Dutch, Rocky Road, Avocado Macchiato, Ube, Ube Keso, Macapuno Ube Swirl, Creamy Halo-Halo, S'mores, Tablea Yema, Taro White Cheese, Quadruple Chocolate, Avocado, Kesong Puti, Mango Dark Chocolate, Latte Choco Brownie)

San Miguel Super Coffeemix Co., Inc.

Coffee

San Mig Super Coffee Regular 3-in-1 Coffee – Original
 San Mig Super Coffee Sugar Free 3-in-1 Coffee (Mild, Original, Strong, and White)
 San Mig Super Coffee 3-in-1 Barako
 San Mig Super Coffee 3-in-1 Crema White Coffee
 L'OR Essenso Micro Ground Coffee (3-in-1, 2-in-1, 2-in-1 Colombian Mystique, 3-in-1 Brazilian Elegance)
 Moccona Instant Pure (Espresso, Roasted Hazelnut, Classic Medium Roast, Classic Dark Roast, Indulgence)
 Moccona Cafe Style Coffee Mix (Latte, and Cappuccino)
 L'OR Espresso Capsules (Lungo Profondo, Ristretto, Supremo, Origins Colombia Andes, Origins Papua New Guinea)
 OldTown White Coffee (Classic 3-in-1, Hazelnut, Less Sugar, Salted Caramel)

San Miguel Pure Foods (VN) Co., Ltd.

Sausage

Le Gourmet German Sausage
 Le Gourmet Deli Sausage
 Le Gourmet Deli Sumo Sausage
 Le Gourmet Beer Garden Sausage
 Le Gourmet Viet My Sausage
 Le Gourmet My Sausage
 Le Gourmet Hao Vi Sausage
 Le Gourmet Cocktail Sausage
 Le Gourmet Chinese Sausage
 Le Gourmet Black Pepper Sausage
 Le Gourmet Smoked Sausage
 Le Gourmet BBQ Sausage
 Le Gourmet Italian Sausage
 Le Gourmet Hotdog
 Le Gourmet Hotdog Corndog
 Purefoods Tender Juicy Hotdog
 Le Gourmet Vealson Sausage

Bacon

Le Gourmet Smoked Bacon
 Le Gourmet Lean Smoked Bacon

Ham

Le Gourmet Ham

Traditional

Le Gourmet Cha Lua

Le Gourmet Cha Bo

Le Gourmet Gio Thu

Le Gourmet Beef Ball

Paste

Le Gourmet Pate

Ready-to-Cook/ Ready-to-Eat

Le Gourmet Spaghetti with Pasta

Foodservice/ Specialty

Le Gourmet Beef Toppings

Le Gourmet Pepperoni

Le Gourmet Meatballs

2024 LIST OF PETRON PRODUCTS

PETRON PHILIPPINES

FUELS

Automotive Fuels

Petron Blaze 100
Petron XCS
Petron Xtra Advance
Petron Turbo Diesel
Petron Diesel Max

Industrial Fuels

Petron Fuel Oil

Aviation Fuels

Aviation Gasoline
Jet A-1

Household Fuels

Gasul
Fiesta
Gaas

AUTOMOTIVE LUBRICATING OILS

Diesel Engine Oils

Rev-X Turbo HTP
Rev-X Fully Synthetic
Rev-X Synthetic Blend
Rev-X Premium Multi-grade
Rev-X Multi-grade
Rev-X HD4X
Rev-X HD
Rev-X Hauler
Petron XD3
Petron Railroad Extra

Gasoline Engine Oils

Blaze Racing HTP
Blaze Racing Fully Synthetic
Blaze Racing Synthetic Blend
Blaze Racing Premium Multi-grade
Blaze Racing Multi-grade
Petron MO

Motorcycle Oils

Petron Sprint 4T Fully Synthetic HTP

Petron Sprint 4T Fully Synthetic
Petron Sprint 4T Premium Multi-grade
Petron Sprint 4T Synthetic Blend
Petron Sprint 4T Multi-grade
Petron Sprint 4T Mono-grade
Petron Sprint 4T Scooter Oil Fully Synthetic
Petron Sprint 4T Scooter Oil Synthetic Blend
Petron Sprint 4T Scooter Oil Premium Multi-grade
2T Powerburn
2T Premium
2T Autolube

Automotive Gear Oils

Petron GHTP Gear Oil
Petron GX
Petron GEP
Petron GST
Petron Scooter Gear Oil

Automotive Transmission Fluids

Petron CVT Fluid
Petron ATF Premium HTP
Petron ATF Premium
Petron TF 38
Petron TDH 50

Other Automotive Oils

STM

INDUSTRIAL LUBRICATING OILS

Turbine, Hydraulic and Circulating Oils

Hydrotur AW 22 / 32 / 46 / 68 / 100
Hydrotur AWX 32 / 46 / 68 / 100
Hydrotur AW GT 32
Hydrotur EP 32 / 46 / 68 / 100
Hydrotur N 100
Hydrotur R 32 / 46 / 68 / 100 / 150 / 185 /
220 / 320
Hydrotur SX 68
Hydrotur T 32 / 46 / 68
Hydrotur TEP 68 / 77

Food Grade Hydraulic Oil

Hydrotur FG H1 - 68

Industrial Gear Oils

Hydrotur SX 220

Hypex EP 68 / 100 / 150 / 220 / 320 / 460 / 570
/ 680 / 1000 / 4000 / 25k (Oil-Based)
Hypex EP 2K / 4K (Asphalt-Based)
Milrol 5K
Gearfluid 2K / 5K / 8K
Gearkote 3K / 22K / 68K
Petrocyl S 390 / 700
Petrocyl 680

Food Grade Gear Oils

Hypex FG H1 150 / 220 / 320

Industrial Transmission Oils

Petron Hi-Torq TX 10W / 30 / 40 / 50
Petron Universal Tractor Fluid

Cutting Oils

Turnol 40
Petrokut 10 / 27

Refrigeration Oils

Zerflo 68
Zerflo P68
Zerflo SX

Transformer Oil

Voltran 60

Slideway Oil

Hydrotur SW 68
Hydrotur SW 220

Other Industrial Lubricating Oils

Airlube 100 / 150 / 320
Petrosine 68
Petron Mould Lube

MARINE LUBRICATING OILS

Crosshead Engine Cylinder Oils

Petromar DCL 7050
Petromar DCL 4000 Series

Trunk Piston Engine Oils

Petromar HF 1040 / 1540
Petromar HF 2040
Petromar HF 3000 series
Petromar HF 4000 series
Petromar HF 5040 / 5540
Petron MS 9250 / 9370

Crosshead Engine System Oil

Petromar 65

Marine Outboard Two-Stroke Oil

Petron Regatta

GREASES

Multi-purpose Greases

Petron Grease MP 2 / 3
Molygrease Premium
Petrogrease Premium

Water Resistant Grease

Petrogrease XX

Extreme Pressure Greases

Petrogrease EP 00 / 0 / 1 / 2
Molygrease EP 2
Molygrease EP 2P
Petrogrease EP 375
Petron Moly LX EP 2
Petron OGX Grease HV 0/00

High Temperature Greases

Petrogrease HT

Complex Greases

Petron Grease HTP Lithium Complex
Petron Premium Lithium Complex

Food Grade Grease

Petrogrease EP FG H1 - 2

ASPHALTS

Penetration Asphalt

Petropen
Cutback Asphalt
Petropen CB

Emulsified Asphalt

Petromul SS-1
Petromul CSS -1

Blown Asphalts

Asphaltseal
Asphalt Joint Sealer

Polymer Modified Bitumen

Petron Polymer Modified Bitumen

SPECIAL PRODUCTS

Process Oils

Stemol 68
Petrosine 68
Process Oil series

Heat Transfer Oil

Petrotherm 32

Cleaning Agent

Greaseaway
Greasolve

Protective Coatings

Petrokote 392
Marinekote
Autokote
Cablekote 70

AFTERMARKET SPECIALTIES

PetroMate Oil Saver
PetroMate Diesel Power Booster
PetroMate Engine Flush
PetroMate Super Coolant (Green / Pink)
PetroMate Penetrating Oil
PetroMate Greaseaway
PetroMate Brake and Clutch Fluid DOT 3
Petron Brake Fluid HTP DOT 4

PERFORMANCE ADDITIVES & CHEMICALS

pCHEM DEF (Diesel Exhaust Fluid)
pCHEM 3500
pCHEM 3500F
pCHEM 140M
pCHEM 3500MF
pCHEM 500FS
pCHEM 1000
pCHEM 100X
pCHEM 3500M
pCHEM 3000DP
pCHEM 6000DP
pCHEM BT25

PRODUCTS AND SERVICES

GLASS

Applied Color Label (ACL) decorated bottles
Stock Glass Bottles
Custom Glass Bottles
Mold Design and Manufacturing

PLASTICS

Crates
Pallets
Plastic Top Frames
Pigpen Flooring (TUFFMat)
Chicken Flooring (E-MAT)
Food Trays
One-Way Containers
(Industrial Pails, Jerry Cans, Tubs and Lids)
Plastic Closures

METAL

2-Piece Aluminum Cans (Body, Ends, Retortable Aluminum Cans, Thermochromic and Glow-in-the-Dark Cans)
Crowns
Lug Caps
EDDPP (Extra Deep Drawn Pilfer Proof) Caps
Continuous Thread Caps

PAPER

Single Face Web Boards
Single and Double Wall Boards
Corrugated Cartons in various styles
(RSC, HSC, CSSC, Interior Forms, MRS, Trays, and Wrap-Around)
Slipsheets
Separator Sheets
Coslock (Carton Divider)
Carrier Bags

FLEXIBLES

Sachets
Stand Up Pouches (SUPs)
E-Cut®
Generic Ziplock SUPs
PVC Shrink Labels
Retortable Pouches
Vacuum Metalized Laminates
ProWrap (Stretch Film)
Shrink Film
Curviché

POLYETHYLENE TEREPHTHALATE (PET)

PET Preforms
PET Bottles

OTHER PACKAGING PRODUCTS

Radiant Barrier (Enviro-tuff)
Enviro-tuff Liner Patented™
Anti-Corrosion Coating Weathering Membrane
ECO-bag
Medical Protector or PRIMERA
(Caps, Gowns, Masks, Surgical Gowns, etc.)
Woven Products
Sacks (Woven or Paper)
Tonner Bags
Plastic Films
(CPP, BOPP, Metallized Films and Special Films)

SERVICES

Crate and Pallet Leasing
Packaging Research and Development
Logistics Services
Beverage Filling & Bottling
RTD Beverage Formulation
Trading

San Miguel Properties, Inc. and Subsidiaries
List of Projects
as of December 31, 2024

A. RESIDENTIAL PROJECTS

NAME	LOCATION
Dover Hill (<i>Bright Ventures Realty, Inc.</i>)	Mabini Street corner Ortega and Pilar Streets, Barangay Addition Hills, San Juan
One Dover View (<i>Carnell Realty, Inc.</i>)	621 Lee Street, Barangay Addition Hills, Mandaluyong
Two Dover View (<i>SMPI</i>)	620 Lee Street, Barangay Addition Hills, Mandaluyong
Emerald 88 (<i>SMPI</i>)	598 Dr. Sixto Antonio Avenue, Barangay Maybunga, Pasig
Bel Aldea (<i>SMPI</i>)	Brgy. De Fuego Street, General Trias, Cavite
Maravilla (<i>SMPI</i>)	Brgy. San Francisco, General Trias, Cavite
Asian Leaf (<i>SMPI</i>)	Brgy. San Francisco, General Trias, Cavite
Wedgewoods (<i>Excel Unified Land Resources, Inc.</i>)	Brgy. Inchican, Silang, Cavite

B. HOSPITALITY PROJECTS

NAME	LOCATION
Makati Diamond Residences (<i>SMPI Makati Flagship Realty Corporation</i>)	118 Legazpi St., Legazpi Village, Makati

C. INDUSTRIAL PROJECTS

NAME	LOCATION
Mariveles Economic Zone (<i>E-Fare Investment Holdings, Inc.</i>)	Mariveles, Bataan

D. SMPI-OWNED BUILDINGS / LAND / WAREHOUSE

NAME	LOCATION
Building and Land Lease of San Miguel Corporation Head Office Complex (<i>SMPI</i>)	No. 40 San Miguel Avenue, Ortigas, Mandaluyong City
Building Lease of Six (6) Units in San Miguel Properties Centre (<i>SMPI</i>)	No. 7 Saint Francis Street, Ortigas, Mandaluyong City
Building Lease of 808 Building (<i>SMPI</i>)	Meralco Avenue corner Gen. Lim Street, Barangay San Antonio, Pasig City
Warehouse Lease of Rengo Warehouse and Land Lease of Sucat Property (<i>SMPI</i>)	Dr. A. Santos Avenue (Sucat Road), Parañaque
Land Lease of Antipolo City Property (<i>SMPI</i>)	Crestview Circle, Crestview Heights Subd., Brgy. San Roque, Antipolo City
Land Lease of General Trias, Cavite Property (<i>SMPI</i>)	Arnaldo Highway, Brgy. San Francisco, Sitio De Fuego, Gen. Trias, Cavite
Land Lease of Bunawan, Davao City Property (<i>SMPI</i>)	Along Davao-Agusan National Highway, Brgy. Bunawan, Davao City
Land Lease of Darong, Davao City Property (<i>SMPI</i>)	Brgy. Darong, Municipality of Sta. Cruz, Davao del Sur

Land Lease of San Jose Patag, Sta. Maria, Bulacan Property (<i>SMPI</i>)	San Jose Patag, Sta. Maria, Bulacan
Land Lease of Mariveles, Bataan properties (<i>E-Fare Investment Holdings, Inc.</i>)	Mariveles Economic Zone, Brgy. Biaan, Mariveles, Bataan
Land Lease of Cabuyao, Laguna Property (<i>Integrated Geosolutions, Inc.</i>)	Brgy. Diezmo, Cabuyao, Laguna
Land Lease of Parking Space for El Magnifico Building (<i>Kingsborough Realty, Inc.</i>)	No. 37 Gen. Delgado St., San Antonio Village, Brgy. San Antonio, Pasig City
Building Lease of Delgado Building (<i>La Verduras Realty Corp.</i>)	No. 38 Gen. Delgado St., San Antonio Village, Brgy. San Antonio, Pasig City

E. TOURISM DEVELOPMENT PROJECTS

NAME	LOCATION
(Planned) Bugsuk Eco-Luxury Leisure and Tourism Project (<i>Bricktree Properties, Inc.</i>)	Balabac, Palawan

SAN MIGUEL CORPORATION
2024 LIST OF CEMENT PRODUCTS

EAGLE CEMENT CORPORATION GROUP

A. CEMENT

Type 1T

Advance Portland Blended Cement Type 1T (in 40-kg bag)

Type I

Strongcem Portland Cement Type 1 (in tonner bag and in bulk)

B. MINERALS

Limestone

Shale

Pozzolan

NORTHERN CEMENT CORPORATION

A. CEMENT

Type 1T

Maxplus Blended Cement Type 1T (in 40-kg bag)

Maxpro Blended Cement Type 1T (in tonner bag and in bulk)

Type 1

Supreme Portland Cement Type 1 (in 40-kg bag, in tonner bag and in bulk)

SOUTHERN CONCRETE INDUSTRIES CORP

A. CEMENT

Type 1T

SMC Davao Cement (in 40-kg bag/ in Sling bag/ in Tonner bag/ in Bulk)

SMC Pacific Cement (in 40-kg bag/ in Sling bag)

Type 1P – starting 3Q 2024; replacing Type 1T

SMC Davao Cement (in 40-kg bag/ in Sling bag/ in Tonner bag/ in Bulk)

SMC Pacific Cement (in 40-kg bag/ in Sling bag)

Type 1

Southern Cement (in 40-kg bag/ in Sling bag/ in Tonner bag/ in Bulk)

ANNEX “F”

**SAN MIGUEL CORPORATION
LIST OF COLLECTIVE BARGAINING AGREEMENTS**

COLLECTIVE BARGAINING AGREEMENTS
As of Dec. 31, 2024

BANK OF COMMERCE

Installation, Bargaining Agent & Affiliation	Number of Members	Number of CBAs	EXPIRATION	
			Economic	Representation
Bank of Commerce Employees' Union	793	1	June 30, 2025	June 30, 2025

GINEBRA SAN MIGUEL INC.

Installation, Bargaining Agent & Affiliation	Number of Members	Number of CBAs	EXPIRATION	
			Economic	Representation
GSMI - Mandaue Plant (Dailies) Ginebra San Miguel Inc. - Employees Union FREEWAS (GSMI-EU-FREEWAS Chapter) - Mandaue Plant	32	1	December 31, 2024 <i>(with scheduled CBA negotiation on Feb 2025)</i>	December 31, 2023 <i>(awaiting proof of SEBA)</i>
GSMI - Cabuyao Plant (Dailies) United Independent Union of GSMI-Cabuyao Plant	114	1	December 31, 2026	December 31, 2027
GSMI - Sta Barbara Plant (Dailies) Daily Paid Workers Independent Union	92	1	December 31, 2025	December 31, 2026
GSMI - Sta Barbara Plant (Monthlies) La Tondeña Distillers Independent Workers Union (LATODIWU)	20	1	December 31, 2025	March 31, 2022 <i>(awaiting proof of SEBA)</i>
Distilleria Bago Inc. (Monthlies) Congress of Independent Organization - Distilleria Bago Employees Union (CIO - DBEU)	93	1	December 31, 2025	December 31, 2026
Total	351	5		

PETRON CORPORATION

Installation, Bargaining Agent & Affiliation	Number of Members	Number of CBAs	Expiration	
			Economic	Representation
Petron Corporation (Head Office Complex, Depots) - Petron Employees Association (PEA - NATU)	178	1	December 31, 2025	December 31, 2027
Petron Corporation (Pandacan, Navotas and Batangas) - Petron Employees Labor Union (PELU)	40	1	December 31, 2024 (awaiting start of CBA negotiation)	December 31, 2026
Petron Corporation (Bataan) - Bataan Refiners Union of the Philippines (BRUP - PTGWO)	359	1	December 31, 2024 (awaiting start of CBA negotiation)	December 31, 2024 (awaiting proof of SEBA)
Total	577	3		

SAN MIGUEL BREWERY INC.

Installation, Bargaining Agent & Affiliation	Number of Members	Number of CBAs	Expiration	
			Economic	Representation
Concerned Workers of SMC – Polo Brewery (<i>Polo Brewery Dailies Union</i>)	227	1	June 30, 2025	July 27, 2026
SMBI Employees Union (SMBIEU) – PTGWO (<i>Polo Brewery Monthlies Union</i>)	91	1	June 30, 2025	June 30, 2024 (awaiting proof of SEBA)
San Fernando Brewery Employees Union (SFBEU) – (<i>San Fernando Dailies Union</i>)	306	1	Feb. 15, 2026	Feb. 15, 2025
San Miguel Brewery Inc. Employees Union (SMBIEU-SFB) - (<i>San Fernando Brewery Monthlies Union</i>)	99	1	Dec. 31, 2025	Dec. 31, 2024 (awaiting proof of SEBA)
San Miguel Brewing Group - Bacolod Brewery Employees Union (SMBG-BBEU) - (<i>Bacolod Brewery Dailies Union</i>)	110	1	July 31, 2025	Apr. 27, 2024 (awaiting proof of SEBA)
Philippine Agricultural, Commercial and Industrial Workers Union-Trade Union Congress of the Philippines (PACIWU-TUCP) - (<i>Bacolod Brewery Monthlies Union</i>)	41	1	Oct. 31, 2025	Oct. 31, 2023 (awaiting proof of SEBA)
Kahugpongangan Sa Ligdong Mamumu-O (KLM) - (<i>Mandaue Brewery Dailies Union</i>)	194	1	Dec. 31, 2026	Dec. 31, 2025
San Miguel Davao Brewery Employees Independent Union - (<i>Davao Brewery Dailies Union</i>)	126	1	Nov. 30, 2027	Nov. 30, 2027
Independent Workers Union of San Miguel Brewery Santa Rosa Plant (IWUSMBSRP) - (<i>Santa Rosa Brewery Dailies Union</i>)	143	1	Dec. 31, 2026	Oct. 31, 2028
Total	1337	9		

SAN MIGUEL FOOD GROUP

Installation, Bargaining Agent & Affiliation	Number of Members	Number of CBAs	Expiration	
			Economic	Representation
Magnolia Inc. (Dailies) Progressive Workers' Union - IBM Local 47 KMU (PWU- IBM KMU)	69	1	February 28, 2026	February 28, 2025
San Miguel Foods Inc. (GMA Monthlies)- SMFI Employees Union (SMFIEU) - PTGWO	104	1	December 31, 2025	October 22, 2026
San Miguel Foods Inc. - South Luzon SMFI Poultry (Monthlies) - Magnolia Poultry Employees Union - PTGWO	20	1	December 31, 2025	June 30, 2026
San Miguel Mills, Inc. - Mabini Batangas Flour Mill Employees Union (Monthlies) - Purefoods Flour Mill Employees Union - (PFMEU)	38	1	December 31, 2025	July 31, 2027
Total	231	4		

SMC INFRASTRUCTURE

Installation, Bargaining Agent & Affiliation	Number of Members	Number of CBAs	Expiration	
			Economic	Representation
Manila North Harbor Port Inc. (Dailies & Monthlies)- Waterfront Workers Union - North Harbor Inc. (WWU-NH)	648	1	January 31, 2026	January 31, 2028
Manila North Harbor Port Inc. (Monthlies) - Northport Operators' Independent Union	264	1	April 30, 2027	April 30, 2029
Star Tollway Corporation (Monthlies) - Star Tollway Corporation Toll Teller Employees Association (STCTTEA)	167	1	July 31, 2024 (<i>ongoing CBA negotiations</i>)	July 31, 2026
Star Tollway Corporation (Monthlies) - Star Tollway Corporation Supervisory Employees Association - Workers Solidarity Network (STCSEA-WSN)	30	1	April 30, 2025	April 30, 2027
Manila Toll Expressway Systems Inc. (Monthlies) - Malayang Samahan ng Toll Tellers sa MATES - Workers Solidarity Network (MSTM-WSN) or Samahang Lakas ng mga Toll Collectors sa MATES/ SLEX-UFSW	399	1	December 31, 2026	December 31, 2028
Manila Toll Expressway Systems Inc. (Monthlies) - Obrero Pilipino - SLEX Manila Toll Expressway Systems (Traffic Department) Chapter	100	0	Awaiting start of 1st CBA negotiation	March 23, 2027
Total	1608	5		

SAN MIGUEL YAMAMURA PACKAGING CORPORATION

Installation, Bargaining Agent & Affiliation	Number of Members	Number of CBAs	EXPIRATION	
			ECONOMIC	REPRESENTATION
SMC Yamamura Fuso Molds Corporation (Monthlies) - <i>SMC Yamamura Fuso Molds Monthlies Union - PTGWO</i> <i>PTGWO Local Chapter 842</i>	65	1	Dec. 31, 2024 (<i>on-going CBA Negotiation</i>)	Dec. 31, 2028
San Miguel Yamamura Packaging Corporation - Manila Plastics Plant (Ex-Parent) (Monthlies) <i>San Miguel Packaging Specialists, Inc Employees Union - Manila Plastics Plant - PTGWO Local 888</i>	52	1	June 30, 2025	June 30, 2027
San Miguel Yamamura Packaging Corporation - Manila Glass Plant (Ex-Parent) (Monthlies) <i>San Miguel Yamamura Packaging Corp. Employees Union - Manila Glass Plant - Association of Genuine Labor Organization (SMYPCEU-MGP-AGLO)</i>	123	1	June 30, 2025	June 30, 2028
San Miguel Yamamura Packaging Corporation - Metal Closure & Lithography Plant - (Ex-Parent) (Monthlies) <i>San Miguel Packaging Specialists, Inc Employees Union - Metal Closure & Lithography Plant - PTGWO Local 890</i>	12	1	June 30, 2025	June 30, 2027
Mindanao Corrugated Fireboard, Inc. (Monthlies) <i>Mincorr Independent Workers Union - Alliance of Progressive Labor - Sentro ng mga Nagkakaisa at Progresibong Manggagawa (MIWU-APL-SENTRO)</i>	41	1	Dec. 31, 2025	Dec. 31, 2027
Can Asia, Inc. - (Monthlies) <i>San Miguel Yamamura Packaging Corporation - Can Asia, Inc. (Independent Union)</i>	82	1	Dec. 31, 2025	Dec. 31, 2024 (<i>awaiting proof of SEBA</i>)
San Miguel Yamamura Packaging Corporation - SMY Glass Plant (Monthlies) <i>Union Buo Organisadong Samahan ng Empleyado sa SMYAC - Independent (BOSES-SMYAC)</i>	378	1	Dec. 31, 2025	April 01, 2028
San Miguel Yamamura Packaging Corporation - Rightpak Plant (Monthlies) - Independent Rightpak Employees Union	122	1	May 31, 2026	May 31, 2028
San Miguel Yamamura Packaging Corporation - Mandaue Packaging Plants (Glass, MCLP, Power) (Dailies) <i>Kahugpong Sa Ligdong Mamumuo - SMPSI Mandaue (KLM-SMPSI Mandaue)</i>	36	1	Dec. 31, 2026	Dec. 31, 2025
San Miguel Yamamura Packaging Corporation - Logistics Services (Dailies) <i>San Miguel Yamamura Logistics Services Worker's Union (Independent)</i>	228	1	June 30, 2026	June 30, 2028
Total	1,139	10		

ANNEX “G”

SAN MIGUEL CORPORATION
LIST OF TOP 20 STOCKHOLDERS
AS OF DECEMBER 31, 2024

[illegible]

ANNEX “H”

SAN MIGUEL CORPORATION
LIST OF SEC FORM 17-C FILINGS

SAN MIGUEL CORPORATION 17-C - 2024

Date Reported	Subject
Jan. 9	Disclosure of the Company with respect to the news clarification entitled "CA affirms decision voiding ERC ruling on rate hike plea" posted in BusinessMirror (Online Edition) on January 9, 2024.
Jan. 17	Further to the disclosure to the Exchange made by San Miguel Corporation (the "Company"), dated January 9, 2024, we advise that the Company received from South Premiere Power Corp. ("SPPC") and San Miguel Energy Corporation ("SMEC"), corporate affiliates, a copy of the Resolution of the 13th Division of the Court of Appeals (the "Court"), dated December 28, 2023, provided by the external counsel of SPPC and SMEC - Poblador, Bautista, Reyes Law Offices, which affirmed the June 27, 2023 decision of the Court. The last two paragraphs of the Resolution are quoted below, as follows: "x x x A scrutiny of the Motions for Reconsideration reveals that the grounds relied upon by Respondent-Intervenor NASECOR and Public Respondent ERC were already thoroughly considered and passed upon in the Decision being sought to be reconsidered, and that contrary to the claims of Public Respondent, the Court has clearly provided its basis in making its rulings. Thus, the Court finds no merit in the arguments set forth in their respective motions for reconsideration. Accordingly, there is no cogent reason to reverse the Court's Decision dated June 27, 2023. WHEREFORE, premises considered, the Motions for Reconsideration filed by Respondent-Intervenor National Association of Electricity Consumers for Reforms, and Public Respondent Energy Regulatory Commission are DENIED. Accordingly, Our Decision dated June 27, 2023 STANDS." SO ORDERED."
Jan. 18	Disclosure by the Company of the Resolution by the 13th Division of the Court of Appeals on the motion for reconsideration of its June 27, 2023 Decision. Further to the disclosure to the Exchange made by San Miguel Corporation (the "Company"), dated January 9, 2024, we advise that the Company received on January 17, 2024, from South Premiere Power Corp. ("SPPC") and San Miguel Energy Corporation ("SMEC"), corporate affiliates, a copy of the Resolution of the 13th Division of the Court of Appeals (the "Court"), dated December 28, 2023, provided by the external counsel of SPPC and SMEC - Poblador, Bautista, Reyes Law Offices, which affirmed the June 27, 2023 decision of the Court. The last two paragraphs of the Resolution are quoted below, as follows: "x x x A scrutiny of the Motions for Reconsideration reveals that the grounds relied upon by Respondent-Intervenor NASECOR and Public Respondent ERC were already thoroughly considered and passed upon in the Decision being sought to be reconsidered, and that contrary to the claims of Public Respondent, the Court has clearly provided its basis in making its rulings. Thus, the Court finds no merit in the arguments set forth in their

	respective motions for reconsideration. Accordingly, there is no cogent reason to reverse the Court's Decision dated June 27, 2023. WHEREFORE, premises considered, the Motions for Reconsideration filed by Respondent-Intervenor National Association of Electricity Consumers for Reforms, and Public Respondent Energy Regulatory Commission are DENIED. Accordingly, Our Decision dated June 27, 2023 STANDS."																		
Jan. 18	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, January 18, 2024, the Board of Directors of the Corporation declared cash dividends to be paid out of the unrestricted retained earnings of the Corporation as of December 31, 2023, distributable as dividends to all stockholders of record as of March 21, 2024 on the following shares of the Corporation to be paid on April 4, 2024, as follows: <table border="1"> <thead> <tr> <th><u>Class of Shares</u></th><th><u>Dividend Amount per Share</u></th></tr> </thead> <tbody> <tr> <td>Series "2" Preferred Shares - Subseries "F"</td><td>₱1.27635</td></tr> <tr> <td>Series "2" Preferred Shares - Subseries "I"</td><td>₱1.18790625</td></tr> <tr> <td>Series "2" Preferred Shares - Subseries "J"</td><td>₱0.890625</td></tr> <tr> <td>Series "2" Preferred Shares - Subseries "K"</td><td>₱0.84375</td></tr> <tr> <td>Series "2" Preferred Shares – Subseries "L"</td><td>₱1.48396875</td></tr> <tr> <td>Series "2" Preferred Shares - Subseries "M"</td><td>₱1.5703125</td></tr> <tr> <td>Series "2" Preferred Shares - Subseries "N"</td><td>₱1.5649875</td></tr> <tr> <td>Series "2" Preferred Shares - Subseries "O"</td><td>₱1.611300</td></tr> </tbody> </table> The books of the Corporation will be closed from March 22, 2024 to April 1, 2024	<u>Class of Shares</u>	<u>Dividend Amount per Share</u>	Series "2" Preferred Shares - Subseries "F"	₱1.27635	Series "2" Preferred Shares - Subseries "I"	₱1.18790625	Series "2" Preferred Shares - Subseries "J"	₱0.890625	Series "2" Preferred Shares - Subseries "K"	₱0.84375	Series "2" Preferred Shares – Subseries "L"	₱1.48396875	Series "2" Preferred Shares - Subseries "M"	₱1.5703125	Series "2" Preferred Shares - Subseries "N"	₱1.5649875	Series "2" Preferred Shares - Subseries "O"	₱1.611300
<u>Class of Shares</u>	<u>Dividend Amount per Share</u>																		
Series "2" Preferred Shares - Subseries "F"	₱1.27635																		
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Series "2" Preferred Shares - Subseries "N"	₱1.5649875																		
Series "2" Preferred Shares - Subseries "O"	₱1.611300																		
Jan. 19	Disclosure of the Company with respect to the news articles posted in various online sites on January 19, 2024. In the attached news article entitled "Giant tandem eyes MRT-3 takeover" posted in Daily Tribune (Online Edition).																		
Jan 25	Disclosure of the Company with respect to the news article under Biz Buzz column entitled "BIZ BUZZ: Now showing: New 'airportserye'" posted in Inquirer.net on January 25, 2024.																		
Feb. 6	Disclosure of the Company with respect to the news article entitled "SMC to pursue P300-b toll road projects—TRB" posted in manilastandard.net on February 5, 2024.																		
Feb. 16	Disclosure of the Company with respect to the news article entitled "First Bulacan, now NAIA: San Miguel-led group will operate Philippines' main airport" posted in rappler.com on February 16, 2024.																		
Feb. 19	Disclosure of the Company with respect to the news article entitled "San Miguel consortium wins bid to rehabilitate NAIA" posted in abs-cbn.com on February 16, 2024.																		
Feb. 22	Disclosure of the Company with respect to the news article under Opinion column entitled "The deal of the century" posted in philSTAR.com on February 22, 2024.																		
Feb. 27	Disclosure of the Company with respect to the news articles posted in various online sites on February 27, 2024 entitled "MPIC: Public listing for toll road firm with SMC possible this year" posted in BusinessWorld (Online Edition).																		

March 1	We advise that as of March 1, 2024, all of the Php7,294,330,000.00 Series B Fixed Rate Peso Denominated Bonds (the “Bonds”) issued by San Miguel Corporation (the "Corporation") due on 2024 have fully matured. The principal investment amounts due on the Bonds will be paid to the respective holders thereof in accordance with the relevant terms and conditions contained in the public offering subject of previous disclosures of the Corporation																												
March 1	A. The following are the disbursements of the Company from the net proceeds of the offering of Series “2-L”, Series “2-N” and Series “2-O” Preferred Shares (the “Offering”). <table><tr><th>Date of Disbursement</th><th>Use of Proceeds</th><th>Details</th><th>Amount in Php</th></tr><tr><td>01 March 2024</td><td>Repayment of Series “B” Bonds</td><td>Final repayment by the Company of its Series “B” Fixed-Rate Bonds with a total outstanding amount of Php7,294,330,000.00 with an annual interest rate of 5.284%</td><td>Php7,294,330,000.00</td></tr><tr><td colspan="3">TOTAL DISBURSEMENT IN THIS REPORT</td><td>Php7,294,330,000.00</td></tr><tr><td colspan="3">TOTAL DISBURSEMENTS TO DATE</td><td>23,824,330,000.00</td></tr><tr><td colspan="3">BALANCE OF NET PROCEEDS</td><td>9,868,787,236.46</td></tr></table> B. The table below details the updated computation of the net proceeds of the offering of Series “2-L”, Series “2-N” and Series “2-O” Preferred Shares (the “Offering”). <table><tr><td>Gross Proceeds</td><td>Php 34,000,005,000.00</td></tr><tr><td>Expenses related to the Offering¹</td><td>Php 306,887,763.54</td></tr><tr><td>Net Proceeds²</td><td>Php33,693,117,236.46</td></tr><tr><td>BALANCE OF NET PROCEEDS</td><td>9,868,787,236.46</td></tr></table>	Date of Disbursement	Use of Proceeds	Details	Amount in Php	01 March 2024	Repayment of Series “B” Bonds	Final repayment by the Company of its Series “B” Fixed-Rate Bonds with a total outstanding amount of Php7,294,330,000.00 with an annual interest rate of 5.284%	Php7,294,330,000.00	TOTAL DISBURSEMENT IN THIS REPORT			Php7,294,330,000.00	TOTAL DISBURSEMENTS TO DATE			23,824,330,000.00	BALANCE OF NET PROCEEDS			9,868,787,236.46	Gross Proceeds	Php 34,000,005,000.00	Expenses related to the Offering ¹	Php 306,887,763.54	Net Proceeds ²	Php33,693,117,236.46	BALANCE OF NET PROCEEDS	9,868,787,236.46
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01 March 2024	Repayment of Series “B” Bonds	Final repayment by the Company of its Series “B” Fixed-Rate Bonds with a total outstanding amount of Php7,294,330,000.00 with an annual interest rate of 5.284%	Php7,294,330,000.00																										
TOTAL DISBURSEMENT IN THIS REPORT			Php7,294,330,000.00																										
TOTAL DISBURSEMENTS TO DATE			23,824,330,000.00																										
BALANCE OF NET PROCEEDS			9,868,787,236.46																										
Gross Proceeds	Php 34,000,005,000.00																												
Expenses related to the Offering ¹	Php 306,887,763.54																												
Net Proceeds ²	Php33,693,117,236.46																												
BALANCE OF NET PROCEEDS	9,868,787,236.46																												

¹ Expenses of the Offering include: (i) payment of filing fees with the SEC and PSE; (ii) underwriting and selling fees of PCCI; (iii) documentary stamp taxes; and (iii) other miscellaneous fees (i.e., expenses for publication, marketing and other out-of-pocket expenses)

² To be adjusted as and when fees of the Offering are disbursed.

March 11	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, March 11, 2024, the Board of Directors of the Corporation declared cash dividends on the common shares of the Corporation in the amount of P0.35 per common share. The dividend payment date is on April 26, 2024, to be paid out of the unrestricted retained earnings of the Corporation distributable as dividends as of December 31, 2023. Payment shall be made to the stockholders of record of the aforementioned common shares as of March 27, 2024. The books of the Corporation will be closed from April 1 to 5, 2024.										
March 11	During the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, March 11, 2024, the Board of Directors unanimously approved the holding the stockholders' meeting of the Company via remote communication on June 11, 2024. The following are the other key dates relating to the annual stockholders meeting of the Corporation: <u>2024 Annual Stockholders' Meeting</u> <table border="1"> <tr> <td>Date of Annual Stockholders' Meeting</td><td>June 11, 2024 2:00 p.m. (via remote communication)</td></tr> <tr> <td>Record Date for Stockholders Entitled to Vote</td><td>May 3, 2024</td></tr> <tr> <td>Closing of Stock and Transfer Book</td><td>May 6 to 10, 2024</td></tr> <tr> <td>Deadline for Submission of Proxies</td><td>May 28, 2024</td></tr> <tr> <td>Validation of Proxies</td><td>June 4, 2024</td></tr> </table>	Date of Annual Stockholders' Meeting	June 11, 2024 2:00 p.m. (via remote communication)	Record Date for Stockholders Entitled to Vote	May 3, 2024	Closing of Stock and Transfer Book	May 6 to 10, 2024	Deadline for Submission of Proxies	May 28, 2024	Validation of Proxies	June 4, 2024
Date of Annual Stockholders' Meeting	June 11, 2024 2:00 p.m. (via remote communication)										
Record Date for Stockholders Entitled to Vote	May 3, 2024										
Closing of Stock and Transfer Book	May 6 to 10, 2024										
Deadline for Submission of Proxies	May 28, 2024										
Validation of Proxies	June 4, 2024										
March 11	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, March 11, 2024, the Board of Directors of the Corporation approved the promotion of Ms. Bella O. Navarra as Senior Vice President, Head of Comptrollership of the Corporation.										
March 14	Press Release entitled: SMC's 2023 net income soars 67% to P44.7 billion										
March 19	Disclosure of the Company with respect to the news articles posted in various online sites, entitled "SMC scraps plans to build P100 billion Pasig River tollway" posted in philSTAR.com on March 19, 2024.										
March 19	Disclosure of the Company with respect to the Letter-Advice of the Philippine Dealing & Exchange Corp. on the news article The Manila Times titled: Govt., SMC sign the P170.6-B NAIA rehab project deal.										
March 21	In connection with the Fixed-Rate Bonds Series I due 2027 issued by San Miguel Corporation (the "Series I Bonds"), please find attached a Notice to the Bondholders of the Series I Bonds (the "Notice") setting forth written instructions relating to the exercise by a Bondholder of the Bondholder Put Option, including the prescribed form of the Put Option Notice and documents required for the exercise of the Put Option. Bondholders are advised to read the Notice carefully and to note the following relevant dates: <table border="1"> <tr> <td>Put Option Record Date:</td><td>April 4, 2024</td></tr> <tr> <td>Put Option Period:</td><td>April 8, 2024 to May 2, 2024</td></tr> <tr> <td>Put Option Exercise Date:</td><td>July 8, 2024</td></tr> </table>	Put Option Record Date:	April 4, 2024	Put Option Period:	April 8, 2024 to May 2, 2024	Put Option Exercise Date:	July 8, 2024				
Put Option Record Date:	April 4, 2024										
Put Option Period:	April 8, 2024 to May 2, 2024										
Put Option Exercise Date:	July 8, 2024										

March 22	Disclosure of the Company with respect to the Letter-Advice of the Philippine Dealing & Exchange Corp on the news article of the Manila Bulletin on the Ground Breaking of the Pangasinan Link Expressway Phase I dated March 22, 2024.										
March 26	Disclosure of the Company with respect to the Letter-Advice of the Philippine Dealing & Exchange Corp. dated March 25, 2024 on the news article of the Philippine Star Titled: SMC ok to add MPTC Indonesia in the joint venture.										
March 26	C. The table below details the updated computation of the net proceeds of the offering of Series “2-L”, Series “2-N” and Series “2-O” Preferred Shares (the “Offering”). <table> <tr> <td>Gross Proceeds</td><td>Php 34,000,005,000.00</td></tr> <tr> <td>Expenses related to the Offering³</td><td>Php 309,942,657.95</td></tr> <tr> <td>Net Proceeds⁴</td><td>Php33,690,062,342.05</td></tr> <tr> <td>BALANCE OF NET PROCEEDS</td><td>9,865,732,342.05</td></tr> <tr> <td></td><td></td></tr> </table>	Gross Proceeds	Php 34,000,005,000.00	Expenses related to the Offering ³	Php 309,942,657.95	Net Proceeds ⁴	Php33,690,062,342.05	BALANCE OF NET PROCEEDS	9,865,732,342.05		
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Net Proceeds ⁴	Php33,690,062,342.05										
BALANCE OF NET PROCEEDS	9,865,732,342.05										
April 4	Disclosure of the Company with respect to the Letter-Advice of the Philippine Dealing & Exchange Corp. relating to San Miguel Corporation Fixed-Rate Bonds Serie I due 2027 (“Series I Bonds”) Bondholder Put Option										
April 11	In connection with the Regular Meeting of the Board of Directors of San Miguel Corporation (the “Corporation”) held today, April 11, 2024, we disclose that the Board of the Directors authorized the offering and issuance of the fixed-rate Peso-denominated Bonds amounting to up to Php20 billion (the “Peso Bonds”), out of the remainder of the existing Php50 billion SEC shelf-registered Peso-denominated bonds, the filing of the appropriate Registration Statement and Offer Supplement with the Securities and Exchange Commission and the submission of the listing application with the Philippine Dealing Exchange Corporation of the Peso Bonds. The Board likewise authorized the engagement of the services of underwriters, advisors, legal counsels, stock and transfer agent, receiving agent/bank, and other agents as may be necessary, proper or desirable to effect the offering.										
April 12	Disclosure of the Company with respect to the news article entitled “San Miguel allocates P8b for expressway expansion” posted in manilastandard.net on April 12, 2024.										
April 22	The Company filed today with the Securities and Exchange Commission (“SEC”) an Amended Registration Statement and Preliminary Offer Supplement relating to its Fixed Rate Bonds in the aggregate issue size of up to P20 Billion, consisting of a Base Offer of P15 Billion and an Oversubscription Option of up to P5 Billion, to be taken from the remainder of the Company’s Php50 Billion peso-denominated shelf registered bonds which was rendered effective by the SEC under SEC MSRD Order No. 32, Series of 2021.										

³ Expenses of the Offering include: (i) payment of filing fees with the SEC and PSE; (ii) underwriting and selling fees of PCCI; (iii) documentary stamp taxes; (iv) legal counsel’s fees; and (iv) other miscellaneous fees (i.e., expenses for publication, marketing and other out-of-pocket expenses)

⁴ To be adjusted as and when fees of the Offering are disbursed.

	Copies of the Amended Registration Statement (SEC Form 12-1) together with the Preliminary Offer Supplement may be viewed at: https://www.sanmiguel.com.ph/disclosures/smc-20-billion-fixed-rate-bond-offering																														
April 29	The Corporation was assessed a penalty by the Philippine Stock Exchange ("Exchange") amounting to more than Php50,000 in relation to Section 16, Rule VII of the Consolidated Listing and Disclosure Rules of the Exchange. The Corporation has filed a reconsideration of the imposition of the said penalty with the Issuer Regulation Division of the Exchange.																														
May 10	Amended disclosure of the Company to include the Notice with the agenda of the Annual Stockholders' Meeting to be held on June 11, 2024.																														
May 14	We advise that at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, May 14, 2024, the Board of Directors of the Corporation declared cash dividends to be paid out of the unrestricted retained earnings of the Corporation as of March 31, 2024, distributable as dividends to all stockholders of record as of June 21, 2024 on the following shares of the Corporation to be paid on July 4, 2024, as follows: A. Regular Dividend <table border="1"> <thead> <tr> <th><u>Class of Shares</u></th><th><u>Dividend Amount per Share</u></th></tr> </thead> <tbody> <tr> <td>Series "2" Preferred Shares - Subseries "F"</td><td>₱1.27635</td></tr> <tr> <td>Series "2" Preferred Shares - Subseries "I"</td><td>₱1.18790625</td></tr> <tr> <td>Series "2" Preferred Shares - Subseries "J"</td><td>₱0.890625</td></tr> <tr> <td>Series "2" Preferred Shares - Subseries "K"</td><td>₱0.84375</td></tr> <tr> <td>Series "2" Preferred Shares – Subseries "L"</td><td>₱1.48396875</td></tr> <tr> <td>Series "2" Preferred Shares - Subseries "M"</td><td>₱1.5703125</td></tr> <tr> <td>Series "2" Preferred Shares - Subseries "N"</td><td>₱1.5649875</td></tr> <tr> <td>Series "2" Preferred Shares - Subseries "O"</td><td>₱1.611300</td></tr> </tbody> </table> B. One-Time Dividend <table border="1"> <thead> <tr> <th><u>Class of Shares</u></th><th><u>Dividend Amount per Share</u></th></tr> </thead> <tbody> <tr> <td>Series "2" Preferred Shares – Subseries "K"</td><td>₱0.1031250</td></tr> <tr> <td>Series "2" Preferred Shares – Subseries "L"</td><td>₱0.3297708333333333</td></tr> <tr> <td>Series "2" Preferred Shares – Subseries "M"</td><td>₱0.5059895833333333</td></tr> <tr> <td>Series "2" Preferred Shares – Subseries "N"</td><td>₱0.347775</td></tr> <tr> <td>Series "2" Preferred Shares – Subseries "O"</td><td>₱0.3580666666666667</td></tr> </tbody> </table> The foregoing one-time dividend shall be paid for the purpose of synchronization and alignment of dividend payments on the outstanding Series 2 Preferred Shares, in accordance with the respective terms and conditions of the Series 2 preferred shares issuances. The books of the Corporation will be closed from June 24, 2024 to June 28, 2024.	<u>Class of Shares</u>	<u>Dividend Amount per Share</u>	Series "2" Preferred Shares - Subseries "F"	₱1.27635	Series "2" Preferred Shares - Subseries "I"	₱1.18790625	Series "2" Preferred Shares - Subseries "J"	₱0.890625	Series "2" Preferred Shares - Subseries "K"	₱0.84375	Series "2" Preferred Shares – Subseries "L"	₱1.48396875	Series "2" Preferred Shares - Subseries "M"	₱1.5703125	Series "2" Preferred Shares - Subseries "N"	₱1.5649875	Series "2" Preferred Shares - Subseries "O"	₱1.611300	<u>Class of Shares</u>	<u>Dividend Amount per Share</u>	Series "2" Preferred Shares – Subseries "K"	₱0.1031250	Series "2" Preferred Shares – Subseries "L"	₱0.3297708333333333	Series "2" Preferred Shares – Subseries "M"	₱0.5059895833333333	Series "2" Preferred Shares – Subseries "N"	₱0.347775	Series "2" Preferred Shares – Subseries "O"	₱0.3580666666666667
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Series "2" Preferred Shares – Subseries "O"	₱0.3580666666666667																														

May 14	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, May 14, 2024, the Board of Directors of the Corporation approved to extend for sixty (60) days the effectivity of the shelf-registration of the Php50 billion peso-denominated bonds covered under by the SEC MSRD Order No. 32, Series of 2021 dated June 21, 2021 effective for three (3) years (the "Bonds"). With the extension, the effectivity of the shelf-registration of the Bonds is until August 20, 2024, subject to the approval of the Securities and Exchange Commission.						
May 14	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, May 14, 2024, the Board of Directors of the Corporation approved and ratified the San Miguel Group's vision, mission and value's statement as follows: <table border="1"> <tr> <td>Vision</td><td>A resilient and globally competitive Philippines where everyone can enrich and enjoy their lives</td></tr> <tr> <td>Core Purpose</td><td>To lead in nation-building by creating opportunities that will uplift generation of Filipinos allowing to share in the rewards of sustainable development and prosperity</td></tr> <tr> <td>Core Value</td><td> <i>Malasakit</i> is at the core of who we are as a company • Excellence • Accountability • Sustainability </td></tr> </table>	Vision	A resilient and globally competitive Philippines where everyone can enrich and enjoy their lives	Core Purpose	To lead in nation-building by creating opportunities that will uplift generation of Filipinos allowing to share in the rewards of sustainable development and prosperity	Core Value	<i>Malasakit</i> is at the core of who we are as a company • Excellence • Accountability • Sustainability
Vision	A resilient and globally competitive Philippines where everyone can enrich and enjoy their lives						
Core Purpose	To lead in nation-building by creating opportunities that will uplift generation of Filipinos allowing to share in the rewards of sustainable development and prosperity						
Core Value	<i>Malasakit</i> is at the core of who we are as a company • Excellence • Accountability • Sustainability						
May 16	Press Release entitled: "SMC delivers 13% revenue growth sustains solid performance in first quarter.						
May 22	We are enclosing herewith, for the information and consideration of the Exchange, a copy of the disclosure submitted by South Premiere Power Corp. and San Miguel Energy Corporation, affiliates of the Company, to the Exchange yesterday, May 21, 2024, relating to the Resolution issued by the First Division of the Supreme Court, dated 03 April 2024.						
May 23	Disclosure by the Company of the Resolution by the 13th Division of the Court of Appeals on the motion for reconsideration of its June 27, 2023 Decision						
May 28	Disclosure of the Company with respect to the news articles posted in various online sites on May 28, 2024 entitled: SMC still keen on Pasig River Expressway posted in Manila Standard (online edition).						
June 11	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, June 11, 2024, the Board of Directors of the Corporation declared cash dividends on the common shares of the Corporation in the amount of P0.35 per common share. The dividend payment date is on July 26, 2024, to be paid out of the unrestricted retained earnings of the Corporation distributable as dividends as of May 31, 2024. Payment shall be made to the stockholders of record of the aforementioned common shares as of June 28, 2024. The books of the Corporation will be closed from July 1 to 5, 2024.						

June 11	At the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, June 11, 2024, the Board of Directors unanimously approved the amendment of the amended By-laws of the Corporation to amend and delineate the roles and duties of the Chairman and Chief Executive Officer, and the President and Chief Operating Officer of the Corporation. Specifically, the amendments are as follows: (1) The roles, functions and duties of the Chairman of the Board were merged with the position of the Chairman and the Chief Executive Officer. For this purpose, Article 4, Section 3 is proposed to be amended accordingly. (2) The roles, functions and duties of the President and Chief Executive Officer will be delineated in the position of "President and Chief Operating Officer" to reflect the role of the President and Chief Operating Officer. For this purpose, Article 4, Section 5 is proposed to be amended accordingly. (3) All references to the "Chairman of the Board" will be changed to "Chairman and Chief Executive Officer" while all references to the President and Chief Executive Officer will be changed to the "President and Chief Operating Officer". The amendment of the By-laws of the Corporation shall be subject to the approval of the stockholders of the Corporation during the meeting scheduled on August 8, 2024, and the approval by the Securities and Exchange Corporation of the amendment of the By-laws of the Corporation. The Board of Directors at the Organizational Meeting also appointed Mr. Ramon S. Ang as Chairman and Chief Executive Officer of the Company, and Mr. John Paul L. Ang as Vice Chairman, President and Chief Operating Officer of the Company. The amendment of the roles, functions and duties of the Chairman and Chief Executive Officer, and the President and Chief Operating Officer shall be effective upon the approval by the Securities and Exchange Commission of the application for the amendment of the amended By-laws of the Corporation.						
June 11	In connection with the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, June 11, 2024, we make the following disclosure. <u>Amendment of the Articles of Incorporation</u> The Board approved the amendment of the Article VII of the Articles of Incorporation of the Company to reclassify 300,000,000 Series "1" Preferred Shares to Series "2" Preferred Shares. With the proposed reclassification, the resulting distribution of the preferred shares of the Company will be as follows: <table data-bbox="568 1617 1185 1722"> <tr> <td>Series "1" Preferred Shares</td><td style="text-align: right;">0</td></tr> <tr> <td>Series "2" Preferred Shares</td><td style="text-align: right;"><u>2,210,000,000</u></td></tr> <tr> <td>TOTAL</td><td style="text-align: right;">2,210,000,000</td></tr> </table>	Series "1" Preferred Shares	0	Series "2" Preferred Shares	<u>2,210,000,000</u>	TOTAL	2,210,000,000
Series "1" Preferred Shares	0						
Series "2" Preferred Shares	<u>2,210,000,000</u>						
TOTAL	2,210,000,000						

	The Board also approved the issuance of the Series “2” Preferred Shares on such terms and conditions as may be deemed by Management to be favourable to Company, subject to the approval by the Board of Directors of Enabling Resolutions to set forth the details of the terms and conditions of the issuance. The Board likewise approved to endorse the matter for the approval of the stockholders of the Company during the Special Stockholders’ meeting scheduled on August 8, 2024.
June 11	We advise that, at the Annual Stockholders’ Meeting of San Miguel Corporation (the “Corporation”) held today, June 11, 2024, the following were approved: 1. <u>Election of Directors</u> The following directors were duly elected by the stockholders of the Corporation: Ramon S. Ang John Paul L. Ang Aurora T. Calderon Joselito D. Campos, Jr. Jose C. de Venecia, Jr. Menardo R. Jimenez Estelito P. Mendoza Alexander J. Poblador Ernesto M. Pernia Iñigo Zobel Ramon F. Villavicencio Teresita J. Leonardo-De Castro – Independent Director Reynato S. Puno – Independent Director Margarito B. Teves – Independent Director Diosdado M. Peralta – Independent Director 2. <u>Approval of Directors Fees for 2023</u> The stockholders of the Corporation approved the payment of Directors’ Fees for 2023 amounting to P72.39 Million. 3. <u>Appointment of External Auditors</u> The stockholders of the Corporation approved the appointment of the auditing firm of R. G. Manabat & Co., CPAs as the External Auditor of the Corporation for the year 2024.

June 11

Please be informed that, at the Organizational Meeting of the Board of San Miguel Corporation (the "Corporation") held on June 11, 2024, the following appointments were duly made:

A. By-law officers of the Corporation:

Ramon S. Ang	Chairman and Chief Executive Officer *
John Paul L. Ang	Vice Chairman, President and Chief Operating Officer*
Ferdinand K. Constantino	Chief Finance Officer-Treasurer
Virgilio S. Jacinto	General Counsel, Corporate Secretary and Compliance Officer
Mary Rose S. Tan	Assistant Corporate Secretary

B. Lead Independent Director: - Reynato S. Puno

C. Head- Internal Audit - Ramon R. Bantigue

D. Members of the Board Committees:

1. Executive Committee

Ramon S. Ang	Chairman
John Paul L. Ang	Member
Menardo R. Jimenez	Member
Estelito P. Mendoza	Member
Iñigo Zobel	Member

2. Audit and Risk Oversight Committee

Margarito B. Teves	Chairman (Independent Director)
Teresita J. Leonardo-De Castro	Member (Independent Director)
Estelito P. Mendoza	Member
Reynato S. Puno	Member (Independent Director)
Diosdado M. Peralta	Member (Independent Director)

3. Corporate Governance Committee

Reynato S. Puno	Chairman (Independent Director)
Aurora T. Calderon	Member
Menardo R. Jimenez	Member
Margarito B. Teves	Member (Independent Director)
Diosdado M. Peralta	Member (Independent Director)

4. Related Party Transactions Committee

Teresita J. Leonardo-De Castro	Chairman (Independent Director)
Joselito D. Campos, Jr.	Member
Alexander J. Poblador	Member
Reynato S. Puno	Member (Independent Director)
Margarito B. Teves	Member (Independent Director)

5. Sustainability Committee

Teresita J. Leonardo-De Castro	Chairman (Independent Director)
Aurora T. Calderon	Member
Diosdado M. Peralta	Member (Independent Director)
Ernesto M. Pernia	Member
Alexander J. Poblador	Member

** The amendment of the roles, functions and duties of the Chairman and Chief Executive Officer, and the President and Chief Operating Officer shall be subject to the approvals of the stockholders of the Corporation, during the meeting scheduled on August 8, 2024, and the Securities and Exchange Commission of the application for the amendment of the amended By-laws of the Corporation, respectively.*

June 11

We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, June 11, 2024, the Board approved the holding of a Special Stockholders Meeting, as follows.

Special Stockholders Meeting

The Board approved the schedule of the Special Stockholders Meeting of the Corporation as follows:

August 8, 2024	Stockholders' Meeting 2:00 p.m. via remote communication
July 5, 2024	Record Date
July 8 to 12, 2024	Closing of Books
July 29, 2024	Deadline for submission of proxies
August 1, 2024	Validation of proxies

The Corporation will distribute the corresponding Notice of Meeting and Information Statement for the purpose of the Special Stockholders Meeting in compliance with the requirements of the Securities and Exchange Commission.

June 13	Disclosure of the Company with respect to the new articles entitled: "SMC aims to grow revenues, income by double digits," and MPTC hopes to ink merger with SMC Tollways by July," respectively, on June 12, 2024.
June 14	The Company is submitting herewith a copy of the Permit to Sell and Offer Securities dated 14 June 2024 issued by the Securities and Exchange Commission ("SEC") for the offering of up to Php20 Billion worth of Fixed Rate Retail Bonds consisting of a Base Offer of Php15 Billion and an Oversubscription Option of up to Php5 Billion (the "Offer Bonds"). The Offer Bonds will be issued as the second and final tranche of the Company's ₱50 Billion fixed rate bonds shelf registered under SEC MSRD Order No. 32, Series of 2021 and rendered effective on 21 June 2021. The effectivity of the shelf registration has been extended until 21 July 2024 as approved by the SEC on 11 June 2024. The Offer Bonds will be issued on July 3, 2024 (the "Issue Date") and will be comprised of: (i) 6.5-year Series O Bonds due 2031, with a fixed initial interest rate of 7.2584% per annum; and (ii) 10-year Series P Bonds due 2034, with a fixed initial interest rate of 7.7197% per annum. The Offer Bonds have been rated PRS Aaa with a Stable Outlook by the Philippine Rating Services Corporation. The offer period shall commence at 9:00 a.m. on June 18, 2024 and end at 5:00 p.m. on June 24, 2024, or on such other dates and time as may be agreed in writing among the Company and the Joint Issue Managers, and the Joint Lead Underwriters and Bookrunners. The Offer Bonds will be listed in the Philippine Dealing & Exchange Corp. on the Issue Date, July 3, 2024. The Final Offer Supplement can be viewed at: https://www.sanmiguel.com.ph/disclosures/smc-20-billion-fixed-rate-bond-offering
June 19	Further to our disclosure on April 29, 2024 and June 11, 2024, the Company paid to the Philippine Stock Exchange the amount imposed by way of penalty in relation to Section 16, Rule VII of the Consolidated Listing and Disclosure Rules of the Exchange.
June 24	Disclosure of the Company with respect to the news articles posted in Manila Standard and various online sites on June 23, 2024 entitled "SMC vows to submit documents to pursue Pasig River Expressway" posted in ManilaStandard.net (Online Edition).
June 26	Disclosure of the Company with respect to the news articles posted in Manila Standard and various online sites on June 25, 2024 entitled "SMC spending P328b to build three new Luzon expressways" posted in ManilaStandard.net (Online Edition).
July 3	Disclosure of the Company with respect to the Letter-Advice of the Philippine Dealing & Exchange Corp. relating to SMC-Fixed-Rate Bonds Series I due 2027 ("Series I Bonds") Repriced Interest Rate.

July 8	A. The following are the disbursements of the Company from the net proceeds of the offering of the Fixed-Rate Bonds Series “O” and Series “P” (the “Offering”).			
	Date of Disbursement	Use of Proceeds	Details	Amount in Php
	08 July 2024	Partial Redemption of Series “I” Fixed-Rate Bonds	Partial redemption of the Series “I” Fixed-Rate Bonds as a result of the Put Option Exercise by the exercising Series “I” Bondholders	Php11,239,810,000.00
	TOTAL DISBURSEMENT IN THIS REPORT			Php11,239,810,000.00
	TOTAL DISBURSEMENTS TO DATE			11,239,810,000.00
	BALANCE OF NET PROCEEDS			Php8,754,928,987.36
	The net proceeds of the Offering are computed as follows:			
		Gross Proceeds	Php 20,000,000,000.00	
		Expenses related to the Offering	Php 5,261,012.64 ⁵	
		Net Proceeds ⁶	Php 19,994,738,987.36	
July 9	Amended disclosure of the Company to include the Link and Agenda of the Special Stockholders Meeting to be held on August 8, 2024.			
July 9	Disclosure of the Company on the Amendment to Articles of Incorporation to reclassify 300,000,000 Series 1 Preferred Shares to Series 2 Preferred Shares.			
July 9	Disclosure of the Company on the Amendments to the Amended By-Laws of the Corporation to delineate and identify the role, functions and duties of the Chairman and Chief Executive Officer, and the President and Chief Operating Officer.			
July 11	Disclosure of the Company to submit as amended the updated disclosure on the Amendment to the Articles of Incorporation to reclassify 300,000,000 Series 1 Preferred Shares to Series 2 Preferred Shares.			

⁵ Actual expenses of the Offering disbursed and paid to date include: (i) payment of filing fees with the SEC; and (ii) other miscellaneous fees (i.e., expenses for publication, marketing and other out-of-pocket expenses).

Other fees of the Offering including: (i) underwriting and selling fees; (ii) legal and other professional fees, (iii) documentary stamp taxes to be paid to the BIR; and (iii) listing application, listing and maintenance fees with the PDEx will be reported on actual disbursement.

⁶ To be adjusted as and when other fees and expenses of the Offering are disbursed.

July 22	We advise that the Company received the letter-resignation of Director Ramon F. Villavicencio, this afternoon, July 22, 2024. The resignation of Mr. Villavicencio, as director of the Company, is effective July 31, 2024.			
July 25	A. The table below details the updated computation of the net proceeds of the offering of the Fixed-Rate Bonds Series “O” and Series “P” (the “Offering”).			
	Gross Proceeds		Php 20,000,000,000.00	
	Expenses related to the Offering ⁷		Php 264,766,957.11	
	Net Proceeds ⁸		Php19,735,233,042.89	
	BALANCE OF NET PROCEEDS		Php 8,495,423,042.89	
Aug. 2	Disclosure of the Company with respect to various news articles relating to San Miguel Corporation (“SMC” or the “Company”) entitled “MGen eyes LNG deal financial close by September” posted in BusinessWorld (online edition) today, August 2, 2024.			
Aug. 5	D. The following are the disbursements of the Company from the net proceeds of the offering of the Fixed-Rate Bonds Series “O” and Series “P” (the “Offering”).			
	Date of Disbursement	Use of Proceeds	Details	Amount in Php
	05 August 2024	Investment	Additional investment in the Manila International Airport	Php413,172,464.38
	TOTAL DISBURSEMENT IN THIS REPORT			Php413,172,464.38
	TOTAL DISBURSEMENTS TO DATE			11,652,982,464.38
	BALANCE OF NET PROCEEDS			Php8,082,250,578.51

⁷ Expenses of the Offering include: (i) payment of filing fees with the SEC; (ii) other miscellaneous fees (i.e., expenses for publication, marketing and other out-of-pocket expenses); (iii) issue management, underwriting and selling agent fees; (iv) payment of documentary stamp taxes; and (v) additional miscellaneous fees

Other fees of the Offering including: (i) legal and other professional fees, and (iii) listing application, listing and maintenance fees with the PDEX and other related fees will be reported on actual disbursement.

⁸ To be adjusted as and when fees of the Offering are disbursed.

	The net proceeds of the Offering are computed as follows: <table border="1"> <tr> <td>Gross Proceeds</td><td>Php 20,000,000,000.00</td></tr> <tr> <td>Expenses related to the Offering⁹</td><td><u>Php 264,766,957.11</u></td></tr> <tr> <td>Net Proceeds¹⁰</td><td>Php19,735,233,042.89</td></tr> <tr> <td>BALANCE OF NET PROCEEDS</td><td>Php 8,495,423,042.89</td></tr> </table>	Gross Proceeds	Php 20,000,000,000.00	Expenses related to the Offering ⁹	<u>Php 264,766,957.11</u>	Net Proceeds ¹⁰	Php19,735,233,042.89	BALANCE OF NET PROCEEDS	Php 8,495,423,042.89										
Gross Proceeds	Php 20,000,000,000.00																		
Expenses related to the Offering ⁹	<u>Php 264,766,957.11</u>																		
Net Proceeds ¹⁰	Php19,735,233,042.89																		
BALANCE OF NET PROCEEDS	Php 8,495,423,042.89																		
Aug. 8	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, August 8, 2024, the Board of Directors of the Corporation declared cash dividends to be paid out of the unrestricted retained earnings of the Corporation as of June 30, 2024, distributable as dividends to all stockholders of record as of September 20, 2024 on the following shares of the Corporation to be paid on October 4, 2024, as follows: <table border="1"> <tr> <th><u>Class of Shares</u></th><th><u>Dividend Amount per Share</u></th></tr> <tr> <td>Series "2" Preferred Shares – Subseries "F"</td><td>₱1.27635</td></tr> <tr> <td>Series "2" Preferred Shares – Subseries "I"</td><td>₱1.18790625</td></tr> <tr> <td>Series "2" Preferred Shares – Subseries "J"</td><td>₱0.890625</td></tr> <tr> <td>Series "2" Preferred Shares – Subseries "K"</td><td>₱0.84375</td></tr> <tr> <td>Series "2" Preferred Shares – Subseries "L"</td><td>₱1.48396875</td></tr> <tr> <td>Series "2" Preferred Shares – Subseries "M"</td><td>₱1.5703125</td></tr> <tr> <td>Series "2" Preferred Shares – Subseries "N"</td><td>₱1.5649875</td></tr> <tr> <td>Series "2" Preferred Shares – Subseries "O"</td><td>₱1.611300</td></tr> </table> The books of the Corporation will be closed from September 23 to 27, 2024.	<u>Class of Shares</u>	<u>Dividend Amount per Share</u>	Series "2" Preferred Shares – Subseries "F"	₱1.27635	Series "2" Preferred Shares – Subseries "I"	₱1.18790625	Series "2" Preferred Shares – Subseries "J"	₱0.890625	Series "2" Preferred Shares – Subseries "K"	₱0.84375	Series "2" Preferred Shares – Subseries "L"	₱1.48396875	Series "2" Preferred Shares – Subseries "M"	₱1.5703125	Series "2" Preferred Shares – Subseries "N"	₱1.5649875	Series "2" Preferred Shares – Subseries "O"	₱1.611300
<u>Class of Shares</u>	<u>Dividend Amount per Share</u>																		
Series "2" Preferred Shares – Subseries "F"	₱1.27635																		
Series "2" Preferred Shares – Subseries "I"	₱1.18790625																		
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Series "2" Preferred Shares – Subseries "L"	₱1.48396875																		
Series "2" Preferred Shares – Subseries "M"	₱1.5703125																		
Series "2" Preferred Shares – Subseries "N"	₱1.5649875																		
Series "2" Preferred Shares – Subseries "O"	₱1.611300																		

⁹ Expenses of the Offering include: (i) payment of filing fees with the SEC; (ii) other miscellaneous fees (i.e., expenses for publication, marketing and other out-of-pocket expenses); (iii) issue management, underwriting and selling agent fees; (iv) payment of documentary stamp taxes; and (v) additional miscellaneous fees

Other fees of the Offering including: (i) legal and other professional fees, and (iii) listing application, listing and maintenance fees with the PDEx and other related fees will be reported on actual disbursement.

¹⁰ To be adjusted as and when fees of the Offering are disbursed.

Aug. 8	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, August 8, 2024, the Board of Directors of the Corporation, constituting a quorum, voted to elect Dr. Felipe M. Medalla as a independent director of the Corporation to fill the vacancy in the Board of Directors of the Corporation due to the resignation of Mr. Ramon F. Villavicencio. Dr. Medalla was the Governor and Chairman of the Monetary Board of the <i>Bangko Sentral ng Pilipinas</i> from July 1, 2022 to July 2, 2023. He was a member of the Monetary Board from 2011 to 2022. He was the Secretary of the Socio-Economic Planning and Director General of the National Economic and Development Authority from 1998 to 2001. Prior to being a member of the Monetary Board, he spent 35 years as a member of the academe. He was Dean of the School of Economics at the University of the Philippines – Diliman from 1994 to 1998, where he was also a Professor from 1991 to 2011, and an Instructor, Assistant Professor and Associate Professor from 1976 to 1991. Dr. Medalla obtained his PhD degree in Economics from the Northwestern University, Evanston Illinois, USA in 1983. He earned his MA Economics degree from the University of the Philippines in 1976, and his AB-BSC (Economics-Accounting) degree <i>cum laude</i> from De La Salle University in 1970. He brings with him years of economics and finance experience from the perspective of the government sector, all of which equip him with expertise and proficiency in attending to the needs and requirements of the Company. Dr. Medalla shall serve as a Independent Director for the unexpired term of his predecessor.						
Aug. 8	At the Special Meeting of the Stockholders of San Miguel Corporation (the "Corporation") held today, August 8, 2024, the stockholders of the Corporation representing at least 2/3 of the total outstanding capital stock of the Corporation approved the following: (1) Amendment to Articles VII of the Amended Articles of Incorporation of the Corporation to reclassify 300,000,000 Series 1 preferred shares into Series 2 preferred shares; and (2) Issuance of the reclassified Series 2 Preferred Shares. With the approved reclassification, the resulting distribution of the preferred shares of the Company will be as follows: <table data-bbox="581 1318 1182 1413"> <tr> <td>Series "1" Preferred Shares</td><td>0</td></tr> <tr> <td>Series "2" Preferred Shares</td><td><u>2,210,000,000</u></td></tr> <tr> <td>TOTAL</td><td>2,210,000,000</td></tr> </table>	Series "1" Preferred Shares	0	Series "2" Preferred Shares	<u>2,210,000,000</u>	TOTAL	2,210,000,000
Series "1" Preferred Shares	0						
Series "2" Preferred Shares	<u>2,210,000,000</u>						
TOTAL	2,210,000,000						
Aug. 8	At the Special Meeting of the Stockholders of San Miguel Corporation (the "Corporation") held today, August 8, 2024, the stockholders constituting at least a majority of the total outstanding capital stock of the Corporation approved the amendment of the amended By-laws of the Corporation to amend and delineate the roles and duties of the Chairman and Chief Executive Officer, and the President and Chief Operating Officer of the Corporation. Specifically, the amendments are as follows: (1) The roles, functions and duties of the Chairman of the Board were merged with the position of the Chairman and the Chief Executive Officer. For this purpose, Article 4, Section 3 is proposed to be amended accordingly.						

	(2) The roles, functions and duties of the President and Chief Executive Officer will be delineated in the position of “President and Chief Operating Officer” to reflect the role of the President and Chief Operating Officer. For this purpose, Article 4, Section 5 is proposed to be amended accordingly. (3) All references to the “Chairman of the Board” will be changed to “Chairman and Chief Executive Officer” while all references to the President and Chief Executive Officer will be changed to the “President and Chief Operating Officer”. These can be found in the following articles: - Article 1, Section 1 - Article 2, Section 1, paragraph 2 - Article 3, Section 5, paragraph 2 - Article 3, Section 8(e), (f), and (j) - Article 4, Sections 1, 4, 6, 7, 9, 11 and 12								
Aug. 8	A. The table below details the updated computation of the net proceeds of the offering of the Fixed-Rate Bonds Series “O” and Series “P” (the “Offering”). <table border="1"> <tr> <td>Gross Proceeds</td><td>Php 20,000,000,000.00</td></tr> <tr> <td>Expenses related to the Offering¹¹</td><td>Php 267,416,562.29</td></tr> <tr> <td>Net Proceeds¹²</td><td>Php19,732,583,437.71</td></tr> <tr> <td>BALANCE OF NET PROCEEDS</td><td>Php 8,079,600,973.33</td></tr> </table>	Gross Proceeds	Php 20,000,000,000.00	Expenses related to the Offering ¹¹	Php 267,416,562.29	Net Proceeds ¹²	Php19,732,583,437.71	BALANCE OF NET PROCEEDS	Php 8,079,600,973.33
Gross Proceeds	Php 20,000,000,000.00								
Expenses related to the Offering ¹¹	Php 267,416,562.29								
Net Proceeds ¹²	Php19,732,583,437.71								
BALANCE OF NET PROCEEDS	Php 8,079,600,973.33								
Aug. 9	Disclosure of the Company with respect to various news articles relating to San Miguel Corporation (“SMC” or the “Company”) entitled “Ramon Ang goes all in: San Miguel sets P1.4T expansion into airports, mass rail, toll roads, power, food” posted in Bilyonaryo.com on August 8, 2024.								
Aug. 12	Press statement of the Company entitled “SMC reports strong first half with 15% revenue growth.”								
Aug. 21	Disclosure of the Company with respect to the Letter-Advice of the Philippine Dealing & Exchange Corp. on the news article in Business World on 20 August 2024 Titled: SMC-led NAIA consortium eyes P5-B off ramp, curb pricing at airport.								
Aug. 27	Disclosure of the Company with respect to the news articles posted in BusinessWorld, PhilStar (Online Edition), and various online sites on August 24 and 27, 2024.entitled “Construction issues to push back operations of Bulacan airport to 2028.”								
Aug. 27	Disclosure of the Company with respect to the Letter-Advice of the Philippine Dealing & Exchange Corp. on the News Article in the Daily Tribune, 27 August 2024, Titled: “SMC blames fillers lack for airport delay”								

¹¹ Expenses of the Offering include: (i) payment of filing fees with the SEC; (ii) other miscellaneous fees (i.e., expenses for publication, marketing and other out-of-pocket expenses); (iii) issue management, underwriting and selling agent fees; (iv) payment of documentary stamp taxes;(v) listing application, listing and maintenance fees with the PDEx and (vi) additional miscellaneous fees

¹² To be adjusted as and when fees of the Offering are disbursed.

Sept. 3	Disclosure of the Company with respect to various news articles relating to San Miguel Corporation (“SMC” or the “Company”) entitled “SMC tollway unit hikes budget for SLEX expansion” posted in ManilaStandard.com on September 2, 2024.																										
Sept. 3	We are enclosing herewith, for the information and consideration of the Exchange, a copy of the disclosure submitted by South Premiere Power Corp. and San Miguel Energy Corporation, affiliates of the Company, to the Exchange today, September 3, 2024, relating to the resolution issued by the First Division of the Supreme Court, dated July 10, 2024.																										
Sept 3	We are enclosing herewith, for the information and consideration of the Exchange, a copy of the amended disclosure to correct the date of the subject Supreme Court’s Resolution from August 3, 2024 to April 3, 2024, submitted by South Premiere Power Corp. and San Miguel Energy Corporation, affiliates of the Company, to the Exchange today, September 3, 2024, relating to the resolution issued by the First Division of the Supreme Court, dated July 10, 2024.																										
Sept. 6	Disclosure of the Company with respect to the Letter-Advice of the Philippine Dealing & Exchange Corp. on the news article titled: Business journalists convene forum to discuss rehabilitation of NAIA dated September 6, 2024.																										
Sept. 9	The following are the disbursements of the Company from the net proceeds of the offering of the Fixed-Rate Bonds Series “O” and Series “P” (the “Offering”). <table><tr><th>Date of Disbursement</th><th>Use of Proceeds</th><th>Details</th><th>Amount in Php</th></tr><tr><td>09 September 2024</td><td>Investment</td><td>Additional investment in the Manila International Airport</td><td>Php624,895,386.47</td></tr><tr><td colspan="3">TOTAL DISBURSEMENT IN THIS REPORT</td><td>Php624,895,386.47</td></tr><tr><td colspan="3">TOTAL DISBURSEMENTS TO DATE</td><td>12,277,877,850.86</td></tr><tr><td colspan="3">BALANCE OF NET PROCEEDS</td><td>Php7,454,705,586.85</td></tr></table> The net proceeds of the Offering are computed as follows: <table><tr><td>Gross Proceeds</td><td>Php 20,000,000,000.00</td></tr><tr><td>Expenses related to the Offering¹³</td><td>Php 267,416,562.29</td></tr><tr><td>Net Proceeds¹⁴</td><td>Php19,732,583,437.71</td></tr></table>	Date of Disbursement	Use of Proceeds	Details	Amount in Php	09 September 2024	Investment	Additional investment in the Manila International Airport	Php624,895,386.47	TOTAL DISBURSEMENT IN THIS REPORT			Php624,895,386.47	TOTAL DISBURSEMENTS TO DATE			12,277,877,850.86	BALANCE OF NET PROCEEDS			Php7,454,705,586.85	Gross Proceeds	Php 20,000,000,000.00	Expenses related to the Offering ¹³	Php 267,416,562.29	Net Proceeds ¹⁴	Php19,732,583,437.71
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¹³ Expenses of the Offering include: (i) payment of filing fees with the SEC; (ii) other miscellaneous fees (i.e., expenses for publication, marketing and other out-of-pocket expenses); (iii) issue management, underwriting and selling agent fees; (iv) payment of documentary stamp taxes; (v) listing application, listing and maintenance fees with the PDEX and (vi) additional miscellaneous fees

¹⁴ To be adjusted as and when fees of the Offering are disbursed.

Sept. 11	Disclosure of the Company with respect to the Letter-Advice of the Philippine Dealing & Exchange Corp. on the news article titled “San Miguel unveils three-pronged plan for New NAIA” dated September 10, 2024.																				
Sept. 19	Disclosure of the Company with respect to the Letter-Advice, dated September 18, 2024 of the Philippine Dealing & Exchange Corp on the news article titled: “San Miguel completes P30-billion upfront payment for NAIA-DOF.”																				
Sept. 20	Disclosure of the Company with respect to various news articles relating to San Miguel Corporation (“SMC” or the “Company”) entitled “SMC Tollways issuing P35-b bonds to fund expansion plan” posted in ManilaStandard.com on September 19, 2024,																				
Sept. 25	Disclosure of the Company with respect to various news articles relating to San Miguel Corporation (“SMC” or the “Company”) entitled “SMC power unit planning to offer \$100m in senior perpetual shares” posted in ManilaStandard.com on September 24, 2024.																				
Oct. 4	We advise that as of October 4, 2024, all of the Php10,000,000,000.00 Series H Fixed Rate Peso Denominated Bonds (the “Bonds”) issued by San Miguel Corporation (the “Corporation”) due on 2024 have fully matured. The principal investment amounts due on the Bonds will be paid to the respective holders thereof in accordance with the relevant terms and conditions contained in the public offering subject of previous disclosures of the Corporation.																				
Oct. 4	A. The following are the disbursements of the Company from the net proceeds of the offering of Series “2-L”, Series “2-N” and Series “2-O” Preferred Shares (the “Offering”). <table><tr><th>Date of Disbursement</th><th>Use of Proceeds</th><th>Details</th><th>Amount in Php</th></tr><tr><td>01 March 2024</td><td>Repayment of Series “H” Bonds</td><td>Final repayment by the Company of its Series “H” Fixed-Rate Bonds with a total outstanding amount of Php10,000,000,000.00 with an annual interest rate of 5.55%</td><td>Php9,865,732,342.05¹</td></tr><tr><td colspan="3">TOTAL DISBURSEMENT IN THIS REPORT</td><td>Php9,865,732,342.05</td></tr><tr><td colspan="3">TOTAL DISBURSEMENTS TO DATE</td><td>33,690,062,342.05</td></tr><tr><td colspan="3">BALANCE OF NET PROCEEDS</td><td>0.00</td></tr></table> ¹ Balance to be funded out of internally generated funds	Date of Disbursement	Use of Proceeds	Details	Amount in Php	01 March 2024	Repayment of Series “H” Bonds	Final repayment by the Company of its Series “H” Fixed-Rate Bonds with a total outstanding amount of Php10,000,000,000.00 with an annual interest rate of 5.55%	Php9,865,732,342.05 ¹	TOTAL DISBURSEMENT IN THIS REPORT			Php9,865,732,342.05	TOTAL DISBURSEMENTS TO DATE			33,690,062,342.05	BALANCE OF NET PROCEEDS			0.00
Date of Disbursement	Use of Proceeds	Details	Amount in Php																		
01 March 2024	Repayment of Series “H” Bonds	Final repayment by the Company of its Series “H” Fixed-Rate Bonds with a total outstanding amount of Php10,000,000,000.00 with an annual interest rate of 5.55%	Php9,865,732,342.05 ¹																		
TOTAL DISBURSEMENT IN THIS REPORT			Php9,865,732,342.05																		
TOTAL DISBURSEMENTS TO DATE			33,690,062,342.05																		
BALANCE OF NET PROCEEDS			0.00																		

	The net proceeds of the Offering are computed as follows: <table border="1"> <tr> <td>Gross Proceeds</td><td>Php 34,000,005,000.00</td></tr> <tr> <td>Expenses related to the Offering¹⁵</td><td><u>Php 309,942,657.95</u></td></tr> <tr> <td>Net Proceeds</td><td>Php33,690,062,342.05</td></tr> </table> B. With the disbursements made in this disclosure, the proceeds of the Offering have been fully disbursed, and no further disclosures will be made relating to the use of proceeds of the Offering.	Gross Proceeds	Php 34,000,005,000.00	Expenses related to the Offering ¹⁵	<u>Php 309,942,657.95</u>	Net Proceeds	Php33,690,062,342.05
Gross Proceeds	Php 34,000,005,000.00						
Expenses related to the Offering ¹⁵	<u>Php 309,942,657.95</u>						
Net Proceeds	Php33,690,062,342.05						
Oct. 10	Disclosure of the Company with respect to various news articles relating to San Miguel Corporation (“SMC” or the “Company”) entitled “MPTC-SMC tollway merger to be completed this month” posted in PhilStar.com on October 10, 2024.						
Oct. 17	Disclosure of the Company with respect to various news articles relating to San Miguel Corporation (“SMC” or the “Company”) entitled “San Miguel wants to optimize Angat hydro plant” posted in ManilaStandard.net on October 16, 2024.						
Oct. 24	Disclosure of the Company with respect to the Letter-Advice dated October 23, 2024 of the Philippine Dealing & Exchange Corp. on the news article in the Manila Bulletin titled: SMC set to take over Manila Water’s Bulacan Projects.”						
Oct. 28	Disclosure of the Company with respect to various news articles relating to San Miguel Corporation (“SMC” or the “Company”) entitled “San Miguel unit takes over Sual coal-fired plant in Pangasinan” posted in Bworldonline.com on October 28, 2024.						
Nov. 4	Disclosure of the Company with respect to the article relating to San Miguel Corporation (“SMC” or the “Company”) entitled “A road too far: Tollways merger tilting towards 90-10 ‘takeover’, as MVP’s NLEX falls short of RSA’s SLEX even if it throws in Indonesian assets” posted in Bilyonaryo.com on November 3, 2024.						
Nov. 6	We are re-submitting the disbursement of proceeds report relating to disbursements made by the Company from the net proceeds of the offering of its Series “2-L”, “2-N” and “2-O” Preferred Shares, correcting a typographical error on the date of disbursement which should be “October 4, 2024”. A. The following are the disbursements of the Company from the net proceeds of the offering of Series “2-L”, Series “2-N” and Series “2-O” Preferred Shares (the “Offering”).						

¹⁵ Expenses of the Offering include: (i) payment of filing fees with the SEC and PSE; (ii) underwriting and selling fees of PCCI; (iii) documentary stamp taxes; (iv) legal counsel’s fees; and (iv) other miscellaneous fees (i.e., expenses for publication, marketing and other out-of-pocket expenses)

	<table><tr><th>Date of Disbursement</th><th>Use of Proceeds</th><th>Details</th><th>Amount in Php</th></tr><tr><td><u>04 October 2024</u></td><td>Repayment of Series "H" Bonds</td><td>Final repayment by the Company of its Series "H" Fixed-Rate Bonds with a total outstanding amount of Php10,000,000,000.00 with an annual interest rate of 5.55%</td><td>Php9,865,732,342.05¹</td></tr><tr><td colspan="3">TOTAL DISBURSEMENT IN THIS REPORT</td><td>Php9,865,732,342.05</td></tr><tr><td colspan="3">TOTAL DISBURSEMENTS TO DATE</td><td>33,690,062,342.05</td></tr><tr><td colspan="3">BALANCE OF NET PROCEEDS</td><td>0.00</td></tr></table> ¹ Balance to be funded out of internally generated funds The net proceeds of the Offering are computed as follows: <table><tr><td>Gross Proceeds</td><td>Php 34,000,005,000.00</td></tr><tr><td>Expenses related to the Offering¹⁶</td><td><u>Php 309,942,657.95</u></td></tr><tr><td>Net Proceeds</td><td>Php33,690,062,342.05</td></tr></table> B. With the disbursements made in this disclosure, the proceeds of the Offering have been fully disbursed, and no further disclosures will be made relating to the use of proceeds of the Offering.	Date of Disbursement	Use of Proceeds	Details	Amount in Php	<u>04 October 2024</u>	Repayment of Series "H" Bonds	Final repayment by the Company of its Series "H" Fixed-Rate Bonds with a total outstanding amount of Php10,000,000,000.00 with an annual interest rate of 5.55%	Php9,865,732,342.05 ¹	TOTAL DISBURSEMENT IN THIS REPORT			Php9,865,732,342.05	TOTAL DISBURSEMENTS TO DATE			33,690,062,342.05	BALANCE OF NET PROCEEDS			0.00	Gross Proceeds	Php 34,000,005,000.00	Expenses related to the Offering ¹⁶	<u>Php 309,942,657.95</u>	Net Proceeds	Php33,690,062,342.05
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Expenses related to the Offering ¹⁶	<u>Php 309,942,657.95</u>																										
Net Proceeds	Php33,690,062,342.05																										
Nov. 7	We advise that at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, November 7, 2024, the Board of Directors of the Corporation declared cash dividends on the common shares of the Corporation in the amount of P0.35 per common share. The dividend payment date is on December 2, 2024, to be paid out of the unrestricted retained earnings of the Corporation distributable as dividends as of September 30, 2024. Payment shall be made to the stockholders of record of the aforementioned common shares as of November 22, 2024. The books of the Corporation will be closed from November 25 to 29, 2024.																										

¹⁶ Expenses of the Offering include: (i) payment of filing fees with the SEC and PSE; (ii) underwriting and selling fees of PCCI; (iii) documentary stamp taxes; (iv) legal counsel's fees; and (iv) other miscellaneous fees (i.e., expenses for publication, marketing and other out-of-pocket expenses)

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Nov. 11	Press Release entitled SMC delivers 19% net income growth to P37.1Bn in first nine months.																		
Nov. 18	Disclosure of the Company with respect to various news articles relating to San Miguel Corporation ("SMC" or the "Company") article entitled "NAIA Terminal 5 on hotel site eyed" posted in Tribune.net.ph on November 18, 2024.																		
Nov. 29	In accordance with the provisions of the Audit and Risk Oversight Committee Charter (the "Charter") of the Company adopted on August 13, 2012 and in compliance with SEC Memorandum Circular No. 4, Series of 2012 (the "Memorandum Circular"), we advise that the results of the self-assessment of the members of the Audit and Risk Oversight Committee for the year 2024, are as follows: Under the category "Quality and integrity of the Company's financial statements and financial reporting process," with the rating of 5 being the highest and 1 being the lowest, the average rating given by the five members of Audit and Risk Oversight Committee (the "Committee"), was 4.76. For this category, there were 5 questions based on the Charter. Under the category, "Effectiveness of the Company's internal control systems," the average rating given by the members of the Committee was 4.8. For this category, there were 16 questions based on the Charter. Under the category, "Independence and performance of its internal and external auditors," the average rating given by the members of the Committee was 4.8. For this category, there were 16 questions based on the Charter. Under the category, "Compliance by the Company with accounting standards, legal and regulatory requirements, including the Company's disclosure policies and procedures," the average rating given by the members of the Committee was 4.8 For this category, there were 3 questions based on the Charter.																		

	Under the category, “Evaluation of management’s process to assess and manage the Company’s enterprise risk issues,” the average rating given by the members of the Committee was 4.7. For this category, there were 6 questions based on the Charter.																										
Dec. 2	A. The following are the disbursements of the Company from the net proceeds of the offering of the Fixed-Rate Bonds Series “O” and Series “P” (the “Offering”). <table><tr><th>Date of Disbursement</th><th>Use of Proceeds</th><th>Details</th><th>Amount in Php</th></tr><tr><td>29 November 2024</td><td>Investment</td><td>Additional investment in the Manila International Airport</td><td>Php550,754,126.66</td></tr><tr><td colspan="3">TOTAL DISBURSEMENT IN THIS REPORT</td><td>Php550,754,126.66</td></tr><tr><td colspan="3">TOTAL DISBURSEMENTS TO DATE</td><td>12,828,631,977.52</td></tr><tr><td colspan="3">BALANCE OF NET PROCEEDS</td><td>Php6,903,488,061.19</td></tr></table> The net proceeds of the Offering are computed as follows: <table><tr><td>Gross Proceeds</td><td>Php 20,000,000,000.00</td></tr><tr><td>Expenses related to the Offering¹⁷</td><td><u>Php 267,879,961.29</u></td></tr><tr><td>Net Proceeds¹⁸</td><td>Php19,732,120,038.71</td></tr></table>	Date of Disbursement	Use of Proceeds	Details	Amount in Php	29 November 2024	Investment	Additional investment in the Manila International Airport	Php550,754,126.66	TOTAL DISBURSEMENT IN THIS REPORT			Php550,754,126.66	TOTAL DISBURSEMENTS TO DATE			12,828,631,977.52	BALANCE OF NET PROCEEDS			Php6,903,488,061.19	Gross Proceeds	Php 20,000,000,000.00	Expenses related to the Offering ¹⁷	<u>Php 267,879,961.29</u>	Net Proceeds ¹⁸	Php19,732,120,038.71
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Dec. 4	Disclosure of the Company with respect to the Letter-Advice of the Philippine Dealing & Exchange Corp. relating to the news article titled: “SMC defends 7,000-ha Bugsuk Island titles”																										
Dec 5	We advise that at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, December 5, 2024, the Board of Directors of the Corporation declared cash dividends on the common shares of the Corporation in the amount of P0.35 per common share. The dividend payment date is on January 24, 2025, to be paid out of the unrestricted retained earnings of the Corporation distributable as dividends as of September 30, 2024. Payment shall be made to the stockholders of record of the aforementioned common shares as of January 3, 2025. The books of the Corporation will be closed from January 6 to 10, 2025.																										

¹⁷ Expenses of the Offering include: (i) payment of filing fees with the SEC; (ii) other miscellaneous fees (i.e., expenses for publication, marketing and other out-of-pocket expenses); (iii) issue management, underwriting and selling agent fees; (iv) payment of documentary stamp taxes; (v) listing application, listing and maintenance fees with the PDEX; (vi) additional miscellaneous fees; and (vii) registry fees with PDTC.

¹⁸ To be adjusted as and when fees of the Offering are disbursed.

Dec. 17	Disclosure of the Company with respect to the Letter-Advice of the Philippine Dealing & Exchange Corp. relating to the news article titled: "Pagcor, San Miguel sign lease agreement for Nayong Pilipino property."
Dec. 20	Disclosure of the Company with respect to various news articles relating to San Miguel Corporation ("SMC" or the "Company") entitled "Interconnection of gas pipelines for sharing of LNG imports proposed" posted in MB.com.ph on December 19, 2024.
Dec. 23	Further to the Company's disclosures to the Exchange, the Philippine Competition Commission (PCC) released a press release on December 23, 2024 announcing its Decision to approve the joint acquisition of power facilities and a liquefied natural gas (LNG) terminal by Meralco PowerGen Corp. (MGEN), Therma Natgas Power Inc. (Therma), and San Miguel Global Power Holdings Corp. (San Miguel Power). The press release of the PCC can be accessed at https://phcc.gov.ph/resource-details/pcc-approves-lng-deal-subject-to-competition-safeguards

ANNEX “I”

SAN MIGUEL CORPORATION
Sustainability Report

San Miguel Corporation

2024 Sustainability Report

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Context and Purpose

For San Miguel Corporation, to be a great Filipino company is to build a nation—not just a business. Every action we take is rooted in a deep sense of responsibility to our country and people. From driving inclusive economic growth to protecting the environment and investing in communities, we measure success by the positive change we help create. We honor the resilience, dignity, and aspirations of the Filipino by creating opportunities, responding to urgent needs, and building for the long term. This is what guides us—an unwavering commitment to serve the nation and uplift the lives of every Filipino.

1 About the Report

GRI 2-2 | GRI 2-3

At San Miguel Corporation (“SMC”, “San Miguel”, the “Company”, or the “Group”), we recognize that sustainability is an evolving journey—one that demands continuous learning and a steadfast commitment to progress. While we may not have every solution today, we are driving forward with urgency and purpose, refining our strategies, and scaling our impact to create lasting value for our stakeholders, the communities where we have businesses, society as a whole, and the environment.

The 2024 Sustainability Report marks an important transition for SMC. Over the years, we have built a solid foundation for sustainability, embedding Environmental, Social, and Governance (ESG) principles into our operations and decision-making. Now, we are moving beyond commitments—toward delivering measurable, scalable, and globally aligned outcomes.

We recognize that the path to sustainability is complex, and there is still much to be done. However, we remain unwavering in our commitment to transparency and accountability, providing a clear view of where we are, the challenges we face, and the meaningful steps we are taking to align with local and global best practices.

This report serves as both a reflection of our progress and a roadmap for the future. We invite you to explore our 2024 Sustainability Report, alongside our 2024 Annual Report, to gain a deeper understanding of how we are shaping a more resilient and sustainable San Miguel. [2024 Annual Report website link]

1.1 Scope and Coverage

GRI 2-2 | GRI 2-3

This report provides an in-depth analysis of the consolidated ESG performance of SMC and its key business groups from January 1 to December 31, 2024. The scope includes subsidiaries where SMC has a majority ownership and operational control, ensuring accurate representation of our sustainability progress.

The following key businesses are covered by the report, namely:

- Food and Beverage
- Packaging
- Fuel and Oil
- Energy
- Infrastructure
- Cement
- Others (as detailed in the “Our Businesses” section of this report)

With our continuing expansion, we now include San Miguel Aerocity Inc. (SMAI) in the scope.

To enhance comparability and track progress, this report presents ESG data spanning three years (2024, 2023, and 2022). A full list of subsidiaries covered can be found in the Appendices.

1.2 Reporting Frameworks and Standards

GRI 2-4 | GRI 3-1

SMC follows globally recognized reporting frameworks to ensure robust, transparent, and comparable sustainability disclosures. This report aligns with the standards specified below:

The Philippine Securities and Exchange Commission (SEC) Guidelines

Prepared in compliance with the SEC Memorandum Circular No. 4, Series of 2019, this report includes insights into SMC's material ESG impacts, risks, and management approaches.

Global Reporting Initiative (GRI) Standards

We reference the GRI Standards to provide transparent, stakeholder-relevant sustainability disclosures. A detailed GRI content index is included in the Appendices.

Sustainability Accounting Standards Board (SASB) Standards

Following SASB reporting principles, we integrate disclosures specific to key industries in our portfolio, such as:

- SASB Containers and Packaging Standard
- SASB Alcoholic Beverage Standard
- SASB Processed Foods Standard

Greenhouse Gas (GHG) Protocol

Our GHG emissions reporting follows the GHG Protocol's Corporate Standard, maintaining accuracy in emissions tracking and reporting. We employ the operational control approach to consolidate emissions from all business units.

We are progressively measuring our Scope 3 emissions, guided by the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, to identify high-impact areas in our value chain that offer significant reduction opportunities.

Reporting Principles

To uphold the highest quality of sustainability disclosures, our reporting adheres to the following principles:

- **Accuracy** – Verifying that all qualitative and quantitative data is reliable and verifiable.
- **Balance** – Providing an unbiased view of both positive achievements and challenges.
- **Clarity** – Presenting information in an accessible and straightforward manner.
- **Comparability** – Offering data that allows for year-over-year performance assessment.
- **Completeness** – Covering all relevant ESG activities, material events, and impacts.

We have restated certain ESG data based on refinements in our data collection processes. All material restatements are noted in the relevant data tables.

1.3 Note on Forward-Looking Statements

GRI 2-3

This report includes statements about SMC's sustainability objectives, forward-looking strategies, and projected performance. These statements are based on current assumptions and market conditions but are subject to uncertainties and external factors beyond our control.

Several key factors that may influence our operations and sustainability targets include:

- Changes in local and global economic conditions affecting supply and demand dynamics.
- Market fluctuations in pricing and availability of raw materials and energy sources.
- Evolving government regulations, environmental policies, and other laws.
- Broader geopolitical and socio-economic factors such as global conflicts and trade disruptions.

Given these key factors referred to above, we remain committed to proactive risk management, continuous improvement, and adapting to changing sustainability landscapes to achieve long-term shared value for our stakeholders.

1.4 Contact Information

GRI 2-3

We welcome your feedback and insights regarding this report and our sustainability initiatives. Please direct comments, insights, and any inquiries to:

Corporate Sustainability Office

San Miguel Corporation
40 San Miguel Avenue, Mandaluyong City
1550 Metro Manila, Philippines
Telephone: (632) 8 632 3974
Email: cso@sanmiguel.com.ph
Attention: Rita Imelda B. Palabyab

For further details on our sustainability performance, you may visit our sustainability microsite at:
<https://www.sanmiguel.com.ph/sustainability/>

2 Joint Message from the Chairman & CEO and President & COO

GRI 2-22 | GRI 203-1 | GRI 203-2

We have always seen San Miguel as a powerful driver of progress. Not just to drive our Company's growth but also to do what we have always planned: build a better nation and a more resilient and competitive Philippines.

We know that our size and scale bring broader responsibility, and our investments mean more economic activity in our communities, which can unlock opportunities and create jobs. We have a responsibility to make a difference in society, and San Miguel's strong focus on ESG underscores this commitment. Today, ESG is at the core of who we are, and we are a better company for it.

Our role and purpose as one of the Philippines' largest conglomerates goes beyond meeting basic corporate standards. Our sustainability framework and targets clearly show how we will respond to urgent social, economic, and environmental challenges.

We recognize and acknowledge that climate change is one of the world's most critical challenges—especially in the Philippines, which is vulnerable to typhoons, floods, and droughts. Science indicates that the planet's ten warmest years have all occurred in the past decade and that 2024 was the hottest year on record.

Our *Kalikasan*, *Kalinga*, and *Kasagana* pillars are key to how we respond to climate change as a business. They focus on everything from achieving Net Zero to creating the diverse and inclusive teams we need to get there and making significant contributions to the broader community.

From our starting point in 2022, we have made good progress on our sustainability journey. In 2022, we conducted a materiality assessment that outlined our key priority areas. Following this, we introduced the three pillars mentioned above to our ESG framework: driving learning for everyone across the San Miguel Group, empowering our people, and leading responsibly. These pillars represent the areas where San Miguel can have the greatest positive impact and where we believe our primary responsibilities lie towards society and the environment. Our culture and values support our three pillars, ensuring we achieve our ambitions.

Over the last two years, we have actively integrated sustainability principles into our culture and workplace. Our management team is being held increasingly accountable for executing our sustainability strategy. We will ensure that our various subsidiaries remain focused on operational improvements to minimize our business's environmental impact, especially regarding emissions and waste management.

We are very happy, too, that our focal sustainability heads are improving data collection and reporting. We have begun to ask for more data points related to emissions, social impact, and even biodiversity impacts. Across the Group, sustainability teams are making good progress in aligning with established standards and fulfilling reporting requirements. Over the next few years, this alignment will further enhance the quality of data and reporting, allowing us to better understand San Miguel's environmental impact and make more informed decisions about what action to take.

Sustainability is increasingly becoming an integral part of our employees' annual performance goals, and they are required to set objectives that specifically focus on giving back to our communities. Indeed, our employee engagement efforts help to enhance culture, connection, and community by integrating social impact and purpose into the employee experience. This is part and parcel of becoming a sustainable company.

We want our employees to understand our Company's sustainability priorities and how they can take action in their own lives. In October 2024, we hosted our first internal sustainability expo, "Sustainable San Miguel." The expo included roundtable discussions and an exhibit showcasing the Group's best practices.

As one of our four sustainability targets commits us to achieving Net Zero by 2050, we are pleased to

announce that three of our highest-emission businesses—Power, Cement, and Petron—have created a roadmap for managing and reducing our carbon emissions through ambitious short-, medium-, and long-term initiatives aimed at decarbonizing our operations and achieving Net Zero. Following the example of these three businesses, the long-term strategies of our seven other major subsidiaries are aligned with our emissions reduction plan.

We will continue to mobilize our over 57,000-employee force to drive innovation and collaborate with key partners to further reduce our carbon emissions and improve our overall environmental performance. Over the last year, we have begun engaging our suppliers in deriving their Scope 3 GHG emissions, and this report reflects a partial mapping of our findings.

Yet carbon emissions are only part of the story when we consider sustainability and our environmental impact. In 2024, San Miguel conducted its first-ever biodiversity audit for the New Manila International Airport, with our pilot biodiversity offset site in Barangay Pamarawan, Bulacan, serving as a testing ground to reconstruct and develop mudflats into a new feeding ground for migratory shorebirds and providing a much broader understanding of our businesses’ impact on nature.

We are working on embedding a checklist of sustainability parameters into our investments and capital expenditure projects. As such, all large expansion projects now include environmental criteria in our capex assessment and approval process. By requiring ESG-related inputs, we are creating greater awareness among work teams of project proponents, evaluators, and approvers of how our projects might impact communities and the environment.

Belief in a better way has propelled this Company forward since its founding in 1890, and San Miguel has proven that it is more than willing to go beyond being a good corporate citizen by taking on society’s unresolved problems. In the last decade, we have coalesced around challenges like hunger, inequality, access to water, and other basic human rights. This has been a learning journey for us, and we commit to improving our approach as we learn valuable lessons, as better technologies come to market, and as the world around us changes. We work ever harder to seek different ways of doing things and make climate-compatible growth our ultimate goal.

This report is one way we are transparent about our progress. We highlight the work happening across the organization to support our sustainability ambitions, from operational improvements and innovations to impactful campaigns with our employees and advocacy within our different industries.

We look forward to sharing more about our milestones and achievements from 2024, how we are transitioning to more sustainable alternatives, and how we create sustainable value throughout our Company. We hope our efforts, as presented in this report, will inspire and educate others embarking on the same path.

John Paul L. Ang
President and Chief Operating Officer

Ramon S. Ang
Chairman and Chief Executive Officer

3 About San Miguel Corporation

3.1 Company Overview

GRI 2-1 | GRI 2-6 | GRI 203-1 | GRI 203-2

San Miguel Corporation is one of the largest and most diversified conglomerates in the Philippines by revenues and total assets, with annual sales equivalent to approximately 6% of the Philippines' GDP in 2024, based on data by the Philippine Statistics Authority.

Originally founded in 1890 as a single-product brewery in the Philippines, SMC has been in continuous operation for over 130 years. Today, it owns market-leading businesses across various industries, including Beverages, Food, Packaging, Fuel and Oil, Energy, Infrastructure, Cement, Property Development and Leasing, Logistics, Car Distributorship, Insurance, and Banking services. SMC's portfolio of companies is deeply integrated into the economic fabric of the Philippines, benefiting from and contributing to, the development and economic progress of the nation.

Since embarking on its business diversification program in 2007, SMC has strategically channeled its resources towards high-growth sectors aligned with the Philippines' economic development. This strategy and the pursuit of growth plans within each business segment aim to develop a broader range of revenue streams and boost operating income. This approach ensures that SMC is well-positioned to access capital, seize growth opportunities, and navigate economic downturns and business cycles effectively.

Through its core subsidiaries and extensive product portfolio, SMC has maintained long-standing leadership positions in various business sectors, including beer, spirits, poultry, animal feeds, flour, processed meats, dairy products, various packaging products, a full range of refined petroleum products, and cement. Moreover, SMC's aggressive expansion into power generation, cement, and infrastructure has also led to its leadership in these industries over the last decade.

SMC is listed on the Philippine Stock Exchange (PSE Ticker: SMC), as are its publicly listed subsidiaries, San Miguel Food and Beverage, Inc., Ginebra San Miguel Inc., and Petron Corporation.

SMC is headquartered in the San Miguel Corporation Head Office Complex, at 40 San Miguel Avenue, 1550 Mandaluyong City, and has more than 100 major facilities in the Philippines, Southeast Asia, China, Australia, and New Zealand.

3.2 Our Businesses

GRI 2-1 | GRI 2-6 | GRI 203-1 | GRI 203-2

Food and Beverage

San Miguel Food and Beverage, Inc. (SMFB) is a leading food and beverage company in the Philippines serving the entire Philippine archipelago through an extensive distribution and dealer network, and exporting to about 70 markets worldwide.

SMFB operates through three primary divisions:

- Beer and Non-Alcoholic Beverages: via San Miguel Brewery Inc. (SMB), San Miguel Beer International, and their subsidiaries
- Spirits: via Ginebra San Miguel Inc. (GSMI) and its subsidiaries
- Food and Animal Nutrition and Care: via San Miguel Foods Inc. (SMFI) and its related companies.

The major brands under SMFB include the following:

- Beer: San Miguel Pale Pilsen, San Mig Light, Red Horse
- Spirits: Ginebra San Miguel, GSM Blue, Vino Kulafu
- Food:
 - Magnolia: Chicken, dairy, spreads, flour mixes, salad aids
 - Monterey: Fresh and marinated meats

- Purefoods Tender Juicy: Hotdogs
- Purefoods: Other processed meats, ready-to-eat meals, seafood line
- Veega: Plant-based products
- Star and Dari Crème: Margarine
- B-Meg: Animal feeds.

Packaging

San Miguel operates one of the largest packaging operations in the Philippines and the region under San Miguel Yamamura Packaging Corporation (SMYPC) and San Miguel Yamamura Packaging International Ltd., offering total packaging solutions to leading manufacturers in the food, pharmaceutical, chemical, beverages, spirits, and personal care sectors. Its international packaging operations are in China, Vietnam, Malaysia, Australia and New Zealand.

The company produces various packaging products including:

- Glass
- Molds
- Metal and plastic closures
- Aluminum cans
- Plastic bottles
- Pallets and crates
- Flexibles
- Paper
- Other packaging products.
- Services: Beverage filling in aluminum cans, PET, and glass bottles and logistics services.

Fuel and Oil

Petron is the largest integrated oil refining and marketing company in the Philippines and a strong third player in the Malaysian market, with a combined refining capacity of 268,000 barrels per day. Petron has a network of approximately 1,800 and 800 service stations in the Philippines and Malaysia respectively, as of December 31, 2024.

Petron operates an oil refinery in Limay, Bataan and fuel terminals and airport installations throughout the Philippines, as follows:

- 13 terminals in Luzon
- 7 terminals in Visayas
- 8 terminals in Mindanao
- 4 airport installations in Luzon
- 5 airport installations in Visayas
- 3 airport installations in Mindanao

In Malaysia, we have:

- 1 Palm Oil Methyl Ester (PME) plant
- 10 terminals

Petron serves consumers and the public transport sector with a range of petroleum products, namely:

- Gasoline
- Diesel
- Kerosene

It also exports various petroleum and petrochemical products to customers in the Asia-Pacific region, including:

- Low-sulfur waxy residue
- Naphtha
- Mixed xylene
- Benzene
- Toluene
- Propylene

Energy

San Miguel Global Power Holdings Corp. (SMGP), together with its subsidiaries, associates, and joint ventures, is one of the largest power generation companies in the Philippines, with a total combined capacity of 6,080 Megawatt (MW) as of December 31, 2024.

SMGP’s major power assets as of December 31, 2024 include the following:

- Sual Power Plant
- San Roque Hydroelectric Power Plant
- Angat Hydroelectric Power Plant
- Limay Greenfield Power Plant
- Davao Greenfield Power Plant
- Masinloc Power Plant (with Masinloc BESS)
- Ilijan Power Plant
- Mariveles Greenfield Power Plant
- Battery Energy Storage Systems (BESS)

Grid market shares based on the Energy Regulatory Commission (ERC) Resolution on Grid Market Share Limitation as of December 31, 2024 are as follows:

- 22% of the National Grid
- 28% of the Luzon Grid
- 5% of the Visayas Grid
- 9% of the Mindanao Grid.

Infrastructure

San Miguel Holdings Corporation (SMHC) maintains investments in companies with long-term concessions in the Philippine infrastructure sector, including toll roads, airports, mass rail transit, and bulk water supply. The concession coverage includes approximately 1,048.5 kilometers of total road length, serving Metro Manila and other fast-growing regions of Luzon.

Toll roads currently in operation or with awarded government concessions under SMHC include:

- South Luzon Expressway (SLEX)
- Skyway Stages 1, 2, and 3
- Southern Tagalog Arterial Road (STAR)
- Tarlac-Pangasinan-La Union Expressway (TPLEX)
- Ninoy Aquino International Airport Expressway (NAIAx)
- Skyway 4
- SLEX-TR4
- SLEX-TR5
- Pasig River Expressway (PAREX)
- MRT-7
- Northern Access Link Expressway (NALEX)
- Southern Access Link Expressway (SALEX)
- Cavite-Batangas Expressway (CBEX)
- Nasugbu-Bauan Expressway (NBEX)
- Pangasinan Link Expressway (PLEX)
- TPLEX Extension Project (TPLEX Ext)
- New Manila International Airport (NMIA) in Bulacan

Other operations and investments include:

- Boracay Airport operation
- NAIA Concession Agreement through New NAIA Infra Corp. (NNIC), a consortium that is undertaking its rehabilitation and modernization
- Investments in Manila North Harbour Phil. Inc., the concessionaire of the North Port domestic terminal at Manila North Harbour.
- Luzon Clean Water Development Corporation (LCWDC) for the Bulacan Bulk Water Supply Project

- Investments in Bulakan Water Co. Inc. (BWCI) and Obando Water Co. Inc. (OWCI) for water distribution in respective municipalities of Bulacan.

Cement

San Miguel's cement business is conducted through key subsidiaries of San Miguel Equity Investments Inc. (SMEII):

- Eagle Cement Corporation (ECC)
- Northern Cement Corporation (NCC)
- Southern Concrete Industries Inc. (SCII).

The combined annual production capacity of these subsidiaries is approximately 17.53 million metric tons per year (MTPY) of finished cement.

Facilities owned and operated include:

- Eagle Cement Corporation
 - Fully integrated cement production facility
 - Limestone, shale, and pozzolan quarry
 - Limestone Pulverizing Plant in San Ildefonso, Bulacan
 - Grinding and packaging facility in Limay, Bataan
- Northern Cement Corporation
 - Fully integrated cement production facility
 - Quarry in Sison, Pangasinan
- Southern Concrete Industries Inc.
 - Grinding plant in Santa Cruz, Davao Del Sur

Real Estate

San Miguel Properties Inc. (SMPI) offers a diverse portfolio of midrange homes and prime lots in Cavite, high-end townhouses and hospitality developments in Metro Manila, and economic zones in Bataan.

Established in 1990 as SMC's corporate real estate arm, SMPI aims to be a major player in the country's property development sector.

Banking

An affiliate of San Miguel Corporation since 2008, Bank of Commerce (BankCom) is a publicly-listed universal bank focused on helping its clients, communities, and conglomerate partners by delivering a wide range of financial services. Leveraging the strengths of the SMC Group, BankCom provides innovative banking solutions and a comprehensive portfolio of products and services, including deposit accounts, commercial loans, credit card services, consumer banking, transaction banking, corporate banking, investment banking, treasury, asset management, trust, and investments.

BankCom operates a network of 140 branches and 268 Automated Teller Machines (ATMs), including Cash Kiosks for deposit and withdrawal transactions, strategically located nationwide.

Logistics

SMC Shipping and Lighterage Inc. (SMCSL) is a subsidiary of SMC that is primarily engaged in shipping, cargo handling, warehousing, and trucking services for businesses within the SMC Group.

San Miguel Integrated Logistics Services, Inc. (SMILSI) is another SMC subsidiary providing logistics management services to other businesses in the Group. Utilizing both company-owned and leased storage facilities, transport units, and material handling equipment, SMILSI offers integrated planning, coordination, operations, and maintenance services for shipping, warehousing, and trucking, customs brokerage, and port operations.

Information Technology

Established in 1999, SMITS Inc. is one of the leading Information Technology (IT) companies in the Philippines. It is responsible for managing SMC's IT operations.

The organization employs over 700 IT professionals and over 1,200 business process experts, offering IT consulting, implementation, and support services to the San Miguel Group and external clients.

Cars and Motorcycles

SMC Asia Car Distributors Corp. (SMAC) was established in 2017 to import, buy, sell, and distribute various motor vehicles and spare parts, accessories, tires, tubes, batteries, and other related supplies.

SMAC is currently the sole importer and distributor of BMW vehicles, spare parts, and accessories in the Philippines.

3.3 Our Geographical Presence

GRI 2-1 | GRI 2-6 | GRI 203-1 | GRI 203-2

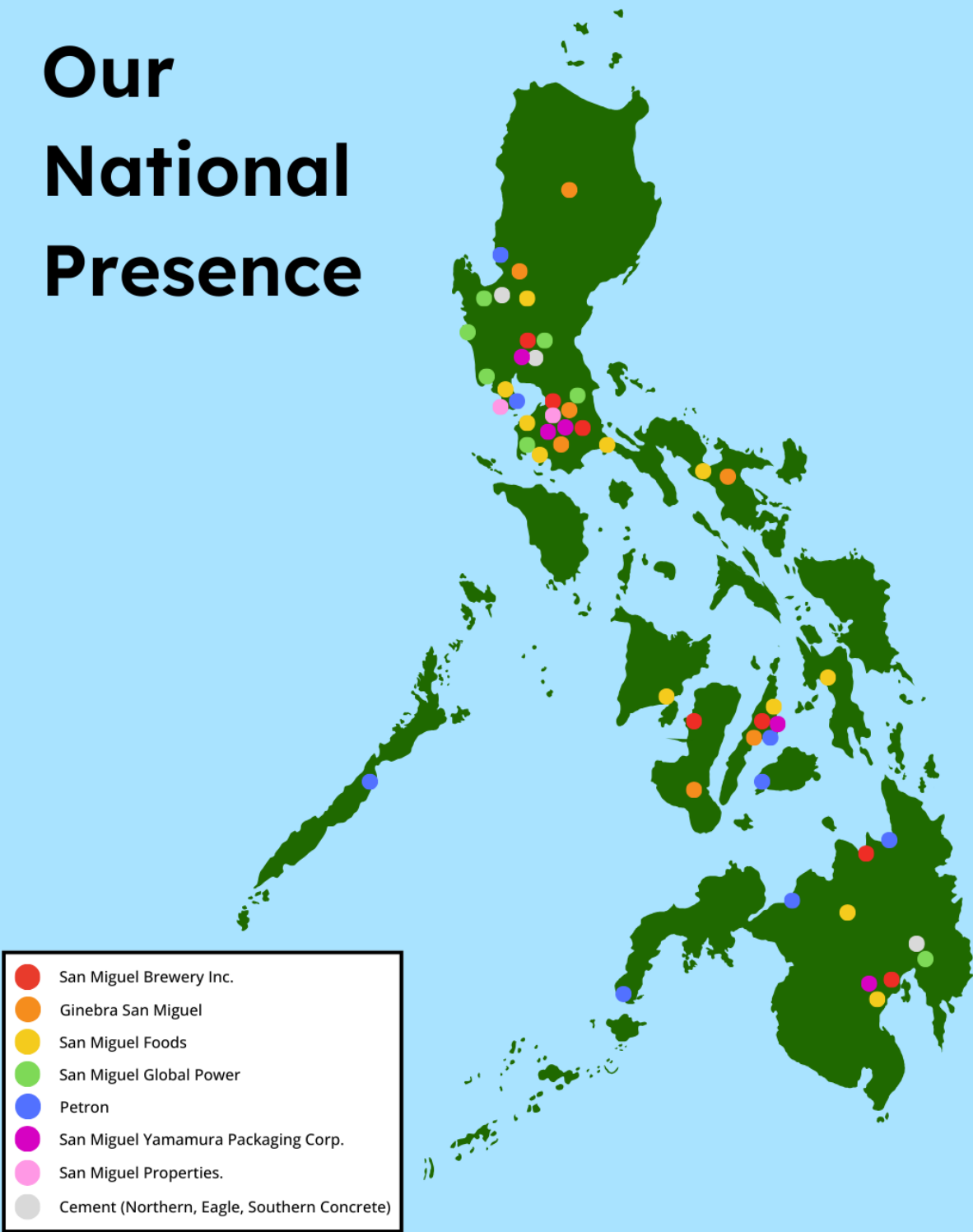
As a national conglomerate with a strong presence across multiple industries, San Miguel Corporation strategically locates its key facilities throughout the country to optimize operational efficiency and market access—while carefully managing the balance between rural development and its potential impact on local communities and the environment.

We recognize that expanding our operations inevitably influences the areas in which we operate. That is why we are committed to full compliance with all social and environmental regulations and to fostering mutually rewarding relationships with host communities.

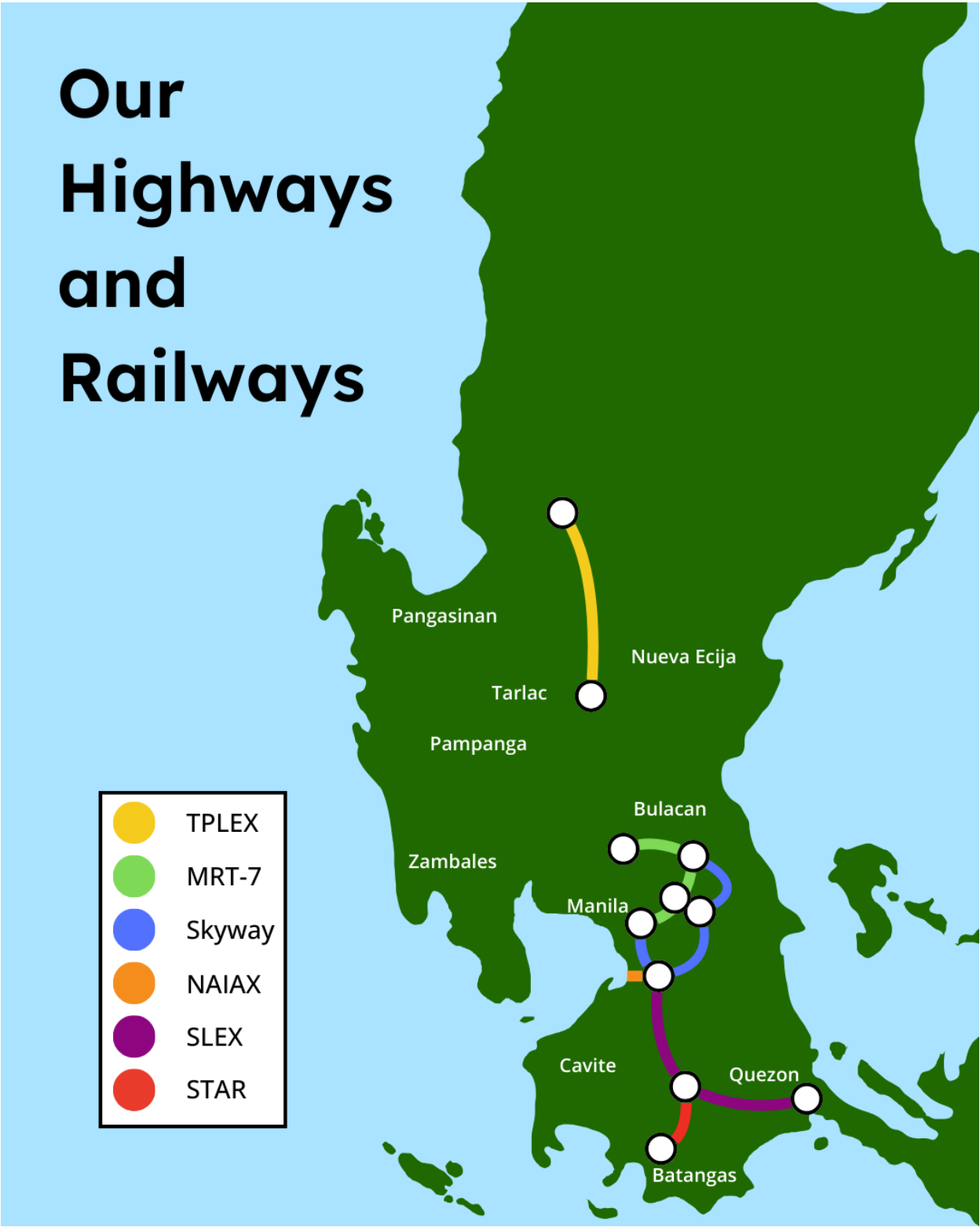
Beyond minimizing our impact, SMC is driven by a broader goal: to be a force for good in the lives of all Filipinos as we help build a better, more inclusive future for all.



Our National Presence



Our Highways and Railways



3.4 Our Awards and Recognitions

GRI 2-22

Our unwavering commitment to sustainability is embedded in every aspect of our business operations, earning us diverse accolades in 2024. These prestigious recognitions highlight our dedication to environmental stewardship, social responsibility, and strong corporate governance. From reducing our carbon footprint and promoting ethical sourcing to fostering an inclusive workplace and engaging with local communities, we continuously strive to drive meaningful impact. These achievements reinforce our ongoing mission to create a more sustainable and equitable future for both society and the environment.

For a complete list of 2024 ESG awards received by SMC businesses, please refer to the Appendices.

Award Category	Award Giving Body	Name of Award	Recipient of Award
Governance and Overall Sustainability Leadership	The Asset ESG Corporate Awards 2024	The Asset ESG Corporate Awards (Titanium)	San Miguel Corporation
	Global Good Governance 3G Awards	Excellence in Sustainability Reporting Award	San Miguel Corporation
	Global Good Governance 3G Awards	Championship Award for CSR	San Miguel Corporation
	Institute of Corporate Directors	ACGS Recognition Award – One Golden Arrow	San Miguel Corporation
	Institute of Corporate Directors	ACGS Recognition Award – Three Golden Arrows	San Miguel Food and Beverage Inc.
	Institute of Corporate Directors	ACGS Recognition Award – One Golden Arrow	Petron Corporation
	Climate Change Hero Award 2024	Climate Change Hero Award	Ramon S. Ang
Environmental Excellence	The Asset ESG Corporate Awards 2024	Best Initiative in Environmental Responsibility – Biodiversity Offset Program	San Miguel Corporation
	U.N. Global Compact Network Philippine SDG Awards 2024	SDG Award for Planet – Biodiversity in Dampalit, A Biodiversity Offset Program	San Miguel Corporation
	Stewardship Asia Centre	Steward Leadership 25 – Recognizing Steward Leadership Excellence in Asia-Pacific	San Miguel Aerocity Inc.
	Asian Water Awards 2024	Water Conservation Initiative of the Year – Philippines	San Miguel Global Power
	Asian Water Awards 2024	Water Reuse and Recycling Project of the Year – Philippines	San Miguel Global Power
	ESG Business Awards 2024	Marine Conservation Award – Philippines	San Miguel Global Power
	Office of the Vice President	A Million Learners and Trees Campaign Active Participation	San Miguel Brewery Inc. – Davao Brewery
	Presidential Mineral Industry Environmental Award (PMIEA)	Quarry Operation Category	Eagle Cement Corporation
	Presidential Mineral Industry Environmental Award (PMIEA)	Quarry Operation Category	Northern Cement Corporation
	Department of Natural Resources (DENR)	Outstanding Private Sector Environmental Partner on Air and Water Quality Management	Northern Cement Corporation

Sustainability Leadership in Energy	The Asset Triple A Sustainable Infrastructure Awards 2024	Renewable Energy Deal of the Year – Battery Energy Storage Systems	San Miguel Corporation
	Asian Power Awards 2024	ESG Programme of the Year – Philippines	San Miguel Global Power
	Asian Power Awards 2024	Information Technology Project of the Year – Philippines	San Miguel Global Power
	Asian Power Awards 2024	Power Utility of the Year – Philippines	San Miguel Global Power
	Asian Power Awards 2024	R&D Project of the Year – Philippines	San Miguel Global Power
	Asia Corporate Excellence & Sustainability (ACES) Awards 2024	Green Initiative Award	San Miguel Global Power
	ESG Business Awards 2024	Carbon Disclosure Award – Philippines	San Miguel Global Power
	The Annual Global Economic Awards 2024	Best ESG Practices for Sustainable Development - Utility and Energy – Philippines	San Miguel Global Power
	The Annual Global Economic Awards 2024	Outstanding Diversified Power Generation Company – Philippines	San Miguel Global Power
	World Business Outlook Awards 2024	Leading Power Generation Company in the Philippines	San Miguel Global Power
Workplace Excellence	Department of Labor and Employment (DOLE)	13th <i>Gawad Kaligtasan</i> at <i>Kalusugan</i> (GKK) Awards	Petron Corporation
	Department of Labor and Employment (DOLE)	13th GKK Best Practice Award for Emergency Preparedness Program	San Miguel Holdings Inc.: Luzon Clean Water Development Corporation (LCWDC)
Social Impact and Community Development	The Asset ESG Corporate Awards 2024	Best Initiative in Social Responsibility – "Better World Smokey Mountain"	San Miguel Corporation
	U.N. Global Compact Network Philippine SDG Awards 2024	SDG Award for Prosperity – SMC River Rehabilitation Program	San Miguel Corporation
	The Pinnacle 16th Annual Global CSR and ESG Summit and Awards	Best Community Programme Award – "Tulong Aral" and Engineering Scholarship Program	Petron Corporation
	The Pinnacle 16th Annual Global CSR and ESG Summit and Awards	Community and Women Empowerment – Better World Tondo	San Miguel Foundation
	Metropolitan Manila Development Authority (MMDA) and Philippine National Volunteer Service Coordinating Agency (PNVSCA)	Outstanding Volunteer Organization – Team <i>Malasakit</i> Volunteer Program	San Miguel Foundation

Quality and Product Excellence	The Asset Triple A Sustainable Infrastructure Awards 2024	Transport Deal of the Year and Transport Sponsor of the Year	San Miguel Corporation
	Monde Selection Quality Awards	Grand Gold & International High Trophy: 1834 Premium Distilled Gin	Ginebra San Miguel Inc.
	Monde Selection Quality Awards	Gold & International High Trophy: GSM Premium Gin	Ginebra San Miguel Inc.
	Quality and Productivity Association of the Philippines (QPAP), Inc.	41st Productivity Improvement Circles National Convention (PICNC) 2024 Excellence Award	All SMYPC Domestic Plants
	Philippine Society for Quality (PSQ)	International Quality and Productivity Convention (IQPC) 2024 and Excellence Award	SMYPC: Rightpak Plant, Metal Closure & Lithography Plant San Fernando, Manila Glass Plant, SMY Glass Plant, Manila Plastics Plant, SMC Yamamura Fuso Molds Corporation, San Fernando Beverage Packaging Plant, Logistics Services, Can Asia, Inc.
	Brand Finance	One of the 10 most valuable Filipino brands for 2024; 83rd most valuable brand in ASEAN	Petron Corporation

2023

Award Category	Award Giving Body	Name of Award	Recipient of Award
Governance and Overall Sustainability Leadership	The Asset ESG Corporate Awards	The Asset ESG Corporate Awards (Titanium)	San Miguel Corporation
	The Asset ESG Corporate Awards	Best Initiative in Environmental Responsibility: BESS	San Miguel Corporation
	Forbes	World's Best Employers 2023	San Miguel Corporation
	Time	World's Best Companies 2023	San Miguel Corporation
	Philippine Chamber of Commerce and Industry (PCCI)	Presidential Recognition for Outstanding Achievement on Environment / Climate Initiatives	San Miguel Corporation
	Philippine Chamber of Commerce and Industry (PCCI)	Nation Builders' Award	Ramon S. Ang, San Miguel Corporation
	Alpha Southeast Asia 13th Institutional	Strongest Adherence to Corporate Governance	San Miguel Corporation

	Investor Corporate Awards		
	Institute of Corporate Directors	ACGS Recognition Award – One Golden Arrow	San Miguel Corporation
	Institute of Corporate Directors	ACGS Recognition Award – Three Golden Arrows	San Miguel Food and Beverage Inc.
	Institute of Corporate Directors	ACGS Recognition Award – Two Golden Arrows	Petron Corporation
	Institute of Corporate Directors	ACGS Recognition Award – One Golden Arrow	Eagle Cement Corporation
Environmental Excellence	Presidential Mineral Industry Environmental Award	Quarry Operation Category	Eagle Cement Corporation
	Department of Natural Resources (DENR)	2nd Runner-up for Best Mining Forest Award	Eagle Cement Corporation
	Department of Natural Resources (DENR)	Best Environmental Partner	Northern Cement Corporation
Sustainability Leadership in Energy	Asian Power Awards	Battery Storage Project of the Year – Philippines (BESS Facilities)	San Miguel Global Power Holdings Corp.
	Asian Power Awards	Innovative Power Technology of the Year – Philippines (BESS Facilities)	San Miguel Global Power Holdings Corp.
	Asian Power Awards	Smart Grid Project of the Year – Philippines (BESS Facilities)	San Miguel Global Power Holdings Corp.
	Asian Power Awards	Diesel-Fired Power Project of the Year – Philippines (Malita Power Inc.)	San Miguel Global Power Holdings Corp.
	Asian Power Awards	Information Technology Project of the Year – Philippines (Malita Power Inc.)	San Miguel Global Power Holdings Corp.
	Asian Power Awards	Power Plant Upgrade of the Year – Philippines (Malita Power Inc.)	San Miguel Global Power Holdings Corp.
	Asian Power Awards	Water Conservation Initiative of the Year – Philippines (Limay Power Inc.)	San Miguel Global Power Holdings Corp.
Social Impact and Community Development	Global Good Governance 3G Awards	CSR Championship Award	San Miguel Corporation
	Alpha Southeast Asia 13th Institutional Investor Corporate Awards	Best Strategic Corporate Social Responsibility	San Miguel Corporation
	The Green Organization	International CSR Excellence Award – Bronze	Ginebra San Miguel Inc.
	Technical Education and Skills Development Authority (TESDA)	National Kabalikat Awards – Industry Category	Ginebra San Miguel Inc.

Quality and Product Excellence	20th Philippine Quill Awards	Award of Excellence for 'Huling Patak ng Bagong Tapang' under Marketing, Advertising, and Brand Communication	Ginebra San Miguel Inc.
	Monde Selection Quality Awards	Gold: GSM Premium Gin, Antonov Vodka, 1834 Premium Distilled Gin, Various Ginebra San Miguel Products	Ginebra San Miguel Inc.
	Monde Selection Quality Awards	Silver: GSM Blue Mojito, Pomelo, Margarita, Light Gin, Primera Light Brandy	Ginebra San Miguel Inc.
	International Quality and Productivity Convention	Excellence Award	San Miguel Packaging Group
	Pollution Control Association of the Philippines	Success Story Award	San Miguel Packaging Group

2022

Award Category	Award Giving Body	Name of Award	Recipient of Award
Governance and Overall Sustainability Leadership	Department of Labor and Employment (DOLE)	Special recognition as an exemplary Filipino company with <i>malasakit</i> for its people	San Miguel Corporation
	Forbes Magazine	World’s Best Employers List (Ranked 174th out of 800)	San Miguel Corporation
	French Government	Legion of Honor	Ramon S. Ang
	Institute of Corporate Directors	ACGS Recognition Award – Three Golden Arrow	San Miguel Food and Beverage Inc.
	Institute of Corporate Directors	ACGS Recognition Award – Two Golden Arrow	Petron Corporation
Environmental Excellence	Department of Environment and Natural Resources (DENR)	Presidential Mining Environmental Award: Titanium Achievement Award for Quarry Operator Category	Northern Cement Corporation
Quality and Product Excellence	Catholic Mass Media Awards	Best Digital Ad	Ginebra San Miguel Inc.
	Monde Selection Awards	Gold – Ginebra San Miguel Premium Gin, Antonov Vodka, Ginebra San Miguel, 1834 Premium Distilled Gin, GSMI Blue Light Gin, GSM Blue Flavors Pomelo, Vino Kulafu	Ginebra San Miguel Inc.
	Monde Selection Awards	Silver – GSM Blue Flavors Mojito, GSM Blue Flavors Margarita	Ginebra San Miguel Inc.

4 Our Stakeholders

4.1 Stakeholder Engagement

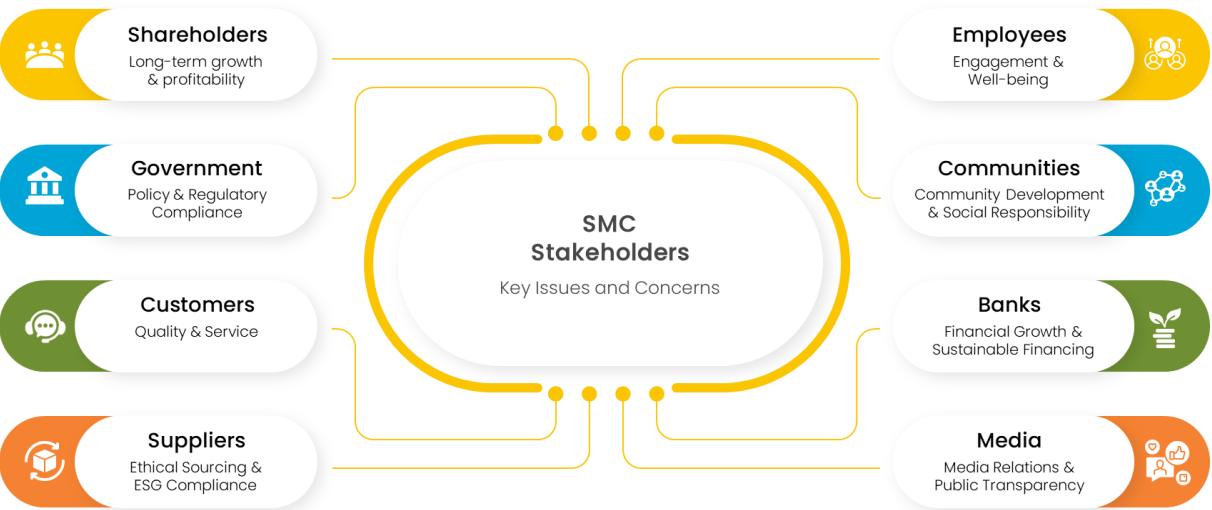
GRI 2-12 | GRI 2-16 | GRI 2-25 | GRI 2-26 | GRI 2-29

With a diverse portfolio, SMC plays a vital role in the daily lives of Filipinos—delivering essential goods and services while upholding a responsible approach to business. Our sustainability efforts are focused on responding to stakeholder needs and using our businesses as platforms for meaningful, long-term solutions. We believe that sustainable practices not only drive positive impact but also strengthen overall business performance.

Clear and consistent communication is central to understanding our stakeholders. We prioritize open dialogue and use efficient channels to ensure transparency. Additionally, we benchmark our ESG performance against global standards to reinforce accountability and align with the highest levels of sustainability practice.

4.2 Our Stakeholder Groups

GRI 2-12 | GRI 2-16 | GRI 2-25 | GRI 2-26 | GRI 2-29 | GRI 411-1 | GRI 413-1 | GRI 413-2



Shareholders and Investors

SMC values its shareholders and investors as key partners in driving long-term growth, sustainability, and corporate responsibility. Their continued support helps shape the Company's vision, strategies, and commitment to sustainable practices through ongoing dialogue and feedback.

To ensure transparency and accessibility, SMC maintains robust communication channels, including regular Board and committee meetings, annual stockholders' meetings, investor briefings, roadshows, and direct engagements via calls, emails, and disclosures to regulatory bodies such as the SEC, PSE, and PDEX. Additionally, quarterly e-newsletters and social media updates further enhance information sharing.

On ESG matters, SMC actively collaborates within the Group and with external stakeholders to address ratings, initiatives, and sustainability goals, fostering continuous progress towards responsible and impactful growth.

Government Bodies and Regulators

SMC collaborates closely with the government and regulatory bodies on developmental, legal, and policy

matters, recognizing them as key partners in achieving national goals. This collaboration involves consultations, plant visits, and legislative hearings. SMC diligently complies with all relevant laws and regulations, conducting audits to meet global standards and best practices. Through Public-Private Partnership projects, SMC contributes to national growth by enhancing infrastructure, transportation, and power supply, ultimately strengthening the economy and improving people's lives.

Additionally, SMC works with the government on issues like tax reforms to ensure fairness for consumers. The Company also actively participates in road infrastructure projects, engaging in consultations and generating job opportunities for affected communities.

Engagement with government bodies and regulators in the ESG space is essential to fostering sustainable business practices. Public-private collaboration remains a crucial driver of meaningful progress in this area.

Customers

SMC values our customers and strives to consistently provide quality, affordable products paired with excellent service to foster brand trust and loyalty. We remain cognizant of shifting customer preferences through surveys, direct engagement, and social media monitoring. Utilizing both traditional and digital channels—including marketing campaigns, social media, TV, radio, and outdoor advertising—we ensure consistent messaging and packaging.

SMC actively engages with customers through social media, promptly responding to inquiries and gathering feedback via surveys. Customers can conveniently order products for doorstep delivery through "<https://www.sanmiguelmart.ph/>" and "<https://www.smbdelivers.com/>" or contact Customer Care at "+63 2 8632-2000" for inquiries.

For Petron, feedback channels include its website, social media platforms, the Petron Customer Interaction Center, and SMS hotlines at service stations, ensuring efficient and responsive customer service.

Suppliers and Vendors

SMC plays a vital role in strengthening upstream industries by fostering a diverse network of third-party suppliers that meet our stringent quality and compliance standards. We view suppliers as strategic partners in creating shared value and advancing sustainability.

Supplier accreditation involves rigorous audits by our Corporate Procurement Group, which evaluates business ethics, environmental impact, health and safety compliance, and financial stability. With the enhancement of our Supplier Code of Conduct in 2022 to include ESG metrics, we continue to align suppliers with these standards through ongoing orientation and engagement.

Recognizing that suppliers are at varying ESG maturity levels, Corporate Procurement has developed a multi-year engagement plan. For advanced suppliers, primarily large foreign firms, we focus on learning from their best practices. For those still establishing ESG programs, we conduct training workshops, starting with internal procurement teams to ensure effective communication.

To further assess sustainability efforts, we refined our supplier survey, expanding participation to an additional 500 suppliers, covering 10% of the SMC Group's total supplier base. Additionally, we are evaluating vendors to implement solutions for monitoring and validating ESG compliance across our supply chain.

Employees

At SMC, our employees are central to our strategy, purpose, and ESG agenda. As of 2024, we employ 57,428 personnel across domestic operations. To attract top talent, we offer competitive compensation and benefits, and our succession planning ensures leadership continuity and technical expertise.

We prioritize compliance with labor laws, mutual respect, and a collaborative work environment.

Effective communication is key, supported by:

- A grievance mechanism through Collective Bargaining Agreements (CBAs) for unionized employees
- Labor-Management Councils at the plant level to address concerns and implement welfare programs
- Town halls, *Kumustahan*, and “speak-up” sessions for non-unionized employees, where they can directly connect with leaders above their direct supervisors or managers.

HR managers serve as advocates, ensuring employee concerns are addressed by leadership. This fosters a culture of engagement, inclusivity, and continuous improvement.

Local Communities

SMC operates nationwide, with its farms, manufacturing facilities, power plants, and service hubs situated within and actively engaged with local communities. From the project planning stage, we engage LGUs and *barangays* to build trust and address concerns, incorporating their feedback into the Environmental Impact Assessment (EIA) submitted to the DENR.

Community engagement is a priority, with facility heads and External Relations Managers fostering open dialogue through *barangay* and municipal meetings. We actively support initiatives related to clean water, feeding programs, education, livelihood, health care, and infrastructure improvements in rural areas.

For Indigenous Peoples (IP) communities, we collaborate with the National Commission on Indigenous Peoples (NCIP) on reforestation and community development projects, ensuring inclusive growth.

Financial Institutions

Financial institutions are key partners in SMC’s growth, providing funding, financial advisory services, and market insights that support our expansion and contribution to national development. Their support facilitates debt and equity financing, particularly in infrastructure and energy, ensuring capital availability, effective cash flow management, and long-term growth.

We engage regularly with financial institutions through briefings, market updates, and discussions on financial instruments. Beyond funding, banks help advance our sustainability goals by advising on ESG programs, exploring green financing options, and supporting the communication of our ESG agenda to shareholders and investors.

Media

The media plays a vital role in SMC’s communication with stakeholders. We maintain strong relationships with traditional and digital media through press releases, briefings, and interviews led by our CEO and key officers, ensuring timely updates on Company plans and performance.

Media representatives are invited to key events, including stockholders’ meetings and brand launches. As digital platforms continue to grow, we have expanded our communication channels to enhance accessibility and engagement.

The Corporate Affairs Office and Media Affairs Group actively share sustainability initiatives through press releases, social media, and site visits. Additionally, the Chairman and CEO engages directly with the media on major initiatives, ensuring a clear, accurate, and responsible flow of information.

5 Our Approach to Sustainability

5.1 Our Materiality Process

GRI 3-1

Understanding Our Materiality Assessment

We remain committed to providing clear, comprehensive, and reliable sustainability disclosures. Our materiality assessment framework is built to ensure transparency and accountability, enabling our stakeholders to evaluate our ESG performance with confidence.

To identify and prioritize the sustainability issues that matter most, we employ a structured materiality assessment process that considers both business imperatives and stakeholder expectations. In 2024, the results of our assessment remained consistent with previous years, as there were no significant changes in our operations or external context. We continue to focus on the material topics identified in our last assessment, which reflect the most relevant economic, environmental, social, and governance concerns of our stakeholders.

Our Materiality Process Framework

SMC follows a structured materiality process designed to ensure that our sustainability priorities remain relevant, impactful, and aligned with our business strategy. This process includes:

1. **Review of Business Context and Stakeholder Expectations:** We assess ongoing and emerging sustainability trends, regulatory developments, and global best practices to ensure alignment with stakeholder concerns and business imperatives.
2. **Evaluation of Material Topics:** Our Sustainability Working Team reviews and updates material topics based on their relevance and impact, ensuring they reflect current priorities and support corporate objectives.
3. **Validation and Integration:** We validate findings with senior leadership and integrate them into our sustainability strategy and reporting process.
4. **Continuous Monitoring and Reporting:** While we did not conduct a full reassessment in 2024, we continuously monitor shifts in the internal and external environment to remain agile in our sustainability efforts.



A. Our Material Topics

GRI 3-2

We align our material topics with the United Nations Sustainable Development Goals (SDGs) to ensure that our sustainability initiatives contribute meaningfully to global imperatives. The following table illustrates how our key focus areas correspond to the SDGs and reaffirms our commitment to the 2030 Agenda for Sustainable Development.

Each material topic reflects the most pressing ESG issues relevant to our business and stakeholders. Our environmental topics align with SDGs on climate action, responsible consumption, and ecosystem preservation. Our social topics support global health, education, decent work, and equality objectives. Meanwhile, our governance topics reinforce our ethical foundation, risk resilience, and digital innovation, advancing global efforts to promote transparency, industry leadership, just institutions, and partnerships for sustainable development.

Material Topics	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Climate Action							●		●				●				
Resource Management						●	●				●	●					
Circular Economy									●		●	●		●	●		
Biodiversity & Ecosystems														●	●		
Customer Welfare & Responsibility			●									●					
Employee Engagement, Training, & Development				●				●									
Community Engagement	●	●		●				●			●						●
Employee Health & Safety			●					●									
Human Rights & Labor Practices								●		●						●	
Innovation & Product Quality												●					
Diversity, Equity, & Inclusion					●			●		●							
Sustainable Supply Chain								●				●					●
Business Ethics & Compliance																●	
Risk Management												●				●	
Digital Transformation									●								●
Data Privacy & Security																●	●

5.2 Our ESG Data Collection Process

GRI 2-5

We worked closely with Environmental, Social, and Governance data providers and consolidators and their respective sustainability working teams in the business units to collect the data used in this report. For our 2024 report, we have updated our standardized data templates to incorporate the latest information relevant to ESG reporting. The standardized data templates have also been strengthened by incorporating user feedback, improving efficiency, and streamlining data collection, validation, and consolidation.

We are committed to full transparency and accountability in our ESG actions and disclosures to all our stakeholders. We adhere to global and local standards, ensuring that the data disclosed in this report are accurate, balanced and complete.

We have started to collect our Scope 3 GHG emissions data. To support this effort, we developed a standardized data template to capture relevant information for estimating Scope 3 emissions. This data template incorporates principles from the GHG Protocol: Corporate Value Chain (Scope 3) Standard to enhance the accuracy and consistency of our data.

Data Collection Process

The *Sustainability Working Teams* from the business units collected, verified, and consolidated data at the business unit level before submitting it to the SMC parent company. The *Corporate Sustainability Office* then reviewed and analyzed the data to ensure completeness and quality before incorporating it into this report. Working alongside the Corporate Sustainability Office were the Corporate Affairs Office, Corporate Human Resources, Corporate Finance, Office of the General Counsel, and the San Miguel Foundation, together forming the *SMC Sustainability Core Team*.

We are working on strengthening and automating our data collection and validation processes, using data analytics to gain more insights into risks and opportunities across our operations. Additionally, one of our key businesses, SMGP, has already obtained external assurance for its sustainability reports for 2021-2023, and we are actively working to extend similar assurance to our other businesses within the next two years.

5.3 Our Sustainability Governance Structure

GRI 2-9 | GRI 2-10 | GRI 2-11 | GRI 2-12 | GRI 2-13 | GRI 2-14

SMC has established a comprehensive Sustainability Governance Structure to drive accountability, enhance decision-making, and ensure the effective execution of our sustainability agenda across all business units. Sustainability is embedded at every level of our organization, from the Board of Directors to the operational teams responsible for implementation.

Sustainability Oversight and Leadership

At the highest level, the Board of Directors provides strategic oversight. It ensures that sustainability principles are fully integrated into SMC’s corporate strategy, risk management framework, and long-term business objectives. The Board plays a pivotal role in shaping the Company's sustainability direction and ensuring alignment with global ESG standards and stakeholder expectations.

The Board Sustainability Committee supports the Board and is responsible for reviewing and approving key sustainability initiatives, monitoring ESG performance, and ensuring compliance with sustainability regulations. The Committee ensures that ESG considerations are embedded in business decisions and that sustainability efforts align with corporate priorities.

Executive Leadership and Management

The Chairman and CEO provides overall strategic leadership for SMC and ensures that sustainability remains a central pillar of the Company’s vision and direction. He champions sustainability at the highest level of the organization, aligning corporate growth with long-term ESG objectives. Supporting this role is the President and COO who oversees the day-to-day implementation of sustainability initiatives across business operations. The CEO and COO work closely with the Chief Sustainability Officer, who leads the Company’s overall sustainability strategy and execution, develops long-term ESG goals, defines performance metrics, and ensures consistent implementation across all business units.

The Corporate Sustainability Office (CSO) is responsible for ensuring that high-level sustainability strategies are translated into actionable programs by SMC’s various business units. This office collaborates with internal and external stakeholders, conducts ESG assessments, and ensures compliance with local and global reporting frameworks.

Operational Implementation and Business Unit Engagement

At the operational level, SMC has established Sustainability Working Teams, composed of sustainability leads and their respective support functions from each business unit. These teams are responsible for executing sustainability initiatives within their respective divisions, ensuring that ESG principles are deeply embedded into business operations.

Their key functions comprise of:

- Strategy Formulation – Developing and refining sustainability strategies to ensure alignment with corporate objectives.
- Strategy Execution – Mobilizing operational teams to undertake programs that align business operations with sustainability targets.
- ESG Risk Management – Identifying and mitigating sustainability risks that could impact business continuity and growth.
- Stakeholder Engagement – Coordinating with investors, regulators, customers, and communities to align sustainability initiatives with stakeholder expectations.
- Sustainability Performance Monitoring – Tracking key ESG metrics, ensuring compliance with regulatory requirements, and continuously improving sustainability outcomes.

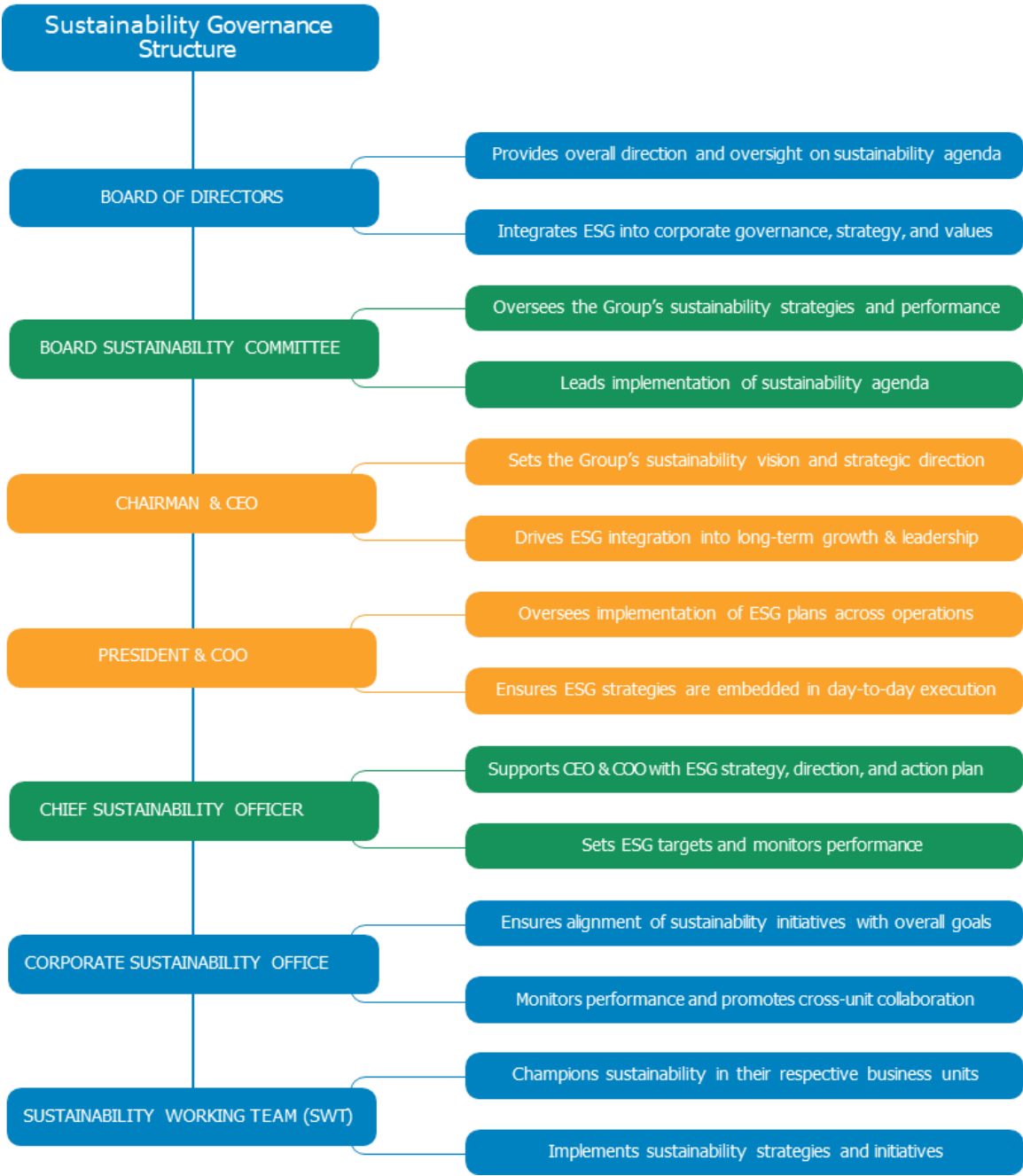
Among the Sustainability Working Teams is a Core Team that includes representatives from key corporate functions to ensure a holistic approach to sustainability. These include:

- Corporate Human Resources – Drives sustainability-focused employee programs, workforce engagement, and diversity, equity, and inclusion (DEI) initiatives.

- Corporate Affairs Office – Manages internal and external communications, public relations, and stakeholder engagement on sustainability issues.
- San Miguel Foundation – Leads social responsibility and community development programs to uplift communities and enhance social impact.
- Office of the General Counsel – Provides legal guidance on sustainability-related policies, regulatory compliance, risk management, and governance frameworks.
- Corporate Procurement Group – Ensures the integration of responsible sourcing and sustainable procurement practices across the supply chain.
- Finance and Treasury – Aligns sustainability initiatives with financial planning, investments, and sustainability-linked financing opportunities.

Strengthening Governance in 2024 and Beyond

Building on this governance structure, we continue to refine governance mechanisms to ensure that sustainability remains a core business priority. Through our governance framework, we ensure that sustainability is an integral part of how we create long-term value for all stakeholders.



Our Sustainability at a Glance

GRI 2-17 | GRI 201-1 | GRI 203-1



ECONOMIC



P1,593 B+
of economic value generated



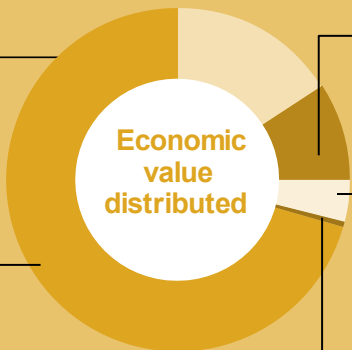
P1,542 B+
of economic value distributed



Payments to governments in taxes
P200 B+



Operating costs including payments to suppliers
P1,135 B+



Payments to providers of capital

P150 B+

Employee wages and benefits

P57 B+

Investments in communities

P0.42 B+



ENVIRONMENT



4%, 7%, 6%, & 2%
Decreases in GHG emissions intensity for Power, Petron, Cement, and SMC's other business units



84%
Of solid waste diverted away from landfills



8 Mn MT
Of silt and waste removed from Pasig, Tullahan, San Juan, and Bulacan rivers



1%, 5%, 9%, & 2%
Decreases in energy intensity for Power, Petron, Cement, and SMC's other business units



7%
Reduction in solid waste generated



7.8 B Liters
Freshwater saved through Water for All project



100%
Of spent grain and spent yeast repurposed as animal feed



9%
Increase in renewable materials used



6.5 Mn+
Trees planted through Project 747 since start of the program



100%
Of glass cullet and jars recycled



5%
Increase in rainwater use for operations



59 Species
Of coral transplanted through coral reef rehabilitation



SOCIAL



50%

Personnel employed outside NCR, reflecting workforce regional diversity



550

Volunteer activations conducted nationwide



5,433

Members served almost daily by Better World communities



1,500

Users reached by digital sustainability courses on LinkedIn Learning



21,720

Non-unique volunteer participation from all business units



13,446

Consultations in eleven community clinics nationwide



1.8Mn Hours

Online and in-person trainings provided to employees



58,526 Hours

Of volunteer service across the Group



5,859

Persons provided with livelihood assistance



31 Hours

Average training hours per employee



54,685

Individual beneficiaries reached by volunteer activations



GOVERNANCE



60%

Of total procurement budget spent on local suppliers



10%

Of the Group's supplier base assessed through a Supplier Sustainability Questionnaire



100%

Of Directors and Officers received training on anti-corruption policies and procedures



2,700

Employees participated in 14 Thought Leadership Talks on data analytics, totaling 24.5 learning hours



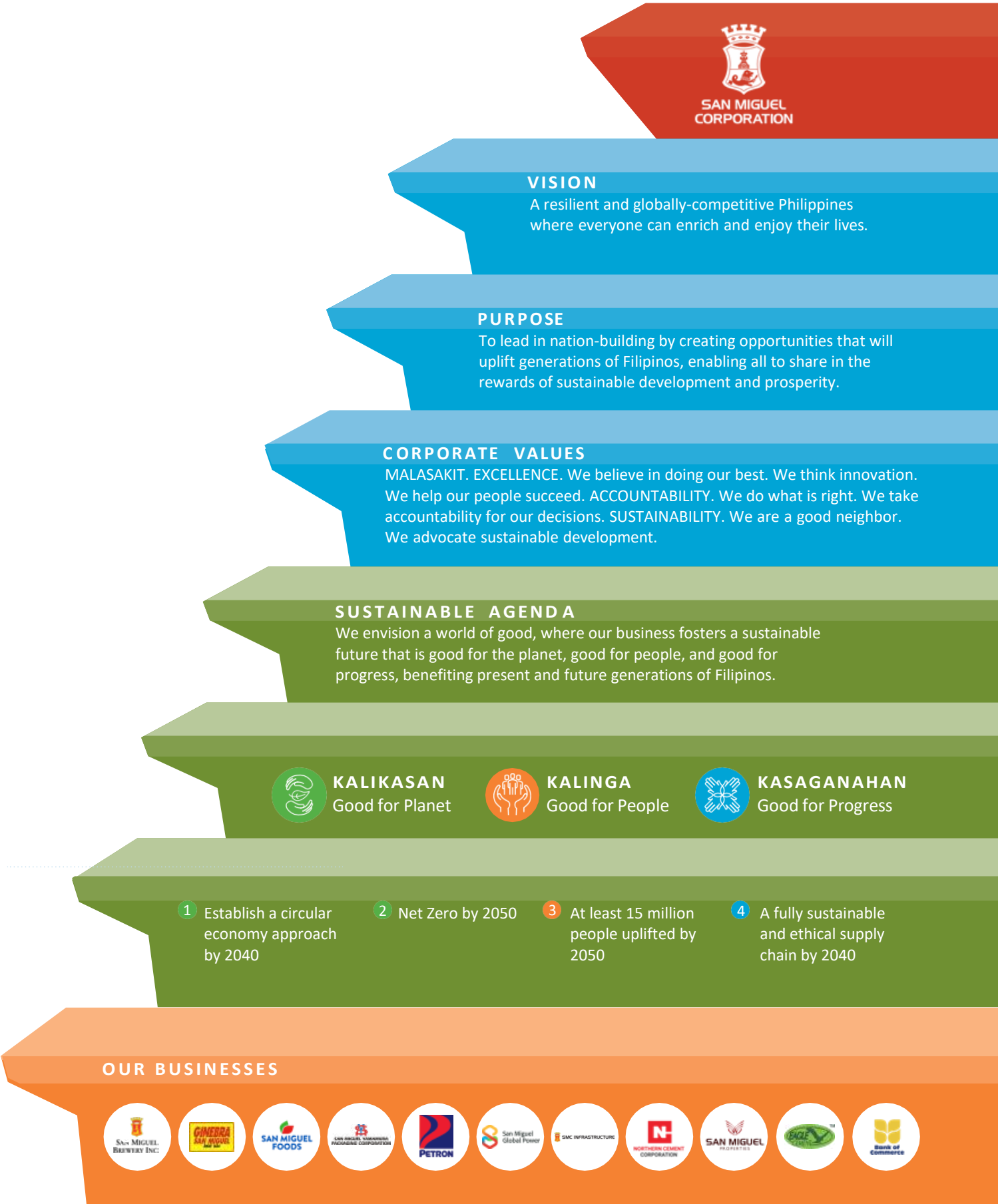
Zero

Complaints concerning breaches of data privacy



3,126

Employees engaged on Data Privacy across the SMC Group through 25 training sessions



6.3 Our Sustainability Agenda and Goals

GRI 2-22

Advancing Sustainability: From Foundations to Scalable Impact

Over the years, we have embedded sustainability into our core business operations, governance structures, and stakeholder engagement. As we move forward in 2024, we are accelerating our shift from foundational efforts to measurable and scalable impacts aligned with global standards. This means intensifying our actions, ensuring tangible outcomes, and creating lasting value for our stakeholders, the environment, and society.

Our Sustainability Agenda and Goals guide our ESG strategies. These pillars define how we tackle and address climate action, drive inclusive economic growth, and foster social well-being while maintaining responsible business practices. By aligning our initiatives with the UN SDGs and international sustainability benchmarks, we ensure that our efforts are future-ready and contribute meaningfully to national and global progress.

Our Sustainability Agenda: A Framework for Responsible Growth

SMC’s sustainability agenda is structured around three core pillars that reflect our commitment to responsible growth and long-term impact:



Our Sustainability Goals: Measurable Commitments for 2030-2050

SMC has established four overarching sustainability goals to translate our agenda into actionable outcomes that drive our performance and accountability.



1

Establish a circular economy approach by 2040

contributing to the following SDGs



2

Net Zero by 2050

contributing to the following SDGs



3

At least 15 million uplifted people by 2030

contributing to the following SDGs



4

A fully sustainable and ethical supply chain by 2040

contributing to the following SDGs

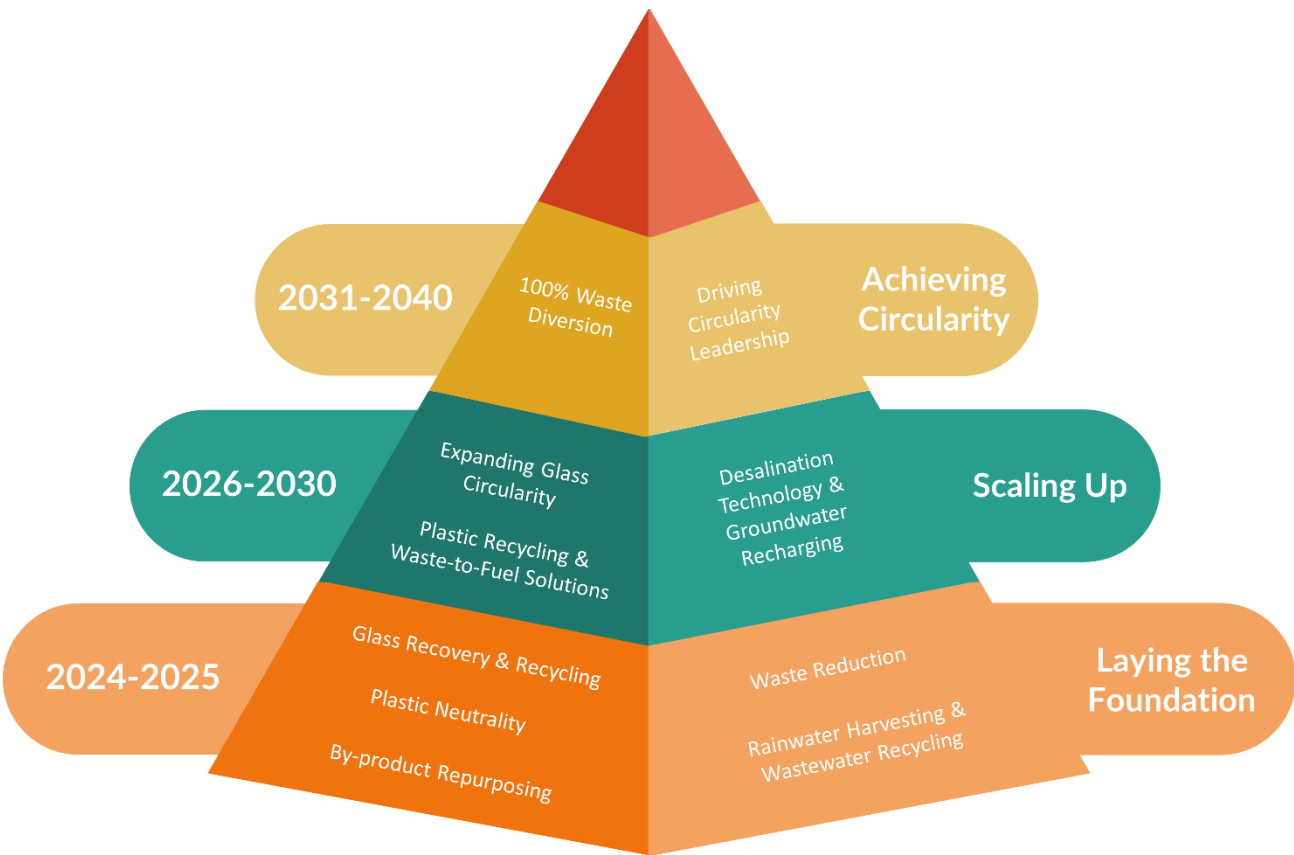


6.4 Our Sustainability Roadmap

GRI 2-22

Establish a circular economy approach by 2040

By 2040, we envision a system where waste is no longer a by-product but a valuable resource; where materials are continuously optimized and circularity deeply embedded across our operations.



Optimizing Resources, Eliminating Waste, and Regenerating Nature

San Miguel Corporation is accelerating its transition toward a circular economy—an approach that maximizes resource efficiency, eliminates waste, and regenerates natural systems. By redesigning how materials are used, recovered, and repurposed, we aim to create a more sustainable business model that minimizes environmental impact while generating long-term value for stakeholders.

Our roadmap follows a phased strategy that lays the groundwork for circularity, scales up sustainability innovations, and ultimately achieves a zero-waste future by 2040.

Laying the Foundation (2024-2025)

Building a circular economy begins with strengthening recovery systems, reducing waste generation, and optimizing resource use. Our immediate priorities include:

- **Glass Recovery & Recycling:** We are expanding our glass collection networks and improving retrieval systems to increase recycling rates across our value chain. We are working on expanding territorial bottle suppliers and installing bottle-washing facilities in key areas. Additionally, we are reinforcing our “Balik Bote” program to improve the recovery of used glass containers and cullet.
- **Plastic Reduction:** We are introducing sustainable packaging alternatives while actively phasing out single-use plastics. We promote “Bring Your Own” practices, encouraging employees to use reusable water bottles, cups, food containers, and utensils. In our Packaging business, we are rolling out mono-material flexible packaging to improve recyclability. Meanwhile, Petron is

implementing a lube container recovery program, engaging service stations, car care centers, and customers to collect and recycle used plastic containers.

- **By-Product Repurposing:** To close the loop on organic waste, we are converting spent grains and yeast into animal feeds, and poultry manure into organic fertilizer. In our Foods business, we are maximizing the use of spent grains, spent yeast, pollard, rendered poultry offal, and feathers as feed ingredients while developing additional by-products for animal nutrition. To increase the volume of spent grains transferred to animal feeds, we are rehabilitating or installing new dryers in our Beer operations. We have also begun donating meat sweepings from our meat processing facilities to LGU pounds and the Manila Zoo. This initiative not only reduces hauling and disposal costs, but also supports animal care programs by giving waste materials a more purposeful end use. Additionally, we are recovering CO₂ generated by fermentation in our Beer and GSMI operations for sale to beverage companies. In Cement, we are maximizing the use of coal ash as a clinker substitute.
- **Waste Reduction:** We are strengthening internal policies and employee engagement to enhance material recovery, recycling, and proper disposal methods. We are ensuring the safe treatment and disposal of hazardous waste in compliance with regulatory standards. Petron is establishing dedicated hazardous waste storage facilities at service stations, ensuring the safe handling of materials and preventing environmental contamination.
- **Rainwater Harvesting & Wastewater Recycling:** We are expanding rainwater harvesting systems across our facilities and installing advanced wastewater treatment facilities to reuse and recycle water efficiently.

Scaling Up Sustainability (2026-2030)

With a strong foundation in place, the next phase focuses on expanding infrastructure, integrating innovative waste solutions, and scaling up circular economy systems.

- **Expanding Glass Circularity:** We are striving to increase the percentage of glass retrieved and recycled, with a target of achieving a 75% retrieval rate by 2026 for GSMI. In addition, we are exploring and setting up modern cullet processing plants for post-consumer glass containers in our Packaging business.
- **Plastic Recycling and Waste-to-Fuel Solutions:** We have established a Sustainability Center in Laguna dedicated to recycling rigid plastics for our Packaging business and are accredited by DENR to issue plastic credits in accordance with R.A. 11898 or the “Extended Producer Responsibility (EPR) Act of 2022.” We are also scaling up our efforts to tackle plastic and other wastes by converting these to fuel and strengthening waste collection partnerships with industry players and local communities.
- **Desalination Technology and Groundwater Recharging:** The Petron refinery has an existing desalination plant supplying 20% of the plant’s operational requirement. The viability of desalination plants for SMB, Power, and Cement is being assessed. We are also tracking the progress of ongoing groundwater recharging trials in the San Fernando Brewery.

Achieving Circularity (2031-2040)

The final phase of our roadmap brings our circular economy vision to full realization—where waste is eliminated, resources are continuously repurposed, and sustainability is embedded in every aspect of our operations.

- **100% Waste Diversion:** By 2040, we are committed to achieving 100% waste diversion, ensuring that no waste from our operations ends up in landfills. Through maximum recovery, repurposing, and recycling, we will create a fully regenerative system that eliminates waste and minimizes environmental impact.
- **Driving Circularity Leadership:** SMC aims to lead the industry in circular economy innovation, driving local sustainability partnerships and developing new recycling technologies that redefine how materials are managed and reused.

Tracking Progress: Measuring Impact at Every Stage

To ensure transparency and accountability, we will track key performance indicators that measure our progress toward full circularity:

Glass Circularity and Recovery

- **Percentage of reused glass bottles to total bottles used:** This metric measures how many recovered glass bottles are reintegrated into production compared to the total bottles used, helping us assess our progress in reducing reliance on virgin materials.
- **Volume of waste glass retrieved and percentage of recycled content in new glass bottles:** This metric tracks the total amount of waste glass recovered and evaluates how much of this material is incorporated into the production of new glass bottles.

Plastic Reduction and Recycling

- **Plastic neutrality:** This metric measures the recovery and/or offsetting of post-consumer plastic corresponding to the amount of plastic packaging used across our operations. It reflects our commitment to achieving plastic neutrality by ensuring that for every unit of plastic we put into the market, an equivalent amount is recovered or diverted from the environment.
- **Reduction in single-use plastics:** This metric compares current usage levels of single-use plastics against our baseline footprint.
- **Volume of plastic waste used in energy recovery:** This metric measures the total quantity of non-recyclable plastics converted into alternative fuels.

By-Product Repurposing and Resource Efficiency

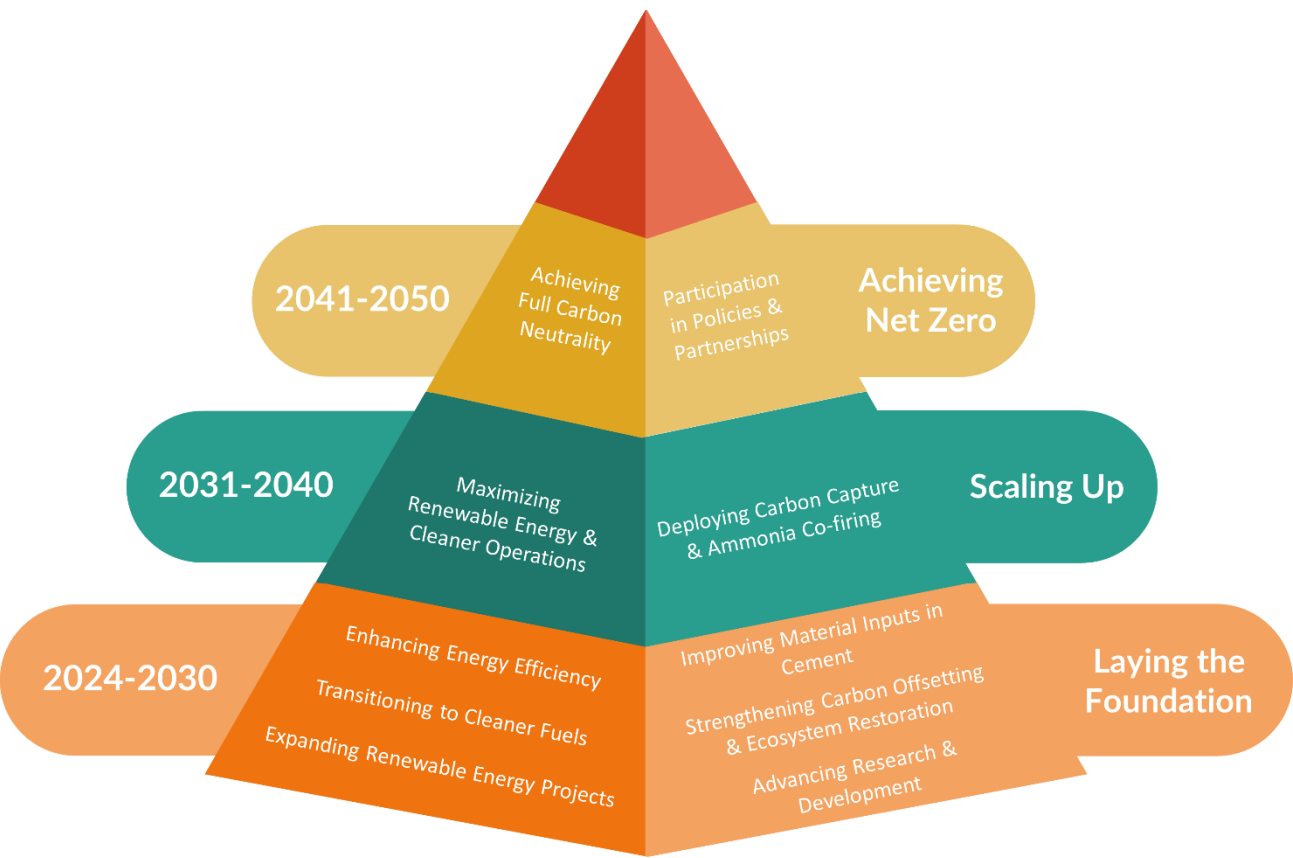
- **Volume and value of each type of by-product diverted from landfill and percentage of total materials used:** This metric tracks the quantity and financial value of by-products such as spent grains, yeast, poultry manure, and other materials repurposed into animal feed, fertilizers, or construction materials. It also calculates the percentage of these by-products in our total material usage.
- **Volume of CO₂ recovered and reused:** This metric measures the total amount of carbon dioxide captured from fermentation and other industrial processes and repurposed for commercial or industrial applications, reducing GHG emissions.
- **Volume and percentage of coal ash reused or recycled:** This metric quantifies the total amount of coal ash repurposed as a clinker substitute in cement production and expresses it as a percentage of total coal ash generated.

Water Conservation and Reuse

- **Percentage of scarce water used vs. projected demand based on baseline:** This metric evaluates water consumption efficiency by comparing the volume of water drawn from limited sources against projected demand.
- **Volume of rainwater harvested and percentage contribution to total water consumption:** This metric tracks the amount of rainwater collected and determines its share in the Company’s overall water usage.
- **Volume of treated and reused water and percentage contribution to total water consumption:** This metric measures the amount of wastewater treated and reused within our operations and expresses it as a percentage of total water consumption.

Net zero by 2050

By 2050, we envision an organization where GHG emissions are minimized to the lowest feasible levels, energy systems are optimized for sustainability, and remaining emissions are fully offset through carbon capture and ecosystem restoration. With innovation-driven solutions and deep-rooted environmental stewardship, SMC is not only transforming its own operations but also setting a benchmark for sustainability leadership in the Philippines and beyond.



Minimizing Emissions, Advancing Clean Energy, and Driving Carbon Reduction

San Miguel Corporation is committed to achieving Net Zero emissions by 2050, a bold ambition that underscores our responsibility to mitigate climate change and reduce our environmental footprint. Through clean energy investments, operational efficiency improvements, and carbon offsetting, we are paving the way for a low-carbon future.

Laying the Foundation (2024-2030)

Our journey to Net Zero begins with a strong foundation in energy efficiency, clean fuel adoption, and nature-based climate solutions. This phase focuses on optimizing operations, reducing emissions, and integrating renewable energy sources into our business.

- **Enhancing Energy Efficiency:** We will establish energy management systems across all facilities, in line with RA 11285 (Energy Efficiency and Conservation Act), to provide a structured framework for monitoring, controlling, and optimizing energy consumption. This will serve as the foundation for our energy efficiency programs. We will also upgrade our operating equipment to reduce energy consumption, install variable frequency drive controllers and other energy-saving technologies, and shift to LED lighting and inverter air-conditioning systems to cut electricity usage across facilities. Additionally, we will deploy solar panels in offices and implement Green Data Centers to optimize power utilization.
- **Transitioning to Cleaner Fuels:** To reduce reliance on fossil fuels, we are integrating biomass and alternative fuels for use in boilers and generators. In parallel, Petron is pursuing its plan to establish a Coconut Methyl Ester (CME) plant, allowing up to a 5% CME blend in Petron’s diesel

products by 2030. The Cement group will also be shifting to lower-carbon or alternative fuels to reduce energy-related emissions.

- **Expanding Renewable Energy Projects:** We are developing waste-to-energy projects in our Cement operations and, within our Power Group, expanding solar power generation across multiple sites. Global Power is also focused on scaling up hydroelectric capacity by upgrading existing facilities and identifying viable locations for new development. To further support renewable integration and enhance grid reliability, we will continue to deploy and operate Battery Energy Storage Systems (BESS) across the country.
- **Raw Material Substitution in Cement Production:** We plan to reduce clinker content in cement with supplementary cementitious materials such as fly ash and natural pozzolans, and explore the use of recycled aggregates. By replacing high-carbon raw materials, we aim to reduce process emissions.
- **Strengthening Carbon Offsetting & Ecosystem Restoration:** Recognizing the critical role of natural carbon sinks, we engage in large-scale reforestation and mangrove restoration projects to enhance carbon sequestration, protect coastal areas from climate-induced risks, and restore ecosystems. We will also quantify the amount of CO₂ emissions captured through these efforts to measure their impact on climate mitigation. Additionally, we are intensifying river rehabilitation programs in Central and Southern Luzon to mitigate flooding. To support marine biodiversity, we continue to implement coral restoration and fish sanctuary projects, ensuring the protection and regeneration of critical aquatic systems.
- **Advancing Research & Development:** We are initiating research into Carbon Capture and Storage (CCS) technologies, assessing their feasibility for trapping and repurposing emissions. We are also planning to conduct a pilot implementation of CCS to better understand its operational application. In parallel, we are exploring emerging technologies such as ammonia co-firing with coal and other innovations that help minimize GHG emissions as we transition to cleaner energy sources.

Scaling Up Sustainability (2031-2040)

With the foundation in place, this phase focuses on scaling up renewable energy adoption, deepening carbon offsetting initiatives, and accelerating research-driven innovations.

- **Maximizing Renewable Energy & Cleaner Operations:** To further decarbonize our operations, we are expanding solar and hydroelectric power projects, and integrating BESS capacity into our power plants. This will enhance grid stability and maximize power generation by storing off-peak energy for peak demand, reducing reliance on fossil fuels. As we increase renewable energy capacity, our other business units can shift to these clean energy sources to power production facilities and reduce reliance on fossil fuel-based energy.
- **Deploying Carbon Capture & Ammonia Co-firing:** In this stage, we will fully roll out CCS technology in our operations to support large-scale mitigation. In parallel, we will roll out ammonia co-firing with coal. These initiatives will accelerate our transition to low-carbon operations while ensuring technological and economic feasibility.

Achieving Net Zero (2041-2050)

The final stage of our roadmap focuses on achieving a balanced portfolio of renewable and low-carbon energy sources, ensuring that any remaining emissions are effectively offset by carbon capture and sequestration solutions.

- **Achieving Full Carbon Neutrality:** By 2050, we are committed to maintaining a diversified energy mix that minimizes GHG emissions, eliminating reliance on unabated fossil fuels, and optimizing waste-to-energy projects. Through strategic carbon management, we will ensure that our net emissions are reduced to levels that can be fully offset by CCS and natural climate solutions.
- **Becoming a Sustainability Leader:** Our long-term vision extends beyond operational efficiency. By investing in cutting-edge carbon capture technologies, embedding sustainability in all aspects of business operations, and actively participating in local and even global policy discussions and

partnerships, we aim to drive industry-wide change and shape local and international Net Zero standards.

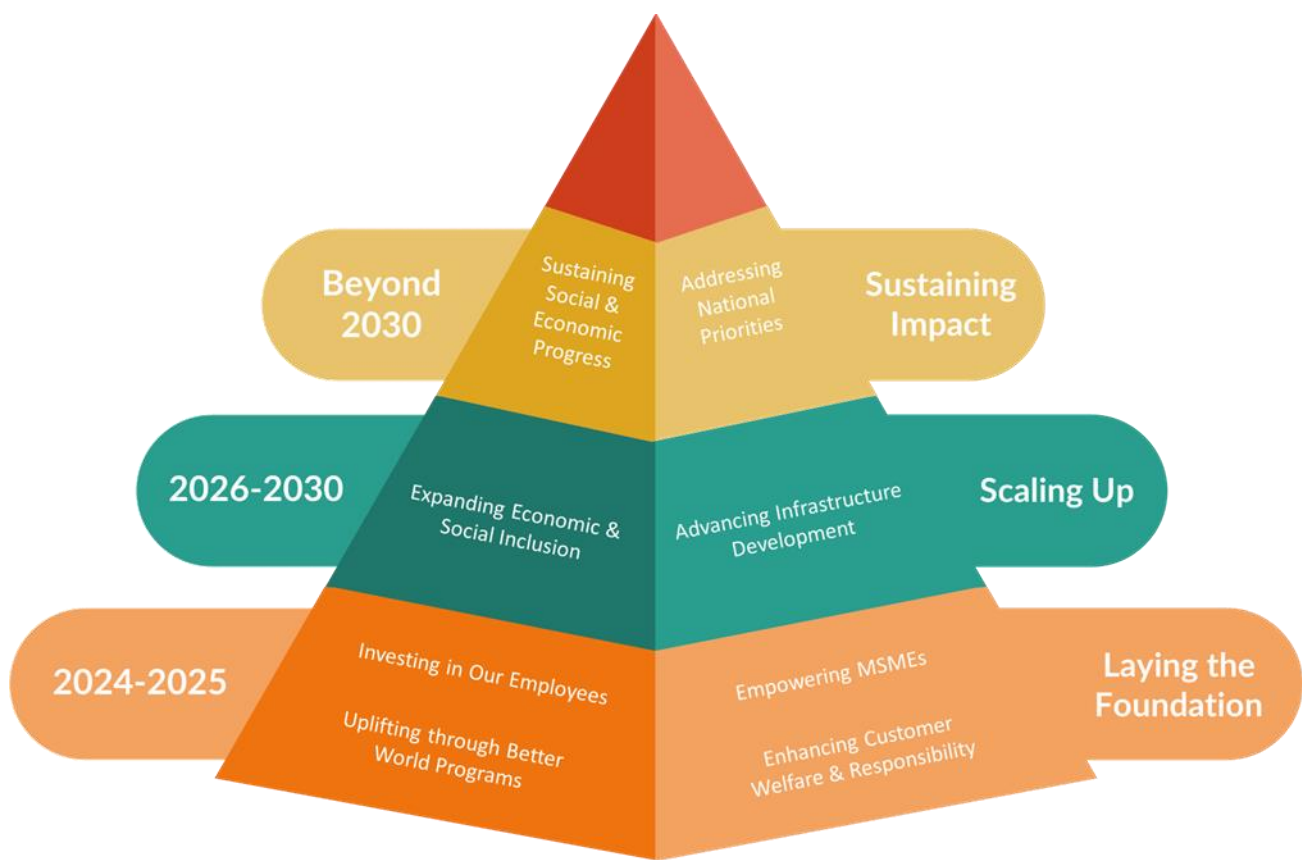
Tracking Progress: Measuring Impact at Every Stage

To assess our progress and ensure alignment with Net Zero goals, we will track key sustainability metrics:

- **Reduction in GHG emissions and intensity from operations:** We will monitor absolute and intensity-based emissions reductions across business units, ensuring alignment with global decarbonization trajectories. Tracking emissions will help refine strategies and measure the impact of our climate initiatives.
- **Reduction in energy consumption & intensity:** Measuring improvements in energy efficiency will provide insights into how our investments in optimization, renewable energy, and operational enhancements contribute to lowering overall consumption.
- **Percentage of total energy sourced from renewables:** This metric ensures that we steadily increase the share of renewable energy in our portfolio while balancing energy security, cost efficiency, and sustainability objectives.
- **Total installed capacity of renewable energy projects:** This metric will measure our expansion of renewable energy capacity, ensuring that we scale up investments in solar, hydro, and other clean energy sources.
- **Number of trees planted:** A key indicator of our reforestation efforts, tracking the number of trees planted helps measure progress in restoring ecosystems and enhancing carbon sequestration potential.
- **CO₂ sequestration estimates:** This will quantify the effectiveness of our nature-based solutions and CCS initiatives in capturing and storing carbon, ensuring that offset strategies are data-driven and impactful.

At least 15 million people uplifted by 2030

By 2030, SMC envisions a future where millions of lives are transformed through sustainable livelihoods, enhanced education and healthcare access, and thriving communities. With a strategic, structured, and measurable approach, we are committed to building a more inclusive, equitable, and prosperous future for all.



Creating Equitable and Transformative Pathways to a Sustainable Future

San Miguel Corporation is committed to uplifting at least 15 million people by 2030 through inclusive economic growth, improved social well-being, and strengthened community resilience. By providing equitable opportunities, essential services, and sustainable livelihood programs, we aim to make a lasting impact on our employees, customers, communities, and the nation at large.

Laying the Foundation (2024-2025)

Building a strong foundation for social progress is the first step in creating transformative and scalable impact. Our initial phase focuses on ensuring fair labor practices, employee development, community welfare, and economic empowerment initiatives.

- **Investing in Our Employees:** We are reinforcing fair labor practices across all operations, ensuring safe and equitable working conditions for our employees. Additionally, we are expanding employee training and development programs, equipping our workforce with essential skills for career advancement. We are also fostering a culture of social responsibility by encouraging employee volunteerism in community projects.
- **Uplifting through Better World Programs:** Through the San Miguel Foundation’s Better World Communities, we continue to address fundamental social needs and empower individuals with tools for long-term success, focusing on the following areas:
 - **Health & Wellness:** We are increasing access to healthcare through medical missions, community health clinics, and wellness programs, ensuring underserved communities receive critical medical support. Our food rescue and feeding programs continue to provide essential nutrition to families in need, combating hunger and malnutrition.
 - **Educational Support:** We provide scholarships and vocational training programs that help individuals access quality education and employment opportunities.

- **Livelihood & Skills Development:** Our training programs in agriculture and entrepreneurship equip individuals with the necessary skills to build sustainable livelihoods and strengthen local economies.
- **Empowering MSMEs:** We are fostering the growth of small businesses by strengthening partnerships with local farmers for the supply of corn and cassava, providing generic glass containers to small enterprises, and expanding community reseller programs.
- **Enhancing Customer Welfare & Responsibility:** We are committed to delivering healthier, affordable, and accessible products that promote consumer well-being. By continuously innovating our offerings, we prioritize nutrition, affordability, and sustainability in our product development strategies.

Scaling Up Impact (2026-2030)

With a solid foundation in place, the next phase focuses on scaling up employee and community welfare, economic inclusion, infrastructure development, and long-term social progress initiatives.

- **Expanding Economic & Social Inclusion:** We will broaden the reach of our health, education, livelihood, and employment programs, ensuring that more individuals and families benefit from meaningful economic opportunities. This will be achieved through stronger private sector partnerships and increased investment in programs within our direct influence.
- **Advancing Infrastructure Development:** Our large-scale infrastructure projects are designed to create long-term economic opportunities and improve quality of life. These include:
 - **The Bulacan Bulk Water Project:** Expanding access to potable water for communities.
 - **Tollway and Mass Rail Transit Expansion:** Enhancing mobility, productivity and economic connectivity.
 - **Airport Developments:** Strengthening transportation efficiency and boosting foreign investments and tourism-driven growth.

Sustaining Impact Beyond 2030

By 2030 and beyond, we will focus on deepening and sustaining the positive outcomes of our programs, fostering inclusive economic growth and improved quality of life.

- **Sustaining Social and Economic Progress:** We will build on our achievements by expanding job creation, strengthening market access for small businesses, and enhancing livelihood programs. Through long-term partnerships and strategic investments, we will ensure continued progress in education, health, and enterprise development.
- **Addressing National Priorities:** To help create a lasting impact, we will align our community programs with key national development priorities, particularly in areas such as education, nutrition, and upskilling. By reinforcing local infrastructure and essential services, advocating for supportive policies, collaborating with stakeholders, and investing in human capital, we aim to ensure that the transformation we have started continues to uplift communities and empower future generations.

Tracking Progress: Measuring Impact at Every Stage

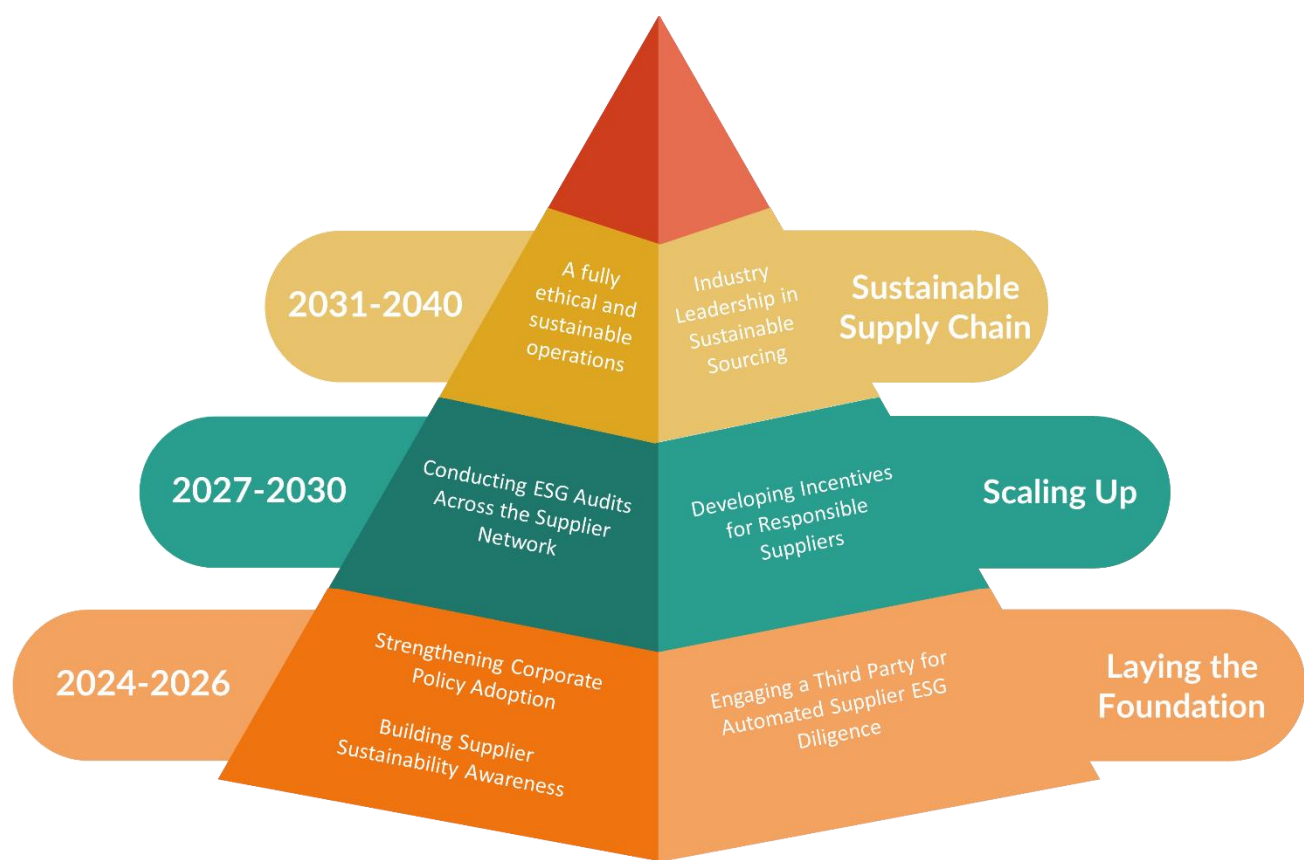
To assess the success of our initiatives, we will track key impact indicators:

- **Number of employees trained, upskilled, and engaged in volunteerism:** We will track the number of employees who have completed training programs, advanced in their careers, and participated in Company-led volunteer initiatives. Additionally, we will monitor employee engagement scores and workplace well-being indicators to ensure a supportive, purpose-driven, and growth-oriented work environment.
- **Number of people uplifted through health, education, and livelihood:** Tracking the number of direct beneficiaries ensures we remain on course to achieving our 15-million target while identifying areas for further improvement.
- **Reduction in unemployment and increase in income levels:** Monitoring employment rates and income growth provides insights into economic mobility and financial stability among program participants.

- **Number of businesses supported and grown:** Evaluating the growth of MSMEs and entrepreneurship ventures reflects the effectiveness of our economic inclusion initiatives.
- **Infrastructure improvements and economic impact:** Assessing the expansion of transport systems and other infrastructure projects show how our investments drive broader societal progress.

A fully sustainable and ethical supply chain by 2040

By 2040, SMC envisions a supply chain that is fully transparent, digitally efficient, and rooted in sustainability—where every transaction, procurement decision, and partnership aligns with the highest ethical and sustainability standards.



Embedding Integrity, Transparency, and Sustainability in Supply Chain Operations

San Miguel Corporation is committed to building a fully ethical and sustainable supply chain by 2040—one that integrates ESG principles across all sourcing, procurement, and distribution activities. By embedding integrity, transparency, and sustainability into our operations, we aim to create a resilient supply chain that not only meets global best practices but also generates long-term value for our stakeholders.

Laying the Foundation (2024-2026)

The first step in our journey is to build a strong foundation of ethical business practices, supplier engagement, and digital efficiency, that enhances sustainability compliance across our supply chain.

- **Strengthening Corporate Policy Adoption and Engagement:** We are reinforcing awareness of business ethics to ensure that ethical conduct is deeply embedded within our corporate culture. This will include employee training programs on ethical business practices, with a robust monitoring system to track and resolve policy violations efficiently.
- **Building Supplier Sustainability Awareness:** We are initiating sustainability training for our buyers and key suppliers to lay the groundwork for responsible sourcing and ethical procurement practices. We are also engaging suppliers in sustainability compliance by requiring adherence to

our Supplier Code of Conduct and distributing a Supplier Sustainability Questionnaire to key suppliers to assess their ESG maturity and alignment with responsible sourcing practices.

- **Engaging a Third Party for Automated Supplier ESG Diligence:** We will be implementing an automated system to enhance supplier ESG diligence, allowing for more efficient monitoring and validation of their ESG compliance. As part of this initiative, we will expand outreach to more suppliers, provide more comprehensive sustainability training sessions, and establish a more systematic categorization of our suppliers based on ESG maturity. This will enable us to apply the right interventions and support suppliers in advancing their sustainability practices.

Scaling Up Supplier Sustainability Transparency (2027-2030)

Building on our foundation, we will scale up sustainability initiatives, strengthen ESG compliance mechanisms, and advance digital innovation in supply chain management.

- **Conducting ESG Audits Across the Supplier Network:** We will assess the sustainability performance of our suppliers by integrating ESG criteria into our audit processes, supplier selection, and contracting protocols.
- **Developing Incentives for Responsible Suppliers:** We will design and implement an incentive program to recognize and reward suppliers that demonstrate strong ESG performance and responsible business practices.

Achieving a Fully Ethical & Sustainable Operations (2031-2040)

By 2040, SMC aims to achieve a fully transparent, ethical, and ESG-compliant supply chain, setting a high standard for responsible business practices in the country.

- **Ensuring 100% Ethical and Sustainable Supply Chain:** All suppliers will be ESG-audited, fully compliant, and actively engaged in sustainability programs. Advanced digital tools will ensure complete supply chain transparency, and any unethical labor and environmental risks will be eliminated.
- **Leading in Ethical Business Practices:** SMC will continue to establish industry leadership in responsible sourcing and fair labor, collaborating with local and global partners to advance sustainable supply chain practices.

Tracking Progress: Measuring Impact at Every Stage

To ensure transparency and accountability, we will monitor key performance indicators that reflect our progress toward a fully sustainable and ethical supply chain:

- **Percentage of suppliers ESG-audited and compliant:** Tracking supplier compliance rates will help measure the effectiveness of our sustainability programs and highlight areas for improvement.
- **Reduction in policy violations and resolution efficiency:** Monitoring ethical conduct violations and the efficiency of our resolution mechanisms will ensure continuous governance improvements.
- **Increase in supplier sustainability initiatives:** Evaluating the number of suppliers adopting sustainable practices will demonstrate our influence in driving responsible sourcing and procurement.
- **Decrease in supply chain ESG incidents:** We will monitor and track ESG-related incidents across our supply chain to identify risks, enhance compliance with sustainability standards, and strengthen responsible sourcing and ethical business practices.

7 Kalikasan: Good for Planet

7.1 Climate Change Action

GRI 305

Climate change is no longer a distant threat—it is a crisis unfolding before our eyes, impacting communities, economies, and ecosystems worldwide. As a company committed to sustainability and operating in industries vital to the Philippine economy, we recognize that the country faces severe climate risks. Extreme weather events, rising temperatures, and shifting agricultural conditions present urgent challenges. At the same time, we are committed to uplifting our people from poverty by expanding access to essential services and creating economic opportunities that drive inclusive economic growth.

The outcomes of the United Nations Climate Change Conference (COP29) have reinforced the need for decisive action to mitigate climate risks and adapt to their impacts. These decisions not only shape international climate policy but also influence the strategies we must adopt to strengthen our operations, stakeholders, and communities for the long term.

One of COP29’s key takeaways was establishing a new climate finance goal, with developed nations pledging \$300 billion annually until 2035 to support climate action in developing countries. While this triples the previous \$100 billion pledge, it remains far below the estimated \$1.3 trillion per year that some experts argue is necessary. For the Philippines, which is highly vulnerable to climate change, securing adequate climate finance is critical for resilience and sustainable development.

Another milestone was finalizing global carbon market rules under Article 6 of the Paris Agreement. This framework will drive investments in low-carbon technologies and emissions-reduction projects through carbon credit trading. However, regulatory uncertainty and volatile pricing may pose short-term challenges. As a company, we recognize both the opportunities and risks and see the value in integrating market-based climate solutions into our decarbonization strategy.

COP29 also emphasized the urgency of strengthening Nationally Determined Contributions (NDCs), requiring all countries to submit updated climate action plans by February 2025. The conference called for more ambitious, transparent, and science-based commitments, underscoring that private sector involvement is essential in achieving national and global climate goals. While the Philippines has yet to submit its updated NDC, we remain committed to working closely with government to align our contributions with emission reduction targets and climate adaptation initiatives.

Despite these advancements, COP29 fell short on bold action regarding fossil fuels, energy transition, and emissions reductions, with stalled negotiations and a lack of new commitments. The gap between developed and developing nations remains wide, highlighting the need for more aggressive and innovative climate action. As a company operating in industries closely associated with climate change, we must proactively implement solutions that reduce our environmental footprint and drive sustainability.

A. Greenhouse Gas (GHG) Emissions

GRI 305-1 | GRI 305-2 | GRI 305-4 | GRI 305-5

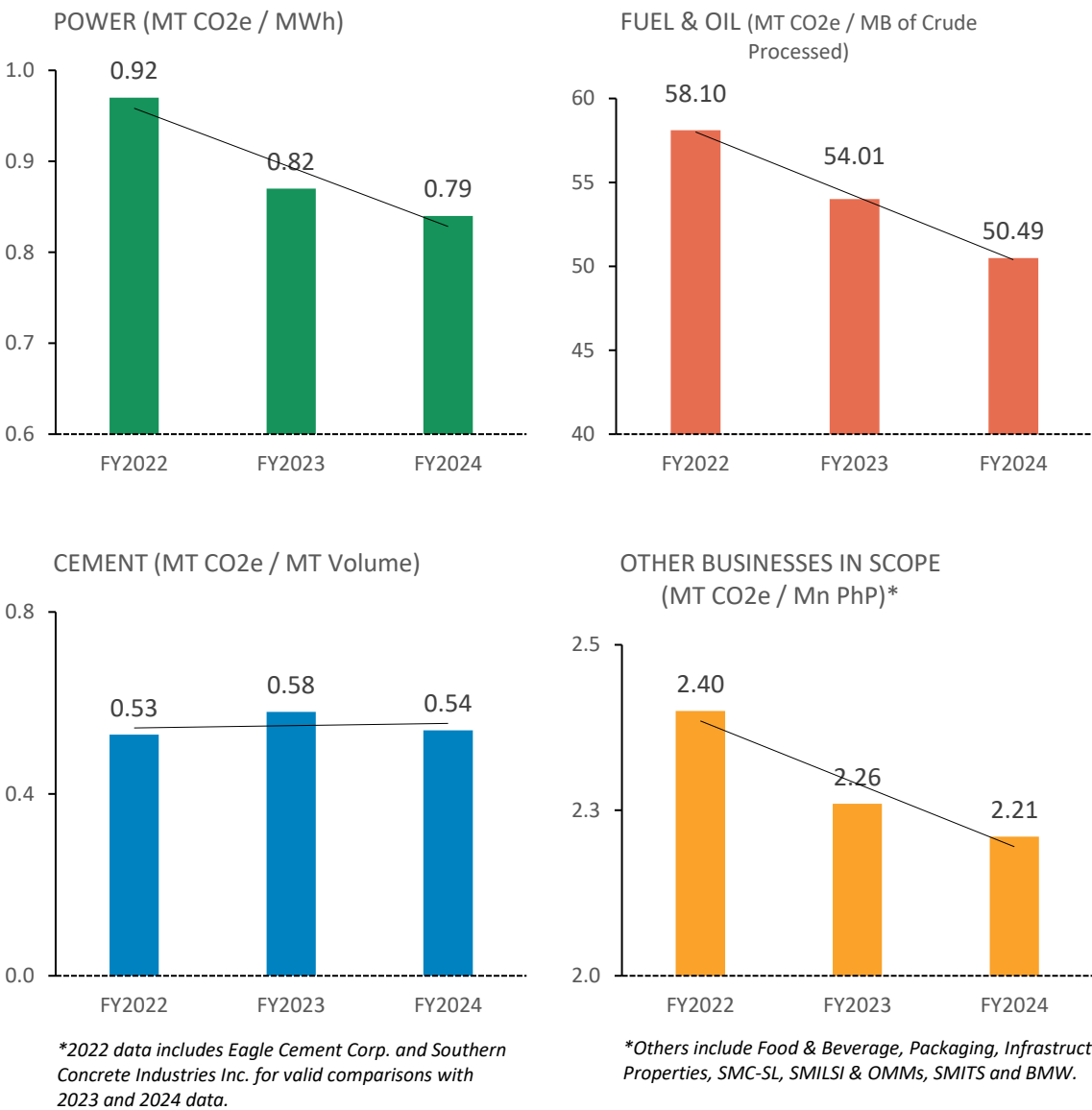
Since publishing our first Sustainability Report in 2022, San Miguel Corporation has committed to building a data-driven approach to emissions accounting, grounded in transparency and aligned with international standards.

Our journey began with a clear goal: measure, manage, and reduce our GHG emissions while aligning our operations with the scale and urgency of climate action. But as our business continues to evolve—with new operations, acquisitions, and national-scale infrastructure projects—we have also evolved how we track progress.

In 2023, we expanded our reporting scope to include two cement businesses and a feed mill plant. In 2024, we incorporated San Miguel Aerocity Inc. (SMAI), developer of the New Manila International Airport, and marked SMGP’s becoming the largest power generation provider in the Philippines.

These changes have a measurable impact. Total GHG emissions increased due to expanded coverage and operational growth. However, by recalculating our 2022 baseline to align with the scope of subsequent years, we can now track performance with consistency and integrity—year-over-year, across sectors, and through transformation.

We use GHG emission intensity as a core metric: emissions per unit of output. This allows us to account for scale while measuring efficiency improvements over time.



Across SMC’s major businesses, GHG emission intensity has generally improved from 2022 to 2024, reflecting continued gains in operational efficiency. Despite business growth and expanded operations, our Company mostly sustained a downward trend in GHG intensity through focused efforts and targeted initiatives.

Petron, our fuel and oil business, has driven significant progress toward reducing our emissions intensity. With an initial target set in 2018, to reduce GHG emission intensity by 25%, Petron exceeded expectations, achieving a 39.3% reduction against the baseline in 2024. Over the last three years, GHG emission intensity has dropped 6.8% year-over-year. Central to these efforts was the installation of two flare gas recovery units (FGRUs), significantly decreasing the volume of gas burned and reducing flaring and downtime in refinery operations. Since their commissioning in 2021, these units have recovered a total of 110.93 thousand barrels of crude equivalent, avoiding approximately 53,274 MT CO2e in emissions. Further improvements to the fuel gas network, completed in 2024, allowed all process

heaters to function optimally. Additionally, the decommissioning of the Direct-Fired Air Heater (DFAH)—previously used as supplementary heating during catalytic cracking—resulted in fuel gas savings of 5.7 million standard cubic meters (scm³), equivalent to 12,889 MT CO₂e of avoided emissions.

Petron has implemented multiple complementary initiatives aimed at advancing and sustaining emission reductions across its operations. These efforts include: (i) optimizing boiler systems; (ii) transitioning to more energy-efficient lighting and cooling systems in offices and operational areas; (iii) expanding local renewable energy generation for streetlighting; (iv) conducting regular preheat exchanger cleaning; and (v) adopting an energy management system aligned with ISO 50001 across refinery and terminal operations. In 2024, 58 engineering, environment, and maintenance personnel from Petron’s refinery and terminal operations participated in comprehensive training workshops to effectively implement the ISO 50001:2018 standard. Following these workshops, Petron initiated gap analyses to systematically embed energy management system principles into daily operational processes, targeting ISO 50001 certification. Concurrently, evaluations are ongoing for installing grid-connected rooftop solar photovoltaic (PV) systems designed to sustainably power administrative and operational buildings. Collectively, these consistent and systematic initiatives enabled Petron to achieve a significant reduction of 34,339.76 MT CO₂e in 2024.

Our Power business, accounting for 61% of SMC’s total GHG emissions in 2024, has embarked on a comprehensive energy transition roadmap aimed at achieving our ambitious Net Zero by 2050 goal. Several significant projects are already underway to advance this vision, simultaneously supporting the Philippines’ national objective to increase the share of renewable energy to 35% of the total energy mix by 2030, and 50% by 2040. Central to this transition is our pioneering Battery Energy Storage System (BESS) initiative. San Miguel Global Power, through its subsidiaries, currently operates 390 MWh out of the 1,000 MWh BESS capacity, strategically deployed nationwide. These BESS units provide critical ancillary services to the National Grid Corporation of the Philippines (NGCP), ensuring backup power supply for enhanced grid stability and reliability. Furthermore, the BESS units function as alternative energy sources for distribution utilities and industrial customers, particularly during periods of load shifting, peak shaving, or voltage correction.

In 2024, we initiated expansion in our renewable energy portfolio, starting with upgrading the capacity of Angat Hydro Power Plant from its current 30 MW generating capacity to 58 MW. Concurrently, SMC Global Light & Power Corporation, our dedicated unit for renewable energy projects, partnered with Citicore Renewable Energy Corporation to jointly develop and operate a 153.5 MW solar power plant in Mariveles, Bataan. The collaboration commenced in 2024, with the plant targeted to become fully operational by 2025. These strategic renewable energy projects highlight our continued commitment to decarbonization and mark significant progress toward our goal of achieving Net Zero emissions.

Our Cement business produced 9.3 million tons of cement in 2024, accounting for approximately 36% of the Philippines’ total cement production. The division also successfully reduced its GHG emission intensity versus prior year by strategically transitioning to more energy-efficient production lines and integrating an energy management system aligned with ISO 50001 standards across its operations.

In 2024, Eagle Cement Corporation (ECC) began preparations for ISO 50001 certification and successfully met all certification requirements within the same year. ECC also continued to utilize supplementary cementitious materials, such as fly ash, as clinker substitutes ensuring high product quality and industry-standard performance. Over the past five years, ECC’s dedicated sustainability efforts have resulted in a cumulative reduction of 7.5 million MT CO₂e emissions, including an additional 1.4% decrease in GHG emission intensity achieved in 2024.

Southern Concrete Industries Inc. (SCII) implemented targeted initiatives aimed at reducing power consumption and lower GHG emissions. These initiatives include: (i) Project E.V.E. (Eradicate Vampire Energy), which targets energy waste reduction; (ii) isolation of compressed air utilization in the Packhouse and suspension of its first-shift operations; (iii) controlled operations of perimeter lighting; and (iv) participation of 23 engineering, maintenance and operation personnel in a two-day workshop focused on the implementation of an energy management system aligned with ISO 50001 standards. Through these strategic measures, SCII achieved substantial reductions in its 2024 emissions, lowering Scope 1 emissions by 9% and Scope 2 emissions by 12%, resulting in an overall GHG emission intensity reduction of 19%.

Northern Cement Corp. (NCC) achieved significant reductions in GHG emissions in 2024, with Scope 1 and Scope 2 decreasing by 14.9% and 22.3% in emissions, respectively. Collectively, these efforts resulted in a substantial reduction in GHG emission intensity of 17.1%. To further embed energy efficiency practices, NCC organized a comprehensive two-day training workshop on implementing an energy management system aligned with the ISO 50001:2018 standard. This training was attended by 31 supervisors and engineers representing diverse departments across its operations. Recognizing the importance of continuously integrating these practices into its operational framework, NCC plans to conduct a second training session in the first quarter of 2025, reinforcing its ongoing commitment to sustainable improvement and energy management.

Our other businesses recorded an average annual increase of 2.5% in GHG emissions, substantially lower than the 6.9% increase in revenue for these businesses. While accounting for 41.8% of Company-wide sales revenue in 2024, total GHG emissions contributed only 4.5% to total. GHG emissions intensity for this group of businesses was lower by 4.2% year-over-year.

In addition to energy conservation which is the main initiative for this group of businesses, some units have started to work on establishing an energy management system aligned with ISO 50001 standards, laying the foundation for a structured and systematic approach to reducing emissions across all facilities. As part of this initiative, a comprehensive two-day training workshop was conducted, attended by 244 personnel—including production heads, plant managers, energy managers, energy auditors, and maintenance engineers from the SMFB and Properties business units. Participants will apply the knowledge and strategies gained to their operations, establishing the groundwork for a structured and systematic approach to reducing GHG emissions across the division.

San Miguel continues to grow—but so does our commitment to climate accountability. By maintaining a consistent methodology, investing in operational efficiency, and scaling clean technologies across sectors, we are building the foundation for a lower-carbon future.

We know this is a long-term effort. We also know that emissions performance must be transparent, measurable, and rooted in real-world business progress. This report reflects not just where we are—but where we are going.

B. Scope 3 GHG Emissions

GRI 302-2 | GRI 305-3

SMC began identifying its Scope 3 GHG boundaries in 2023, using the GHG Protocol Scope 3 Standard as a guide. Each business underwent a screening process to determine their most relevant and material Scope 3 categories out of the 15 available. The assessment was based on five key criteria: size, influence, risk, stakeholder importance, and outsourced activities. Sector-specific guidance was also used to identify significant categories. Across the businesses, seven were found to be common and material at the consolidated level.

Each business collected activity data for its identified boundaries using a standardized Scope 3 data collection template. The emission data was then consolidated at the holding level. During the initial assessment, five categories were found to have high levels of uncertainty, minimal coverage, or a significant risk of double counting. For this report, we are thus disclosing data from only two of the remaining two categories, namely: Categories 1 and 3.

Category 1

Category 1 covers cradle-to-gate emissions related to our purchased goods and services. To calculate Scope 3 emissions, we reached out to our suppliers to determine whether they could provide product-specific emissions data for purchased items. Some suppliers were able to share product-level GHG inventory data, which we incorporated into our calculations.

Some of our contracted feed mills and poultry processing plants calculate their Scope 1 and 2 GHG emissions, so we provided a standardized data template for their submission.

For items where suppliers could not provide this information, we used the spend-based methodology to estimate emissions. Emission factors were sourced from the US Environmental Protection Agency’s (EPA) Supply Chain Greenhouse Gas Emission Factors (2024), and the North American Industry Classification System (NAICS) was used to classify purchased and capital goods. Total spend, initially recorded in PHP, was converted to 2022 USD and multiplied by the appropriate emission factor to estimate emissions.

Our Category 1 emissions cover the purchase of crude oil, agricultural commodities such as corn, wheat, soybean meal, meat and dairy materials, contracted poultry farms, feed mills and processing plants and other raw materials used by our businesses. While we successfully collected data on our major materials, our data collection remains incomplete due to challenges in obtaining comprehensive information, particularly from local suppliers, and having reference factors more attuned to the nature of materials available in the region.

Category 3

To calculate our Category 3 emissions, we applied the average-data methodology. Well-to-tank emission factors for various fuels were sourced from the UK Government GHG Conversion Factors for Company Reporting (2023). By inputting our 2024 fuel usage, we multiplied it by the appropriate emission factor to estimate emissions.

The data collected here carries some uncertainty due to the nature of our emission factor source. We aim to obtain more localized emission factor datasets to ensure greater relevance to SMC’s operations.

In this initial assessment of SMC's total Scope 3 emissions, we are estimating approximately 9 million MT CO₂e of emissions based on the collected data. However, due to challenges in data collection and the limitations of our emission factor sources, we acknowledge that this amount is only a fraction of the total. We will continue to refine the number as we enhance our Scope 3 data collection processes.

Moving forward, we aim to improve our Scope 3 data collection process by gathering more comprehensive input data and localized emission factors that better reflect SMC’s operations. We will also strive to expand coverage to the additional categories previously identified.

The table below summarizes our Scope 3 GHG emissions for 2024, showing the contributions of each reported category. These figures provide a baseline for ongoing improvements in data collection, accuracy, and completeness as we refine our Scope 3 reporting.

SCOPE 3 EMISSIONS	2024	Unit
1 – Purchased goods and services	6,317,850.39	MT CO ₂ e
3 – Fuel and energy related activities	2,694,597.19	MT CO ₂ e
Total Estimated Scope 3 Emissions	9,012,447.58	MT CO ₂ e

Powering a Sustainable Future

At SMGP, we are driving the transition to a cleaner, more sustainable energy landscape. Our Net Zero Roadmap is built on a clear commitment to renewable energy expansion, emissions reduction, and innovative energy solutions, ensuring a balanced and responsible approach to decarbonization.

Our Decarbonization Strategy

1. Expanding Renewable Energy:

Scaling up hydropower with the expansion of existing plants and the addition of two new hydropower plants by 2038 and 2040

Developing solar PV plants in two phases, targeted for 2028 and 2039

2. Integrating Battery Energy Storage Systems (BESS):

1,000 MWh BESS fleet in operation

BESS integration in three coal-fired plants to enhance peak capacity while maintaining carbon footprint

3. Lowering Emissions from Thermal Power Plants: ○ Pilot carbon capture technology in a coal-fired plant (97% CO₂ capture) with a full rollout by 2030. ○ Ammonia co-firing with coal to further cut emissions, targeted for the mid-2030s Through these strategic initiatives, we are committed to achieving at least 35% renewable energy by 2030 and 50% by 2040, while reducing GHG emissions intensity by 30% by 2030 and 70% by 2040 from 2021 levels. With these investments in clean energy and pioneering of innovative solutions, we are shaping a resilient and sustainable energy future for generations to come.

Building a Greener Future: Cement Group’s Path to Net Zero
As part of our commitment to a low-carbon future, our Cement Business is implementing a comprehensive GHG emissions intensity reduction strategy. We will leverage raw material substitution, fuel substitution, and renewable energy to drive a significant reduction in carbon emissions while maintaining product excellence. Decarbonization Targets: • 2023 (Baseline): 580 kgCO₂e per ton of cement • 2030: Reduction of 9% • 2040: Reduction of 26% Key Sustainability Initiatives: • Raw Material Substitution: Replacing high-carbon raw materials with alternative, eco-friendly inputs to reduce process emissions. • Fuel Substitution: Transitioning from traditional fossil fuels to lower-carbon or alternative fuels to minimize energy-related emissions. • Renewable Energy Integration: Expanding the use of clean energy sources to power cement production and reduce reliance on fossil fuels. By adopting these sustainable practices, we are aligning with our goal of achieving Net Zero emissions by 2050. Through continuous innovation and responsible production, we are shaping a more sustainable cement industry while contributing to global climate action.

Driving a Cleaner Future: Our Coco Methyl Ester (CME) Roadmap
As part of our commitment to sustainable energy solutions, Petron is investing in a CME production plant, a renewable and cleaner fuel alternative derived from coconut oil. This initiative aligns with our broader decarbonization strategy, supporting national energy security, emissions reduction, and long-term business growth. CME Production Roadmap • 2025 – Planned start of construction of the CME plant. • 2027 – Projected start of commercial operations, enabling large-scale production of CME. • 2029-2030 – Petron diesel will incorporate up to 5% CME blend, reaching a production capacity of 74 million liters annually.

Strategic Benefits of CME Integration

- Carbon Emissions Reduction – CME is a bio-based fuel that significantly lowers GHG emissions, contributing to climate change mitigation.
- Enhanced Air Quality – Compared to conventional diesel, CME blends produce fewer pollutants, supporting cleaner urban environments and public health.
- Energy Security & Market Resilience – Utilizing locally sourced coconut oil reduces reliance on imported fossil fuels, strengthening national energy independence.
- Economic Growth & Agricultural Support – CME production stimulates the coconut industry, creating employment opportunities and increasing revenue for local farmers.
- Operational & Engine Efficiency – CME enhances fuel lubricity, reducing engine wear and improving long-term performance.

By integrating CME into our fuel portfolio, Petron reinforces its commitment to responsible energy solutions, positioning itself as a leader in sustainable fuel innovation while delivering value to stakeholders, investors, and the communities we serve.

Solid Growth

According to the Climate Change Commission, the Philippines has lost 1.42 million hectares of tree cover from 2001 to 2022. Largely due to urbanization, the loss represents a 7.6% decrease in the country’s total tree cover of approximately 18.6 million hectares.

The figures are even more disheartening when it comes to forest cover. As of 2022, Philippine forestry statistics estimate that the country has lost 7.22 million hectares of forest cover, equivalent to 24% of our total land mass. This is far below the 17.8 million hectares of forest cover we reportedly had in 1934.

Reforestation has long been a cornerstone of San Miguel’s environmental stewardship efforts. Over the last two decades, our Beer, Spirits, Fuels, and Infrastructure businesses spearheaded tree and mangrove reforestation and watershed protection programs in the areas where they operate.

It was in 2019 however when San Miguel Global Power began to raise the stakes to unprecedented levels—committing to rehabilitate both upland and mangrove forests by planting seven million trees in at least seven provinces.

Six years hence, Project 747 is nearly complete, with over 6.5 million seedlings and propagules planted and grown across over 2,000 hectares in 20 provinces.

The numbers offer a snapshot of the project’s achievements, but do not tell the complete story. Much more has gone into the multi-year effort than simply planting trees.

To ensure high survival and success rates, SMGP structured the project into three key components. First, it worked to establish partnerships with concerned stakeholders. SMGP initiated collaboration with local offices of the Department of Environment and Resources (DENR) and local government units in targeted locations. It then sought the support of host communities and people’s organizations (PO).

Partner POs and host communities were then given proper training and designated as co-owners of the program. In all, SMGP worked with around 60 POs, including farmers’ and fisherfolks’ groups, across 20 provinces throughout the country.

The next step was to establish nurseries near the target planting sites, carefully choosing locations with sufficient access to water.

With the help from partner POs, endemic species were chosen for each site to ensure environmental compatibility. The nurseries were then managed by the POs, and these efforts successfully raised nearly 8.5 million seedlings in different locations nationwide.

Once ready, the seedlings from the nurseries were transferred to the final stage: planting. Tree species in upland areas included *narra*, *molave*, white *lauan*, *palosapis*, *agoho*, *batino*, *igang*, and *malabayabas*, while mangrove species included *bakawan babae*, *bakawan lalaki*, *bungalon*, and *api-api*.

Thanks to the ongoing collaboration among SMGP, local stakeholders, and POs—and the care given to the young trees—survival rates of planted seedlings and mangrove propagules have been high: 89% and 91%, respectively.

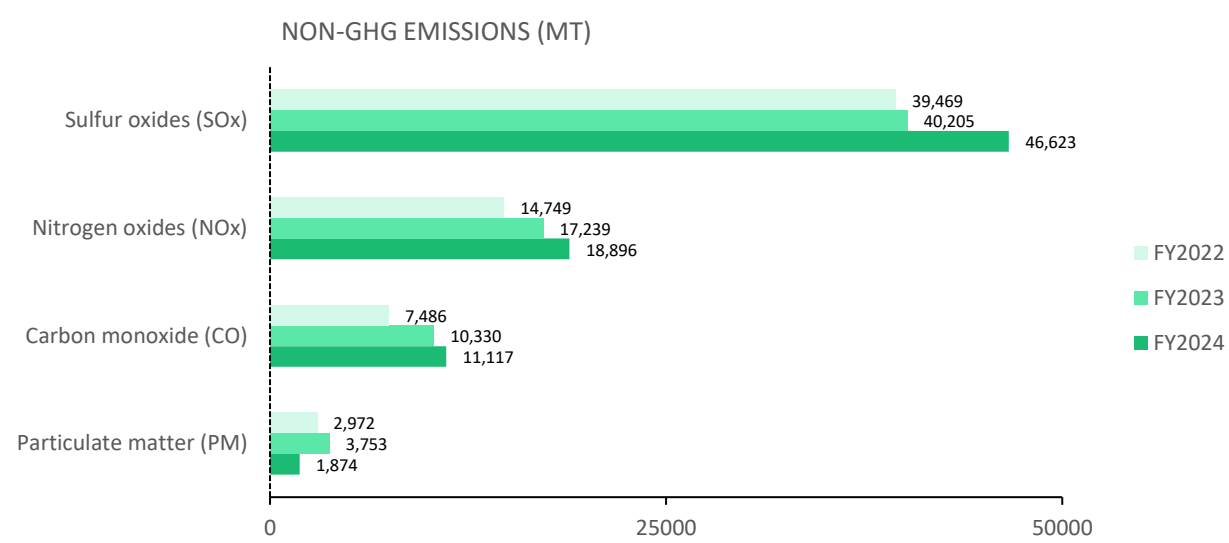
Even as we near the goal of planting 7 million trees, our efforts to expand forest and tree cover are far from done. In March 2025, SMC, through SMGP and Petron, pledged to support the planned “5 Million Trees by 2028” program of the DENR and plant 3 million trees within the priority areas to be identified by the government.

At one million trees per year, it is a challenge as ambitious as Project 747 was at its start. The key difference today: we now have years of experience to build on and strong partnerships to help ensure long-term success.

C. Non-GHG Emissions

GRI 305-6 | GRI 305-7

Non-CO₂ air pollutants—including nitrogen oxides (NO_x), sulfur oxides (SO_x), particulate matter (PM), and carbon monoxide (CO)—are significant contributors to air quality degradation and climate impacts. Since we began reporting in 2022, San Miguel Corporation has consistently tracked these emissions in recognition of their effects on public health and the environment.



Our NO_x emissions increased by 9.6% in 2024 vs 2023, driven by higher energy consumption in our Power business. In 2024, SMGP’s increase in its NO_x emissions reflects growing demand from utility and industrial clients. SMGP supplies 28 % of the Luzon grid, 5% of the Visayas grid, and 9% of Mindanao grid, averaging at 22 % of the country’s total grid requirements. It is the leading power supplier in both the regulated market—serving Meralco and other distribution utilities and electric cooperatives. SMGP uses ammonia as a catalytic reagent to break down NO_x emissions in exhaust flue gas into harmless nitrogen and water before they are released into the environment.

Our SO_x emissions, on the other hand, increased an average of 8.9% year-over-year, driven by higher energy consumption associated with increasing economic activity. Our Power business uses a seawater

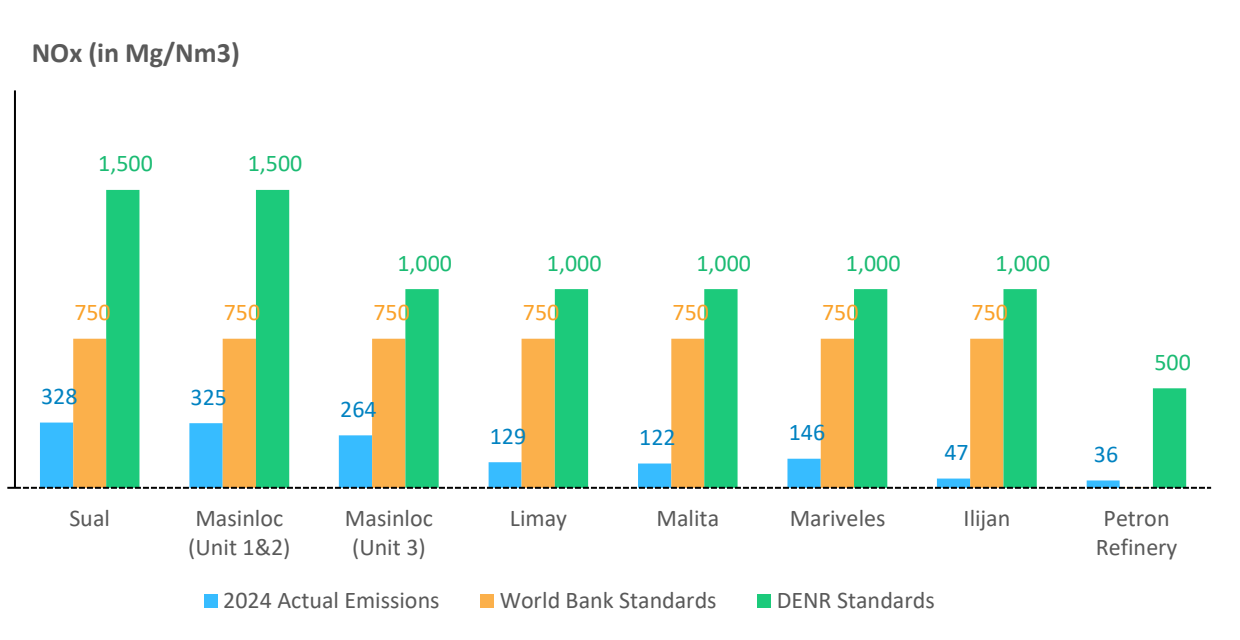
flue gas desulfurization system to remove acidic and harmful substances from flue gas by using seawater’s natural alkalinity. The process minimizes seawater use and ensures it is neutralized before being returned to the sea. In contrast, Petron reduced its SOx emissions by 27% by continuously utilizing their 2 units of flue gas desulfurizer (FGD) and 4 sulfur recovery units (SRU). FGDs reduce SOx emissions during the fluid catalytic cracking process, while SRUs recover sulfur from refinery process streams to further reduce SOx emissions during flaring. In 2024, Petron also planted an additional 2,100 mangrove seedlings in Bataan province, strengthening its partnerships with Limay and Orion LGUs. This initiative curbs air pollution and enhances air quality by helping trap SOx and NOx and mitigate their harmful effects on human health and the environment.

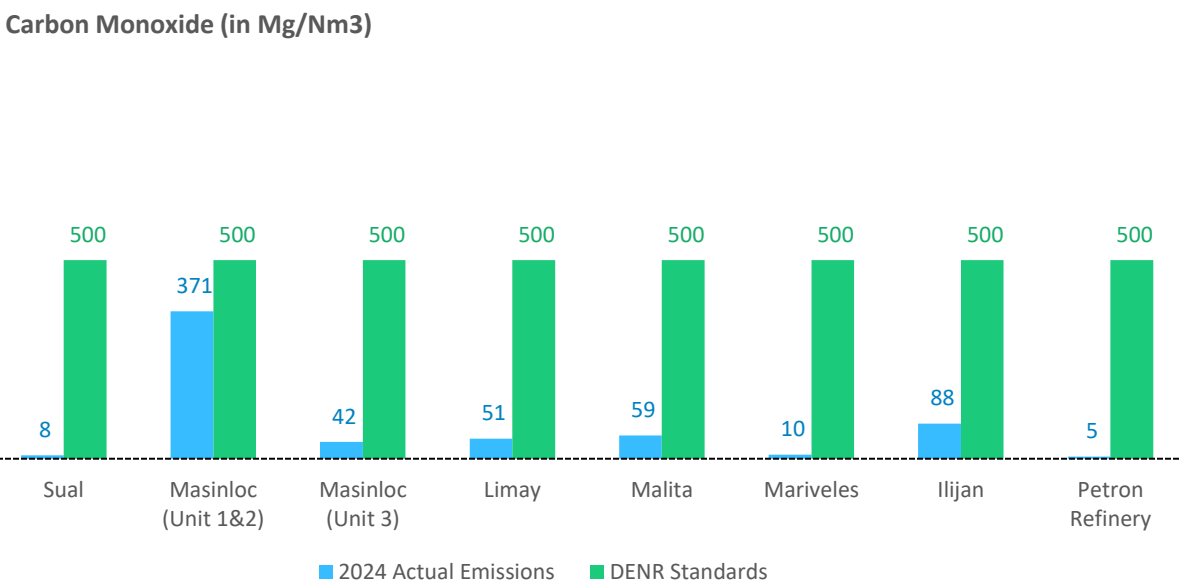
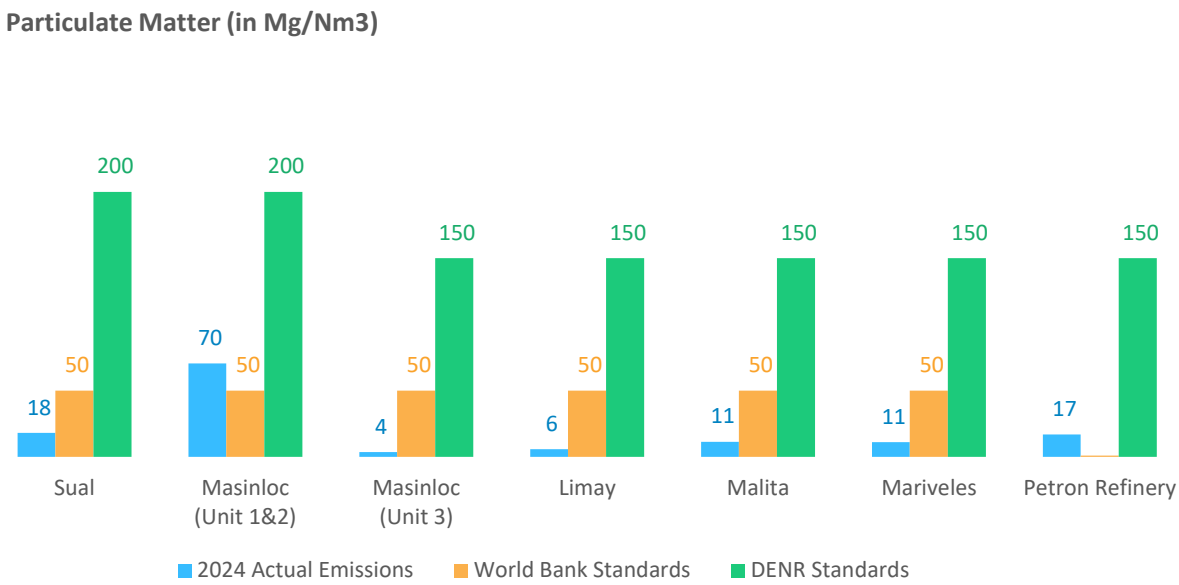
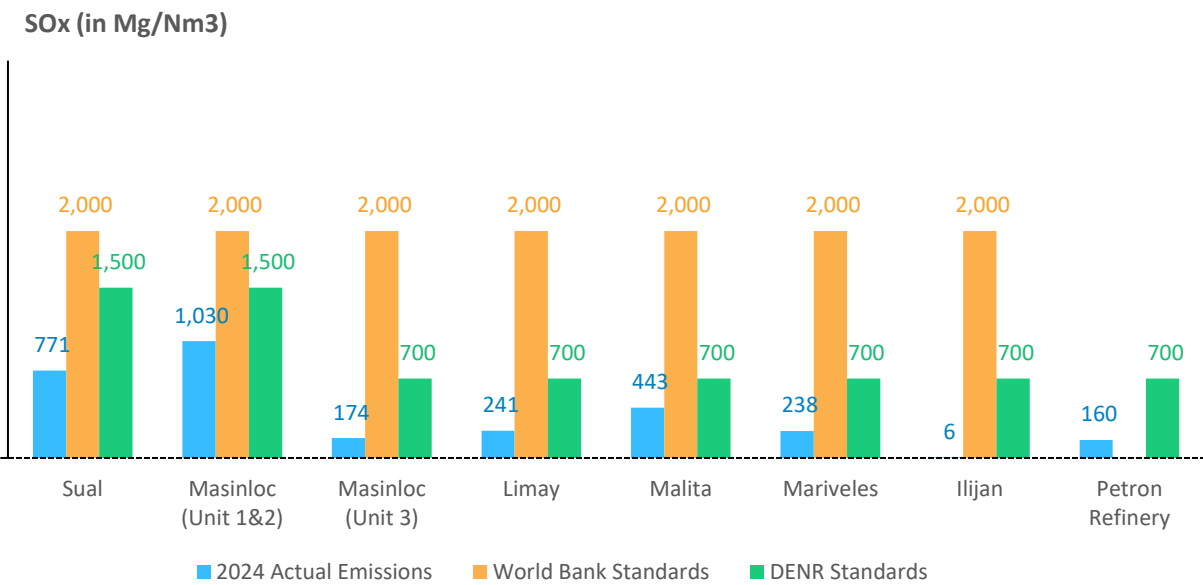
PM emissions rose significantly in 2023 following the inclusion of two cement plants in our reporting boundary. However, our overall PM emissions decreased by 50% in 2024, driven by the continued implementation of pollution control measures across our operations to manage and control airborne particle emissions.

In particular, our Cement business has implemented mining forest programs, which aim to help reduce air pollution and mitigate the impact of its operations on air quality in surrounding communities. Notably, Northern Cement is part of the North Eastern Pangasinan Airshed (NEPA), which serves as a monitoring zone for ambient air quality and pollution levels across a defined land area where airborne particles and chemicals disperse and travel toward water bodies such as rivers, lakes, or bays. NEPA plays a key role in air quality management by promoting an integrated, area-wide approach. It enables the implementation of localized interventions, regulatory measures, and multi-stakeholder collaboration to effectively address and reduce air pollution.

Our CO emissions have increased by 7.6% in 2024 versus 2023, primarily due to increased use of non-renewable energy –specifically natural gas—by our Power business. SMGP increased its liquefied natural gas (LNG) consumption, replacing some of the demand previously met by its coal-powered assets with gas-fired power generation units.

Despite the increases in NOx, SOx and CO, these emissions remain well within DENR and World Bank emission standards.





7.2 Resource Management

GRI 302 | GRI 303

While every company faces unique resource challenges, San Miguel consistently strives to be at the forefront of responsible resource use. We consider natural capital—our forests, water, land, and ecosystems—a vital part of how we operate. By managing these resources efficiently and sustainably, we aim to support long-term benefits for our country and the communities we serve.

In 2020, San Miguel launched the River Rehabilitation program to restore and revive river systems in Metro Manila. Buoyed by the initial results, we expanded the program to adjacent provinces of the metropolis. As of this reporting period, dredging and clean-up activities have been completed in the provinces of Bulacan, Laguna and Pampanga. In Bulacan alone, the program removed 4,134,880 cubic meters of silt and solid waste. In Pampanga, 694,372 cubic meters were cleared from major tributaries, while in Laguna, 417,044 cubic meters and 87,899 cubic meters of waste were removed from the rivers of San Pedro and Biñan, respectively.

These efforts complement our Water for All program by addressing “blue water”—the visible, tangible water that feeds into the groundwater system and overall water cycle. To protect “green water”—the moisture stored in vegetation and soil that returns to the atmosphere through evaporation and transpiration—we launched Project 747, our large-scale reforestation initiative. The project aims to plant seven million trees across four thousand hectares of deforested lands in seven vulnerable provinces in the Philippines. As of this report, over 6.5 million trees have been planted. These reforested areas play a crucial role in sustaining rainfall patterns in regions where water sources are already severely compromised.

We also partnered with the University of the Philippines Los Baños-College of Forestry and Natural Resources to conduct a science-based assessment of carbon sequestration of mangrove areas adopted by Petron under its *Puno ng Buhay* reforestation program. The partnership will initially focus on mangrove sites in three provinces, covering a total area of 55 hectares.

Since its launch in 2016, San Miguel’s Water for All program has saved a total of 48,981,524 cubic meters of freshwater—equivalent to the monthly water consumption of 1.6 million Filipino households. Through initiatives such as wastewater recycling and rainwater harvesting, we remain deeply committed to conserving water resources. We also recognize the role of economic drivers in shaping the water cycle and ensure that our operations support responsible water use and long-term regeneration.

NCC’s ongoing reforestation programs continue to restore local ecosystems where our operations are located while supporting our broader emissions reduction efforts. In 2024, an additional 4.78 hectares were reforested with 1,880 assorted fruit-bearing trees, in partnership with local communities and LGUs.

Location	Area (ha.)	Planted	Species planted
LGU Rosales	1	350	Assorted Fruit bearing
Sugcong, Pozorrubio	2.14	1,250	Assorted Fruit bearing
Shale Quarry area 1	1	140	Caballero, Aratiles
Shale Quarry area 2	0.64	140	Caballero, Aratiles

To date, NCC has planted a total of 107,000 seedlings across 217.59 hectares in conjunction with the government’s National Greening Program (NGP) and Mining Forest Program (MFP).

Program	Area	Planted	Species
Bamboo Plantation (NGP 2020-2024)	100.16	26,867	Bamboo
NGP For Enrichment	84.28	55,110	Forest Trees, Assorted Fruit Bearing, Timber
MFP – Enhancement (Inside MPSA)	16.96	21,050	Acacia auri, Mabolo, Makopa, Caballero, Molave, Umbrella Tree

MFP – Progressive 2019-2022	7.34	1,940	Ipil-ipil, Acacia auri, Caballero
MFP – Temporary 2019-2023	8.85	2,033	Aratiles, Caballero, Narra, Molave, Acacia Auri, Madre Cacao
Total	217.59	107,000	

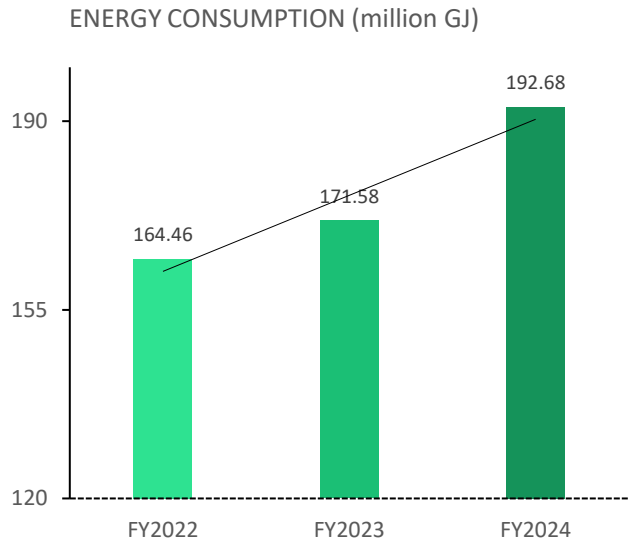
Improving energy performance starts with building the right systems and capabilities. At San Miguel, we see energy efficiency as the first step in our Net Zero by 2050 goal. To support this, our businesses have begun integrating energy management systems (EnMS) following the ISO 50001:2018 Energy Management Standard.

In 2024, 392 participants from Petron, Cement, Food and Beverage, Properties, Packaging and OMM groups have completed a two-day training program focused on implementing ISO-based EnMS. The program focused on integrating EnMS into existing workflows and complying with the Energy Efficiency and Conservation Act of 2019 (RA 11285). The training was designed to be flexible, taking into account the different ways our businesses operate. This allowed us to apply a common system that works across the Company while still fitting the specific needs of each team.

SMC has long recognized that environmental challenges require a whole-of-business response. Our programs are built on a systems-based, preventive approach—focused on reducing the use of materials, water, and energy, minimizing environmental impact, and safeguarding the health and well-being of the communities where we operate.

A. Energy Management

GRI 302-1 | GRI 302-3 | GRI 302-4

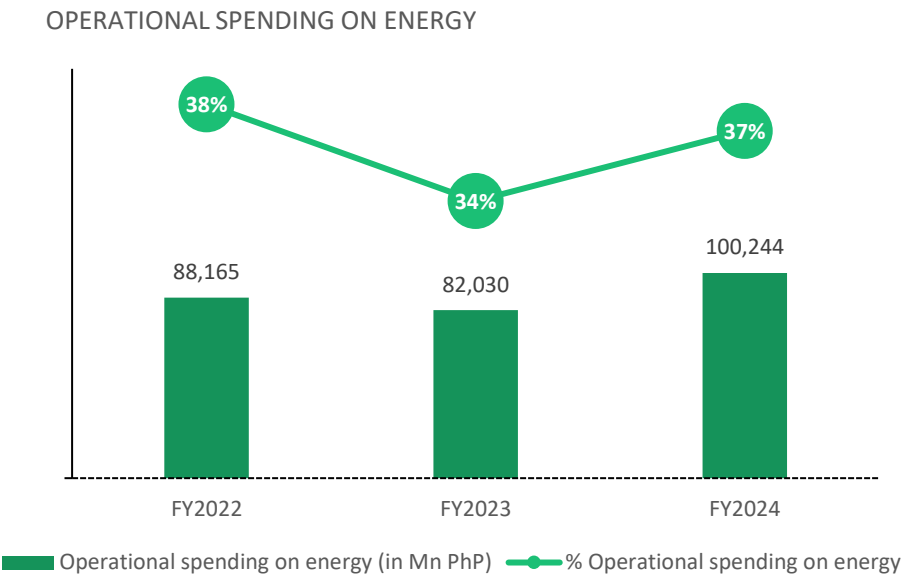


In 2024, San Miguel Corporation consumed 192.7 million GJ of energy—an increase of 12.3% compared to the previous year. The rise was primarily driven by a 30.3% increase in electricity generation by our Power business, reflecting growing demand from electric utilities and industrial customers. This is in line with International Energy Agency’s 2025 Global Energy Review report, showing more than 7% increase in Southeast Asia electricity demand in 2024 compared with about 4% in 2023.

Non-renewable energy consumption increased by 19.4% overall, coming from an increase of 176.5% for natural gas and 5.1% for coal. At the same time, renewable energy use also grew by 31.7%, supported by the expansion of hydropower capacities, the integration of solar power, and the deployment of battery energy storage systems—all part of our Net Zero transition roadmap.

Electricity consumption across our Company increased by 0.5% in 2024. The increase in electricity consumption was largely driven by our Food and Beverage business, which accounted for 32.8% of our total electricity consumption. Food reported a 15% rise in electricity use—due to extended operating hours, and the addition of newly acquired and constructed facilities, which delivered a 17% increase in production volume.

Total net energy consumption increased by an average of 8.2% year-over-year, reflecting the country’s level of economic activity as the pace of growth exceeded earlier projections, leading to higher-than-expected energy demand across key sectors.

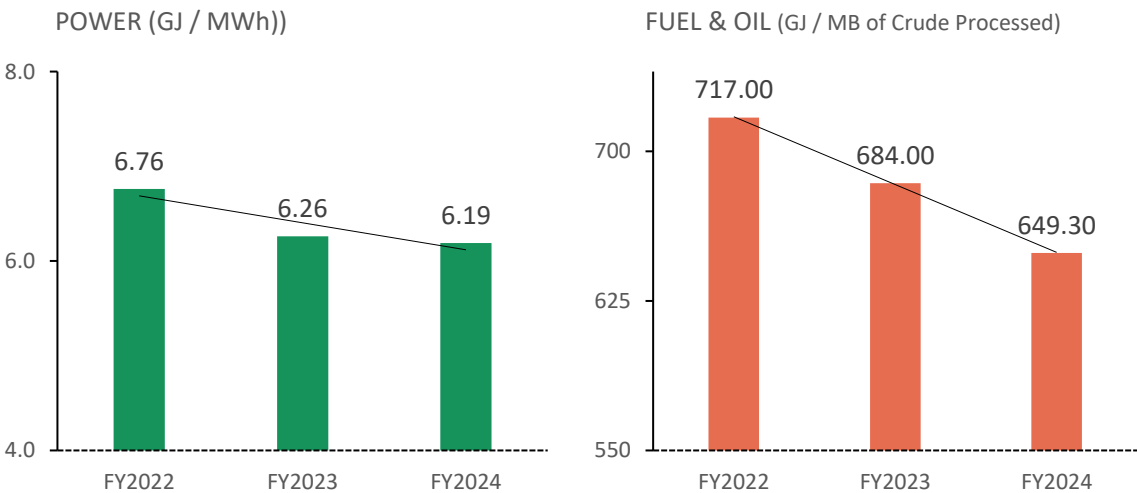


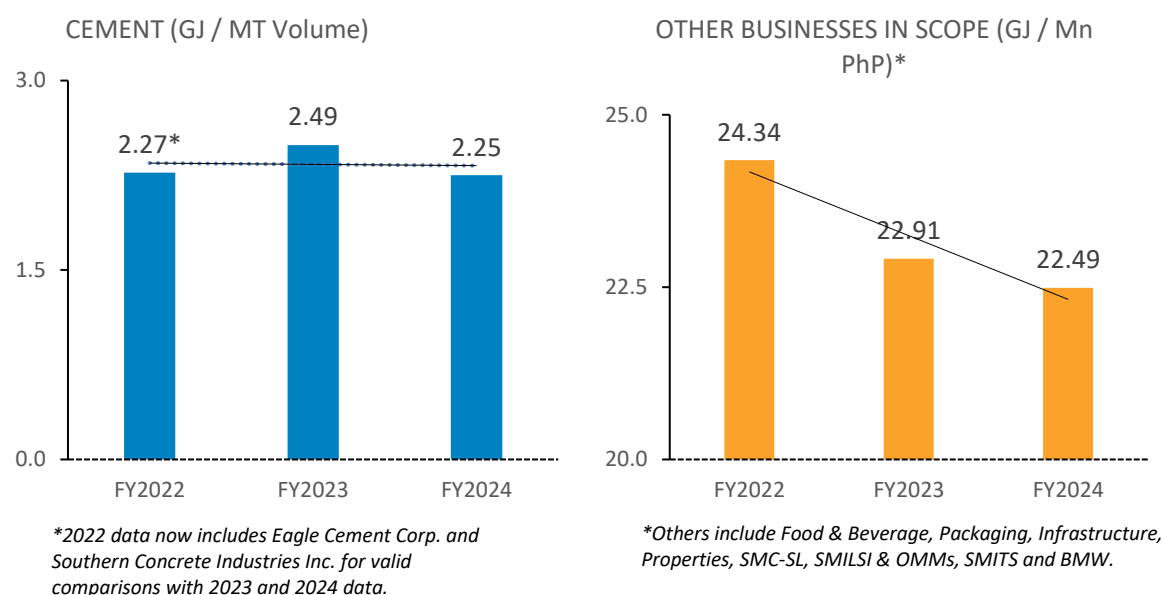
In 2024, our total operational spending on energy increased by 10.9%, largely driven by a 39.4% increase from SMGP to meet the country’s growing energy demand. The year marked the hottest on record globally, with extreme temperatures driving up cooling requirements across commercial and industrial sectors. Global cooling degree days (a measure of how hot the temperature is within a given period) were 6% higher than in 2023 and 20% above the 2000-2020 average, underscoring the intensifying impacts of climate change on energy systems.

The rising adoption of electrified vehicles, which accounted for 4% of national vehicle sales following the implementation of zero import duties, further added to grid demand. At the same time, newly operational assets—including the Mariveles power plant and BESS sites—were incorporated into our energy reporting this year.

In 2024, we deployed 390 MWh of BESS capacity to help stabilize our national grid and enable higher renewable integration. We also supported the energization of a 184-circuit-kilometer High Voltage Direct Current submarine cable, with a transfer capacity of 450 MW, interconnecting Luzon, Visayas, and Mindanao grids.

As the country’s leading power supplier, we remain focused on building a more resilient and flexible energy system—one that enables a fully connected Philippines and ensures that the benefits of electrification are shared by all Filipinos.





In 2024, rising demand from key sectors—notably power, transport, and industry—led to a 28.7% increase in energy consumption by our Power business. In contrast, energy consumption declined by 10.3% at Petron and by 5.6% on average across our Cement businesses. Energy use among other business units remained at about 6% of total consumption, but increased by 5.6% versus 2023.

Petron’s average energy intensity decreased by 4.8% year-over-year, driven by sustained efforts in managing its energy use and implementing energy efficiency measures in their refinery operations. In 2024, energy reduction initiatives reached an 85.4% implementation rate through various programs such as: i) Fuel, Steam, Water & Power Balances; ii) Fuel, Utilities, Loss & Conservation Activities; and iii) Fuel Insights & Recommendations for Efficiency. These efforts resulted in savings of 9.5 million liters of oil equivalent, while the Empower Change (Water + Electricity Conservation) program reduced electricity consumption by 658.7 MWh. The energy management programs at Petron Bataan Refinery focus on optimizing resource efficiency, promoting collaboration, and fostering conservation awareness. They provide usage projections for fuel, steam, water, and power to guide operations and analyze variances for better performance. The programs also enhance collaboration by keeping the refinery informed about energy initiatives, addressing implementation challenges, and encouraging feedback. Additionally, they drive actions for efficient furnace operations and use visual dashboards to raise awareness and promote shared responsibility for water and electricity conservation.

Our Power business reduced its average energy intensity by 4.3% year-over-year, supported by proactive efficiency measures and demand management strategies. SMGP worked closely with key utility customers and responded in real time to price fluctuations in the electricity spot market, ensuring that excess production capacity was aligned with load profile requirements.

Energy intensity of our Cement business increased by 9.5% in 2023, as NCC started to operate a third line alongside its two 57-year old lines. In 2024, the third line’s performance was optimized and became the main production line, allowing stoppage of the two older lines. As a result, energy intensity was 9.4% below 2023 level and slightly lower than 2022. The following efficiency initiatives complemented this change:

- Eagle Cement commissioned a waste heat recovery plant that generated 75,931 MWh of energy and installed a hot gas recovery system that saved 15.5 million liters of diesel. These efforts led to a 12.7% reduction in electricity consumption and a 7.4% reduction in fuel use.
- Northern Cement’s third line resulted in electricity savings of 3,003 MWh and diesel savings of 2.2 million liters, achieved through the recovery of hot gas from the kiln for use in the vertical roller mills.

Other business units implemented a range of energy-saving initiatives that collectively contributed to a 3.9% reduction in average year-over-year intensity across the organization.

Despite substantial growth in production volume, our Food business managed to control its energy use—saving 0.7 million liters of oil equivalent and 5,038 MWh of electricity in 2024. The Beverage Division reduced consumption by 16.1 million liters of oil equivalent and 13,768 MWh of electricity. GSMI contributed significantly through ongoing efficiency programs, including a transition to LED lighting and replacement of outdated air conditioning units with inverter-equipped, energy-efficient models. Additional measures included the installation of solar panels at one facility, increased use of solar-powered perimeter lighting, and continued optimization of GSMI’s biogas generation facility.

Across our brewery operations, we also implemented system-wide efficiency upgrades in the following areas:

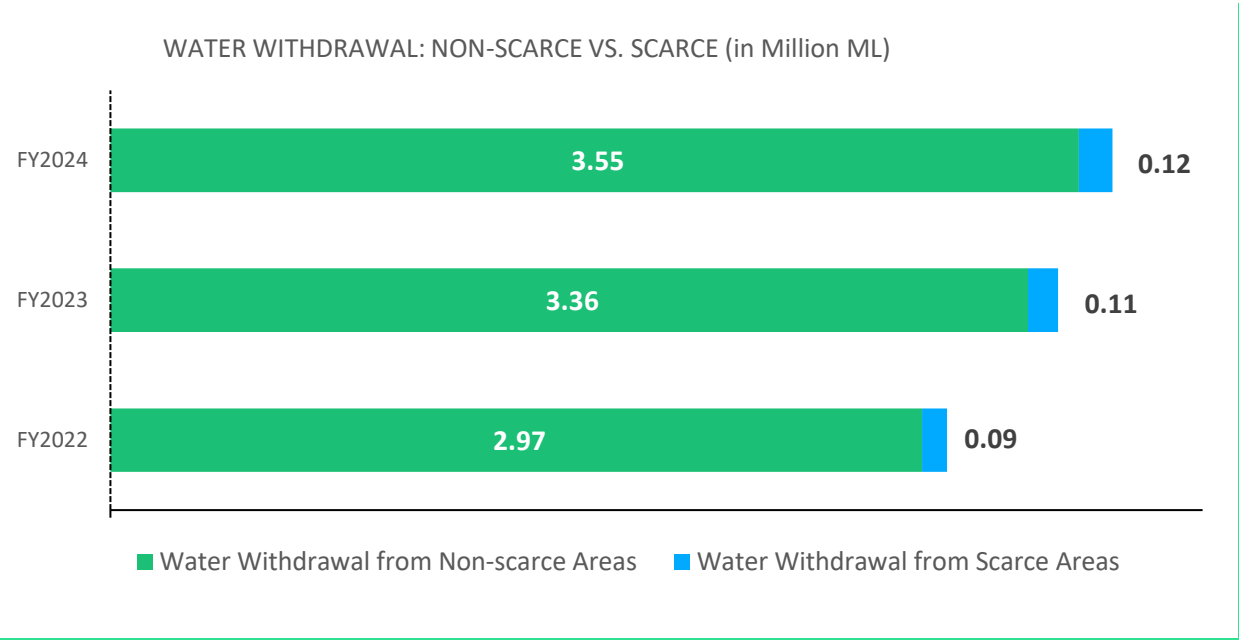
- Sequencing Batch Reactor systems
- Dewatering equipment including auxiliary pumps
- Compressors for dry air, NH₃, CO₂, air, water, and bagasse
- Chilled water and diffuser systems
- Motors and drive gears

The Food group reduced coal consumption for boilers by 180,000 MT in 2024 and implemented a range of energy-saving measures, including using condensate return as a preheater for boiler feed water, converting diesel-powered forklifts to electric-powered units, and installing solar-powered lighting across warehouses and plant premises.

SMYPC strengthened its energy management efforts by training 36 personnel from 14 facilities—including engineering heads, engineering supervisors, maintenance and utilities teams, department heads, technical managers, transportation and warehouse planners, safety, and environment and production staff engineer—through a two-day EnMS implementation workshop held in September 2024. SMYPC adopted the core elements of EnMS and its annual recognition program for facilities that achieved reductions in energy use. As a result, participating sites saved a total of 7,349 MWh of electricity through successful implementation of the EnMS.

B. Water Management

GRI 303-1 | GRI 303-2 | GRI 303-3 | GRI 303-4 | GRI 303-5



In 2024, SMC continued to enhance its water management initiatives, prioritizing efficiency and minimizing wastage across its operations. The Group’s two largest water consumption categories are utility water, used for cooling and cleaning processes, and freshwater for food and beverage manufacturing. Additionally, water is utilized for sanitation, irrigation, and domestic purposes.

Of SMC’s total water withdrawal, 93% is accounted for by Power, which uses 99.9% seawater. This seawater passes through cooling systems, where it absorbs heat from steam before being safely discharged back into the ocean. In addition, Petron’s desalination plant enables the refinery to use seawater for its operations while avoiding rust and calcification. As a result, seawater constitutes 96.7% of the Group's total water usage, amounting to approximately 3.5 million ML.

SMC is also actively developing rainwater harvesting programs to supplement scarce freshwater resources. The NCC facility in Pangasinan has successfully implemented this program, achieving a 93.8% reduction in freshwater usage, with a goal of eventually reaching zero freshwater consumption. Several other facilities have introduced smaller-scale rainwater collection systems, enabling the use of harvested rainwater for ground maintenance, irrigation and some domestic sanitary applications.

While groundwater, surface water, and third-party water account for only 3.3% of SMC’s total water usage, the Company continues to implement multiple initiatives to optimize its consumption.

These include:

- Employee awareness campaigns across all SMC facilities, encouraging staff to report malfunctioning devices and be mindful of water usage.
- The installation of pressure-regulating valves to maintain water pressure at or below 40 psi, preventing unnecessary water loss.
- The deployment of sand filters and water softening systems at various plants to enable the reuse of maintenance water for sanitation purposes.
- A food plant conducting cleaning cycle optimization studies to reduce water consumption without compromising food safety.
- The use of water treatment systems that allow effluent water to be recycled for road dust suppression and other non-sensitive applications.

For domestic uses, SMC continues to install water-efficient plumbing and sanitary fixtures, including:

- Aerators and flow restrictors on taps to reduce flow rates.
- Waterless and hybrid urinals, which reuse handwashing water for flushing.
- Half-flush systems and improved flush-o-meters to reduce water use per flush.

When properly implemented, these fixtures can reduce water consumption by up to 30%, depending on the facility’s baseline usage.

Through these comprehensive measures, SMC demonstrates its unwavering commitment to the responsible and efficient use of natural resources, ensuring that no drop of water is wasted.

8 Years On: Our Water for All Journey

Since its genesis in 2017, San Miguel’s Water for All initiative has aimed to reduce the use of scarce water by 50% relative to our projected operational water requirements by 2025. The program began with a comprehensive mapping of water lines across all facilities to establish a baseline, using 2016 data. To drive this effort, SMC formed the Water Council—comprised of technical representatives from each of our operating businesses—tasked with setting water consumption targets, implementing conservation measures, and monitoring progress across our plants and offices nationwide.

In its first year, the initiative prioritized infrastructure improvements, including leak repairs and the elimination of major causes of water wastage. These efforts resulted in a 25.3% reduction in 2018. With most major repairs completed, the focus shifted to consistent water-saving practices in 2019, leading to a normalized 18% reduction in the program’s second year.

At the height of the pandemic, when many manufacturing facilities operated well below capacity, maintenance activities continued. However, with limited production output, water savings gains were minimal in 2020.

As operations resumed, the program regained momentum, achieving an average reduction of 22.4% from 2022 to 2024, just below the 2018 peak. While the Water for All program is set to conclude by the end of 2025, we anticipate that the 50% target will remain out of reach. The goal was aggressive and set in earnest and, while some facilities have in fact surpassed the 50% mark, we project an overall reduction for the Group of approximately 25% by 2025.

Nonetheless, the initiative has delivered significant water savings of 48,981,524 cubic meters from 2017 to date—equivalent to the monthly consumption of 1,632,000 households. Equally impactful, it has fostered a culture of conservation across our operations and offices, while also driving innovation in tapping alternative, non-scarce water sources.

Building on the lessons learned, SMC is now refining its water sustainability goals to be more data-driven and aligned with the specific capabilities and needs of each business unit. We are currently developing the next phase of the Water for All initiative, with a more realistic yet impactful target: maintaining a Group-wide 25% reduction in water use year-on-year. While this goal is less aggressive than the original 50%, it is designed to be more achievable and sustainable. It will be supported by BU-specific projects that reduce reliance on scarce water sources while enhancing productivity and profitability. This measured, habit-forming approach is intended to drive long-term, meaningful water conservation results.

INDIVIDUAL FACILITIES THAT EXCEEDED WATER REDUCTION GOAL	
BUSINESS UNIT FACILITY	WATER REDUCTION RATE (%)
Northern Cement Corporation, Pangasinan	93.8
SMF B-MEG Plant, Isabela	88.9
SMF SMMI Tabangao Plant	68.8
SMF B-MEG Plant, Bulacan	68.1
GSMI Mandaue Plant	64.0
SMYPC Rightpak	62.9
GSMI Cauayan Plant	62.1
GSMI Ligao Plant	61.8
SMC Infra - Manila Toll Expressway Systems, Inc.	61.0
SMF SMMI Mabini Plant	60.7
SMYPC Laguna Caps Plant	58.1
SMF B-MEG Spent Grain Drying Facility, Pampanga	55.7
SMF B-MEG Plant, Tarlac	51.5
26 Petron Terminals	55.7 – 97.3

These are the facilities that have taken the lead in SMC’s water reduction efforts, and have gone above and beyond the initial 50% reduction rate, proving that while the original goal was aggressive, it was set in earnest and was actually feasible for some; however, on a Group-wide scale, 50% is indeed difficult to achieve.

7.3 Circular Economy

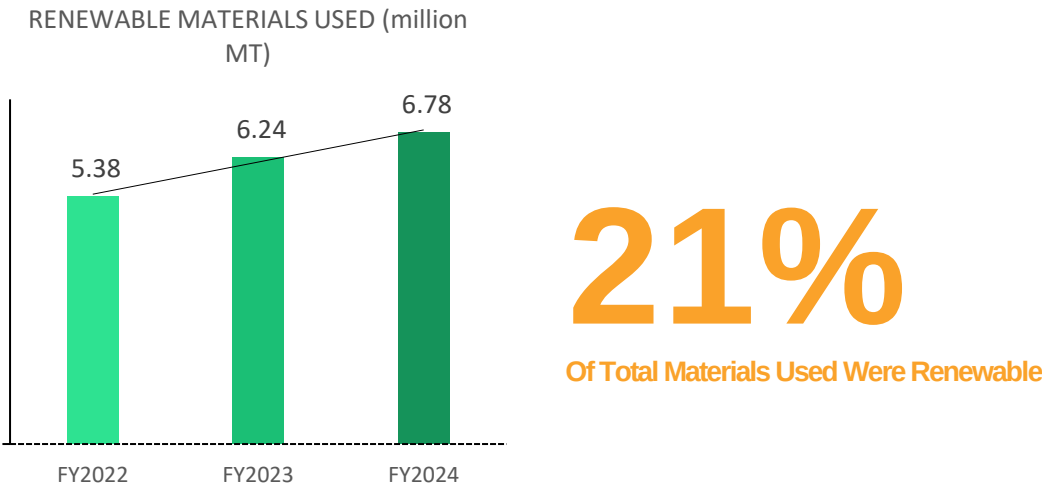
GRI 301 | GRI 306

At the core of SMC’s sustainability efforts is our commitment to adopting a more circular economy model. As our operations expand, so does our demand for raw materials—making it even more critical to optimize resource efficiency, sustain our operations, and minimize waste. As a company at the forefront of nation-building, we recognize our responsibility to ensure progress must not come at the expense of the environment or the communities we serve.

We continue to strengthen our waste reduction, recycling, and recovery initiatives, while exploring innovative approaches to improve materials and waste management. These efforts help us maximize the value of the resources we use, reintroduce byproducts into production across our businesses, and minimize what ends up as waste. This stands in contrast to the traditional linear economy, where materials are used once and discarded, rather than repurposed or recovered.

A. Materials Management

GRI 301-1 | GRI 301-2



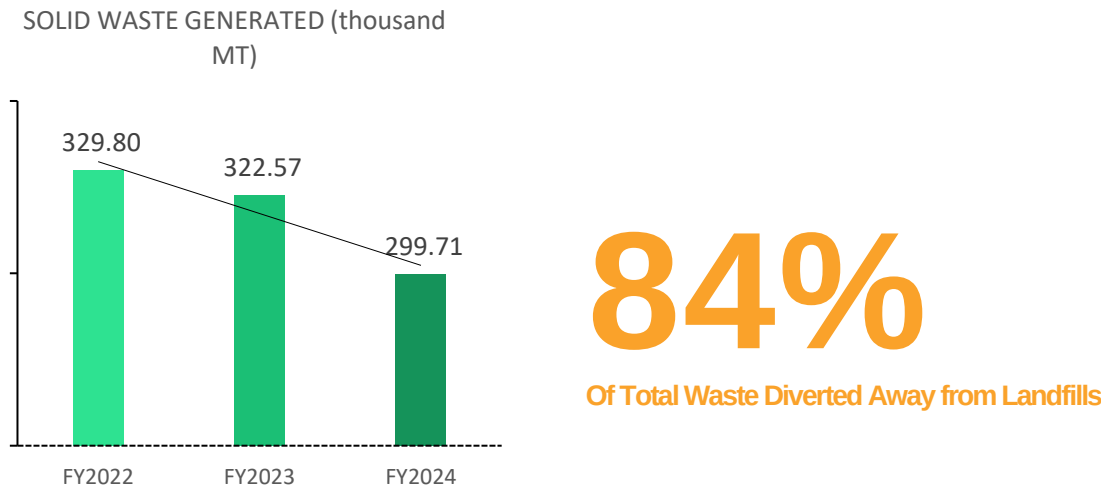
In 2024, our operations used a total of 32 million MT of materials, an 18.1% increase from the previous year. This growth was primarily driven by the inclusion of San Miguel Aerocity Inc. (SMAI) in our reporting. Of the 4.4 million MT increase in non-renewable materials, 3.9 million MT was attributed to SMAI’s land restoration activities in Bulacan for the New Manila International Airport. In addition to constructing the airport platform, these activities include biodiversity preservation efforts to align with our sustainability agenda.

The inclusion of SMAI led to a slight decrease in the share of renewable materials, from 23.1% in 2023 to 21.2% in 2024. However, the total volume of renewable materials increased from 6.2 million to 6.8 million MT, with contributions from SMFB, Cement, SMYPC, and Petron. SMFB’s inputs—primarily agricultural commodities, glass bottles, used plastic pallets and crates—accounted for 82.5% of the Group’s renewable material usage. Additionally, Cement contributed fly ash and gypsum, SMYPC used glass cullet and Petron provided ethanol and CME.

Recycled material use declined slightly from 3.8% to 3.1% due to a shortage of locally available glass cullet, as more of these materials were exported rather than sold domestically. Despite this, reclaimed materials played a key role as 90% of SMB’s bottles and 56% of GSM’s were reused. Spent grains and yeast from SMB, along with rendered poultry meal and pollard, were repurposed for animal feeds, representing 7.1% of the Feeds business’s renewable material use.

B. Solid Waste Management

GRI 306-1 | GRI 306-2 | GRI 306-3 | GRI 306-4 | GRI 306-5

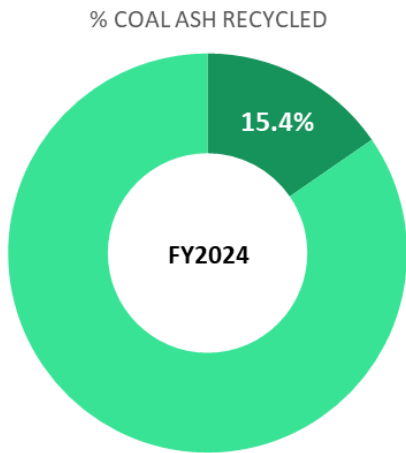


San Miguel’s steadfast compliance with the Ecological Solid Waste Management Act led to a further 7% reduction in total solid waste generated in 2024. As a national conglomerate with operations across the archipelago, SMC remains mindful of its environmental footprint and is committed to minimizing its impact by recirculating surplus materials and by-products into our operations wherever possible.

As in previous years, spent grains and yeast from our breweries comprised the largest share of solid waste at 43.2%, followed by glass cullet and jars at 26.2%. However, for both categories combined, the absolute weight declined by 11% or 36.1 thousand MT. Since these materials are reintroduced into our production ecosystem—spent grains and yeast as animal feeds ingredients, and glass cullet and jars to our glass manufacturing plants—the drop in waste generation also resulted in a corresponding decrease in waste diverted.

For plastic waste, SMC reported 26.1 thousand MT of post-consumer plastic waste in 2024, 3% lower than the previous year, covering its obliged enterprises—SMFB, Petron, and the Cement group. Of this total, 21.3 thousand MT were flexibles, while 4.8 thousand were rigid plastics. In full compliance with the EPR law, 40.5% of this volume was recovered through a combination of recycling by our Packaging business, which is now a DENR-accredited diverter, and reprocessing via Plastic Credit Exchange (PCX), from which we obtain the corresponding plastic credits.

Coal Ash Management



In 2024, coal ash generated by our businesses increased by 22%. This was mainly generated by SMGP’s power plants and Petron Bataan Refinery’s co-generation facility.

Of this volume, 15.4% was successfully recycled for use in our Cement businesses, where it serves as an aggregate material for cement production. The quantity is lower than prior years due to the quality of

coal ash, so what could not be recycled was responsibly stored or disposed in accordance with DENR standards.

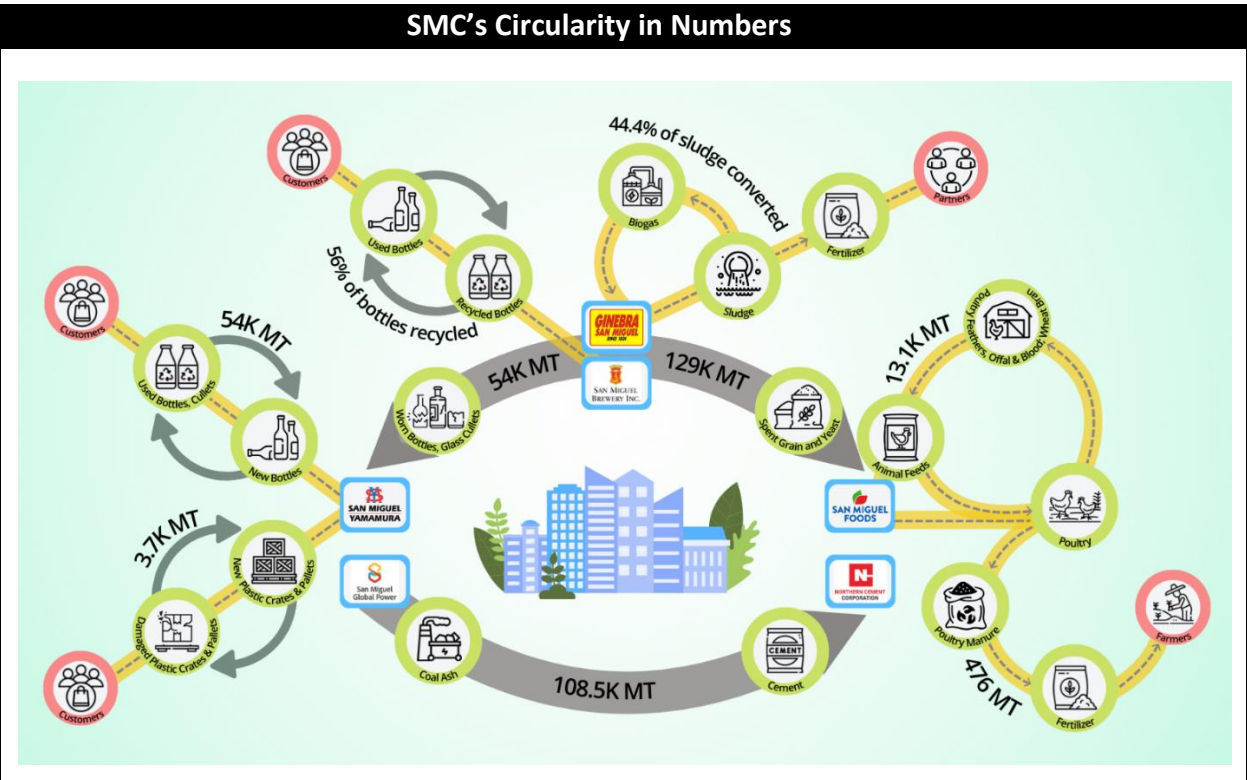
Hazardous Waste Management

HAZARDOUS WASTE TRANSPORTED				
	2024	2023	2022	Unit
Total hazardous waste generated	16,005.00	7,914.62	9,552.91	MT
Total hazardous waste transported	13,215.05	10,532.94	8,855.70	MT

SMC generated a total of 16 thousand MT of hazardous waste in 2024, up from the previous year’s 7.9 thousand MT. Of this volume, 73% came from Petron in the form of fuel residue and sludge following their scheduled maintenance of fuel storage facilities at the Bataan Refinery. The increase in the volume of hazardous waste generated is directly attributed to this maintenance activity.

We transported 13.2 thousand MT of hazardous waste during the year, reflecting our practice of strategically storing waste until it reaches an optimal volume for safe and efficient disposal. In 2024, we diverted 41% of hazardous waste, while transporting the balance to DENR-accredited hazardous waste treaters.

Ever-cognizant of the risks involved in hazardous waste management, SMC ensures that all hazardous materials generated from our operations are collected, transported, and disposed of responsibly and in a timely manner, in full compliance with regulatory standards.



7.4 Biodiversity and Ecosystems

GRI 304 -1 | GRI 304-2 | GRI 304-3 | GRI 304-4

At San Miguel Corporation, we recognize biodiversity as fundamental to the resilience of ecosystems, communities, and our own long-term operations. Across our businesses, we are committed to protecting the natural systems that support life—from forests, rivers, and coastal habitats to the species and ecological processes that sustain them. This includes both tangible natural resources—such as timber, water, and agricultural land—and the intangible ecosystem services they provide, including air and water purification, flood protection, carbon storage, crop pollination, and habitats for wildlife.

In 2023, San Miguel Aerocity Inc. (SMAI) started to develop its Biodiversity Offset Program (BOP) to ensure that the construction and development of the New Manila International Airport (NMIA) achieves both No Net Loss (NNL) and Biodiversity Net Gain (BNG) in identified critical habitats. Modeled on science-based conservation practices, BOP is a pioneering initiative designed to prevent and reverse the degradation of terrestrial and marine ecosystems in Manila Bay—recognized as a high conservation value area and designated as a RAMSAR site.

NMIA is poised to strengthen national connectivity and spur inclusive economic growth. Beyond job creation, NMIA is envisioned to serve as a regional hub for innovation, to be supported by industries that will emerge alongside the airport city. It is set to become a key driver of economic and trade activity in Central Luzon. Aligned with our vision for sustainable, aviation-led regional development, the BOP applies a science-based approach to safeguard and restore the natural habitats of flora and fauna throughout the construction and future operations of NMIA.

To mitigate habitat disruption during construction, we began by scientifically recreating intertidal mudflats used by migratory birds, relocating them to a more suitable site. This proactive measure ensured that feeding patterns, foraging behavior, and social interactions among bird species would not only be maintained but potentially improved. In collaboration with international ornithologists and bird researchers, we conducted bird tagging to monitor behavioral patterns and usage of the newly established mud flats. These insights are helping us identify additional viable habitats along Manila Bay to support long-term species survival. By 2024, the number of bird species visiting the area increased by 55.7%. Building on this early success, we expanded the pilot site by an additional 60 hectares across the provinces of Bulacan and Pampanga. Over the long-term, SMAI aims to develop between 400 and 800 hectares of restored intertidal mudflats.

ECOSYSTEM AND BIODIVERSITY				
	2024	2023	2022	Unit
Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside of protected areas	15	13	9	No.
Habitats protected or restored	1,933.93	1,861.80	112.74	Ha.
IUCN red list species and national conservation list species with habitats in areas affected by operations	33	29	14	No.

In 2024, we recorded an average year-over-year increase of 3.9% in operational sites that are owned, leased, or managed near protected areas or zones of high biodiversity value. This rise reflects the inclusion of new project sites, notably SMAI’s NMIA and Biak-na-Bato National Park—located approximately five kilometers from our Eagle cement plant in Bulacan province. Biak-na-Bato is a nationally significant protected area, comprising a network of caves, rivers, and trails across the municipalities of San Miguel, San Ildefonso, and Doña Remedios Trinidad. The park spans 2,117 hectares and plays a critical role in supporting regional biodiversity, freshwater systems, and local ecological balance.

In 2024, the inclusion of Biak-na-Bato National Park expanded the adjacent habitats we help conserve and protect by an additional 5 hectares, bringing the total to nearly 1,934 hectares. The park is home to four species of flora and fauna classified as ‘threatened’ under the IUCN Red List. These include two endangered tree species—Narra (*Pterocarpus indicus*) and Mahogany (*Swietenia macrophylla*)—as well as the vulnerable Is-is (*Ficus ulmifolia*). The park also supports the Malayan freshwater turtle (*Cuora amboinensis amboinensis*), a semi-aquatic species found in standing freshwater bodies across Southeast Asia which is listed as ‘vulnerable.’ With these additions, the number of national conservation list species found in habitats adjacent to our operations rose to 33, further underscoring the importance of continued biodiversity protection in the areas where we operate.

Biak-na-Bato Flora and Fauna Survey							
Species	Critically Endangered	Endangered	Vulnerable	Near Threatened	Least Concern	Data Deficient	Not Evaluated
Flora	-	2	1	-	21	3	-
Fauna	-	-	1	-	45	-	3
Total	-	2	2	-	66	3	3

We recognize that nature underpins not only the health of the planet, but also the well-being of people and the sustainability of our business. That is why we place a high value on natural ecosystems and the services they provide—across every aspect of our operations. We are a strong supporter of the recently issued RA 11995, “The Philippine Ecosystem and Natural Capital Accounting System (PENCAS) Act of 2024”, which aims to promote sustainable development by recognizing and valuing the country’s natural assets.

From leading reforestation and mangrove restoration efforts through initiatives like Project 747 and Ridge to Reef, to supporting government-led programs such as the Mining Forest Program, NGP for Enrichment, Fish and Fishermen Sanctuary, we continue to invest in the preservation and restoration of the country’s natural capital. Our programs and projects continue to support the conservation of natural resource—whether through water (Water for All), ecosystem rehabilitation (River Rehabilitation), biodiversity conservation (BOP, *Puno ng Buhay*) or social inclusion (Better World). From local to global efforts, we at San Miguel Corporation uphold our core value of *malasakit* as a guiding principle in everything we do. In recognition of this commitment, San Miguel Corporation was honored under the Prosperity and Planet categories at the 4th SDG Awards by the UN Global Compact Network Philippines (GCNP) in 2024.

A Place to Land

Manila Bay is notable not just for its beautiful sunsets. As part of what is known globally as the East-Asian-Australasian Flyway (EAAF), it is vital to migratory birds traveling year-round from Russia and Alaska to Australia, New Zealand, China, Japan, Korea, Southeast Asia, and the rest of the Western Pacific.

Home to over 50 million migratory waterbirds, including a number of globally threatened species, the flyway has in recent decades been under constant risk due to continued deforestation and rapid development. Along the Manila Bay, where major commercial developments and settlements have mushroomed over the decades, once-ubiquitous mudflats where migratory birds roost have all but disappeared.

San Miguel Corporation has reinforced its commitment to help protect this migratory path amid the development of the country’s largest international gateway, the New Manila International Airport.

The project, dubbed *Saribuhay sa Dampalit*, is a first-of-its kind biodiversity offset program championed by San Miguel Aerocity Inc. (SMAI) that involves the creation of intertidal mudflats - initially in Barangay Pamarawan, Malolos, Bulacan. It is aimed at achieving SMAI’s goal of Biodiversity Net Gain and No Net Loss of Natural Habitats as it builds the NMIA.

Launched in February 2024, the site has already become an essential stopover for waterbirds along the EAAF.

“We want to create between 400 to 800 hectares of biodiversity offset areas. We are in the process of assessing additional sites to determine their feasibility for biodiversity offset, making sure that the feasibility process is carried out carefully and accurately through technical studies and consultations with experts, community members, local government units,” said SMC Chairman and CEO Ramon S. Ang.

“We are committed to allocating the needed resources to fully implement this initiative and ensure that all the biodiversity offset sites are completed and efficiently managed,” he added.

The offset site was developed as a result of comprehensive research, which included bird tagging under the watch of the Department of Environment and Natural Resources (DENR). A Wildlife Hazard Assessment was also undertaken, and a Management Plan put in place.

These efforts are particularly significant since 14 of the migratory bird species said to be visiting Manila Bay are either included in the International Union for Conservation of Nature (IUCN) Red List of endangered, vulnerable or near-threatened birds, or classified by the DENR as “species of concern.”

Among bird species that have been seen in the area during migration season are: black-faced spoonbill, Nordmann’s greenshank, great knot, far-eastern curlew, Asian dowitcher, broad-billed sandpiper, red-necked stint, long-toed stint, Kentish plover, lesser sand plover, and the great white egret.

International avian experts have played a key role in this initiative, and a specialized bird-watching team has been established to facilitate the activities associated with the project.

Meanwhile, to help ensure flight safety at the NMIA, SMAI is working with ornithologists, aviation experts, and the Civil Aviation Authority of the Philippines’ (CAAP) wildlife hazard consultants to determine the offset sites’ safe distances from the airport.

“Nang dahil po sa project na ito, nalinawan kami na kailangang pangalagaan ang mga ibon at kalikasan (This project enlightened us on the need to protect wildlife and the environment),” said Miguel Faustino, a resident of Bulacan, who currently leads the community workers at Saribuhay sa Dampalit.

The Biodiversity Offset Program employs locals who create and maintain the mudflats using silts from SMC’s river cleanup initiative.

Through this, SMAI provides valuable employment opportunities for project-affected persons (PAPs) and skilled workers from nearby communities. The effort also contributes to environmental management by deepening waterways and increasing their capacity to support flood mitigation and overall ecosystem health.

Following the launch of the 47-hectare BOP pilot *Saribuhay sa Dampalit* site in Pamarawan, Bulacan SMAI has continued work to create mudflats in the Northern Manila Bay Areas.

The biodiversity offset project is but one example of SMC working closely with experts and stakeholders to find win-win solutions that benefit communities, the environment, the project, and the wider public. It is something we are proud of and committed to seeing through as part of wide-ranging efforts to ensure that development of the Bulacan airport will be done right and sustainably.

As a strategic approach to protecting and offsetting the natural habitats of flora and fauna that massive developments have impacted, SMAI aims to set a new standard for infrastructure projects in the Philippines.

In November 2024, Stewardship Asia Centre hailed the Biodiversity Offset Program among the honorees of its Steward Leadership 25 (SL25) Award.

SMC Chairman and CEO Ramon S. Ang has committed to ensure these sites remain sustainable during and beyond the concession period.

8 Kalinga: Good for People

8.1 Our Employees

GRI 2-7 | GRI 401-1

Our employees are essential drivers of innovation and growth. Their collective talent and commitment shape the success of our businesses and enable us to navigate challenges while advancing our purpose of building a better future. Together, we foster a culture where people thrive and create impact beyond the workplace.

As of end-2024, the Group's workforce reached 57,428 employees, excluding those from our foreign operations and Bank of Commerce, which are not within the scope of this Report. Of this population, 88% are regular employees, while 12% are engaged as project-based staff or consultants. Among regular employees, 97% serve as rank-and-file, primarily in sales, manufacturing, and logistics—core areas that drive our business. Officers and middle managers make up just 3% of the total, reflecting our lean management structure and efficient overhead cost.

Project-based employees are hired for specific assignments such as construction projects and receive compensation and benefits aligned with the roles they perform. Consultants, engaged for their specialized expertise, support various management teams across business units and are similarly compensated based on the value they contribute.

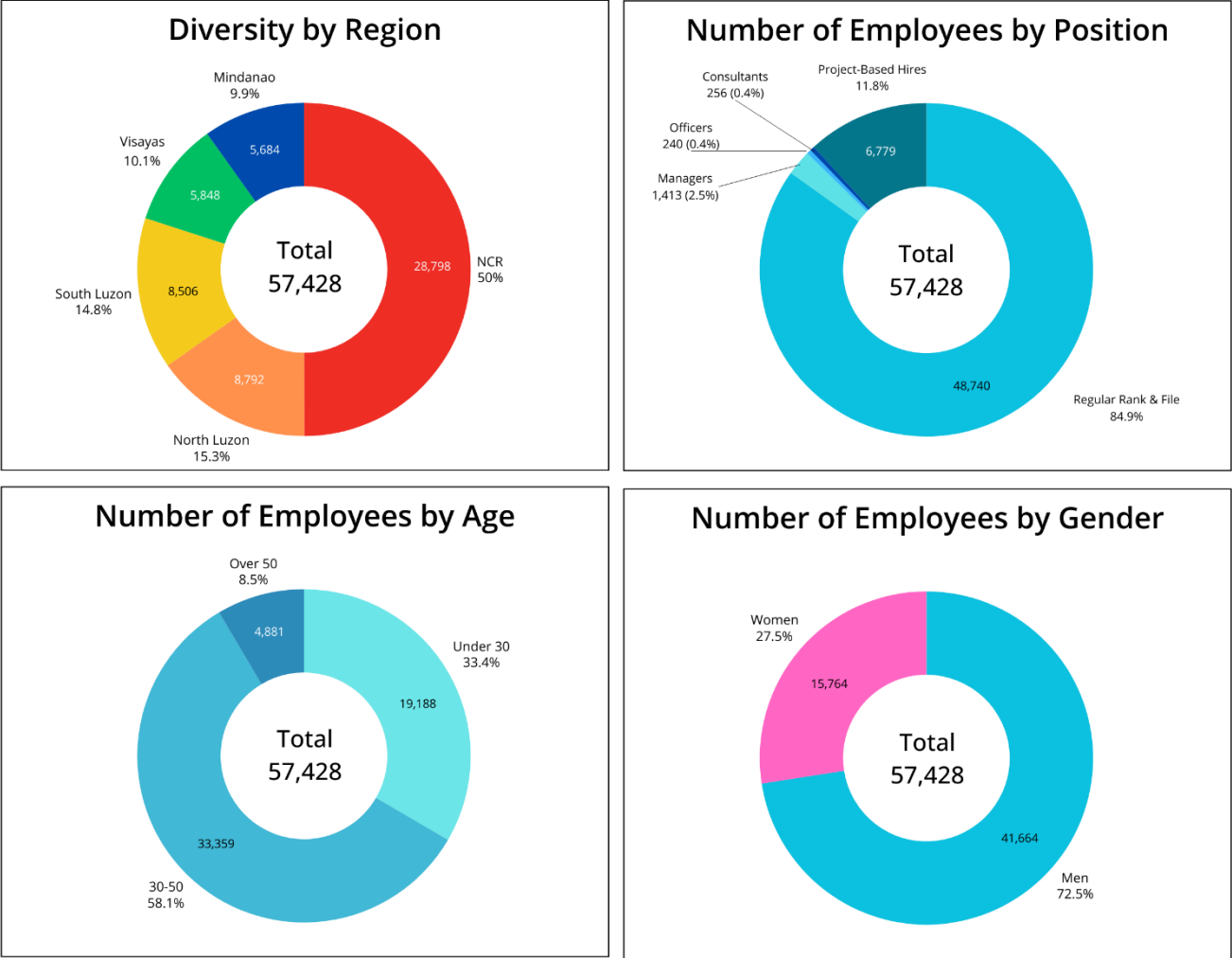
In 2024, the Group created 4,071 new jobs, marking an 8% increase in total employment versus previous years. Most of these roles were generated by ongoing infrastructure projects and expansion activities within our Food and Beverage business.

Alongside this growth, the Group sustained efforts to improve gender representation. Female employees comprised 27% of the workforce, while male employees accounted for 73%, with a male-to-female ratio of 2.6:1. Among the management team, the ratio improved slightly to 1.8:1. While these figures reflect the nature of the industries in which we operate, we continue to see strong representation of women in key leadership roles across business units.

In 2024, we further enhanced programs aimed at strengthening sustainability consciousness among our employees. We also focused on reinforcing our succession talent pool while promoting and nurturing holistic well-being across the organization—ensuring our people are prepared to lead and thrive in a dynamic and evolving business environment.

Our workforce is becoming more diverse with a healthy mix of experienced professionals and new talent. While employees aged 30 to 50 years old continue to comprise the majority at 58%, younger employees under 30 represent 33%—a growing segment that brings fresh perspectives, innovative thinking, and a strong drive for continuous improvement.

In the following sections, we detail how San Miguel Corporation fosters a work environment that supports the holistic growth and well-being of every employee—helping them thrive while driving our collective impact on society and the environment.



A. Human Rights and Labor Practices

GRI 2-16 | GRI 2-23 | GRI 2-24 | GRI 2-30 | GRI 408-1

COLLECTIVE BARGAINING AGREEMENTS (CBAs)			
	2024	2023	2022
Active CBAs	36	34	34
Total members	5,243	5,046	5,059

At San Miguel Corporation, we recognize that open dialogue and strong labor-management relations are key to sustaining a productive and engaged workforce. We respect and uphold the right of our employees to organize, form unions, and participate in collective bargaining. Guided by these principles, we work continuously to create a collaborative environment where both labor and management thrive, anchored on mutual respect, fairness, and shared accountability.

As of end-2024, the SMC Group had existing bargaining agreements with 36 active labor unions, an increase of two from the previous year. Total union membership also increased by 4%, reaching 5,243 employees and covering 9% of our workforce.

Across San Miguel, each subsidiary maintains a dedicated Labor Relations team that coordinates closely with the Corporate Human Resources–Labor Relations unit. Together, these teams drive initiatives that strengthen labor-management collaboration while ensuring full compliance with labor laws and regulations. In 2024, we rolled out several key programs designed to reinforce open communication, foster mutual respect, and uphold our commitment to fair and compliant labor practices:

- Expanded compliance assessments for both General Labor Standards (GLS) and Occupational Safety and Health Standards (OSHS), covering SMC facilities and third-party contractors. GLS tabletop assessments involved 843 participating entities (up from 472 in 2023), while OSHS assessments

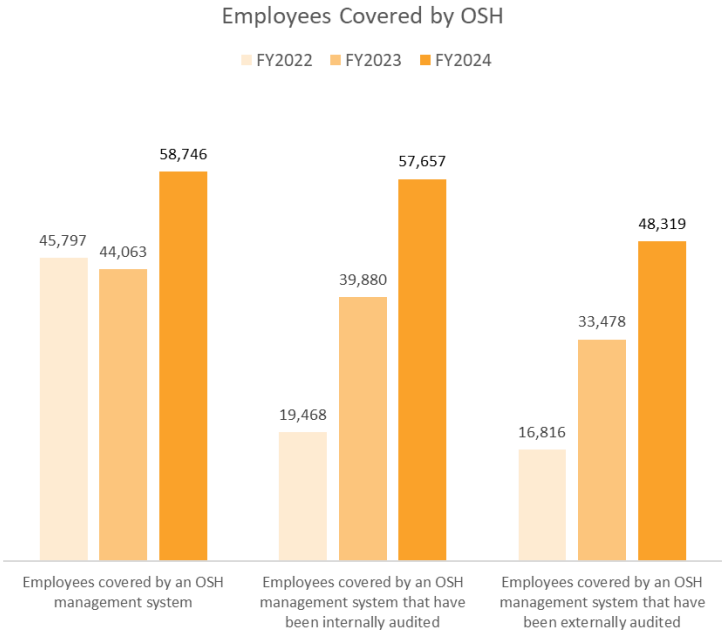
- reached 865 entities (from 550 in 2023).
- Continued the 2024 SMC GLS and OSHS Compliance Awards to incentivize adherence to labor and safety standards. We conferred a total of 319 GLS awards (up from 101 in 2023) and presented 354 Safety Milestone awards.
- Enhanced safety preparedness through the 2024 Fire Fighting Skills Exhibition, which saw participation from 193 teams—a notable increase from 149 in 2023—demonstrating the Group’s strengthened safety culture.
- Strengthened labor collaboration and engagement through pocket employee activities, productivity improvement teams, town hall meetings, and anti-criminality information drives across core business units and our Operations, Maintenance and Management (OMM) companies.
- Conducted prompt investigations and resolution of whistleblowing reports and Safe Spaces complaints across business units.

We also remain committed to educating our employees about labor rights. In partnership with DOLE, we organized Labor Education Seminars attended by 1,490 employees. These sessions provided essential knowledge on fundamental labor rights, including security of tenure and freedom of association, helping build a workplace grounded in awareness, empowerment, and mutual respect.

In full compliance with the Constitution and labor laws, the Group upholds policies that protect human rights and explicitly prohibit child labor. Learning workshops were conducted across business units to ensure that all employees understand and uphold our shared responsibility to safeguard human rights and comply with related regulations.

B. Employee Health and Safety

GRI 403-1 | GRI 403-2 | GRI 403-3 | GRI 403-4 | GRI 403-5 | GRI 403-6 | GRI 403-7 | GRI 403-8



San Miguel Corporation continues to prioritize the health, safety, and overall well-being of its employees through one of the most comprehensive medical benefits programs in the industry. Our Health Maintenance Organization (HMO) plans provide extensive coverage for both major and minor health conditions, with maximum benefit limits tailored to each business unit. Employees can access medical consultations, prescribed medications, and necessary medical devices through onsite clinics located across major facilities, ensuring prompt and convenient healthcare support.

In 2024, we further strengthened our commitment to occupational safety and health (OSH) by expanding coverage to all employees—including regular staff, project-based teams, and consultants. Upholding the highest safety standards, we continue to foster a strong safety culture across the organization through regular training and proactive programs. All new employees complete the mandatory eight-hour DOLE-certified OSH seminar as part of their onboarding, in full compliance with RA 11058 on Occupational Safety and Health Standards.

We also significantly scaled up key OSH initiatives across the San Miguel Group:

- OSH tabletop assessments reached 865 installations in SMC facilities and third-party service providers, marking a 57% increase from 550 in 2023.
- The 2nd SMC Fire Fighting Skills Exhibition was successfully executed with 193 teams participating, up 30% from 149 teams last year, demonstrating our growing focus on emergency preparedness.
- The 3rd SMC Safety Milestone Awards recognized 354 SMC facilities for exemplary safety performance, further motivating compliance and continuous improvement.
- Dedicated employee engagement activities were launched, particularly with the Operations, Maintenance, and Manufacturing (OMM) group and select business units, focusing on expanding fire brigade volunteers and raising road safety awareness. As a result, 61 newly formed fire brigade teams were created, adding 488 newly trained firefighters across the Group.
- We also held the first-ever Search for SMC's Top 10 Outstanding Safety Professionals, honoring individuals who exemplify leadership and excellence in occupational safety and health.

Beyond compliance, our programs extend to promoting general workplace safety, maintaining a drug-free environment, advancing mental health awareness, and preventing communicable diseases. Updated Worker Safety Manuals are maintained in every facility, and our active Safety Councils and Health and Safety Committees continue to provide platforms for employees to raise safety concerns and propose improvements.

C. Diversity, Equity, and Inclusion

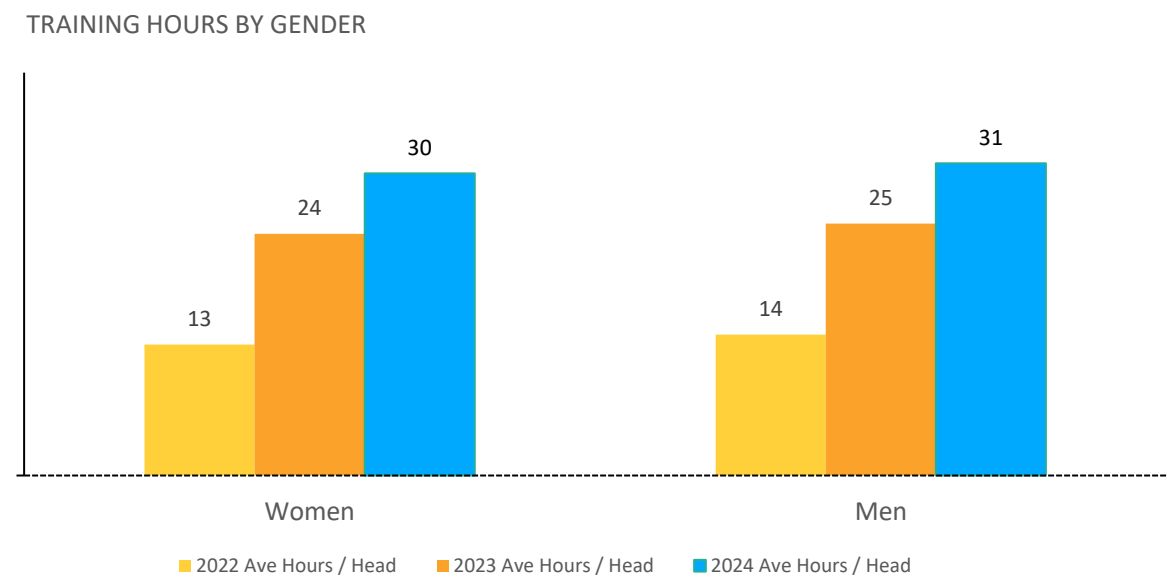
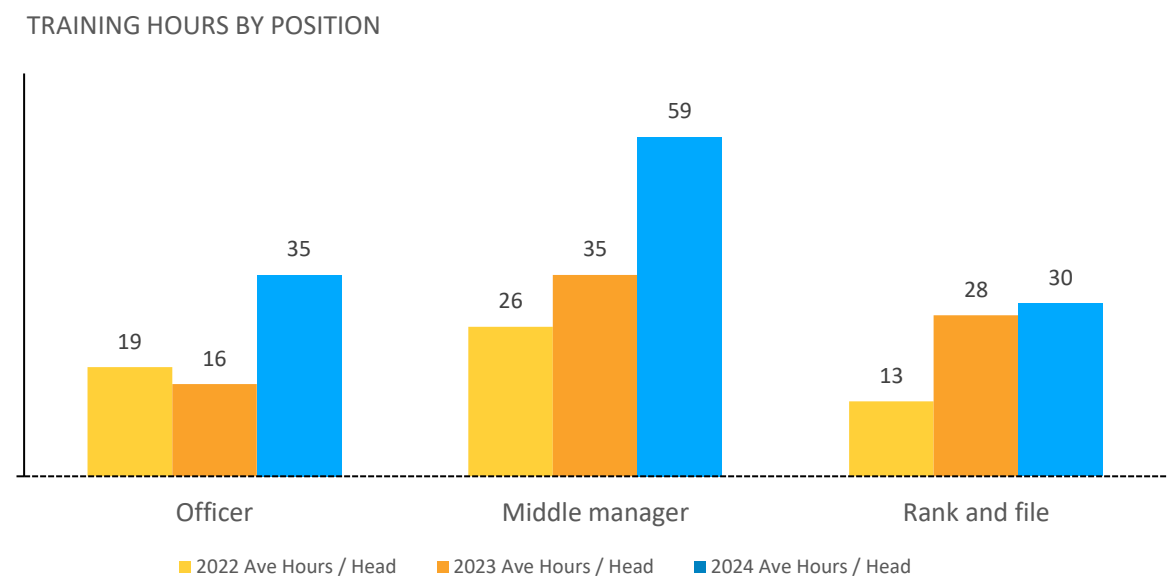
GRI 2-23 | GRI 2-24 | GRI 405-1 | GRI 406-1

We recognize that a diverse and inclusive workforce is key to driving innovation, creativity, and high performance. We are committed to attracting, developing, and retaining talent from all backgrounds, knowing that different perspectives fuel better decision-making and stronger business outcomes. Our policies ensure that every individual is valued for their contribution, creating an environment where everyone can thrive and grow.

Of the 57,428 employees across the Group, 27% are women, reflecting our steady progress in building a more inclusive workforce. Female representation at the leadership level continues to improve with a male-to-female ratio of 1.8:1 in executive and middle management roles. These figures affirm our commitment to cultivating a merit-based workplace—one that values diverse perspectives and ensures equal access to opportunities for growth, leadership, and advancement, regardless of gender or background.

D. Employee Engagement, Training, and Development

GRI 2-17 | GRI 404-1 | GRI 404-2 | GRI 404-3



Engaged and well-equipped employees are the driving force behind our success. This is why we place a strong emphasis on continuous learning, development, and professional growth.

Our commitment to learning extends beyond traditional training programs. By keeping our competencies and skills basket updated and relevant, we invest in the future of our people and our organization. Through comprehensive learning initiatives and skills-building programs, we equip employees with the tools they need to succeed in their roles and advance in their careers.

Our dedication to employee development is reflected in the substantial growth in training hours year-on-year. In 2024, the total training hours posted a significant 34% increase, rising from 1.3 million in 2023 to 1.8 million. As a result, the average training hours per employee grew from 25 to 31, reflecting a stronger commitment to workforce development and continuous learning.

Leadership Team Development Initiatives

Officers and Middle Managers were key contributors to the increase in training hours, with averages rising from 16 and 35 hours in 2023 to 35 and 59 hours in 2024, respectively. This growth reflects the organization’s deliberate strategy to focus on the development and upskilling of future leaders. Contributing to this increase were several leadership programs piloted last year, including the Managers

Conference, Focus on What Matters: Building a Leadership Legacy, Leading the Climb with Adversity Quotient (AQ) and Grit, and Leaders Talk.

Beyond developing middle managers, both the Managers Conference and Focus on What Matters: Building a Leadership Legacy sessions serve as core initiatives aligned with the organization's commitment to sustainability and Enterprise Risk Management (ERM). These programs empower managers and senior leaders to focus on high-impact leadership, prioritize knowledge transfer, foster a culture of mentorship, and build a strong pipeline of future-ready talent. By reinforcing leadership continuity, these initiatives support seamless transitions and long-term organizational stability.

Our flagship leadership development program—Leadership and Management Development Program (LMDP)—continues to hone the capabilities of both current and emerging leaders. Through structured coursework, team activities, and integrated projects, LMDP develops critical skills in strategic thinking, decision-making, and people management.

Their commitment to the program is reflected in their integrated team projects, which drive innovation and continuous improvement across San Miguel businesses. In 2024 alone, the program delivered 22 impactful projects spanning:

- Sustainability-projects related to EPR law compliance, waste management, circular economy, Net Zero energy, reduction of greenhouse gas emissions, and sustainable water management;
- New product and service development; and,
- Operational or process enhancements.

Workforce Development

The hours of rank-and-file employees also posted an increase from 28 to 30 hours, with total hours increasing to 1.7 million, driving the message of consistency in upskilling the largest segment of the organization.

Technical training sessions, power skills programs, technology and data analytics talk, and well-being and self-development initiatives largely contributed to this growth.

Both genders registered a significant increase in the training hours from an average of 24 for women and 25 for men in 2023 to 30 and 31 in 2024, respectively. This highlights the Company's strategy to provide equal learning opportunities, ensuring that all employees, regardless of gender, have access to skill-building and career advancement programs.

The evolving demands of the post-pandemic world have transformed the landscape of employee training and engagement. The rise of hybrid learning environments, digital and on-demand content, and shifting attitudes toward capability building among employees and leaders have highlighted the need for adaptability and agility in delivering effective learning interventions.

Learning administrators have begun converting mandatory learning programs, such as company policies, data privacy courses and goal-setting guides, into digital content so that users can take the course anytime and anywhere, increasing participation.

Leadership and power skills programs are also adopting a hybrid set-up, which helps cover more learners in the region or even overseas, without incurring high logistical costs. The LMDP, Developing the GM Mindset, and Becoming a 5-Star Organizational Leader in the New Normal are amongst the programs that successfully shifted to this format.

Innovative Development Initiatives

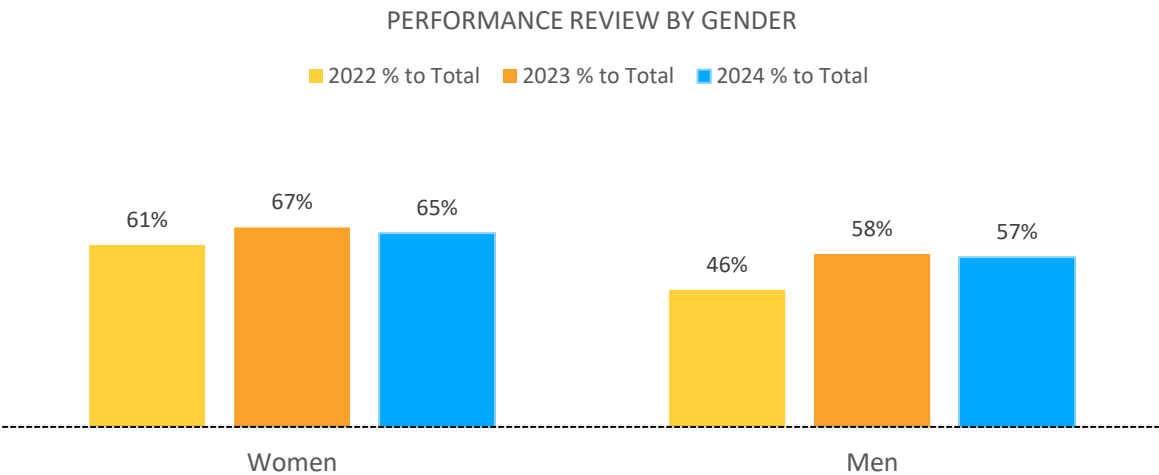
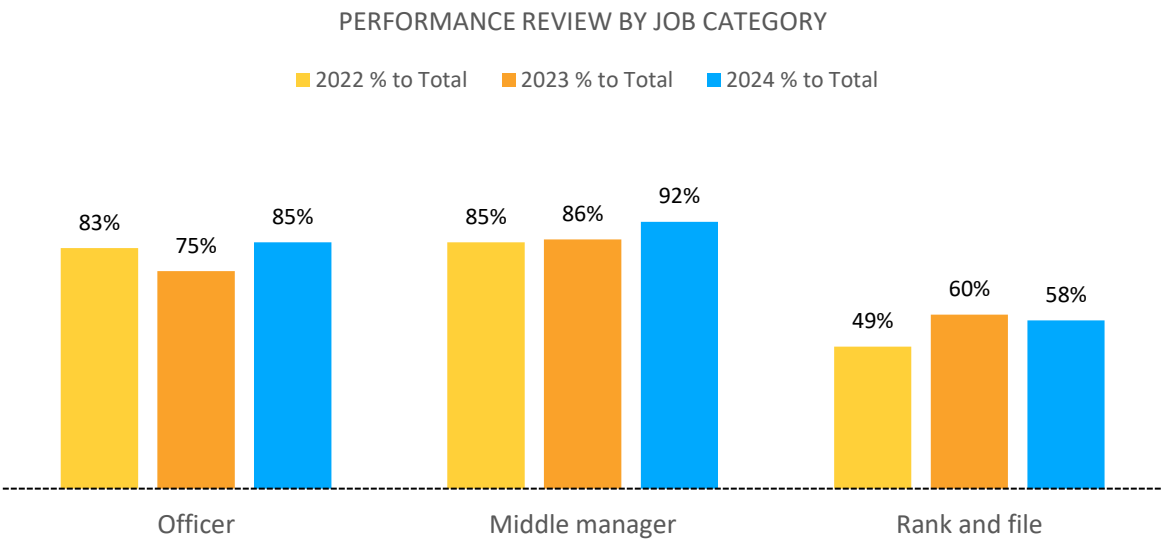
We strive to improve the way we do things and invest in relevant innovative initiatives in learning, hiring, and reporting. We continuously supplement the learning needs of our high-potential talents with LinkedIn Learning. Last year, we generated more than 8,500 learning hours from 1,500 users, contributing an average of 6 hours per person. This is equivalent to 225,712 completed videos, courses, and learning materials, with some of the content curated by the learning administrators.

Beyond learning, LinkedIn plays a crucial role in strengthening our recruitment strategies through the Hiring Enterprise Program (HEP). With our enterprise subscription, we expanded job postings from just four to unlimited listings, significantly enhancing our hiring reach. Additionally, we scaled our recruitment team from seven to an impressive 152—and counting.

As of December 2024, we have advertised 1,272 job openings, attracting over 1.5 million unique views on LinkedIn. This engagement translated into 160,021 applications, surpassing the global benchmark by 0.1% according to LinkedIn’s survey.

Lastly, in support of Sustainability Reporting, SMC developed and launched People Stories—the analytics module of SuccessFactors *MyDashboard*. People Stories integrates and consolidates workforce data from SAP and other sources, providing a comprehensive manpower dashboard. This initiative enhances data-driven decision-making, ensuring accurate and streamlined reporting of key people metrics.

Performance and Development Reviews



The percentage of regular employees receiving performance reviews registered a slight decline, from 61% in 2023 to 59% this year. This trend highlights the need to assess potential barriers to performance review completion and explore strategies to improve participation across all employee groups.

Officers saw a significant increase in performance review completion, reaching 85% in 2024 compared to 75% in the previous year. Similarly, middle managers experienced a rise from 86% in 2023 to 92% in 2024, highlighting a strengthened feedback mechanism and a more comprehensive approach to performance evaluation. However, the rank-and-file category saw a decrease in performance review completion, with 58% receiving reviews in 2024 compared to 60% in the previous year. This shift presents an opportunity to assess and enhance the review process for this group.

In terms of gender-specific data, performance review completion slightly declined from 67% to 65% for females and from 58% to 57% for males.

Performance reviews play a vital role in driving business objectives and strategic initiatives. At the start of each year, employees collaborate with their managers to set clear goals, ensuring alignment with organizational priorities. At year's end, performance is objectively assessed based on the achievement of these goals, fostering accountability and continuous growth. The SAP SuccessFactors module on Performance and Goals Management is a key tool in documenting and facilitating the performance management process, from Goal Setting and Continuous Performance and Feedback System to Mid-Year and Annual Assessment.

Holistic Growth: Strengthening the Four Pillars of Workplace Wellness

In 2024, San Miguel Corporation continued with employee programs that were characterized by a growing focus on health and wellness, alongside an emphasis on physical activity and balanced nutrition.

The line-up of employee programs was designed to promote and encourage healthy lifestyle habits that benefit both employees and the organization with long-term positive results. The focus was on providing wellness programs and activities that aligned with nurturing the four pillars of well-being—Heart, Mind, Body, and Spirit—which form the framework for our San Miguel Group employee program offerings.

Mind: Cultivating Mental Resilience

To support employee mental health, SMC continued with programs that fostered a supportive environment, while providing resources like workshops and mental health consultation sessions.

Mental and emotional wellness programs included regular webinars called Arugâ Check-in Sessions, conducted with our mental wellness partners. Every month, a special topic related to holistic well-being was featured to provide wellness support to various members of the San Miguel Group community. Topics included:

- Healing and Repairing Relationships: Navigating Quarter-life, Midlife, & Other Life Transitions;
- Defending Boundaries & Asserting Personal Space;
- Understanding Trauma and How to Heal from It;
- Arugâ Journaling Sessions: Self-reflection & Self-expression through Writing;
- Post-Traumatic Growth: The Journey to Healing and Transformation after Crisis;
- Getting Those ZZZs: Basic Sleep Hygiene for Well-Being;
- The Science of Dreams & Manifesting One's Desires: Sorting the Myths from Facts;
- *Padayon*: A Celebration of Having a Reason to Live; and
- The Power of Good Enough: Combating Perfectionism with Self-Compassion.

These two-hour virtual sessions, conducted by mental health professionals via the Zoom platform, reached close to 5,000 employees who logged in from San Miguel plants and facilities nationwide.

Body: Wellness, Vitality, and Sustainable Performance

Harnessing the mind-body connection, our employee relations programs encouraged regular physical activity through fitness classes, gym access, sports tournaments, support for sports clubs, and the return of a well-loved dance competition to improve overall employee health and fitness levels.

Nutrition Month was celebrated with a range of activities, from featuring nutritious recipes and menu planning to nutrition counselling, conducted at the SMC Head Office Complex and in other SMC plants and facilities. The goal was to raise awareness on the importance of physical activity, stress management, and making informed food choices.

Other key programs focused on energizing the body include:

HEALTH TALK – There were 11 hybrid sessions (in-person and online) conducted in 2024, featuring nutritionists and medical experts who shared their knowledge on Pain Management, Obesity and Diabetes in the Workplace, Polycystic Ovary Syndrome (PCOS), Cardiovascular Health, Oral Care for All Ages, Focus on Women's Health, Men's Health Focus, and Brain Health. Nearly 4,000 employees were able to interact with the nutritionists and medical specialists, who provided answers to questions from both in-person participants and those who joined via Zoom.

SPORTS TOURNAMENTS, DANCE COMPETITIONS, & HOC GYM CLASSES – Among the most-awaited yearly employee programs are the sports tournaments. Encouraging participation in these sports-related activities has a positive impact on employee well-being. Close to 800 employees in the Head Office Complex alone participated in company-initiated sporting events such as basketball, table tennis, badminton, chess, darts, billiards, and bowling.

Pickleball was also introduced through a three-day workshop, and as a result, there is now a thriving pickleball community in San Miguel.

The restaging of the popular San Miguel’s Best Dance Crew Competition saw a record number 14 teams—or close to 300 participants—display their passion for dance and the strength of their teamwork.

Meanwhile, the HOC Gym Classes, such as Zumba, dance, and the use of gym facilities, further promoted a healthy work-life balance and an active lifestyle among employees.

Heart: Fostering Emotional Intelligence and Belongingness

HR experts say that employees who have strong, positive relationships with their co-workers are naturally more engaged with their workplaces. These relationships are a major source of interpersonal satisfaction and connection.

THEMED EMPLOYEE GET-TOGETHERS – With the easing of COVID-19 restrictions in 2023, we created opportunities for San Miguel Group employees to work together and get to know each other better. These events offered new employees fun and safe bonding experiences where they can relax and unwind while strengthening camaraderie and teamwork. SMC celebrated two new programs—National Language Month (*Buwan ng Wikang Pambansa*), which featured a successful trivia game night, and a Halloween event that included another trivia night and a Halloween Costume Contest.

SMC’S 134th ANNIVERSARY CELEBRATION – We held an Anniversary Program that re-introduced San Miguel’s flagship brands as well as new products to the San Miguel Community through a fun celebration complete with a food fare in support of various San Miguel food and beverage products. When employees witness their organization holding such celebratory events, they feel a sense of pride and belonging—not just to their business unit, but to San Miguel Corporation as a whole.

ONE SAN MIGUEL CHRISTMAS – For the first time since successfully emerging from the pandemic, more than 7,000 San Miguel Group employees came together as one big family on December 12—when we saw the return of a cherished tradition that has always been about family and unity. It was a chance for Millennials and Gen Z employees who had recently joined the Company (and already comprised 42% of the total Ortigas-based workforce) to experience what it was like to be part of the legendary One San Miguel Christmas Party.

With all the San Miguel products on display and available for employees to try, this shared employee experience helped promote company pride, engagement, and active participation with colleagues in a festive and enjoyable environment. It was also a nod to work-life balance, workplace relationships, teamwork, and an opportunity to showcase the importance San Miguel places on its employees as it fostered a sense of belonging and recognition.

Spirit: Aligning Values with Work and Life

CELEBRATING MILESTONES – In 2024, we continued to celebrate professional and personal employee milestones, from birthdays to work anniversaries, with personalized birthday cards and gifts, as well as tokens for Valentine’s Day, Mother’s Day, and Father’s Day. A highlight of the year was the Employee Service Awards Ceremonies. This event showcased the commitment that long-tenured employees have dedicated to the Company, starting from those who have logged in 15, 20, 25, 30, 35 to our longest tenured gentlemen—with 40 years under their belt. In small and big ways, we were able to show our employees how much they are valued.

EMPLOYEE VOLUNTEERISM –In San Miguel, there are many venues available for employees to feel that they are part of something important—something with a positive outcome and far-reaching impact. Our Company’s commitment to “giving-back” missions goes a long way in promoting employee engagement.

Participation in Team *Malasakit* activities for the environment, such as Coastal Clean-up Drive, and San Miguel Foundation-spearheaded programs, such as The Good Deed Day Activity at Better World Smokey Mountain—where employees gave Noche Buena items for families from Smokey Mountain—continued in 2024.

As part of San Miguel Corporation’s Employee Volunteerism Program, SMC Corporate Human Resources and the San Miguel Foundation organized blood donation drives in partnership with the Philippine National Red Cross and the Veteran’s Memorial Medical Centre. This campaign not only offer our San Miguel Group employees an opportunity to fulfill their civic duty but also ensures access to a reliable source of blood products for employees and their dependents.

Sustainable San Miguel: A Celebration of Everyday Action

Long before sustainability became a buzzword, San Miguel had already begun integrating it into how we do business. Our approach was rooted in a clear belief: that long-term success depends on creating value not just for the Company, but for people, communities, and the environment. Sustainability has grown organically within the organization—shaped by our values, refined by experience, and embedded in our day-to-day decisions.

From ethical business standards and a strong commitment to nation-building, to efforts towards circularity and more efficient resource use, sustainability has long been part of how we operate.

On October 28 and 29, 2024, this ongoing journey was brought to life through Sustainable San Miguel—a two-day employee-led event that showcased how sustainability is being lived out across the organization. From fashion to forums, the event highlighted creative ways our employees are helping embed sustainability into our work and culture.

Sustainability Runway

A sustainable fashion show kicked off the event, with employee models taking to the Sustainability Runway wearing upcycled flour sacks from San Miguel Mills and fabric scraps—all made by our Better World Smokey Mountain members and partner organization, Project Pearls.

More than just a showcase of sustainable clothing, the Sustainable Runway is a call for all of us to be more thoughtful and responsible consumers.

Sustainability Expo

For the two days of Sustainable San Miguel, booths lined the San Miguel Head Office Complex Lower and Upper Mall to let our San Miguel community learn more about our businesses’ sustainability projects.

The San Miguel employee community was treated to a closer look at how our businesses operationalize sustainability, while themed games helped reinforce the idea that sustainability can be a fun and engaging endeavor—one that goes beyond green practices and disclosure reports.

Sustainability Fundamentals and Master Class Forums

Sustainable San Miguel also hosted two forums during the week: a Sustainability Fundamentals forum on October 28, 2024 and a Sustainability Master Class forum on October 29, 2024.

The Sustainability Fundamentals forum gave our speakers from Futures Inc. and MAD Travel an opportunity to share how their respective passions for the ocean and travel led them to champion sustainability.

Meanwhile, the Sustainability Master Class forum focused on green financing and best sustainability practices of our businesses. Speakers from the Philippine Department of

Finance and HSBC Philippines discussed how sustainability in operations can help future-proof companies through green financing, keeping companies like San Miguel ahead of the curve as sustainability regulations grow more stringent both locally and internationally.

A roundtable discussion on best sustainability practices followed the forums. Key sustainability leads from the Cement Group, Petron, and Global Power all agreed that while there is still much work to be done, our businesses are not standing still. Across the Group, we continue to seek innovation and improve our practices to help create A World of Good.

Are you the NextGen? Building Tomorrow, Beyond Tradition

The Vision of a Future

As San Miguel continues to grow and expand across industries, the demand for ready-now leaders has never been greater. For years, the organization has strategically moved people up and across divisions to meet leadership requirements. This approach underscores the urgency of cultivating purpose-driven, high-potential talents from the reserved talent pool into a ready-now pipeline.

In response to this need, the NextGen program was born—a leadership, capability-building, and retention initiative program designed to develop young professionals into socially responsible leaders.

Rooted in sustainability, NextGen empowers young talents, equipping them with the skills to build a purposeful and fulfilling career in San Miguel. The program fosters a deep understanding of the Company’s vision, purpose, and values, enabling participants to create a lasting impact within the organization and beyond.

Beyond individual growth, NextGen also creates a ripple effect across the Company by fostering a culture of proactive leadership, continuous improvement, and active engagement. As participants hone their skills and confidence, they are encouraged to take on key roles in driving business performance, championing sustainability, and contributing to the Company’s long-term goals.

In San Miguel, we believe leadership is not defined by titles alone—it is about becoming a changemaker, shaping the future with fresh ideas and strategic insights.

Laying the Foundation

More than just another leadership program, NextGen is a thoughtfully- designed initiative institutionalized by the Corporate Affairs Office, Corporate Human Resources, and Data and Analytics Group. It is built on three key pillars:

1. Inclusive Growth – Ensuring equal opportunities for diverse talents to succeed and thrive.
2. Sustainable Career Development – Empowering individuals to develop self-leadership skills before assuming leadership roles. By understanding their own needs and values, they become better equipped to lead others.
3. Engagement – Strengthening connections within the San Miguel community to foster collaboration and efficiency.

To bring this vision to life, program leaders collaborated with department heads; conducted in-depth research on visioning, leadership development, and ideation; and, engaged experts in refining the learning process. The methodology underwent rigorous testing with a controlled group, ensuring its alignment with both business and social objectives.

Selecting the Right Talent

A crucial aspect of the program’s success lies in identifying the right participants. The selection process incorporates both quantitative, which includes performance, rank, tenure, and age and qualitative criteria, which is based on HR Head and Manager’s assessment of ability, aspiration and engagement.

Additionally, participants must be part of the business’ talent pool to ensure continuity in development. This rigorous selection ensures that candidates are not only high performers but also possess the mindset and aspiration to shape the Company’s future responsibly.

For the pilot run, the program targeted 203 participants across six locations. Impressively, 188 talents (93%) from 12 major clusters of the San Miguel Group, including San Miguel Brewery Inc., San Miguel Foods Inc., Petron Corporation, Ginebra San Miguel, Inc., San Miguel Yamamura Packaging Corporation, Bank of Commerce, San Miguel Equity Investments Inc., San Miguel Global Power, SMITS and Subs, OMM Companies, Corporate Staff Units, and San Miguel Holdings Corporation heeded the call and successfully engaged. This diverse cohort represents a mix of gender, educational backgrounds, and professional expertise.

Developing Leadership with Purpose

Two weeks before the half-day session, the participants received a pre-work activity focused on personal and career visioning. This exercise encouraged self-reflection, helping individuals clarify their aspirations, values, and long-term goals.

The insights gathered were analyzed and discussed with a resource expert. These findings shaped the workshop discussions, helping participants explore key questions:

- 1. What is your personal vision for the next 10 years?
- 2. What is your career vision for the next 10 years? What challenges might arise, and what resources are needed to achieve this vision?
- 3. How aligned are you with the Company's vision, purpose, and values?
- 4. What programs or support do you need to flourish as a leader?
- 5. What skills are you looking to develop in the coming years?

During the session, these insights were revisited through guided discussions, peer-sharing activities, and expert facilitation. Participants engaged in reflective exercises that allowed them to refine their personal and career visions, identify actionable steps, and explore strategies for overcoming potential challenges. This interactive approach ensured that their aspirations were not just documented but actively explored in a collaborative learning environment, fostering greater commitment to their development goals.

Prospectively, the participants’ responses will serve as a critical input in designing tailored developmental initiatives.

A Roadmap for Lasting Impact

At its core, NextGen adopts a holistic approach to learning and development, integrating multiple strategies to address diverse employee needs. Moving forward, the program roadmap will evolve based on participant feedback to enhance support for growth acceleration:

- 1. Mentorship & Coaching – Connecting participants with senior leaders and middle managers for career guidance. This includes training and certifying mentors across the organization.
- 2. Action Learning Projects – Engaging participants in real-world business and social challenges through ideation and hands-on problem-solving.
- 3. Experiential Learning – Immersing participants in sustainability-focused initiatives, particularly in Better World-supported communities.
- 4. Future Skills Training – Equipping talents with critical skills to future-proof their careers.

Measuring Success and Ensuring Continuity

Tracking key performance indicators is essential in assessing the program’s effectiveness:

- 1. Employee retention and engagement among program participants
- 2. Career progression into leadership roles
- 3. Improvement of the leadership pipeline, strengthening the company’s bench of ready-now leaders

A Legacy of Leadership

Today, NextGen stands as a testament to San Miguel’s unwavering commitment to people development and social sustainability. While the program is in its early stages, it is already fostering a culture of purposeful leadership, mentorship, and responsible business practices.

With each new cohort, the program continues to shape leadership—building the talents of the future, one NextGen at a time.

Leaders Talk: Engage, Empower, Elevate

A thriving organization is built on a strong leadership culture—one that nurtures growth, resilience, and innovation.

Before the pandemic, leaders from across the San Miguel Group gathered to talk about pressing leadership topics and solicit ideas from experts and one another. Through engaging discussions, shared experiences, and thought-provoking conversations, these talks fostered leadership excellence while strengthening our commitment to organizational stability.

Due to the challenges brought by the pandemic, our premier leadership development initiative— dedicated to shaping and empowering leaders—was halted to prioritize urgent business needs and adapt to remote work dynamics. However, as the organization transitions to an entirely new work set-up in the post-pandemic landscape, the growing need for meaningful leadership conversations is recognized.

With this, SMC relaunched Leaders Talk as a platform for leaders to revive the tradition of sharing insights, fostering collaboration, and driving organizational growth. This year, over 270 leaders from across the San Miguel Group joined the runs, which were hosted in five San Miguel plants in these locations—Cebu, Bacolod, Pampanga, Cavite and Davao—alongside the NextGen program.

The highlight of this pilot year: ESG Awareness. Aligned with our organization’s sustainability goals, Leaders Talk highlights the role of leadership in driving social, environmental, and economic responsibility. Through knowledge-sharing sessions and interactive discussions, we explore how leaders can integrate sustainable practices into strategies, foster inclusive workplaces, and champion corporate social responsibility initiatives.

Two sessions anchored the pilot run of Leaders Talk: The Hats that Leaders Wear, which provided leaders with a deeper understanding of their evolving roles; and, Developing Sustainability-Conscious Leaders, which reinforced the importance of embedding ESG principles into leadership practices.

As we move forward, Leaders Talk will continue to evolve, bringing together thought leaders, industry experts, and internal champions together to explore critical leadership themes. As we progress, we look forward to delving into these topics:

- Leading through Change – Equipping leaders with the skills to navigate uncertainty, drive innovation, and maintain resilience in a continuously transforming business landscape.

- Fostering a Culture of Inclusion and Collaboration – Strengthening leadership strategies that promote diversity, equity, inclusion, and belonging in the workplace.
- Future-proofing Leadership – Understanding the intersection of leadership, technology, and digital transformation in shaping the future of work.

Through these sessions, Leaders Talk will continue to inspire, challenge, and equip leaders with the mindset and tools needed to drive both business success and social impact. Moving forward, it will also strengthen our leadership pipeline, ensuring that the next generation of leaders is equipped to drive innovation, foster a people-centric culture, and uphold our sustainability commitments.

Our Customers

A. Customer Welfare and Responsibility

GRI 416-1 | GRI 417-1

Ensuring product and service safety is central to SMC’s commitment to quality and customer satisfaction. Each SMC business maintains rigorous safety standards through documented policies and procedures, implementing strict quality control, risk assessment, and compliance measures to meet and exceed industry benchmarks.

Food and Beverage Safety

SMC’s food and beverage facilities comply fully with government regulations. Farms obtain operational permits from the Department of Agriculture (DA), while poultry and hog processing plants are accredited by the National Meat Inspection Service (NMIS), adhering to strict sanitary and safety standards. These plants undergo regular inspections and periodic audits. The Bureau of Animal Industry (BAI) requires shipping permits for live animal movement, while NMIS mandates permits for poultry and meat product transport as part of disease control measures.

Other food and beverage processing facilities secure and renew licenses from the Food and Drug Administration (FDA) and comply with Good Manufacturing Practices (GMP) to ensure product quality and safety. All products have updated FDA Certificates of Product Registration.

Ingredient Sourcing and Manufacturing Standards

SMC carefully selects and vets all ingredients and additives based on strict quality, functionality, and regulatory compliance standards. Suppliers undergo thorough evaluation, and each ingredient is accompanied by a Certificate of Analysis to confirm it meets specifications.

Manufacturing follows ISO standards and Food Safety System Certification (FSSC) protocols, recognized as the highest food safety benchmarks. These certifications enforce traceability systems and require corrective actions when deviations occur, minimizing risks and preventing recurring non-compliance.

Committed to its Core Purpose of "Nourishing People, Nurturing Life," San Miguel Foods updated three policies related to quality and safety in 2023-2024.
<https://www.sanmiguelfoods.com/about-us/corporate-governance>

Food Safety and Quality:

- Applies to all products - from fresh chicken and meats, processed and ready-to-eat foods, plant-based products, flour, dairy, spreads, and coffee to animal and aquatic feeds, pet food and veterinary products
- Implements strict internal systems throughout the supply chain
- Complies with all regulatory and international food safety standards
- Adheres to customer-specific quality requirements
- Cultivates a culture of excellence and accountability among employees, suppliers, and partners

• Empowers people through training programs like the Quality Assurance School • Fosters a healthy work environment that drives continuous improvement Antibiotic Use for Poultry: • Emphasizes that good nutrition, biosecurity, proper husbandry, and comfortable housing are key factors in raising healthy and productive animals. • Antibiotics are unnecessary for producing wholesome poultry products at the lowest cost • Allows that prudent use of antibiotics may occasionally be required strictly for treatment purposes, but only when a positive clinical outcome is possible and limited to the necessary duration • Strictly prohibits the use of antibiotics classified by the World Health Organization (WHO) as "Highest Priority Critically Important" for human medicine • Only uses antibiotics approved by the DA-BAI and solely under the supervision of licensed veterinarians • Strictly adheres to government-mandated withdrawal periods to prevent drug residues in poultry meat Nutrition: • Commits to enhancing the nutritional quality of its products prioritizing consumer health and well-being • Aims to be a leader in nutrition by promoting transparency, responsible sourcing, and providing balanced, affordable, and accessible food choices • Sets specific targets for reducing sodium, sugar, total fat, and trans fats while increasing beneficial ingredients and fortification • Follows a phased reduction strategy for sodium and sugar while eliminating trans fats and limiting artificial sweeteners • Aims to expand its healthier product portfolio by incorporating functional ingredients and fortifying products with essential nutrients • Prioritizes consumer education along with clear and transparent labeling to communicate health benefits • Strengthens partnerships with industry experts and regulatory bodies to ensure continuous progress and alignment with evolving health trends and consumer needs

Transparent Labeling

SMC labels its products in full compliance with FDA Administrative Order No. 2014-0030, which governs prepackaged food labeling in the Philippines. Labels clearly identify allergens, whether directly present or introduced during production, and include essential nutritional information (e.g., calorie content, macronutrient and micronutrient composition, and serving size). This transparency helps consumers make informed choices, reducing food waste and promoting well-being.

Sustainable Packaging and Disposal

SMC complies with the Extended Producer Responsibility (EPR) Law, using disposal labels (e.g., tidyman, recycling logos) to guide consumers on proper waste management. The businesses covered by and compliant with the EPR Law are SMFB, Petron and the Cement companies.

The Company is transitioning to eco-labels based on Philippine National Standards for Eco-labeling, aligned with the International Resin Identification System.

SMC’s packaging business, serving multiple industries, prioritizes safety with eight FSSC 22000-certified plants. Its corrugated carton plant in Mindanao holds FSC Chain of Custody Certification, verifying responsible sourcing of wood, paper, and forest products from legal, ethical, and sustainable suppliers, reducing the risk of illegal logging or deforestation.

Corporate Safety and Product Stewardship

At Petron, the Corporate Safety group fosters a strong safety culture through a Corporate Safety Management System, covering operations from refineries and terminals to the retail network. These facilities follow strict safety protocols, including third-party-certified management systems, regular safety orientations, and enhanced security measures to protect visitors and personnel.

Petron also prioritizes product stewardship by adhering to the Globally Harmonized System (GHS) for chemical classification and labeling, ensuring accurate hazard communication. All fuels, lubricants, and greases comply with Department of Energy (DOE) labeling guidelines and meet industry standards (API, SAE, ISO) for viscosity grade and service levels. Each product includes a comprehensive Material Safety Data Sheet (MSDS) with essential handling and safety procedures. Petron further enhances safety through GHS training for personnel involved in purchasing, forwarding, customs clearing, warehousing, emergency response, and chemical handling, promoting a safe and compliant workplace.

Similarly, Cement provides the necessary product information to ensure customer safety. This is accomplished through readily available Product Data Sheets (PDS) and Safety Data Sheets (SDS) distributed by the Sales and Marketing Team. In instances when specific customers require it, LEED forms are provided. The packaging and labeling of cement are regulated by the DTI-BPS under PNS 07:2018 and PNS 63:2019 standards. According to these regulations, cement bags must contain essential information such as the manufacturer’s name and address, type and classification of cement, product specification and application, trade name, trademark, net mass, batch number, manufacturing date, and the phrase "Product of the Philippines." The labels also include color bands corresponding to the cement type to help ensure clear identification and safe handling by consumers.

Tollway Safety

SMC Infrastructure ensures tollway safety by adhering to the Toll Regulatory Board (TRB) guidelines for the establishment, operation, and maintenance of toll facilities. Regular inspections guarantee safe road conditions, clear signage, and effective hazard mitigation. Tollway personnel are trained to handle accidents, grass fires, floods, hostile incidents, and other disruptions, following strict emergency response protocols.

Customer Feedback and Continuous Improvement

SMC prioritizes customer feedback to enhance services and maintain satisfaction. The Customer Care Hotline (+632 8632-2000), managed by SMITS subsidiary Prosync, is complemented by individual business unit hotlines. Some units use CRM software to log cases, assign resolutions, and follow up, while others conduct Customer Satisfaction Surveys to gather insights and drive improvements.

SMC stays connected through active Facebook pages and listed contact details on company websites. Social media monitoring tools help track and respond to customer feedback, ensuring concerns are addressed promptly.

By combining comprehensive safety programs, strict compliance, and continuous improvement, SMC upholds its commitment to delivering quality products and maintaining customer confidence.

The following tables tally the various international and local standards that our businesses are certified for. A complete list of accredited facilities is available in the Appendices.

STANDARD	DESCRIPTION	BUSINESS UNITS COVERED	NO. OF CERTIFICATIONS
ISO 9001:2015	Quality Management Systems	SMFB, Packaging, Petron, Power, Infrastructure, Cement, SMCSL, SMITS	62
ISO 14001:2015	Environmental Management Systems	SMFB, Petron, Power, Infrastructure, Cement, SMCSL	45
ISO 17025:2017	Requirements for the Competence of Testing and Calibration Laboratories	SMFB	1
ISO 22000:2018	Food Safety Management Systems	SMFB	1
FSSC 22000	Food Safety System Certification	SMFB, Packaging	22

HACCP	Hazard Analysis Critical Control Points	SMFB	30
GMP	Standards for Good Manufacturing Practices	SMFB	30
HALAL	Halal Certification	SMFB, Packaging	6
FSC-STD-40-004 V3-0	Forest Stewardship Council-Chain of Custody Certification	Packaging	1
ISO 9001:2015	Quality Management Systems - State of Certifiability	Packaging	12

TOTAL NO. OF OPERATING FACILITIES COVERED	Production		Tollways	Ports, Terminals & Others
	Food & Bev Related	Others		
Food, Beverage and Packaging	62	17		1
Power, Fuel & Cement		13		47
Infrastructure		1	7	
Data Center				1
TOTAL	149			

8.2 Our Communities

A. Community Engagement

GRI 203-1 | GRI 203-2 | GRI 413-1 | GRI 413-2

As one of the largest conglomerates in the Philippines, with over 100 facilities across the archipelago, we recognize our responsibility to serve our communities to the best of our abilities. Being a proactive and positive contributor to the community is part of our core values. In our host *barangays*, we fund farm-to-market roads and other small infrastructure projects like footbridges and streetlights and support community clinics. We clearly understand the opportunities we help create and, importantly, how we actively engage on the ground, whether through philanthropy or the jobs we generate.

Our employees are encouraged to be good neighbors and build strong relationships with local government units, schools, civic organizations, and small businesses. As a result, our engagement often extends well beyond CSR programs or funding and, in some instances, becomes integrated into our core business strategies.

A strong example in many of our communities is local hiring, which improves job prospects for young people, creates livelihoods and supports small businesses that sustain us. Along with increasing access to economic opportunities and providing social value through our business operations, we actively engage in community development in cities and towns where we may not always have a direct stake. As a company, we have transitioned from ad-hoc and project-based initiatives that often produce short-term impacts. We now concentrate on long-term outcomes by involving ourselves in inclusive and collaborative efforts with communities.

In areas impacted by San Miguel’s businesses or projects, we provide various opportunities for consultation, encouraging diverse voices to be heard on issues important to the community and enabling those affected to share their knowledge, insights, and experiences to improve the implementation of our projects.

Better World, Better Futures

Our Better World Communities initiative, managed by our social responsibility arm, San Miguel Foundation, is our Company’s social change incubator. It repurposes idle and vacant properties for

community and civic use.

Better World Tondo, San Miguel’s first community center, focuses on food rescue, hunger relief, and improving learning outcomes. Over 500 member families receive free meals from Monday to Friday, monthly groceries, remedial and after-school tutorials for children, and livelihood classes for mothers.

Better World Cubao is a women’s center that provides comprehensive health and wellness services. It empowers women to advocate for themselves and support each other. Health consultations are easily accessible, and the “Abante Babae” workshops cover various topics, including violence against women and children, parenting challenges, and gender equality. In 2024, we registered nearly 600 members and conducted regular health education and empowerment classes.

In collaboration with the Department of Health and Quirino Memorial Medical Center, the Foundation’s Better World Clinic-Cubao has expanded to become the first public-private partnership Bagong Urgent Care and Ambulatory Service (BUCAS) Center. As a BUCAS center, the clinic aims to provide urgent care, ambulatory assistance, and other medical services right at our community center. This will help us extend more affordable healthcare to our Better World Cubao community and nearby *barangays*.

San Miguel’s newest and largest center, Better World Smokey Mountain, opened in September 2023 and serves as an upskilling training center for multi-generational families. We provide learning interventions for individuals of all ages, offering remedial classes and alternative learning systems such as sewing, leather craft, embroidery, and electronics repair workshops.

In November 2024 San Miguel Foundation officially partnered with the Bureau of Corrections and the Philippine Jesuit Prison Service. Our parent company, San Miguel Corporation, has committed to providing nutritious meals to persons deprived of liberty (PDLs) at the New Bilibid Prison and the Correctional Institution for Women for the next three years. In addition, the Foundation is working with the University of Perpetual Help System DALTA Bilibid Extension School to provide education ranging from short courses to complete industry-recognized qualifications at vocational education and training for medium-risk prisoners.

Another initiative is Backyard Bukid, a community garden and urban farming program. Like many of San Miguel’s Better World projects, Backyard Bukid gained momentum during the lockdown. Janitors, utility workers, and other support staff received a 750-square-meter plot that has since doubled in size, along with tools, seeds, and technical assistance to cultivate vegetables. Inspired by Backyard Bukid, community gardens have also been established in Better World Smokey Mountain and at SMC’s Bulacan, Manila, Cavite, and Pampanga facilities.

In partnership with San Miguel Food Group and SEED Philippines, San Miguel Foundation set up Backyard Bukid in Barangay Pili, Camarines Sur, and Barangay Guihing, Hagonoy, Davao del Sur and Barangay Impalutao, Impasug-ong, Bukidnon. Currently, these community farms engage over 75 volunteers of all ages, highlighting the program's accessibility and appeal across different demographics.

Through these community projects, we address the basic needs of marginalized and vulnerable populations across all age groups and strive to tackle the challenges that hinder their progress: lack of access to nutritious food, clean water, quality education, and health services.

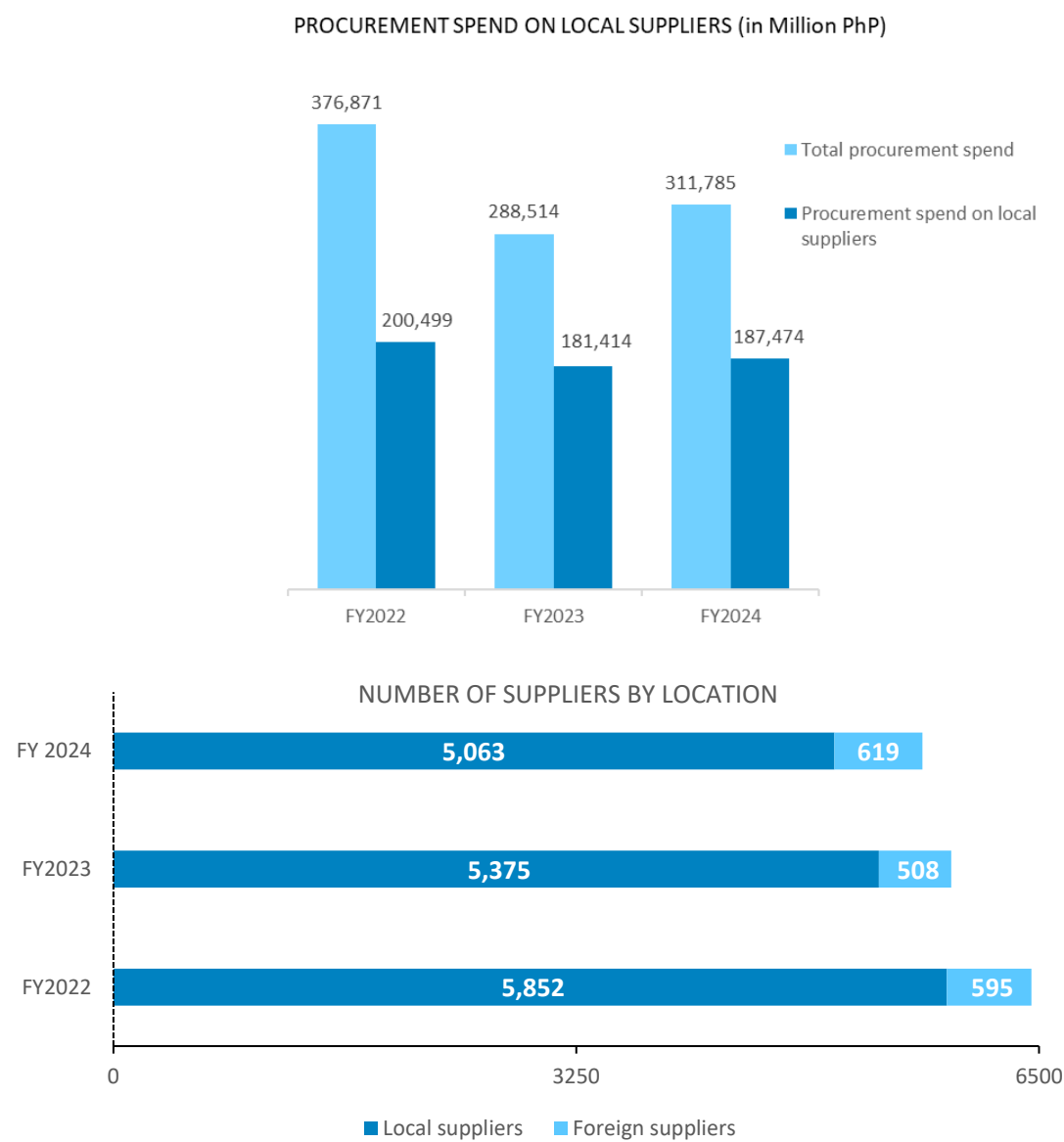
We strive to create opportunities for individuals to grow, build confidence, and empower them to achieve their full potential. Currently, we directly serve over 2,500 families at our Better World centers.

LOCAL COMMUNITY ENGAGEMENTS					
Program	Project	As of December 31, 2024	As of December 31, 2023	As of December 31, 2022	Unit
Education	Scholarships	2,774	2,541	2,844	Students
	Short-term courses	1,226	1,162	25	Students
	Brigada Eskwela	68,758	38,913	88,800	Students
		183	263	120	Schools
		804	1,446	-	Classrooms
		5,600	5,600	-	School Kits
Health	Community clinics	2,427	2,420	2,101	Patients
		13,446	14,499	14,156	Consultations
		11	8	8	Clinics
	Feeding	101,647	69,849	76,962	Meals
	1,000 Days project	507	507	340	Mother and Children
	Medical missions	3,801	6,451	9,000	Patients
		7	10	9	Areas
		-	-	200	Hygiene Kits / Person
Enterprise	Livelihood assistance	5,859	323	126	Persons
		11	17	5	Areas
		40	12	3	People's Organizations
Housing	Housing and water provision	40	-	280,359	Houses
Infrastructure	Road access	23,315,889	22,769,822	19,644,794	Vehicles / Motorists
Environmental	Restoration & conservation	62	27	58	Sites
		350	220	100	Sq. m.
	Coral rescue program	59	55	25	Species
		61.4	29	25	Kilo Biomass
	Tree planting / Mangrove restoration	6,711,632	6,578,552	0	Trees/ Saplings
	Backyard Bukid	8	4	1	Sites
		112	71	25	Members
		109,000	97,785	-	Revenues
Better World Tondo	Membership services	2,190	2,220	1,825	Persons
		438	444	365	Families
		139	162	365	Students
Better World Smokey Mountain	Membership services <i>(started in September 2023)</i>	2,776	1,916	-	Persons
		1,840	1,287	-	Families
		1,053	760	-	Students
Better World Cubao	Membership services	467	556	665	Women
Better World Diliman	Farmer's produce program	-	CLOSED	4,500	Farmers
	Food rescue	736.4		-	Kg of Food Rescued
		7,762		-	Kg CO ₂ e Offset

9 Kasaganahan: Good for Progress

9.1 Sustainable Supply Chain

GRI 203-2 | GRI 204-1 | GRI 408-1



Building a Sustainable and Ethical Supply Chain

At San Miguel Corporation, we recognize that a sustainable business is only as strong as the supply chain that supports it. Our commitment goes beyond procurement—we are fostering a resilient, responsible, and transparent ecosystem that advances both business success and environmental and social progress.

By embedding sustainability into procurement, we ensure that supply chain decisions not only enhance efficiency but also drive ethical sourcing, local economic growth, and environmental responsibility. In 2024, 60% of our total procurement spend—equivalent to PhP 187.5 billion—was directed toward local suppliers, fueling economic growth while lowering emissions associated with long-haul transportation.

SMC’s Corporate Procurement Group, in collaboration with our business units, plays a key role in integrating ESG principles across our supplier network. Through sustainable sourcing strategies, supplier engagement, and compliance-driven decision-making, we are shaping a supply chain that is both responsible and future-ready.

Governance and Supplier Engagement

Maintaining the highest standards of governance is critical to our responsible sourcing practices. The SMC Supplier Code of Conduct, refined in 2022, sets clear expectations for suppliers on environmental conservation, occupational health and safety, human rights, and fair labor practices.

To ensure compliance and mitigate ESG risks, we conduct a rigorous supplier accreditation process, evaluating business ethics, labor conditions, and environmental impact. In 2024, we expanded our Supplier Sustainability Questionnaire to an additional 500 suppliers, covering 10% of our supplier base. This initiative baselines ESG maturity levels and helps suppliers strengthen their sustainability programs.

To further enhance accountability, we are engaging a third-party solutions provider to improve supplier monitoring, risk assessment, and compliance validation. This digital platform will enable us to streamline accreditation, identify ESG risks earlier, and use data-driven insights to improve procurement practices.

Our supplier engagement model is structured to provide targeted support based on each supplier’s ESG maturity level:

- For established global suppliers, we aim to collaborate on sustainability benchmarking and best practice sharing to raise industry standards.
- For small and emerging suppliers, we will provide training, ESG orientation sessions, and capacity-building programs to equip them with the knowledge and tools to meet evolving sustainability expectations.

Through these efforts, we will ensure that sustainability is a shared priority across our value chain, fostering long-term supplier resilience while strengthening our own sustainability commitments.

Future Goals and Initiatives

As we move forward, we are scaling up efforts to deepen supplier engagement, enhance ESG monitoring, and advance ethical procurement standards. Our key priorities for 2025 include:

- Expanding supplier ESG assessments and third-party compliance monitoring.
- Introducing supplier training programs to accelerate sustainability adoption.
- Implementing a digital procurement platform for increased transparency.

By 2040, we aim to build a fully ESG-integrated and climate-resilient supply chain. Through collaboration, innovation, and accountability, we are shaping a procurement ecosystem that not only supports sustainable business growth but also contributes to a more just and responsible Philippine economy.

For more details on our Supplier Code of Conduct and sustainability initiatives, visit San Miguel’s website.

Beyond Our Operations: Driving Supply Chain Decarbonization

One of the biggest challenges in achieving meaningful emissions reductions lies not just within direct operations but across the entire value chain. Scope 3 emissions, which can arise from supplier activities, often account for the largest share of an organization’s carbon footprint. At San Miguel Corporation, we recognize that reducing these emissions requires a collaborative approach—one that equips our suppliers with the tools, knowledge, and incentives needed to track, measure, and ultimately lower their carbon impact.

SMC began its Scope 3 emissions assessment in 2023, leveraging the GHG Protocol Scope 3 Standard to identify and measure emissions across its value chain. The initial screening process across SMC’s diverse business units identified seven material Scope 3 categories, including purchased goods and services, capital goods, fuel- and energy-related activities, and upstream and downstream transportation and distribution. While the first phase of data collection provided key insights, the complexity of Scope 3 emissions—particularly those outside SMC’s direct control—underscored the need for stronger supplier engagement.

Case Study: San Miguel Foods

Given the complexity of raw material sourcing in the food industry, San Miguel Foods has taken a structured approach to establishing its Scope 3 emissions tracking, particularly for purchased goods and services (Category 1).

The division sources a broad range of agricultural commodities and raw materials. Compounding this challenge are the varying levels of ESG maturity among its suppliers. Established global suppliers—both local and international—demonstrated greater readiness in reporting emissions, as they often align with sustainability reporting requirements set by global markets. However, small-scale suppliers, particularly independent farmers and local raw material providers, face hurdles in reporting emissions due to limited technical knowledge, lack of formal record-keeping, and minimal awareness of GHG tracking requirements.

Recognizing these gaps, San Miguel Foods adopted a hybrid approach to data collection, using a combination of:

- Direct supplier-reported data, where available.
- Collection of Scope 1 and Scope 2 emissions for purchased services, such as toll feed mills and toll poultry processing plants.
- A distance-based formula for gate-to-gate shipment of raw materials.
- A spend-based method for emissions related to outbound logistics.

Among San Miguel Foods' business units, only the Protein and Animal Nutrition Business (PANB) was able to collect direct emissions data from its suppliers, with the support of the Business Procurement Group (BPG). BPG facilitated one-on-one supplier meetings, ensuring alignment with Scope 3 estimation protocols and SMC's broader Net Zero target.

Given the scale and diversity of raw materials used by PANB, Scope 3 estimation prioritized the top 80% of raw materials by volume, covering 12 major agricultural inputs. Suppliers provided cradle-to-gate emissions factors, enabling a more precise assessment of emissions across key raw materials.

Key Learnings

San Miguel Foods' initial Scope 3 GHG emissions data collection efforts have provided valuable insights into the challenges and opportunities of supplier engagement for emissions reduction. Given that Scope 3 emissions involve multiple stakeholders operating beyond our direct control, a key priority is to establish more structured mechanisms to influence and support suppliers in tracking, disclosing, and reducing their emissions in alignment with SMC's net-zero goal.

One of the most critical takeaways from this process is that traditional procurement practices must evolve to integrate sustainability at a deeper level. San Miguel Foods is exploring strategic initiatives such as:

- Mandating emissions tracking and reduction targets in procurement contracts, embedding sustainability expectations into supplier agreements.
- Integrating GHG metrics into supplier accreditation and performance evaluations, creating incentives for suppliers to enhance their sustainability efforts.
- Recognizing and rewarding low-carbon suppliers, prioritizing them in procurement decisions, offering long-term contracts, or expediting payment processing.
- Fostering collaborative innovation, including joint R&D on low-carbon materials and process improvements to help suppliers transition to more sustainable alternatives.

While these strategies are expected to drive positive environmental outcomes, they may also come at an additional cost—as suppliers may require investments to align with these sustainability commitments. This underscores the need for a balanced approach that ensures both business viability and long-term emissions reductions across the supply chain.

Beyond supplier engagement, San Miguel Foods is also evaluating raw material choices and procurement practices to identify opportunities for reducing its Scope 3 footprint. Insights from the collected data have prompted the Company to consider more climate-conscious sourcing decisions, such as:

- Prioritizing certified deforestation-free soybean meal to reduce land-use change emissions.
- Shifting toward lower-emission raw materials, such as using crude palm oil as an energy source over coconut oil and traditional palm oil, which have higher emission factors.
- Enhancing local sourcing strategies to minimize transportation-related emissions and strengthen local supply chains.

Another major challenge revealed through this data collection exercise are the varying degrees of sustainability awareness and technical capability among suppliers. Large, export-oriented suppliers tend to have well-established emissions reporting systems, while small-scale farmers and MSMEs often lack the knowledge and infrastructure to measure and manage their carbon footprint effectively.

To bridge the gap, San Miguel Foods intends to expand supplier education efforts by providing training and technical guidance to help local suppliers improve emissions data collection and sustainability practices. At the same time, it seeks to leverage the expertise of global suppliers with advanced sustainability approaches to enhance reporting accuracy and share best practices. In 2024, San Miguel Foods engaged Evonik, Louis Dreyfus Company, Archer Daniels Midland, and Kemin—to conduct sessions on GHG emissions measurement and reporting, aiming to expand these collaborations in the future.

Finally, a key learning from this process is that Scope 3 management cannot be the sole responsibility of the Sustainability Group. A cross-functional approach—integrating Procurement, Logistics, Product Development/R&D, and Finance—is necessary to ensure accurate data collection, supplier engagement, and implementation of effective emissions reduction strategies.

The Road Ahead

The insights gained from this first wave of data collection have reaffirmed the complexity of Scope 3 emissions management and the need for continuous supplier engagement, enhanced data collection mechanisms, and cross-functional collaboration. Moving forward, San Miguel Foods aims to:

- Share best practices among business units to expand direct supplier data collection.
- Strengthen partnerships with suppliers to improve data consistency, coverage, and quality.
- Develop a shared digital platform for emissions data capture, leveraging available technologies such as blockchain and automation technologies for seamless supplier reporting.
- Assess incentive models, including sustainability-linked contracts, supplier accreditation based on emissions reduction efforts, and priority payment terms for low-carbon suppliers.

As San Miguel Foods refines its Scope 3 data collection approach, it is deepening engagement with suppliers across all levels of sustainability maturity—from experienced multinational corporations to small-scale farmers. The focus remains on empowering every supplier, regardless of size, to be part of the collective journey toward net zero.

The road ahead will require innovation, investment, and stronger integration of sustainability in procurement decisions. But by working together, we can redefine the role of supply chains in delivering climate solutions.

9.2 Business Ethics and Compliance

GRI 2-15 | GRI 2-16 | GRI 2-23 | GRI 2-24 | GRI 2-25 | GRI 2-26 | GRI 205-1 | GRI 205-2 | GRI 205-3



SMC upholds the highest standards of integrity, fairness, and honesty, recognizing these as foundational values that have kept us going for 134 years and key to the next hundred.

We believe strong governance safeguards our reputation, especially given the risks inherent in our industries. As a major player in power generation, fuel, infrastructure, transportation, and manufacturing, including tollways and airports, SMC interacts with numerous government agencies on a national and local level. Across our business operations, the amount of spending on the procurement of materials and services is massive. In this context, our people face potential ethical challenges on a regular basis. To prevent irregularities, we have reinforced our policies and systems to ensure transparency and compliance.

These policies are the following and are found on the websites of SMC and its major subsidiaries.

POLICY	KEY FEATURES
Code of Conduct and Ethical Business Policy	• Upholds integrity, honesty, impartiality, and professionalism • Emphasizes respect for human rights, data privacy, and fair competition while guiding policies on product quality, safety, and business integrity • Directors, officers, and employees must disclose conflicts of interest and avoid soliciting or accepting gifts • Prohibits political contributions while allowing Company representatives to express SMC’s stance on relevant issues
Anti-Corruption and Sanctions Compliance Policy	• Enforces zero tolerance for bribery, corruption, money laundering • Sanctions violations with disciplinary actions, including termination for violators • Contracts with third parties involved in misconduct may also be reevaluated or terminated.
Conflict of Interest Policy	• Requires officers and employees to prioritize SMC’s interests • Prescribes a Full Business Interest Disclosure form to be updated and reviewed by management • If unresolved, job duties may be adjusted or terminated
Whistleblowing Policy	• Addresses illegal or unethical conduct by directors, employees, or business partners • Ensures confidentiality, protects whistleblowers from retaliation, and follows a structured process for handling reports • A Whistleblower Relations Officer conducts initial evaluations before referring cases to the Whistleblowing Committee for further investigation and action.

Policy on Solicitation or Acceptance of Gifts	• Strictly prohibits Company representatives, including employees, consultants, and authorized representatives, from soliciting or accepting gifts, favors, or benefits from current or potential third-party providers • Covers close relatives and personal friends of Company representatives to prevent conflicts of interest • Bans the acceptance of sponsorships, gifts, special discounts, and hospitality that could influence business decisions, with limited exceptions for corporate social responsibility initiatives and product testing under strict compliance • All gifts must be politely declined or returned immediately • Violations result in appropriate administrative sanctions after due process

Discussion on the above policies is part of the onboarding process for new employees, with annual refresher sessions to ensure that all employees are fully aware and periodically reminded of these policies. Online modules are accessible on Success Factors, with monitoring conducted by the respective HR units to ensure completion.

For 2024, six reports received by the SMC whistleblowing officer (WBO) were determined to require action. Two of this were related to sexual harassment while four were about anomalies in different units across the businesses. Following investigation, one employee was dismissed, another suspended and one resigned while the investigation was ongoing. The other cases are still under investigation and being handled by the respective business units involved. Many other reports reached the WBO but were redirected to more appropriate units for action (e.g. product or service complaints, concerns on employee benefits, or requests for medical assistance).

9.3 Digital Transformation

GRI 2-23 | GRI 2-24 | GRI 203-1 | GRI 203-2

In an increasingly digital world, technology plays a critical role in strengthening security, improving decision-making, and embedding sustainability into business operations. At San Miguel Corporation, we are adopting digital solutions to enhance cybersecurity, harness data analytics, and drive efficiency across our value chain. These efforts support our long-term resilience while ensuring that innovation contributes to both business growth and sustainability goals.

Our digital transformation strategy is anchored on two key pillars: strengthening cyber resilience to safeguard our systems and data, and harnessing data analytics to unlock valuable business insights and drive innovation. By embedding these priorities into our core operations, we are fortifying SMC’s ability to adapt to emerging risks, optimize business processes, and create long-term value for our stakeholders.

The following sections outline how we are enhancing our cybersecurity infrastructure, improving data governance, and fostering a culture of digital innovation—ensuring that technology remains a key enabler of our sustainability journey.

Strengthening Cyber Resilience

As San Miguel Corporation accelerates its digital transformation, cybersecurity remains at the core of our sustainability strategy, ensuring that our operations, data, and stakeholder interactions are protected against evolving cyber threats. Our cybersecurity management system is aligned with global standards and best practices, integrating ISO 27001 principles and the National Institute of Standards and Technology (NIST) Cybersecurity Framework.

To build a resilient and future-ready cybersecurity posture, we continuously refine our Information Security Management Systems, which were strengthened in 2020 with updated security policies developed in collaboration with an external consulting group. These policies are designed to address

emerging threats, enhance risk mitigation, and reinforce compliance with global benchmarks, including NIST and the Center for Internet Security Benchmarks.

Our cybersecurity strategy follows an Implementation Roadmap, designed to proactively identify, assess, and remediate security risks across all business units. Regular evaluations of our cybersecurity framework allow us to close gaps, improve safeguards, and maintain compliance with evolving standards. One of our most significant advancements is the launch of our 24/7 Security Operations Center, which continuously monitors, detects, and mitigates cyber threats in real-time.

Governance and Oversight

SMC’s cybersecurity governance structure is designed to provide strategic oversight and operational effectiveness across all levels of the organization. The Information Security Steering Committee, composed of executive department heads, governs cybersecurity policies, while the Information Security Technical Working Group, with representatives from various departments, ensures a multidisciplinary approach to cybersecurity governance.

The Corporate IT Group, led by a head reporting directly to the President of SMC, is responsible for executing our cybersecurity strategy. Additionally, the IT Security Council, which includes the SMC IT Security Manager and Information Security Officers from our business units, meets monthly to align security initiatives across the Group.

Cybersecurity Measures and Threat Protection

We employ advanced cybersecurity controls to safeguard our systems, prevent data breaches, and fortify operational resilience. Our Defense-in-Depth approach layers multiple security measures across networks, endpoints, applications, and data assets, ensuring a proactive and adaptive security posture.

- **Endpoint Security & Threat Intelligence:** Our Endpoint Management Platform enables continuous monitoring and rapid response to malware and ransomware threats, while encryption technologies ensure data confidentiality.
- **Network Security & Access Control:** We have implemented Secure Network Zoning and Network Segmentation, allowing only registered and authenticated devices to access our systems, thereby reducing exposure to potential attacks.
- **Cloud & Application Security:** A Centralized Authentication System, including Multi-Factor Authentication and stringent password policies, strengthens security for both on-premise and cloud-based applications.
- **Business Continuity & Disaster Recovery:** We maintain industry-leading backup and recovery protocols, ensuring IT system resilience and operational continuity through redundant, multi-vendor Wide-Area Networks.

To stay ahead of emerging threats, we conduct third-party cybersecurity audits, internal security reviews, and Vulnerability Assessments & Penetration Testing. These assessments help us identify vulnerabilities before they can be exploited, reinforcing our security posture against malicious attacks.

As phishing and Business Email Compromise attacks continue to rise, we have deployed multi-layered anti-phishing technologies to protect employees and prevent unauthorized access to critical systems. Employee awareness remains a key defense, and we conduct regular information security training to foster a culture of cyber vigilance across the organization.

Looking ahead, SMC will continue to expand its cybersecurity organization, enhance security controls, and invest in next-generation security technologies, ensuring we remain resilient against the ever-evolving cyber threat landscape.

Sustainability-Driven Digital Transformation

As part of SMC’s broader Digital Transformation Program, we are modernizing our Enterprise Resource Planning systems to drive operational efficiency, transparency, and sustainability across all business units. These advancements enable standardized financial reporting, improved data governance, and structured ESG tracking, ensuring that sustainability remains embedded in every aspect of our business operations.

Enhancing ESG Data Management and Compliance

A dedicated sustainability reporting system will be launched this year, serving as the primary ESG tracking tool for:

- Centralized sustainability data management, enabling accurate tracking of emissions, energy consumption, and waste generation.
- Enhanced compliance and auditability, ensuring adherence to sustainability reporting frameworks and evolving regulatory requirements.
- Improved ESG performance monitoring, aligning operational decisions with corporate sustainability targets.

Strengthening Sustainable Procurement with Digital Integration

To advance responsible sourcing and strengthen supply chain sustainability, SMC is introducing a Supplier Compliance Framework that leverages real-time data and certifications to:

- Monitor supplier ESG compliance, ensuring alignment with sustainability requirements and ethical sourcing principles.
- Enhance sustainable procurement, integrating ESG factors into purchasing decisions for a more responsible supply chain.
- Improve Scope 3 emissions tracking, enabling more data-driven sustainability assessments across our supplier network.

Through these digital innovations, SMC is reinforcing its commitment to sustainability, transparency, and operational resilience, ensuring that technology remains a key driver in achieving our long-term environmental and business goals.

Turning Data into Action

At San Miguel Corporation, we recognize that data is more than just numbers—it is a powerful driver of innovation, efficiency, and long-term growth. Through our Data and Analytics Group (DAG), we are strengthening our ability to harness insights that improve decision-making, optimize processes, and create business value across all our operations.

Since the transformation of Operations Research to an expanded Data Analytics Group in 2021, DAG has built a strong foundation for a Company-wide data strategy. This roadmap focuses on data management, advanced analytics, and fostering a data-driven culture, ensuring that every decision is backed by meaningful insights. In 2024, we accelerated these efforts by expanding our analytics projects, automating key reporting functions, and deepening data literacy across the San Miguel Group.

Expanding Analytics to Drive Business Impact

This year, DAG partnered with various business units to implement targeted analytics projects designed to enhance operational efficiencies, optimize decision-making, and uncover new opportunities for growth.

Key initiatives included:

- **Customer Segmentation and Analysis** – Profiling customers based on aggregated data to tailor marketing strategies and improve the effectiveness of promotional campaigns.
- **Geolocation Dashboard** – Developing an interactive platform that provides real-time visibility of Company assets across different locations.
- **Sales Monitoring Dashboards** – Streamlining sales performance tracking and inventory management through automated reporting tools.
- **Quality Culture Insights** – Analyzing survey responses to identify actionable strategies that reinforce quality standards and strengthen workplace culture.
- **Automated Data Consolidation** – Simplifying reporting and planning processes by integrating data from disparate sources, enabling more efficient monthly reporting and forecasting.

By integrating analytics into core business processes, these initiatives have unlocked productivity and strengthened our ability to make data-driven decisions across multiple functions.

Fostering a Strong Data Culture

Beyond analytics applications, we are committed to building a workforce that understands and effectively utilizes data. Through various data literacy initiatives, we are empowering employees at different levels to appreciate analytics and its role in shaping the future of business.

In 2024, we expanded our Thought Leadership Talks, a series of expert-led discussions on data analytics, artificial intelligence, digital transformation, and emerging technologies. Over the course of the year, we hosted 14 talks, attended by nearly 2,700 employees, with a total of 24.5 learning hours. These sessions, now available on our Learning Management System (LMS) portal, have been instrumental in promoting responsible data use and enhancing cross-functional collaboration. Survey results showed that 74% of participants strongly agreed that the discussions were relevant and applicable to their work.

Recognizing the need for hands-on training, we also piloted:

- **Data Mining using Power BI** – A practical training program designed to equip employees with data exploration and visualization techniques. Four sessions were completed by 40 participants, totaling 64 learning hours across sales, finance, HR, and operations teams.
- **Analytics for Leadership Development** – A specialized analytics track introduced in SMC’s LMDP Batch 28, providing executives with a deeper understanding of how data analytics strengthens strategic leadership.
- **Industry Collaboration through AAP** – In May 2024, SMC became a Gold Member of the Analytics and AI Association of the Philippines (AAP), connecting us with industry peers and enabling collaboration on data-driven solutions that contribute to national development.

Scaling Analytics for Greater Impact

As we continue to embed analytics into our business, we aim to scale our impact by:

- Expanding analytics-driven decision-making across more business units.
- Leveraging AI and machine learning for predictive insights and process automation.
- Developing a centralized data-sharing platform to improve accessibility and collaboration.

By continuously refining our data analytics capabilities, we are not only optimizing internal efficiencies but also reinforcing our commitment to responsible digital transformation. With data as a strategic asset, San Miguel Corporation is shaping a future where smarter, faster, and more informed decisions drive business excellence and sustainable growth.

9.4 Data Privacy and Security

GRI 2-23 | GRI 2-24 | GRI 418-1

Strengthening Data Privacy and Security



In today’s digital landscape, data privacy is more than a regulatory requirement—it is a fundamental commitment to protecting the rights and trust of our stakeholders. At San Miguel Corporation, we recognize that responsible data management is integral to our sustainability strategy. Through a comprehensive Data Privacy and Security Program, we uphold the highest standards of compliance, resilience, and accountability, ensuring that personal and business data are safeguarded against evolving cyber and privacy risks.

Our approach is guided by the Data Privacy Act of 2012 (RA 10173) and global best practices. We continuously enhance our privacy governance framework, strengthen risk management protocols, and cultivate a culture of data protection across our organization. In 2024, we advanced our data privacy initiatives through rigorous compliance measures, capacity-building programs, and strategic collaborations with industry partners and regulatory bodies.

Mandatory Compliance

Initiative	Key Developments & Impact
Annual Registration of Data Processing Systems and Data Protection Officers (DPO)	We achieved 100% compliance with the mandatory registration of 129 legal entities with the National Privacy Commission (NPC), including new business units added in 2024. All entities display the NPC Seal of Registration at key locations and on corporate websites, ensuring transparency.
Submission of the Annual Security Incident Report (ASIR) for 2023	We completed 100% compliance with the mandatory ASIR submission. Notably, there were no reported data breaches requiring disclosure to the NPC or affected data subjects. Any security incidents were proactively managed under the Data Privacy Compliance Monitoring System.

Building a Culture of Privacy Awareness

Initiative	Key Developments & Impact
Regular Data Privacy Awareness Training	We conducted 25 virtual and face-to-face training sessions, engaging 3,126 employees across the SMC Group. We developed Tagalog-English training materials to enhance accessibility for provincial teams and launched an online self-paced learning module via the SMC LMS.
Refresher Training and Informational Campaigns	We introduced Data Privacy Talks, featuring interactive trivia games to reinforce privacy principles. We conducted organization-wide awareness campaigns using email blasts, posters, and video messages.
SMC Privacy Awareness Week Conference	We hosted a company-wide conference, featuring best practices and insights from SMC's business units. Employees also participated in the NPC's National Privacy Awareness Week alongside industry peers.
SMC Data Privacy Bootcamp	We organized an advanced learning session for members of the SMC Data Privacy Councils, focusing on new privacy regulations and integration with data processing systems.
SMC Data Privacy Conference & Privacy Excellence Awards	We launched the first SMC Privacy Excellence Awards to recognize individuals and business units for outstanding contributions to data privacy. Top management and NPC officials participated in the awarding ceremony.

Collaboration and Industry Engagement

Initiative	Key Developments & Impact
Regular Collaboration with Data Privacy Councils	We conducted regular meetings with 38 DPOs, Compliance Officers for Privacy, and data privacy representatives across business units, fostering alignment and best practice sharing.
Industry and Regulatory Engagement	SMC's DPOs actively participated in Data Privacy Sectoral Councils, ensuring continuous updates on NPC guidelines. Notably, SMC's DPO was elected as the President and Conglomerate Sector Representative in the NPC Data Privacy Council.

Support for the NPC	We led key programs within the NPC Data Privacy Council, including three regional Data Privacy Training Roadshows attended by 1,000 privacy practitioners nationwide. We spearheaded 30 training sessions in Metro Manila, reaching 2,000 participants.

Privacy Risk Management and Governance

Initiative	Key Developments & Impact
Regular Privacy Sweeps	We conducted two Privacy Sweep assessments across all SMC websites, social media platforms, and declared contact points to ensure compliance with privacy regulations.
Implementation of the Privacy Audit Program	We successfully piloted a Privacy Audit Program in collaboration with Corporate Internal Audit. The program includes two audit categories: Privacy Management Audit and Data Management Audit, with a Company-wide rollout planned for 2025.
Privacy Impact Assessments	We conducted assessments on new and existing projects, ensuring alignment with privacy regulations. We supported business units in developing and revising data privacy policies to address emerging risks.
Enhancements to the Data Privacy Compliance Monitoring System	We continuously monitored compliance across SMC’s business units using the DPCMS, refining criteria to align with evolving privacy guidelines.

Continuing Our Journey

As data privacy regulations and risks continue to evolve, SMC remains committed to strengthening our privacy and security framework.

Moving forward, we aim to:

- Expand Privacy Audit Program coverage across all business units.
- Enhance data governance and automation for improved privacy compliance monitoring.
- Deepen privacy awareness initiatives to ensure a security-conscious workforce.
- Strengthen collaboration with regulatory bodies and industry peers to uphold best practices.

By embedding data privacy at the heart of San Miguel, we are ensuring that trust, security, and compliance remain the foundation of our commitment to responsible and sustainable business practices.

9.5 Risk Management

GRI 205-1

Strengthening Risk Resilience in an Evolving Business Landscape

At San Miguel Corporation, we recognize that risk management is a critical pillar in sustaining our long-term growth and resilience. In a rapidly shifting business environment—marked by economic uncertainties, technological advancements, climate risks, and evolving regulatory landscapes—our ability to anticipate, assess, and mitigate risks is essential to our success.

To ensure a proactive and structured approach to risk management, our Enterprise Risk Management (ERM) framework is firmly embedded in our governance structure. Our ERM policy, as outlined in Section 2.2.1.3.2 of the San Miguel Manual on Corporate Governance, provides a structured methodology for identifying, evaluating, and mitigating financial, operational, regulatory, and environmental risks.

Governance and Oversight

Board of Directors

The Board of Directors holds the ultimate responsibility for overseeing the effectiveness of our ERM framework. The Board ensures that risk management is integrated into our strategic decision-making and business operations. It provides direction on key risk areas, including regulatory compliance, financial integrity, and sustainability.

Audit and Risk Oversight Committee

In 2017, SMC strengthened its risk governance by reorganizing the Audit Committee into the Audit and Risk Oversight Committee, expanding its role to encompass ERM oversight. The Committee is tasked with:

- Defining the Group’s risk management strategy
- Identifying and categorizing key risks, including economic, operational, and ESG-related risks
- Developing a risk register and implementing mitigation plans
- Ensuring continuous monitoring and reporting of significant risk exposures

Chief Risk Officer

The Chief Risk Officer provides executive leadership in risk management and is responsible for ensuring that ERM principles are embedded across all business units. The CRO works closely with the Board and the Audit and Risk Oversight Committee to assess risk exposure and drive mitigation strategies.

San Miguel Group Audit

Our San Miguel Group Audit (SMGA) plays a crucial role in providing independent assurance on risk controls. It oversees the internal audit functions of all business units, ensuring that risk management strategies align with corporate objectives. The Internal Audit Teams within each business unit conduct both scheduled and ad hoc reviews, reporting key findings to SMGA.

Risk Management Functions

Operational Risk Management

To reinforce operational resilience, Corporate Technical Audit conducts multi-functional audits across SMC’s nationwide facilities. These audits assess:

- Utilities and energy management
- Mechanical and electrical operations
- Environmental compliance and sustainability measures
- Occupational health and safety performance
- Regulatory adherence and risk exposure

Over the last three years, 169 audits have been conducted across various sites, identifying key risks and opportunities for operational improvements.

Climate Risk Management

As a company operating in a climate-vulnerable country, SMC considers climate-related risks a core priority. We are integrating climate resilience into our risk management to align with regulatory requirements, stakeholder expectations, and global standards.

Our climate risk strategy will address:

- Transition risks – Challenges in adapting to a low-carbon economy, including stricter environmental policies, shifting consumer and investor expectations, and the need for new technologies to meet sustainability standards.
- Acute physical risks – Typhoons, floods, and extreme heat impacting facilities and supply chains.
- Chronic physical risks – Rising temperatures, prolonged droughts, and water scarcity challenges.

To mitigate these risks, SMC is investing in resilient infrastructure, water conservation, and renewable energy, ensuring long-term business sustainability and environmental stewardship.

Procurement Risk Management

Ensuring ethical and sustainable procurement practices, SMC has established the Procurement and Operations Governance Group (POGG) to:

- Review and enhance procurement policies and procedures
- Conduct compliance and operational audits on procurement activities
- Oversee supplier risk management, ensuring alignment with sustainability and ethical sourcing standards

To enhance transparency, POGG facilitates training programs for procurement teams, elevating their skills in sustainable sourcing and risk management.

Strengthening Risk Resilience for Long-Term Success

As we navigate a complex and dynamic business landscape, we remain steadfast in our commitment to proactive risk management. Our ERM framework ensures that we remain resilient in the face of uncertainty while fostering business8 continuity, operational excellence, and sustainability leadership.

Our Climate Resilience Roadmap: Proactive, Data-Driven, and Future-Ready

As San Miguel Corporation continues to embed sustainability at the core of its operations, we recognize that climate risk is no longer a distant challenge—it is a present and pressing reality. With increasingly severe typhoons, rising sea levels, and shifting regulatory landscapes, we are taking decisive action to ensure our business remains resilient and future-ready.

In line with our commitment to transparency and proactive risk management, SMC has engaged an independent consultant to conduct training in Climate Resilience Assessment—an initiative designed to prepare us for compliance with emerging climate-related disclosure standards, particularly IFRS S1, IFRS S2, and the SEC’s Sustainability Reporting Form (SuRe Form). Beyond compliance, this initiative reinforces our long-term strategy to integrate climate resilience into business planning, operational continuity, and sustainable growth.

A Major Undertaking: Climate Risk Assessment at an Unprecedented Scale

The Climate Resilience Assessment engagement is one of the most extensive climate risk initiatives in SMC’s history, encompassing all business units across the conglomerate—from food and beverage, fuel and oil, energy, infrastructure, cement, packaging, and logistics—to ensure that climate-related risks are evaluated across the entire spectrum of our industries. Recognizing that climate risk is not just an operational concern but a strategic business issue, we are also engaging key corporate functions—including HR, Finance, Legal (Office of the General Counsel), and the San Miguel Foundation—to integrate climate resilience into workforce planning, financial strategy, regulatory compliance, and community impact.

Given the scale of our operations and the diversity of industries we operate in, this initiative is a highly complex, cross-functional effort requiring extensive collaboration. It underscores our commitment to ensuring that climate risk management is embedded across every layer of our organization—not just at the operational level, but also within the governance and strategic decision-making processes that shape our long-term growth.

Key Focus Areas of the Climate Resilience Assessment

The engagement covers physical climate risks—such as typhoon winds, flooding, and extreme heat—alongside transition risks, including regulatory changes, shifts in market preferences, and evolving low-carbon technologies that could affect our business operations, supply chain, and overall competitiveness.

This engagement will provide a comprehensive analysis of both physical and transition risks—ensuring that SMC is prepared for the full spectrum of climate-related challenges.

- **Climate Exposure Hotspotting** – Mapping SMC’s facilities against climate hazard data to identify sites most vulnerable to extreme weather conditions and rising sea levels.
- **Transition Risk Assessment** – Assessing the potential financial and operational impacts of shifting to a low-carbon economy, including regulatory changes, carbon pricing policies, evolving market preferences, and emerging low-carbon technologies that could reshape our industries.
- **IFRS S1 & S2 Compliance Readiness** – Enhancing our sustainability-related disclosures by aligning with global standards for climate-related financial reporting, ensuring that our risk management strategies are transparent and data-driven.

Building Capacity for Climate-Responsive Decision-Making

A core component of this engagement is equipping our teams with the capabilities and tools needed to embed climate risk considerations into business strategy. We have undergone a series of technical workshops, focusing on IFRS S1 and S2 reporting requirements, scenario analysis methodologies, and best practices for integrating sustainability-related risks into business planning.

Moreover, the assessment provides SMC with non-prescriptive analytical templates, enabling our teams to evaluate and refine climate resilience strategies even beyond the engagement period. These tools will help institutionalize data-driven, science-based decision-making in investment planning, asset management, and operational continuity programs.

What’s Next: A Roadmap for Climate Resilience

Our engagement marks a pivotal step in embedding climate resilience thinking across San Miguel Corporation. By assessing climate-related risks, reviewing our existing processes, and identifying gaps, we are building internal awareness and capacity to address climate impacts more systematically.

This initiative supports our efforts to strengthen climate disclosures and further integrate climate risk considerations into enterprise risk management. While this is an evolving process, it lays the foundation for more informed planning and decision-making at all levels of the organization.

Preliminary findings will help guide future mitigation strategies and business continuity plans, with progress to be shared in our 2025 Sustainability Report.

10 Appendices

10.1 Scope and Coverage of the Report

GRI 2-2

- Food and Beverage:
 - San Miguel Food and Beverage, Inc. (SMFB)
 - San Miguel Brewery, Inc. (SMB)
 - Ginebra San Miguel Inc. (GSMI)
 - San Miguel Foods, Inc. (SMFI)
 - The Purefoods-Hormel Company, Inc. (PHC)
 - Magnolia Inc. (MI)
 - San Miguel Mills, Inc. (SMMI)
 - San Miguel Super Coffeemix Company, Inc. (SMSCCI)
 - Golden Bay Grain Terminal Corporation (GBGTC)
- Packaging:
 - San Miguel Yamamura Packaging Corporation (SMYPC)
 - Mindanao Corrugated Fibreboard Inc. (MINCORR)
- Fuel and Oil:
 - Petron Corporation (PETRON)
- Energy:
 - San Miguel Global Power Holdings Corporation (SMGP)
- Infrastructure:
 - San Miguel Holdings Corporation (SMHC)
 - San Miguel Aerocity Inc. (SMAI)
- Cement:
 - Northern Cement Corporation (NCC)
 - Eagle Cement Corporation (ECC)
 - Southern Concrete Industries, Inc. (SCII)
- Others:
 - San Miguel Properties Inc. (SMPI)
 - SMC Shipping and Lighterage Inc. (SMCSL)
 - SMC Asia Car Distributors Corporation (SMCACDC)
 - San Miguel Information Technology Services, Inc. (SMITS)
 - Process Synergy Inc. (PROSYNC)
 - San Miguel Integrated Logistics Services, Inc. (SMILSI) and related companies

Notes:

* A number of entities and operations covered by SMC's 2024 Annual Report are not within the scope of this Report, namely: (a) SMC's international operations, (b) Bank of Commerce (BankCom).

** BankCom's ESG data has not been included in this Report, as it is an affiliate of SMC whose performance is not consolidated with the Group.

10.2 ESG Performance Indices

A. Economic

ECONOMIC PERFORMANCE				
	2024	2023	2022	Unit
Direct economic value generated (revenues)	1,592,588	1,460,838	1,515,784	Mn PhP
Economic value distributed	1,542,219	1,418,049	1,482,050	Mn PhP
Operating costs (including payment to suppliers)	1,134,957	1,002,659	1,158,041	Mn PhP
Employee wages and benefits	56,619	51,489	45,090	Mn PhP
Payments to government (taxes)	200,095	227,222	175,388	Mn PhP
Payments to providers of capital (investors and shareholders)	150,131	136,140	103,033	Mn PhP
Community investments (expenses for CSR projects)	417	539	498	Mn PhP
ECONOMIC VALUE RETAINED	50,369	42,789	33,734	Mn PhP

B. Environment

GHG EMISSIONS				
	2024	2023	2022*	Unit
Scope 1 GHG emissions	23,692,230.79	21,309,247.17	20,883,889.73	MT CO ₂ e
Scope 2 GHG emissions	1,107,678.21	1,124,640.31	1,123,028.31	MT CO ₂ e
Total Scope 1 and 2 GHG emissions	24,799,909.00	22,433,887.48	22,006,918.04	MT CO ₂ e

* 2022 value now includes ECC and SCII emission data for comparability.

** 2023 numbers were restated for better accuracy.

GHG EMISSION INTENSITY				
	2024	2023	2022	Unit
Fuel & Oil (Integrated Refinery & Co-Generation Facility)	50.49	54.01	58.10	MT CO ₂ e e / '000 Barrels Crude Processed
Power	0.79	0.82	0.92	MT CO ₂ e / MWh
Cement	0.54	0.58	0.53**	MT CO ₂ e / MT Volume
Other Businesses in Scope*	2.21	2.26	2.40	MT CO ₂ e / Mn PhP

* This includes Food and Beverage, Packaging, Infrastructure, Properties, and others.

** 2022 value now includes ECC and SCII emission data for comparability.

*** 2022 and 2023 numbers were restated for better accuracy.

BIOGENIC CO ₂ EMISSIONS				
	2024	2023	2022	Unit
Biogenic CO ₂ emission (Scope 1)	99,333.59	95,011.53	84,968.87	MT CO ₂ e
Biologically sequestered CO ₂ emission	Not yet being monitored			MT CO ₂ e

*2022 and 2023 numbers were restated for better accuracy.

GHG REDUCTION				
	2024	2023	2022	Unit
Fuel reduction	54,265.77	207,369.45	3,861.21	MT CO ₂ e
Electricity reduction	43,044.48	61,301.14	6,766.82	MT CO ₂ e
Total GHG Reduction	97,310.25	268,670.59	10,628.03	MT CO ₂ e

*2022 and 2023 numbers were restated for better accuracy.

NON-GHG EMISSIONS				
	2024	2023	2022	Unit
Nitrogen oxides (NOx)	18,895.81	17,238.78	14,748.75	MT
Sulfur oxides (SOx)	46,623.00	40,204.93	39,468.88	MT
Particulate matter (PM)	1,874.45	3,752.51	2,972.14	MT
Carbon monoxide (CO)	11,117.21	10,330.36	7,486.18	MT
Persistent organic pollutants (POPs)	Not being monitored			
Volatile organic compounds (VOCs)				
Hazardous air pollutants (HAPs)				

* 2023 numbers restated for better accuracy.

ENERGY CONSUMPTION				
	2024	2023	2022**	Unit
Energy consumption (renewable sources)	1,537,884.89	1,168,035.04	1,013,755.58	GJ
Energy consumption (non-renewable)	254,169,398.71	212,800,991.13	200,456,821.26	GJ
Energy consumption (electricity, heating, cooling, steam)	5,683,582.79	5,654,206.08	5,725,929.17	GJ
Self-generated energy which are not consumed	1,034,259.36	1,241,589.33	840,099.95	GJ
Sold Energy (electricity, heating, cooling, steam)	69,741,518.41	49,285,854.16	43,575,701.57	GJ
TOTAL NET ENERGY CONSUMPTION	192,683,607.33	171,578,967.42	164,460,904.39	GJ

* 2023 numbers restated for better accuracy.

** 2022 value now includes ECC and SCII emission data for comparability.

ENERGY INTENSITY				
	2024	2023	2022	Unit
Fuel & Oil (Integrated Refinery & Co-Generation Facility)	649.30	684.00	717.00	GJ / '000 Barrels Crude Processed
Power	6.19	6.26	6.76	GJ / MWh
Cement	2.25	2.49	2.27**	GJ / MT Volume
Other Businesses in Scope*	22.49	22.92	24.34	GJ / Mn PhP

* This includes Food and Beverage, Packaging, Infrastructure, Properties, and others.

** 2022 value now includes ECC and SCII emission data for comparability.

*** 2022 and 2023 numbers were restated for better accuracy.

OPERATIONAL SPENDING ON ENERGY				
	2024	2023	2022	Unit
% Operational spending on energy	36.96%	33.54%	38.26%	%
Operational spending on energy	100,243.55	82,030.02	88,164.87	Mn PhP
TOTAL OPERATIONAL SPENDING	271,193.97	244,554.68	230,421.20	Mn PhP

* 2023 numbers restated for better accuracy

GRID ELECTRICITY				
	2024	2023	2022	Unit
% Grid electricity	2.96%	3.31%	3.48%	%
Purchased grid electricity consumption	5,703,986.67	5,685,736.39	5,725,929.17	GJ
TOTAL ENERGY CONSUMPTION	192,683,569.08	171,577,973.52	149,968,033.90	GJ

* 2023 numbers restated for better accuracy

REDUCTION IN ENERGY CONSUMPTION				
	2024	2023	2022	Unit
Fuel reduction	717,744.21	2,318,634.38	67,538.26	GJ
Electricity reduction	197,196.00	309,929.19	35,789.72	GJ
TOTAL ENERGY REDUCTION	914,940.22	2,628,563.58	103,327.98	GJ

WATER CONSUMPTION				
	2024	2023	2022	Unit
Water withdrawal	3,670,019.08	3,471,363.24	3,064,480.33	ML
Surface water*	2,501.08	1,820.00	1,288.95	ML
Ground water	29,270.32	27,816.39	25,467.74	ML
Sea water	3,546,655.19	3,359,752.84	2,971,895.75	ML
Rainwater	433.40	409.86	474.57	ML
Produced water	280.42	254.86	206.30	ML
Third-party water	90,878.67	81,309.29	65,147.03	ML
Water discharged	3,651,673.42	3,453,834.58	3,047,610.86	ML
Stored water	62.66	6.25	(5.50)	ML
TOTAL WATER CONSUMPTION	18,408.32	17,534.91	16,863.96	ML
Water recycled and reused	1,746.19	1,955.23	1,457.40	ML
% Water recycled and reused	1.42%	1.75%	1.57%	%

* Excludes fresh water passing through Angat Hydro Power Plant which is not under SMC’s control and does not undergo any processing. The power plant converts the potential energy of water into electrical energy and discharges this as domestic water to Metropolitan Waterworks and Sewerage System (MWSS) and irrigation water to the National Irrigation Administration.

** 2022 and 2023 data restated for accuracy.

WATER WITHDRAWAL FROM AREAS WITH WATER STRESS				
	2024	2023	2022	Unit
TOTAL WATER WITHDRAWAL	3,418,842.36	3,164,534.16	3,061,257.00	ML
Surface water	1,438.07	1,151.85	985.94	ML
Ground water	27,618.89	26,676.38	22,402.31	ML
Sea water	3,298,343.29	3,054,907.78	2,972,163.30	ML
Rainwater	426.50	405.45	469.89	ML
Produced water	280.35	254.86	206.29	ML
Third-party water	90,735.25	81,137.84	65,029.27	ML

* 2022 data restated for accuracy.

WATER DISCHARGE BY DESTINATION				
	2024	2023	2022	Unit
TOTAL WATER DISCHARGE	3,651,673.42	3,453,834.58	3,047,610.86	ML
Surface water	9,802.84	8,631.98	7,706.27	ML
Ground water	1,423.36	423.88	713.46	ML
Sea water	3,551,868.85	3,365,048.67	2,976,302.03	ML
Third-party water	88,578.37	79,730.05	62,889.10	ML
Total water discharge to areas with water stress	3,401,193.08	3,147,656.90	2,716,555.82	ML

* 2022 data restated for accuracy.

NON-COMPLIANCE WITH WATER-RELATED LAWS AND REGULATIONS				
	2024	2023	2022	Unit
Total monetary fines for non-compliance	213,227.80	130,738.44	384,000.00	PhP
Incidents for non-compliance (monetary & non-monetary)	8	5	10	No.

MATERIALS USED				
	2024	2023	2022	Unit
TOTAL MATERIALS USED	31,975,879.86	27,067,944.13	15,675,691.51	MT
Renewable materials used	6,781,868.70	6,241,765.10	5,383,035.14	MT
Non-renewable materials used	25,194,011.16	20,826,179.03	10,292,656.37	MT
% Renewable materials used	21.21	23.06	0.3434	%
Recycled materials used	977,849.40	1,035,376.40	442,526.92	MT
% Recycled materials used	3.06%	3.83%	2.82%	%

* 2022 and 2023 numbers were restated for better accuracy.

COAL ASH MANAGEMENT				
	2024	2023	2022	Unit
TOTAL COAL COMBUSTION RESIDUALS (CCR) GENERATED	710,450.96	582,262.01	566,641.30	MT
Weight of CCR that was reused or reclaimed	927.63	744.94	29.68	MT
Weight of CCR recycled (through treatment or processing)	-	1,393.27	1,655.26	MT
Weight of CCR sent externally for further recycling	112,129.81	270,133.80	290,797.86	MT
% of CCR recycled	15.91%	46.76%	51.62%	%

* 2023 numbers were restated for better accuracy

SOLID WASTE MANAGEMENT (EXCLUDING COAL ASH)				
	2024	2023	2022	Unit
TOTAL SOLID WASTE GENERATED	299,638.68	322,363.48	329,801.67	MT
Reused	3,090.23	3,921.20	1,487.57	MT
Recycled	239,911.28	262,566.45	272,418.78	MT
Other recovery operations	7,989.88	13,101.07	23,962.12	MT
Incineration (with energy recovery)	267.92	146.35	170.50	MT
Incineration (without energy recovery)	56.56	-	6.30	MT
Landfilling	31,721.49	24,736.23	21,194.31	MT
Other disposal operations	16,601.32	17,892.18	10,562.09	MT

* 2022 and 2023 numbers were restated for better accuracy

SOLID WASTE GENERATED (EXCLUDING COAL ASH)				
	2024	2023	2022	Unit
TOTAL SOLID WASTE GENERATED	299,709.29	322,570.46	329,801.47	MT
Residual, mixed	12,431.89	14,166.69	10,228.68	MT
Biodegradable, mixed	21,999.66	9,226.22	5,999.41	MT
Ferrous metal	5,339.24	4,611.48	5,818.82	MT
Aluminum	806.84	1,120.85	1,243.73	MT
Plastic	2,537.22	2,998.78	4,896.81	MT
Wood	2,349.40	1,514.67	1,715.42	MT
Paper and cartons	8,012.78	7,977.21	7,574.07	MT
Glass, cullet, jars	78,548.20	103,276.61	89,890.08	MT
Tires	298.51	280.50	176.96	MT
Sacks	2,596.93	2,348.16	2,228.03	MT
Mortalities	483.85	321.02	260.58	MT
Feathers, blood, offals	13,882.45	7,660.13	4,650.23	MT
Spent grains, spent yeast	129,367.89	140,745.29	165,220.74	MT
Inorganic sediment, eggshell, filter aid	6,044.56	6,122.64	11,696.26	MT
Organic sludge, scum	14,781.28	20,110.02	18,201.65	MT
Concrete debris	228.60	90.20	-	MT

* 2022 and 2023 numbers were restated for better accuracy

SOLID WASTE DIVERTED FROM DISPOSAL				
	2024	2023	2022	Unit
TOTAL SOLID WASTE DIVERTED FROM DISPOSAL	250,991.94	279,101.63	297,868.47	MT
Residual, mixed	148.67	3.21	265.32	MT
Biodegradable, mixed	5,340.65	3,940.69	1,319.76	MT
Ferrous metal	4,176.64	3,911.68	5,254.95	MT
Aluminum	801.96	1,113.08	1,239.72	MT
Plastic	2,460.17	2,752.19	4,745.14	MT
Wood	2,056.73	1,469.37	1,626.70	MT
Paper and cartons	7,713.73	7,775.24	7,142.64	MT
Glass, cullet, jars	78,547.42	103,275.43	89,889.73	MT
Tires	71.04	117.82	148.96	MT
Sacks	2,524.58	2,333.88	2,202.21	MT
Mortalities	263.73	311.62	205.60	MT
Feathers, blood, offals	13,198.14	6,464.62	4,623.29	MT
Spent grains, spent yeast	129,367.89	140,745.29	165,216.64	MT
Inorganic sediment, eggshell, filter aid	236.04	-	886.78	MT
Organic sludge, scum	4,062.55	4,884.75	13,101.02	MT
Concrete debris	22.00	2.76	-	MT

* 2022 and 2023 numbers were restated for better accuracy

SOLID WASTE DISPOSED				
	2024	2023	2022	Unit
TOTAL SOLID WASTE DISPOSED	48,605.93	43,461.13	31,933.00	MT
Residual, mixed	12,280.69	14,161.67	9,963.36	MT
Biodegradable, mixed	16,658.46	5,285.48	4,679.66	MT
Ferrous metal	1,091.59	699.80	563.87	MT
Aluminum	4.89	7.77	4.01	MT
Plastic	77.36	246.59	151.67	MT
Wood	292.67	45.30	88.72	MT
Paper and cartons	299.34	201.55	431.41	MT
Glass, cullet, jars	0.78	1.18	0.35	MT
Tires	225.30	157.27	28.01	MT
Sacks	72.36	14.27	25.82	MT
Mortalities	220.13	9.40	54.98	MT
Feathers, blood, offals	684.31	1,195.51	26.93	MT
Spent grains, spent yeast	-	-	4.10	MT
Inorganic sediment, eggshell, filter aid	5,808.52	6,122.64	10,809.48	MT
Organic sludge, scum	10,682.93	15,225.27	5,100.63	MT
Concrete debris	206.60	87.44	-	MT

* 2022 and 2023 numbers were restated for better accuracy

HAZARDOUS WASTE MANAGEMENT				
	2024	2023	2022	Unit
Total hazardous waste generated	16,005.00	7,914.62	9,552.91	MT
Total hazardous waste transported	13,215.05	10,532.94	8,855.70	MT

* 2023 numbers were restated for better accuracy

HAZARDOUS WASTE GENERATED				
	2024	2023	2022	Unit
TOTAL HAZARDOUS WASTE GENERATED	16,005.00	7,914.62	9,552.91	MT
A-Cyanide waste	1.21	1.14	1.45	MT
B-Acid waste	16.58	13.64	29.11	MT
C-Alkali waste	37.16	32.12	26.48	MT
D405-Chromium waste	1.44	1.32	3.02	MT
D406-Lead compounds	87.15	86.53	94.09	MT
D407-Mercury and compounds	11.11	26.76	16.07	MT
D-Other inorganic chemicals	41.32	12.62	10.41	MT
E-Reactive chemical waste	55.77	76.29	2,745.98	MT
F-Inks/Dyes/Resins/Organic sludge	80.78	221.69	288.79	MT
G-Waste organic solvents	437.72	164.21	227.94	MT
H-Organic waste	875.61	940.21	127.13	MT
I-Used oil and sludge	14,104.29	5,925.50	5,585.53	MT
J-Containers	176.28	321.14	282.46	MT
K-Stabilized wastes	-	-	-	MT
L-Organic chemicals	17.21	1.30	0.03	MT
M501-Infectious waste	4.21	4.84	2.99	MT
M502-Asbestos waste	0.02	0.24	-	MT
M503-Pharma and drugs	0.76	6.74	0.11	MT
M504-Pesticide	-	-	-	MT
M505-POPS	-	-	-	MT
M506-WEEE	56.38	78.35	111.35	MT

* 2023 numbers were restated for better accuracy

HAZARDOUS WASTE TRANSPORTED				
	2024	2023	2022	Unit
TOTAL HAZARDOUS WASTE TRANSPORTED	13,215.05	10,532.94	8,855.70	MT
Reused	38.58	45.90	113.89	MT
Recycled	4,051.53	4,203.57	2,548.13	MT
Other recovery operations	1,345.85	1,064.08	540.84	MT
Incineration (with energy recovery)	218.19	256.60	201.61	MT
Incineration (without energy recovery)	78.18	193.42	224.40	MT
Landfilling	149.42	18.88	60.75	MT
Other disposal operations	7,333.94	4,748.19	5,166.09	MT

HAZARDOUS WASTE DIVERTED FROM DISPOSAL				
	2024	2023	2022	Unit
TOTAL HAZARDOUS WASTE DIVERTED FROM DISPOSAL	5,435.96	5,324.42	3,202.86	MT
A-Cyanide waste	-	-	-	MT
B-Acid waste	0.05	-	-	MT
C-Alkali waste	8.06	-	-	MT
D405-Chromium waste	1.01	-	0.33	MT
D406-Lead compound	24.84	27.63	20.53	MT
D407-Mercury and compound	0.36	12.48	1.24	MT
D-Other inorganic chemicals	3.02	0.83	6.16	MT
E-Reactive chemical waste	0.01	-	0.15	MT
F-Inks/Dyes/Resins/Organic sludge	88.03	162.37	62.14	MT
G-Waste organic solvents	102.04	114.01	145.14	MT

H-Organic waste	873.11	775.15	1.54	MT
I-Used oil and sludge	4,201.32	4,032.04	2,731.37	MT
J-Containers	113.08	153.61	221.17	MT
K-Stabilized waste	-	-	-	MT
L-Organic chemicals	-	-	-	MT
M501-Infectious waste	0.02	0.10	-	MT
M502-Asbestos waste	-	-	-	MT
M503-Pharma and drugs	-	-	-	MT
M504-Pesticide	-	-	-	MT
M505-POPS	-	-	-	MT
M506-WEEE	21.02	46.20	13.10	MT

HAZARDOUS WASTE DISPOSED				
	2024	2023	2022	Unit
TOTAL HAZARDOUS WASTE DISPOSED	7,785.62	5,220.13	5,652.86	MT
A-Cyanide waste	1.70	1.00	1.34	MT
B-Acid waste	17.66	12.11	15.01	MT
C-Alkali waste	22.33	48.04	16.31	MT
D405-Chromium waste	0.17	0.23	0.78	MT
D406-Lead compounds	32.70	78.53	60.48	MT
D407-Mercury and compounds	7.27	7.94	8.50	MT
D-Other inorganic chemicals	44.55	6.65	0.42	MT
E-Reactive chemical wastes	208.48	889.65	668.02	MT
F-Inks/Dyes/Resins/Organic sludge	39.94	32.49	80.66	MT
G-Waste organic solvents	44.26	2.28	8.80	MT
H-Organic waste	3.98	93.60	78.82	MT
I-Used oil and sludge	7,297.42	3,996.48	4,691.00	MT
J-Containers	38.03	24.74	4.31	MT
K-Stabilized waste	-	-	-	MT
L-Organic chemicals	4.31	-	-	MT
M501-Infectious waste	1.27	1.31	2.01	MT
M502-Asbestos waste	0.24	0.24	-	MT
M503-Pharma and drugs	0.70	5.32	0.01	MT
M504-Pesticide	-	-	-	MT
M505-POPS	-	-	-	MT
M506-WEEE	20.60	19.52	16.40	MT

ECOSYSTEM AND BIODIVERSITY				
	2024	2023	2022	Unit
Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside of protected areas	15	13	9	No.
Habitats protected or restored	1,933.93	1,861.80	112.74	Ha.
IUCN red list species and national conservation list species with habitats in areas affected by operations	33	29	14	No.

NON-COMPLIANCE WITH OTHER ENVIRONMENTAL-RELATED LAWS AND REGULATIONS				
	2024	2023	2022	Unit
Total monetary fines for non-compliance	168,479.05	337,991.83	No data available	PhP
Incidents for non-compliance (monetary & non-monetary)	7	6		No.

C. Social

All employee-related data exclude those on SMC personnel working in foreign operations and in subsidiaries not within the scope of this Report.

NUMBER OF EMPLOYEES BY POSITION			
	2024	2023	2022
Regular employees	50,393	47,208	44,027
Officer	240	262	265
Middle manager	1,413	1,644	1,367
Rank and file	48,740	45,302	42,395
Consultants	256	281	182
Project-based employees	6,779	5,868	5,799
TOTAL EMPLOYEES	57,428	53,357	50,008

NUMBER OF EMPLOYEES BY AGE			
	2024	2023	2022
Under 30 years old	19,188	20,358	18,559
Between 30 and 50 years old	33,359	28,992	27,504
Over 50 years old	4,881	4,009	3,945

NUMBER OF EMPLOYEES BY GENDER			
	2024	2023	2022
Women	15,764	15,011	13,582
Men	41,664	38,346	36,426

NUMBER OF EMPLOYEES BY REGION			
	2024	2023	2022
NCR	28,798	15,769	14,989
North Luzon	8,792	7,997	7,892
South Luzon	8,506	19,317	18,299
Visayas	5,648	4,740	3,982
Mindanao	5,684	5,534	4,846
TOTAL EMPLOYEES	57,428	53,357	50,008

TRAINING HOURS BY POSITION						
	2024		2023		2022	
	Total Hours	Ave. Hours / Head	Total Hours	Ave. Hours / Head	Total Hours	Ave. Hours / Head
Officer	10,936	35	3,937	16	4,979	19
Middle manager	87,475	59	54,551	35	35,105	26
Rank and file	1,673,603	30	1,264,778	28	553,279	13
TOTAL	1,772,013	31	1,323,266	28	593,363	13

TRAINING HOURS BY GENDER						
	2024		2023		2022	
	Total Hours	Ave. Hours / Head	Total Hours	Ave. Hours / Head	Total Hours	Ave. Hours / Head
Women	478,678	30	353,661	24	163,381	13
Men	1,293,335	31	969,605	25	429,982	14
TOTAL	1,772,013	31	1,323,266	25	593,363	14

PERFORMANCE REVIEW BY POSITION									
	2024			2023			2022		
	Total No. of Em- ployees	Received Reviews	% to Total	Total No. of Em- ployees	Received Reviews	% to Total	Total No. of Em- ployees	Received Reviews	% to Total
Officer	240	205	85%	262	196	75%	265	219	83%
Middle manager	1,413	1,297	92%	1,644	1,411	86%	1367	1,165	85%
Rank and file	48,740	28,338	58%	45,302	27,032	60%	42395	20,805	49%
TOTAL	50,393	29,840	59%	47,208	28,639	61%	44,027	22,189	50%

*2023 numbers were restated for better accuracy

PERFORMANCE REVIEW BY GENDER									
	2024			2023			2022		
	Total No. of Em- ployees	Received Reviews	% to Total	Total No. of Em- ployees	Received Reviews	% to Total	Total No. of Em- ployees	Received Reviews	% to Total
Women	14,151	9,190	65%	13,207	8,786	67%	11,890	7,252	61%
Men	36,242	20,650	57%	34,001	19,853	58%	32,137	14,937	46%
TOTAL	50,393	29,840	59%	47,208	28,639	61%	44,027	22,189	50%

*2023 numbers were restated for better accuracy

CAREER REVIEW BY POSITION						
	2024			2023		
	Total No. of Employees	Received Reviews	% to Total	Total No. of Employees	Received Reviews	% to Total
Officer	240	193	80%	262	212	81%
Middle manager	1,413	1,237	88%	1,644	910	55%
Rank and file	48,740	23,394	48%	45,302	21,151	47%
TOTAL	50,393	24,824	49%	47,208	22,273	47%

*2023 numbers were restated for better accuracy

CAREER REVIEW BY GENDER						
	2024			2023		
	Total No. of Employees	Received Reviews	% to Total	Total No. of Employees	Received Reviews	% to Total
Women	14,151	7,456	53%	13,207	6,609	50%
Men	36,242	17,368	48%	34,001	15,621	46%
TOTAL	50,393	24,824	49%	47,208	22,230	47%

SECURITY PERSONNEL TRAINED IN HUMAN RIGHTS POLICIES AND PROCEDURES*			
	2024	2023	2022
Total number of security personnel	2,190	3,154	3,224
Security personnel trained in human rights	1,324	1,889	2,341
% Security personnel trained	60%	60%	73%

COLLECTIVE BARGAINING AGREEMENTS (CBAs)			
	2024	2023	2022
Active CBAs	36	34	34
Total members	5,243	5,046	5,059

EMPLOYEES COVERED BY OCCUPATIONAL SAFETY AND HEALTH (OSH) MANAGEMENT SYSTEM			
	2024	2023	2022
Employees covered by an OSH management system	58,746	44,063	45,797
Employees covered by an OSH management system that have been internally audited	57,657	39,880	19,468
Employees covered by an OSH management system that have been externally audited	48,319	33,478	16,816

WORK-RELATED INJURIES			
	2024	2023	2022
Fatalities as a result of work-related injuries	1	1	2
Rate of fatalities as a result of work-related injuries	0.01	0.01	0.02
High-consequence work-related injuries	97	58	44
Rate of high-consequence work-related injuries	0.82	0.49	0.44
Recordable work-related injuries	682	451	593
Total employee hours worked	117,942,048	117,559,024	99,908,405

WORK-RELATED ILL HEALTH			
	2024	2023	2022
Fatalities as a result of work-related ill-health	0	1	0
Rate of fatalities as a result of work-related ill-health	0	0.01	0
Recordable work-related ill-health	50	1,307	1,454
Rate of recordable work-related ill-health	0.42	11.12	14.55

AVAILMENT OF EMPLOYEE BENEFITS						
Parental Leave						
	2024		2023		2022	
	Count	%	Count	%	Count	%
Women	592	4%	541	4%	954	7%
Men	773	2%	1,737	5%	2,917	9%
SSS						
	2024		2023		2022	
	Count	%	Count	%	Count	%
Women	4574	32%	4499	34%	No Data Available	
Men	10,862	32%	12,599	37%		
PhilHealth						
	2024		2023		2022	
	Count	%	Count	%	Count	%
Women	1887	13%	2104	16%	No Data Available	
Men	4,177	12%	6,472	19%		
Pag-Ibig						
	2024		2023		2022	
	Count	%	Count	%	Count	%
Women	3709	26%	4194	32%	No Data Available	
Men	9,177	27%	10,767	32%		
Vacation Leave						
	2024		2023		2022	
	Count	%	Count	%	Count	%
Women	10252	72%	8331	63%	No Data Available	
Men	23,264	68%	20,348	60%		

Sick Leave						
	2024		2023		2022	
	Count	%	Count	%	Count	%
Women	7755	55%	6294	48%	No Data Available	
Men	16,481	48%	14,264	42%		
Medical Benefits (aside from PhilHealth)						
	2024		2023		2022	
	Count	%	Count	%	Count	%
Women	8419	59%	7348	56%	No Data Available	
Men	20,915	61%	17,873	53%		

PRODUCT AND SERVICE INFORMATION AND LABELLING			
	2024	2023	2022
% Significant product or service categories covered by and assessed for compliance with requirements for product and service information and labelling	100%	100%	100%
Total incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling	0	0	5
Incidents of non-compliance with regulations resulting in a fine or penalty	0	0	0
Incidents of non-compliance with regulations resulting in a warning	0	0	5
Incidents of non-compliance with voluntary codes	0	0	0

MARKETING COMMUNICATIONS			
	2024	2023	2022
Incidents of non-compliance with regulations concerning marketing communications resulting in a fine or penalty	0	0	0
Incidents of non-compliance with regulations concerning marketing communications resulting in a warning	0	0	0
Incidents of non-compliance with voluntary codes	0	0	0

PRODUCT SAFETY-RELATED RECALLS			
	2024	2023	2022
Total product safety-related recalls, including:	0	0	0
Voluntary recalls	0	0	0
Involuntary recalls	0	0	0

EMERGING MATERIALS AND CHEMICALS OF CONCERNS		
2024	2023	2022
Each business closely monitors emerging materials and chemicals of concern along with industry peers and the concerned government agency, such as the FDA. We reach out to international associations, such as the ASEAN Food and Beverage Association, to gather more information and learn from other countries.	Each business closely monitors emerging materials and chemicals of concern along with industry peers and the concerned government agency, such as the FDA. We reach out to international associations, such as the ASEAN Food and Beverage Association, to gather more information and learn from other countries.	Ethylene Oxide (EtO)

FOOD SAFETY			
	2024	2023	2022
Total notices of violation received that substantiate a violation of advisory and administrative code(s), statute(s), or other requirement(s) related to food safety	0	0	0
% Notices of violations received related to food safety that was corrected.	0%	0%	0%
Notices of violations corrected	0	0	0
Total notices of violation received	0	0	0

LOCAL COMMUNITY ENGAGEMENTS					
Program	Project	As of December 31, 2024	As of December 31, 2023	As of December 31, 2022	Unit
Education	Scholarships	2,774	2,541	2,844	Students
	Short-term courses	1,226	1,162	25	Students
	Brigada Eskwela	68,758	38,913	88,800	Students
		183	263	120	Schools
		804	1,446	-	Classrooms
		5,600	5,600	-	School Kits
Health	Community clinics	2,427	2,420	2,101	Patients
		13,446	14,499	14,156	Consultations
		11	8	8	Clinics
	Feeding	101,647	69,849	76,962	Meals
	1,000 Days project	507	507	340	Mother and Children
	Medical missions	3,801	6,451	9,000	Patients
		7	10	9	Areas
		-	-	200	Hygiene Kits / Person
Enterprise	Livelihood assistance	5,859	323	126	Persons
		11	17	5	Areas
		40	12	3	People's Organizations
Housing	Housing and water provision	40	-	280,359	Houses
Infrastructure	Road access	23,315,889	22,769,822	19,644,794	Vehicles / Motorists
Environmental	Restoration & conservation	62	27	58	Sites
	Coral rescue program	350	220	100	Sq. m.
		59	55	25	Species
		61.4	29	25	Kilo Biomass
	Tree planting / Mangrove	6,711,632	6,578,552	0	Trees/ Saplings
	Backyard Bukid	8	4	1	Sites
		112	71	25	Members
		109,000	97,785	-	Revenues
Better World Tondo	Membership services	2,190	2,220	1,825	Persons
		438	444	365	Families
		139	162	365	Students
		2,776	1,916	-	Persons
		1,840	1,287	-	Families

Better World Smokey Mountain	Membership services <i>(started in September 2023)</i>	1,053	760	-	Students
Better World Cubao	Membership services	467	556	665	Women
Better World Diliman	Farmer's produce program	-	CLOSED	4,500	Farmers
	Food rescue	736.4		-	Kg of Food Rescued
		7,762		-	Kg CO ₂ e Offset

D. Governance

NUMBER OF SUPPLIERS BY LOCATION			
	2024	2023	2022
Local suppliers	5,063	5,375	5,852
Foreign suppliers	619	508	595
TOTAL SUPPLIERS	5,682	5,883	6,447

*A local supplier is a business whose address is in the Philippines.

PROCUREMENT SPEND				
	2024	2023	2022	Unit
Procurement spend on local suppliers	187,474	181,414	200,499	Mn PhP
Procurement spend on foreign suppliers	124,311	107,100	176,372	Mn PhP
Total procurement spend	311,785	288,514	376,871	Mn PhP

COMMUNICATION OF ANTI-CORRUPTION POLICIES AND PROCEDURES			
	2024	2023	2022
% Directors to whom the organization’s anti-corruption policies and procedures have been cascaded	100%	100%	100%
% Officers to whom the organization’s anti-corruption policies and procedures have been cascaded	100%	100%	100%

COMPLAINTS CONCERNING BREACHES OF CUSTOMER PRIVACY			
	2024	2023	2022
Complaints received from outside parties and substantiated by the organization	0	0	0
Complaints from regulatory bodies	0	0	0

LEAKS, THEFTS, OR LOSSES OF CUSTOMER DATA			
	2024	2023	2022
Identified leaks, thefts, or losses of customer data	0	0	0

10.3 List of Membership Associations

GRI 2-28

MEMBERSHIPS IN ASSOCIATIONS
Airports Council International (ACI)
American Association of Swine Veterinarians (AASV)
Association of Foundations (AF)
Association of Petrochemical Manufacturers of the Philippines (APMP)
Beverage Industry Assoc of the Phils. (BIAP)
Business for Sustainable Development (BSD)
Distilled Spirits Association of the Philippines (DSAP)
European Chamber of Commerce of the Philippines (ECCP)
Federation of Asian Veterinary Associations (FAVA)
Federation of Philippine Industries (FPI)
Food Industry Asia (FIA)
Glass Manufacturers Association of the Philippines (GMAPI)
Go Negosyo
Integrated Mining Information and Education Region 1 (I-MINE)
International Life Science Institute (ILSI)
League of Corporate Foundations (LCF)
Licensing Executive Society of the Philippines (LSEP)
LPG Industry Association (LPGIA)
Makati Business Club (MBC)
National Advisory Committee for Animal Disease Control and Emergency (NAC-ADCE)
Nutritionist-Dietitian Association of the Philippines (NDAP)
People Management Association of the Philippines (PMAP)
Philippine Alliance for Resource and Materials Sustainability (PARMS)
Philippine Association of Feed Millers Inc. (PAFMI)
Philippine Association of Food Technologists (PAFT)
Philippine Association of Nutrition (PAN)
Philippine Business for Social Progress (PBSP)
Philippine Chamber of Commerce and Industry (PCCI)
Philippine Chamber of Food Manufacturers Inc. (PCFMI)
Philippine Coalition on Volunteerism Inc. (PhilCV)
Philippine College of Poultry Practitioners (PCPP)
Philippine College of Swine Practitioners (PCSP)
Philippine Council for Agriculture and Fisheries – Poultry, Livestock and Corn Council (PCAF-PLC)
Philippine Council for NGO Certification (PCNC)
Philippine Disaster and Resilience Foundation Inc. (PDRF)
Philippine Electricity Market Board (PEMB)
Philippine Electricity Market Corporation (PEMC)
Philippine Independent Power Producers Association (PIPPA)
Philippine Institute of Petroleum (PIP)
Philippine Veterinary Drug and Nutrition Association (PVDNA)
Philippine Veterinary Medical Association (PVMA)
Pollution Control Association of the Philippines (PCAP)
One Philippine Swine Producers Association (OPSPA)
Safety Organization of the Philippines, Inc. (SOFI)
United Nations Global Compact (UNGC) Global Compact Network Philippines (GCNP)

10.4 List of Accreditations and Certifications

GRI 403-1 | GRI 403-2 | GRI 416-1

Standard	BU	Facility
ISO 9001:2015 Quality Management Systems	GSMI	Distileria Bago, Inc.
		EPSBPI Cauayan Plant
		EPSBPI Ligao Plant
		GSMI Cabuyao Plant
		GSMI Mandaue Plant
		GSMI Sta. Barbara Plant
	Food	B-Meg Plant - Bataan 1
		B-Meg Plant - Bataan 2
		B-Meg Plant - Bukidnon
		B-Meg Plant - Bulacan
		B-Meg Plant - Cebu
		B-Meg Plant - Davao del Sur
		B-Meg Plant - Iloilo 2
		B-Meg Plant - Isabela 1 & 2
		B-Meg Plant - Leyte
		B-Meg Plant - Misamis Oriental 2
		B-Meg Plant - Pangasinan
		B-Meg Plant - Tarlac
		PHC Cavite Plant 1
		PHC Cavite Plant 2
		Ready-to-Eat Plant
		Poultry Bataan (tolled)
		PureBev International Corporation (tolled)
	Petron	Amlan Terminal
		Bacolod Terminal
		Batangas Terminal
		Bawing Terminal
		Davao Terminal
		Iligan Terminal
		Iloilo Terminal
		Jimenez Terminal
		JOCASP
		Legazpi Terminal
		Limay Refinery
		Limay Terminal
		Mactan Terminal
		Mandaue Terminal
		Nasipit Terminal
		Navotas Terminal
		New Lube Oil Blending Plant
		Ormoc Terminal
		Palawan Terminal
		Pasacao Terminal
		Pasig Terminal
		Poro Terminal
		Rosario Terminal
		Roxas Terminal
		San Fernando Terminal
		Subic Blending Plant

		Tacloban Terminal
		Tagbilaran Terminal
		Tagoloan Terminal
		Zamboanga Terminal
	Power	Limay Power Plant
		Malita Power Plant
		Mariveles Power Plant
	Infrastructure	Manila Toll Expressway Systems, Inc.
		Skyway Operations & Maintenance Corp.
	Cement	Eagle Bulacan Plant
		NCC Pangasinan Plant
	SMCSL	Harbor Center
	SMITS	SMC Data Management Center
ISO 14001:2015 Environmental Management Systems	GSMI	EPSBPI Ligao Plant
		GSMI Cabuyao Plant
		GSMI Mandaue Plant
		GSMI Sta. Barbara Plant
	Food	PHC Cavite Plant 1
		PHC Cavite Plant 2
	Petron	Amlan Terminal
		Bacolod Terminal
		Batangas Terminal
		Bawing Terminal
		Davao Terminal
		Iligan Terminal
		Iloilo Terminal
		Jimenez Terminal
		JOCASP
		Legazpi Terminal
		Limay Refinery
		Limay Terminal
		Mactan Terminal
		Mandaue Terminal
		Nasipit Terminal
		Navotas Terminal
		New Lube Oil Blending Plant
		Ormoc Terminal
		Palawan Terminal
		Pasacao Terminal
		Pasig Terminal
		Poro Terminal
		Rosario Terminal
		Roxas Terminal
		San Fernando Terminal
		Subic Blending Plant
		Tacloban Terminal
		Tagbilaran Terminal
		Tagoloan Terminal
		Zamboanga Terminal
	SMGP	Limay Power Plant
		Malita Power Plant
		Masinloc Power Plant
		Mariveles Power Plant

	Infrastructure	Manila Toll Expressway Systems, Inc.
		Skyway Operations & Maintenance Corp.
	Cement	Eagle Bulacan Plant
		NCC Pangasinan Plant
	SMCSL	Harbor Center
ISO 17025:2017 General Requirements for the Competence of Testing and Calibration Laboratories	SMB	Polo Brewery - Central Analytical Laboratory
ISO 22000:2018 Food Safety Management Systems	GSMI	EPSBPI Cauayan Plant
FSSC 22000 Food Safety System Certification	SMB	Polo Brewery
	GSMI	Distileria Bago, Inc.
	Food	Magnolia BMC Plant
		MPPP Davao del Sur
		MPPP Leyte
		PHC Cavite Plant 1
		PHC Cavite Plant 2
		Ready-to-Eat Plant
		SMMI Mabini
		SMMI Tabangao
		Poultry Bataan (tolled)
		Poultry Isabela (tolled)
		Poultry La Union (tolled)
		Poultry Lucena (tolled)
		PureBev International Corporation (tolled)
	Packaging	Can Asia, Inc.
		Cebu Glass Plant
		Metal Closure & Lithography Plant / Cebu
		Metal Closure & Lithography Plant / San Fernando
		Rightpak Plant
		San Fernando Beverage Packaging Plant
		SMY Glass Plant
ISO 22301:2019 Business Continuity Management Systems	Power	Malita Power Plant
ISO 45001:2018 Occupational Health & Safety Management System	GSMI	GSMI Mandaue Plant
	Petron	Amlan Terminal
		Bacolod Terminal
		Batangas Terminal
		Bawing Terminal
		Davao Terminal
		Iligan Terminal
		Iloilo Terminal
		Jimenez Terminal
		JOCASP
		Legazpi Terminal
		Limay Refinery
		Limay Terminal
		Mactan Terminal
		Mandaue Terminal
		Nasipit Terminal

		Navotas Terminal
		New Lube Oil Blending Plant
		Ormoc Terminal
		Palawan Terminal
		Pasacao Terminal
		Pasig Terminal
		Poro Terminal
		Rosario Terminal
		Roxas Terminal
		San Fernando Terminal
		Subic Blending Plant
		Tacloban Terminal
		Tagbilaran Terminal
		Tagoloan Terminal
		Zamboanga Terminal
	Power	Limay Power Plant
		Malita Power Plant
		Mariveles Power Plant
		Masinloc Power Plant
	Infrastructure	Manila Toll Expressway Systems, Inc.
		Skyway Operations & Maintenance Corp.
	Cement	Eagle Bulacan Plant
		NCC Pangasinan Plant
	SMCSL	Harbor Center
ISO 50001:2018 Energy Management System	Cement	Eagle Bulacan Plant
ISPS CODE International Ship & Port Facility Security Code	Petron	Bacolod Terminal
		Batangas Terminal
		Bawing Terminal
		Davao Terminal
		Iligan Terminal
		Mactan Terminal
		Mandaue Terminal
		Navotas Terminal
		Ormoc Terminal
		Palawan Terminal
		Rosario Terminal
		Roxas Terminal
		Tagoloan Terminal
		Zamboanga Terminal
FSC-STD-40-004 V3-0 Forest Stewardship Council - Chain of Custody Certification	Packaging	Mindanao Corrugated Fibreboard, Inc.
HACCP	SMB	Bacolod Brewery
		Davao Brewery
		Mandaue Brewery
		Polo Brewery
		San Fernando Brewery
		Sta. Rosa Brewery
		Tagoloan Brewery
	GSMI	Distileria Bago, Inc.
	Food	Magnolia BMC Plant
		Magnolia Ice Cream Plant

		PHC Cavite Plant 1
		PHC Cavite Plant 2
		Ready-to-Eat Plant
		SMMI Mabini
		SMMI Tabangao
		Icy Point Cold Storage and Processing Corp. (tolled)
		Poultry Bacolod (tolled)
		Poultry Bataan (tolled)
		Poultry Butuan (tolled)
		Poultry Dumaguete (tolled)
		Poultry El Salvador (tolled)
		Poultry Iloilo (tolled)
		Poultry La Union (tolled)
		Poultry Lucena (tolled)
		Poultry Nueva Ecija (tolled)
		Poultry Pampanga (tolled)
		Poultry Rizal (tolled)
		Poultry Tagoloan (tolled)
		Poultry Tarlac (tolled)
		PureBev International Corporation (tolled)
GMP	SMB	Bacolod Brewery
		Davao Brewery
		Mandaue Brewery
		Polo Brewery
		San Fernando Brewery
		Sta. Rosa Brewery
		Tagoloan Brewery
	GSMI	Distileria Bago, Inc. (DBI)
	Food	Magnolia BMC Plant
		Magnolia Ice Cream Plant
		MPPP Camarines Sur
		MPPP Cebu
		MPPP Davao del Sur
		PHC Cavite Plant 1
		PHC Cavite Plant 2
		PHC Cavite Plant 3
		Ready-to-Eat Plant
		SMMI Mabini
		SMMI Tabangao
		Icy Point Cold Storage and Processing Corp. (tolled)
		Poultry Bacolod (tolled)
		Poultry Butuan (tolled)
		Poultry Iloilo (tolled)
		Poultry La Union (tolled)
		Poultry Lucena (tolled)
		Poultry Palawan (tolled)
		Poultry Rizal (tolled)
		Poultry Tagoloan (tolled)
		Poultry Tarlac (tolled)
		PureBev International Corporation (tolled)
HALAL	GSMI	Distileria Bago, Inc.
	Food	Magnolia Ice Cream Plant
		Icy Point Cold Storage and Processing Corp. (tolled)

	Packaging	Metal Closure & Lithography Plant / San Fernando
		Mindanao Corrugated Fibreboard, Inc.
		Rightpak Plant

10.5 List of Abbreviations

Abbreviation	Meaning
AI	Artificial Intelligence
AAP	Analytics and AI Association of the Philippines
ACGS	ASEAN Corporate Governance Scorecard
API	Application Programming Interface
ASEAN	Association of Southeast Asian Nations
ASIR	Annual Security Incident Report
BAI	Bureau of Animal Industry
BankCom	Bank of Commerce
BESS	Battery Energy Storage Systems
BI	Business Intelligence
BOP	Biodiversity Offset Program
BPS	Bureau of Philippine Standards
BU	Business Unit
CBA	Collective Bargaining Agreement
CBEX	Cavite-Batangas Expressway
CCR	Coal Combustion Residuals
CCS	Carbon Capture and Storage
CEO	Chief Executive Officer
CME	Coconut Methyl Ester
CO ₂	Carbon Dioxide
COO	Chief Operating Officer
COP29	29th UN Conference of the Parties
CSR	Corporate Social Responsibility
DA	Department of Agriculture
DEI	Diversity, Equity, and Inclusion
DENR	Department of Natural Resources
DOH	Department of Health
DOLE	Department of Labor and Employment
DPA	Data Privacy Act
DPO	Data Protection Officer
DTI	Department of Trade and Industry
ECC	Eagle Cement Corporation
EnMS	Energy Management System
EPR	Extended Producer Responsibility
ERC	Energy Regulatory Commission
ERM	Enterprise Risk Management
ESG	Environmental, Social, and Governance
FDA	Food and Drug Administration
GDP	Gross Domestic Product
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
GSM	Ginebra San Miguel
GSMI	Ginebra San Miguel Inc.
IP	Indigenous Peoples
ISO	International Organization for Standardization

IT	Information Technology
IUCN	International Union for Conservation of Nature
LED	Light Emitting Diode
LEED	Leadership in Energy and Environmental Design
LGU	Local Government Unit
LMDP	Leadership and Management Development Program
LNG	Liquefied Natural Gas
MFP	Mining Forest Program
MPSA	Mineral Production Sharing Agreement
MSME	Micro, Small, and Medium Enterprises
MWSS	Metropolitan Waterworks and Sewerage System
NAIAx	NAIA Expressway
NALEX	Northern Access Link Expressway
NBEX	Nasugbu-Bauan Expressway
NCC	Northern Cement Corporation
NDC	Nationally Determined Contribution
NGP	National Greening Program
NIST	National Institute of Standards and Technology
NMIA	New Manila International Airport
NMIS	National Meat Inspection Commission
NOx	Nitrogen Oxide
NPC	National Privacy Commission
OSH	Occupational Safety and Health
PAGASA	Philippine Atmospheric, Geophysical, and Astronomical Services Administration
PBR	Petron Bataan Refinery
PCX	Plastic Credit Exchange
PDEX	Philippine Dealing & Exchange Corp.
PET	Polyethylene terephthalate
POGG	Procurement and Operations Governance Group
PHC	The Purefoods-Hormel Corporation, Inc.
PSE	Philippine Stock Exchange
RE	Renewable Energy
SALEX	Southern Access Link Expressway
SASB	Sustainability Accounting Standards Board
SCII	Southern Concrete Industries, Inc.
SEC	Securities and Exchange Commission
SLEX	South Luzon Expressway
SMB	San Miguel Brewery, Inc.
SMC	San Miguel Corporation
SMCSL	SMC Shipping and Lighterage Inc.
SMEII	San Miguel Equity Investment Inc.
SMF	San Miguel Foods
SMFB	San Miguel Food and Beverage Inc
SMFI	San Miguel Foods, Inc.
SMGA	San Miguel Group Audit
SMGP	San Miguel Global Power Holdings Corp.
SMHC	San Miguel Holdings Corporation
SMILSI	San Miguel Integrated Logistics Services, Inc.
SMITS	San Miguel Information Technology Services, Inc.
SMMI	San Miguel Mills, Inc.
SMPI	San Miguel Properties Inc.
SMYGP	San Miguel Yamamura Glass Plant
SMYPC	San Miguel Yamamura Packaging Corporation

SOx	Sulfur Oxides
STAR	Southern Tagalog Arterial Road
TESDA	Technical Education and Skills Development Authority
TPLEX	Tarlac-Pangasinan-La Union Expressway
UN	United Nations
UN SDGs	United Nations Sustainable Development Goals

10.6 List of Measurements

Measurement	Meaning
%	Percent
B	Billion
GJ	Gigajoule
HA	Hectares
KG	Kilograms
kWh	Kilowatt-Hour
M3	Cubic Meter
MB	Mil Barrels or Thousand Barrels
ML	Million Liters
Mn	Million
MT	Metric Ton
MTPY	Metric Ton Per Year
MT CO ₂ e	Metric Ton of Carbon Dioxide Equivalent
MW	Megawatt
MWh	Megawatt-Hour
No.	Number
Php	Philippine Peso
PSI	Pounds per Square Inch
USD	US Dollar

10.7 List of Filipino Word Translations

Filipino Word	English Translation
<i>Barangay</i>	The smallest administrative division in the Philippines, which is a common unit of engagement for community initiatives and programs.
<i>Brigada Eskwela</i>	The term "Brigada Eskwela," translated in English as "School Brigade," is a nationwide initiative in the Philippines promoting volunteerism and collective community action to prepare public elementary and high schools for the upcoming school year. It is a collaborative effort where teachers, parents, students, and various community members clean, repair, and beautify schools, including tasks like painting, fixing furniture, and landscaping. Additionally, the initiative emphasizes the importance of readiness for emergencies by assembling emergency kits and conducting safety drills, showcasing the Filipino community's dedication to providing a secure and nurturing learning environment for children.
<i>Kalikasan</i>	The Filipino word "kalikasan" refers to nature or Mother Earth. It is a term that is deeply ingrained in Filipino culture, as our country is known for its diverse and rich natural resources, including its forests, mountains, and bodies of water. It highlights the importance of preserving and protecting the natural world for future generations. It is a word that evokes a sense of awe and appreciation for the beauty and complexity of the natural world, as well as a sense of responsibility to protect it.

<i>Kalinga</i>	The Filipino word "kalinga" is a word that connotes care or compassion for people, particularly for those who are vulnerable or in need. The concept of <i>kalinga</i> embodies the Filipino value of <i>bayanihan</i> or collective effort, which is the Filipino tradition of community and mutual support, especially in times of challenges. <i>Kalinga</i> also means protecting or guarding, especially keeping someone safe from harm or danger.
<i>Kasaganahan</i>	The Filipino word "kasaganahan" refers to abundance, prosperity, or plenty. It is a word that conveys a sense of great prosperity, whether in terms of resources or opportunities. <i>Kasaganahan</i> is a word that is often used to describe the potential for growth and development in the Philippines. The word further embodies the Filipino value of optimism and resilience, as it suggests a belief in the abundance of opportunities and resources available to those who work hard and persevere in life. Overall, <i>kasaganahan</i> celebrates the abundance and richness of life and encourages people to be generous and giving towards others.
<i>Kumustahan</i>	"Kumustahan" is the Filipino tradition of checking in with care and intention. More than a casual greeting, it's a cultural practice that fosters open communication, mutual support, and emotional well-being. In the workplace, <i>kumustahan</i> encourages a culture of empathy and connection—creating space for honest conversations, building trust, and strengthening relationships. It is a simple yet meaningful way to promote mental health, inclusion, and a sense of belonging—key elements in a sustainable, people-centered organization.
<i>Malasakit</i>	"Malasakit" is a Filipino term that embodies the concepts of empathy, compassion, and genuine concern for others. It reflects a deep sense of caring and a commitment to go above and beyond in helping and understanding the needs of the community, colleagues, and individuals, driving actions aimed at their welfare and well-being.
<i>Padayon</i>	"Padayon" means to continue, to carry on, or to keep moving forward—especially in the face of difficulty, uncertainty, or change.
<i>Saribuhay</i>	"Saribuhay" is a Filipino term for biodiversity. It combines <i>sari</i> , meaning "diverse" or "varied," and <i>buhay</i> , meaning "life." It speaks to the richness and interconnectedness of all forms of life—human, animal, and ecological. It reflects a deep respect for biodiversity and a recognition that every life form plays a role in sustaining a balanced and thriving environment.

10.8 Complete 2024 ESG Awards

GRI 3-2

Recipient of Award (Business Unit)	Award Giving Body	Name of Award
San Miguel Corporation	3G Awards	3G Championship Award for CSR
	3G Awards	3G Excellence in Sustainability Reporting Award
	Climate Change Hero Award 2024	Awarded to Ramon S. Ang
	Institute of Corporate Directors	Golden Arrow Award
	The Asset ESG Corporate Awards 2024	Best Initiative in Environmental Responsibility for 'Biodiversity Offset Program'
	The Asset ESG Corporate Awards 2024	Best Initiative in Social Responsibility for 'Better World Smokey Mountain'
	The Asset ESG Corporate Awards 2024	Titanium Award
	The Asset Triple A Sustainable Infrastructure Awards 2024	Renewable Energy Deal of the Year for Battery Energy Storage Systems
	The Asset Triple A Sustainable Infrastructure Awards 2024	Transport Deal of the Year

	The Asset Triple A Sustainable Infrastructure Awards 2024	Transport Sponsor of the Year
	The Pinnacle 16th Annual Global CSR and ESG Summit and Awards	Best Community Programme Award for Petron's 'Tulong Aral' and Engineering Scholarship Program
	The Pinnacle 16th Annual Global CSR and ESG Summit and Awards	Community and Women Empowerment - Better World Tondo
	U.N. Global Compact Network Philippine SDG Awards 2024	SDG Award for Planet for Biodiversity in Dampalit, A Biodiversity Offset Program
	U.N. Global Compact Network Philippine SDG Awards 2024	SDG Award for Prosperity for SMC River Rehabilitation Program
San Miguel Food and Beverage Inc.	2024 ACGS Recognition Award	Three Golden Arrows
	2024 ACGS Recognition Award	Three Golden Arrows
San Miguel Brewery, Inc.	City Government of San Fernando's City Environment and Natural Resources Office	1st Place, Manufacturing (Large Scale) Sustainable and Eco-Friendly Business Establishments - San Fernando Brewery
	City of Santa Rosa Laguna	Certificate of Appreciation: Narra Sponsor
	City of Santa Rosa Laguna	Plaque of Recognition: Earth Hour Advocate
	City of Santa Rosa Laguna	Plaque of Recognition: Sustainable Development Partner
	EGIP Foundation	Plant Hope, Plant Trees Significant Contribution - Davao Brewery
	NCH Asia Pacific	Certificate of Recognition: Sustainability Partnership Program - Sta Rosa Brewery and San Fernando Brewery
	Office of the Vice President	A Million Learners and Trees Campaign Active Participation - Davao Brewery
	Tribal Council of Bagobo - Tagabawa Community	School of Living Tradition Major Cooperator Plaque of Appreciation-Davao Brewery
San Miguel Foundation	Metropolitan Manila Development Authority (MMDA) and the Philippine National Volunteer Service Coordinating Agency (PNVSCA)	Outstanding Volunteer Organization - Team <i>Malasakit</i> for exemplary volunteer services as a Non-Profit Organization
Ginebra San Miguel Corporation	46th Catholic Mass Media Awards 2024	Best TV-Ad Branded - 'Lamang ang May Tapang sa One Ginebra Nation'
	IWSC Awards (International Wine & Spirit Competition)	Bronze - 1834 Premium Distilled Gin, GSM Premium Gin, Vino Kulafu, Antonov Vodka
	IWSC Awards (International Wine & Spirit Competition)	Silver - Gin & Tonic Award: 1834 Premium Distilled Gin
	IWSC Awards (International Wine & Spirit Competition)	Silver - Primera Light Brandy
	Monde Selection Quality Awards	Bronze - GSM Blue Flavors Margarita
	Monde Selection Quality Awards	Gold & International High Trophy - GSM Premium Gin
	Monde Selection Quality Awards	Gold - Ginebra San Miguel, Antonov Vodka, Vino Kulafu
	Monde Selection Quality Awards	Grand Gold & International High Trophy - 1834 Premium Distilled Gin
	Monde Selection Quality Awards	Silver - GSM Blue Flavors Mojito, GSM Blue Flavors Gin Pomelo, GSM Blue Light Gin, Primera Light Brandy
	SIP Awards (Spirits International Prestige-International Spirits Competition)	Double Gold - GSM Premium Gin, GSM Blue Flavors Gin Pomelo

	SIP Awards (Spirits International Prestige-International Spirits Competition)	Gold - Vino Kulafu, GSM Blue Flavors Mojito, GSM Blue Flavors Margarita, GSM Blue Light Gin, Primera Light Brandy
	SIP Awards (Spirits International Prestige-International Spirits Competition)	Silver & Innovation Award - Premium Distilled Gin
	SIP Awards (Spirits International Prestige-International Spirits Competition)	Silver - Ginebra San Miguel, Antonov Vodka
Packaging	City Government of San Fernando thru City Environment and Natural Resources Office	Recognition - 1st Place for Manufacturing (Non-Food) Large Scale - Metal Closures & Lithography Plant
	City Government of San Fernando thru City Health Office	Grand Winner Healthy Workplaces for Medium Category - Metal Closures & Lithography Plant San Fernando
	Department of Education - Region IV-A Calabarzon	Outstanding Stakeholder - SMY Glass Plant
	Department of Environment & Natural Resources Environmental Management Bureau 7	Certificate of Appreciation - Exhibitor during the 2024 Solid Waste Management Summit - Cebu Glass Plant
	Department of Environment & Natural Resources Environmental Management Bureau 7	Certificate of Recognition - Participation in the International Coastal Cleanup - Cebu Glass Plant
	Department of Environment and Natural Resources - Environment Management Bureau	Plaque of Recognition - Environmental Stewardship - San Fernando Beverage Packaging Plant
	Local Government Unit - City Government of San Fernando	1st Place - Healthy Work Place Award - Industrial Category
	Local Government Unit - City Government of San Fernando	1st Place - Search for Most Sustainable and Eco-Friendly Establishment - Industrial Category
	Mindanao Association for Quality (MAQ), Inc.	42nd Regional Quality Circles Convention - Mindanao Corrugated Fibreboard, Inc.
	Philippine Chamber of Commerce and Industry (PCCI)	Finalist - 2024 Excellence in Ecology and Economy Awards - SMY Glass Plant
	Philippine Society for Quality (PSQ)	International Quality and Productivity Convention (IQPC) 2024 Excellence Award - Rightpak Plant, Metal Closure & Lithography Plant San Fernando, Manila Glass Plant, SMY Glass Plant, Manila Plastics Plant, SMC Yamamura Fuso Molds Corporation, San Fernando Beverage Packaging Plant, Logistics Services, Can Asia, Inc.
	Pollution Control Association of the Philippines, Inc. (PCAPI)	Certificate of Recognition for Mother Nature Award - SMY Glass Plant
	Pollution Control Association of the Philippines, Inc. (PCAPI)	Mother Nature Award - San Fernando Beverage Packaging Plant
	Pollution Control Association of the Philippines, Inc. (PCAPI)	PCAPI Certificate of Recognition Success Story Award - Water Reuse Gob Chute Cooling System using Effluent from Wastewater Treatment Facility - Cebu Glass Plant
	Pollution Control Association of the Philippines, Inc. (PCAPI)	Success Story Award - Metal Closures & Lithography Plant
	Pollution Control Association of the Philippines, Inc. (PCAPI)	Success Story Award - Reduction of Solid Waste - San Fernando Beverage Packaging Plant

	Pollution Control Association of the Philippines, Inc. (PCAPI)	Success Story Award: Project 'Process-based Approach to Sustainability' - SMY Glass Plant
	Pollution Control Association of the Philippines, Inc. (PCAPI)	Success Story Award: Water Conservation Initiatives - SMC Yamamura Fuso Molds Corporation
	Pollution Control Association of the Philippines, Inc. (PCAPI)	Top Pollution Control Officer Award - San Fernando Beverage Packaging Plant
	Quality and Productivity Association of the Philippines (QPAP), Inc.	41st Productivity Improvement Circles National Convention (PICNC) 2024 Excellence Award - All SMYPC Domestic Plants
	Safety Organization of the Philippines	Perfect Safety Record Award - Metal Closures & Lithography Plant San Fernando (Without Lost Time Accident from July 15, 2022, to August 31, 2024)
	Safety Organization of the Philippines	Ten Outstanding Safety Practitioners of 2023 - Metal Closures & Lithography Plant San Fernando
	Safety Organization of the Philippines (SOPI)	Award of Merit - Achieving 1,395,524 Safe Manhours without Lost Time Accident - Cebu Glass Plant
	Safety Organization of the Philippines (SOPI)	Project Safety Record: Achieving 1,395,524 Safe Manhours without Lost Time Accident - Cebu Glass Plant
	Safety Organization of the Philippines, Inc.	Award of Merit - Achieving 1,076,608 safe man-hours without Lost Time Accident (LTA) - SMC Yamamura Fuso Molds Corporation
	Visayas Association for Quality and Productivity	24th Visayas Association for Quality and Productivity Regional Convention - Metal Closure & Lithography Plant Cebu and Cebu Glass Plant
Petron	Brand Finance	83rd most valuable brand in the ASEAN region
	Brand Finance	One of the 10 most valuable Filipino brands for 2024
	Brand Finance	The only oil company to also land in the top 10 in terms of Sustainability Perceptions Value
	Department of Labor and Employment	13th Gawad Kaligtasan at Kalusugan (GKK) Awards
	Department of Labor and Employment	National Bronze Award (Transportation & Storage Industry Category) - Petron Tagoloan Terminal
	Department of Labor and Employment	Special OSH Award (Industry Category) - Petron Zamboanga Terminal and Petron Bawing Terminal
	Institute of Corporate Directors	Golden Arrow Award
	Pinnacle Group International and Sustainable Technology Centre	Best Community Programme Award (Silver Category) for Tulong Aral ng Petron (TAP) and the Petron Refinery's Bataan Engineering Scholarship Program
	Workplace Advocates on Safety in the Philippines Incorporated (WASPI)	Safety Excellence Award - Petron Head Office, JOCASP, New Lube Oil Blending Plant, Pandacan Lube Oil Warehouse and Distribution (LWD), Subic Blending Plant,

		Poro, Bacolod, Mactan, Mandaue, Tacloban, Davao, Jimenez
San Miguel Global Power	Asia Corporate Excellence & Sustainability (ACES) Awards 2024	Green Initiative Award
	Asian Power Awards 2024	ESG Programme of the Year - Philippines
	Asian Power Awards 2024	Information Technology Project of the Year - Philippines
	Asian Power Awards 2024	Power Utility of the Year - Philippines
	Asian Power Awards 2024	R&D Project of the Year - Philippines
	Asian Water Awards 2024	Water Conservation Initiative of the Year - Philippines
	Asian Water Awards 2024	Water Reuse and Recycling Project of the Year - Philippines
	ESG Business Awards 2024	Carbon Disclosure Award - Philippines
	ESG Business Awards 2024	Marine Conservation Award - Philippines
	The Annual Global Economic Awards 2024	Best ESG Practices for Sustainable Development - Utility and Energy - Philippines
	The Annual Global Economic Awards 2024	Outstanding Diversified Power Generation Company - Philippines
	World Business Outlook Awards 2024	Leading Power Generation Company in the Philippines
San Miguel Holdings Corp.	Integrated Bar of the Philippines (IBP) Quezon City Chapter	Legal Aid Advocate
	CENRO-Guiguinto	Certificate of Participation - Luzon Clean Water Development Corporation (LCWDC)
	Department of Environment and Natural Resources (DENR) NCR	Plaque of Appreciation - Skyway O&M Corporation
	Department of Labor and Employment (DOLE) Region 3	13th GKK Best Practice Award for Emergency Preparedness Program -Luzon Clean Water Development Corporation (LCWDC)
	Metropolitan Waterworks and Sewerage Systems (MWSS)	Champion of Trees - Luzon Clean Water Development Corporation (LCWDC)
	Metropolitan Waterworks and Sewerage Systems (MWSS)	Plaque of Recognition - Luzon Clean Water Development Corporation (LCWDC)
	Skyway O&M Corporation: Bagong Tanyag Elem School	Certificate of Appreciation
	Skyway O&M Corporation: Department of Environment and Natural Resources (DENR) NCR	Plaque of Appreciation
	Skyway O&M Corporation: DepEd Taguig City Schools Division	Plaque of Appreciation
	STAR Tollway Corporation (STC): Land Transportation Office	Plaque of Appreciation
	TPLEX Operations & Maintenance Corp. (TOMCO): Department of Transportation Toll Regulatory Board (TRB)	Certificate of Appreciation
San Miguel Aerocity Inc. (SMAI)	Stewardship Asia Centre	Steward Leadership 25 - Recognizing Steward Leadership Excellence in Asia-Pacific at Pan Pacific Singapore

Eagle Cement Corporation	Environmental Management Bureau Region 3	Plaque of Recognition for its Clean Up Drive during Earth Month Celebration with the theme: Planet vs. Plastics
	Mining Forest Program-National Executive Committee	1st Runner-up, Best Mining Forest Contest - Non-Metallic Category
	PMIEA Selection Committee	Presidential Mineral Industry Environmental Award - Quarry Operation Category
Northern Cement Corporation	DENR Region 1	Best Performing Mining Contractor
	DENR Region 1	Outstanding Private Sector Environmental Partner on Air and Water Quality Management
	DENR-MGB	Presidential Mineral Industry Environmental Award (Quarry Operation Category)
	PMIEA and DENR-MGB	PMIEA and DENR-MGB Fire Extinguishment Competition (2nd Runner-up)

10.9 Materiality Indices

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2-9	Governance structure and composition	27 – 28; The composition of the highest governance body is disclosed in the SMC Integrated Annual Corporate Governance Report, which can be found on the Company website at https://www.sanmiguel.com.ph/disclosures/annual-corporate-governance-report-acgr
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2-11	Chair of the highest governance body	27 – 28; The chair of the highest governance body is disclosed in the SMC Integrated Annual Corporate Governance Report, which can be found on the Company website at https://www.sanmiguel.com.ph/disclosures/annual-corporate-governance-report-acgr
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2-16	Communication of critical concerns	21 – 23, 68 – 69, 90 – 91
2-17	Collective knowledge of the highest governance body	71 – 80; The profiles of the Directors are disclosed in the SMC Integrated Annual Corporate Governance Report, which can be found on the Company website at https://www.sanmiguel.com.ph/disclosures/annual-corporate-governance-report-acgr
2-18	Evaluation of the performance of the highest governance body	Evaluation of the performance of the highest governance body is disclosed

		in the SMC Integrated Annual Corporate Governance Report, which can be found on the Company website at https://www.sanmiguel.com.ph/disclosures/annual-corporate-governance-report-acgr
2-19	Remuneration policies	Remuneration policies for the highest governance body and officers are disclosed in the SMC Integrated Annual Corporate Governance Report, which can be found on the Company website at https://www.sanmiguel.com.ph/disclosures/annual-corporate-governance-report-acgr
2-20	Process to determine remuneration	Process to determine remuneration is disclosed in the SMC Integrated Annual Corporate Governance Report, which can be found on the Company website at https://www.sanmiguel.com.ph/disclosures/annual-corporate-governance-report-acgr
2-21	Annual total compensation ratio	SMC regards the salaries of individual employees as highly confidential data. Thus, SMC cannot disclose this information or any related details in the Sustainability Report
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201-3	Defined benefit plan obligations and other retirement plans	This information is disclosed in the SMC FY 2024 17-A, which can be found on the Company’s website at https://www.sanmiguel.com.ph/disclosures/17-a
201-4	Financial assistance received from government	This information is disclosed in the SMC FY 2024 17-A, which can be found on the Company’s website at https://www.sanmiguel.com.ph/disclosures/17-a
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205-2	Communication and training about anti-corruption policies and procedures	90 – 91, 113
205-3	Confirmed incidents of corruption and action taken	90 – 91
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206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No legal proceedings on anti-competitive behavior or breaches of anti-trust and monopoly law were brought against SMC in the reporting year
GRI 207: Tax 2019		
207-1	Approach to tax	This information is disclosed in the SMC FY 2024 17-A, which can be found on the Company’s website at https://www.sanmiguel.com.ph/disclosures/17-a
207-2	Tax governance, control, and risk management	This information is disclosed in the SMC FY 2024 17-A, which can be found on the Company’s website at https://www.sanmiguel.com.ph/disclosures/17-a
207-3	Stakeholder engagement and management of concerns related to tax	This information is disclosed in the SMC FY 2024 17-A, which can be found on the Company’s website at https://www.sanmiguel.com.ph/disclosures/17-a
207-4	Country-by-country reporting	This information is disclosed in the SMC FY 2024 17-A, which can be found on the Company’s website at https://www.sanmiguel.com.ph/disclosures/17-a
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April 15, 2024

Philippine Dealing & Exchange Corp.
29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City 1226

Attention: Atty. Suzy Claire R. Selleza
Head – Issuer Compliance and Disclosure Department
Philippine Dealing & Exchange Corp.

Gentlemen:

We submit herewith the attached Annual Report (SEC FORM 17-A) for the period ended December 31, 2024 with the Audited Separate/Parent Financial Statements of the Company.

Very truly yours,


MARY ROSE S. TAN
Assistant Corporate Secretary

Roland G. Nethercott

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Atty. Mary Rose S. Tan
AVP-Associate General Counsel
Office of the General Counsel
San Miguel Corporation
40 San Miguel Avenue,
1550 Mandaluyong City
Tel No. +6326322818
Fax No. +6326323866

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2. General Information Sheet (GIS-Non-stock)
3. General Information Sheet (GIS- Foreign stock & non-stock)
4. Broker Dealer Financial Statements (BDFS)
5. Financing Company Financial Statements (FCFS)
6. Investment Houses Financial Statements (IHFS)
7. Publicly – Held Company Financial Statement
8. General Form for Financial Statements
9. Financing Companies Interim Financial Statements (FCIF)
10. Lending Companies Interim Financial Statements (LCIF)

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SECURITIES AND EXCHANGE COMMISSION

SEC Headquarters, 7907 Makati Avenue,
Salcedo Village, Barangay Bel-Air, Makati City,
1209, Metro Manila, Philippines

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SAN MIGUEL CORPORATION

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR SEPARATE FINANCIAL STATEMENTS

The management of San Miguel Corporation (the "Company") is responsible for the preparation and fair presentation of the separate financial statements, including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

R. G. Manabat & Co., the independent auditor appointed by the stockholders, has audited the separate financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

RAMON S. ANG
Chairman and
Chief Executive Officer

JOHN PAUL L. ANG
President and
Chief Operating Officer

BRYAN U. VILLANUEVA
Chief Finance Officer

Signed this 13th day of March 2025

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MANDALUYONG) S.S

BEFORE ME, a Notary Public for and in Mandaluyong City, this 13th day of March 2025, personally appeared the following:

Name	Passport No.	Date of issue	Place of Issue
Ramon S. Ang	P2247867B	May 22, 2019	DFA Manila
John Paul L. Ang	P2247864B	May 22, 2029	DFA Manila
Bryan U. Villanueva	P8559308B	December 23, 2021	DFA-Manila

known to me to be the same persons who executed the foregoing instrument and they acknowledged to me that the same is their free and voluntary act and deed and that of the corporation they represent.

IN WITNESS WHEREOF, I have hereunto affixed my notarial seal on the date and place first above written.

Doc. No.: 443 ;
Page No.: 90 ;
Book No.: II ;
Series of 2025.


IRENE M. CIPRIANO
Commission No. 0221-24
Notary Public for Mandaluyong City
Until December 31, 2025
SMC, 40 San Miguel Ave., Mandaluyong City
Roll of Attorneys No. 45955
PTR No. 3272758; 01/08/2025; Mandaluyong City
IBP Lifetime Member No. 09482; 01/05/11; Q.C.
MCLE Compliance No. VIII-0008465; 05/07/24; Pasig City



SAN MIGUEL CORPORATION

SEPARATE FINANCIAL STATEMENTS
December 31, 2024 and 2023

With Independent Auditors' Report



R.G. Manabat & Co.
The KPMG Center, 6/F
6787 Ayala Avenue, Makati City
Philippines 1209
Telephone +63 (2) 8885 7000
Fax +63 (2) 8894 1985
Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
San Miguel Corporation
No. 40 San Miguel Avenue
Mandaluyong City

Opinion

We have audited the separate financial statements of San Miguel Corporation (the Company), which comprise the separate statements of financial position as at December 31, 2024 and 2023, and the separate statements of income, separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the years then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at December 31, 2024 and 2023, and its unconsolidated financial performance and its unconsolidated cash flows for the years then ended, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the separate financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until September 20, 2026
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025
IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024 financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)
BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024 financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



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

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

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

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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

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

The engagement partner on the audit resulting in this independent auditors' report is Darwin P. Virocel.

R.G. MANABAT & CO.

DARWIN P. VIROCEL
Partner

CPA License No. 0094495

SEC Accreditation No. 94495-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and up to audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

Tax Identification No. 912-535-864

BIR Accreditation No. 08-001987-031-2022

Issued June 27, 2022; valid until June 27, 2025

PTR No. MKT 10467159

Issued January 2, 2025 at Makati City

April 15, 2025
Makati City, Metro Manila

SAN MIGUEL CORPORATION
SEPARATE STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
(In Millions)

	<i>Note</i>	2024	2023
ASSETS			
Current Assets			
Cash and cash equivalents	4, 5, 29, 30	P59,463	P56,582
Receivables - net	4, 6, 23, 25, 29, 30	118,551	100,666
Prepaid expenses and other current assets	23, 29, 30	5,463	6,001
Total Current Assets		183,477	163,249
Noncurrent Assets			
Investments and advances - net	4, 7, 29, 30	1,052,450	1,012,522
Property, plant and equipment - net	4, 8	1,550	1,648
Right-of-use assets - net	4, 9	242	322
Investment property - net	4, 10	746	737
Noncurrent receivables - net	4, 11, 23, 29, 30	6,232	6,220
Deferred tax assets - net	4, 16	5,700	3,652
Other noncurrent assets	4, 12, 29, 30	2,825	1,543
Total Noncurrent Assets		1,069,745	1,026,644
		P1,253,222	P1,189,893
LIABILITIES AND EQUITY			
Current Liabilities			
Loans payable	13, 21, 28, 29, 30	P67,226	P21,300
Accounts payable and accrued expenses	14, 23, 24, 28, 29, 30	17,520	17,117
Income and other taxes payable	16	1,815	1,467
Subscriptions payable	7, 23, 29, 30	1,365	1,890
Dividends and distributions payable	23, 26, 28, 29, 30	3,786	3,068
Current maturities of long-term debt - net of debt issue costs	15, 28, 29, 30	8,073	127,783
Total Current Liabilities		99,785	172,625
Noncurrent Liabilities			
Long-term debt - net of current maturities and debt issue costs	15, 28, 29, 30	618,221	454,610
Other noncurrent liabilities	23, 24, 25, 28, 29, 30	1,728	1,077
Total Noncurrent Liabilities		619,949	455,687
Total Liabilities		719,734	628,312
Equity			
	17		
Capital stock - common		16,443	16,443
Capital stock - preferred		10,187	10,187
Additional paid-in capital		177,442	177,468
Capital securities		29,071	29,071
Equity reserves	7, 25, 30	(527)	(576)
Retained earnings	26	410,535	438,651
Treasury stock		(109,663)	(109,663)
Total Equity		533,488	561,581
		P1,253,222	P1,189,893

See Notes to the Separate Financial Statements.

SAN MIGUEL CORPORATION
SEPARATE STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Millions, Except Per Share Data)

	<i>Note</i>	2024	2023
REVENUES			
Dividend and distribution income	7	P34,486	P15,788
Sale of services	23	15,531	10,840
Interest income	5, 22, 25	4,174	5,539
Rent income	4, 10, 23, 24	352	353
Gain on sale of investment property, intangible assets and others	8, 10, 12	794	70
		55,337	32,590
EXPENSES			
Costs and expenses	18, 19, 20, 23, 24	15,507	10,797
Interest expense and other financing charges	13, 15, 21, 24, 25	40,642	37,811
Loss (gain) on foreign exchange - net	7, 29	15,327	(2,041)
Loss on derivatives - net	30	332	392
		71,808	46,959
LOSS BEFORE INCOME TAX		(16,471)	(14,369)
INCOME TAX EXPENSE (BENEFIT)	16	(1,673)	2,592
NET LOSS		(P14,798)	(P16,961)
Basic and Diluted Loss Per Common Share			
	27	(P10.28)	(P9.83)

See Notes to the Separate Financial Statements.

SAN MIGUEL CORPORATION
SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Millions)

	<i>Note</i>	2024	2023
NET LOSS		(P14,798)	(P16,961)
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified to profit or loss			
Remeasurement gain (loss) on defined benefit retirement plan	25	(309)	557
Income tax benefit (expense)	16	77	(139)
		(232)	418
Net gain on financial assets at fair value through other comprehensive income	7	576	1,443
Income tax expense	16	(16)	(14)
		560	1,429
Item that may be reclassified to profit or loss			
Net loss on cash flow hedges	30	(372)	(167)
Income tax benefit	16	93	42
		(279)	(125)
OTHER COMPREHENSIVE INCOME - Net of tax		49	1,722
TOTAL COMPREHENSIVE LOSS - Net of tax		(P14,749)	(P15,239)

See Notes to the Separate Financial Statements.

SAN MIGUEL CORPORATION
SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Millions)

	Note	Capital Securities					Equity Reserve					Total Equity			
		Capital Stock			Additional Paid-in Capital	Senior Capital Securities		Redeemable Perpetual Securities	Reserve for Retirement Plan	Hedging Reserve	Fair Value Reserve		Retained Earnings	Treasury Stock	
		Common	Preferred			Capital Securities	Common							Preferred	
As at January 1, 2024		P16,443	P10,187	P177,468	P24,211	P4,860	(P2,035)	(P402)	P1,861	P438,651	(P67,093)	(P42,570)	P561,581		
Remeasurement loss on defined benefit retirement plan	25	-	-	-	-	-	(232)	-	-	-	-	-	(232)		
Net loss on cash flow hedges	30	-	-	-	-	-	-	(279)	-	-	-	-	(279)		
Net gain on financial assets at fair value through other comprehensive income	7	-	-	-	-	-	-	-	560	-	-	-	560		
Other comprehensive income (loss)		-	-	-	-	-	(232)	(279)	560	-	-	-	49		
Net loss		-	-	-	-	-	(232)	(279)	560	(14,798)	-	-	(14,798)		
Total comprehensive income (loss)		-	-	-	-	-	(232)	(279)	560	(14,798)	-	-	(14,749)		
Share issuance costs from re-issuance of treasury shares	17	-	-	(26)	-	-	-	-	-	-	-	-	(26)		
Cash dividends and distributions:	26	-	-	-	-	-	-	-	-	(3,337)	-	-	(3,337)		
Common		-	-	-	-	-	-	-	-	(7,687)	-	-	(7,687)		
Preferred		-	-	-	-	-	-	-	-	(2,102)	-	-	(2,102)		
Senior perpetual capital securities		-	-	-	-	-	-	-	-	(192)	-	-	(192)		
Redeemable perpetual securities		-	-	-	-	-	-	-	-	-	-	-	-		
As at December 31, 2024		P16,443	P10,187	P177,442	P24,211	P4,860	(P2,267)	(P681)	P2,421	P410,535	(P67,093)	(P42,570)	P533,488		
As at January 1, 2023		P16,443	P10,187	P177,719	P24,211	P8,820	(P2,453)	(P277)	P432	P485,048	(P67,093)	(P89,570)	P543,467		
Remeasurement gain on defined benefit retirement plan	25	-	-	-	-	-	418	-	-	-	-	-	418		
Net loss on cash flow hedges	30	-	-	-	-	-	-	(125)	-	-	-	-	(125)		
Net gain on financial assets at fair value through other comprehensive income	7	-	-	-	-	-	-	-	1,429	-	-	-	1,429		
Other comprehensive income (loss)		-	-	-	-	-	418	(125)	1,429	-	-	-	1,722		
Net loss		-	-	-	-	-	418	(125)	-	(16,961)	-	-	(16,961)		
Total comprehensive income (loss)		-	-	-	-	-	418	(125)	1,429	(16,961)	-	-	(15,239)		
Re-issuance of treasury shares - preferred	17	-	-	(251)	-	-	-	-	-	46,749	-	47,000	46,749		
Redemption of capital securities	17	-	-	-	-	(3,960)	-	-	-	(40)	-	-	(4,000)		
Cash dividends and distributions:	26	-	-	-	-	-	-	-	-	(3,337)	-	-	(3,337)		
Common		-	-	-	-	-	-	-	-	(3,788)	-	-	(3,788)		
Preferred		-	-	-	-	-	-	-	-	(2,007)	-	-	(2,007)		
Senior perpetual capital securities		-	-	-	-	-	-	-	-	(264)	-	-	(264)		
Redeemable perpetual securities		-	-	-	-	-	-	-	-	-	-	-	-		
As at December 31, 2023		P16,443	P10,187	P177,468	P24,211	P4,860	(P2,035)	(P402)	P1,861	P438,651	(P67,093)	(P42,570)	P561,581		

See Notes to the Separate Financial Statements.

SAN MIGUEL CORPORATION
SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Millions)

	<i>Note</i>	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		(P16,471)	(P14,369)
Adjustments for:			
Interest expense and other financing charges	13, 15, 21, 24, 25	40,642	37,811
Loss (gain) on foreign exchange - net		15,917	(2,711)
Depreciation, amortization and others - net	19, 25	306	99
Dividend and distribution income		(34,486)	(15,788)
Interest income	22, 25	(4,174)	(5,539)
Gain on sale of investment property, intangible assets and others	8, 10, 12	(794)	(70)
Operating income (loss) before working capital changes		940	(567)
Changes in noncash current assets, certain current liabilities and others	28	(12,218)	(9,600)
Cash used in operations		(11,278)	(10,167)
Dividends and distributions received	7	31,057	15,743
Income taxes paid	16	(219)	(284)
Net cash flows provided by operating activities		19,560	5,292
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Investments and advances	7	(43,363)	(189,611)
Property and equipment	8	(231)	(259)
Decrease (increase) in other noncurrent assets	12, 23	(1,305)	698
Proceeds of redemption of investment in preferred shares and capital securities	7	3,509	21,408
Interest received		3,163	5,099
Proceeds of sale of investment property, intangible assets and others	8, 10, 12	1,013	137
Collection of shareholder advances to subsidiaries		-	35,227
Net cash flows used in investing activities		(37,214)	(127,301)

Forward

	Note	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of:			
Short-term borrowings	28	P390,321	P352,100
Long-term borrowings	28	163,891	162,331
Payments of:			
Short-term borrowings	28	(344,298)	(385,927)
Long-term borrowings	28	(140,806)	(85,055)
Lease liabilities	24, 28	(93)	(82)
Interest expense and other financing charges paid	21	(37,876)	(35,346)
Cash dividends and distributions paid	26, 28	(12,600)	(9,314)
Share issuance costs from re-issuance of treasury shares		(26)	-
Net proceeds of re-issuance of treasury shares		-	46,749
Redemption of capital securities	17	-	(4,000)
Net cash flows provided by financing activities		18,513	41,456
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
		2,022	(123)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
		2,881	(80,676)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
	5	56,582	137,258
CASH AND CASH EQUIVALENTS AT END OF YEAR			
	5	P59,463	P56,582

See Notes to the Separate Financial Statements.

SAN MIGUEL CORPORATION
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
(Amounts in Millions, Except Per Share Data and Number of Shares)

1. Reporting Entity

San Miguel Corporation (SMC or the Company), a subsidiary of Top Frontier Investment Holdings, Inc. (Top Frontier or the Parent Company), was incorporated on August 21, 1913. On March 16, 2012, the Philippine Securities and Exchange Commission (SEC) approved the amendment of the Articles of Incorporation and By - Laws of the Company to extend the corporate term for another fifty (50) years from August 21, 2013, as approved on the March 14, 2011 and June 7, 2011 meetings of the Company's Board of Directors (BOD) and stockholders, respectively.

The Company has a corporate life of 50 years pursuant to its articles of incorporation. However, under the Revised Corporation Code of the Philippines, the Company shall have a perpetual corporate life.

The Company is a public company under Section 17.2 of the Securities Regulation Code. Its common and preferred shares are listed on The Philippine Stock Exchange, Inc. (PSE).

The Company, through its subsidiaries, is engaged in various businesses, including food and beverage, packaging, energy, fuel and oil, infrastructure, cement and real estate property management and development.

The registered office address of the Company is No. 40 San Miguel Avenue, Mandaluyong City, Philippines.

2. Basis of Preparation

Statement of Compliance

The accompanying separate financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards are based on IFRS Accounting Standards issued by the International Accounting Standards Board (IASB). PFRS Accounting Standards consist of PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine Interpretations issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC).

The Company also prepares and issues consolidated financial statements for the same period in which it consolidates its investment in shares of stock of subsidiaries and recognizes its equity in net earnings of its associates and joint ventures. Such consolidated financial statements provide information about the economic activities of the Company and its subsidiaries (collectively referred to as the "Group") of which SMC is the parent company and its interests in associates and joint ventures.

The separate financial statements were approved and authorized for issue in accordance with a resolution by the BOD on March 13, 2025.

Basis of Measurement

The separate financial statements of the Company have been prepared on a historical cost basis except for the following items which are measured on an alternative basis at each reporting date:

Items	Measurement Basis
Derivative financial instruments	Fair value
Financial assets at fair value through other comprehensive income (FVOCI)	Fair value
Defined benefit retirement liability	Present value of the defined benefit retirement obligation less the fair value of the plan assets

Functional and Presentation Currency

The separate financial statements are presented in Philippine Peso, which is the functional currency of the Company. All financial information is rounded off to the nearest million (000,000), except when otherwise indicated.

3. Material Accounting Policy Information

The accounting policies set out below have been applied consistently to all periods presented in the separate financial statements, except for the changes in accounting policies as explained below.

The FSRSC approved the adoption of a number of new and amendments to standards as part of PFRS Accounting Standards.

Adoption of Amendments to Standards

The Company has adopted the Classification of Liabilities as Current or Noncurrent - 2020 Amendments and Noncurrent Liabilities with Covenants - 2022 Amendments (Amendments to PAS 1, *Presentation of Financial Statements*) effective January 1, 2024. To promote consistency in application and clarify the requirements for determining whether a liability is current or noncurrent, the amendments:

- removed the requirement for a right to defer settlement of a liability for at least 12 months after the reporting period to be unconditional and instead require that the right must have substance and exist at the reporting date;
- clarified that only covenants with which the entity must comply on or before the reporting date affect the classification of a liability as current or noncurrent and covenants with which the entity must comply after the reporting date do not affect a liability's classification at that date;
- provided additional disclosure requirements for noncurrent liabilities subject to conditions within 12 months after the reporting period to enable the assessment of the risk that the liability could become repayable within 12 months; and
- clarified that settlement of a liability includes transferring an entity's own equity instruments to the counterparty, but conversion options that are classified as equity do not affect classification of the liability as current or noncurrent.

The adoption of the amendments to standards did not have a material effect on the separate financial statements.

New and Amendments to Standards Not Yet Adopted

A number of new and amendments to standards are effective for annual reporting periods beginning after January 1, 2024 and have not been applied in preparing the separate financial statements. Unless otherwise indicated, none of these are expected to have a significant effect on the separate financial statements.

The Company will adopt the following new and amendments to standards on the respective effective dates:

- Lack of Exchangeability (Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates*). The amendments clarify that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

When a currency is not exchangeable, an entity needs to estimate a spot rate. The objective in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how to estimate the spot exchange rate to meet the objective and an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments require new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements, including the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process, and risks to the entity because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted. Comparative information is not restated and the effect of initially applying the amendments are adjusted to the opening balance of retained earnings, or to the cumulative amount of translation differences if the entity uses a presentation currency other than its functional currency.

- Classification and Measurement of Financial Instruments (Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures*). The amendments clarify that financial assets and financial liabilities are recognized and derecognized on the settlement date, except for regular way purchases or sales of financial assets and financial liabilities that meet the conditions for an exception. The exception allows entities to elect to derecognize certain financial liabilities settled through an electronic payment system before the settlement date.

The amendments also provide guidelines for assessing the contractual cash flow characteristics of financial assets that include environmental, social, and governance-linked features and other similar contingent features.

Entities are required to disclose additional information about financial assets and financial liabilities with contingent features, and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

- PFRS 18, *Presentation and Disclosure in Financial Statements*, replaces PAS 1. The new standard introduces the following key requirements:
 - Entities are required to classify all income and expenses into five categories in the statement of income: operating, investing, financing, income tax, and discontinued operations. Subtotals and totals are presented in the statement of income for operating profit or loss, profit or loss before financing and income taxes, and profit or loss.
 - Management-defined performance measures are disclosed in a single note to the financial statements.
 - Enhanced guidance is provided on how to group information in the financial statements.

In addition, entities are required to use the operating profit or loss subtotal as the starting point for the statement of cash flows when presenting cash flows from operating activities under the indirect method.

PFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with retrospective application required. Early adoption is permitted.

The Company continues to assess the impact of the above new and amendments to standards effective subsequent to 2024 on the separate financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the separate financial statements when these amendments are adopted.

Current versus Noncurrent Classification

The Company presents assets and liabilities in the separate statements of financial position based on current and noncurrent classification. An asset is current when it is: (a) expected to be realized or intended to be sold or consumed in the normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realized within 12 months after the reporting period; or (d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

A liability is current when: (a) it is expected to be settled in the normal operating cycle; (b) it is held primarily for trading; (c) it is due to be settled within 12 months after the reporting period; or (d) there is no right to defer the settlement of the liability for at least 12 months after the reporting period.

The Company classifies all other assets and liabilities as noncurrent. Deferred tax assets and liabilities are classified as noncurrent.

Financial Instruments

Recognition and Initial Measurement. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Company recognizes a financial asset or a financial liability in the separate statements of financial position when it becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at the fair value of the consideration given or received. The initial measurement of financial instruments, except for financial assets and financial liabilities at fair value through profit or loss (FVPL), includes transaction costs.

Financial Assets

The Company classifies its financial assets at initial recognition, as subsequently measured at amortized cost, FVOCI and FVPL. The classification depends on the contractual cash flow characteristics of the financial assets and the business model of the Company for managing the financial assets.

Subsequent to initial recognition, financial assets are not reclassified unless the Company changes the business model for managing financial assets. All affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

The business model refers to how the Company manages the financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial Assets at Amortized Cost. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model with the objective of holding financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

The Company's cash and cash equivalents and receivables are included under this category (Notes 5, 6, 11, 23, 29 and 30).

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Financial Assets at FVOCI. At initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Financial assets at FVOCI are subsequently measured at fair value. Changes in fair value are recognized in other comprehensive income.

Dividend and distribution earned on holding an investment in equity instrument are recognized as dividend and distribution income in the separate statements of income when the right to receive payment has been established, unless the dividend and distribution clearly represents a recovery of the part of the cost of the investment. When investment in equity instruments at FVOCI is derecognized, the related accumulated gains or losses previously reported in the separate statements of changes in equity are never reclassified to the separate statements of income.

The Company's investments in equity instruments at FVOCI are classified under this category (Notes 7, 29 and 30).

Financial Assets at FVPL. All financial assets not classified as measured at amortized cost or FVOCI are measured at FVPL. This includes derivative financial assets that are not designated as cash flow hedge. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVPL.

At initial recognition, the Company may irrevocably designate a financial asset as at FVPL if the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on different bases.

The Company carries financial assets at FVPL using their fair values. Attributable transaction costs are recognized in the separate statements of income as incurred. Changes in fair value and realized gains or losses are recognized in the separate statements of income. Fair value changes from derivatives accounted for as part of an effective cash flow hedge are recognized in other comprehensive income and presented in the separate statements of changes in equity. Any interest earned from investment in debt instrument designated as at FVPL is recognized in the separate statements of income. Any dividend and distribution income from investment in equity instrument is recognized in the separate statements of income when the right to receive payment has been established, unless the dividend and distribution clearly represents a recovery of the part of the cost of the investment.

The Company's derivative assets that are not designated as cash flow hedge are classified under this category (Notes 29 and 30).

Financial Liabilities

The Company determines the classification of its financial liabilities, at initial recognition, in the following categories: financial liabilities at FVPL and financial liabilities at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Financial Liabilities at FVPL. Financial liabilities are classified under this category through the fair value option. Derivative instruments with negative fair values, except those covered by hedge accounting relationships, are also classified under this category.

The Company carries financial liabilities at FVPL using their fair values and reports fair value changes in the separate statements of income. Fair value changes from derivatives accounted for as part of an effective cash flow hedge are recognized in other comprehensive income and presented in the separate statements of changes in equity. Any interest expense incurred is recognized as part of "Interest expense and other financing charges" account in the separate statements of income.

The Company's derivative liabilities that are not designated as cash flow hedge are classified under this category (Notes 14, 23, 29 and 30).

Financial Liabilities at Amortized Cost. This category pertains to financial liabilities that are not designated or classified as at FVPL. After initial recognition, financial liabilities at amortized cost are measured using the effective interest method. Amortized cost is calculated by taking into account any premium or discount and any directly attributable transaction costs that are considered an integral part of the effective interest rate of the liability. The effective interest rate amortization is included in “Interest expense and other financing charges” account in the separate statements of income. Gains and losses are recognized in the separate statements of income when the liabilities are derecognized as well as through the amortization process.

Debt issue costs are considered as an adjustment to the effective yield of the related debt and are deferred and amortized using the effective interest method. When a loan is paid, the related unamortized debt issue costs at the date of repayment are recognized in the separate statements of income.

The Company's liabilities arising from its trade transactions or borrowings such as loans payable, accounts payable and accrued expenses, subscriptions payable, dividends and distributions payable, long-term debt and lease liabilities are included under this category (Notes 7, 13, 14, 15, 23, 24, 26, 29 and 30).

Derecognition of Financial Assets and Financial Liabilities

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

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; and either: (a) has transferred substantially all the risks and rewards of the asset; or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the separate statements of income.

Impairment of Financial Assets

The Company recognizes allowance for expected credit loss (ECL) on financial assets at amortized cost.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive), discounted at the effective interest rate of the financial asset, and reflects reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions.

The Company recognizes an allowance for impairment based on either 12-month or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company 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 Company's historical experience and informed credit assessment and including forward-looking information.

The Company recognizes lifetime ECLs for receivables that do not contain significant financing components. The Company uses provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the borrowers and the economic environment.

At each reporting date, the Company assesses whether financial assets 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 include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the restructuring of a financial asset by the Company on terms that the Company would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

The Company considers a financial asset to be in default when a counterparty fails to pay its contractual obligations, or there is a breach of other contractual terms, such as covenants.

The Company directly reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering the contractual cash flows on a financial asset, either partially or in full. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The ECLs on financial assets at amortized cost are recognized as allowance for impairment losses against the gross carrying amount of the financial asset, with the resulting impairment losses (or reversals) recognized in the separate statements of income.

Classification of Financial Instruments between Liability and Equity

Financial instruments are classified as liability or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

A financial instrument is classified as liability if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity;
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

Derivative Financial Instruments and Hedge Accounting

The Company uses derivative financial instruments, such as forwards, swaps and options to manage its exposure on foreign currency, interest rate and commodity price risks. Derivative financial instruments are initially recognized at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of derivatives that are not designated as hedging instruments are recognized in the separate statements of income.

Freestanding Derivatives

The Company designates certain derivatives as hedging instruments to hedge the exposure to variability in cash flows associated with recognized liabilities arising from changes in foreign exchange rates and interest rates.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedging instrument are expected to offset the changes in cash flows of the hedged item.

Cash Flow Hedge. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and presented in the "Hedging reserve" account in the separate statements of changes in equity. The effective portion of changes in the fair value of the derivative that is recognized in other comprehensive income is limited to the cumulative change in fair value of the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the separate statements of income.

The Company designates only the intrinsic value of options and the change in fair value of the spot element of forward contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the time value of options, the forward element of forward contracts and the foreign currency basis spread of financial instruments are separately accounted for as cost of hedging and recognized in other comprehensive income. The cost of hedging is removed from other comprehensive income and recognized in the separate statements of income, either over the period of the hedge if the hedge is time related, or when the hedged transaction affects the separate statements of income if the hedge is transaction related.

When the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is transferred and included in the initial cost of the hedged asset or liability. For all other hedged transactions, the amount accumulated in equity is reclassified to the separate statements of income as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the separate statements of income.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument expires, is sold, is terminated or is exercised, hedge accounting is discontinued prospectively. The amount that has been accumulated in equity is: (a) retained until it is included in the cost of non-financial item on initial recognition, for a hedge of a transaction resulting in the recognition of a non-financial item; or (b) reclassified to the separate statements of income as a reclassification adjustment in the same period or periods as the hedged cash flows affect the separate statements of income, for other cash flow hedges. If the hedged future cash flows are no longer expected to occur, the amounts that have been accumulated in equity are immediately reclassified to the separate statements of income.

The Company has outstanding derivatives accounted for as a cash flow hedge as at December 31, 2024 and 2023 (Note 30).

Investments in Shares of Stock of Subsidiaries

The Company's investments in shares of stock of subsidiaries are accounted for under the cost method. The investments are carried in the separate statements of financial position at cost less any impairment in value.

A subsidiary is an entity controlled by the Company. The 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.

Property, Plant and Equipment

Property, plant and equipment, except for land, are stated at cost less accumulated depreciation and any accumulated impairment in value. Such cost includes the cost of replacing part of the property, plant and equipment at the time the cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing. Land is stated at cost less impairment in value, if any.

The initial cost of property, plant and equipment comprises its construction cost or purchase price, including import duties, taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Cost also includes related asset retirement obligation (ARO), if any. Expenditures incurred after the asset has been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized as expense in the period the costs are incurred. Major repairs are capitalized as part of property, plant and equipment only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the items can be measured reliably.

Construction in progress (CIP) represents the amount of accumulated expenditures on unfinished and/or ongoing projects. This includes the costs of construction and other direct costs. Borrowing costs that are directly attributable to the construction of plant and equipment are capitalized during the construction period. CIP is not depreciated until such time that the relevant assets are ready for use.

Depreciation, which commence when the assets are available for their intended use, are computed using the straight-line method over the following estimated useful lives of the assets:

	Number of Years
Land improvements	5 - 50
Buildings and improvements	2 - 50
Equipment, furniture and fixtures	2 - 40
Leasehold improvements	5 - 50 or term of the lease, whichever is shorter

The remaining useful lives, residual values, and depreciation methods are reviewed and adjusted periodically, if appropriate, to ensure that such periods and methods of depreciation are consistent with the expected pattern of economic benefits from the items of property, plant and equipment.

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

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

An item of property, plant and equipment is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising from the retirement and disposal of an item of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the separate statements of income in the period of retirement and disposal.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether, throughout the period of use:

- the Company has the right to obtain substantially all the economic benefits from use of the identified asset; and
- the Company has the right to direct the use of the identified asset.

Company as a Lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date (i.e., the date the underlying asset is available for use). The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Buildings and improvements are depreciated over 10 years.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

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

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. The carrying amount of the lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognized in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases (i.e., leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. The Company recognizes the lease payments associated with these leases as rent expense on a straight-line basis over the lease term.

Company as Lessor

The Company determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is classified as a finance lease; if not, it is classified as an operating lease. As part of the assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Company applies PFRS 15, *Revenue from Contracts with Customers*, to allocate the consideration in the contract.

The Company recognizes lease payments received under operating leases as rent income on a straight-line basis over the lease term.

Investment Property

Investment property consists of property held to earn rentals and/or for capital appreciation but not for sale in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes. Investment property, except for land, is measured at cost including transaction costs less accumulated depreciation and any accumulated impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time the cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. Land is stated at cost less any impairment in value.

Depreciation, which commence when the assets are available for their intended use, are computed using the straight-line method over the following estimated useful lives of the assets:

	Number of Years
Land and land improvements	5 - 50 or term of the lease, whichever is shorter
Buildings and improvements	2 - 50

The useful lives, residual values and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

Investment property is derecognized either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains and losses on the retirement and disposal of investment property are recognized in the separate statements of income in the period of retirement and disposal.

Transfers are made to investment property when, and only when, there is an actual change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is an actual change in use, evidenced by commencement of the owner-occupation or commencement of development with a view to sell.

For a transfer from investment property to owner-occupied property or inventories, the cost of property for subsequent accounting is its carrying amount at the date of change in use. If the property occupied by the Company as an owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Impairment of Non-financial Assets

The carrying amounts of investments and advances (excluding financial assets at FVOCI), property, plant and equipment, right-of-use assets, investment property and intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists and if the carrying amount exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the separate statements of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the separate statements of income. After such a reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the separate financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the separate financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing the categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Provisions

Provisions are recognized when: (a) the Company has a present obligation (legal or constructive) as a result of past events; (b) it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate of the amount of the obligation can be made. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received. The amount recognized for the reimbursement shall not exceed the amount of the provision. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Capital Stock and Additional Paid-in Capital

Common Shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Preferred Shares

Preferred shares are classified as equity if they are non-redeemable, or redeemable only at the option of the Company, and any dividends thereon are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the BOD of the Company.

Preferred shares are classified as a liability if they are redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in the separate statements of income as accrued.

Additional Paid-in Capital

When the shares are sold at premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Company, the shares are measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Capital Securities

Redeemable Perpetual Securities (RPS) and Senior Perpetual Capital Securities (SPCS) are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity or to exchange financial assets or financial liabilities with another person or entity that is potentially unfavorable to the issuer.

Incremental costs directly attributable to the issuance of RPS and SPCS are recognized as a deduction from equity, net of tax.

Retained Earnings

Retained earnings represent the accumulated net income or losses, net of any dividends and distributions and other capital adjustments. Appropriated retained earnings represent that portion which is restricted and therefore not available for any dividend and distribution declaration.

Treasury Shares

Own equity instruments which are reacquired are carried at cost and deducted from equity. No gain or loss is recognized on the purchase, sale, reissuance or cancellation of the Company's own equity instruments. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Revenue

The Company recognizes revenue from contracts with customers when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties.

The transfer of control can occur over time or at a point in time. Revenue is recognized at a point in time unless one of the following criteria is met, in which case it is recognized over time: (a) the customer simultaneously receives and consumes the benefits as the Company performs its obligations; (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

The Company assesses its revenue arrangements to determine if it is acting as principal or agent. The Company has concluded that it acts as a principal as it controls the goods or services before transferring to the customer.

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

Revenue from Sale of Services

Revenue from sale of services is recognized over time as the related services are rendered. Invoices are issued on a monthly basis and are usually payable within a 30-day period.

Revenue from Other Sources

Interest Income. Interest income is recognized using the effective interest method. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset.

Dividend and Distribution Income. Dividend and distribution income is recognized when the Company's right to receive the payment is established.

Rent Income. Rent income is recognized on a straight-line basis over the related lease terms. Lease incentives granted are recognized as an integral part of the total rent income over the term of the lease.

Gain or Loss on Sale of Investments in Shares of Stock. Gain or loss is recognized when the Company disposes of its investment in shares of stock of a subsidiary. Gain or loss is computed as the difference between the proceeds of the disposed investment and its carrying amount.

Costs and Expenses

Costs and expenses are decreases in economic benefits during the reporting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are recognized when incurred.

Employee Benefits

Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Retirement Costs

The net defined benefit retirement liability or asset is the aggregate of the present value of the amount of future benefit that employees have earned in return for their service in the current and prior periods, reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of economic benefits available in the form of reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit retirement plan is actuarially determined using the projected unit credit method. Projected unit credit method reflects services rendered by employees to the date of valuation and incorporates assumptions concerning projected salaries of employees. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in equity and are not reclassified to profit or loss in subsequent period.

Defined benefit costs comprise the following:

- Service costs;
- Net interest on the defined benefit retirement liability or asset; and
- Remeasurements of defined benefit retirement liability or asset.

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

Net interest on the net defined benefit retirement liability or asset is the change during the period as a result of contributions and benefit payments, which is determined by applying the discount rate based on the government bonds to the net defined benefit retirement liability or asset. Net interest on the net defined benefit retirement liability or asset is recognized as expense or income in the separate statements of income.

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

When the benefits of a plan are changed, or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the separate statements of income. The Company recognizes gains and losses on the settlement of a defined benefit retirement plan when the settlement occurs.

Foreign Currency Translations

Transactions in foreign currencies are initially recorded in the functional currency of the Company at exchange rates on the dates of the transactions.

Monetary assets and monetary liabilities denominated in foreign currencies are translated to the functional currency at exchange rates at the reporting date.

Foreign currency differences arising on translation are recognized in the separate statements of income, except for differences arising on the translation of financial assets at FVOCI or qualifying cash flow hedges, which are recognized in other comprehensive income.

Taxes

Current Tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Deferred Tax. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- with respect to taxable temporary differences associated with investments in shares of stock of subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits - Minimum Corporate Income Tax (MCIT) and unused tax losses - Net Operating Loss Carry Over (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward benefits of MCIT and NOLCO can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- with respect to deductible temporary differences associated with investments in shares of stock of subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

Current tax and deferred tax are recognized in the separate statements of income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

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

Value-added Tax (VAT). Revenues, expenses and assets are recognized net of the amount of VAT, except:

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of “Prepaid expenses and other current assets” or “Income and other taxes payable” accounts in the separate statements of financial position.

Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities.

Basic and Diluted Earnings Per Common Share (EPS)

Basic EPS is computed by dividing the net income for the period, net of dividends on preferred shares and distributions to holders of RPS and SPCS, by the weighted average number of issued and outstanding common shares during the period, with retroactive adjustment for any stock dividends declared.

Diluted EPS is computed in the same manner, adjusted for the effect of all potential dilutive debt or equity instruments.

Contingencies

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

Events After the Reporting Date

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

4. Use of Judgments, Estimates and Assumptions

The preparation of the separate financial statements in accordance with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses reported in the separate financial statements at the reporting date. However, uncertainty about these judgments, estimates and assumptions could result in an outcome that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions are recognized in the period in which the judgments and estimates are revised and in any future period affected.

Judgments

In the process of applying the accounting policies, the Company has made judgments, apart from those involving estimations, which have significant effect on the amounts recognized in the separate financial statements.

Determining whether a Contract Contains a Lease. The Company uses its judgment in determining whether a contract contains a lease. At inception of a contract, the Company makes an assessment whether it has the right to obtain substantially all the economic benefits from the use of the identified asset and the right to direct the use of the identified asset.

Operating Lease Commitments - Company as Lessor. The Company has entered into various lease agreements as a lessor. The Company had determined that it retains all the significant risks and rewards of ownership of the property leased out on operating leases.

Rent income recognized in the separate statements of income amounted to P352 and P353 in 2024 and 2023, respectively (Notes 10 and 24).

Determining the Lease Term of Contracts with Renewal Options - Company as Lessee. The Company determines the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised.

The Company has several lease contracts that include extension options. At lease commencement date, the Company applies judgment in evaluating whether it is reasonably certain to exercise the option to renew the lease by considering all relevant factors that create an economic incentive for it to exercise the renewal option. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or change in circumstances within its control.

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

Classification of Financial Instruments. The Company exercises judgments in classifying financial instruments, or its component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the separate statements of financial position.

The Company uses its judgment in determining the classification of financial assets based on its business model in which assets are managed and their cash flow characteristics. The classification and fair values of financial assets and financial liabilities are presented in Note 30.

Contingencies. The Company is currently involved in various pending claims and lawsuits which could be decided in favor of or against the Company. The Company's estimate of the probable costs for the resolution of these pending claims and lawsuits has been developed in consultation with in-house as well as outside legal counsel handling the prosecution and defense of these matters and is based on an analysis of potential results. The Company currently does not believe that these pending claims and lawsuits will have a material adverse effect on its financial position and financial performance. It is possible, however, that future financial performance could be materially affected by the changes in the estimates or in the effectiveness of strategies relating to these proceedings (Note 32).

Estimates and Assumptions

The key estimates and assumptions used in the separate financial statements are based upon the Company's evaluation of relevant facts and circumstances as at the date of the separate financial statements. Actual results could differ from such estimates.

Assessment of ECL on Receivables. The Company, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for receivables for at least two years. The Company also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customers. The Company then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data affecting each customer segment to reflect the effects of current and forecasted economic conditions.

The Company has assessed that the forward-looking default rate component of its ECL is not material because substantial amounts of receivables are normally collected within one year. Moreover, based on management's assessment, current conditions and forward-looking information do not indicate a significant increase in credit risk exposure of the Company from its receivables.

No receivables were written off as at December 31, 2024 and 2023. The allowance for impairment losses on receivables amounted to P7,427 as at December 31, 2024 and 2023. The carrying amount of receivables amounted to P118,551 and P100,666 as at December 31, 2024 and 2023, respectively (Note 6).

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

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

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

The Company also considers financial assets at day one to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

The Company has assessed that the ECL on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Company only with reputable financial institutions and companies with good credit standing and relatively low risk of defaults. Accordingly, no provision for ECL on financial assets at amortized cost was recognized in 2024 and 2023. The carrying amounts of other financial assets at amortized cost are as follows:

	Note	2024	2023
Cash and cash equivalents (excluding cash on hand)	5, 29, 30	P59,459	P56,578
Noncurrent receivables - net (excluding lease receivable)	11, 29, 30	6,114	6,114

The allowance for impairment losses on noncurrent receivables (included under "Noncurrent receivables - net" account in the separate statements of financial position) amounted to P253 as at December 31, 2024 and 2023 (Note 11).

Fair Value Measurements. A number of the Company's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has the overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the valuation team assesses the evidence obtained to support the conclusion that such valuations meet the requirements of PFRS Accounting Standards, including the level in the fair value hierarchy in which such valuations should be classified.

The Company uses market observable data when measuring the fair value of an asset or liability. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques (Note 3).

If the inputs used to measure the fair value of an asset or a liability can be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy based on the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The methods and assumptions used to estimate the fair values for both financial and non-financial assets and liabilities are discussed in Notes 7, 10, 25 and 30.

Estimated Useful Lives of Property, Plant and Equipment, Right-of-use Assets and Investment Property. The Company estimates the useful lives of property, plant and equipment, right-of-use assets and investment property based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment, right-of-use assets and investment property are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

In addition, estimation of the useful lives of property, plant and equipment, right-of-use assets and investment property is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future financial performance could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property, plant and equipment, right-of-use assets and investment property would increase the recorded costs and expenses and decrease noncurrent assets.

Property, plant and equipment, net of accumulated depreciation, amounted to P1,550 and P1,648 as at December 31, 2024 and 2023, respectively. Accumulated depreciation of property, plant and equipment amounted to P1,948 and P1,853 as at December 31, 2024 and 2023, respectively (Note 8).

Right-of-use assets, net of accumulated depreciation, amounted to P242 and P322 as at December 31, 2024 and 2023, respectively. Accumulated depreciation of right-of-use assets amounted to P466 and P386 as at December 31, 2024 and 2023, respectively (Note 9).

Investment property, net of accumulated depreciation, amounted to P746 and P737 as at December 31, 2024 and 2023, respectively. Accumulated depreciation of investment property amounted to P105 and P189 as at December 31, 2024 and 2023, respectively (Note 10).

Realizability of Deferred Tax Assets. The Company reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Company's assessment on the recognition of deferred tax assets on deductible temporary differences and carryforward benefits of MCIT and NOLCO is based on the projected taxable income in the following periods.

Deferred tax assets amounted to P5,700 and P3,652 as at December 31, 2024 and 2023, respectively (Note 16).

Impairment of Non-financial Assets. The Company performs an impairment review of its investments and advances (excluding financial assets at FVOCI), property, plant and equipment, right-of-use assets, investment property and intangible assets when events or changes in circumstances indicate that the carrying amount may not be recoverable. Determining the recoverable amounts of these assets requires the estimation of cash flows expected to be generated from the continued use and ultimate disposal of such assets, discounted to the present value using appropriate assumptions. While it is believed that the assumptions used are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable amount and any resulting impairment loss could have a material impact on the financial performance.

The Company assessed that its property, plant and equipment, right-of-use assets, investment property and intangible assets are not impaired. Accumulated impairment losses on investments and advances (excluding financial assets at FVOCI) amounted to P2,476 as at December 31, 2024 and 2023 (Note 7).

The combined carrying amounts of investments and advances (excluding financial assets at FVOCI), property, plant and equipment, right-of-use assets, investment property and intangible assets amounted to P801,446 and P783,945 as at December 31, 2024 and 2023, respectively (Notes 7, 8, 9, 10 and 12).

Estimating the Incremental Borrowing Rate. The Company cannot readily determine the interest rate implicit in the leases. Therefore, it uses its relevant incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate, therefore, reflects what the Company would have to pay, which requires estimation when no observable rates are available and to make adjustments to reflect the terms and conditions of the lease. The Company estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to consider certain contract and entity-specific estimates.

The Company's lease liabilities amounted to P332 and P425 as at December 31, 2024 and 2023, respectively (Notes 14, 23, 24, 28, 29 and 30).

Present Value of Defined Benefit Retirement Obligation. The present value of the defined benefit retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. These assumptions are described in Note 25 to the separate financial statements and include discount rate and salary increase rate.

The Company determines the appropriate discount rate at the end of each reporting period. It is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement obligations. In determining the appropriate discount rate, the Company considers the interest rates on government bonds that are denominated in the currency in which the benefits will be paid. The terms to maturity of these bonds should approximate the terms of the related retirement obligation.

Other key assumptions for the defined benefit retirement obligation are based in part on current market conditions.

While it is believed that the assumptions of the Company are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the defined benefit retirement obligation of the Company.

The present value of defined benefit retirement obligation amounted to P3,084 and P2,422 as at December 31, 2024 and 2023, respectively (Note 25).

5. Cash and Cash Equivalents

Cash and cash equivalents consist of:

	Note	2024	2023
Cash in banks and on hand		P4,566	P2,210
Short-term investments		54,897	54,372
	4, 29, 30	P59,463	P56,582

Cash in banks earn interest at bank deposit rates. Short-term investments include demand deposits which can be withdrawn at any time depending on the immediate cash requirements of the Company and earn interest at short-term investment rates.

The Company's cash and cash equivalents earned interest income amounting to P3,537 and P4,093 in 2024 and 2023, respectively (Note 22).

6. Receivables

Receivables consist of:

	Note	2024	2023
Amounts owed by related parties	23, 25	P96,002	P80,169
Non-trade receivables		29,976	27,924
		125,978	108,093
Less allowance for impairment losses	4	7,427	7,427
	4, 29, 30	P118,551	P100,666

Non-trade receivables include interest receivable and security deposits.

Receivables are generally collectible on demand.

The movements in the allowance for impairment losses are as follows:

	Note	2024	2023
Balance at beginning of year		P7,427	P7,269
Provision for allowance for impairment losses - net	4, 18	-	158
Balance at end of year		P7,427	P7,427

7. Investments and Advances

Investments and advances consist of:

	Note	2024	2023
Investments in shares of stock of subsidiaries	4	P786,397	P773,913
Financial assets at FVOCI	29, 30	253,791	231,536
Advances for investment	4	14,738	9,549
		1,054,926	1,014,998
Less allowance for impairment losses	4	2,476	2,476
		P1,052,450	P1,012,522

Investments in Shares of Stock of Subsidiaries

The carrying amounts of investments in shares of stock of subsidiaries are as follows:

	Country of Incorporation	2024		2023	
		Percentage of Ownership	Amount	Percentage of Ownership	Amount
Food and Beverage Business					
San Miguel Food and Beverage, Inc. (SMFB)	Philippines	88.76	P342,104	88.76	P342,104
Infrastructure Business					
San Miguel Holdings Corp. doing business under the name and style of SMC Infrastructure (SMHC)	Philippines	100.00	156,250	100.00	152,500
Cement Business					
San Miguel Equity Investments Inc. (SMEII)	Philippines	100.00	112,736	100.00	112,736
Real Estate Business					
San Miguel Properties, Inc. (SMPI) ^(a)	Philippines	99.87	31,711	99.87	31,711
Davana Heights Development Corporation (DHDC)	Philippines	100.00	4,195	100.00	4,146
Silverlides Holdings Corporation (SHC)	Philippines	100.00	3,901	100.00	3,901
Fonterra Verde Holdings Inc. (FVHI)	Philippines	100.00	7,755	100.00	3,495
Deity Holdings Corporation (DHC) ^(b)	Philippines	98.93	3,024	98.91	2,986
Worldsummit Holdings Corporation (WHC) ^(b)	Philippines	100.00	1,950	100.00	1,595
One Verdana Holdings, Inc. (OVHI)	Philippines	100.00	828	100.00	664
Fuel and Oil Business					
Petron Corporation (Petron) ^(c)	Philippines	18.16	15,260	18.16	15,260
SEA Refinery Corporation (SRC) ^(c)	Philippines	100.00	1,921	100.00	1,921
Packaging Business					
San Miguel Yamamura Packaging Corporation (SMYPC)	Philippines	65	12,095	65.00	12,095
Mindanao Corrugated Fibreboard, Inc.	Philippines	100.00	636	100.00	636
Energy Business					
San Miguel Global Power Holdings Corp. (San Miguel Global Power) ^(d)	Philippines	100.00	51,778	100.00	51,778
Others					
SMC Equivest Corporation (SMCEC)	Philippines	100.00	7,008	100.00	7,008
San Miguel International Limited (SMIL)	British Virgin Islands (BVI)	100.00	5,670	100.00	5,670
San Miguel Integrated Logistics Services, Inc. (SMILSI)	Philippines	100.00	4,127	100.00	4,127
SMC Shipping and Lighterage Corporation (SMCSLC)	Philippines	70.00	6,872	70.00	3,870
San Miguel Insurance Company Limited (SMICL) ^(e)	BVI	98.21	3,170	98.21	3,170
Petrogen Insurance Corporation (Petrogen) ^(f)	Philippines	74.94	3,000	74.94	3,000
SMITS, Inc. (SMITS)	Philippines	100.00	1,216	100.00	508
Challenger Aero Air Corp.	Philippines	100.00	949	100.00	949
SMC Asia Car Distributors Corp. (SMCACDC)	Philippines	65.00	325	65.00	325
ArchEn Technologies, Inc. (ArchEn)	Philippines	100.00	390	100.00	300
Globalwise Realty Corporation (GRC)	Philippines	100.00	105	100.00	52
Others - net	Philippines		7,421		7,406
			786,397		773,913
Less allowance for impairment losses on investment in shares of stock of subsidiaries			2,476		2,476
			P783,921		P771,437

(a) SMPI is 99.87% directly owned by the Company as at December 31, 2024 and 2023, and 0.11% indirectly owned by the Company through Philippine Breweries Corporation as at December 31, 2024 and 2023.

(b) DHC is 98.93% and 98.91% directly owned by the Company as at December 31, 2024 and 2023, respectively, and 1.07% and 1.09% indirectly owned by the Company through WHC as at December 31, 2024 and 2023, respectively.

(c) Petron is 18.16% directly owned and 50.10% indirectly owned by the Company through SRC.

(d) Formerly SMC Global Power Holdings Corp. The change in the corporate name was approved by the SEC on March 22, 2023.

(e) SMICL is 98.21% directly owned by the Company as at December 31, 2024 and 2023, and 1.79% indirectly owned by the Company through SMIL's subsidiary, San Miguel Holdings Limited (SMHL), as at December 31, 2024 and 2023. The investment consists of 6,600,000 preferred shares with par value of US\$10.00 per preferred share of SMICL.

(f) Petrogen is 74.94% directly owned by the Company and 25.06% indirectly owned by the Company through Petron.

The following are the major developments relating to the Company's investments in shares of stock of subsidiaries:

Infrastructure

- SMHC

On December 17, 2021, SMHC and the Company executed a Subscription Agreement to subscribe to an additional 5,000,000 common shares, out of the increase in authorized capital stock of SMHC, for a total subscription price of P7,500 or P1,500.00 per common share. The Company paid P3,823 and P3,239 in 2021 and 2022, respectively, while the balance of the subscription price amounting to P438 was paid in 2023.

On April 20 and May 11, 2023, SMHC and the Company executed Subscription Agreements to subscribe to an additional 5,500,000 common shares for a total subscription price of P8,250 or P1,500.00 per common share. In 2023, the Company paid a total amount of P7,227, while the balance of the subscription price amounting to P1,023, presented as part of "Subscriptions payable" account in the separate statement of financial position as at December 31, 2023, was fully paid in 2024.

On March 1 and July 17, 2024, SMHC and the Company executed Subscription Agreements to subscribe to an additional 2,500,000 common shares for a total subscription price of P3,750 or P1,500.00 per common share. In 2024, the Company paid a total amount of P3,212, while the balance of the subscription price amounting to P538 is presented as part of "Subscriptions payable" account in the separate statement of financial position as at December 31, 2024.

Cement

- SMEII

On April 26, 2023, SMEII and the Company executed a Subscription Agreement to subscribe to an additional 1,335,273,000 common shares of SMEII for a subscription price of P2,003 or P1.50 per common share, which was fully paid in 2023.

Real Estate

- SMPI

On various dates in 2021, SMPI and the Company executed Subscription Agreements to subscribe to an additional 168,783,058 common shares of SMPI for a total subscription price of P3,375 or P20.00 per common share. The Company paid P3,018 in 2021, while the balance of the subscription price amounting to P357 was paid in 2023.

On various dates in 2022, SMPI and the Company executed Subscription Agreements to subscribe to an additional 240,381,050 common shares of SMPI for a total subscription price of P4,808 or P20.00 per common share, which was fully paid in 2022.

On various dates in 2023, SMPI and the Company executed Subscription Agreements to subscribe to an additional 129,446,202 common shares of SMPI for a total subscription price of P2,589 or P20.00 per common share, which was fully paid in 2023.

- DHDC

On November 24, 2023, DHDC and the Company executed a Subscription Agreement to subscribe to an additional 67,500,000 common shares of DHDC for a subscription price of P135 or P2.00 per common share. In 2024 and 2023, the Company paid P12 and P103, respectively, while the balance of the subscription price amounting to P20 and P32 is presented as part of “Subscriptions payable” account in the separate statements of financial position as at December 31, 2024 and 2023, respectively.

On January 24, 2024, DHDC and the Company executed a Subscription Agreement to subscribe to an additional 24,300,000 common shares of DHDC for a subscription price of P49 or P2.00 per common share, which was fully paid in 2024.

- FVHI

On August 25, 2022 the BOD and stockholders of FVHI approved the additional increase in its authorized capital stock from P1,750 divided into 17,500,000 common shares to P4,250 divided into 42,500,000 common shares, both with a par value of P100.00 per common share. On the same date, FVHI and the Company executed a Subscription Agreement to subscribe to an additional 12,500,000 common shares out of the proposed increase in authorized capital stock for a total subscription price of P2,500 or P200.00 per common share.

The application for the Amendment of Articles of Incorporation for the increase in authorized capital stock of FVHI was filed with the SEC on June 27, 2024 and was approved on July 1, 2024. Consequently, the P2,430 deposit for future stock subscription paid by the Company in 2023 was reclassified from “Advances for investment” to “Investments in shares of stock of subsidiaries” both under “Investments and advances” account in the separate statement of financial position as at December 31, 2024. The remaining balance of the subscription price amounting to P70 was fully paid in 2024.

On December 16, 2024, FVHI and the Company executed a Subscription Agreement to subscribe to an additional 8,800,000 common shares for a total subscription price of P1,760 or P200.00 per common share. In 2024, the Company paid P1,747, while the balance of the subscription price amounting to P13 is presented as part of “Subscriptions payable” account in the separate statement of financial position as at December 31, 2024.

- SHC

On various dates in 2020, SHC and the Company executed Subscription Agreements to subscribe to an additional 170,000,000 common shares of SHC for a total subscription price of P680 or P4.00 per common share. The Company paid a total of P570 as at December 31, 2024 and 2023.

The balance amounting to P110 is presented as part of “Subscriptions payable” account in the separate statements of financial position as at December 31, 2024 and 2023.

- DHC

On November 23, 2022, DHC and the Company executed a Subscription Agreement to subscribe to an additional 61,000,000 common shares of DHC for a subscription price of P122 or P2.00 per common share. In 2022, the Company paid a total of P87, while the balance of the subscription price amounting to P35 was paid in 2023.

On December 7, 2023, DHC and the Company executed a Subscription Agreement to subscribe to an additional 27,000,000 common shares of DHC for a subscription price of P54 or P2.00 per common share. In 2023, the Company paid P33, while the balance amounting to P21, presented as part of "Subscriptions payable" account in the separate statement of financial position as at December 31, 2023, was fully paid in 2024.

On December 16, 2024, DHC and the Company executed a Subscription Agreement to subscribe to an additional 19,000,000 common shares of DHC for a subscription price of P38 or P2.00 per common share, which was fully paid in 2024.

- WHC

On January 21 and February 14, 2022, WHC and the Company executed Subscription Agreements to subscribe to an additional 152,500,000 common shares of WHC for a subscription price of P305 or P2.00 per common share. In 2022, the Company paid P117, while the balance of the subscription price amounting to P188 was paid in 2023.

On December 4, 2023, WHC and the Company executed a Subscription Agreement to subscribe to an additional 123,500,000 common shares of WHC for a subscription price of P247 or P2.00 per common share. In 2023, the Company paid P224, while the balance amounting to P23, presented as part of "Subscription payable" account in the separate statement of financial position as at December 31, 2023, was fully paid in 2024.

On December 16, 2024, WHC and the Company executed a Subscription Agreement to subscribe to an additional 177,500,000 common shares of WHC for a subscription price of P355 or P2.00 per common share, which was fully paid in 2024.

On December 16, 2024, the BOD and stockholders of WHC approved the additional increase in its authorized capital stock from P1,000 divided into 1,000,000,000 common shares to P1,300 divided into 1,300,000,000 common shares, both with a par value of P1.00 per common share. On the same date, WHC and the Company executed a Subscription Agreement to subscribe to an additional 186,560,000 common shares out of the proposed increase in authorized capital stock for a total subscription price of P373 or P2.00 per common share, which was fully paid in 2024.

- OVHI

On August 11, 2022, OVHI and the Company executed a Subscription Agreement to subscribe to an additional 500,000 common shares of OVHI for a subscription price of P100 or P200.00 per common share. In 2022, the Company paid P62, while the balance of the subscription price amounting to P38 was paid in 2023.

On December 14, 2023, OVHI and the Company executed a Subscription Agreement to subscribe to an additional 255,000 common shares of OVHI for a subscription price of P51 or P200.00 per common share. In 2023, the Company paid P49, while the balance amounting to P2, presented as part of “Subscriptions payable” account in the separate statement of financial position as at December 31, 2023, was fully paid in 2024.

On December 16, 2024, OVHI and the Company executed a Subscription Agreement to subscribe to an additional 820,000 common shares of OVHI for a subscription price of P164 or P200.00 per common share. In 2024, the Company paid P151, while the balance amounting to P13 is presented as part of “Subscriptions payable” account in the separate statement of financial position as at December 31, 2024.

Energy

- San Miguel Global Power

On July 25, 2023, San Miguel Global Power and the Company executed a Subscription Agreement to subscribe to an additional 410,000,000 common shares of San Miguel Global Power for a subscription price of P12,300 or P30.00 per common share, which was fully paid in 2023.

On July 25, 2023, the BOD of San Miguel Global Power approved the additional increase in its authorized capital stock from P2,000 divided into 2,000,000,000 common shares to P3,774 divided into 3,774,400,000 common shares, both with a par value of P1.00 per common share, as well as the amendment of the Amended Articles of Incorporation of San Miguel Global Power to reflect the said increase. On August 1, 2023, the Company entered into a Subscription Agreement with San Miguel Global Power, whereby the Company subscribed to an additional 443,600,000 common shares of San Miguel Global Power out of the proposed increase in authorized capital stock for a total subscription price of P13,308 or P30.00 per common share. The subscription price was fully paid in 2023. The stockholders of San Miguel Global Power approved the aforementioned increase in authorized capital stock and amendment of the Amended Articles of Incorporation during its Special Stockholders’ Meeting held on September 7, 2023.

The application for the increase in the authorized capital stock of San Miguel Global Power and the Amendment of its Amended Articles of Incorporation to reflect the aforementioned increase in authorized capital stock was filed with the SEC on October 20, 2023, and was approved by the SEC on October 24, 2023.

On November 13, 2023, San Miguel Global Power and the Company executed a Subscription Agreement to subscribe to an additional 720,000,000 common shares for a subscription price of P21,600 or P30.00 per common share, which was fully paid in 2023.

Others

- SMCSLC

On November 28, 2024, SMCSLC and the Company executed a Subscription Agreement to subscribe to an additional 142,940,000 common shares for a total subscription price of P3,002 or P21.00 per common share, which was fully paid in 2024.

- SMITS

On December 9, 2024, SMITS and the Company executed a Subscription Agreement to subscribe to an additional 442,500 common shares for a total subscription price of P708 or P1,600.00 per common share, which was fully paid in 2024.

- ArchEn

On December 20, 2023, the BOD and stockholders of ArchEn approved the additional increase in the authorized capital stock from P300 divided into 3,000,000 common shares to P360 divided into 3,600,000 common shares, both with a par value of P100.00 per common share. On the same date, ArchEn and the Company executed a Subscription Agreement to subscribe to an additional 150,000 common shares out of the proposed increase in authorized capital stock for a total subscription price of P45 or P300.00 per common share.

The application for the Amendment of Articles of Incorporation for the increase in authorized capital stock of ArchEn was filed with the SEC on May 4, 2024 and was approved on May 9, 2024. Consequently, the P45 deposit for future stock subscription paid by the Company in 2023 was reclassified from “Advances for investment” to “Investments in shares of stock of subsidiaries” both under “Investments and advances” account in the separate statement of financial position as at December 31, 2024.

On June 10, 2024, ArchEn and the Company executed a Subscription Agreement to subscribe to an additional 150,000 common shares of ArchEn for a subscription price of P45 or P300.00 per common share, which was fully paid in 2024.

- GRC

On November 24, 2023, GRC and the Company executed a Subscription Agreement to subscribe to an additional 255,000 common shares of GRC at a subscription price of P38 or P150.00 per common share, which was fully paid in 2023.

On October 10, 2023, the BOD and stockholders of GRC approved the additional increase in the authorized capital stock from P35 divided into 350,000 common shares to P70 divided into 700,000 common shares, both with a par value of P100.00 per common share. On the same date, GRC and the Company executed a Subscription Agreement to subscribe to an additional 120,000 common shares out of the proposed increase in authorized capital stock for a total subscription price of P18 or P150.00 per common share.

The application for the Amendment of Articles of Incorporation for the increase in authorized capital stock of GRC was filed with the SEC on December 22, 2023 and was approved on February 20, 2024. Consequently, the P18 deposit for future stock subscription paid by the Company in 2023 was reclassified from “Advances for investment” to “Investments in shares of stock of subsidiaries” both under “Investments and advances” account in the separate statement of financial position as at December 31, 2024.

On February 8, 2024, the BOD and stockholders of GRC approved the additional increase in its authorized capital stock from P70 divided into 700,000 common shares to P1,450 divided into 14,500,000 common shares, both with a par value of P100.00 per common share. On the same date, GRC and the Company executed a Subscription Agreement for SMC to subscribe to an additional 10,465,000 common shares out of the proposed increase in authorized capital stock for a total subscription price of P1,570 or P150.00 per common share. The Company paid P1,545 as at December 31, 2024.

On March 7, 2024, GRC and the Company executed a Subscription Agreement to subscribe to an additional 230,000 common shares of GRC for a subscription price of P35 or P150.00 per common share. In 2024, the Company paid P29, while the balance amounting to P6 is presented as part of "Subscriptions payable" account in the separate statement of financial position as at December 31, 2024.

The application for the Amendment of Articles of Incorporation for the increase in authorized capital stock of GRC was filed with the SEC on August 8, 2024 and still pending approval as at March 13, 2025.

Financial Assets at FVOCI

Financial assets at FVOCI, amounting to P253,791 and P231,536 as at December 31, 2024 and 2023, respectively, pertain to various investments in shares of stock and capital securities carried at fair value (Note 4).

Financial assets at FVOCI mainly includes investments in the following:

- *Investment in Shares of Stock*

- a. *Top Frontier*

Investment in the shares of stock of Top Frontier consists of 2,561,031 common shares amounting to P162 and P246 as at December 31, 2024 and 2023, respectively.

- b. *SMCACDC*

The investment in SMCACDC consists of 1,270,000 redeemable preferred shares of stock amounting to P1,270 as at December 31, 2024 and 2023.

On July 7, 2023, the BOD of SMCACDC approved the redemption of the 700,000 preferred shares held by the Company, which were issued in 2019. On September 29 and December 29, 2023, SMCACDC paid the total redemption price of P700 or P1,000.00 per preferred share corresponding to the par value of such preferred shares.

The preferred shares issued by SMCACDC are non-voting, non-convertible, and redeemable at the sole option of SMCACDC at a price and at such time that the BOD of SMCACDC shall determine. The preferred shares are entitled to dividends as declared by the BOD of SMCACDC. In the event of liquidation, dissolution, bankruptcy, or winding up of the affairs of SMCACDC, the holders of preferred stocks that are outstanding at that time shall enjoy preference in the payment. Furthermore, holders of preferred shares have no pre-emptive right to any issue of disposition of any stocks of any class of SMCACDC.

c. San Miguel Aerocity Inc. (SMAI)

The investment in SMAI consists of 21,600,000,000 Series 1 Preferred Shares of stock amounting P43,200 as at December 31, 2024 and 2023, and 16,796,328,018 and 12,836,328,018 Series 2 Preferred Shares of stock amounting P79,408 and P55,648 as at December 31, 2024 and 2023, respectively.

On December 26, 2024, SMAI and the Company executed a Subscription Agreement to subscribe to an additional 3,960,000,000 Series 2 Preferred Shares for a total subscription price of P23,760 or P6.00 per preferred share, which was fully paid in 2024.

The preferred shares issued by SMAI are non-voting, may be convertible into common shares as determined by the BOD of SMAI, may be redeemable at the sole option of SMAI at a price and at such time that the BOD of SMAI shall determine. The preferred shares are entitled to dividends as declared by the BOD of SMAI. In the event of liquidation, dissolution, bankruptcy, or winding up of the affairs of SMAI, the holders of preferred shares that are outstanding at that time shall enjoy preference in the payment. Furthermore, holders of preferred shares have no pre-emptive right to any issue of disposition of any stocks of any class of SMAI.

The following are the developments in the Company's investment in common shares of SMAI in 2023:

On May 12, 2023, the BOD and stockholders of SMAI approved that out of its 45,000,000,000 authorized capital stock, 34,100,000,000 common shares (i) 21,600,000,000 common shares will be converted to Series 1 Preferred Shares on a 1:1 basis and (ii) 12,500,000,000 common shares will be reclassified to Series 2 Preferred Shares.

In the same meeting, the BOD and stockholders of SMAI approved the increase in its authorized capital stock from P45,000 divided into 45,000,000,000 common shares with a par value of P1.00 per common share to P57,850 divided into: (i) 10,900,000,000 common shares with a par value of P1.00 per common share, (ii) 21,600,000,000 Series 1 Preferred Shares with a par value of P1.00 per preferred share and (iii) 25,350,000,000 Series 2 Preferred Shares with a par value of P1.00 per preferred share.

SMAI approved to offer to all its stockholders the option to convert its common shares to Series 1 Preferred Shares on a 1:1 basis, effective upon the approval by the SEC of the increase in the authorized capital stock of SMAI, the creation of the preferred shares and the corresponding approval of the amendment of the Articles of Incorporation of SMAI reflecting such amendments. Of the two holders of common shares of SMAI at that time, which are the Company and SMHC, only the Company exercised the option to convert its common shares in SMAI into Series 1 Preferred Shares, which SMAI accepted.

On May 12, 2023, SMAI and the Company executed the following: (i) a Subscription Agreement to subscribe to 4,266,672,620 Series 2 Preferred Shares out of the proposed increase in authorized capital stock for a total subscription price of P12,800 or P3.00 per preferred share, and (ii) a Deed of Assignment that the deposit for future stock subscription of P12,800 paid in 2022 be applied as payment by the Company of its subscription to the Series 2 Preferred Shares.

The application for the Amendment of Articles of Incorporation for the increase in authorized capital stock of SMAI and the creation of the preferred shares was filed with the SEC on June 30, 2023, and was approved on September 7, 2023.

Upon the approval of the increase in the authorized capital stock of SMAI and the creation of the preferred shares, all common shares which were issued to the Company on various dates in 2021 to 2022 were converted to Series 1 Preferred Shares. As a result of the foregoing conversion by the Company of its investment in common shares of SMAI to Series 1 Preferred Shares and subsequent subscription to Series 2 Preferred Shares, the Company has 100% indirect ownership in SMAI through SMHC.

d. Argonbay Construction Company, Inc. (ACCI)

The investment in ACCI consists of 147,487,226 Series 1 Preferred Shares of stock amounting to P14,749 as at December 31, 2024 and 2023.

The preferred shares issued by ACCI are non-voting, may be convertible into common shares as determined by the BOD of ACCI, may be redeemable at the sole option of ACCI at a price and at such time that the BOD of ACCI shall determine. The preferred shares are entitled to dividends as declared by the BOD of ACCI. In the event of liquidation, dissolution, bankruptcy, or winding up of the affairs of ACCI, the holders of preferred shares that are outstanding at that time shall enjoy preference in the payment. Furthermore, holders of preferred shares have no pre-emptive right to any issue of disposition of any stocks of any class of ACCI.

▪ *Investment in Capital Securities*

a. San Miguel Global Power

The RPS issued by San Miguel Global Power amounting to P104,116 as at December 31, 2024 and 2023, are entitled to distributions as follows:

▪ US\$650 (P33,794) subscribed on March 16, 2018

The Company will have the right to receive distribution at 6.25% per annum, payable quarterly in arrears every March 16, June 16, September 16 and December 16 of each year commencing on June 16, 2018.

▪ US\$85 (P4,953) subscribed on November 8, 2022

The Company will have the right to receive distribution at 6.25% per annum, payable quarterly in arrears every February 8, May 8, August 8 and November 8 of each year commencing on February 8, 2023.

▪ US\$500 (P27,585) subscribed on March 10, 2023

The Company will have the right to receive distribution at 8.00% per annum, payable quarterly in arrears every March 10, June 10, September 10 and December 10 of each year commencing on June 10, 2023.

- US\$145 (P8,024) subscribed on May 2, 2023

The Company will have the right to receive distribution at 8.00% per annum, payable quarterly in arrears every February 2, May 2, August 2 and November 2 of each year commencing on August 2, 2023.

- P6,000 subscribed on May 30, 2023

The Company will have the right to receive distribution at 7.50% per annum, payable quarterly in arrears every February 28, May 30, August 30 and November 30 of each year commencing on August 30, 2023.

- P7,000 subscribed on June 1, 2023

The Company will have the right to receive distribution at 7.50% per annum, payable quarterly in arrears every March 1, June 1, September 1 and December 1 of each year commencing on September 1, 2023.

- P5,000 subscribed on June 5, 2023

The Company will have the right to receive distribution at 7.50% per annum, payable quarterly in arrears every March 5, June 5, September 5 and December 5 of each year commencing on September 5, 2023.

- P6,760 subscribed on June 13, 2023

The Company will have the right to receive distribution at 7.50% per annum, payable quarterly in arrears every March 13, June 13, September 13 and December 13 of each year commencing on September 13, 2023.

- P5,000 subscribed on July 10, 2023

The Company will have the right to receive distribution at 7.50% per annum, payable quarterly in arrears every January 10, April 10, July 10 and October 10 of each year commencing on October 10, 2023.

No distributions have been declared by San Miguel Global Power in 2024 and 2023.

On February 12, 2025, distributions in arrears from the investments in RPS amounting to P14,617 were received from San Miguel Global Power.

- SMGP BESS Power Inc. (SMGP BESS; Formerly Universal Power Solutions, Inc.)

On October 27, 2023, the BOD of SMGP BESS approved the purchase of US\$223 (P12,573) and P7,800 RPS or an aggregate face value amount of P20,373, issued to the Company on various dates in 2023 and 2022. On the same date, SMGP BESS paid the total purchase price of P21,669. The Company recognized a gain of P1,296 on the purchase, presented as part of "Net gain on financial assets at fair value through other comprehensive income" in the separate statement of comprehensive income in 2023.

c. Petron

The RPS issued by Petron amounting to US\$170 (P8,406) and US\$230 (P11,410) as at December 31, 2024 and 2023, respectively, are entitled to distributions as follows:

- US\$6 (P305) subscribed on November 27, 2019

On May 26, 2023, the investment in RPS of Petron were fully redeemed at US\$6 (P335). The Company recognized a gain of P30 on the redemption, presented as part of "Net gain on financial assets at fair value through other comprehensive income" in the separate statement of comprehensive income in 2023.

- US\$70 (P3,505) subscribed on July 22, 2020

The Company will have the right to receive distribution at 3.625% per annum, payable quarterly in arrears every March 20, June 22, September 22 and December 22 of each year commencing on September 22, 2020.

On September 25 and October 2, 2024, the investment in RPS of Petron were partially redeemed at US\$40 (P2,235) and US\$20 (P1,124), respectively. The Company recognized a gain of P355 on the redemption, presented as part of "Net gain on financial assets at fair value through other comprehensive income" in the separate statement of comprehensive income in 2024.

- US\$100 (P4,901) subscribed on August 10, 2020

The Company will have the right to receive distribution at 3.625% per annum, payable quarterly in arrears every February 20, May 10, August 10 and November 10 of each year commencing on November 10, 2020.

Distributions from the investment in RPS of Petron amounted to P448 and P470 in 2024 and 2023, respectively, presented as part of "Dividend and distribution income" account in the separate statements of income.

The RPS are direct, unconditional, unsecured and subordinated capital securities with no fixed redemption date. The issuers of the RPS have the right to defer the distribution under certain conditions.

The Company has irrevocably elected to classify these investments as financial assets at FVOCI as it intends to hold these investments for strategic purposes.

The carrying amount of the investments approximate their fair value (Note 30).

The methods and assumptions used to measure the fair value of financial assets at FVOCI are disclosed in Notes 3, 4 and 30.

Advances for Investment

Advances for investment pertain to deposits made to certain companies which will be applied against future stock subscription.

The following are the major developments relating to the Company's advances for investment:

- SMPI

The Company paid P2,540 and P748 as deposit for future stock subscription to the proposed increase in authorized capital stock of SMPI, presented as part of "Advances for investment" under "Investments and advances" account in the separate statements of financial position as at December 31, 2024 and 2023, respectively.

- WHC

In 2024, the Company paid P373 as deposit for future stock subscription to the proposed increase in authorized capital stock of WHC, presented as part of "Advances for investment" under "Investments and advances" account in the separate statement of financial position as at December 31, 2024.

- GRC

In 2024, the Company paid P1,545 as deposit for future stock subscription to the proposed increase in authorized capital stock of GRC, presented as part of "Advances for investment" under "Investments and advances" account in the separate statement of financial position as at December 31, 2024.

8. Property, Plant and Equipment

Property, plant and equipment consist of:

	Land and Land Improvements	Buildings and Improvements	Equipment, Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
Cost						
January 1, 2023	P995	P250	P951	P857	P189	P3,242
Additions	-	-	25	29	205	259
Disposals and reclassifications	-	-	24	9	(33)	-
December 31, 2023	995	250	1,000	895	361	3,501
Additions	-	-	33	45	153	231
Disposals and reclassifications	(223)	-	189	110	(310)	(234)
December 31, 2024	772	250	1,222	1,050	204	3,498
Accumulated Depreciation						
January 1, 2023	273	145	815	548	-	1,781
Depreciation	1	4	31	36	-	72
December 31, 2023	274	149	846	584	-	1,853
Depreciation	1	4	45	45	-	95
December 31, 2024	275	153	891	629	-	1,948
Carrying Amount						
December 31, 2023	P721	P101	P154	P311	P361	P1,648
December 31, 2024	P497	P97	P331	P421	P204	P1,550

“Equipment, furniture and fixtures” includes machinery, transportation equipment, office equipment, tools and small equipment.

Certain fully depreciated property, plant and equipment with aggregate costs of P1,550 and P1,524 as at December 31, 2024 and 2023, respectively, are still being used in the Company’s operations.

Depreciation expense, included as part of “Costs and expenses” account in the separate statements of income, amounted to P95 and P72 in 2024 and 2023, respectively (Notes 18 and 19).

9. Right-of-Use Assets

The movements in right-of-use assets are as follows:

	<i>Note</i>	2024	2023
Cost			
Balance at beginning and end of year		P708	P708
Accumulated Depreciation			
Balance at beginning of year		386	305
Depreciation	<i>18, 19</i>	80	81
Balance at end of year		466	386
Carrying Amount		P242	P322

The Company recognized right-of-use assets for the lease of building and improvements, which typically run for a period of 10 years. The lease contains an option to renew the lease at the end of the lease term and is subjected to reviews to reflect current market rentals. The renewal option provides operational flexibility in managing the leased asset portfolio and aligns the business needs of the Company.

Depreciation expense, included as part of “Costs and expenses” account in the separate statements of income, amounted to P80 and P81 in 2024 and 2023, respectively (Notes 18 and 19).

10. Investment Property

The movements in investment property are as follows:

	Land and Land Improvements	Buildings and Improvements	Total
Cost			
January 1, 2023	P553	P390	P943
Disposals and reclassifications	(17)	-	(17)
December 31, 2023	536	390	926
Disposals and reclassifications	139	(214)	(75)
December 31, 2024	675	176	851
Accumulated Depreciation			
January 1, 2023	3	178	181
Depreciation	-	8	8
December 31, 2023	3	186	189
Depreciation	1	8	9
Disposals	-	(93)	(93)
December 31, 2024	4	101	105
Carrying Amount			
December 31, 2023	P533	P204	P737
December 31, 2024	P671	P75	P746

Depreciation expense, included as part of “Costs and expenses” account in the separate statements of income, amounted to P9 and P8 in 2024 and 2023, respectively (Notes 18 and 19).

Rent income earned from investment property amounted to P352 and P353 in 2024 and 2023, respectively (Notes 4 and 24). The direct costs and expenses arising from the investment property that generated income amounted to P14 in 2024 and 2023, respectively.

The fair value of investment property amounting to P6,317 and P6,804 as at December 31, 2024 and 2023, respectively, has been categorized as Level 3 in the fair value hierarchy based on the inputs used in the valuation techniques (Note 4).

The fair value of investment property was determined by external, independent property appraisers having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The independent appraisers provide the fair value of the Company's investment property on a regular basis.

Valuation Technique and Significant Unobservable Inputs

The valuation of investment property applied the following approaches:

Cost Approach. This approach is based on the principle of substitution, which holds that an informed buyer would not pay more for a given property than the cost of an equally desirable alternative. The methodology of this approach is a set of procedures that estimate the current reproduction cost of the improvements, deducts accrued depreciation from all sources, and adds the value of investment property.

Sales Comparison Approach. The market value was determined using the Sales Comparison Approach. The comparative approach considers the sale of similar or substitute property, registered within the vicinity, and the related market data. The estimated value is established by process involving comparison. The property being valued is then compared with sales of similar property that have been transacted in the market. Listings and offerings may also be considered. The observable inputs to determine the market value of the property are the following: location characteristics, size, time element, quality and prospective use, bargaining allowance and marketability.

Income Approach. The rental value of the subject property was determined using the Income Approach. Under the Income Approach, the market value of the property is determined first, and then the proper capitalization rate is applied to arrive at its rental value. The rental value of the property is determined based on what a prudent lessor or a prospective lessee are willing to pay for its use and occupancy considering the prevailing rental rates of similar property and/or rate of return a prudent lessor generally expects on the return on its investment. A study of current market conditions indicates that the return on capital for similar real estate investment range from 5.00% to 5.82%.

11. Noncurrent Receivables

Noncurrent receivables consist of:

	Note	2024	2023
Amounts owed by related parties	23	P6,228	P6,216
Others		257	257
		6,485	6,473
Less allowance for impairment losses	4	253	253
	4, 29, 30	P6,232	P6,220

Amounts owed by related parties consist of interest-bearing receivables, deposit and lease receivable (Note 23).

No impairment loss was recognized on noncurrent receivables in 2024 and 2023.

12. Other Noncurrent Assets

Other noncurrent assets consist of:

	Note	2024	2023
Noncurrent derivatives assets	29, 30	P1,584	P301
Option deposit		975	975
Intangible assets	4	249	252
Others		17	15
		P2,825	P1,543

On February 17, 2017, the Company entered into an option agreement (the Agreement) with the non-controlling stockholder of SMCACDC for the grant to the Company of the option to acquire 35% ownership interest in SMCACDC. The option is exercisable within a period of two years from the execution of the Agreement or such other date as may be agreed upon by the parties in writing. The option deposit shall be applied as partial payment of the option exercise price upon exercise of the option. As at December 31, 2024, the Agreement was extended under the same terms and conditions.

No impairment loss was recognized on other noncurrent assets in 2024 and 2023.

The movements in intangible assets are as follows:

	Computer Software	Licenses	Project Development Cost	Total
Cost				
January 1, 2023	P368	P36	P207	P611
Additions	8	-	80	88
Disposals and reclassifications	-	32	(51)	(19)
December 31, 2023	376	68	236	680
Additions	1	11	31	43
Disposals and reclassifications	23	3	(64)	(38)
December 31, 2024	400	82	203	685
Accumulated Amortization				
January 1, 2023	355	35	-	390
Amortization	5	-	-	5
Disposals and reclassifications	-	33	-	33
December 31, 2023	360	68	-	428
Amortization	8	-	-	8
December 31, 2024	368	68	-	436
Carrying Amount				
December 31, 2023	P16	P -	P236	P252
December 31, 2024	P32	P14	P203	P249

Amortization expense, included as part of "Costs and expenses" account in the separate statements of income, amounted to P8 and P5 in 2024 and 2023, respectively (Notes 18 and 19).

13. Loans Payable

Loans payable consists of:

	Note	2024	2023
Peso-denominated		P49,903	P21,300
Foreign currency-denominated		17,323	-
	28, 29, 30	P67,226	P21,300

Loans payable represents unsecured peso and foreign currency-denominated loans obtained from local and foreign banks. Interest rates per annum for Peso-denominated loans range from 5.50% to 6.50% and 6.35% to 6.99% in 2024 and 2023, respectively. Interest rate per annum for foreign currency-denominated loans is based on Secured Overnight Financing Rate (SOFR) plus margin in 2024.

Interest expense on loans payable recognized in the separate statements of income amounted to P3,195 and P3,199 in 2024 and 2023, respectively (Note 21).

14. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of:

	Note	2024	2023
Accrued expenses		P11,181	P10,910
Amounts owed to related parties	4, 23	6,297	6,135
Derivative liabilities	23, 29, 30	22	52
Deposits		20	20
	29, 30	P17,520	P17,117

15. Long-term Debt

Long-term debt consists of:

	2024	2023
Peso-denominated Bonds:		
Series B Bonds, fixed interest rate of 5.284% maturing in 2024	P -	P7,292
Series C Bonds, fixed interest rate of 5.7613% maturing in 2027	6,004	5,996
Series F Bonds, fixed interest rate of 6.625% maturing in 2025	2,437	2,432
Series G Bonds, fixed interest rate of 7.125% maturing in 2028	4,394	4,388
Series H Bonds, fixed interest rate of 5.55% maturing in 2024	-	9,979
P60,000 fixed rate bonds (a)	12,835	30,087

Forward

	2024	2023
Series I Bonds, fixed interest rate of 7.465% maturing in 2027 (b)	P18,652	P29,762
Series J Bonds, fixed interest rate of 5.2704% maturing in 2027	17,313	17,274
Series K Bonds, fixed interest rate of 5.8434% maturing in 2029	12,445	12,425
P30,000 fixed rate bonds (c)	29,758	29,699
Series L Bonds, fixed interest rate of 7.4458% maturing in 2028	26,854	26,788
Series M Bonds, fixed interest rate of 7.8467% maturing in 2029	9,619	9,594
Series N Bonds, fixed interest rate of 8.489% maturing in 2032	22,973	22,917
P60,000 fixed rate bonds (d)	59,446	59,299
Series O Bonds, fixed interest rate of 7.2584% maturing in 2031	12,838	-
Series P Bonds, fixed interest rate of 7.7197% maturing in 2034	6,910	-
P20,000 fixed rate bonds (e)	19,748	-
Peso-denominated bonds	140,439	148,847
Peso-denominated Term Notes:		
Fixed interest rate of 6.9375% with maturities up to 2026 (f)	15,089	15,231
Fixed interest rate of 7.4998% with maturities up to 2029 (g)	5,104	5,148
Peso-denominated Term Notes	20,193	20,379
Foreign currency-denominated Term Notes:		
Fixed interest rate of 6.55%, maturing in 2028 (h)	8,630	8,247
Fixed interest rate of 6.68%, maturing in 2029 (i)	8,619	-
Floating interest rate based on SOFR plus margin, maturing in 2029 (j)	112,973	-
Floating interest rate based on SOFR plus margin, with maturities up to 2035 (k)	108,534	81,332
Floating interest rate based on SOFR plus margin, maturing in 2028 (l)	75,553	71,892
Floating interest rate based on SOFR plus margin, maturing in 2026 (m)	51,564	49,074
Floating interest rate based on SOFR plus margin, maturing in 2027 (n)	40,016	38,099
Floating interest rate based on SOFR plus margin, maturing in 2028 (o)	17,054	16,244
Floating interest rate based on SOFR plus margin, maturing in 2028 (p)	16,987	16,166
Floating interest rate based on SOFR plus margin, maturing in 2028 (q)	11,369	10,837
Floating interest rate based on SOFR plus margin, maturing in 2026 (r)	5,751	5,488
Floating interest rate based on SOFR plus margin, maturing in 2027 (s)	5,748	5,487
Floating interest rate based on SOFR plus margin, maturing in 2029 (t)	2,864	-
Floating interest rate based on SOFR plus margin, maturing in 2024 (u)	-	110,301
Foreign currency-denominated Term Notes	465,662	413,167
	626,294	582,393
Less current maturities	8,073	127,783
	P618,221	P454,610

- a. The amount represents the first, second, third and fourth tranche of the P60,000 shelf registered fixed rate bonds issued by the Company amounting to P20,000, P10,000, P20,000 and P10,000, respectively. The Bonds were listed on the Philippine Dealing & Exchange Corp. (PDEX).

- The first tranche of the fixed rate bonds listed on March 1, 2017 amounting to P20,000 consists of: (i) five-year Series A Bonds, due in 2022 with an interest rate of 4.8243% per annum; (ii) seven-year Series B Bonds, due in 2024 with an interest rate of 5.284% per annum (Note 31); and (iii) ten-year Series C Bonds, due in 2027 with an interest rate of 5.7613% per annum. Interest is payable every 1st of March, June, September and December of each year.
- The second tranche of the fixed rate bonds listed on April 7, 2017 amounting to P10,000 comprises five-year Series D Bonds, due in 2022 with an interest rate of 5.1923% per annum. Interest is payable every 7th of January, April, July and October of each year.
- The third tranche of the fixed rate bonds listed on March 19, 2018 amounting to P20,000 consists of: (i) five-year Series E Bonds, due in 2023 with an interest rate of 6.25% per annum; (ii) seven-year Series F Bonds, due in 2025 with an interest rate of 6.625% per annum; and (iii) ten-year Series G Bonds, due in 2028 with an interest rate of 7.125% per annum. Interest is payable every 19th of March, June, September and December of each year.
- The fourth tranche of the fixed rate bonds listed on October 4, 2019 amounting to P10,000 comprises five-year Series H Bonds, due in 2024 with an interest rate of 5.55% per annum. Interest is payable every 4th of January, April, July and October of each year.

The proceeds of the issuance of the bonds were used to partially refinance various loans.

The Company paid the P6,683 Series A Bonds, P10,000 Series D Bonds, P13,146 Series E Bonds, P7,294 Series B Bonds and P10,000 Series H Bonds on March 1, 2022, April 7, 2022, March 20, 2023, March 1, 2024 and October 4, 2024, respectively.

Unamortized debt issue costs amounted to P42 and P84 as at December 31, 2024 and 2023, respectively.

- b. The amount represents the first tranche of the P50,000 Shelf Registered Fixed Rate Bonds issued by the Company amounting to P30,000. The Bonds were listed on the PDEX.

The first tranche of the fixed rate bonds listed on July 8, 2021, comprises six-year Series I Bonds, due in 2027 with an interest rate of 3.3832% per annum and with a put option on the part of the bondholder on the third anniversary of its issue date. Interest is payable every 8th of January, April, July and October of each year.

The proceeds of the issuance of the bonds were used to repay existing obligations.

The Company partially paid P11,240 of the Series I Bonds on July 8, 2024, as a result of the Put Option Exercise by the exercising Series I Bondholders. The remaining balance of the Series I Fixed Rate Peso-denominated Bonds was repriced at 7.465% per annum from 3.3832% per annum effective July 8, 2024, until maturity on July 8, 2027.

Unamortized debt issue costs amounted to P108 and P238 as at December 31, 2024 and 2023, respectively.

- c. The amount represents the first tranche of the P60,000 shelf registered fixed rate bonds issued by the Company amounting to P30,000. The Bonds were listed on the PDEX.

The first tranche of the fixed rate bonds listed on March 4, 2022, consists of: (i) five-year Series J Bonds, due in 2027 with an interest rate of 5.2704% per annum; and (ii) seven-year Series K Bonds, due in 2029 with an interest rate of 5.8434% per annum. Interest is payable every 4th of March, June, September and December of each year.

The proceeds of the issuance of the bonds were used for refinancing the Company's short-term loan facilities and other general corporate purposes.

Unamortized debt issue costs amounted to P242 and P301 as at December 31, 2024 and 2023, respectively.

- d. The amount represents the P60,000 fixed rate bonds issued by the Company consisting of: (i) five-year and three months Series L Bonds, due in 2028 with an interest rate of 7.4458% per annum; (ii) seven-year Series M Bonds, due in 2029 with an interest rate of 7.8467% per annum; and (iii) ten-year Series N Bonds, due in 2032 with an interest rate of 8.489% per annum. The Bonds were listed on the PDEX. Interest is payable every 14th of March, June, September and December of each year.

The proceeds of the issuance of the bonds were used for: (i) the optional redemption of the Company's Series "2" Preferred Shares - Subseries "2-H"; (ii) the repayment of the Peso-denominated short-term loan facilities that were used to pay the Series A and Series D Bonds; (iii) the payment of Series E Bonds; and (iv) the refinancing of certain US Dollar-denominated obligations.

Unamortized debt issue costs amounted to P554 and P701 as at December 31, 2024 and 2023, respectively.

- e. The amount represents the first tranche of the P50,000 Shelf Registered Fixed Rate Bonds issued by the Company amounting to P20,000. The Bonds were listed on the PDEX.

The first tranche of the fixed rate bonds listed on July 3, 2024, consists of: (i) six-years and six-months Series O Bonds, due in 2031 with an interest rate of 7.2584% per annum; and (ii) ten-year Series P Bonds, due in 2034 with an interest rate of 7.7197% per annum. Interest is payable every 3rd of January, April, July and October of each year.

The proceeds of the issuance of the bonds were used for the partial payment of Series I Bonds and the remaining balance will be used for additional investment in the Manila International Airport (MIA) Project and other airport-related projects in Bulacan (Note 18) and the repayment of Series F Bonds on March 19, 2025.

Unamortized debt issue costs amounted to P252 as at December 31, 2024.

- f. The amount represents the drawdown by the Company on June 24, 2019 from its term loan facility amounting to P16,000. The loan is amortized over seven years and is subject to a fixed interest rate of 6.9375% per annum payable quarterly. The proceeds of the loan were used for general corporate purposes.

The Company paid the scheduled amortizations amounting to P880 and P720 as at December 31, 2024 and 2023, respectively.

Unamortized debt issue costs amounted to P31 and P49 as at December 31, 2024 and 2023, respectively.

- g. The amount represents the drawdown by the Company on June 30, 2023 from its term loan facility amounting to P5,200. The loan is amortized over six years and is subject to a fixed interest rate of 7.4998% per annum payable semi-annually and with a put option on the part of the lender on the third anniversary of the first drawdown date. The proceeds of the loan were used for the refinancing of Corona Virus Disease 2019 response activities during the period 2020 to 2022.

The Company paid the scheduled amortization amounting to P52 in 2024.

Unamortized debt issue costs amounted to P44 and P52 as at December 31, 2024 and 2023, respectively.

- h. The amount represents the drawdown by the Company on July 31, 2023 from its term loan facility amounting to US\$150. The term of the loan is for five years and is subject to a fixed interest rate of 6.55% per annum, payable quarterly. The proceeds of the loan were used for general corporate purposes including the refinancing of external indebtedness, as well as related fees and expenses and payment of other transaction related fees, costs and expenses of the facility.

Unamortized debt issue costs amounted to P47 and P59 as at December 31, 2024 and 2023, respectively.

- i. The amount represents the drawdown by the Company on May 17, 2024 from its term loan facility amounting to US\$150. The term of the loan is for five years and is subject to a fixed interest rate of 6.68% per annum, payable quarterly. The proceeds of the loan were used for general corporate purposes.

Unamortized debt issue costs amounted to P58 as at December 31, 2024.

- j. The amount represents the drawdown by the Company on September 27, 2024 from its term loan facility amounting to US\$2,000. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used to refinance the matured loans drawn by SMC amounting to US\$50 and US\$1,950 on December 27, 2019 and March 19, 2020, respectively.

Unamortized debt issue costs amounted to P2,717 as at December 31, 2024.

- k. The amount represents the drawdown by the Company of US\$1,903 on various dates in 2024, 2023 and 2022 from its US\$2,165 term loan facility. The term of the loan is for 13 years and is subject to a floating interest rate. The proceeds of the loan were used to fund the land development works of the MIA Project in Bulacan (Note 18).

Unamortized debt issue costs amounted to P1,535 and P1,348 as at December 31, 2024 and 2023, respectively.

- l. The amount represents the drawdown by the Company of US\$1,330 on various dates in 2023 from its term loan facility. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes including the refinancing of external indebtedness, as well as related fees and expenses and payment of other transaction related fees, costs and expenses of the facility.

Unamortized debt issue costs amounted to P1,381 and P1,750 as at December 31, 2024 and 2023, respectively.

- m. The amount represents the drawdown by the Company on various dates in 2022 and 2021 from its term loan facility amounting to US\$900. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes.

Unamortized debt issue costs amounted to P497 and P759 as at December 31, 2024 and 2023, respectively.

- n. The amount represents the drawdown by the Company on various dates in 2022 from its term loan facility amounting to US\$700. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes.

Unamortized debt issue costs amounted to P475 and P660 as at December 31, 2024 and 2023, respectively.

- o. The amount represents the drawdown by the Company on September 20, 2023 from its term loan facility amounting to US\$300. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used to refinance a total of US\$300 term loans availed in 2018.

Unamortized debt issue costs amounted to P300 and P367 as at December 31, 2024 and 2023, respectively.

- p. The amount represents the drawdown by the Company of US\$200 and US\$100 on November 15 and 24, 2023, respectively, from its term loan facility amounting to US\$300. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes including the refinancing of external indebtedness, as well as related fees and expenses and payment of other transaction related fees, costs and expenses of the facility.

Unamortized debt issue costs amounted to P367 and P445 as at December 31, 2024 and 2023, respectively.

- q. The amount represents the drawdown by the Company on July 10, 2023 from its term loan facility amounting to US\$200. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes including the refinancing of external indebtedness, as well as related fees and expenses and payment of other transaction related fees, costs and expenses of the facility.

Unamortized debt issue costs amounted to P200 and P237 as at December 31, 2024 and 2023, respectively.

- r. The amount represents the drawdown by the Company on December 23, 2021 from its term loan facility amounting to US\$100. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes.

Unamortized debt issue costs amounted to P33 and P49 as at December 31, 2024 and 2023, respectively.

- s. The amount represents the drawdown by the Company on August 2, 2022 from its term loan facility amounting to US\$100. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes.

Unamortized debt issue costs amounted to P36 and P50 as at December 31, 2024 and 2023, respectively.

- t. The amount represents the drawdown by the Company on August 2, 2024 from its term loan facility amounting to US\$50. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes.

Unamortized debt issue costs amounted to P28 as at December 31, 2024.

- u. The amount represents the drawdown by the Company of US\$50 and US\$1,950 on December 27, 2019 and March 19, 2020, respectively, from its term loan facility amounting to US\$2,000. The term of the loan is for five years and is subject to a floating interest rate. The proceeds of the loan were used for general corporate purposes.

The loan was fully paid on September 27, 2024.

Unamortized debt issue costs amounted to P439 as at December 31, 2023.

The debt agreements contain, among others, covenants relating to merger and consolidation, negative pledge, maintenance of certain financial ratios, working capital requirements, restrictions on loans and guarantees, disposal of a substantial portion of assets, significant changes in the ownership or control of subsidiaries.

The Company is required to comply with the following financial ratios:

Financial Ratios	Threshold
Consolidated earnings before interest, taxes, depreciation and amortization to consolidated total interest expense	Not less than 2.00:1.00
Consolidated net debt to consolidated total equity	Does not exceed 2.10:1.00

The Company is in compliance with the covenants of the debt agreements as at December 31, 2024 and 2023.

Interest expense on long-term debt recognized in the separate statements of income amounted to P34,691 and P32,336 in 2024 and 2023, respectively (Note 21).

The movements in debt issue costs are as follows:

	Note	2024	2023
Balance at beginning of year		P7,588	P5,881
Additions		3,521	3,604
Amortization	21	(2,162)	(1,897)
Balance at end of year		P8,947	P7,588

Repayment Schedule

The annual maturities of long-term debt are as follows:

Year	Gross Amount	Debt Issue Costs	Net
2025	P8,151	P78	P8,073
2026	83,867	714	83,153
2027	99,560	919	98,641
2028	174,467	2,718	171,749
2029 and thereafter	269,196	4,518	264,678
Total	P635,241	P8,947	P626,294

Contractual terms of the Company's interest-bearing loans and borrowings and exposure to interest rate, foreign currency and liquidity risks are discussed in Note 29.

16. Income Taxes

The components of income tax expense (benefit) are shown below:

	2024	2023
Current	P221	P284
Deferred	(1,894)	2,308
	(P1,673)	P2,592

Deferred tax assets and liabilities arise from the following:

	2024	2023
Items Recognized in Profit or Loss		
Allowance for impairment losses	P2,207	P2,207
Unrealized foreign exchange loss	1,687	300
Retirement benefits	(184)	(216)
Others	1,107	632
	4,817	2,923
Items Recognized Directly in Other Comprehensive Income		
Remeasurement loss on defined benefit retirement plan	756	679
Net loss on cash flow hedges	228	135
Net gain on financial assets at FVOCI	(101)	(85)
	883	729
	P5,700	P3,652

The movements in deferred tax assets are as follows:

2024	Balance at January 1	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance at December 31
Allowance for impairment losses	P2,207	P -	P -	P2,207
Unrealized foreign exchange loss	300	1,387	-	1,687
Retirement costs (benefits)	(216)	32	-	(184)
Net gain on financial assets at FVOCI	(85)	-	(16)	(101)
Remeasurement loss on defined benefit retirement plan	679	-	77	756
Net loss on cash flow hedges	135	-	93	228
Others	632	475	-	1,107
	P3,652	P1,894	P154	P5,700

2023	Balance at January 1	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance at December 31
Allowance for impairment losses	P2,183	P24	P -	P2,207
Unrealized foreign exchange loss (gain)	1,757	(1,457)	-	300
MCIT	78	(78)	-	-
Retirement costs (benefits)	(238)	22	-	(216)
Net gain on financial assets at FVOCI	(71)	-	(14)	(85)
Remeasurement loss (gain) on defined benefit retirement plan	818	-	(139)	679
Net loss on cash flow hedges	93	-	42	135
Others	1,451	(819)	-	632
	P6,071	(P2,308)	(P111)	P3,652

As at December 31, 2024 the NOLCO of the Company that can be claimed as deduction from future taxable income are as follows:

Year Incurred/Paid	Carryforward Benefits Up To	Balance
2020	December 31, 2025	P3,715
2021	December 31, 2026	7,087
2022	December 31, 2025	1,833
2023	December 31, 2026	1,880
2024	December 31, 2027	8,264
		P22,779

As at December 31, 2024, the MCIT of the Company that can be claimed as deduction from corporate income tax due are as follows:

Year Incurred/Paid	Carryforward Benefits Up To	Balance
2022	December 31, 2025	P65
2023	December 31, 2026	97
2024	December 31, 2027	91
		P253

As at December 31, 2024, deferred tax assets in respect of NOLCO and MCIT amounting to P5,695 and P253, respectively, have not been recognized because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

On September 30, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 25-2020 to implement Section 4 (bbbb) of Republic Act (RA) No. 11494 ("Bayanihan to Recover as One Act"), relative to NOLCO which provides that the net operating loss of a business or enterprise for taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five consecutive taxable years immediately following the year of such loss.

The net operating loss for the said taxable years may be carried over as a deduction even after the expiration of RA No. 11494, provided that the same is claimed within the next five consecutive taxable years following the year such loss was incurred.

For taxable years 2024, 2023 and 2022, the expiration period of NOLCO reverted to three years.

The reconciliation between the statutory income tax rate on loss before income tax and the Company's effective income tax rate is as follows:

	2024	2023
Statutory income tax rate	25.00%	25.00%
Increase (decrease) in income tax rate resulting from:		
Nontaxable income	52.32%	27.44%
Income subject to final tax	0.09%	0.48%
Others, mainly nondeductible expenses	(67.25%)	(70.96%)
Effective income tax rate	10.16%	(18.04%)

**Percentages are computed based on amounts in nearest peso.*

RA No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

The CREATE Act, which seeks to reduce the corporate income tax rates and to rationalize the current fiscal incentives by making it time-bound, targeted and performance-based, was passed on March 26, 2021 and took effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation on April 11, 2021.

Key provisions of the CREATE Act which have an impact on the Company are: (i) reduction of Regular Corporate Income Tax (RCIT) rate from 30% to 25% for domestic and resident foreign corporations effective July 1, 2020; (ii) reduction of MCIT rate from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023; and (iii) repeal of the imposition of improperly accumulated earnings tax. The rate of MCIT reverted to 2% based on gross income starting July 1, 2023.

Accordingly, current and deferred taxes as at and for the year ended December 31, 2024 and 2023 were computed and measured using the applicable income tax rates. MCIT was computed using 2% and 1.5% tax rates in 2024 and 2023, respectively.

RA No. 12066 or the CREATE to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act

The CREATE MORE Act, which seeks to improve the country's fiscal incentives policies by clarifying issues in the implementation of the CREATE Act, took effect on November 28, 2024. Key provisions of the CREATE MORE Act which have an impact on the Group are: (i) reduction of RCIT rate from 25% to 20% and expanded deductions for Registered Business Enterprises (RBEs) under the Enhanced Deductions Regime; and (ii) broadened eligibility and extended period of incentives for RBEs.

International Tax Reform - Pillar Two Model Rules

The Company has applied the amendments to PAS 12, *Income Taxes* (International Tax Reform - Pillar Two Model Rules), which provide a mandatory temporary exception from accounting for deferred taxes arising from Pillar Two income taxes. No deferred tax assets or liabilities have been recognized in relation to Pillar Two legislation.

'Pillar Two legislation' has been enacted or substantively enacted in certain jurisdictions where the Company and its subsidiaries operate. For Australia, Japan, Vietnam and the Netherlands, the legislation is effective beginning January 1, 2024. For Hong Kong, Indonesia, Malaysia, New Zealand, and Singapore, the legislation is not yet effective as at December 31, 2024.

As part of the Top Frontier Group, the Company and its subsidiaries are in scope of the enacted or substantively enacted legislation and has performed a Transitional Country-by-Country (CbCR) Safe Harbor (TCSH) test to determine jurisdictions that can be excluded from the full Pillar Two calculations. The test was based on the most recent tax filings, CbCR reports, and financial statements for the covered entities. Except for Malaysia and Singapore, all jurisdictions passed the TCSH test.

The Company and its subsidiaries are in the process of performing full Pillar Two calculations for Malaysia and Singapore and does not expect exposure to 'Pillar Two income taxes' since the enacted legislations in these jurisdictions are not yet effective as at December 31, 2024.

The Company and its subsidiaries will continue to monitor developments and will provide additional disclosures when the legislation becomes effective and the impact becomes reasonably estimable.

17. Equity

a. Amendments to the Articles of Incorporation

On July 23, 2009, during the annual stockholders' meeting of the Company, the stockholders approved the amendments to the Articles of Incorporation for the declassification of the common shares of the Company. The authorized capital stock of the Company amounting to P22,500 was divided into 2,034,000,000 Class "A" common shares, 1,356,000,000 Class "B" common shares with a par value of P5.00 per share and 1,110,000,000 Series "1" Preferred Shares with a par value of P5.00 per share, and defined the terms and features of the Series "1" Preferred Shares. The SEC approved the amendments to the Amended Articles of Incorporation of the Company on August 20, 2009.

During the April 18, 2012 and June 14, 2012 meetings of the BOD and stockholders of the Company, respectively, the BOD and stockholders approved the amendments to the Articles of Incorporation of the Company, to increase the authorized capital stock of the Company from P22,500 to P30,000 as follows: (a) the increase in the number of the common shares from 3,390,000,000 common shares to 3,790,000,000, or an increase of 400,000,000 common shares; and (b) the creation and issuance of 1,100,000,000 Series “2” Preferred Shares with a par value of P5.00 per share.

On September 21, 2012, the SEC approved the amendment to the Articles of Incorporation of the Company to increase the authorized capital stock, and consequently creating the Series “2” Preferred Shares.

On June 9, 2015, during the annual stockholders meeting of the Company, the stockholders approved the amendment to Article VII of the Amended Articles of Incorporation of the Company to reclassify 810,000,000 Series “1” Preferred Shares to Series “2” Preferred Shares, consisting of 691,099,686 Series “1” preferred treasury shares to Series “2” preferred treasury shares and 118,900,314 Series “1” preferred unissued shares to Series “2” preferred unissued shares. With the approved reclassification, the resulting distribution of the preferred shares of the Company was 300,000,000 for Series “1” Preferred Shares and 1,910,000,000 for Series “2” Preferred Shares. The stockholders also approved the issuance of the Series “2” Preferred Shares subject to the passage of Enabling Resolutions containing the details of the terms and conditions of the issuance.

The amendment to Article VII of the Amended Articles of Incorporation of the Company to reclassify 810,000,000 Series “1” Preferred Shares to Series “2” Preferred Shares was approved by the SEC on July 14, 2015.

b. Capital Stock

Common Shares

On July 27, 2010, the BOD of the Company approved the offer to issue approximately 1,000,000,000 common shares (from the unissued capital stock and treasury shares) at a price of not less than P75.00 per share.

Effective August 26, 2010, all Class “A” common shares and Class “B” common shares of the Company were declassified and are considered as common shares without distinction, as approved by the SEC. Both are available to foreign investors, subject to the foreign ownership limit.

The Company has a total of 33,162 and 33,379 common shareholders as at December 31, 2024 and 2023, respectively.

The number of issued and outstanding shares of common stock are as follows:

	2024	2023
Issued shares	3,288,649,125	3,288,649,125
Less treasury shares	904,752,537	904,752,537
Issued and outstanding shares	2,383,896,588	2,383,896,588

Preferred Shares

i. Series “1” Preferred Shares

Series “1” Preferred Shares have a par value of P5.00 per share and are entitled to receive cash dividends upon declaration by and at the sole option of the BOD of the Company at a fixed rate of 8% per annum calculated in respect of each Series “1” Preferred Share by reference to the Issue Price thereof in respect of each dividend period.

Series “1” Preferred Shares are non-voting except as provided for under the Corporation Code. The Series “1” Preferred Shares are redeemable in whole or in part, at the sole option of the Company, at the end of three years from the issue date at P75.00 plus any accumulated and unpaid cash dividends.

All shares rank equally with regard to the residual assets of the Company, except that holders of preferred shares participate only to the extent of the issue price of the shares plus any accumulated and unpaid cash dividends.

On July 23, 2009, the stockholders of the Company approved the Offer by the Company to exchange existing common shares of up to approximately 35% of the issued and outstanding capital stock of the Company with Series “1” Preferred Shares. The exchange ratio was one common share for one Series “1” Preferred Share and the qualified shareholders of record as at July 2, 2009, were vested with the right to participate on the exchange.

On October 5, 2009, the Company completed the exchange of 476,296,752 Class “A” common shares and 396,876,601 Class “B” common shares for Series “1” Preferred Shares.

On October 15, 2009, the BOD of the Company approved the issuance, through private placement, of up to 226,800,000 Series “1” Preferred Shares.

On December 22, 2009, the Company issued 97,333,000 Series “1” Preferred Shares to qualified buyers and by way of private placement to not more than 19 non-qualified buyers at the issue price of P75.00 per Series “1” Preferred Share.

On December 8, 2010 and October 3, 2011, the Company listed 873,173,353 and 97,333,000 Series “1” Preferred Shares worth P65,488 and P7,300, respectively.

On August 13, 2012, the BOD of the Company approved the redemption of Series “1” Preferred Shares at a redemption price of P75.00 per share.

On October 5, 2012, 970,506,353 Series “1” Preferred Shares were reverted to treasury.

On April 14, 2015, the Company reissued 279,406,667 Series “1” Preferred Shares held in treasury in the name of certain subscribers at P75.00 per share. The Series “1” Preferred Shares became tradable on the PSE beginning June 10, 2015.

On March 12, 2020, the BOD of the Company approved the redemption of Series “1” Preferred Shares at a redemption price of P75.00 per share.

On April 14, 2020, 279,406,667 Series “1” Preferred Shares were reverted to treasury.

On June 11, 2024, the BOD of the Company approved the amendment of the Articles of Incorporation of the Company to reclassify 300,000,000 Series “1” Preferred Shares to Series “2” Preferred Shares. The purpose of the reclassification is to allow the Company to issue additional preferred shares as a new subseries of Series “2” Preferred Shares under the more flexible terms and conditions of the Series “2” Preferred Shares.

As at December 31, 2024, the Company has 300,000,000 Series “1” Preferred Shares of which 279,406,667 are treasury shares, and 20,593,333 are unissued. As stated in the Amended Articles of Incorporation of the Company, the Series “1” Preferred Shares may be issued at a dividend rate based on a specific formula, shall have a maturity of five years, with an early redemption option of three years. On the other hand, the Series “2” Preferred Shares allow for more flexibility for the Company, through the approval of the BOD of Enabling Resolutions, to determine the terms and conditions of the issuance based on prevailing market condition.

The Amended Articles of Incorporation of the Company reflecting the amendments were approved by the SEC on February 25, 2025.

The Company has 279,406,667 Series “1” Preferred Shares held in treasury as at December 31, 2024 and 2023.

The Company has no outstanding Series “1” Preferred Shares as at December 31, 2024 and 2023.

ii. Series “2” Preferred Shares

Subseries 2-A, Subseries 2-B and Subseries 2-C

In September 2012, the Company issued 1,067,000,000 Series “2” Preferred Shares at the issue price of P75.00 per share. The said Series “2” Preferred Shares worth P80,025 were listed on the PSE on September 28, 2012. The SEC approved the registration and issued a permit to sell on August 10, 2012.

The Series “2” Preferred Shares were issued in three subseries (Subseries “2-A”, Subseries “2-B” and Subseries “2-C”) and are Peso-denominated, perpetual, cumulative, non-participating and non-voting.

The Company has the redemption option starting on the third, fifth and seventh year and every dividend payment thereafter, with a “step-up” rate effective on the 5th, 7th and 10th year, respectively, if the shares are not redeemed. Dividend rates are 7.500%, 7.625%, and 8.000% per annum for Subseries “2-A”, Subseries “2-B” and Subseries “2-C” Preferred Shares, respectively.

On September 21, 2015, the Company redeemed its 721,012,400 Series “2” Preferred Shares - Subseries “2-A” at a redemption price of P75.00 per share plus any unpaid cash dividends. The Company paid P54,076 to the holders of Subseries “2-A” Preferred Shares. The redemption was approved by the BOD of the Company on August 20, 2015.

On September 23, 2019, the Company redeemed its 90,428,200 Series “2” Preferred Shares - Subseries “2-B” at a redemption price of P75.00 per share. The Company paid P6,782 to the holders of Subseries “2-B” Preferred Shares. The redemption was approved by the BOD of the Company on September 12, 2019.

On September 21, 2021, the Company redeemed its outstanding 255,559,400 Series “2” Preferred Shares - Subseries “2-C” at a redemption price of P75.00 per share. The Company paid P19,167 to the holders of Subseries “2-C” Preferred Shares. The redemption was approved by the BOD of the Company on August 5, 2021.

The Company has no outstanding Series “2” Subseries “2-A”, Subseries “2-B” and Subseries “2-C” Preferred Shares as at December 31, 2024 and 2023.

Subseries 2-D, Subseries 2-E and Subseries 2-F

On September 21, 2015, the Company issued and listed on the PSE 446,667,000 Series “2” Preferred Shares held in treasury in three subseries (Subseries “2-D”, Subseries “2-E” and Subseries “2-F”). The said Series “2” Preferred Shares are Peso-denominated, perpetual, cumulative, non-participating and non-voting. Dividend rates are 5.9431%, 6.3255% and 6.8072% per annum for Subseries “2-D”, Subseries “2-E” and Subseries “2-F” Preferred Shares, respectively. The SEC approved the registration and issued a permit to sell on August 6, 2015.

On September 21, 2020, the Company redeemed its 89,333,400 Series “2” Preferred Shares - Subseries “2-D” at a redemption price of P75.00 per share plus any unpaid cash dividends. The Company paid P6,700 to the holders of Subseries “2-D” Preferred Shares. The redemption was approved by the BOD of the Company on August 6, 2020.

On September 21, 2021, the Company redeemed its 134,000,100 Series “2” Preferred Shares - Subseries “2-E” at a redemption price of P75.00 per share plus any unpaid cash dividends. The Company paid P10,050 to the holders of Subseries “2-E” Preferred Shares. The redemption was approved by the BOD of the Company on August 5, 2021.

As at December 31, 2024, only the 223,333,500 Series “2” Preferred Shares -Subseries “2-F” remain outstanding.

Subseries 2-G, Subseries 2-H and Subseries 2-I

On February 24, 2016, the BOD of the PSE approved the listing application of the Company of up to 975,571,800 shares of Series “2” Preferred Shares under shelf registration (the Shelf Registered Shares) and the offering of up to 400,000,000 shares of Series “2” Preferred Shares (the First Tranche) with a par value of P5.00 per share and an offer price of P75.00 per share. The SEC approved the Shelf Registered Shares and issued a permit to sell on March 8, 2016.

The Company offered the “First Tranche” of up to: (i) 280,000,000 shares of Series “2” Preferred Shares consisting of Subseries “2-G”, Subseries “2-H” and Subseries “2-I” and (ii) 120,000,000 shares of Series “2” Preferred Shares to cover the oversubscription option. The First Tranche was re-issued and offered from the Series “2” Preferred Shares Subseries held in treasury. The First Tranche was issued on March 30, 2016 which was also the listing date of the Shelf Registered Shares.

Dividend rates are 6.5793%, 6.3222% and 6.3355% per annum for Subseries “2-G”, Subseries “2-H” and Subseries “2-I” Preferred Shares, respectively.

Following the completion of the Company’s follow-on offering of 280,000,000 Series “2” Preferred Shares, with an oversubscription option of 120,000,000 Series “2” Preferred Shares, the Company re-issued the Series “2” Preferred Shares held in treasury, as follows: (i) 244,432,686 Series “2” Preferred Shares; and (ii) 155,567,314 Subseries “2-A” Preferred Shares (collectively, the “Offer Shares”). The Series “2” Preferred Shares were Series “1” Preferred Shares held in treasury that were reclassified to Series “2” Preferred Shares on June 9, 2015.

The remaining 575,571,800 Shelf Registered Shares were no longer issued due to the expiration of the shelf registration, which is a period of three years from the date of approval.

On March 30, 2021, the Company redeemed its 66,666,600 Series “2” Preferred Shares - Subseries “2-G” at a redemption price of P75.00 per share plus any unpaid cash dividends. The Company paid P5,000 to the holders of Subseries “2-G” Preferred Shares. The redemption was approved by the BOD of the Company on March 11, 2021.

On December 21, 2022, the Company redeemed its 164,000,000 Series “2” Preferred Shares - Subseries “2-H” at a redemption price of P75.00 per share, plus any unpaid cash dividends. The Company paid P12,300 to the holders of Subseries “2-H” Preferred Shares. The redemption was approved by the BOD of the Company on September 22, 2022.

As at December 31, 2024 and 2023, only the 169,333,400 Series “2” Preferred Shares - Subseries “2-I” remain outstanding.

Subseries 2-J and Subseries 2-K

On September 30, 2020, the BOD of the PSE approved the listing application of the Company of up to 533,333,334 Series “2” Preferred Shares under shelf registration (the Shelf Registered Shares) and the offering of up to 266,666,667 Series “2” Preferred Shares (the First Tranche) with a par value of P5.00 per share and an offer price of P75.00 per share. The SEC approved and rendered effective the shelf registration of the Shelf Registered Shares on October 9, 2020 and issued a permit to sell the First Tranche on the same date.

The Company offered the First Tranche consisting of: (i) 133,333,400 Subseries “2-J” Preferred Shares; and (ii) an Oversubscription Option of up to 133,333,267 Subseries “2-J” Preferred Shares at an offer price of P75.00 per share. The First Tranche consisting of 266,666,667 Subseries “2-J” Preferred Shares was issued on October 29, 2020, which was also the date when the First Tranche was listed on the PSE.

The Company offered a Second Tranche of the Shelf Registered Shares, consisting of: (i) 133,333,400 Subseries “2-K” Preferred Shares; and (ii) an Oversubscription Option of up to 133,333,267 Subseries “2-K” Preferred Shares at an offer price of P75.00 per share. The Second Tranche consisting of 183,904,900 Subseries “2-K” was issued and listed on the PSE on December 10, 2020.

The First and Second Tranche were re-issued and offered from the Subseries “2-A” Preferred Shares held in treasury.

Dividend rates are 4.75% and 4.50% per annum for Subseries “2-J” and Subseries “2-K” Preferred Shares, respectively.

Subseries 2-M

On August 23, 2023, the Company issued via private placement 173,333,325 Subseries “2-M” Preferred Shares at an offer price of P75.00 per share, with a fixed dividend rate of 8.375% per annum. Subseries “2-M” Preferred Shares were listed on the PSE on August 29, 2023. The Subseries “2-M” Preferred Shares are cumulative, non-voting, non-participating, non-convertible, redeemable, Peso-denominated preferred shares issued out of the treasury shares of the Company.

Subseries 2-L, Subseries 2-N and Subseries 2-O

On October 17, 2023, the BOD of PSE approved the shelf registration application of the Company of up to 866,666,700 Series “2” cumulative, non-voting, non-participating, non-convertible, redeemable and re-issuable (the Shelf Registered Shares) and with an offer Supplement for the First Tranche of 400,000,000 Subseries “2-L”, Subseries “2-N” and Subseries “2-O” Preferred Shares (the “Base Offer Shares”) and an Over-subscription Option of up to 266,666,700 Subseries “2-L”, Subseries “2-N” and Subseries “2-O” Preferred Shares, with a par value of P5.00 per share and an offer price of P75.00 per share. The SEC approved and rendered effective the shelf registration of the Shelf Registered Shares on November 9, 2023 and issued a permit to sell the First Tranche on the same date.

On December 1, 2023, the First Tranche consisting of 165,358,600 Subseries “2-L” Preferred Shares, 100,115,100 Subseries “2-N” Preferred Shares, and 187,859,700 Subseries “2-O” Preferred Shares was issued and listed on the PSE.

Dividend rates are 7.9145%, 8.3466% and 8.5936% per annum for Subseries “2-L”, Subseries “2-N” and Subseries “2-O” Preferred Shares, respectively.

The Company has 288,194,494 Series “2” Preferred Shares held in treasury as at December 31, 2024 and 2023.

The Company has 1,469,905,192 outstanding Series “2” Preferred Shares as at December 31, 2024 and 2023.

The Company has a total of 290 and 277 preferred shareholders as at December 31, 2024 and 2023, respectively.

c. Treasury Shares

Treasury shares consist of:

	2024	2023
Common	P67,093	P67,093
Preferred	42,570	42,570
	P109,663	P109,663

Common Shares

The Company has 904,752,537 common shares held in treasury as at December 31, 2024 and 2023.

1. In the Entry of Judgment received on January 27, 2015, the Supreme Court entered in the Book of Entries of Judgments the Resolution of September 4, 2012 in G.R. Nos. 177857-58 and 178193 wherein the Supreme Court clarified that the 753,848,312 SMC Series "1" Preferred Shares of the Coconut Industry Investment Fund (CIIF) companies converted from the CIIF block of SMC shares, with all the dividend earnings as well as all increments arising therefrom shall now be the subject matter of the January 29, 2012 Decision and declared owned by the Government and used only for the benefit of all coconut farmers and for the development of the coconut industry. Thus, the fallo of the Decision dated January 24, 2012 was accordingly modified.

On October 5, 2016, the Supreme Court of the Philippines in G.R. Nos. 177857-58 and 178193 issued a Judgment denying the "Manifestation and Omnibus Motion" filed by the Presidential Commission on Good Government to amend the Resolution Promulgated on September 4, 2012 to Include the "Treasury Shares" Which are Part and Parcel of the 33,133,266 CIIF Block of SMC Shares of 1983 Decreed by the Sandiganbayan, and Sustained by the Honorable Court, as Owned by the Government. The denial of the motion is without prejudice to the right of the Republic of the Philippines (ROP) to file the appropriate action or proceeding to determine the legal right of the Company to the 25,450,000 treasury shares of the Company. On November 29, 2016, the Supreme Court denied with finality the motion for reconsideration of the ROP. To date, no such further action or proceeding has been filed by the ROP relating to the 25,450,000 Treasury Shares of the Company.

2. In 2009, 873,173,353 common shares reverted to treasury were acquired through the exchange of common shares to preferred shares, on a one-for-one basis, at P75.00 per share amounting to P65,488.
3. On May 5, 2011, the Company completed the secondary offering of its common shares. The offer consists of 110,320,000 shares of stock of the Company consisting of 27,580,000 common shares from the treasury shares of the Company and 82,740,000 SMC common shares held by Top Frontier, priced at P110.00 per share.
4. Also on May 5, 2011, US\$600 worth of exchangeable bonds of the Company sold to overseas investors were simultaneously listed on the Singapore Exchange Securities Trading Limited (SGX-ST). The exchangeable bonds have a maturity of three years, a coupon of 2% per annum and a conversion premium of 25% of the offer price. The exchangeable bonds are exchangeable for common shares to be re-issued from the treasury shares of the Company. The initial exchange price for the exchange of the exchangeable bonds into common shares is P137.50 per share.

On December 5, 2011, 765,451 common shares were delivered to the bondholders of the Company's exchangeable bonds who exercised their exchange rights under the terms and conditions of the bonds at an exchange price of P113.24 per share. Subsequently on December 8, 2011 and February 10 and 16, 2012, the delivered common shares of stock of the Company were transacted and crossed on the PSE via a special block sale in relation to the issuance of common shares pursuant to the US\$600 exchangeable bonds of the Company.

In 2014, 2013 and 2012, additional 1,077,573, 6,540,959 and 1,410,604 common shares, respectively, were delivered to the bondholders of the Company's exchangeable bonds who exercised their exchange rights under the terms and conditions of the bonds at exchange prices ranging from P80.44 to P113.24 per share. The additional common shares of stock of the Company were transacted and crossed on the PSE on various dates via special block sales.

A total of 9,794,587 common shares were issued to the bondholders of the Company's exchangeable bonds as at December 31, 2014.

5. In 2014 and 2013, 68,150 common shares and 3,410,250 common shares, respectively, under the Company's Employee Stock Purchase Plan (ESPP) were cancelled and held in treasury shares.

In 2016, the Company discontinued the ESPP.

d. Capital Securities

SPCS

On December 5, 2019, the BOD approved the establishment of a medium term note programme amounting to US\$3,000 (the "Programme"), and the issuance of US\$500 perpetual securities out of the Programme. The Programme and the initial issuance of perpetual securities were both registered on the SGX-ST.

The Programme will be available for a medium term and will allow the Company to tap the financial market for funding through the issuance of securities, including but not limited to corporate notes, bonds, and perpetual securities and other similar instruments at different currencies (other than Philippine Peso). The establishment of the Programme will give the Company ready access to funding and will give the Company the flexibility to fund its contemplated investments and projects such as the Metro Rail Transit 7 construction, the MIA, as well as the refinancing of its existing obligations and for other general corporate purposes. All instruments and securities that will be issued out of the Programme shall be exempt securities and shall not be required to be registered with the PSE.

On July 29, 2020, the Company issued US\$500 (P24,595) SPCS at an issue price of 100%, with a rate of distribution of 5.5% per annum payable every January 29 and July 29 of each year. The securities were issued under the Programme. The net proceeds were used to finance investments and various projects, to refinance existing obligations and for general corporate purposes.

RPS

On July 1, 2020, the Company issued P4,000 RPS to a related party, with a rate of distribution of 5% per annum, payable every January 1, April 1, July 1 and October 1 of each year. The RPS was purchased at an amount equivalent to its face value on May 25, 2023.

On August 4, 2020, the Company issued US\$100 (P4,909) RPS to a related party at an issue price of 100%, with a rate of distribution of 2.5% per annum, payable every February 5, May 5, August 5 and November 5 of each year.

The RPS are capital securities with no fixed redemption date. The security holders have the right to receive distribution payable quarterly in arrears. The Company has the right to defer this distribution under certain conditions.

The net proceeds of RPS were used by the Company for general corporate purposes.

e. Unappropriated Retained Earnings

The unappropriated retained earnings of the Company are restricted in the amount of P67,093 in 2024 and 2023 representing the cost of common shares held in treasury.

18. Costs and Expenses

Costs and expenses consist of:

	<i>Note</i>	2024	2023
Contracted services		P12,232	P7,539
Personnel	20	1,447	1,248
Professional fees		640	689
Travel, entertainment and representation		574	748
Rent, repairs and maintenance, supplies and utilities	24	294	244
Depreciation and amortization	19	192	166
Taxes and licenses		63	64
Others		65	99
		P15,507	P10,797

Contracted services include cost incurred for services rendered in relation to the financing activities for the ongoing projects of subsidiaries (Note 15).

19. Depreciation and Amortization

Depreciation and amortization arise from the following accounts:

	<i>Note</i>	2024	2023
Property, plant and equipment	8	P95	P72
Right-of-use assets	9	80	81
Investment property	10	9	8
Intangible assets	12	8	5
	18	P192	P166

20. Personnel Expenses

Personnel expenses consist of:

	Note	2024	2023
Salaries and wages		P1,115	P967
Retirement costs	25	113	89
Other employee benefits		219	192
	18	P1,447	P1,248

21. Interest Expense and Other Financing Charges

Interest expense and other financing charges consist of:

	Note	2024	2023
Interest expense		P37,917	P35,573
Other financing charges	15, 25	2,725	2,238
		P40,642	P37,811

Amortization of debt issue costs, included as part of “Other financing charges”, amounted to P2,162 and P1,897 in 2024 and 2023, respectively (Note 15).

Interest expense on loans payable, long-term debt and lease liabilities is as follows:

	Note	2024	2023
Long-term debt	15	P34,691	P32,336
Loans payable	13	3,195	3,199
Lease liabilities	24	31	38
		P37,917	P35,573

The Company paid interest expense and other financing charges amounting to P37,876 and P35,346 in 2024 and 2023, respectively, presented as part of financing activities in the separate statements of cash flows.

22. Interest Income

Interest income consists of:

	Note	2024	2023
Interest from short-term investments, cash in banks and others	5	P3,541	P4,095
Interest on amounts owed by related parties	23, 25	633	1,444
		P4,174	P5,539

23. Related Party Disclosures

The Company, certain subsidiaries and their shareholders and associates purchase products and services from one another in the normal course of business. The Company requires approval of the BOD for related party transactions amounting to at least ten percent (10%) of the Company's total consolidated assets based on its latest audited financial statements.

Amounts owed by/owed to related parties are collectible/will be settled in cash. An assessment is undertaken at each financial year by examining the financial position of the related party and the market in which the related party operates.

The following are the transactions with related parties and the outstanding balances as at December 31:

	Note	Year	Revenues from Related Parties	Purchases from Related Parties	Amounts Owed by Related Parties	Amounts Owed to Related Parties	Terms	Conditions
Parent Company	11	2024	P -	P -	P3,037	P -	To be settled on the first anniversary of commercial operations of the Nonoc Project; interest bearing	Unsecured; no impairment
		2023	-	-	3,037	-		
	26	2024	-	-	-	516	Settled on dividend payment date	Unsecured
		2023	-	-	-	516		
Entities under Common Control		2024	-	-	27	-	On demand; non-interest bearing	Unsecured; no impairment
		2023	-	-	27	-		
Subsidiaries	6, 7, 11, 14, 18, 22	2024	15,824	1,045	82,394	7,878	On demand; non-interest bearing	Unsecured; no impairment
		2023	11,197	545	66,648	8,329		
		2024	444	-	7,375	-	On demand and 90 days; interest bearing	Unsecured; no impairment
		2023	1,255	-	7,060	-	5 years and 20 years; interest bearing	Unsecured; no impairment
		2024	-	-	3,067	-		
		2023	-	-	3,067	-		
Associates of Subsidiaries	6, 11, 14, 18	2024	35	26	23	16	On demand; interest bearing and non-interest bearing	Unsecured; no impairment
		2023	32	59	27	16		
Retirement Plan	6, 22, 25	2024	30	-	3,078	-	On demand; non-interest bearing	Unsecured; no impairment
		2023	29	-	3,289	-		
		2024	189	-	3,233	-	On demand; interest bearing	Unsecured; no impairment
		2023	188	-	3,233	-		
		2024	P16,522	P1,071	P102,234	P8,410		
		2023	P12,701	P604	P86,388	P8,861		

- Purchases consist of purchase of power, products and services from related parties.
- Amounts owed by related parties consist of receivables arising from management fees, share in expenses, royalty, rental and interest; and non-interest bearing non-trade receivables.
 - Amounts owed by related parties also include prepaid rent amounting to P4 and P3 as at December 31, 2024 and 2023, respectively, presented as part of "Prepaid expenses and other current assets" account in the separate statements of financial position.
 - Amounts owed by related parties include interest bearing receivable from the Parent Company related to the remaining balance of the consideration for the sale of Clariden Holdings, Inc. (Clariden) amounting to P2,312 and the assignment of certain receivables of the Company amounting to P725.
 - Amounts owed by the Parent Company amounting to P2,312:* On September 27, 2019, the parties agreed in writing that the second payment amounting to P1,099, plus 5.75% interest rate per annum of any portion thereof unpaid, and the final payment amounting to P1,213, plus 6.00% interest rate per annum of any portion thereof unpaid, shall be payable and the interest shall be accrued on the first anniversary of commercial operations of the Nonoc Project or such extended date as may be mutually agreed by the parties in writing.

- (ii) *Amounts owed by the Parent Company amounting to P725:* On September 27, 2019, the parties agreed in writing that the amount plus 5.75% interest rate per annum of any portion thereof unpaid, shall be payable and the interest shall be accrued, upon commencement of commercial operations of the Nonoc Project.

The Nonoc Project is primarily focused in extracting nickel deposits in Nonoc Island, Surigao City, Surigao del Norte undertaken by Philnico Industrial Corporation, Pacific Nickel Philippines, Inc., and Philnico Processing Corp., indirect subsidiaries of Clariden. As at December 31, 2024 and 2023, the Nonoc Project has not yet started commercial operations.

These amounts are included as part of amounts owed by related parties under "Noncurrent receivables - net" account in the separate statements of financial position as at December 31, 2024 and 2023 (Note 11).

- c) Amounts owed by related parties include interest bearing advances.

Current Shareholder Advances:

- *Amounts owed by SMEII:* The Company provided interest bearing advances to SMEII amounting to P30,227 in 2022. These amounts are subject to 5.75% interest rate per annum, payable upon maturity on March 21, 2023.

The amounts owed by SMEII was fully paid in 2023.

- *Amounts owed by Atlantic Aurum Investments B.V. (AAIBV):* The Company provided interest bearing advances to AAIBV amounting to US\$128 in 2013. These amounts are subject to 3.00% interest rate per annum, payable upon maturity on May 28, 2018, or until the note is fully paid.

These amounts are included as part of amounts owed by related parties under "Receivable - net" account in the separate statements of financial position as at December 31, 2024 and 2023 (Note 6).

Noncurrent Shareholder Advances:

- *Amounts owed by SMC Mass Rail Transit 7 Inc. (SMC MRT 7):* The Company provided interest bearing shareholder advances to SMC MRT 7 amounting to P2,761 and P2,239 in 2022 and 2021, respectively. These amounts are subject to 3.00% interest rate per annum on the 1st 90 days. The interest rate is subject to a quarterly review by the Company and SMC MRT 7, based on the prevailing market rates. These amounts are payable upon maturity on October 19, 2026.

The amounts owed by SMC MRT 7 was fully paid on May 11, 2023.

- *Amounts owed by SMILSI:* The Company provided interest bearing shareholder advances to SMILSI amounting to P2,250 in 2021. These amounts are subject to 3.00% interest rate per annum on the 1st 90 days. The interest rate is subject to a quarterly review by the Company and SMILSI based on the prevailing market rates. These amounts are payable upon maturity on various dates in 2026.

- *Amounts owed by SMAI:* The Company provided interest bearing shareholder advances to SMAI amounting to P817 in 2020. These amounts are subject to 5.00% interest rate per annum for the initial interest period and interest rate based on 10-year PHP Bloomberg Valuation (on interest resetting date) plus 3.00% interest rate per annum (or such other applicable premium to be agreed upon between the Company and SMAI) for the second initial and final interest period. These amounts are payable upon maturity on various dates in 2040.

These amounts are included as part of “Noncurrent receivables - net” account in the separate statements of financial position as at December 31, 2024 and 2023 (Note 11).

Interest income earned from the advances amounted to P633 and P1,444 in 2024 and 2023, respectively (Note 22).

3. Amounts owed to related parties, consisting of payables, subscription of shares, insurance, advance rental, security deposits, lease liabilities, dividends and distributions payable and commodity hedges, follow:

	Note	2024	2023
Accounts payable and accrued expenses	14		
Amounts owed to related parties (excluding current lease liabilities)		P6,193	P6,042
Current lease liabilities		104	93
Derivative liabilities		17	-
Subscriptions payable	7	1,365	1,890
Dividends and distributions payable	26	516	516
Noncurrent lease liabilities (included under “Other noncurrent liabilities” account)	24	215	320
		P8,410	P8,861

4. The compensation of key management personnel of the Company, by benefit type, follows:

	Note	2024	2023
Short-term employee benefits		P231	P276
Retirement benefits	25	11	10
		P242	P286

24. Leasing Agreements

Company as Lessor

The Company has entered into various property leases. These non-cancellable leases will expire up to year 2042. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

The future undiscounted lease payments to be received under operating leases after the reporting date are as follows:

	2024	2023
Within one year	P195	P184
More than one to two years	192	189
More than two to three years	196	195
More than three to four years	204	201
More than four to five years	212	209
More than five years	437	662
	P1,436	P1,640

Rent income recognized in the separate statements of income amounted to P352 and P353 in 2024 and 2023, respectively (Notes 4 and 10).

Company as Lessee

The Company mainly leases building and improvements, which typically run for a period of 10 years. The Company has the option to renew the lease after the expiration of the lease term.

The Company recognized interest expense related to these leases amounting to P31 and P38 in 2024 and 2023, respectively (Note 21).

The Company also leases office facilities. The leases typically run for a period of one year. Some leases provide an option to renew the lease at the end of the lease term and are subjected to reviews to reflect current market rentals. The expenses relating to these short-term leases, recognized as rent expense and included as part of "Costs and expenses" account in the separate statements of income, amounted to P22 and P20 in 2024 and 2023, respectively (Note 18).

The Company's total cash outflows for the lease amounted to P115 and P102 in 2024 and 2023, respectively.

25. Retirement Plan

The Company has a funded, noncontributory, defined benefit retirement plan (Retirement Plan) covering all of its permanent employees. The Retirement Plan of the Company pays out benefits based on final pay. Contributions and costs are determined in accordance with the actuarial studies made for the Retirement Plan. Annual cost is determined by using the projected unit credit method. The latest actuarial valuation date is December 31, 2024. Valuations are obtained on a periodic basis.

The Retirement Plan is registered with the BIR as a tax-qualified plan under RA No. 4917, as amended. The control and administration of the Retirement Plan is vested in the Board of Trustees. The Board of Trustees of the Retirement Plan who exercises voting rights over the shares and approves material transactions are employees and/or officers of the Company. The Retirement Plan's accounting and administrative functions are undertaken by the Retirement Funds Office of the Company.

The following table shows a reconciliation of the net defined benefit retirement liability and its components:

	Fair Value of Plan Assets		Present Value of Defined Benefit Retirement Obligation		Net Defined Benefit Retirement Liability	
	2024	2023	2024	2023	2024	2023
Balance at beginning of year	P2,032	P832	(P2,422)	(P1,991)	(P390)	(P1,159)
Recognized in Profit or Loss						
Service costs	-	-	(113)	(89)	(113)	(89)
Interest expense	-	-	(148)	(143)	(148)	(143)
Interest income	134	68	-	-	134	68
	134	68	(261)	(232)	(127)	(164)
Recognized in Other Comprehensive Income						
Remeasurements						
Actuarial gains (losses) arising from:						
Experience adjustments	-	-	(491)	(261)	(491)	(261)
Changes in financial assumptions	-	-	(5)	(102)	(5)	(102)
Changes in demographic assumptions	-	-	19	8	19	8
Return on plan assets excluding interest income	168	912	-	-	168	912
	168	912	(477)	(355)	(309)	557
Others						
Contributions	394	376	-	-	394	376
Benefits paid	(138)	(158)	138	158	-	-
Transfers from other plans	62	2	(62)	(2)	-	-
	318	220	76	156	394	376
Balance at end of year	P2,652	P2,032	(P3,084)	(P2,422)	(P432)	(P390)

The Company's annual contribution to the Retirement Plan consists of payments covering the current service cost plus amortization of unfunded past service liability.

Retirement costs recognized as part of "Personnel expenses" under "Cost and expenses" account in the separate statements of income amounted to P113 and P89 in 2024 and 2023, respectively (Note 20).

The net interest on the defined benefit retirement liability recognized as part of "Interest expense and other financing charges" account in the separate statements of income amounted to P14 and P75 in 2024 and 2023, respectively (Note 21).

The defined benefit retirement liability included as part of "Other noncurrent liabilities" account in the separate statements of financial position amounted to P432 and P390 as at December 31, 2024 and 2023, respectively.

The carrying amounts of the Company's retirement fund approximate fair values as at December 31, 2024 and 2023.

The Company's plan assets consist of the following:

	In Percentages	
	2024	2023
Investments in marketable securities	83.74	84.49
Investments in pooled funds:		
Fixed income portfolio	0.50	0.50
Stock trading portfolio	0.58	0.57
Investments in real estate	7.61	8.14
Others	7.57	6.30

Investments in Marketable Securities

As at December 31, 2024, the plan assets include:

- 2,363,967 common shares of the Company with fair market value per share of P86.00;
- 1,917,608 common shares of Top Frontier with fair market value per share of P63.10;
- 5,817,380 common shares of SMFB with fair market value per share of P52.75;
- 5,085,800 common shares of San Miguel Brewery Inc. (SMB) with fair market value per share of P20.00;
- 11,200,601 common shares of Ginebra San Miguel Inc. (GSMI) with fair market value per share of P275.00;
- 273,580,000 common shares of Petron with fair market value per share of P2.43;
- 300 common shares of SMPI with fair market value per share of P134.12;
- 432,626,860 common shares of Bank of Commerce (BankCom) with fair market value per share of P6.75; and
- investment in shares of stock of the PSE, other equity securities and bonds which amounted to P1,495.

As at December 31, 2023, the plan assets include:

- 2,392,597 common shares of the Company with fair market value per share of P102.10;
- 1,917,608 common shares of Top Frontier with fair market value per share of P101.90;
- 5,817,380 common shares of SMFB with fair market value per share of P51.00;
- 5,085,800 common shares of SMB with fair market value per share of P20.00;
- 11,200,601 common shares of GSMI with fair market value per share of P168.70;
- 273,580,000 common shares of Petron with fair market value per share of P3.55;
- 300 common shares of SMPI with fair market value per share of P134.12;
- 432,626,860 common shares of BankCom with fair market value per share of P7.27; and
- investment in shares of stock of the PSE, other equity securities and bonds which amounted to P1,542.

The fair market value per share of the above marketable securities is determined based on quoted market prices in active markets as at the reporting date (Note 3).

The Company's Retirement Plan recognized a gain on the investment in marketable securities of the Company, its subsidiaries and Top Frontier amounting to P556 and P864 in 2024 and 2023, respectively.

Dividend income from the investment in shares of stock of the Company and its subsidiaries amounted to P305 and P165 in 2024 and 2023, respectively.

Investments in Pooled Funds

Investments in pooled funds were established mainly to put together a portion of the funds of the Retirement Plans of the Company and its domestic subsidiaries to be able to draw, negotiate and obtain the best terms and financial deals for the investments resulting from big volume transactions.

The Board of Trustees approved the percentage of assets to be allocated to fixed income instruments and equities. The Retirement Plan has set maximum exposure limits for each type of permissible investment in marketable securities and deposit instruments. The Board of Trustees may, from time to time, in the exercise of its reasonable discretion and considering existing investment opportunities, review and revise such allocation and limits.

Investment income and expenses are allocated to the plan based on its pro-rata share in net assets of the pooled funds. The Retirement Plan's interests in the net assets of the pooled funds were 3.88% and 3.36% of fixed income portfolio as at December 31, 2024 and 2023, respectively, and 22.08% and 21.14% of stock trading portfolio as at December 31, 2024 and 2023, respectively.

Approximately 2.24% and 2.16% of the Retirement Plan's investment in fixed income portfolio represents investment in shares of stock of the Company and its subsidiaries as at December 31, 2024 and 2023, respectively.

Approximately 19.00% and 18.09% of the Retirement Plan's investment in stock trading portfolio represents investment in shares of stock of the Company and its subsidiaries as at December 31, 2024 and 2023, respectively.

Investments in Real Estate

The Retirement Plan has investments in real estate properties as at December 31, 2024 and 2023. The fair value of investment property amounted to P808 as at December 31, 2024 and 2023.

Others

Others include the Retirement Plan's investment in a trust account, cash and cash equivalents and receivables which earn interest. Investment in a trust account represents funds entrusted to a financial institution for the purpose of maximizing the yield on investible funds.

The Board of Trustees reviews the level of funding required for the retirement fund. Such a review includes the asset-liability matching (ALM) strategy and investment risk management policy. The Company's ALM objective is to match maturities of the plan assets to the defined benefit retirement obligation as they fall due. The Company monitors how the duration and expected yield of the investments match the expected cash outflows arising from the retirement benefit obligation.

The Company is expected to contribute P424 to its defined benefit retirement plan in 2025.

The Retirement Plan exposes the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk as follows:

Investment and Interest Rate Risks. The present value of the defined benefit retirement obligation is calculated using a discount rate determined by reference to market yields to government bonds. Generally, a decrease in the interest rate of a reference government bond will increase the defined benefit retirement obligation. However, this will be partially offset by an increase in the return on the Retirement Plan's investments and if the return on plan assets falls below this rate, it will create a deficit in the Retirement Plan. Due to the long-term nature of the defined benefit retirement obligation, a level of continuing equity investments is an appropriate element of the long-term strategy of the Company to manage the Retirement Plan efficiently.

Longevity and Salary Risks. The present value of the defined benefit retirement obligation is calculated by reference to the best estimates of: (1) the mortality of the plan participants, and (2) the future salaries of the plan participants. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the defined benefit retirement obligation.

The overall expected rate of return is determined based on historical performance of the investments.

The principal actuarial assumptions used to determine retirement benefits are as follows:

	In Percentages	
	2024	2023
Discount rate	6.09	6.13
Salary increase rate	5.00	5.00

Assumptions for mortality and disability rates are based on published statistics and mortality and disability tables.

The weighted average duration of defined benefit retirement obligation is 5.2 years and 4.8 years as at December 31, 2024 and 2023, respectively.

As at December 31, 2024 and 2023, the reasonably possible changes to one of the relevant actuarial assumptions, while holding all other assumptions constant, would have affected the defined benefit retirement obligation by the amounts below:

	Defined Benefit Retirement Obligation			
	2024		2023	
	1 Percent Increase	1 Percent Decrease	1 Percent Increase	1 Percent Decrease
Discount rate	(P133)	P150	(P93)	P101
Salary increase rate	150	(135)	108	(91)

The Company has advances to and receivables from the Retirement Plan amounting to P6,311 and P6,522 as at December 31, 2024 and 2023, respectively, included as part of "Amounts owed by related parties" under "Receivables" account in the separate statements of financial position (Notes 6 and 23). Portion of the advances are subject to 5.75% interest rate per annum in 2024 and 2023. Interest income earned from the advances amounted to P189 and P188 in 2024 and 2023 (Note 22).

Transactions with the Retirement Plan are made at normal market prices and terms. Outstanding balances as at December 31, 2024 and 2023 are unsecured and settlements are made in cash. There have been no guarantees provided for any retirement plan receivable. The Company has not made any provision for impairment losses relating to the receivables from the Retirement Plan in 2024 and 2023.

26. Dividends and Distributions

Dividends

The BOD of the Company approved the declaration and payment of the following cash dividends for common and preferred shares as follows:

2024

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend per Share
Common	March 11, 2024	March 27, 2024	April 26, 2024	P0.35
	June 11, 2024	June 28, 2024	July 26, 2024	0.35
	November 7, 2024	November 22, 2024	December 2, 2024	0.35
	December 5, 2024	January 3, 2025	January 24, 2025	0.35
Preferred SMC2F	January 18, 2024	March 21, 2024	April 4, 2024	1.27635
	May 14, 2024	June 21, 2024	July 4, 2024	1.27635
	August 8, 2024	September 20, 2024	October 4, 2024	1.27635
	November 7, 2024	December 20, 2024	January 3, 2025	1.27635
SMC2I	January 18, 2024	March 21, 2024	April 4, 2024	1.18790625
	May 14, 2024	June 21, 2024	July 4, 2024	1.18790625
	August 8, 2024	September 20, 2024	October 4, 2024	1.18790625
	November 7, 2024	December 20, 2024	January 3, 2025	1.18790625

Forward

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend per Share
SMC2J	January 18, 2024	March 21, 2024	April 4, 2024	P0.890625
	May 14, 2024	June 21, 2024	July 4, 2024	0.890625
	August 8, 2024	September 20, 2024	October 4, 2024	0.890625
	November 7, 2024	December 20, 2024	January 3, 2025	0.890625
SMC2K	January 18, 2024	March 21, 2024	April 4, 2024	0.84375
	May 14, 2024	June 21, 2024	July 4, 2024	0.84375
	May 14, 2024	June 21, 2024	July 4, 2024	0.1031250
	August 8, 2024	September 20, 2024	October 4, 2024	0.84375
SMC2L	January 18, 2024	March 21, 2024	April 4, 2024	1.48396875
	May 14, 2024	June 21, 2024	July 4, 2024	1.48396875
	May 14, 2024	June 21, 2024	July 4, 2024	0.329770833333333
	August 8, 2024	September 20, 2024	October 4, 2024	1.48396875
SMC2M	January 18, 2024	March 21, 2024	April 4, 2024	1.5703125
	May 14, 2024	June 21, 2024	July 4, 2024	1.5703125
	May 14, 2024	June 21, 2024	July 4, 2024	0.505989583333333
	August 8, 2024	September 20, 2024	October 4, 2024	1.5703125
SMC2N	January 18, 2024	March 21, 2024	April 4, 2024	1.5649875
	May 14, 2024	June 21, 2024	July 4, 2024	1.5649875
	May 14, 2024	June 21, 2024	July 4, 2024	0.347775
	August 8, 2024	September 20, 2024	October 4, 2024	1.5649875
SMC2O	January 18, 2024	March 21, 2024	April 4, 2024	1.611300
	May 14, 2024	June 21, 2024	July 4, 2024	1.611300
	May 14, 2024	June 21, 2024	July 4, 2024	0.358066666666667
	August 8, 2024	September 20, 2024	October 4, 2024	1.611300
	November 7, 2024	December 20, 2024	January 3, 2025	1.611300

2023

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend per Share
Common	March 9, 2023	March 31, 2023	April 28, 2023	P0.35
	June 13, 2023	June 30, 2023	July 26, 2023	0.35
	September 7, 2023	October 6, 2023	October 27, 2023	0.35
	December 7, 2023	January 5, 2024	January 26, 2024	0.35
Preferred SMC2F	January 26, 2023	March 21, 2023	April 4, 2023	1.27635
	May 11, 2023	June 21, 2023	July 5, 2023	1.27635
	August 3, 2023	September 21, 2023	October 5, 2023	1.27635
	November 9, 2023	December 21, 2023	January 4, 2024	1.27635
SMC2I	January 26, 2023	March 21, 2023	April 4, 2023	1.18790625
	May 11, 2023	June 21, 2023	July 5, 2023	1.18790625
	August 3, 2023	September 21, 2023	October 5, 2023	1.18790625
	November 9, 2023	December 21, 2023	January 4, 2024	1.18790625
SMC2J	January 26, 2023	March 21, 2023	April 4, 2023	0.890625
	May 11, 2023	June 21, 2023	July 5, 2023	0.890625
	August 3, 2023	September 21, 2023	October 5, 2023	0.890625
	November 9, 2023	December 21, 2023	January 4, 2024	0.890625
SMC2K	January 26, 2023	March 21, 2023	April 4, 2023	0.84375
	May 11, 2023	June 21, 2023	July 5, 2023	0.84375
	August 3, 2023	September 21, 2023	October 5, 2023	0.84375
	November 9, 2023	December 21, 2023	January 4, 2024	0.84375
SMC2M	November 9, 2023	December 21, 2023	January 4, 2024	1.5703125

On January 16, 2025, the BOD of the Company declared cash dividends to all preferred shareholders of record as at March 21, 2025 on the following shares to be paid on April 4, 2025, as follows:

Class of Shares	Dividends Per Share
SMC2F	P1.27635
SMC2I	1.18790625
SMC2J	0.890625
SMC2K	0.84375
SMC2L	1.48396875
SMC2M	1.5703125
SMC2N	1.5649875
SMC2O	1.611300

On March 13, 2025, the BOD of the Company declared cash dividends at P0.35 per share to all common shareholders of record as at March 28, 2025 to be paid on April 25, 2025.

Distributions

The Company paid distributions of P192 and P264 in 2024 and 2023, respectively, to the holders of RPS. The Company also paid distributions of P2,102 and P2,007 in 2024 and 2023, respectively, to the holders of SPCS. Payment of distributions is in accordance with the terms and conditions of their respective separate subscription agreements with the Company.

27. Basic and Diluted Earnings Per Common Share

Basic and diluted EPS is computed as follows:

	2024	2023
Net loss	(P14,798)	(P16,961)
Dividends on preferred shares	(7,423)	(4,192)
Distributions to capital securities	(2,294)	(2,271)
Net loss attributable to common shareholders (a)	(P24,515)	(P23,424)
Weighted average number of common shares outstanding (in millions) - basic and diluted (b)	2,384	2,384
Basic and diluted loss per common share (a/b)	(P10.28)	(P9.83)

28. Supplemental Cash Flow Information

Supplemental information with respect to the separate statements of cash flows is presented below:

- a. Changes in noncash current assets, certain current liabilities and others are as follows (amounts reflect actual cash flows rather than increases or decreases of the accounts in the separate statements of financial position):

	2024	2023
Receivables	(P13,105)	(P8,588)
Prepaid expenses and other current assets	538	(5)
Accounts payable and accrued expenses	3	(789)
Income and other taxes payable and others	346	(218)
	(P12,218)	(P9,600)

- b. Changes in liabilities arising from financing activities:

	Loans Payable	Long-term Debt	Dividends and Distributions Payable	Lease Liabilities
Balance at January 1, 2024	P21,300	P582,393	P3,068	P425
Changes from Financing Cash Flows				
Proceeds of borrowings	390,321	163,891	-	-
Payments of borrowings	(344,298)	(140,806)	-	-
Dividends and distributions paid	-	-	(12,600)	-
Payments of lease liabilities	-	-	-	(93)
Total change from financing cash flows	46,023	23,085	(12,600)	(93)
Effect of changes in foreign exchange rates	(129)	18,663	-	-
Dividends and distributions declared	-	-	13,318	-
Other changes	32	2,153	-	-
	(97)	20,816	13,318	-
Balance at December 31, 2024	P67,226	P626,294	P3,786	P332

	Loans Payable	Long-term Debt	Dividends and Distributions Payable	Lease Liabilities
Balance at January 1, 2023	P55,625	P505,246	P2,986	P507
Changes from Financing Cash Flows				
Proceeds of borrowings	352,100	162,331	-	-
Payments of borrowings	(385,927)	(85,055)	-	-
Dividends and distributions paid	-	-	(9,314)	-
Payments of lease liabilities	-	-	-	(82)
Total change from financing cash flows	(33,827)	77,276	(9,314)	(82)
Effect of changes in foreign exchange rates	(783)	(2,009)	-	-
Dividends and distributions declared	-	-	9,396	-
Other changes	285	1,880	-	-
	(498)	(129)	9,396	-
Balance at December 31, 2023	P21,300	P582,393	P3,068	P425

29. Financial Risk and Capital Management Objectives and Policies

Objectives and Policies

The Company has significant exposure to the following financial risks primarily from its use of financial instruments:

- Market Risk (Interest Rate Risk, Foreign Currency Risk and Commodity Price Risk)
- Liquidity Risk
- Credit Risk

This note presents information about the exposure to each of the foregoing risks, the objectives, policies and processes for measuring and managing these risks, and for management of capital.

The principal non-trade related financial instruments of the Company include cash and cash equivalents, financial assets at FVOCI, short-term and long-term loans, dividends and distributions payable, and derivative instruments. These financial instruments, except derivative instruments, are used mainly for working capital management purposes. The trade-related financial assets and financial liabilities of the Company such as receivables, accounts payable and accrued expenses and lease liabilities arise directly from and are used to facilitate its daily operations.

The outstanding derivative instruments of the Company such as currency options, currency swaps and interest rate swap are intended mainly for risk management purposes. The Company uses derivatives to manage its exposures to foreign currency and interest rate risks arising from operating and financing activities. The accounting policies in relation to derivatives are set out in Note 3 to the separate financial statements.

The BOD has the overall responsibility for the establishment and oversight of the risk management framework of the Company.

The risk management policies of the Company are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The BOD constituted the Audit and Risk Oversight Committee to assist the BOD in fulfilling its oversight responsibility of the Company's corporate governance process relating to the: a) quality and integrity of the separate financial statements and financial reporting process and the systems of internal accounting and financial controls; b) performance of the internal auditors; c) annual independent audit of the separate financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; d) compliance with tax, legal and regulatory requirements; e) evaluation of management's process to assess and manage the enterprise risk issues; and f) fulfillment of the other responsibilities set out by the BOD. The Audit and Risk Oversight Committee shall prepare such reports as maybe necessary to document the activities of the committee in the performance of its functions and duties. Such reports shall be included in the annual report of the Company and other corporate disclosures as may be required by the SEC and/or the PSE.

The Audit and Risk Oversight Committee also oversees how management monitors compliance with the risk management policies and procedures of the Company and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Internal Audit assists the Audit and Risk Oversight Committee in monitoring and evaluating the effectiveness of the risk management and governance processes of the Company. Internal Audit undertakes both regular and special reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Oversight Committee.

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates. The Company's exposure to changes in interest rates relates primarily to long-term borrowings. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. On the other hand, borrowings issued at variable rates expose the Company to cash flow interest rate risk.

The Company manages its interest cost by using an optimal combination of fixed and variable rate debt instruments. The management is responsible for monitoring the prevailing market-based interest rate and ensures that the mark-up rates charged on its borrowings are optimal and benchmarked against the rates charged by other creditor banks.

On the other hand, the investment policy of the Company is to maintain an adequate yield to match or reduce the net interest cost from its borrowings pending the deployment of funds to their intended use in the operations and working capital management. However, the Company invests only in high-quality securities while maintaining the necessary diversification to avoid concentration risk.

In managing interest rate risk, the Company aims to reduce the impact of short-term fluctuations on the earnings. Over the longer term, however, permanent changes in interest rates would have an impact on profit or loss.

The management of interest rate risk is also supplemented by monitoring the sensitivity of the Company's financial instruments to various standard and non-standard interest rate scenarios.

The Company uses interest rate swaps as hedges of the variability in cash flows attributable to movements in interest rates. The Company applies a hedge ratio of 1:1 and determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities, and notional amounts. The Company assesses whether the derivative designated in the hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

The following are the main sources of ineffectiveness in the hedge relationships:

- the effect of the counterparty's and the Company's own credit risk on the fair value of the derivative contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- changes in the timing of the hedged transactions.

Interest Rate Risk Table

The terms and maturity profile of the interest-bearing financial instruments, together with its gross amounts, are shown in the following tables:

December 31, 2024	<1 Year	1-2 Years	>2 - 3 Years	>3 - 4 Years	>4 - 5 Years	>5 Years	Total
Fixed Rate							
Philippine Peso-denominated	P2,650	P15,012	P42,275	P31,569	P27,212	P43,187	P161,905
Interest rate	6.625% - 7.4998%	6.9375% - 7.4998%	5.2704% - 7.4998%	7.125% - 7.4998%	5.8434% - 7.8467%	7.2584% - 8.489%	
Foreign currency-denominated (expressed in Philippine Peso)	-	-	-	8,677	8,677	-	17,354
Interest rate	-	-	-	6.55%	6.68%	-	-
Floating Rate							
Foreign currency-denominated (expressed in Philippine Peso)	5,501	68,855	57,286	134,220	129,592	60,528	455,982
Interest rate	SOFR + margin	SOFR + margin	SOFR + margin	SOFR + margin	SOFR + margin	SOFR + margin	
	P8,151	P83,867	P99,561	P174,466	P165,481	P103,715	P635,241
December 31, 2023	<1 Year	1-2 Years	>2 - 3 Years	>3 - 4 Years	>4 - 5 Years	>5 Years	Total
Fixed Rate							
Philippine Peso-denominated	P17,506	P2,650	P15,012	P53,515	P31,569	P50,399	P170,651
Interest rate	5.284% - 7.1968%	6.625% - 7.1968%	6.9375% - 7.1968%	3.3832% - 7.1968%	7.125% - 7.4458%	5.8434% - 8.489%	
Foreign currency-denominated (expressed in Philippine Peso)	-	-	-	-	8,306	-	8,306
Interest rate	-	-	-	-	6.55%	-	-
Floating Rate							
Foreign currency-denominated (expressed in Philippine Peso)	110,740	-	55,370	44,296	117,938	82,680	411,024
Interest rate	SOFR + margin	-	SOFR + margin	SOFR + margin	SOFR + margin	SOFR + margin	
	P128,246	P2,650	P70,382	P97,811	P157,813	P133,079	P589,981

The sensitivity to a reasonably possible 1% increase in the interest rates, with all other variables held constant, would have decreased the Company's profit before tax (through the impact on floating rate borrowings) by P4,560 and P4,110 in 2024 and 2023, respectively. A 1% decrease in the interest rate would have had the equal but opposite effect. These changes are reasonably possible given the observation of prevailing market conditions in those periods. There is no impact on the Company's other comprehensive income.

Foreign Currency Risk

The functional currency is the Philippine Peso, which is the denomination of the bulk of the Company's transactions. The exposure to foreign currency risk results from significant movements in foreign exchange rates that adversely affect the foreign currency-denominated transactions of the Company. The risk management objective with respect to foreign currency risk is to reduce or eliminate earnings volatility and any adverse impact on equity. The Company enters into foreign currency hedges using a combination of non-derivative and derivative instruments such as foreign currency forwards, options or swaps to manage its foreign currency risk exposure.

Short-term currency forward contracts (deliverable and non-deliverable) and options are entered into to manage foreign currency risks arising from importations, revenue and expense transactions, and other foreign currency-denominated obligations. Currency swaps are entered into to manage foreign currency risks relating to long-term foreign currency-denominated borrowings.

Certain derivative contracts are designated as cash flow hedges. The Company applies a hedge ratio of 1:1 and determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of the cash flows. The Company assesses whether the derivatives designated in the hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

The following are the main sources of ineffectiveness in the hedge relationships:

- the effect of the counterparty's and the Company's own credit risk on the fair value of the derivative contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in foreign exchange rates; and
- changes in the timing of the hedged transactions.

Information on the Company's foreign currency-denominated monetary assets and monetary liabilities and their Philippine Peso equivalents is as follows:

	December 31, 2024		December 31, 2023	
	US Dollar	Peso Equivalent	US Dollar	Peso Equivalent
Assets				
Cash and cash equivalents	US\$953	P55,143	US\$837	P46,346
Receivables	191	11,013	176	9,752
	1,144	66,156	1,013	56,098
Liabilities				
Loans payable	(300)	(17,354)	-	-
Accounts payable and accrued expenses	(111)	(6,435)	(109)	(6,037)
Long-term debt	(8,183)	(473,336)	(7,573)	(419,330)
	(8,594)	(497,125)	(7,682)	(425,367)
Net Foreign Currency- denominated Monetary Liabilities	(US\$7,450)	(P430,969)	(US\$6,669)	(P369,269)

The Company reported net loss (gain) on foreign exchange amounting to P15,327 and (P2,041) in 2024 and 2023, respectively, with the translation of its foreign currency-denominated assets and liabilities. These mainly resulted from the movements of the Philippine Peso against the US Dollar as shown in the following table:

	US Dollar to Philippine Peso
December 31, 2024	57.845
December 31, 2023	55.370

The management of foreign currency risk is also supplemented by monitoring the sensitivity of the Company's financial instruments to various foreign currency exchange rate scenarios.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). There is no impact on the Company's other comprehensive income.

	December 31, 2024		December 31, 2023	
	Effect on Income before Income Tax		Effect on Income before Income Tax	
	P1 Decrease in the US Dollar Exchange Rate	P1 Increase in the US Dollar Exchange Rate	P1 Decrease in the US Dollar Exchange Rate	P1 Increase in the US Dollar Exchange Rate
Cash and cash equivalents	(P953)	P953	(P837)	P837
Receivables	(191)	191	(176)	176
	(1,144)	1,144	(1,013)	1,013
Loans payable	300	(300)	-	-
Accounts payable and accrued expenses	111	(111)	109	(109)
Long-term debt	8,183	(8,183)	7,573	(7,573)
	8,594	(8,594)	7,682	(7,682)
	P7,450	(P7,450)	P6,669	(P6,669)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Company's foreign currency risk.

Commodity Price Risk

Commodity price risk is the risk that future cash flows from a financial instrument will fluctuate because of changes in commodity prices.

The Company enters into commodity derivative transactions on behalf of certain subsidiaries to reduce cost by optimizing purchasing synergies within the subsidiaries and managing inventory levels of common materials.

Commodity Swaps and Options. Commodity swaps and options are used to manage the exposures of certain subsidiaries to volatility in prices of certain commodities such as aluminum, fuel oil and coal.

Liquidity Risk

Liquidity risk pertains to the risk that the Company will encounter difficulty to meet payment obligations when they fall due under normal and stress circumstances.

The Company's objectives to manage its liquidity risk are as follows: a) to ensure that adequate funding is available at all times; b) to meet commitments as they arise without incurring unnecessary costs; c) to be able to access funding when needed at the least possible cost; and d) to maintain an adequate time spread of refinancing maturities.

The Company constantly monitors and manages its liquidity position, liquidity gaps and surplus daily. A committed stand-by credit facility from several local banks is also available to ensure availability of funds when necessary. The Company also uses derivative instruments such as forwards and swaps to manage liquidity.

The table below summarizes the maturity profile of the Company's financial assets and financial liabilities based on contractual undiscounted receipts and payments used for liquidity management.

December 31, 2024	Carrying Amount	Contractual Cash Flow	1 Year or Less	>1 Year - 2 Years	>2 Years
Financial Assets					
Cash and cash equivalents	P59,463	P59,463	P59,463	P -	P -
Receivables - net	118,551	118,551	118,551	-	-
Derivative assets (included under "Prepaid expenses and other current assets" and "Other noncurrent assets" accounts)	1,601	1,601	17	275	1,309
Financial assets at FVOCI (included under "Investments and advances - net" account)	253,791	253,791	-	-	253,791
Noncurrent receivables - net (excluding lease receivable)	6,114	8,425	214	217	7,994
Financial Liabilities					
Loans payable	67,226	67,517	67,517	-	-
Accounts payable and accrued expenses (excluding derivative liabilities, deferred rent and lease liabilities)	17,314	17,314	17,314	-	-
Subscriptions payable	1,365	1,365	1,365	-	-
Dividends and distributions payable	3,786	3,786	3,786	-	-
Derivative liabilities (included under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts)	150	150	22	-	128
Long-term debt - net of debt issue costs (including current maturities)	626,294	794,069	48,530	122,314	623,225
Lease liabilities (included under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts)	332	380	128	131	121
Other noncurrent liabilities (excluding noncurrent retirement liabilities, lease liabilities and derivative liabilities)	941	941	-	20	921
December 31, 2023	Carrying Amount	Contractual Cash Flow	1 Year or Less	>1 Year - 2 Years	>2 Years
Financial Assets					
Cash and cash equivalents	P56,582	P56,582	P56,582	P -	P -
Receivables - net	100,666	100,666	100,666	-	-
Derivative assets (included under "Prepaid expenses and other current assets" and "Other noncurrent assets" accounts)	1,129	1,129	828	-	301
Financial assets at FVOCI (included under "Investments and advances - net" account)	231,536	231,536	-	-	231,536
Noncurrent receivables - net (excluding lease receivable)	6,114	8,248	183	186	7,879
Financial Liabilities					
Loans payable	21,300	21,369	21,369	-	-
Accounts payable and accrued expenses (excluding derivative liabilities, deferred rent and lease liabilities)	16,891	16,891	16,891	-	-
Subscriptions payable	1,890	1,890	1,890	-	-
Dividends and distributions payable	3,068	3,068	3,068	-	-
Derivative liabilities (included under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts)	321	321	52	-	269
Long-term debt - net of debt issue costs (including current maturities)	582,393	759,065	163,223	32,762	563,080
Lease liabilities (included under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts)	425	504	124	128	252
Other noncurrent liabilities (excluding noncurrent retirement liabilities, lease liabilities and derivative liabilities)	86	86	-	-	86

Credit Risk

Credit risk is the risk of financial loss to the Company when a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from receivables. The Company manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Company's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk.

The Company has regular internal control reviews to monitor the granting of credit and management of credit exposures.

Receivables

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on the credit risk.

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the standard payment and delivery terms and conditions are offered. The Company ensures that sales on account are made to customers with appropriate credit history. The Company has detailed credit criteria and several layers of credit approval requirements before engaging a particular customer or counterparty. The review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer and are reviewed on a regular basis. Customers that fail to meet the benchmark creditworthiness may transact with the Company only on a prepayment basis.

The Company's exposure to credit risk arises from default of counterparty. Generally, the maximum credit risk exposure of receivables is its carrying amount without considering collaterals or credit enhancements, if any. The Company has no significant concentration of credit risk since the Company deals with a large number of homogenous counterparties. The Company does not execute any credit guarantee in favor of any counterparty.

The table below presents the Company's exposure to credit risk and shows the credit quality of the financial assets by indicating whether the financial assets are subjected to 12-month ECL or lifetime ECL. Assets that are credit-impaired are separately presented.

December 31, 2024						
	Financial Assets at Amortized Cost			Financial Assets at FVPL	Financial Assets at FVOCI	Total
	12-Month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired			
Cash and cash equivalents (excluding cash on hand)	P59,459	P -	P -	P -	P -	P59,459
Receivables	-	118,551	7,427	-	-	125,978
Derivative assets	-	-	-	49	1,552	1,601
Noncurrent receivables (excluding lease receivable)	-	6,114	253	-	-	6,367
	P59,459	P124,665	P7,680	P49	P1,552	P193,405

December 31, 2023						
	Financial Assets at Amortized Cost			Financial Assets at FVPL	Financial Assets at FVOCI	Total
	12-Month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired			
Cash and cash equivalents (excluding cash on hand)	P56,578	P -	P -	P -	P -	P56,578
Receivables	-	100,666	7,427	-	-	108,093
Derivative assets	-	-	-	35	1,094	1,129
Noncurrent receivables (excluding lease receivable)	-	6,114	253	-	-	6,367
	P56,578	P106,780	P7,680	P35	P1,094	P172,167

The aging of receivables is as follows:

	December 31, 2024			December 31, 2023		
	Amounts Owed by Related Parties	Non-trade Receivables	Total	Amounts Owed by Related Parties	Non-trade Receivables	Total
Current	P93,385	P25,166	P118,551	P77,552	P23,114	P100,666
Over 90 days past due	2,617	4,810	7,427	2,617	4,810	7,427
	P96,002	P29,976	P125,978	P80,169	P27,924	P108,093

Majority of the receivables pertain to related party accounts that are not impaired, and are collectible. The Company computes impairment loss on receivables based on past collection experience, current circumstances and the impact of future economic conditions, if any, available at the reporting period (Note 4). There are no significant changes in the credit quality of the counterparties during the year.

Credit Quality

In monitoring and controlling credit extended to counterparty, the Company adopts a comprehensive credit rating system based on financial and non-financial assessments of its customers. Financial factors being considered comprise the financial standing of the customer while the non-financial aspects include but are not limited to the assessment of the customer's nature of business, management profile, industry background, payment habit and both present and potential business dealings with the Company.

The credit quality of financial assets is being managed by the Company using internal credit ratings. Credit quality of the financial assets was determined as follows:

High grade includes deposits or placements with reputable banks and companies with good credit standing. High grade financial assets include cash and cash equivalents and derivative assets, collectively amounting to P61,060 and P57,707 as at December 31, 2024 and 2023, respectively.

Standard grade pertains to receivables from counterparties with satisfactory financial capability and credit standing based on historical data, current conditions and the Company's view of forward-looking information over the expected lives of the receivables. Standard grade financial assets include current and noncurrent receivables, collectively amounting to P132,345 and P114,460 as at December 31, 2024 and 2023, respectively.

Receivables with high probability of delinquency and default were fully provided with allowance for impairment losses.

Other Market Price Risk

The Company's market price risk arises from its investments carried at fair value (financial assets at FVOCI). The Company manages its risk arising from changes in market price by monitoring the changes in the market price of the investments.

Capital Management

The Company maintains a sound capital base to ensure its ability to continue as a going concern, thereby continue to provide returns to stockholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, pay-off existing debt, return capital to shareholders or issue new shares.

The Company monitors capital on the basis of debt-to-equity ratio, which is calculated as total debt divided by total equity. Total debt is defined as total current liabilities and total noncurrent liabilities, while equity is total equity as shown in the separate statements of financial position.

The BOD has overall responsibility for monitoring capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the external environment and the risks underlying the Company's business, operation and industry.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirement.

30. Financial Assets and Financial Liabilities

The table below presents a comparison by category of the carrying amounts and fair values of the Company's financial instruments:

	December 31, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	P59,463	P59,463	P56,582	P56,582
Receivables - net	118,551	118,551	100,666	100,666
Derivative assets (included under "Prepaid expenses and other current assets" and "Other noncurrent assets" accounts)	1,601	1,601	1,129	1,129
Financial assets at FVOCI (included under "Investments and advances - net" account)	253,791	253,791	231,536	231,536
Noncurrent receivables - net (excluding lease receivable)	6,114	6,114	6,114	6,114
Financial Liabilities				
Loans payable	67,226	67,226	21,300	21,300
Accounts payable and accrued expenses (excluding derivative liabilities, deferred rent, and lease liabilities)	17,314	17,314	16,891	16,891
Subscriptions payable	1,365	1,365	1,890	1,890
Dividends and distributions payable	3,786	3,786	3,068	3,068
Derivative liabilities (included under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts)	150	150	321	321
Long-term debt - net of debt issue costs (including current maturities)	626,294	635,708	582,393	588,473
Lease liabilities (included under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts)	332	332	425	425
Other noncurrent liabilities (excluding noncurrent retirement liabilities, derivative liabilities, lease liabilities and deferred rent)	941	941	86	86

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and Cash Equivalents, Current and Noncurrent Receivables. The carrying amount of cash and cash equivalents and current receivables approximates fair value primarily due to the relatively short-term maturities of these financial instruments. In the case of noncurrent receivables, the fair value is based on the present value of expected future cash flows using the applicable discount rates based on current market rates of identical or similar quoted instruments.

Derivatives. The fair values of derivative instruments are based on quotes obtained from the counterparties.

Financial Assets at FVOCI. The fair values of publicly traded equity instruments are based on quoted market prices in an active market. For equity instruments with no quoted market prices, a reasonable estimate of their fair values is calculated based on the expected cash flows from the instruments discounted using the applicable discount rates of comparable instruments quoted in active markets.

Loans Payable, Accounts Payable and Accrued Expenses, Subscriptions Payable and Dividends and Distributions Payable. The carrying amount of loans payable, accounts payable and accrued expenses, subscriptions payable and dividends and distributions payable approximates fair value due to the relatively short-term maturities of these financial instruments.

Long-term Debt and Lease Liabilities. The fair value of interest-bearing fixed rate loans is based on the discounted value of expected future cash flows using the applicable market rates for similar types of instruments as at reporting date. Discount rates used for Philippine Peso-denominated loans range from 5.3% to 6.2% and 5.1% to 6.0% as at December 31, 2024 and 2023, respectively. The discount rates used for foreign currency-denominated loan ranges from 4.2% to 4.4% and 3.9% to 5.3% as at December 31, 2024 and 2023, respectively. The carrying amounts of floating rate loans with quarterly interest rate repricing approximate their fair values.

Derivative Financial Instruments

The Company's derivative financial instruments according to the type of financial risk being managed and the details of freestanding derivative financial instruments that are categorized into those accounted for as cash flow hedges and those that are not designated as accounting hedges are discussed below.

The Company enters into various foreign currency, interest rate and commodity derivative contracts to manage its exposure on foreign currency, interest rate and commodity price risks. The portfolio is a mixture of instruments including forwards, swaps and options.

Derivative Financial Instruments Accounted for as Cash Flow Hedges

The Company designated the following derivative financial instruments as cash flow hedges:

December 31, 2024	Maturity			Total
	1 Year or Less	> 1 Year - 2 Years	> 2 Years - 5 Years	
Foreign currency risk:				
Call spread swap:				
Notional amount	US\$ -	US\$40	US\$515	US\$555
Average strike rate	-	P51.35 to P55.40	P54.30 to P61.62	-
Interest rate risk:				
Interest rate options:				
Notional amount	US\$ -	US\$225	US\$1,050	US\$1,275
Interest rate	-	0.39% to 2.91%	0.50% to 6.25%	-

December 31, 2023	Maturity			Total
	1 Year or Less	> 1 Year - 2 Years	> 2 Years - 5 Years	
Foreign currency risk:				
Call spread swap:				
Notional amount	US\$190	US\$ -	US\$80	US\$270
Average strike rate	P48.00 to P53.70	-	P51.35 to P59.00	-
Foreign currency and interest rate risks:				
Cross currency swap:				
Notional amount	US\$30	US\$ -	US\$ -	US\$30
Average strike rate	P50.64	-	-	-
Fixed interest rate	3.60% to 4.01%	-	-	-
Interest rate risk:				
Interest rate options:				
Notional amount	US\$ -	US\$ -	US\$525	US\$525
Interest rate	-	-	0.39% to 6.35%	-

The following are the amounts relating to hedged items:

December 31, 2024	Change in Fair Value Used for Measuring Hedge Ineffectiveness	Hedging Reserve	Cost of Hedging Reserve
Foreign currency risk:			
US Dollar-denominated borrowings	(P880)	P -	(P752)
Foreign currency and interest rate risks:			
US Dollar-denominated borrowings	(75)	-	-
Interest rate risk:			
US Dollar-denominated borrowings	(516)	380	(309)

December 31, 2023	Change in Fair Value Used for Measuring Hedge Ineffectiveness	Hedging Reserve	Cost of Hedging Reserve
Foreign currency risk:			
US Dollar-denominated borrowings	(P28)	P -	(P290)
Foreign currency and interest rate risks:			
US Dollar-denominated borrowings	(169)	(23)	20
Interest rate risk:			
US Dollar-denominated borrowings	(4)	148	(258)

There are no amounts remaining in the hedging reserve from hedging relationships for which hedge accounting is no longer applied.

The following are the amounts related to the designated hedging instruments:

December 31, 2024	Notional Amount	Carrying Amount		Line Item in the Separate Statement of Financial Position where the Hedging Instrument is Included	Changes in the Fair Value of the Hedging Instrument Recognized in Other Comprehensive Income		Cost of Hedging Recognized in Other Comprehensive Income		Amount Reclassified from Hedging Reserve to the Separate Statement of Income		Amount Reclassified from Cost of Hedging Reserve to the Separate Statement of Income		Line Item in the Separate Statement of Income Affected by the Reclassification
		Assets	Liabilities										
Foreign currency risk: Call spread swaps	US\$555	P1,297	P -	Prepaid expenses and other current assets, and Other noncurrent assets	P880	(P892)	(P880)	P276	Interest expense and other financing charges, and Loss (gain) on foreign exchange - net				
Foreign currency and interest rate risks: Cross currency swap	-	-	-		75	(27)	(44)	-	Interest expense and other financing charges, and Loss (gain) on foreign exchange - net				
Interest rate risk: Interest rate options	1,275	255	(127)	Other noncurrent assets, liabilities	516	(68)	(207)	-	Interest expense and other financing charges				

December 31, 2023	Notional Amount	Carrying Amount		Line Item in the Separate Statement of Financial Position where the Hedging Instrument is Included	Changes in the Fair Value of the Hedging Instrument Recognized in Other Comprehensive Income		Cost of Hedging Recognized in Other Comprehensive Income		Amount Reclassified from Hedging Reserve to the Separate Statement of Income		Amount Reclassified from Cost of Hedging Reserve to the Separate Statement of Income		Line Item in the Separate Statement of Income Affected by the Reclassification
		Assets	Liabilities										
Foreign currency risk: Call spread swaps	US\$270	P832	P -	Prepaid expenses and other current assets, and Other noncurrent assets	P28	(P13)	(P28)	P191	Interest expense and other financing charges, and Loss (gain) on foreign exchange - net				
Foreign currency and interest rate risks: Cross currency swap	30	137	-	Prepaid expenses and other current assets	169	73	(291)	-	Interest expense and other financing charges, and Loss (gain) on foreign exchange - net				
Interest rate risk: Interest rate options	525	125	(269)	Other noncurrent assets, liabilities	4	(223)	(77)	-	Interest expense and other financing charges				

The hedges were assessed to be effective as the critical terms of the hedged items match the hedging instruments. No ineffectiveness was recognized in 2024 and 2023 in the separate statements of income.

The table below provides a reconciliation, by risk category, of the components of equity and analysis of other comprehensive income items, net of tax, resulting from cash flow hedge accounting.

	2024		2023	
	Hedging Reserve	Cost of Hedging Reserve	Hedging Reserve	Cost of Hedging Reserve
Balance at beginning of year	P125	(P528)	P271	(P548)
Changes in fair value				
Foreign currency risk	880	(892)	28	(13)
Foreign currency risk and interest rate risks	75	(27)	169	73
Interest rate risk	516	(68)	4	(223)
Amount reclassified to profit or loss	(1,131)	276	(396)	190
Tax effect	(85)	178	49	(7)
Balance at end of year	P380	(P1,061)	P125	(P528)

Derivative Financial Instruments Not Designated as Hedges

The Company enters into certain derivatives as economic hedges of certain underlying exposures. These include freestanding derivatives which are not designated as accounting hedges. Changes in fair value of these instruments are accounted for directly in the separate statements of income. Details are as follows:

Freestanding Derivatives

Freestanding derivatives consist of interest rate, foreign currency and commodity derivatives entered into by the Company.

Interest Rate Swap

The Company has outstanding interest rate swap with notional amount of US\$75 as at December 31, 2024 and 2023. Under the agreement, the Company receives floating interest rate based on SOFR and pays fixed interest rate up to 2026. The net positive fair value of the swap amounted to P32 and P35 as at December 31, 2024 and 2023, respectively.

Currency Options

The Company has outstanding currency options with an aggregate notional amount of US\$50 and US\$190 as at December 31, 2024 and 2023, respectively, and with various maturities in 2025 and 2024. The negative fair value of these currency options amounted to P5 and P52 as at December 31, 2024 and 2023, respectively.

Commodity Swaps

The Company has outstanding swap agreements covering the fuel oil requirements of subsidiaries, with various maturities in 2025. Under the agreement, payment is made either by the Company or its counterparty for the difference between the hedged fixed price and the relevant price index.

The outstanding notional quantity of fuel oil was 13,200 metric tons as at December 31, 2024. The positive fair value of these swaps on fuel oil amounted to P17 as at December 31, 2024.

The Company has no outstanding commodity swaps on the purchase of fuel oil as at December 31, 2023.

The Company recognized marked-to-market losses from freestanding derivatives amounting to P332 and P392 in 2024 and 2023, respectively.

Fair Value Changes on Derivatives

The net movements in fair value of all derivative instruments are as follows:

	2024	2023
Balance at beginning of year	P808	(P47)
Net change in fair value of derivatives:		
Designated as accounting hedges	1,751	112
Not designated as accounting hedges	(332)	(392)
	2,227	(327)
Less fair value of settled instruments	776	(1,135)
Balance at end of year	P1,451	P808

Fair Value Hierarchy

Financial assets and financial liabilities measured at fair value in the separate statements of financial position are categorized in accordance with the fair value hierarchy. This hierarchy groups financial assets and financial liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities (Note 3).

The table below analyzes financial instruments carried at fair value by valuation method:

	December 31, 2024			December 31, 2023		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial Assets						
Derivative assets	P -	P1,601	P1,601	P -	P1,129	P1,129
Financial assets at FVOCI	1,215	252,576	253,791	1,143	230,393	231,536
Financial Liabilities						
Derivative liabilities	-	150	150	-	321	321

The Company has no financial instruments valued based on Level 3 as at December 31, 2024 and 2023. In 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

31. Event After the Reporting Date

On March 27, 2025, the stockholders of the Company approved the following: (1) the amendment to Article VII of the Amended Articles of Incorporation of the Company to reclassify the 904,752,537 common shares currently held as treasury shares, into Series "2" Preferred Shares held in treasury; (2) the amendment of the authorized capital stock of the Company from P30,000 with a par value of P5.00 per share or 6,000,000,000 shares divided into 3,790,000,000 common shares and 2,210,000,000 Series "2" Preferred Shares to 2,885,247,463 common shares and 3,114,752,537 Series "2" Preferred Shares; and (3) the issuance of the common and Series "2" Preferred Shares of the Company, subject to such terms and conditions determined by management, with the approval and conformity of the BOD and stockholders.

32. Other Matters

a. Contingencies

The Company is a party to certain lawsuits or claims (mostly labor-related cases) filed by third parties which are either pending decision by the courts or are subject to settlement agreements. The outcome of these lawsuits or claims cannot be presently determined. In the opinion of management and its legal counsel, the eventual liability from these lawsuits or claims, if any, will not have a material effect on the separate financial statements of the Company.

Excess Excise Tax Payments

In 2004, the Company was assessed excise taxes by the BIR on “San Mig Light” which at that time was one of its products. These assessments were contested by the Company but nonetheless made the corresponding payments. Consequently, the Company filed three claims for refund for overpayments of excise taxes with the BIR.

The first and second claims for refund were then elevated to the Court of Tax Appeals and went all the way to the Supreme Court which was resolved in favor of the Company. On September 8, 2020, the BIR issued Tax Credit Certificates (TCC) Nos. 121-20-00012 and 121-20-00013 amounting to P782 and P926, respectively, in favor of SMC. As at December 31, 2024, TCC No. 121-20-00012 amounting to P782 were applied in full to the Company’s tax obligations, while for TCC No. 121-20-00013, P569 out of the total of P926 were partially applied to the Company’s tax obligations.

The third claim for refund was consolidated with a claim for refund which was filed by SMB, a company to which, effective October 1, 2007, the Company had spun off its domestic beer business. The claim was also favorably resolved in favor of the Company and SMB. On August 10, 2020, the BIR issued TCC No. 121-20-00010 amounting to P105 in favor of SMC which was applied in full to the Company’s tax obligations as at December 31, 2021.

b. Tax-free Asset-for-share Agreements

The following are the tax-free asset-for-share agreements as confirmed by BIR:

▪ SMFB

On April 5, 2018, the Company and SMFB signed the Deed of Exchange of Shares pursuant to which the Company will transfer to SMFB, its 7,859,319,270 common shares of the capital stock of SMB and 216,972,000 common shares of the capital stock of GSML. As consideration for the acquisition by SMFB of the Exchange Shares, SMFB issued in favor of the Company 4,242,549,130 new common shares of the capital stock of SMFB on June 29, 2018, upon approval by the SEC of the increase in authorized capital stock of SMFB.

The tax-free exchange between SMFB and the Company was confirmed by the BIR in its Certification No. SN: 010-2019 dated October 12, 2019. On October 31, 2019, the BIR issued the Electronic Certificate Authorizing Registration (eCAR) covering this transaction. The Exchange Shares were issued and registered in the name of SMFB on November 5, 2019.

- SMFB [formerly San Miguel Pure Foods Company Inc. (SMPFC)]

In September 2007, the applications for the approval of the transfer and SMPFC's increase in its authorized capital stock and confirmation of valuation of shares of the Company in San Miguel Foods, Inc., Magnolia Inc. and Monterey Foods Corporation given by way of payment for the shares of SMPFC was approved by the SEC. Following SEC's approval, SMPFC issued 70,865,078 shares to the Company in November 2007 out of its unissued shares and increase in authorized capital stock. This resulted to an increase in the Company's ownership from 99.83% to 99.92%.

The tax-free exchange between SMPFC and the Company was confirmed by the BIR in its Certification No. SN: 029-2008 dated February 1, 2008.

- SMB

On September 27, 2007, the SEC approved the transfer of the domestic beer business net assets to SMB and the increase in the authorized capital stock from P100 to P25,000.

Shares totaling 15,308,416,960, were issued by SMB to the Company under a tax-free asset-for-share agreement, as confirmed by the BIR in its Certification No. SN: 300-2007 dated October 9, 2007.

- Iconic Beverages, Inc. (IBI)

On February 27, 2009, the SEC approved the transfer of the Company's IP rights to IBI and the increase in the authorized capital stock of IBI. Shares totaling 100,000,000 were issued by IBI to the Company under a tax-free asset-for-share agreement, as confirmed by the BIR in its Certification No. SN: 405-2008 dated December 24, 2008. On April 29, 2009, the Company sold its 100% interest in IBI to SMB for a total purchase price of P32,000. Following such sale, IBI became a wholly-owned subsidiary of SMB.

- Brewery Properties Inc. (BPI)

On September 10, 2009, the SEC approved the increase in the par value of BPI's common shares and the increase in its authorized capital stock. With such approval, the transfer of: (i) the certain parcels of land (used in the domestic beer business of SMB) of the Company to BPI in exchange for additional common shares from the existing unissued authorized capital stock of BPI and increase in authorized capital stock; and (ii) the common shares of San Miguel Brewery Inc. Retirement Plan (SMBRP) in Brewery Landholdings, Inc. to BPI as payment for SMBRP's subscription to BPI preferred shares were also approved by the SEC. The transfer was under a tax-free asset-for-share agreement, as confirmed by the BIR in its Certification No. SN: 121-2009.

- San Miguel Brewing International Limited (SMBIL)

On August 17, 2009, the Company assigned its international trademarks, trade dress, know-how, copyrights, patents and other intellectual property rights (“International IP Rights”) used in connection with the international beer business of the Company and its international subsidiaries valued at US\$31.5 to SMIL. Common shares totaling 2,863,636 were issued to the Company under a tax-free asset-for-share agreement, as confirmed by the BIR in its Certification No. SN: 233-2009.

On December 18, 2009, the BOD of SMB approved the purchase of the international beer and malt-based beverages business of the Company through the purchase of the shares of SMHL in SMBIL, comprising 100% of the issued and outstanding capital stock of SMBIL (SMBIL Shares), with an enterprise value of US\$300. The BOD of the Company likewise approved the sale of its international beer and malt-based beverage business to SMB, through the sale by SMHL, its wholly-owned subsidiary, of the SMBIL Shares to SMB, on the same day. On the same date, the Company, SMB and SMHL entered into a Share Purchase Agreement for the SMBIL Shares.

On December 21, 2009, the BOD of SMIL and SMHL approved the assignment of International IP Rights to SMHL in exchange for 286,363 SMHL common shares.

Also on the same date, the BOD of SMHL and SMBIL approved the assignment of International IP Rights to SMBIL in exchange for 2,863,636 SMBIL shares.

On January 29, 2010, SMB completed the acquisition of SMBIL shares from SMHL.

- Packaging Businesses

- a) Consolidation of Packaging Business through SMYPC

In December 2005, the Company started the consolidation of its packaging business through SMYPC [formerly San Miguel Packaging Specialists, Inc. (SMPSI)]. The Company assigned to SMPSI the property, plant and equipment of its Packaging Division, under a tax-free asset-for-share arrangement, as confirmed by the BIR in its Certification No. SN: 051-2006 dated March 14, 2006, with fair value totaling P1,633 and its shares of stock in Premium Packaging International, Inc., Rightpak International Corporation and San Miguel Yamamura Ball Corporation, in a tax-free equity-for-share basis, totaling P1,250. Advances of the Company to SMPSI amounting to P2,250 were converted to equity in October 2005.

- b) Merger of San Miguel Yamamura Asia Corporation (SMYAC) with SMYPC

On February 24, 2020, the SEC approved the merger of SMYAC with SMYPC whereby the entire assets and liabilities of SMYAC was transferred to and absorbed by SMYPC.

On March 1, 2020, the effective date of the merger of SMYAC with SMYPC, SMYPC issued 3,901,011 common shares to the Company as consideration for the share of the Company in the net assets of SMYAC pursuant to the terms of the Plan of Merger. With the completion of the merger, SMC retained its ownership in SMYPC of 65%.

The investment in 3,901,011 common shares of stock in SMYPC resulting from the exchange of investment in SMYAC were acquired for a total cost of P1,320 and a total fair market value amounting to P4,173 as at the date of exchange, pursuant to the merger between SMYAC and SMYPC.

On November 15, 2021, the BIR issued BIR Ruling No. S40M-426-2021 which confirmed the tax-free exchange of investment relative to the merger of SMYPC and SMYAC.

c. Commitments

The outstanding purchase commitments of the Company amounted to P170 and P150 as at December 31, 2024 and 2023, respectively.

d. Foreign Exchange Rates

The foreign exchange rates used in translating the US Dollar monetary assets and liabilities to Philippine Peso were closing rates of P57.845 and P55.370 as at December 31, 2024 and 2023, respectively, for separate statements of financial position accounts.

- e. Certain accounts in prior years have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported financial performance for any period.

33. Supplementary Information Required under RR No. 15-2010

The BIR has issued RR No. 15-2010 which requires certain tax information to be disclosed in the notes to the separate financial statements. The Company presented the required supplementary tax information as a separate schedule attached to its annual income tax return.

for
AUDITED FINANCIAL STATEMENTS

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COMPANY INFORMATION

33,452

Second Tuesday of June

December 31

CONTACT PERSON INFORMATION	
NAME	
PHONE	
EMAIL	
ADDRESS	
CITY	
STATE	
ZIP	
COUNTRY	

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

Ms. Bella O. Navarra

8632-3000

CONTACT PERSON's ADDRESS					

No. 40 San Miguel Avenue, Mandaluyong City

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.