



April 16, 2026

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:

Please see attached SEC Form 17-A (Annual Report as of 31 December 2025) of the Corporation as amended on 16 April 2026.

Very truly yours,


MARY ROSE S. TAN
Assistant Corporate Secretary

COVER SHEET

P	W	-	2	7	7				

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

		1	7	-	A		

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, 2025**
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, 2025)
Common Shares	2,383,896,588
Series "2-I" Preferred Shares	169,333,400
Series "2-L" Preferred Shares	165,358,600
Series "2-M" Preferred Shares	173,333,325
Series "2-N" Preferred Shares	100,115,100
Series "2-O" Preferred Shares	187,859,700
Series "2-P" Preferred Shares	171,370,380
Series "2-Q" Preferred Shares	53,815,840
Series "2-R" Preferred Shares	26,287,800
Series "2-S" Preferred Shares	179,837,540
Series "2-T" Preferred Shares	73,983,880
Series "2-U" Preferred Shares	<u>146,178,580</u>
TOTAL	3,831,370,733
Total Liabilities	Php1,978,820 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 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 490,515,640 voting shares held by non-affiliates of the Company as of December 31, 2025 is Php 40,222,282,480.00 (based on the closing price as of December 29, 2025 of Php82.00 per share. The aggregate market value of the 490,831,841 voting shares held by non-affiliates of the Company as of March 31, 2026 is Php35,241,726,183.80 (based on the closing price as of March 31, 2026 of Php71.80 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 5.3% of the Philippine Gross Domestic Product in 2025.

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 55,024 regular employees and more than 100 production facilities in the Asia-Pacific region as of December 31, 2025. SMC’s extensive portfolio of products include beer, spirits, non-alcoholic beverages (“NAB”), poultry, animal feeds, flour, fresh and processed meats, dairy products, coffee, various packaging products, a full range of refined petroleum products and cement products, most of which are market leaders in their respective markets. Through its subsidiaries, San Miguel Global Power Holdings Corp. (San Miguel Global Power) and SMC Infrastructure, it operates one of the Philippines’ largest and most diversified power portfolios, including gas, coal, battery storage, hydro and natural gas, and holds concession rights to over 1,160 kilometers of roads across Metro Manila and key regions of Luzon. In

addition, SMC contributes to the growth of downstream industries and sustains a network of hundreds of third-party suppliers.

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

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

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 12, 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 and canned meats and prepared meals, *Star* for non-refrigerated margarine and processed meats, *Dari Crème* for refrigerated margarine, *San Mig Super Coffee* for coffee, *B-MEG* for animal feeds, *NutriChunks* and *AlphaPro* for dog food, and *Majesty* for cat 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. ("PF-Hormel"), San Miguel Mills, Inc. ("SMMI") and San Miguel Super Coffeemix Co., Inc. ("SMSCCI") (collectively, the "Food Division"). 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 135 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.

In 2025, SMB introduced the limited-edition *San Miguel Mango Yuzu*, a Belgian-style wheat beer with natural mango and yuzu flavors and real fruit juice.

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). In 2025, SMB shifted its *Magnolia Fruit Drink* flavors to *Magnolia Healthtea* while *Magnolia Flavored Water* was discontinued to focus its portfolio on *Magnolia Cali* and *Magnolia Healthtea*.

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. GSML produces some of the most recognizable spirits in the Philippine market, including gin, Chinese wine, brandy, vodka, rum and other spirits. GSML 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.

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

GSML 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, Malta, British Virgin Islands, Singapore, 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, GSML pivoted its production facilities to produce disinfecting 70% ethyl alcohol and donated over 1.3 million liters of such disinfectant alcohol around the country. In the third quarter of 2020, GSML 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 holds market-leading positions in many key food product categories in the Philippines and offers a broad range of high-quality food products and services to household, institutional, and foodservice customers. The Food Division has some of the most recognizable brands in the Philippine food, animal feeds, and pet care industries, including *Magnolia* for chicken, dairy, ice cream, flour mixes, and salad aids, *Timplados* for ready-to-cook chicken products, *Monterey* for fresh and marinated meats, *Purefoods Tender Juicy* for hotdogs, *Purefoods* for other refrigerated processed meats, ready-to-eat cooked meals, canned meats, and seafood line, *Veega* for plant-based protein food products, *Star* for non-refrigerated margarine and processed meats, *Dari Crème* for refrigerated margarine, *San Mig Super Coffee* for coffee, *B-MEG* for animal feeds, *NutriChunks* and *AlphaPro* for dog food and other products, and *Majesty* for cat food.

The Food Division has a diversified product portfolio that ranges from branded value-added refrigerated meats and canned meats, ready-to-eat cooked meals, seafood, plant-based protein, butter, margarine, cheese, milk, ice cream, salad aids, flour mixes, and coffee products (collectively "Prepared and Packaged Food") to integrated feeds, pet care, and veterinary medicines ("Animal Nutrition and Health"), poultry and fresh meats ("Protein"), as well as flour milling, bulk grain handling and storage, foodservice, and international operations ("Others").

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 PF-Hormel, Magnolia and SMSCCI. PF-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 PF-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 (BOD)'s approval, exclusivity covenants, and restrictions on the transfer of PF-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*, *Cheezee*, *Quickmelt*, *Daily Quezo*, and *Buttercup* brands. Dairy products under the *Magnolia* brand include ready-to-drink *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.

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 compound 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 marketed and sold 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 markets and sells dog food under the *NutriChunks* 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 business 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 business 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 business 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 and supermarket 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 business 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.

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 Food Division engages 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, 2025:

San Miguel Food and Beverage, Inc. and subsidiaries, including 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.; 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 Djakarta 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.

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: 1) San Miguel Yamamura Packaging Corporation ("SMYPC") and its subsidiaries, SMC Yamamura Fuso Molds Corporation ("SYFMC"), a joint venture between SMYPC and Japan's Fuso Machine & Mold Manufacturing Co., Ltd. and the only manufacturer of glass and plastics molds in the country; Can Asia, Inc. ("CAI"), a pioneer in the production of two-piece aluminum cans; and Wine Brothers Philippines Corporation, a wholly-owned subsidiary of SMYPC that is involved in the sale and distribution of wine products; 2) San Miguel Yamamura Packaging International Limited ("SMYPIL") and its subsidiaries; and 3) Mindanao Corrugated Fireboard, Inc. ("Mincorr"), a manufacturer of corrugated paper carton.

SMYPC and SMYPIL are both joint venture corporations between SMC and NYG.

SMYPC owns all of 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 other services such as beverage filling for Polyethylene Terephthalate ("PET") bottles, aluminum cans, and glass bottles, pallet leasing, and logistics services. In support of sustainability initiatives, the Packaging Group is also engaged in recycling operations through its sustainability center, and in the offer of plastic credits in accordance with the Extended Producer Responsibility Act of 2022.

It is the major provider of packaging requirements of other business units of SMC and a supplier to other external customers, which include major multinational corporations in the Philippines, including Coca-Cola Europacific, Aboitiz 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 has 17 operational 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. The plastics business also contributes to sustainability initiatives through recycling programs and the offer of plastic credits.
- 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, 2025:

San Miguel Yamamura Packaging Corporation and subsidiaries (including 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 Co., Ltd., San Miguel Yamamura Glass (Vietnam) Limited, San Miguel Yamamura Haiphong Glass Company Ltd., Zhaoqing San Miguel Yamamura Glass Company Ltd., Foshan San Miguel Yamamura Packaging Co., Ltd. and subsidiary, San Miguel Yamamura Packaging and Printing Sdn. Bhd., San Miguel Yamamura Woven Products Sdn. Bhd. and subsidiary, San Miguel Yamamura Plastic Films Sdn. Bhd. and San Miguel Yamamura Australasia Pty. Ltd. and subsidiaries {including SMYC Pty. Ltd. and subsidiary, SMYV Pty. Ltd., SMYP Pty. Ltd. and subsidiary, Cospak Ltd., SMYBB Pty. Ltd., SMYJ Pty. Ltd., SMYV Ltd. and SMYJ Ltd.}]
Mindanao Corrugated Fibreboard, Inc.

Energy

The Energy business, which is conducted through San Miguel Global Power Holdings Corp. ("San Miguel Global Power"), together with its subsidiaries, associates and joint ventures, is one of the largest power companies in the Philippines, controlling 5,710 MW of combined capacity as of December 31, 2025 based on the Energy Regulatory Commission ("ERC") Resolution Adjusting Grid Market Share Limitation for 2025. Based on the total installed generating capacities reported in the ERC Resolution Adjusting Grid Market Share Limitation for 2025, SMC's market share was approximately 20% of the National Grid, 25% of the Luzon Grid, 5% of the Visayas Grid and 9% of the Mindanao Grid. Market share is computed by dividing the relevant installed generating capacity for the period by the total installed generating capacity of Luzon Grid, Visayas Grid, Mindanao Grid or National Grid (20,659,316 KW, 3,443,158 KW, 4,287,600 KW and 28,390,074 KW, respectively, based on data provided under the ERC Resolution Adjusting Grid Market Share Limitation for 2025). San Miguel Global Power benefits from a diversified power portfolio, including natural gas, coal, renewable energy such as hydroelectric power and battery energy storage systems ("BESS"). 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 345 MW San Roque Multipurpose Hydroelectric Power Plant in San Manuel, Pangasinan, the output of which are being administered by San Roque Hydropower Inc. ("SRHI"), a wholly-owned subsidiary of San Miguel Global Power;
- b) the 2 x 647 MW Sual Coal Fired Power Plant in Sual, Pangasinan, ownership of which was turned over to Sual Power Inc. ("SPI"), a wholly-owned subsidiary of San Miguel Global Power, in October 2024, after the expiration of SPI's IPPA Agreement with PSALM for the administration of the output of the Sual Coal Fired Power Plant;
- c) the 218 MW 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") comprised of the 1 x 344 MW (Unit 1), 1 x 344 MW (Unit 2) and 1 x 335 MW (Unit 3), and the 35.258 MWh BESS Project all located in Masinloc, Zambales, owned by Masinloc Power Co. Ltd. ("MPCL"), 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 2026;

- e) the 13 BESS facilities of SMGP BESS Power Inc. ("SMGP BESS") in various locations nationwide with a total installed capacity of 440 MWh, which commenced commercial operations in 2023, 2024 and 2025;
- f) the 33.867 MWh BESS facility in Kabankalan, Negros Occidental ("Kabankalan BESS"), owned by SMGP Kabankalan Co. Ltd. ("SMGP Kabankalan"). The capacity of Phase 1 of Kabankalan BESS (20 MWh) 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 Wholesale Electricity Spot Market ("WESM"); and
- g) the Greenfield Power Plants owned and developed by San Miguel Global Power, namely the 4 x 150 MW 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"), the 2 x 150 MW 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") and the 4 x 150 MW Circulating Fluidized Bed Coal-Fired Power Plant in Mariveles, Bataan (the "Mariveles Greenfield Power Plant") owned by its subsidiary, Mariveles Power Generation Corporation ("MPGC"). Units 1, 2, 3 and 4 of the Limay Greenfield Power Plant commenced commercial operations in May 2017, September 2017, March 2018 and July 2019, respectively. Units 1 and 2 of the Davao Greenfield Power Plant commenced commercial operations in July 2017 and February 2018, respectively. Units 1, 2 and 3 of the Mariveles Greenfield Power Plant commenced commercial operations in March 2024, September 2024 and October 2024, respectively, while its Unit 4 achieved commercial operations in January 2025.

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

San Miguel Global Power, through its subsidiaries SPI, SRHI, MPGC, LPI, MPI, MPCL, SMGP Kabankalan and SMGP BESS, sells power through offtake agreements directly to customers, including the Manila Electric Company and other distribution utilities, electric cooperatives, industrial customers and the NGCP, or through the WESM.

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

- a. The BESS Projects, which is currently undertaken through SMGP BESS, will provide an additional ~500 MWh capacity to the Energy business' existing power portfolio.
- b. 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.
- c. The planned hydropower projects in Aklan, Apayao and Pangasinan to be constructed by SRHI and Pan Pacific Renewable Power Phils. Corp. ("Pan Pacific"), pursuant to the Notices of Award issued by the Department of Energy ("DOE") in their favor for the third auction round of the Green Energy Auction Program conducted on February 11, 2025 as follows: (i) SRHI's pump storage hydropower across three facilities to be located in Aklan and Pangasinan and to be completed between 2031 and 2035, with an aggregate capacity 1,850 MW; and (ii) Pan Pacific's pump storage hydropower and impounding hydropower across three facilities to be located in Apayao with an aggregate capacity of 2,300 MW and to be completed between 2030 and 2031. San Miguel Global Power owns 40% equity interest in FPSP Holdings Corp. that wholly owns Pan Pacific.

- d. The planned solar projects in the provinces of Bulacan, Davao and Isabela to be constructed by SMC Global Light and Power Corp. ("SGLPC") pursuant to the Notice of Award issued by the DOE in its favor for the fourth auction round of the Green Energy Auction Program launched on March 29, 2025. As a winning bidder, SGLPC bid for an aggregate offered capacity of 2,225 MWac floating solar and ground-mounted solar projects with expected completion dates from 2026 to 2029.

Below is a list of the major energy subsidiaries as of December 31, 2025:

San Miguel Global Power Holdings Corp. and subsidiaries (including Sual Power Inc. and subsidiary, San Roque Hydropower Inc., Limay Power Inc., Malita Power Inc., SMC PowerGen Inc., SMCGP Masinloc Partners Company Limited, SMCGP Masinloc Power Company Limited, Masinloc Power Co. Ltd., PowerOne Ventures Energy Inc., SMGP BESS Power Inc., SMGP Kabankalan Power Co. Ltd., 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, 2025. 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 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, 2025:

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 Mauritius Ltd and subsidiary, Petron Oil & Gas International Sdn. Bhd. and subsidiaries including Petron Fuel International Sdn. Bhd., Petron Oil (M) Sdn. Bhd. and Petron Malaysia Refining & Marketing Bhd. (collectively Petron Malaysia) 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 NAIA Terminals 1, 2 and 3. NAIAX connects to the Skyway system, the Manila-Cavite Toll Expressway ("CAVITEX") and the Entertainment City of the Philippine Amusement and Gaming Corporation. NAIAX became fully operational in July 2017. On March 1, 2024, the NAIAX Tramo Connecting ramp was opened to the public. It is an 0.8-km elevated viaduct connecting NAIAX and Tramo flyover.

Skyway Stage 3

On February 28, 2014, SMHC through AABV 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, AABV 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, 2025. MNHPI is the terminal operator of Manila North Harbor, a 60.96-hectare port facility situated at Tondo, City of Manila. The port has a total berth length of 5,758 meters and 36 berths which can accommodate all types of vessels such as containerized and non-container type vessels. Under the Contract for the Development, Management, Operation and Maintenance of the Manila North Harbor entered with the Philippine Ports Authority on November 19, 2009, the Philippine Ports Authority awarded MNHPI the right to manage, operate, develop, and maintain the Manila North Harbor for 25 years, renewable for another 25 years. MNHPI commenced operations on April 12, 2010.

Bulacan Bulk Water Supply Project

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

MIA Project

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

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

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

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.

Bulakan and Obando Water Companies Acquisition

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

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

Newly-Incorporated Companies

Three new companies were recently incorporated which will engage in various activities that will support the Infrastructure business, namely Prestige Airport Lounge Corp., Air Gate Media Inc., and SMC Skyport Development Corporation. These companies will conduct and carry on the business of accommodation and food service activities, professional, scientific, and technical activities such as advertising, and real estate activities.

Below is a list of the major infrastructure subsidiaries as of December 31, 2025:

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., Jethandler Asia Services Inc., SMC NAIAX 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., SMC SLEX Inc. and SMC Tollway Holdings S.à.r.l } and SMC Bulacan Water Services Corporation].

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 in February 1970 in Sison, Province of Pangasinan, it has been engaged in the business of manufacturing, developing, processing, exploiting, buying and selling cement and/or other allied products. 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 on May 31, 2023. Prior to its commercial operations, SCII commenced its promotional trial campaign and distribution activities simultaneous with the completion of the commissioning stage of its plant.

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 1, 2, 3 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, 2025:

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 +/-41.48 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 +/-214.90 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, 2025:

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

Davana Corporation (formerly 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, 2025.

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, 2025, 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, 2025:

- 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 2025 foreign operations contributed about 26.27% of consolidated sales and 11.42% of consolidated net income. Foreign sales is broken down by market as follows:

Market	% to Consolidated Sales		
	2025	2024	2023
Malaysia	16.56	17.21	19.25
Singapore	7.65	10.21	7.67
Australia	0.75	0.74	0.77
China	0.71	0.66	0.66
Indonesia	0.27	0.25	0.32
Vietnam	0.14	0.13	0.16
Others	0.19	0.17	0.16

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

In November 2025, Petron introduced the new Petron Sprint Scooter Oils with the theme “*Subok sa Bawat Ride*”. Petron understands what Filipino riders face daily, that is why the new Petron Sprint Scooter Oils were developed – to keep every scooter running smoothly and reliably, no matter what the road brings.

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 *Leon Extra Strong Beer* and licensed *Colt 45* which are positioned against SMB's strong alcohol beer *Red Horse*, local *Beer na Beer* which is positioned in the economy segment, *Brew Kettle* in the mainstream segment, and *Asahi Super Dry* in the premium segment.

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*, *Tiger Radler* competes with *San*

Miguel Flavored Beer while *Heineken* and *Heineken Silver* compete with SMB's premium beers.

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. Emerging competition also comes from beers made exclusively available in hard discount stores.

Meanwhile, in the flavored alcoholic beverages category, ABI offers *Tanduay Ice*, *Spritz Hard Seltzer*, *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 gin, brandy, 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 carbonated drinks, ready-to-drink tea and ready-to-drink juice categories. For example, C2 and Nestea compete with *Magnolia Healthtea* while Zest-O and Minute Maid Fresh compete with *Magnolia Fruit Drink*. *Magnolia Cali* is positioned in the softdrinks category where *Coke*, *Pepsi* and *RC Cola* are the key players.

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 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, and launched new products. 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 (*Mekeni*), 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 Hard Discount Philippines, Inc. (*Butterbar, Margie*) 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 milk category, Nestle Philippines, Inc. (*Nestle*) and RFM Corporation (*Selecta*) are the top players. 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 ("URC") (*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"), New Hope Group, 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 URC (*TopBreed Dog Meal*), MARS Philippines, Inc. (*Pedigree*), Barkpro Marketing Corporation (*Beef Pro*) 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 imports from the United States, Canada, Brazil and other countries.

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 under SMMI include Pilmico, URC, and Philippine Foremost Milling Corporation. In selected regional markets, SMMI also competes with players such as RFM Corporation, General Milling Corporation, Atlantic Grains, Inc., and Mabuhay Interflour Mill Inc.

Petron Corporation

Petron operates in a deregulated oil industry which has seen the entry of approximately 500 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 P.A. Properties.

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.

Based on the ERC Resolution Adjusting Grid Market Share Limitation for 2025, the other large players in the generation sector are Aboitiz Equity Ventures, Inc., which holds interests in Aboitiz Power Corporation and Hedcor, Inc., among others, First Gen Corporation and Ayala Corporation, which holds interests in ACEN Corporation.

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 2025 are as follows:

FOOD and BEVERAGE

Beer and NAB Division

Malt and Hops

Boortmalt Asia Pacific Pty. Ltd.
GDH Supertime Guangzhou Malting Company Limited
Malterurop
Taiwan Hon Chuan Enterprise Co., Ltd.

Corn Grits/Tapioca/Rice/Sugar/Starch

All Asian Countertrade Inc.
All Asian Countertrade Pte Ltd.
Cagayan Corn Products Corporation
Cgrain Technology Co., Ltd.
Daesang Philippine Corporation
Eiamheng Tapioca Starch Industry
Fo Shan Gao Ming Ri Zhen Jia Cereals and Oils Co. Ltd.
Hefei Longjie Food & Oil Co. Ltd.
Lambayong Mnlf Multi Purpose
Limketkai Manufacturing Corporation
PT Sahabat Sentra Asia
Ricor Mills Corporation
Scg International Corporation

Packaging Materials

Bangkok Can Manufacturing Co., Ltd.
Boonpongkit Ltd.
Crown Beverage Cans Hong Kong
Crown Beverage Can (Heshan) Co. Ltd.
Cty Tnhh Baosteel Can Making VN
Double Paper Product Industries
Guangdong Huaxing Glass Co., Ltd.
Heindrich Trading Corp.
Muliaglass Container Division, Pt.
O-I (Zhao Qing) Glass
Shum Kee Industrial Company Limited
Siam Glass Ayutthaya Co., Ltd.
Sunrise (Zhangzhou) Intelligent Technology Co., Ltd
T.C.P. Industry Co., Ltd

Fuel and Brewery Chemicals

Mabuhay Vinyl Corporation

Spirits Division

Alcohol

Heindrich Trading Pte. Ltd.
Raizen Trading S.A.
Shoalhaven Starches Pty. Ltd.

Molasses	BISCOM Inc. E D & F Man Molasses B.V. Hawaiian-Philippine Company Heindrich Trading Pte. Ltd. Peter Cremer GMBH United Molasses Trading Ltd.
Flavoring and Sweeteners	All Asian Countertrade Inc. Wilmar Edible Oils Philippines Wilmar Sugar Pte. Ltd.
<i>Packaging and Labels</i>	Corbox Corporation Greenstone Packaging Corporation Heindrich Trading Pte. Ltd. Hicap Aiot Technologies (Yantai) Omega-Ventures WL Trading Corp. Rowell Lithography & Metal Closure SC Brothers Packaging Corp. Twinpack Container Corporation United Graphic Expression Valenzuela Packaging Container
<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. Agrocorp International Pte. Ltd. Louis Dreyfus Commodities Asia Pte Ltd. CJ International Asia Pte. Ltd.
Wheat	ADM Asia-Pacific Trading Pte. Ltd. Bunge Asia Pte. Ltd. CHS Inc. Toyota Tsusho Asia Pacific Pte. 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 Alchemco Philippines, Inc.
Cullet	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. Changshu Jianhua Mould Technology Co., Ltd.
<i>Plastics</i>	
Colorants/Pigments	Masterbatch Philippines, Inc. Esta Fine Colour Corp.
Inks	MCR Industries, Inc. Union Inks and Graphics Philippines, Inc.
HDPE Resin	JG Summit Petrochemical Corporation PTT Global Chemical Public Company Monochem Plastics Trading Toyota Tsusho Asia Pacific Pte. Ltd. T.C.R. (Singapore) Pte Ltd
Regrinds	Octaplas Industrial Services, Inc. Chun Yi Lian He Co., Ltd.
Tolling Services	Ecostorage Solutions Inc. Jayala Mdse & Services Corp. Jimbo Plastics Products Manufacturing Miyako Plastic Manufacturing Corporation Muzon Plastic Manufacturing Inc. Octaplas Industrial Services, Inc.
<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 Edson International Co. Ltd. Nordson S.E. Asia (Pte) Ltd
Plate, TFS	Jiangsu Suxun New Material Co., Ltd. Nippon Steel Trading Corporation Perstima (Philippines) Inc.
NPVC Liner Compound	D & L Polymer & Colours, Inc. Abuchem Plas OPC Actega Ds GmbH
Aluminum Coil	Xiamen C&D Aluminum Co. Ltd. Hang Yue Tong Company Limited Kobelco Trading (Shanghai) Co. Ltd.
Lubricants	Elasco International Corporation
<i>Laminates</i>	

PET/OPP/PP and Other Films	AJ Plast Public Company Limited Polyplex Thailand Ltd. Pt Kolon Ina
PE Films	Cofta Mouldings Corporation
Aluminum Foil	Shandong Deli Aluminium Technology Co.,Ltd. Eastern Valley Co., Ltd. Chinalco Aluminum Foil (Yunnan) Co Ltd
Resins	Sabic Asia Pacific Pte. Ltd. Dow Chemicals Pacific, Ltd. JG Summit Petrochemical Corporation PTT Global Chemical Public Company
Inks	Toyo Ink (Philippines) Co., Inc.
<i>PET</i>	
PET Resin	Far Eastern Polychem Industries Limited Guangdong IVL PET Polymer Co. Ltd
CO2	Hannibal Industries Corporation Air Liquide Philippines Inc. Linde Philippines Inc
<i>Paper</i>	
Kraft Paper	Visy Trading Singapore Pte. Ltd. Cellmark Inc. Best Eternity Recycle Technology Sdn Bhd Hong Kong Paper Sources Co., Limited Europcell GmbH Bio Pulp Industry Inc. Mitsui Bussan Packaging Co., Ltd.
<u>FUEL AND OIL</u>	
Crude	Saudi Arabian Oil Company Shell International Eastern Trading Company Exxonmobil Exploration and Production Malaysia Inc.
Finished Product	UNIPPEC Singapore Pte Ltd Trafigura Pte Ltd Sinochem International Oil (Singapore) Pte Ltd
<u>ENERGY</u>	
Coal	Agnico, Inc. FZCO Aegis Energy Trading Pte. Ltd. PT Bharinto Ekatama PT Bayan Resources Tbk Vitol Asia Pte Ltd. Asian Trade Commodities Pte. Ltd. PT Arutmin Indonesia Rwood Resources DMCC Daguma Agro-Minerals Inc.

LNG	Vitol Asia Pte. Ltd. Trafigura Pte. Ltd. Shell Eastern Trading (Pte) Ltd.
Other Consumables Silica Sand	Ashapura Holdings UAE FZE Puresil India Nupur Merchandise Pvt. Ltd. OM Industries SI Resources Inc. Alchemo Philippines Inc. Sweet Gift Agri-lime Ventures Inc. JGT Corporation JGB Builders and Construction Supplies
Limestone	Independent Electricity Market Operator
Electricity	
<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 35, 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 18	Goodwill and Other Intangible Assets
Note 36	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

GSML continuously invests in research and development to remain aligned with evolving market preferences. As such, GSML has a dedicated Research and Development team, which maintains a well-equipped laboratory and closely collaborates with the company's market research and new product development groups to constantly design, develop, and formulate innovative products. The Research and Development team's mandate is to strengthen and expand GSML's product library, enabling timely and responsive product launches as market needs arise.

Food Division

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 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 using 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 efficiency in feed manufacturing. 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, innovative, and sustainable packaging solutions.

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 Department ("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, together with other key company stakeholders, has led initiatives on Petron's compliance with proposed implementation of EURO 5/V-PH automotive fuel and vehicle emissions standards by the Department of Energy (DOE) and the Department of Environment and Natural Resources (DENR), respectively.

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). 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, lubes manufacturing 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. 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 Research and Testing Center continue to strengthen its commitment to quality and competence. In 2025, PRTC-Harbor was recommended for ISO/IEC 17025 accreditation, marking it as second PRTC Laboratory, following PRTC-Mandaue, to attain ISO/IEC 17025 Accreditation. 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 - Technical Training provides and facilitates product knowledge seminar through structured lectures and digital video platform, product quality testing, and emerging technology trends to internal and external stakeholders. By sharing these insights, it encourages a culture of continuous learning and innovation within the organization, develops effective brand ambassadors, and strengthens competitiveness and industry expertise.

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, Davao and Mariveles 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 2026.

As part of the diversification of its power portfolio into LNG, San Miguel Global Power, through Excellent Energy Resources Inc. ("EERI"), constructed a 1,320 MW combined cycle power plant in Barangays Ilijan and Dela Paz Proper, Batangas City (the "BCC Power Plant"). The BCC Power Plant utilizes regasified LNG. Units 1 and 2 of the BCC Power Plant commenced commercial operations in December 2024 and January 2025, respectively, while Unit 3 commenced commercial operations in April 2025. Following the completion of the Chromite Transaction on January 27, 2025 San Miguel Global Power retains 33% interest in EERI.

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. Of the 1,000 MWh, ~500 MWh has attained commercial operations.

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):

	2025	2024	2023
Research and Development	P720	P619	P591
Percentage to Net Income	0.76%	1.69%	1.32%

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, 2025, the Group has about 55,024 employees and has entered into 34 collective bargaining agreements ("CBA"). Of the 34 CBAs, 17 will be expiring in 2026.

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.

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 41 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 14, Property, Plant and Equipment, and Note 16, 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 45, 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 2025, other than the following matters submitted for approval at the Special Stockholders Meeting of the Corporation on March 27, 2025:

1. Approval of the Reclassification of 904,752,537 common shares currently held as treasury shares, into Series 2 Preferred Shares held in treasury;
2. Approval of the Amendment to Article VII of the Amended Articles of Incorporation of the Company relating to its capital stock of Php30,000,000,000 at par value of Php5.00 per share or 6,000,000,000 shares -
 - FROM: divided into **3,790,000,000** common shares and **2,210,000,000** preferred shares
 - TO: divided into **2,885,247,463** common shares and **3,114,752,537** preferred shares;
3. Approval of the issuance of common and Series 2 preferred shares of the Company under such terms and conditions determined by the Management; and
4. Approval of the delegation to the Board of Directors of the power to amend By Laws of the Corporation.

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, 2025 is 20.58%.

The Company's high and low closing prices for each quarter of the last two (2) fiscal years and for the first quarter of 2026 are as follows:

	2025								2026	
	1 st		2 nd		3 rd		4 th		1 st	
	High	Low	High	Low	High	Low	High	Low	High	Low
Common	86.00	65.20	82.90	77.35	78.00	54.25	85.95	54.25	86.00	65.00
Preferred – 2I	73.85	71.50	73.00	71.10	75.00	71.35	75.80	71.35	75.75	74.00
Preferred – 2J	72.00	69.75	73.00	70.80	75.00	70.50	74.95	70.50	80.40	76.70
Preferred – 2K	71.95	68.50	72.00	69.55	75.00	70.00	75.00	70.00	-	-
Preferred – 2L	79.80	76.00	79.20	78.00	79.00	76.10	79.50	76.10	-	-
Preferred – 2N	81.50	77.00	80.00	77.00	80.45	77.80	81.50	77.80	80.80	77.00
Preferred – 2O	82.75	80.00	82.00	80.00	82.40	79.20	82.00	79.20	81.95	78.50
Preferred – 2P	-	-	-	-	-	-	80.00	73.00	77.95	75.00
Preferred – 2Q	-	-	-	-	-	-	78.00	73.00	77.90	73.80
Preferred – 2R	-	-	-	-	-	-	77.50	73.10	78.90	76.00
Preferred – 2S	-	-	-	-	-	-	78.00	72.00	80.00	75.00
Preferred – 2T	-	-	-	-	-	-	81.00	75.00	80.00	76.50
Preferred – 2U	-	-	-	-	-	-	79.00	76.00	80.00	76.00

	2024							
	1 st		2 nd		3 rd		4 th	
	High	Low	High	Low	High	Low	High	Low
Common	124.70	101.10	109.00	98.50	102.00	84.35	89.90	81.00
Preferred – 2F	73.50	71.50	73.00	71.50	74.00	71.70	73.90	71.60
Preferred – 2I	73.75	70.10	72.50	69.50	73.00	70.00	73.80	70.40
Preferred – 2J	73.90	67.00	69.95	65.05	71.00	66.55	73.00	69.50
Preferred – 2K	75.00	66.00	69.95	65.00	70.00	65.35	72.00	67.00
Preferred – 2L	79.00	75.25	78.20	75.00	78.30	76.05	78.50	76.00
Preferred – 2N	78.80	76.50	79.90	77.00	80.50	77.30	81.00	77.00
Preferred – 2O	80.70	76.75	81.00	76.00	81.50	79.00	82.45	79.90

The closing prices as of December 29, 2025, and as of as of April 10, 2026, the latest practicable trading date, are as follows:

Class of Shares	December 29, 2025	April 10, 2026
Common	₱82.00	₱69.30
Series "2-I" Preferred	₱74.50	-
Series "2-L" Preferred	₱79.00	₱80.35
Series "2-N" Preferred	₱80.50	₱80.00
Series "2-O" Preferred	₱81.00	₱81.95
Series "2-P" Preferred	₱77.00	₱78.00
Series "2-Q" Preferred	₱77.80	₱76.80
Series "2-R" Preferred	₱77.50	₱79.00
Series "2-S" Preferred	₱77.80	₱75.35
Series "2-T" Preferred	₱76.50	₱79.00
Series "2-U" Preferred	₱76.00	₱79.20

The approximate number of shareholders as of December 31, 2025 is 33,143.

The top 20 common and preferred stockholders as of December 31, 2025 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:

2025

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend Per Share
Common	March 13, 2025	March 28, 2025	April 25, 2025	P0.35
	June 10, 2025	June 27, 2025	July 23, 2025	0.35
	September 11, 2025	October 3, 2025	October 24, 2025	0.35
	December 4, 2025	January 2, 2026	January 23, 2026	0.35
Preferred				
SMC2F	January 16, 2025	March 21, 2025	April 4, 2025	1.27635
	May 8, 2025	June 20, 2025	July 4, 2025	1.27635
	August 7, 2025	September 19, 2025	October 3, 2025	1.27635
SMC2I	January 16, 2025	March 21, 2025	April 4, 2025	1.18790625
	May 8, 2025	June 20, 2025	July 4, 2025	1.18790625
	August 7, 2025	September 19, 2025	October 3, 2025	1.18790625
	November 13, 2025	December 19, 2025	January 2, 2026	1.18790625
SMC2J	January 16, 2025	March 21, 2025	April 4, 2025	0.890625
	May 8, 2025	June 20, 2025	July 4, 2025	0.890625
	August 7, 2025	September 19, 2025	October 3, 2025	0.890625
SMC2K	January 16, 2025	March 21, 2025	April 4, 2025	P0.84375
	May 8, 2025	June 20, 2025	July 4, 2025	0.84375
	August 7, 2025	September 19, 2025	October 3, 2025	0.84375
	November 13, 2025	December 19, 2025	January 2, 2026	0.740625
	November 13, 2025	December 19, 2025	January 2, 2026	0.309375
SMC2L	January 16, 2025	March 21, 2025	April 4, 2025	1.48396875
	May 8, 2025	June 20, 2025	July 4, 2025	1.48396875
	August 7, 2025	September 19, 2025	October 3, 2025	1.48396875
	November 13, 2025	December 19, 2025	January 2, 2026	1.48396875
SMC2M	January 16, 2025	March 21, 2025	April 4, 2025	1.5703125
	May 8, 2025	June 20, 2025	July 4, 2025	1.5703125
	August 7, 2025	September 19, 2025	October 3, 2025	1.5703125
	November 13, 2025	December 19, 2025	January 2, 2026	1.5703125
SMC2N	January 16, 2025	March 21, 2025	April 4, 2025	1.5649875
	May 8, 2025	June 20, 2025	July 4, 2025	1.5649875
	August 7, 2025	September 19, 2025	October 3, 2025	1.5649875
	November 13, 2025	December 19, 2025	January 2, 2026	1.5649875
SMC2O	January 16, 2025	March 21, 2025	April 4, 2025	1.611300
	May 8, 2025	June 20, 2025	July 4, 2025	1.611300
	August 7, 2025	September 19, 2025	October 3, 2025	1.611300
	November 13, 2025	December 19, 2025	January 2, 2026	1.611300
SMC2P	November 13, 2025	December 19, 2025	January 2, 2026	0.82709375
SMC2Q	November 13, 2025	December 19, 2025	January 2, 2026	0.86165
SMC2R	November 13, 2025	December 19, 2025	January 2, 2026	0.8949
SMC2S	November 13, 2025	December 19, 2025	January 2, 2026	0.82709375
SMC2T	November 13, 2025	December 19, 2025	January 2, 2026	0.86165
SMC2U	November 13, 2025	December 19, 2025	January 2, 2026	0.8949

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
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
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

On January 15, 2026, the BOD of the Parent Company declared cash dividends to all preferred shareholders of record as at March 20, 2026 the following shares to be paid on March 30, 2026, as follows:

Class of Shares	Dividends Per Share
SMC2I	P1.18790625
SMC2L	1.48396875
SMC2M	1.5703125
SMC2N	1.5649875
SMC2O	1.6113
SMC2P	1.3059375
SMC2Q	1.3605
SMC2R	1.413
SMC2S	1.3059375
SMC2T	1.3605
SMC2U	1.413

On March 12, 2026, the BOD of the Parent Company declared cash dividends at P0.35 per share to all common shareholders of record as at March 30, 2026 to be paid on April 17, 2026.

Distributions

The Parent Company declared and paid P2,122 million and P2,102 million to the holders of SPCS in 2025 and 2024, 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 26, 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 seventeen 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 P12 million and P11 million, respectively, for its services rendered in 2025 and 2024.

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	72	Filipino	Chairman and Chief Executive Officer
John Paul L. Ang	46	Filipino	President and Chief Operating Officer
Cecile L. Ang	44	Filipino	Director
Aurora T. Calderon	71	Filipino	Director
Joselito D. Campos, Jr.	74	Filipino	Director
Jose C. De Venecia, Jr. ¹	88	Filipino	Director
Ernesto M. Pernia	81	Filipino	Director
Joseph N. Plineda	62	Filipino	Director
Alexander J. Poblador	72	Filipino	Director
Thomas A. Tan	72	Filipino	Director
Bryan U. Villanueva	56	Filipino	Director
Iñigo Zobel	69	Filipino	Director
Douglas L. LuYm	84	Filipino	Independent Director
Felipe M. Medalla	76	Filipino	Independent Director
Margarito B. Teves	82	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-seven (27) years since 1999. He is the Chairman of the Executive Committee of the Company. He also holds, among others, the following positions in other publicly listed companies: President and Chief Executive Officer of Top Frontier Investment Holdings, Inc. and Petron Corporation; President of Ginebra San Miguel, Inc.; Chairman of the Board of Directors of San Miguel Brewery Hong Kong Limited (listed in the Hong Kong Stock Exchange), and Petron Malaysia Refining & Marketing Bhd. (a company publicly listed in Malaysia); and Chairman of the Board of San Miguel Food and Beverage, Inc. He is also the Chairman of the Board of San Miguel Brewery Inc.; Chairman of the Board and Chief Executive Officer, and President and Chief Operating Officer of San Miguel Global Power Holdings Corp.; Chairman of the Board and President of San Miguel Holdings Corp., SMC Tollways Corporation, SMC SLEX, Inc., San Miguel 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., San Miguel Equity Investments 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 President of New NAIA Infra Corp. 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 December 5, 2025.

¹ Mr. Jose C. De Venecia, Jr. passed away on February 10, 2026.

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 five (5) 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., Ginebra San Miguel 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 2008, Solid North Mineral Corp., and Southwestern Cement Corporation since 2017. He is the President of San Miguel Equity Investments, Inc. He is also the Vice Chairman of San Miguel Global Power Holdings Corp. since 2021. He is the Chairman, President and Managing Director of San Miguel Brewing International Limited. He is also a director of San Miguel Brewery Inc., SMC Tollways Corporation, San Miguel Aerocity, Inc., Trans-Aire Development Holdings Corp., and SMC SLEX Inc. Mr. Ang holds directorships in various SMC domestic and international subsidiaries. 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 December 5, 2025.

Cecile L. Ang was elected as a Director of the Company on June 10, 2025. She is a Director of Ginebra San Miguel Inc. since May 30, 2024. She is also a Director of the Philippine Stock Exchange, Inc. She is also a director in other subsidiaries of the San Miguel Group. She is also a Director of Armstrong Fly-Ash and Logistics Company, Inc., and Board Advisor of Bank of Commerce. She is the Chairman of San Miguel Foundation Inc and originated the Better World Centers of the San Miguel Foundation. She currently the President of Diamond Hotel Philippines. She obtained her Bachelor of Arts with a degree in European Studies from the Ateneo de Manila University. . On October 25, 2025, she attended the corporate governance training conducted by Center for Global Best Practices.

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 nine (9) 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 Audit and Risk Oversight Committee, Corporate Governance Committee, Related Party Transactions 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 Inc., 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., San Miguel Equity Investments Inc., and San Miguel Aerocity Inc. She is the President of Petrogen Insurance Corporation. 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 Center for Global and Best Practices on December 5, 2025.

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 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 December 5, 2025.

Jose C. De Venecia, Jr. is a Director of the Company since March 16, 2017 until his demise on February 10, 2026. He was a member of the Board of Directors of the Company for nine (9) 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.

Ernesto M. Pernia was elected as a Director of the Company on August 4, 2022 and is a Member of the Audit and Risk Oversight 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. On December 5, 2025, he attended the corporate governance training conducted by Center for Global Best Practices.

Joseph N. Pineda was elected as a Director of the Company on June 10, 2025. He 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. Mr. Pineda holds directorships in various SMC domestic and international subsidiaries. He is a Director of San Miguel Holdings Corp. SMC Mass Rail Transit 7 Inc., San Miguel Aerocity Inc., SMC Tollways Corporation, SMC Skyway Corporation, SMC SLEX Inc., and Anchor Insurance Brokerage Corporation. 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. On December 5, 2025, he attended the corporate governance training conducted by Center for Global Best Practices.

Alexander J. Poblador has been a Director of the Company since September 1, 2009 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 December 5, 2025.

Thomas A. Tan was elected as a Director of the Company on June 10, 2025. He was elected as a Director of the Company on June 14, 2012. He was a member of the Board of Directors of the Company for 10 years until his resignation on July 31, 2022. He is the President and General Manager of SMC Shipping and Lighterage Corporation and its subsidiaries, director of San Miguel Foods, Inc., Aerofuel Storage Management Inc., Jethandler Asia Services Inc.; Chairman of Picanto de Alta Realty Corp.; Chairman and President of Kyron Landholdings, Inc. and President of Saturn Cement Corporation and Sakomoto International Packaging Corp. He obtained a degree in Bachelor of Science, Major in Physics in 1974 from the Ateneo de Manila University and a Masters in Business Management degree from the Asian Institute of Management in 1976. On December 5, 2025, he attended the corporate governance training conducted by Center for Global Best Practices.

Bryan U. Villanueva was elected as a Director of the Company on June 10, 2025. He is the Senior Vice President and Chief Finance Officer of the Company effective February 1, 2025. He was formerly SVP for Special Corporate Projects – Office of the President of SMC since November 2023 and Chief Finance Officer of San Miguel Aerocity Inc., a position which he has held since 2020. He has been a consultant of SMC since 2018. Prior to joining SMC, Mr. Villanueva was the Managing Director, Global Head of Finance Sponsors Coverage at Standard Chartered Bank (Singapore) from 2008 to 2017. He was previously with Framework Capital Corporation (Singapore) as Director from 2006 to 2008, Executive Director at UBS Investment Bank (Hong Kong) from 2002 to 2006 and an Associate at Goldman Sachs (US/Singapore/Hong Kong) from 1998 to 2002. In 1991, he obtained a degree in BS Management Engineering from Ateneo de Manila University. He also has a Masters degree in Business Administration, Major in Finance from Wharton Business School. On December 5, 2025, he attended the corporate governance training conducted by Center for Global Best Practices.

Iñigo U. Zobel has been a Director of the Company since October 2009 and was an Independent Director of the Company from May 5, 1999 until October 2009. He has been a member of the Board of Directors of the Company for twenty 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 December 5, 2025.

Douglas L. LuYm was elected as an independent director of the Company on June 10, 2025. Mr. Lu Ym is currently the President of Pallisades City, Inc. Far East Corn Refining Co., and Associated Brokerage System, Inc. He is Chairman of Magna Holding, Inc. and Chairman and President of Lu Do & Lu Ym Corp. He is a Director, Treasurer and Executive Vice President of Mactan Electric Company, Inc. He is also a Director of United Coconut Chemicals, Inc. He earned a degree in Business Administration from the Sta. Clara University, California in 1964. On December 5, 2025, he attended the corporate governance training conducted by Center for Global Best Practices.

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 is an Independent Director of Asia United Bank Corporation, Rural Bank of Angeles and G-Exchange Inc. 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 December 5, 2025.

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 8, 2025.

Officers

Name	Age	Citizenship	Position
Virgilio S. Jacinto	69	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 Chairman
Bryan U. Villanueva	57	Filipino	Senior Vice President – Chief Finance Officer
Joseph N. Pineda	62	Filipino	Senior Vice President – Deputy Chief Finance Officer and Treasurer
Bella O. Navarra	65	Filipino	Senior Vice President and Comptroller
Lorenzo G. Formoso III	64	Filipino	Senior Vice President – Head of SMC Infrastructure Business
Cecile Caroline U. De Ocampo	60	Filipino	Senior Vice President - Head of Corporate Mergers and Acquisitions
Susan Y. Yu	50	Filipino	Senior Vice President - Head of Corporate Procurement

Virgilio S. Jacinto is the Senior Vice President - Corporate Secretary, General Counsel, and Compliance Officer of SMC (since October 2010). He is also the Corporate Secretary and Compliance Officer of Top Frontier Investment Holdings, Inc. and Corporate Secretary of Ginebra San Miguel, Inc. and other subsidiaries and affiliates of SMC. He is a Director of Petron Corporation and a member of the Board of Trustees and Corporate Secretary of the San Miguel Foundation, Inc. He is the President of SMC Stock Transfer Service 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 was an Associate Professor at the University of the Philippines, College of Law until his retirement. 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 8, 2025, he attended the corporate governance training conducted by SGV&Co.

Lorenzo G. Formoso III is the Senior Vice President and Head of SMC Infrastructure Business. Atty. Formoso holds various directorships in various local and offshore subsidiaries of SMC. He is a member of the Board of Directors of SMC SLEX, Inc., SMC Mass Rail Transit Inc., SMC Tollways Corporation, SMC Skyway Corporation, SMC Skyway Stage 3 Corporation, SMC TPLEX Corporation, Trans Aire Development Holdings Corp., and Manila North Harbour Port, Inc.. 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 December 5, 2025, 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 December 5, 2025, she attended the corporate governance training conducted by Center for Global Best Practices.

Bella O. Navarra is the Senior Vice President and Comptroller of the Company. Ms. Navarra holds various directorships in various local and offshore subsidiaries of SMC. She is the Chief Finance Officer of Top Frontier Investment Holdings, Inc. and a Director of San Miguel Holdings Corp., San Miguel Aerocity Inc., SMC Stock Transfer Service Corporation, and Anchor Insurance Brokerage Corporation. 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 December 5, 2025, 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. She is a Director of SMC Skyway Corporation, SMC SLEX Inc., Petrogen Insurance Corporation, and New NAIA Infra Corp. 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 8, 2025, 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. Douglas L. LuYm
2. Felipe M. Medalla
3. 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	2026 (estimated)	₱226.6 Million	₱68.0 Million	₱5.0 Million	₱299.6 Million
	2025	₱220.8 Million	₱71.5 Million	₱22.8 Million	₱315.1 Million
	2024	₱162.8 Million	₱149.2 Million	₱23.7 Million	₱335.7 Million
All other officers and directors as a group unnamed	2026 (estimated)	₱359.6 Million	₱108.1 Million	₱58.0 Million	₱525.7 Million
	2025	₱406.4 Million	₱164.5 Million	₱89.9 Million	₱660.8 Million
	2024	₱354.7 Million	₱126.7 Million	₱76.4 Million	₱557.8 Million
Total	2026 (estimated)	₱586.2 Million	₱176.1 Million	₱63.0 Million	₱825.3 Million
	2025	₱627.2 Million	₱236.0 Million	₱112.7 Million	₱975.9 Million
	2024	₱517.5 Million	₱275.9 Million	₱100.1 Million	₱893.5 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

² The Chief Executive Officer and senior executive officers of the Company for 2026 and 2025 are Ramon S. Ang, John Paul L. Ang, Aurora T. Calderon, Virgilio S. Jacinto and Bryan U. Villanueva. The Chief Executive Officer and senior executive officers of the Company for 2024 are Ramon S. Ang, John Paul L. Ang, Ferdinand K. Constantino, Aurora T. Calderon, and Virgilio S. Jacinto.

proper. The Company provides each director with reasonable per diem of ₱50,000 and ₱20,000 for each Board and Committee meeting attended, respectively.

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, 2025 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 Chairman and Chief Executive 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	38.44%
Common	PCD Nominee Corporation (Filipino) Makati City	Various individuals/entities	Filipino	313,084,923	37.99%

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, 2025, 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, 2025, through Privado Holdings, Corp., Far East Holdings, Inc. and Master Year Limited, all stockholders of record of Top Frontier Investment Holdings, Inc.

Series "2" Preferred Shares	PCD Nominee Corporation (Filipino) Makati City	Various individuals/entities	Filipino	1,142,336,620	
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	368,140,516 ⁷	9.75%

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, 2025:

Name of Owner	Amount and Nature of Ownership		Citizenship	Total No. of Shares and Percent to Total Outstanding Capital Stock
	Common	Preferred		
Ramon S. Ang	1,345,429 (D) 368,140,516 (I) 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 (23.19%)
John Paul L. Ang	5,000 (D)		Filipino	5,000 (0.00%)
Cecile L. Ang	5,000 (D)		Filipino	5,000 (0.00%)
Aurora T. Calderon	22,600 (D)		Filipino	22,600 (0.00%)
Joselito D. Campos, Jr.	9,149 (D)		Filipino	9,149 (0.00%)
Jose C. de Venecia, Jr.	5,000 (D)		Filipino	5,000 (0.00%)
Douglas L. LuYm	5,000 (D)		Filipino	5,000 (0.00%)
Joseph N. Pineda	5,000 (D) 62,715 (I)		Filipino	67,715 (0.00%)
Felipe M. Medalla	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%)
Thomas A. Tan	5,000 (D)		Filipino	5,000 (0.00%)
Margarito B. Teves	5,000 (D)		Filipino	5,000 (0.00%)
Bryan U. Villanueva	5,000 (D)		Filipino	5,000 (0.00%)
Iñigo Zobel	16,171 (D) 777,871,381 (I) ¹⁴		Filipino	777,887,552 (20.30%)
Virgilio S. Jacinto	180,830 (D)		Filipino	180,830 (0.01%)
Lorenzo G. Formoso III	20,000 (D)		Filipino	20,000 (0.00%)
Cecile Caroline U. De Ocampo	1,950 (D)	47,800 (I)	Filipino	49,750 (0.00%)
Bella O. Navarra	116,913 (D)	65,000 (I)	Filipino	181,913 (0.00%)
Susan Y. Yu	0 (N/A)		Filipino	0 (0.00%)

⁶ As of December 31, 2025.

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 Chief Executive Officer, key officers and directors (as a group) of the Company as of December 31, 2025 is 1,667,103,567 or approximately 43.51% of the outstanding capital stock of the Company.

The aggregate number of shares directly or indirectly owned of record by the Chief Executive Officer, key officers and directors (as a group) of the Company as of March 31, 2026 is 1,667,098,567 or approximately 43.52% 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, 2025 is 1,667,426,855 shares or approximately 43.52% 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, 2026 is 1,667,421,855 shares or approximately 43.53% 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 2025 and 2024.

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, 2025, 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	111,639,968	4.68%	2,272,256,620	95.32%	2,383,588
Preferred Series "2-I"	1,502,740	0.89%	167,830,660	99.11%	169,333,400
Preferred Series "2-L"	1,281,630	0.78%	164,830,660	99.22%	165,358,600
Preferred Series "2-M"	-	-	173,333,325	100.00%	173,333,325
Preferred Series "2-N"	1,625,640	1.62%	98,489,460	98.38%	100,115,100
Preferred Series "2-O"	499,440	0.27%	187,360,260	99.73%	187,859,700
Preferred Series "2-P"	897,340	0.52%	170,473,040	99.48%	171,370,380
Preferred Series "2-Q"	330,740	0.61%	53,485,100	99.39%	53,815,840
Preferred Series "2-R"	76,920	0.29%	26,210,880	99.71%	26,287,800
Preferred Series "2-S"	2,936,950	1.63%	176,900,590	98.37%	179,837,540
Preferred Series "2-T"	643,710	0.87%	73,340,170	99.13%	73,983,880
Preferred Series "2-U"	894,120	0.61%	145,284,460	99.39%	146,178,580
Total	122,329,198	3.19%	3,709,041,535	96.81%	3,831,370,733

Item 12. Certain Relationships and Related Transactions

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 Related Party Transactions Policy of 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 expected to be collected/settled in cash. Annual assessment is undertaken by examining the financial position of the related parties and the economic conditions in the market in which they operate.

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

<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	2025	P8	P -	P -	P516	Settled on dividend	Unsecured
	2024	9	-	-	516	payment date	
	2025	-	-	3,037	-	To be settled on the	Unsecured;
	2024	-	-	3,037	-	first anniversary of commercial operations of the Nonoc Project; interest-bearing	no impairment
Retirement plans	2025	32	1,119	2,954	-	On demand;	Unsecured;
	2024	30	-	3,166	-	non-interest-bearing	no impairment
	2025	192	-	3,110	-	On demand;	Unsecured;
	2024	234	-	4,127	-	interest-bearing	no impairment
Associates	2025	5,063	582	9,228	2,564	On demand and will be applied to subscription; non-interest-bearing	Unsecured;
	2024	1,984	-	940	161		no impairment
	2025	627	2,111	9,741	28,285	Less than 1 to 12 years; interest-bearing	Unsecured and secured; no impairment
	2024	637	1,394	9,720	34,208		
Joint ventures	2025	600	2,793	183	276	On demand;	Unsecured;
	2024	88	1,103	7	456	non-interest-bearing	no impairment
	2025	14	-	621	-	On demand;	Unsecured;
	2024	13	-	621	-	interest-bearing	with impairment
Shareholder of the Ultimate Parent Company	2025	52	-	341	-	Less than 1 to 10.5 years; interest-bearing	Unsecured;
	2024	81	-	1,746	-		no impairment
	2025	-	-	1,200	-	On demand;	Unsecured;
	2024	-	-	1,300	-	non-interest-bearing	no impairment
Shareholders in subsidiaries	2025	61	1,337	94	1,389	On demand;	Unsecured;
	2024	43	1,265	96	1,368	non-interest-bearing	no impairment
Others	2025	1,032	3,523	1,241	132	On demand and will be applied to subscription; non-interest-bearing	Unsecured;
	2024	543	1,559	1,022	126		no impairment
Total	2025	P7,681	P11,465	P31,750	P33,162		
Total	2024	P3,662	P5,321	P25,782	P36,835		

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. On March 18, 2025, Petron repurchased all of the 459,156,097 common shares held by Petron Corporation Employee Retirement Plan (PCERP) pursuant to the common share buyback program approved by the BOD on March 4, 2025 via a block sale aggregating to P1,119 million.
4. 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 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 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% 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, and is undertaken by Philnico Industrial Corporation, Pacific Nickel Philippines, Inc., and Philnico Processing Corp., all indirect subsidiaries of Clariden. As at December 31, 2025 and 2024, the Nonoc Project has not yet started commercial operations.

These amounts are included as part of noncurrent receivables and deposits under "Other noncurrent assets - net" account in the consolidated statements of financial position as at December 31, 2025 and 2024.

- b) The Parent Company has advances to and receivables from San Miguel Corporation Retirement Plan amounting to P6,064 million and P6,311 million as at December 31, 2025 and 2024, respectively, included as part of "Amounts owed by related parties" under "Trade and other receivables - net" account in the consolidated statements of financial position. Portion of the advances are subject to interest of 5.75% per annum. Interest income earned from the advances amounted to P182 million, P189 million and P188 million in 2025, 2024 and 2023, respectively.
- c) Petron has advances to PCERP amounting to P982 million as at December 31, 2024, included as part of "Amounts owed by related parties" under "Trade and other receivables - net" account in the consolidated statements of financial position, which was fully paid on March 20, 2025. Portion of the advances are subject to interest of 5% per annum. Interest income earned from the advances amounted to P10 million in 2025 and P45 million in 2024 and 2023.
- d) Amounts owed by related parties include advances for investment which will be applied against future stock subscription amounting to P7,158 million and P814 million, presented as part of "Investments and Advances - net" in the consolidated statements of financial position as at December 31, 2025 and 2024, respectively.
- e) Amounts owed by associates include investments in equity and debt instruments under an investment management agreement with BankCom for a total amount of P9,711 million and P9,718 million as at December 31, 2025 and 2024, respectively,

presented as part of "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts in the consolidated statements of financial position. Income earned from investments in equity and debt instruments amounted to P545 million, P627 million and P466 million in 2025, 2024 and 2023, respectively.

- f) 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, 2025 and 2024. Interest income earned from the receivable amounted to P14 million, P13 million and P30 million in 2025, 2024 and 2023, respectively.
 - g) Amounts owed by joint ventures include the interest-bearing loans granted to Angat Hydro by PVEI amounting to P284 million and P1,485 million as at December 31, 2025 and 2024, 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 P52 million, P81 million and P77 million in 2025, 2024 and 2023, respectively.
 - h) Amounts owed by related parties include the receivable from Far East Holdings, Inc. on the assignment by ECC of the advances for future investment in KB Space Holdings, Inc. amounting to P1,200 million and P1,300 million, as at December 31, 2025 and 2024, respectively, presented as part of "Trade and other receivables - net" account in the consolidated statements of financial position.
5. Amounts owed to related parties consist of trade payables, professional fees and lease obligations. Amounts owed to a related party for the lease of office space presented as part of "Lease liabilities - current portion" amounted to P107 million and P9 million as at December 31, 2025 and 2024, respectively, and as part of "Lease liabilities - net of current portion" amounted to P1,425 million and P35 million as at December 31, 2025 and 2024, respectively. The amount owed to the Ultimate Parent Company pertains to dividends payable.

The interest-bearing loans payable to BankCom presented as part of "Loans payable" account amounting to P2,131 million and P6,941 million and "Long-term debt" account amounting to P26,154 million and P27,267 million in the consolidated statements of financial position as at December 31, 2025 and 2024, respectively. Interest expense incurred on the loans amounted to P2,111 million, P1,394 million and P1,447 million in 2025, 2024 and 2023, respectively.

The amounts owed to associates include syndicated project finance loans amounting to P25,036 million and P26,267 million as at December 31, 2025 and 2024, respectively, which were secured by certain property, plant and equipment and other intangible assets.

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

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 2025 will be filed with the SEC on or before May 30, 2026.

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

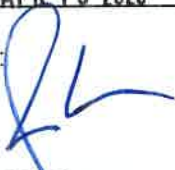
Attached as **“Annex I”** is the 2025 Sustainability Report of SMC.

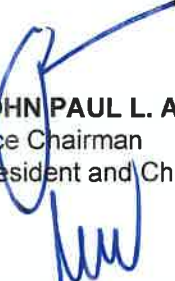
SIGNATURES

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 15 2026

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 15 2026 at Mandaluyong City, the following persons with their Competent IDs, as follows:

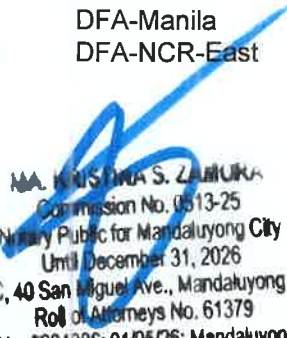
<u>NAME</u>	<u>PASSPORT NO.</u>	<u>DATE OF ISSUE</u>	<u>PLACE OF ISSUE</u>
Ramon S. Ang	P2247867B	May 22, 2019	DFA-Manila
John Paul L. Ang	P2247864B	May 22, 2029	DFA-Manila
Bryan U. Villanueva	P8559308B	December 23, 2021	DFA-Manila
Bella O. Navarra	P8424946B	December 10, 2021	DFA-Manila
Virgilio S. Jacinto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

Doc. No.: 491
Page No.: 108
Book No.: 11
Series of 2026.



4/14/2026




MA. KRISTINA S. ZAMORA
Commission No. 0513-25
Notary Public for Mandaluyong City
Until December 31, 2026
SMC, 40 San Miguel Ave., Mandaluyong City
Roll of Attorneys No. 61379
PTR No. 0034386; 01/05/26; Mandaluyong City
IBP Lifetime Member No. 018307; 12/14/17; RSM
MCLE Compliance No. VIII-0039300; 07/04/25; 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, 2025. The following discussion should be read in conjunction with the attached audited consolidated statements of financial position of the Group as at December 31, 2025 and 2024, 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, 2025. All necessary adjustments to present fairly the Group's consolidated financial position as at December 31, 2025 and financial performance and cash flows for the year ended December 31, 2025 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.

<i>(In Millions)</i>	For the Years Ended December 31		
	2025	2024	2023
Sales	P1,485,345	P1,575,379	P1,446,703
Cost of sales	(1,200,290)	(1,312,027)	(1,208,410)
Gross profit	285,055	263,352	238,293
Selling and administrative expenses	(103,469)	(102,536)	(93,808)
Operating income	181,586	160,816	144,485
Interest expense and other financing charges	(100,268)	(99,413)	(91,303)
Interest income	16,156	14,704	14,027
Equity in net earnings of associates and joint ventures	11,482	2,364	1,729
Gain on sale of investments and property and equipment	977	2,175	83
Other income (charges) - net	14,240	(16,479)	4,086
Income tax expense	(29,495)	(27,492)	(28,408)
Net income	94,678	36,675	44,699
Net income (loss) attributable to equity holders of the Parent Company	41,291	(7,411)	198
Net income attributable to non-controlling interests	53,387	44,086	44,501

2025 vs. 2024

<i>(Amounts in Millions)</i>	For the Years Ended December 31		Horizontal Analysis Increase (Decrease)		Vertical Analysis	
	2025	2024	Amount	%	2025	2024
Sales	P1,485,345	P1,575,379	(P90,034)	(6%)	100%	100%
Cost of sales	(1,200,290)	(1,312,027)	(111,737)	(9%)	(81%)	(83%)
Gross profit	285,055	263,352	21,703	8%	19%	17%
Selling and administrative expenses	(103,469)	(102,536)	933	1%	(7%)	(7%)
Operating income	181,586	160,816	20,770	13%	12%	10%
Interest expense and other financing charges	(100,268)	(99,413)	855	1%	(7%)	(6%)
Interest income	16,156	14,704	1,452	10%	1%	1%
Equity in net earnings of associates and joint ventures	11,482	2,364	9,118	386%	1%	0%
Gain on sale of investments and property and equipment	977	2,175	(1,198)	(55%)	0%	0%
Other income (charges) - net	14,240	(16,479)	30,719	186%	1%	(1%)
Income before income tax	124,173	64,167	60,006	94%	8%	4%
Income tax expense	(29,495)	(27,492)	2,003	7%	(2%)	(2%)
Net Income	P94,678	P36,675	P58,003	158%	6%	2%
Net income (loss) attributable to:						
Equity holders of the Parent Company	P41,291	(P7,411)	P48,702	657%	3%	(1%)
Non-controlling interests	53,387	44,086	9,301	21%	3%	3%
Net Income	P94,678	P36,675	P58,003	158%	6%	2%

The Group's consolidated sales for the year ended December 31, 2025 amounted to P1,485,345 million, reflecting a 6% decline compared to last year primarily due to: (a) lower average selling price and sales volume of Petron Corporation (Petron); and (b) lower sales of the Energy business, following the deconsolidation of South Premiere Power Corp. (SPPC) effective January 27, 2025, as well as to a lesser extent, lower sales of the Cement business. The decrease was partially offset by the strong performance of the Food and Beverage business, as well as steady traffic growth of the Infrastructure business.

The Group's cost of sales decreased by P111,737 million or 9% mainly due to: (a) Petron, driven by lower average cost per liter of petroleum products; and (b) the Energy business, reflecting the deconsolidation of SPPC and lower generation costs resulting from the decline in global coal prices, partially offset by full-year operations of the four units of Mariveles Greenfield Power Plant and one-month operation of Excellent Energy Resources Inc. (EERI)'s new gas plant prior to its deconsolidation.

Consolidated operating income increased by 13% to P181,586 million, mainly driven by: (a) growth in domestic sales volume, lower costs and improved production efficiency of Petron; (b) increase in gross profit of the Food division and Ginebra San Miguel Inc. (GSMI), due to improved sales and well-managed costs and expenses; (c) improved margins of the Energy business, from contracted capacities with fuel passthrough arrangements for most bilateral customers; and (d) sustained tollway revenue growth in the Infrastructure business.

The increase in interest income by P1,452 million was primarily due to higher average balance of cash and cash equivalents of the Energy business, partially offset by the lower average balance of short-term placements and reduced interest rates of the Infrastructure and Cement businesses.

The increase in equity in net earnings of associates and joint ventures by P9,118 million was mainly due to the share in the net income of EERI and SPPC from January 28, 2025 to December 31, 2025.

The decrease in gain on sale of investments and property and equipment by P1,198 million pertains mainly to the gain recognized in 2024 by San Miguel Properties, Inc. (SMPI) from the sale of its investment in shares of stock of a subsidiary.

Other income - net of P14,240 million in 2025 was a turnaround from the other charges - net of P16,479 million in 2024. This mainly pertains to the one-time gain of P21,933 million from the fair valuation of the residual 33% ownership interests in SPPC, EERI and Ilijan Primeline Industrial Estate Corp. (IPIEC) and lower amount of foreign exchange loss in 2025.

The increase in income tax expense by P2,003 million was attributable mainly to the higher taxable income due to better operations of the Food and Beverage business and Petron.

Consolidated net income rose significantly to P94,678 million, compared to P36,675 million last year, mainly on account of: (a) the one-time gain from the fair valuation of investments in SPPC, EERI and IPIEC following the dilution of San Miguel Global Power Holdings Corp. (San Miguel Global Power)'s ownership interest from 100% to 33%; (b) the share in net income of EERI and SPPC, from its remaining 33% ownership interest; and (c) the improved operations of Petron, the Food and Beverage, Energy and Infrastructure businesses.

Net income attributable to equity holders of the Parent Company in 2025 of P41,291 million was a turnaround from the net loss of P7,411 million recognized in 2024 primarily due to higher consolidated net income, partially offset by the increase in the share of non-controlling interests (NCI) on the Group's net income.

The increase in the net income attributable to NCI by P9,301 million was mainly due to the distribution on capital securities of San Miguel Global Power and share in the higher consolidated net income of the Group.

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 another year of solid performance in 2025, supported by steady contributions from its divisions. For the full-year, consolidated revenues reached P419,060 million, representing a 5% increase year-on-year.

Consolidated operating income increased by 9% to P61,040 million while consolidated net income grew by 13% to P46,280 million. These results reflect the strength of the diversified portfolio and the continued execution of the operating strategies.

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

San Miguel Brewery Inc. (SMB) recorded consolidated revenues of P155,437 million, reflecting a generally stable performance compared with the previous year.

Consolidated operating income at P32,859 million and consolidated net income at P26,494 million reflect the continued focus on disciplined cost management, portfolio optimization, and targeted investments in consumer engagement.

Domestic Operations

Domestic beer revenues reached P139,086 million, despite continued pressure on consumer spending following successive excise tax increases implemented since 2020.

International Operations

International operations remained a key contributor, with revenues increasing to US\$285 million, supported by stronger volumes and continued growth in several international markets.

Overall, SMB continues to focus on strengthening brand equity, expanding distribution, and improving operating efficiency.

b. Spirits Division

The Spirits division sustained its strong momentum in 2025 and delivered another year of solid growth. Consolidated revenues increased by 8% to P67,354 million, driven mainly by effective pricing and stable volumes. Consolidated operating income grew by 21% to P10,380 million, while consolidated net income rose by 20% to P8,677 million.

GSMI also continued to strengthen its leadership in the category, achieving another year of market share expansion. This marks the 11th consecutive year of market share gains and the highest level achieved in the past 14 years. This performance was supported by improved distillery efficiencies and lower raw material costs during the year.

Overall, the results underscore the strength of GSMI's brand portfolio and distribution network, which continue to support its clear leadership position in the Philippine spirits market.

c. Food Division

The Food division delivered a record year in 2025, posting its highest revenues, operating income, and net income to date. Consolidated revenues increased by 6% to P196,280 million, supported by stronger volumes and improved pricing across several segments.

Consolidated operating income rose by 30% to P17,315 million, while consolidated net income grew by 38% to P11,594 million, reflecting significant margin expansion during the year.

The improvement was driven by stronger performance across most segments, particularly Protein and Flour, which benefited from favorable input costs and improved operating efficiencies.

The Protein segment, which includes poultry and fresh meats, delivered an 8% revenue growth, supported by robust chicken demand from both food service and retail channels, as well as improved selling prices.

The Animal Nutrition and Health segment, which includes feeds, recorded a 4% revenue growth. While the segment experienced some softness earlier in the year, it staged a strong recovery in the second half as hog repopulation gained momentum and volumes improved across hog, broiler, and layer feeds.

The Prepared and Packaged Food segment, which includes *Purefoods* and *Magnolia* dairy and coffee, continued to deliver steady growth, with revenues increasing around 7%, driven by strong demand for core branded products such as dairy, coffee, and canned meats.

The Flour segment posted modest revenue growth of about 1%, but delivered strong profit expansion as lower wheat costs supported improved margins and a more competitive pricing strategy.

2. PACKAGING

The Packaging business posted stable results in 2025, with consolidated revenues reaching P40,359 million. Higher revenue generated from the food and beverage sectors for glass containers, plastics and paper packaging as well as metal closures offset the lower volumes of other packaging formats.

Despite flat revenues, consolidated income from operations increased by 4% to P2,694 million, driven by the continued implementation of cost containment measures and operational efficiency initiatives.

3. ENERGY

San Miguel Global Power's consolidated revenues amounted to P157,208 million, 23% lower compared to the previous year with offtake volumes dropping by 20% to 29.2 million megawatt hours. The decline was primarily due to the divestment and resulting deconsolidation of EERI and SPPC. Excluding this impact, volumes remained stable, supported by strong output from Masinloc, higher generation from San Roque, and the full-year contribution of the 600 megawatts (MW) Mariveles Greenfield Power Plant and battery energy storage system (BESS) facilities.

Consolidated operating income rose by 8% to P43,770 million, with operating margins expanding from 20% to 28% on account of better contracted margins and increased contribution from BESS facilities. Consolidated net income surged to P48,306 million, up by 290% year-on-year. Excluding the one-off gain, consolidated net income improved by 113% to P26,373 million.

The Energy business continues to accelerate its energy transition strategy. Through major wins under the government's Green Energy Auction Program, San Miguel Global Power secured substantial renewable capacity across hydropower and solar projects. These, together with new capacity additions expected in 2026, position San Miguel Global Power strongly to achieve its Net Zero objectives while expanding contribution to the country's clean energy transition.

4. FUEL AND OIL

Petron ended 2025 with its strongest financial performance to date, delivering record consolidated net income of P15,627 million, up by 84% year-on-year, driven by sustained domestic volume growth, improved productivity at the Philippine and Malaysian refineries, and savings on financial cost.

Total volumes in the Philippines and Malaysia reached 113.4 million barrels, 3% higher than last year's 110.0 million barrels.

While consolidated revenues fell by 7% to P809,766 million, primarily reflecting the 13% decline in Dubai crude prices to an average of US\$69 per barrel in 2025, consolidated operating income surged by 28% to P37,323 million from last year's P29,223 million.

5. INFRASTRUCTURE

The Infrastructure business sustained its growth trajectory, with consolidated revenues rising by 7% to P40,152 million, driven by the improved traffic volumes across all toll roads. Combined annual average daily traffic reached 1,079,889 vehicles, marking a 5% increase from last year.

Consolidated operating income rose by 9% to P22,081 million, supported by strong revenues and effective operational and management cost control, while consolidated net income grew by 5% ending at P14,766 million.

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

On tollway projects, construction is progressing across priority projects, particularly South Luzon Expressway (SLEX) TR4 which has now reached 52.54% completion. Significant progress was also underway on the widening and expansion works for Southern Tagalog Arterial Road, SLEX, Ninoy Aquino International Airport Expressway and Skyway.

On railway projects, the Infrastructure business was making steady progress on Mass Rail Transit 7 (MRT 7) with overall completion rate at 82.01%, where civil works and site development activities were ongoing.

On airport projects, the Manila International Airport (MIA) maintained its overall progress and continues to advance toward completion. On the other hand, upon takeover of operations in September 2024, Ninoy Aquino International Airport (NAIA) delivered comprehensive terminal upgrades, modernized passenger processing systems, strengthened infrastructure partnerships, and improved ground transport and traffic management. These improvements led to the passenger volume growth of 4% to 52 million in 2025, marking the highest annual passenger volume in the airport's history.

6. CEMENT

The Cement business reported consolidated revenues of P33,163 million in 2025, down by 5% year-on-year on the back of muted market demand and lower average selling prices amid the continuous influx of traded imports, partially offset by stable sales volume. Despite lower consolidated operating income of P6,287 million, margins were held steady through ongoing operational efficiencies and cost management initiatives.

2024 vs. 2023

(Amounts In Millions)	For the Years Ended December 31		Horizontal Analysis Increase (Decrease)		Vertical Analysis	
	2024	2023	Amount	%	2024	2023
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 2023 mainly on account of the higher sales volume across all business segments especially Petron, the Energy and Food and Beverage businesses, combined with the higher average selling prices of SMB and GSML.

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 BESS facilities and Masinloc Power Plant, which became fully operational in 2024. This was partially 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 partially offset by the lower interest income from the reduced average balance of cash and cash equivalents of SMC.

The increase in equity in net earnings of associates and joint ventures by 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.

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 SMPI from the sale of its investment in shares of stock of a subsidiary.

Other charges - net of P16,479 million in 2024 was a reversal from other income - net of P4,086 million in 2023. This primarily pertains to the loss on foreign exchange in 2024 compared to the 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 in 2023, 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

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 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

GSML sustained its momentum in 2024, achieving eleven consecutive years of growth and surpassing the 50-million-case milestone. Consolidated 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, GSML 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, consolidated operating income rose by 26% to P8,596 million, while consolidated net income reached a record of P7,257 million. Excluding the one-time gain from the assignment of product rights in 2023, consolidated 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 2023 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 reported consolidated revenue growth of 21% to P205,091 million as offtake volumes rose by 45%. Revenue growth was driven by: (a) new power supply agreement (PSA) with Manila Electric Company (Meralco) and other distribution utilities, whether emergency PSAs or regular PSAs, in 2024 which contracted its available capacity by over 90%; (b) new retail electricity supply customers for Limay Power Plant; and (c) 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 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 2023.

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 annual average daily traffic volume increasing by 2% from 2023, driven by continued ramp-up of its existing toll roads.

Consolidated revenues reached P37,523 million, reflecting a 7% increase from 2023.

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.

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 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 from 2023. 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.

II. FINANCIAL POSITION

A. The following are the major developments in 2025:

INVESTING ACTIVITIES

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

On March 1, 2024, Meralco PowerGen Corporation (MGen, a subsidiary of Meralco) and Therma NatGas Power, Inc. (TNGP, a subsidiary of AboitizPower), through their jointly owned entity, Chromite Gas Holdings Inc. (CGHI), have entered into binding agreements with San Miguel Global Power and its relevant subsidiaries, for MGen and TNGP to jointly invest for a 67% equity interest in San Miguel Global Power's gas-fired power plants, namely: (i) the brownfield 1,278 MW Ilijan Power Plant owned by SPPC; (ii) the greenfield 1,320 MW Batangas Combined Cycle Power Plant (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 Linseed Field Corporation (LFC), the owner of the Batangas LNG Terminal, which receives, stores and processes LNG to fuel for SPPC's Ilijan Power Plant and for EERI's BCCPP.

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

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

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

As a result of the transactions, San Miguel Global Power's equity interests in SPPC, EERI and IPIEC were diluted from 100% to 33%, thereby resulting in a loss of control and deconsolidation of the assets and liabilities of the three subsidiaries. The 33% equity interests retained in SPPC, EERI and IPIEC were recognized at fair market value, totaling P52,706 million, included as part of "Investments in shares of stock of associates and joint ventures - at equity" under "Investments and advances - net" account, in the consolidated statement of financial position as at December 31, 2025. The revaluation of the investment in SPPC, EERI and IPIEC resulted in a gain amounting to P21,933 million, included as part of "Other income (charges) - net" account, in the consolidated statement of income for the year ended December 31, 2025.

Total consideration paid by San Miguel Global Power for the acquisition of 32.98% equity interest in LFC amounted to P4,340 million, included as part of “Investments in shares of stock of associates” under “Investments and advances - net” account, in the consolidated statement of financial position as at December 31, 2025.

Subsequently, SPPC, EERI and IPIEC redeemed and paid their respective redeemable preferred shares issued to San Miguel Global Power at a redemption price totaling P78,717 million. Consequently, San Miguel Global Power recognized a net gain on investments in equity instruments amounting to P22,262 million (net of tax amounting to P688 million), presented as part of “Net gain on financial assets at fair value through other comprehensive income” account in the consolidated statement of comprehensive income for the year ended December 31, 2025.

b. Purchase of Common Shares of Meralco by San Miguel Global Power

By virtue of a Deed of Absolute Sale of Shares which contained the terms and conditions mutually determined by and acceptable to both parties and conformably with the decision of the Court of Appeals, San Miguel Global Power purchased on various dates through the Philippine Stock Exchange (PSE) a total of 46,596,596 common shares of Meralco at P90.00 per share from the Land Bank of the Philippines. As at December 31, 2025, the shares were revalued at fair market value of P574.00 per share and recognized a gain of P22,445 million presented under “Net gain on financial assets at fair value through other comprehensive income” account in the consolidated statement of comprehensive income for the year ended December 31, 2025.

In 2025, the Group has undertaken various financing activities. The significant transactions are as follows:

AVAILMENT OF LONG-TERM DEBT

FOREIGN CURRENCY-DENOMINATED LOANS

• **SMC**

- a. On various dates in 2025, SMC drew a total of US\$82 million from the US\$2,165 million credit facility executed on March 31, 2022, increasing the total amount availed to US\$1,984 million as at December 31, 2025. On December 9, 2025, SMC settled the matured portion of the loan amounting to US\$102 million. 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.
- b. On May 8, 2025, SMC drew a total of JPY61,600 million from the Facility A and Facility B, subject to floating interest rates. Facility A is maturing in three years, with an option to extend an additional two years, while Facility B is maturing in five years. The proceeds of the loan were used for general corporate purposes.
- c. On various dates in 2025, SMC drew a total of US\$300 million from the Facility A of the US\$600 million term loan facilities, subject to a floating interest rate maturing in February 2030. The proceeds of the loan were used for general corporate purposes.
- d. On December 3, 2025, SMC drew US\$300 million from the term loan facility, subject to a floating interest rate maturing in August 2030. The proceeds of the loan were used for general corporate purposes.

- **San Miguel Global Power**

- a. On May 19, 2025, San Miguel Global Power availed of a US\$100 million term loan, subject to a floating interest rate, maturing in May 2030. The proceeds of the loan were used for general corporate purposes, including advances for capital expenditures.
- b. On May 19 and July 3, 2025, San Miguel Global Power drew a total of US\$150 million from the US\$100 million loan facility, with an option to increase up to US\$150 million, executed on May 13, 2025. The loan is subject to a floating interest rate, maturing in May 2028. The proceeds of the loan were used to refinance the US\$100 million matured term loan drawn on May 24, 2022, for general corporate purposes and transaction-related fees, costs, and expenses in relation to the facility.

- **Petron**

On August 29, 2025, Petron availed of a US\$200 million term loan, subject to a fixed interest rate and with a term of five years. The proceeds of the loan were used for payment of existing indebtedness and for general corporate purposes.

PESO TERM LOANS

- **SMC Mass Rail Transit 7 Inc. (SMC MRT 7)**

On various dates in 2025, SMC MRT 7 drew a total of P13,700 million from the P100,000 million Omnibus Loan and Security Agreement (OLSA) executed with various local banks on May 18, 2023. The loans are subject to a floating interest rate and with a term of 15 years. The proceeds of the loans were used to finance the MRT 7 Project.

- **Energy**

- a. **Mariveles Power Generation Corporation (MPGC)**

On March 27, 2025, MPGC drew a total of P9,400 million from the OLSA executed with various local banks on December 17, 2024. The loan is subject to a fixed interest rate and is payable quarterly up to December 2034. The proceeds of the loan were used to finance the Mariveles Greenfield Power Plant Project.

- b. **San Miguel Global Power**

On August 11, 2025, San Miguel Global Power availed of a total of P10,200 million fixed rate notes from a Trust Agreement executed on July 30, 2025, with maturities of up to ten years. The proceeds of the loans were used to refinance existing obligations and for general corporate purposes.

- **SMFB**

On March 7 and August 18, 2025, SMFB drew a total of P8,000 million and P1,200 million, respectively, from the P10,000 million term loan facility, subject to fixed and floating interest rates, with maturity up to March 2032.

The proceeds of the loans were used for: (a) the repayment, on March 10, 2025, of the P8,000 million Series A Fixed Rate Peso-denominated Bonds, which formed part of the P15,000 million Series A and Series B Bonds, issued in March 2020; and (b) general corporate purposes.

ISSUANCE AND PAYMENT OF FIXED RATE PESO-DENOMINATED BONDS

Issuance of Series G, Series H and Series I and Payment of Series D and Series E Fixed Rate Peso-denominated Bonds by Petron

On July 7, 2025, Petron issued and listed on the Philippine Dealing & Exchange Corp. (PDEX) a total of P32,000 million Fixed Rate Peso-denominated Bonds.

The bonds consist of: (a) P15,910 million Series G Bonds maturing in 2030 with an interest rate of 6.5945% per annum; (b) P4,604 million Series H Bonds maturing in 2032 with an interest rate of 6.9761% per annum; and (c) P11,486 million Series I Bonds maturing in 2035 with an interest rate of 7.3896% per annum.

The net proceeds were used primarily for: (a) the payment on October 19, 2025 of the P6,800 million Series D Fixed Rate Peso-denominated Bonds, which formed part of the P20,000 million Series C and Series D Bonds issued in October 2018; (b) the payment of the P9,000 million Series E Fixed Rate Peso-denominated Bonds on October 12, 2025, which formed part of the P18,000 million Series E and Series F Bonds issued in October 2021; (c) repayment of other existing indebtedness; and (d) general corporate purposes.

Payment of Fixed Rate Peso-denominated Bonds

- **Series F Bonds by SMC**

On March 19, 2025, SMC paid the P2,438 million Series F Fixed Rate Peso-denominated Bonds, which formed part of the third tranche of the P20,000 million Series E, Series F and Series G Bonds issued in March 2018.

The payment was funded by the proceeds of Series O and Series P Bonds issued in July 2024.

- **Series C Bonds by SMC SLEX Inc. (SMC SLEX)**

On May 22, 2025, SMC SLEX paid the P2,500 million Series C Fixed Rate Peso-denominated Bonds. The Series C Bonds formed part of the P7,300 million Fixed Rate Bonds issued in May 2015.

The payment was funded by cash generated from operations and the net proceeds of P2,500 million term loan drawn on May 19, 2025 from its P12,500 million term loan facility with various local banks executed on December 9, 2024. The loan is subject to a fixed interest rate with a term of seven years and six months.

- **Series K Bonds by San Miguel Global Power**

On July 28, 2025, San Miguel Global Power paid the P5,000 million Series K Fixed Rate Peso-denominated Bonds. The Series K Bonds, which formed part of the P40,000 million Series K, Series L and Series M Bonds were issued in July 2022.

The payment was funded by the proceeds of a short-term loan drawn in July 2025 and cash generated from operations.

PAYMENT OF TERM LOANS

During the year, the Group paid a total of P51,390 million of its scheduled amortizations and maturing obligations funded by the proceeds of long-term and short-term loan facilities and cash generated from operations.

ISSUANCE AND REDEMPTION OF SENIOR PERPETUAL CAPITAL SECURITIES (SPCS)

San Miguel Global Power

- a. On February 19, 2025, San Miguel Global Power completed the issuance of US\$100 million SPCS (the “Additional US\$100 million SPCS”), at an issue price of 100.503% of the principal amount, plus an amount corresponding to accrued distribution from (and including) December 2, 2024 to (but excluding) February 19, 2025. The Additional US\$100 million SPCS was consolidated into and formed a single series with the US\$500 million SPCS issued on December 2, 2024, bringing the total securities to US\$600 million. The Additional US\$100 million SPCS is identical in all respects to the US\$500 million SPCS, except for the date of issuance and issue price.

The net proceeds were used for the partial purchase, repurchase, and/or redemption of the outstanding US\$163 million 7.00% SPCS issued on October 21 and December 15, 2020 which was completed on October 17, 2025.

- b. On July 24 and August 11, 2025, San Miguel Global Power completed the issuance of US\$515 million SPCS, consisting of: (a) US\$400 million in aggregate principal amount of SPCS with an initial distribution rate of 8.95% per annum; and (b) an additional US\$115 million SPCS at an issue price of 100% plus an amount corresponding to accrued distribution from (and including) July 24, 2025 to (but excluding) August 11, 2025. The US\$115 million SPCS were issued in exchange for certain existing securities namely: (a) the 7.00% SPCS issued on October 21 and December 15, 2020; and (b) the 5.70% SPCS issued on January 21, 2020, pursuant to the Exchange Offers.

The net proceeds were applied to the following: (a) costs and expenses related to the Concurrent Exchange Offers and the issuance of the Additional New Securities; (b) partial purchase, repurchase and/or redemption of the remaining outstanding SPCS issued on October 21, 2020 with an initial distribution rate of 7.00% and on January 21, 2020 with an initial distribution rate of 5.70%; and (c) pre-development costs of solar and hydropower energy projects, and capital expenditures related to BESS projects.

- c. On May 9 and October 17, 2025, San Miguel Global Power completed the redemption of the US\$113 million SPCS remaining out of the US\$500 million SPCS issued in November 2019 and US\$163 million remaining SPCS out of the US\$750 million SPCS issued in October and December 2020, respectively, pursuant to the terms and conditions of the securities. The redemption price is equal to the principal amount of the SPCS. Accrued but unpaid distributions were also settled.

The US\$113 million SPCS were redeemed using a portion of the proceeds from the Chromite transaction and the issuances of SPCS in 2025.

SMC

On July 29, 2025, SMC redeemed all the outstanding US\$500 million SPCS under the US\$3,000 million Medium Term Note and Securities Programme (the "Redeemed Securities"). The Redeemed Securities were issued on July 29, 2020, with a distribution rate of 5.5% per annum.

The redemption of US\$500 million SPCS was approved by the Board of Directors (BOD) of SMC on June 10, 2025, and was funded by a bridge loan facility from a foreign bank.

Petron

On September 22, 2025, Petron completed the issuance of US\$475 million SPCS at an issue price of 100% consisting of US\$333 million securities pursuant to exchange offer and US\$142 million new securities issued for cash. The securities have distribution rate of 7.35% per annum and were listed on the Singapore Exchange Securities Trading Limited (SGX-ST) on September 23, 2025. The net proceeds were used to finance costs and expenses relating to the exchange and tender offer and issuance of the SPCS, and for general corporate purposes.

Concurrently, Petron has completed the settlement of US\$333 million securities tendered for exchange and US\$54 million securities tendered for purchase, both of which formed part of the US\$550 million SPCS issued in April 2021. Related distributions amounting to US\$10 million were also settled.

EQUITY TRANSACTIONS OF SMC

Approval by the Securities and Exchange Commission (SEC) of the Amendments to the Articles of Incorporation

On July 7, 2025, the SEC approved the amendments to the Articles of Incorporation of SMC, specifically:

1. the reclassification of the 904,752,537 common shares currently held as treasury shares, into Series "2" Preferred Shares held in treasury; and
2. the amendment of the authorized capital stock of SMC from P30,000 million, with a par value of P5.00 per share or 6,000,000,000 shares, divided into 3,790,000,000 common shares and 2,210,000,000 Series "2" Preferred Shares, to 2,885,247,463 common shares and 3,114,752,537 Series "2" Preferred Shares.

Such amendments were pursuant to the approval by the BOD on January 16, 2025, which was approved, confirmed and ratified by the Stockholders of SMC on March 27, 2025.

Approval by the BOD of the Delisting of Series "2" Preferred Shares - Subseries "2-A" (SMC2A Preferred Shares), Subseries "2-B" (SMC2B Preferred Shares), Subseries "2-C" (SMC2C Preferred Shares) and Subseries "2-D" (SMC2D Preferred Shares)

On September 11, 2025, the BOD of SMC approved the delisting of 565,445,086 SMC2A Preferred Shares, 90,428,200 SMC2B Preferred Shares, 255,559,400 SMC2C Preferred Shares and 89,333,400 SMC2D Preferred Shares redeemed in September 2015, 2019, 2021 and 2020, respectively.

These preferred shares are no longer outstanding after their redemption by SMC which resulted in the suspension by the PSE of the trading of these Series “2” Preferred Shares. Upon redemption, the said shares reverted to SMC’s treasury shares and, subsequently, have been reissued by SMC as different subseries of Series “2” Preferred Shares, under separate applications for listing. With such reissuance and listing, the delisting of the SMC2A, SMC2B, SMC2C and SMC2D Preferred Shares is appropriate.

Redemption of Series “2” Preferred Shares - Subseries “2-F” (SMC2F Preferred Shares)

On September 22, 2025, SMC redeemed the 223,333,500 SMC2F Preferred Shares issued on September 21, 2015, at a redemption price of P75.00 per share. Unpaid cash dividends were also settled. The redemption was approved by the BOD of SMC on August 7, 2025.

The SMC2F Preferred Shares were redeemed using the proceeds from the Peso-denominated short-term loans availed in September 2025.

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

Issuance of Series “2” Preferred Shares - Subseries “2-S” (SMC2S Preferred Shares), Subseries “2-T” (SMC2T Preferred Shares) and Subseries “2-U” (SMC2U Preferred Shares)

On October 24, 2025, SMC issued and listed on the PSE 179,837,540 SMC2S Preferred Shares, 73,983,880 SMC2T Preferred Shares and 146,178,580 SMC2U Preferred Shares, under the 866,666,700 Series 2 Shelf Registered Preferred Shares. The shares were issued at P75.00 per share, for a total amount of P30,000 million, with dividend rates per annum of 6.965%, 7.256% and 7.536%, respectively.

The Offer Shares are perpetual and have no fixed final maturity date.

The shares are cumulative, nonvoting, non-participating, non-convertible, redeemable, reissuable Philippine Peso-denominated, perpetual Series 2 Preferred Shares, issued out of SMC’s treasury shares.

The net proceeds from the issuance were used to refinance short-term loans which were used to redeem the SMC2F Preferred Shares and redemption of the remaining SMC2J Preferred Shares and SMC2K Preferred Shares.

Exchange and Redemption of Preferred Shares

On August 7, 2025, the BOD of SMC approved the offer exchange to the holders of 266,666,667 Series “2” Preferred Shares - Subseries “2-J” (SMC2J Preferred Shares) and 183,904,900 Subseries “2-K” (SMC2K Preferred Shares) (collectively, the “Exchange Share”) at a rate of one Exchange Share to one of any of the Series “2” Preferred Shares, to be reissued in three subseries, namely Subseries “2-P” (SMC2P Preferred Shares), Subseries “2-Q” (SMC2Q Preferred Shares) and Subseries “2-R” (SMC2R Preferred Shares) which will be reissued from the treasury Series “2” Preferred Shares of SMC.

On October 10, 2025, an aggregate of 251,474,020 Exchange Shares, consisting of 173,760,520 SMC2J Preferred Shares and 77,713,500 SMC2K Preferred Shares were tendered to SMC in exchange for 171,370,380 SMC2P Preferred Shares, 53,815,840 SMC2Q Preferred Shares, and 26,287,800 SMC2R Preferred Shares. On October 24, 2025, SMC issued and listed on the PSE SMC2P, SMC2Q and SMC2R Preferred Shares.

October 29 and December 10, 2025, SMC redeemed the outstanding 92,906,147 SMC2J Preferred Shares and 106,191,400 SMC2K Preferred Shares issued in October 2020 and December 2020, respectively. The redemption price was the issue price of P75.00 per share. Unpaid cash dividends were also settled.

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

EVENTS AFTER THE REPORTING DATE

SAN MIGUEL GLOBAL POWER

Issuance of Capital Securities

On January 20, 2026, San Miguel Global Power issued US\$300 million SPCS with an initial rate of distribution of 8.375% per annum.

The net proceeds from the issuance were used for the purchase, repurchase and/or redemption on January 20, 2026 of all outstanding 5.70% SPCS issued in January 2020 and the costs and expenses related to the Securities.

The US\$300 million SPCS was listed on the SGX-ST on January 21, 2026.

Issuance of Series N, Series O and Series P Fixed Rate Peso-denominated Bonds

On February 6, 2026, the BOD of San Miguel Global Power approved the issuance, offer and sale to the public of Peso-denominated bonds with an aggregate principal amount of up to P30,000 million, comprised of a base offer of bonds with an aggregate principal amount of up to P20,000 million and an oversubscription option of bonds with an aggregate principal amount of up to P10,000 million.

The net proceeds of the issuance of the bonds will be used for: (a) refinancing of debt obligations; (b) partial funding of the pipeline of renewable energy project; and (c) payment of transaction-related fees, costs and expenses.

Redemption of SPCS by Petron

On March 3, 2026, the BOD of Petron approved the redemption on April 19, 2026 of the remaining \$163 million SPCS issued in April 2021.

Redemption of Series “2” Preferred Shares - Subseries “2-I” (SMC2I Preferred Shares) by SMC

On March 30, 2026, SMC redeemed the 169,333,400 SMC2I Preferred Shares issued on March 30, 2016 at a redemption price of P75.00 per share. Unpaid cash dividends were also settled. The redemption was approved by the BOD of SMC on January 15, 2026.

The SMC2I Preferred Shares were redeemed using a portion of the proceeds from the US\$1,000 million term loan drawn on March 11, 2026 under the US\$1,500 million loan facility.

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

B. 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. 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 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 the P10,000 million term loan facility. The loan is subject to a fixed interest rate of 7.9276% per annum and will mature in June 2029. The proceeds of the loan were used to refinance an existing loan.

- c. 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 MRT 7**

On various dates in 2024, SMC MRT 7 drew a total of P16,400 million 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**

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 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 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 Global Power**

On various dates in September and October 2024, San Miguel Global Power drew a total of US\$300 million 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 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 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, 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 Series A, Series B and Series C 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 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, up to 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 Bonds were issued in October 2018.

The payment was funded by the: (a) 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; (b) P5,000 million term loan availed on April 18, 2024, subject to a floating interest rate and with a term of five years; and (c) 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 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 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

In 2024, the Group paid a total of P34,232 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: (a) costs and expenses related to the issuance of the Securities; (b) accrued distribution in respect of the securities that was accepted for exchange and repurchase; and (c) 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 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 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 the 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 BOD of Petron on June 26, 2024.

C. MATERIAL CHANGES PER LINE OF ACCOUNT

2025 vs. 2024

	December 31		Horizontal Analysis Increase (Decrease)		Vertical Analysis	
(Amounts in Millions)	2025	2024	Amount	%	2025	2024
Cash and cash equivalents	P351,715	P293,677	P58,038	20%	13%	11%
Trade and other receivables - net	247,559	266,981	(19,422)	(7%)	9%	10%
Inventories	145,800	178,355	(32,555)	(18%)	5%	7%
Current portion of biological assets - net	3,074	3,241	(167)	(5%)	0%	0%
Prepaid taxes and licenses	103,105	126,022	(22,917)	(18%)	4%	5%
Prepaid expenses and other current assets	31,689	32,158	(469)	(1%)	1%	1%
Total Current Assets	882,942	900,434	(17,492)	(2%)	32%	34%
Investments and advances - net	127,258	52,948	74,310	140%	5%	2%
Investments in equity and debt instruments	47,862	21,050	26,812	127%	2%	1%
Property, plant and equipment - net	808,450	891,450	(83,000)	(9%)	30%	33%
Right-of-use assets - net	44,210	43,302	908	2%	1%	1%
Investment property - net	96,431	87,909	8,522	10%	3%	3%
Biological assets - net of current portion	2,661	2,652	9	0%	0%	0%
Goodwill - net	186,145	184,994	1,151	1%	7%	7%
Other intangible assets - net	359,842	340,496	19,346	6%	13%	13%
Deferred tax assets	23,196	22,045	1,151	5%	1%	1%
Contract assets	69,563	56,028	13,535	24%	3%	2%
Other noncurrent assets - net	77,600	73,622	3,978	5%	3%	3%
Total Noncurrent Assets	1,843,218	1,776,496	66,722	4%	68%	66%
Total Assets	P2,726,160	P2,676,930	P49,230	2%	100%	100%
Loans payable	P230,592	P293,230	(P62,638)	(21%)	8%	11%
Accounts payable and accrued expenses	254,023	289,038	(35,015)	(12%)	9%	11%
Lease liabilities - current portion	7,994	11,736	(3,742)	(32%)	0%	0%
Income and other taxes payable	41,753	43,628	(1,875)	(4%)	2%	2%
Dividends and distributions payable	4,639	5,160	(521)	(10%)	0%	0%
Current maturities of long-term debt - net of debt issue costs	176,286	94,123	82,163	87%	7%	4%
Total Current Liabilities	715,287	736,915	(21,628)	(3%)	26%	28%

Forward

(Amounts in Millions)	December 31		Horizontal Analysis Increase (Decrease)		Vertical Analysis	
	2025	2024	Amount	%	2025	2024
Long-term debt - net of current maturities and debt issue costs	P1,181,010	P1,173,146	P7,864	1%	43%	44%
Lease liabilities - net of current portion	27,837	30,809	(2,972)	(10%)	1%	1%
Deferred tax liabilities	29,303	34,861	(5,558)	(16%)	1%	1%
Other noncurrent liabilities	25,383	24,758	625	3%	1%	1%
Total Noncurrent Liabilities	1,263,533	1,263,574	(41)	(0%)	46%	47%
Total Liabilities	1,978,820	2,000,489	(21,669)	(1%)	72%	75%
Capital stock - common	16,443	16,443	-	0%	1%	1%
Capital stock - preferred	10,187	10,187	-	0%	0%	0%
Additional paid-in capital	177,151	177,442	(291)	(0%)	6%	6%
Capital securities	-	24,211	(24,211)	(100%)	0%	1%
Equity reserves	15,624	(5,275)	20,899	396%	1%	(0%)
Retained earnings:						
Appropriated	85,931	79,849	6,082	8%	3%	3%
Unappropriated	129,390	89,413	39,977	45%	5%	3%
Treasury stock	(111,345)	(109,763)	(1,582)	(1%)	(4%)	(4%)
Equity Attributable to:						
Equity holders of the Parent Company	323,381	282,507	40,874	14%	12%	10%
Non-controlling interests	423,959	393,934	30,025	8%	16%	15%
Total Equity	747,340	676,441	70,899	10%	28%	25%
Total Liabilities and Equity	P2,726,160	P2,676,930	P49,230	2%	100%	100%

Consolidated total assets as at December 31, 2025 amounted to P2,726,160 million, P49,230 million higher than December 31, 2024. This was primarily due to the increase in cash and cash equivalents, investments and advances, investments in equity and debt instruments, other intangible assets and contract assets, partially offset by decreases in trade and other receivables, inventories, prepaid taxes and licenses and property, plant and equipment.

The increase in cash and cash equivalents by P58,038 million was mainly due to cash generated from operations, proceeds from redemption of investment in redeemable preferred shares of San Miguel Global Power, availment of long-term borrowings, issuance of capital securities, and the reissuance of treasury shares by SMC. This was reduced by the redemption of capital securities and preferred shares, capital expenditures for the ongoing projects of the Infrastructure and Energy businesses and the Food division, investment in 32.98% equity interest in LFC, net payment of short-term loans and payments of interest, dividends and distributions and lease liabilities.

The decrease in trade and other receivables - net by P19,422 million was mainly attributable to the: (a) net effect of the deconsolidation of SPPC, EERI and IPIEC's receivables following the dilution of San Miguel Global Power's ownership interest effective January 27, 2025; and (b) lower receivable by Petron Malaysia from the Malaysian Government due to subsidy claims received. This was partially offset by higher trade receivables arising from increased year-end sales of Petron Singapore Trading Pte. Ltd. which remained outstanding as at December 31, 2025, bilateral and spot sales of MPGC and revenues from the reserves market and ancillary services of SMGP BESS.

The decrease in inventories by P32,555 million was attributable mainly to: (a) lower volumes and prices of crude oil and finished products of Petron; (b) the deconsolidation of SPPC and EERI; and (c) reduced materials and supplies particularly in the Food division's Feeds segment.

The decrease in total biological assets by P158 million was primarily driven by higher sales volumes in the Food division's Poultry segment, which reduced ending inventory levels.

The decrease in prepaid taxes and licenses by P22,917 million was primarily due to the deconsolidation of SPPC and EERI as well as lower excise tax claims, reflecting the filing of excise tax and VAT refund claims and the decrease in deferred input VAT of Petron.

The increase in investments and advances - net by P74,310 million mainly pertains to the 33% equity interests in SPPC, EERI and IPIEC, and the investment in 32.98% equity interest in LFC.

The increase in investments in equity and debt instruments by P26,812 million was mainly due to the acquisition and subsequent revaluation of the investment in shares of stock of Meralco held by the Energy business.

The decrease in property, plant and equipment - net by P83,000 million was mainly due to the deconsolidation of SPPC and EERI, partially offset by the costs of the ongoing projects of the Energy business.

The increase in investment property - net by P8,522 million was mainly due to the acquisition of land for the MIA Project, as well as new and renewed land leases for Petron service stations.

The increase in other intangible assets - net by P19,346 million was mainly due to the additions to concession rights for the MIA Project and the costs of various other ongoing projects of the Infrastructure business, partially offset by the amortization during the year.

The increase in deferred tax assets by P1,151 million was mainly due to the deferred income tax on unrealized losses from the revaluation of foreign currency-denominated long-term debt, offset by the reversal of deferred income tax expense on realized foreign exchange gains arising from the hedging and payment of foreign currency-denominated borrowings of SMC.

The increase in contract assets by P13,535 million pertains to costs of the MRT 7 Project.

The increase in other noncurrent assets - net by P3,978 million pertains mainly to additional advances to suppliers and contractors for various projects of the Energy business and the recognition of net defined benefit retirement asset of SMC in 2025, resulting from unrealized gains on market value of the investments of San Miguel Corporation Retirement Plan.

The decrease in loans payable by P62,638 million was mainly due to the net payment made by the Group.

The decrease in accounts payable and accrued expenses by P35,015 million was mainly due to net payment of trade and non-trade payables of the Energy business and the deconsolidation of trade and non-trade payables of SPPC and EERI.

The decrease in dividends and distributions payable by P521 million was mainly due to the payment in 2025 of dividends declared in November 2024 to preferred shareholders of Petron.

The increase in total long-term debt, net of debt issue costs, by P90,027 million was primarily due to the net availments made by the Group and translation adjustments on foreign currency-denominated loans.

The decrease in total lease liabilities by P6,714 million was primarily due to payments made to PSALM by: (a) SPI for the lease agreement pertaining to the land where the Sual Coal-fired Thermal Power Plant is currently situated; and (b) San Roque Hydropower Inc. (SRHI) under the IPPA Agreement.

The decrease in deferred tax liabilities by P5,558 million was mainly due to the deconsolidation of SPPC, reduced by the utilization of Net Operating Loss Carry Over (NOLCO) by Petron.

The decrease in capital securities by P24,211 million represents the redemption by SMC of the US\$500 million SPCS.

The increase in equity reserves by P20,899 million was mainly due to the fair valuation of the investment in shares of stock of Meralco by the Energy business.

The increase in appropriated retained earnings by P6,082 million was attributable to the appropriations made for: (a) the SLEX Widening Project by SMC SLEX; and (b) the payment of loans by SMB in December 2029 and December 2031, partially reduced by the reversal of appropriation for loans paid in March 2025 by SMB.

The increase in unappropriated retained earnings by P39,977 million was mainly due to net income attributable to equity holders of the Parent Company and gain recognized by San Miguel Global Power on the redemption of investment in redeemable preferred shares of SPPC, EERI, and IPIEC. This was partially offset by the: (a) dividends and distributions declared; (b) difference of the redemption price and carrying amount of the US\$500 million SPCS issued by SMC on July 29, 2020; (c) and net appropriations of retained earnings during the year.

The increase in equity attributable to equity holders of the Parent Company by P40,874 million was mainly due to the: (a) share in the net income earned in 2025; (b) gain on fair valuation of the investment in shares of stock of Meralco; (c) net gain on the redemption of investment in redeemable preferred shares held by San Miguel Global Power; and (d) reissuance of preferred treasury shares of SMC. These were reduced by the redemption of capital securities and preferred shares, dividends declared to holders of common and preferred shares, and distributions to holders of SPCS of SMC.

The increase in equity attributable to NCI by P30,025 million was mainly due to the net issuance of capital securities by San Miguel Global Power and Petron and the share of NCI in the total comprehensive income of the Group, net of dividends and distributions declared to NCI.

2024 vs. 2023

(Amounts in Millions)	December 31		Horizontal Analysis		Vertical Analysis	
	2024	2023	Increase (Decrease) Amount	%	2024	2023
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 taxes and licenses	126,022	113,530	12,492	11%	5%	5%
Prepaid expenses and other current assets	32,158	27,894	4,264	15%	1%	1%
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%
Contract assets	56,028	39,138	16,890	43%	2%	2%
Other noncurrent assets - net	73,622	79,591	(5,969)	(7%)	3%	3%
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

(Amounts in Millions)	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%
Total Liabilities	2,000,489	1,794,199	206,290	11%	75%	73%
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 taxes and licenses, investments and advances, property, plant and equipment, other intangible assets and contract assets, partially offset by the decrease in right-of-use assets.

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

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 taxes and licenses by P12,492 million was primarily due to higher creditable withholding taxes and input VAT of Petron and higher creditable withholding taxes of SPI and SPPC.

The increase in prepaid expenses and other current assets by P4,264 million was mainly due to the increase in restricted cash balance for debt servicing requirements of the Infrastructure and Energy businesses.

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 of the Sual Coal-fired Thermal Power Plant from right-of-use assets following the turn-over of the plant to SPI 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, partially offset by the amortization in 2024.

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

The increase in contract assets by P16,890 million pertains to costs of the MRT 7 Project in 2024.

The decrease in other noncurrent assets - net by P5,969 million was mainly due to the application of advances to suppliers and contractors to progress billings 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 the Group.

The increase in accounts payable and accrued expenses by P65,983 million was mainly due to higher: (a) payables for capital expenditures and trade-related transactions mainly for power purchases, coal and fuel supply of the Energy business; (b) outstanding liabilities to contractors and suppliers and liabilities for crude oil and petroleum products of Petron; and (c) payables for the purchases of raw materials 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 partially offset by the additional withholding taxes payable recognized on distributions to capital securities, interest expense on borrowings and purchases related to the ongoing projects by the Energy business.

The increase in dividends and distributions payable by P555 million was mainly due to the dividends declared by SMC to Subseries 2-LNO preferred shareholders on November 7, 2024, which were paid on January 3, 2025, partially reduced by the dividends paid to common shareholders of SMC Skyway Corporation in February 2024, relating to dividends 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 avancement 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 partially 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 SRHI; (b) change in the net deferred tax liability position of Petron which resulted from the utilization of NOLCO and write-off of lapsed Minimum Corporate Income Tax (MCIT); and (c) provision for partial impairment of NOLCO and MCIT which expired in 2025 and application of available NOLCO carryforward benefits to income tax liability of SPCC.

The decrease in other noncurrent liabilities by P3,987 million was mainly due to the application of the retention payable to billings of contractors 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 partially reduced by appropriations for the capital expenditures of the various ongoing projects made by the Food division and the Infrastructure business.

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 in 2024.

The decrease in equity attributable to equity holders of the Parent Company by P33,714 million was mainly due to the dividends declared to common and preferred shareholders and distributions to 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 total 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.

III. CASH FLOW

SOURCES AND USES OF CASH

A brief summary of cash flow movements is shown below:

<i>(In Millions)</i>	For the Years Ended December 31		
	2025	2024	2023
Net cash flows provided by operating activities	P157,163	P101,587	P83,096
Net cash flows used in investing activities	(28,562)	(149,401)	(155,457)
Net cash flows provided by (used in) financing activities	(73,004)	78,303	15,303

Net cash flows provided by operating activities primarily consist of operating income before working capital changes, changes in 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:

<i>(In Millions)</i>	For the Years Ended December 31		
	2025	2024	2023
Additions to:			
Property, plant and equipment	(P54,690)	(P76,707)	(P71,173)
Other intangible assets	(28,007)	(40,379)	(64,677)
Investments and advances	(22,578)	(16,475)	(5,271)
Contract assets	(8,931)	(12,166)	(6,571)
Advances to contractors and suppliers	(7,630)	(5,631)	(9,448)
Investment property	(6,357)	(9,985)	(5,450)
Investments in equity and debt instruments	(5,008)	(2,107)	(616)
Increase in other noncurrent assets and others	(14,040)	(5,133)	(9,128)
Cash and cash equivalents of deconsolidated subsidiaries	(5,679)	-	-
Net proceeds of:			
Redemption of investment in redeemable preferred shares held by a subsidiary	78,717	-	-
Sale of property and equipment and other intangible assets	3,911	1,168	1,307
Disposal of investments in equity and debt instruments	732	1,384	606
Disposal of subsidiaries, net of cash and cash equivalents disposed of	5	2,537	418
Interest received	15,899	13,623	13,396
Dividends received	13,010	1,510	1,150
Collection of advances	12,084	-	-
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	(1,040)	-

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

<i>(In Millions)</i>	For the Years Ended December 31		
	2025	2024	2023
Net proceeds (payments) of short-term borrowings	(P59,285)	P77,884	(P52,100)
Cash dividends and distributions paid	(54,909)	(50,928)	(44,145)
Repurchase of capital securities of subsidiaries	(37,903)	(45,040)	(27,134)
Redemption of preferred shares	(31,582)	-	-
Repurchase of capital securities	(28,655)	-	-
Payments of lease liabilities	(11,882)	(20,195)	(20,995)
Acquisition of common treasury shares of a subsidiary	(1,130)	-	-
Increase (decrease) in non-controlling interests' share in the net assets of subsidiaries and others	(785)	853	(3,014)
Net proceeds of long-term borrowings	74,733	47,955	102,057
Net proceeds of issuance of capital securities of subsidiaries	48,685	64,473	-
Net proceeds of reissuance of treasury shares	29,709	-	46,749
Net proceeds of issuance of preferred shares of a subsidiary	-	16,730	13,885
Redemption of preferred shares of a subsidiary	-	(13,403)	-
Share issuance costs from reissuance of treasury shares	-	(26)	-

The effect of exchange rate changes on cash and cash equivalents amounted to P2,441 million, P1,830 million and P202 million in 2025, 2024 and 2023, 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 and 2023, 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	
	2025	2024
Liquidity:		
Current Ratio	1.23	1.22
Quick Ratio	0.84	0.76
Solvency:		
Debt to Equity Ratio	2.65	2.96
Asset to Equity Ratio	3.65	3.96
Profitability:		
Return on Average Equity Attributable to Equity Holders of the Parent Company	13.63%	(2.48%)
Interest Rate Coverage Ratio	2.24	1.65
Return on Assets	3.50%	1.43%
Operating Efficiency:		
Volume Growth (Decline)	(3%)	11%
Revenue Growth (Decline)	(6%)	9%
Operating Margin	12%	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 P181,959 million as at December 31, 2025.

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

- 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 45 (a) of the Audited Consolidated Financial Statements as at December 31, 2025.
- 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”
ANNEX “B-1”

**SAN MIGUEL CORPORATION AND
SUBSIDIARIES**
CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025, 2024 and 2023

**Auditors’ PTR, Name of Certifying Partner
and Address**

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	,		M	e	t	r	o		M	a	n	i	l	a
P	h	i	l	i	p	p	i	n	e	s																			

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

33,208

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.

SAN MIGUEL CORPORATION AND SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025, 2024 and 2023**

With Independent Auditors' Report



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, 2025, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of 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 12th day of March 2026

ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for and in the City of Mandaluyong, Philippines on this 12th day of March 2026, personally appeared the following with his identification, to wit:

Name	Passport No.	Date of issue	Place of Issue
Ramon S. Ang	P2247867B	May 22, 2019	DFA Manila
John Paul L. Ang	P2247846B	May 22, 2019	DFA Manila
Bryan U. Villanueva	P8559308B	December 23, 2021	DFA Manila

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

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

Doc. No.: 339 ;
Page No.: 69 ;
Book No.: III ;
Series of 2026.



MA. KRISTINA S. ZAMORA
Commission No. 0513-25
Notary Public for Mandaluyong City
Until December 31, 2026
SMC, 40 San Miguel Ave., Mandaluyong City
Roll of Attorneys No. 61379
PTR No. 6034386; 01/05/26; Mandaluyong City
IBP Lifetime Member No. 018307; 12/14/17; RSM
MCLE Compliance No. VIII-0039380; 07/04/25; Pasig City



3/12/2026

R.G. Manabat & Co.



R.G. Manabat & Co.
The KPMG Center, 6/F
6787 Ayala Avenue, Makati City
Philippines 1209
Telephone +63 (2) 8885 7000
Fax +63 (2) 8894 1985
Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

REPORT OF INDEPENDENT AUDITORS

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

Opinion

We have audited the consolidated financial statements of San Miguel Corporation and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, and notes, 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, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2025, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to audits of the consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements of public interest entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029

financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

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

Key Audit Matters

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

Revenue recognition (P1,485,345 million).

Refer to Notes 6, 27 and 35 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 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 (P186,145 million).

Refer to Notes 4, 18 and 40 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 (P2,668 million).
Refer to Notes 4, 18, 36 and 40 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, 2025, 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, 2025 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 as part of our engagement to audit the consolidated financial statements.

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.
- 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.

R.G. Manabat & Co.



The engagement partner on the audit resulting in this independent auditors' report is Darwin P. Virocel.

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
covering 2025 and 2026 to 2030 financial statements

Tax Identification No. 912-535-864

BIR Accreditation No. 08-001987-031-2025

Issued June 11, 2025; valid until June 10, 2028

PTR No. MKT 10764422

Issued January 5, 2026 at Makati City

April 15, 2026

Makati City, Metro Manila

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024
(In Millions)

	<i>Note</i>	2025	2024
ASSETS			
Current Assets			
Cash and cash equivalents	4, 7, 40, 41, 42	P351,715	P293,677
Trade and other receivables - net	4, 8, 35, 37, 40, 41, 42	247,559	266,981
Inventories	4, 9, 40	145,800	178,355
Current portion of biological assets - net	4, 17	3,074	3,241
Prepaid taxes and licenses	10, 25	103,105	126,022
Prepaid expenses and other current assets	4, 11, 13, 35, 36, 40, 41, 42	31,689	32,158
Total Current Assets		882,942	900,434
Noncurrent Assets			
Investments and advances - net	4, 5, 12, 25, 35, 40	127,258	52,948
Investments in equity and debt instruments	4, 13, 35, 41, 42	47,862	21,050
Property, plant and equipment - net	4, 14, 36, 40	808,450	891,450
Right-of-use assets - net	4, 15, 36	44,210	43,302
Investment property - net	4, 16, 36, 40	96,431	87,909
Biological assets - net of current portion	4, 17	2,661	2,652
Goodwill - net	4, 18, 40	186,145	184,994
Other intangible assets - net	4, 18, 36, 40	359,842	340,496
Deferred tax assets	4, 25, 40	23,196	22,045
Contract assets	19	69,563	56,028
Other noncurrent assets - net	4, 20, 35, 36, 37, 41, 42	77,600	73,622
Total Noncurrent Assets		1,843,218	1,776,496
		P2,726,160	P2,676,930
LIABILITIES AND EQUITY			
Current Liabilities			
Loans payable	21, 32, 35, 40, 41, 42	P230,592	P293,230
Accounts payable and accrued expenses	4, 22, 35, 36, 37, 40, 41, 42	254,023	289,038
Lease liabilities - current portion	4, 32, 35, 36, 40, 41, 42	7,994	11,736
Income and other taxes payable	25, 40	41,753	43,628
Dividends and distributions payable	35, 38, 40, 41, 42	4,639	5,160
Current maturities of long-term debt - net of debt issue costs	23, 32, 35, 40, 41, 42	176,286	94,123
Total Current Liabilities		715,287	736,915
Noncurrent Liabilities			
Long-term debt - net of current maturities and debt issue costs	23, 32, 35, 40, 41, 42	1,181,010	1,173,146
Lease liabilities - net of current portion	4, 32, 35, 36, 40, 41, 42	27,837	30,809
Deferred tax liabilities	25, 40	29,303	34,861
Other noncurrent liabilities	4, 24, 35, 37, 40, 41, 42	25,383	24,758
Total Noncurrent Liabilities		1,263,533	1,263,574
Total Liabilities		1,978,820	2,000,489

Forward

	Note	2025	2024
Equity	26, 38, 39		
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		177,151	177,442
Capital securities		-	24,211
Equity reserves		15,624	(5,275)
Retained earnings:			
Appropriated		85,931	79,849
Unappropriated		129,390	89,413
Treasury stock		(111,345)	(109,763)
		323,381	282,507
Non-controlling Interests	2, 26, 40	423,959	393,934
Total Equity		747,340	676,441
		P2,726,160	P2,676,930

See Notes to the Consolidated Financial Statements.

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(In Millions, Except Per Share Data)

	<i>Note</i>	2025	2024	2023
SALES	6, 27, 35	P1,485,345	P1,575,379	P1,446,703
COST OF SALES	28, 36, 42	1,200,290	1,312,027	1,208,410
GROSS PROFIT		285,055	263,352	238,293
SELLING AND ADMINISTRATIVE EXPENSES	29, 36	(103,469)	(102,536)	(93,808)
INTEREST EXPENSE AND OTHER FINANCING CHARGES	21, 23, 32, 35, 36, 37	(100,268)	(99,413)	(91,303)
INTEREST INCOME	7, 13, 33, 35, 37	16,156	14,704	14,027
EQUITY IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	12	11,482	2,364	1,729
GAIN ON SALE OF INVESTMENTS AND PROPERTY AND EQUIPMENT	5, 14, 16, 20	977	2,175	83
OTHER INCOME (CHARGES) - Net	4, 5, 13, 34, 36, 41, 42	14,240	(16,479)	4,086
INCOME BEFORE INCOME TAX		124,173	64,167	73,107
INCOME TAX EXPENSE	25, 44	29,495	27,492	28,408
NET INCOME		P94,678	P36,675	P44,699
Attributable to:				
Equity holders of the Parent Company		P41,291	(P7,411)	P198
Non-controlling interests	26	53,387	44,086	44,501
		P94,678	P36,675	P44,699
Basic and Diluted Earnings (Loss) Per Common Share Attributable to Equity Holders of the Parent Company	39	P13.65	(P7.10)	(P2.51)

See Notes to the Consolidated Financial Statements.

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(In Millions)

	<i>Note</i>	2025	2024	2023
NET INCOME		P94,678	P36,675	P44,699
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified to profit or loss				
Remeasurement gain (loss) on defined benefit retirement plan	37	820	(2,321)	(2,271)
Income tax benefit (expense)	25	(217)	497	571
Net gain on financial assets at fair value through other comprehensive income	5, 13	45,388	267	178
Income tax expense	25	(716)	(24)	(23)
Share in other comprehensive income (loss) of associates and joint ventures - net	12	33	33	(111)
		45,308	(1,548)	(1,656)
Items that may be reclassified to profit or loss				
Net gain (loss) on exchange differences on translation of foreign operations		7,237	4,430	(2,602)
Net gain (loss) on financial assets at fair value through other comprehensive income		31	2	(71)
Income tax benefit (expense)	25	(8)	-	8
Net loss on cash flow hedges	42	(1,021)	(371)	(205)
Income tax benefit	25	255	93	58
Share in other comprehensive income (loss) of associates and joint ventures - net	12	179	(24)	107
		6,673	4,130	(2,705)
OTHER COMPREHENSIVE INCOME (LOSS) - Net of tax		51,981	2,582	(4,361)
TOTAL COMPREHENSIVE INCOME - Net of tax		P146,659	P39,257	P40,338
Attributable to:				
Equity holders of the Parent Company		P90,249	(P6,535)	(P3,591)
Non-controlling interests	26	56,410	45,792	43,929
		P146,659	P39,257	P40,338

See Notes to the Consolidated Financial Statements.

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(In Millions)

Equity Attributable to Equity Holders of the Parent Company																
Note	Equity Reserves															
	Capital Stock		Additional Paid-in Capital	Senior Perpetual Capital Securities	Reserve for Retirement Plan	Hedging Reserve	Fair Value Reserve	Translation Reserve	Other		Retained Earnings		Treasury Stock		Non-controlling Interests	Total Equity
	Common	Preferred							Equity Reserve	Appropriated	Unappropriated	Common	Preferred			
As at January 1, 2025	P16,443	P10,187	P177,442	P24,211	(P11,767)	(P681)	P671	P5,089	P1,413	P79,849	P89,413	(P67,093)	(P42,670)	P282,507	P393,934	P676,441
Net gain on exchange differences on translation of foreign operations	-	-	-	-	-	-	-	4,123	-	-	-	-	-	4,123	3,114	7,237
Share in other comprehensive income (loss) of associates and joint ventures - net	12	-	-	-	27	-	183	(6)	-	-	-	-	-	204	8	212
Net loss on cash flow hedges	42	-	-	-	-	(766)	-	-	-	-	-	-	-	(766)	-	(766)
Net gain on financial assets at fair value through other comprehensive income	5, 13	-	-	-	-	-	22,426	-	22,262	-	-	-	-	44,688	7	44,695
Remeasurement gain (loss) on defined benefit retirement plan	37	-	-	-	709	-	-	-	-	-	-	-	-	709	(106)	603
Other comprehensive income (loss)	-	-	-	-	736	(766)	22,609	4,117	22,262	-	-	-	-	48,958	3,023	51,981
Net income	-	-	-	-	-	-	-	-	-	41,291	-	-	-	41,291	53,387	94,678
Total comprehensive income (loss)	-	-	-	-	736	(766)	22,609	4,117	22,262	-	41,291	-	-	90,249	56,410	146,659
Reclassification of treasury shares	-	-	-	-	-	-	-	-	-	-	-	67,093	(67,093)	-	-	-
Reissuance of treasury shares - preferred	-	-	(291)	-	-	-	-	-	-	-	-	-	30,000	29,709	-	29,709
Redemption of preferred shares	-	-	-	-	-	-	-	-	-	-	-	-	(31,582)	(31,582)	-	(31,582)
Redemption of capital securities	-	-	-	(24,211)	-	-	-	-	-	-	(4,444)	-	-	(28,655)	-	(28,655)
Redemption of investment in redeemable preferred shares held by a subsidiary	-	-	-	-	-	-	-	-	(22,262)	-	22,262	-	-	-	-	-
Net addition (reduction) to non-controlling interests and others	5, 26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Appropriations - net	12, 26	-	-	-	(272)	-	(14)	53	(5,564)	-	(193)	-	-	(5,990)	15,145	9,155
Cash dividends and distributions:	26	-	-	-	-	-	-	-	-	6,082	(6,082)	-	-	-	-	-
Common	38	-	-	-	-	-	-	-	-	-	(3,337)	-	-	(3,337)	(15,606)	(18,943)
Preferred	-	-	-	-	-	-	-	-	-	-	(7,398)	-	-	(7,398)	(2,357)	(9,755)
Capital securities	-	-	-	-	-	-	-	-	-	-	(2,122)	-	-	(2,122)	(23,567)	(25,689)
As at December 31, 2025	26	P16,443	P10,187	P177,151	P -	(P11,303)	(P1,447)	P9,259	(P4,151)	P85,931	P129,390	P -	(P111,345)	P323,381	P423,959	P747,340
Forward																

Forward

Equity Attributable to Equity Holders of the Parent Company																
Note	Capital Stock			Additional Paid-in Capital	Senior Perpetual Capital Securities	Equity Reserves					Retained Earnings		Treasury Stock		Non-controlling Interests	Total Equity
	Common	Preferred	Reserve for Retirement Plan			Hedging Reserve	Fair Value Reserve	Translation Reserve	Other Equity Reserve	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	(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	12	-	-	-	18	-	(12)	(2)	-	-	-	-	4	5	9	
Net loss on cash flow hedges	42	-	-	-	-	(278)	-	-	-	-	-	-	(278)	-	(278)	
Net gain (loss) on financial assets at fair value through other comprehensive income	13	-	-	-	-	-	353	-	-	-	-	-	353	(108)	245	
Remeasurement loss on defined benefit retirement plan	37	-	-	-	(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)	-	(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	26	-	(26)	-	-	-	-	-	-	-	-	-	(26)	-	(26)	
Net addition (reduction) to non-controlling interests and others	12, 26	-	-	-	-	-	-	-	(13,505)	-	(529)	-	(14,034)	37,561	23,527	
Appropriations - net	26	-	-	-	-	-	-	-	-	(7,321)	7,321	-	-	-	-	
Cash dividends and distributions:	38	-	-	-	-	-	-	-	-	-	(3,337)	-	(3,337)	(16,721)	(20,058)	
Common		-	-	-	-	-	-	-	-	-	(7,680)	-	(7,680)	(3,113)	(10,793)	
Preferred		-	-	-	-	-	-	-	-	-	(2,102)	-	(2,102)	(18,530)	(20,632)	
Capital securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As at December 31, 2024	26	P16,443	P10,187	P177,442	P24,211	(P11,767)	P671	P5,089	P1,413	P79,849	P89,413	(P42,670)	P282,507	P393,934	P676,441	
Forward																

Forward

Equity Attributable to Equity Holders of the Parent Company														
Note	Equity Reserves													
	Senior			Retained Earnings				Other		Treasury Stock		Non-controlling		Total Equity
	Capital Stock	Additional Paid-in Capital	Perpetual Capital Securities	Reserve for Retirement Plan	Hedging Reserve	Fair Value Reserve	Translation Reserve	Equity Reserve	Appropriated	Unappropriated	Common	Preferred	Interests	
As at January 1, 2023	P16,443	P177,719	P24,211	(P9,256)	(P274)	P114	P5,641	P16,528	P71,004	P129,239	(P67,093)	(P89,670)	P354,359	P639,152
Net gain (loss) on exchange differences on translation of foreign operations	-	-	-	-	-	-	(2,654)	-	-	-	-	-	52	(2,602)
Share in other comprehensive income (loss) of associates and joint ventures - net	12	-	-	(108)	-	116	(13)	-	-	-	-	-	1	(4)
Net loss on cash flow hedges	42	-	-	-	(129)	-	-	-	-	-	-	-	(18)	(147)
Net gain (loss) on financial assets at fair value through other comprehensive income	13	-	-	-	-	100	-	-	-	-	-	-	(8)	92
Remeasurement loss on defined benefit retirement plan	37	-	-	(1,101)	-	-	-	-	-	-	-	-	(599)	(1,700)
Other comprehensive income (loss)	-	-	-	(1,209)	(129)	216	(2,667)	-	-	-	-	-	(572)	(4,361)
Net income	-	-	-	-	-	-	-	-	-	198	-	-	44,501	44,699
Total comprehensive income (loss)	-	-	-	(1,209)	(129)	216	(2,667)	-	-	198	-	-	43,929	40,338
Reissuance of treasury shares - preferred	26	(251)	-	-	-	-	-	(1,610)	-	-	-	47,000	-	46,749
Net reduction to non-controlling interests and others	12, 26	-	-	-	-	-	-	-	-	(995)	-	-	(13,756)	(16,361)
Appropriations - net	26	-	-	-	-	-	-	-	16,166	(16,166)	-	-	-	-
Cash dividends and distributions:	38	-	-	-	-	-	-	-	-	-	-	-	-	-
Common	-	-	-	-	-	-	-	-	-	(3,337)	-	-	(13,867)	(17,204)
Preferred	-	-	-	-	-	-	-	-	-	(3,781)	-	-	(2,586)	(6,367)
Capital securities	-	-	-	-	-	-	-	-	-	(2,007)	-	-	(19,134)	(21,141)
As at December 31, 2023	P16,443	P177,468	P24,211	(P10,465)	(P403)	P330	P2,974	P14,918	P87,170	P103,151	(P67,093)	(P42,670)	P348,945	P665,166

See Notes to the Consolidated Financial Statements.

SAN MIGUEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(In Millions)

	<i>Note</i>	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		P124,173	P64,167	P73,107
Adjustments for:				
Interest expense and other financing charges	32	100,268	99,413	91,303
Depreciation, amortization and others - net	14, 15, 16, 18, 20, 30, 34	69,610	59,360	57,621
Loss (gain) on foreign exchange - net	34	9,425	20,956	(4,188)
Gain on fair valuation of investment	5, 34	(21,933)	-	-
Interest income	33	(16,156)	(14,704)	(14,027)
Equity in net earnings of associates and joint ventures	12	(11,482)	(2,364)	(1,729)
Gain on sale of investments and property and equipment	5, 14, 16, 20	(977)	(2,175)	(83)
Operating income before working capital changes		252,928	224,653	202,004
Changes in current assets, certain current liabilities and others	40	28,672	(176)	(5,386)
Cash generated from operations		281,600	224,477	196,618
Interest and other financing charges paid		(98,274)	(99,203)	(91,995)
Income taxes paid		(26,163)	(23,687)	(21,527)
Net cash flows provided by operating activities		157,163	101,587	83,096
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Property, plant and equipment	14	(54,690)	(76,707)	(71,173)
Other intangible assets	18	(28,007)	(40,379)	(64,677)
Investments and advances	12	(22,578)	(16,475)	(5,271)
Contract assets	19	(8,931)	(12,166)	(6,571)
Advances to contractors and suppliers	20	(7,630)	(5,631)	(9,448)
Investment property	16	(6,357)	(9,985)	(5,450)
Investments in equity and debt instruments	13	(5,008)	(2,107)	(616)
Increase in other noncurrent assets and others	20	(14,040)	(5,133)	(9,128)
Cash and cash equivalents of deconsolidated subsidiaries	5	(5,679)	-	-
Net proceeds of:				
Redemption of investment in redeemable preferred shares held by a subsidiary	5	78,717	-	-
Sale of property and equipment and other intangible assets	14, 16, 20	3,911	1,168	1,307
Disposal of investments in equity and debt instruments	13	732	1,384	606
Disposal of subsidiaries, net of cash and cash equivalents disposed of	5	5	2,537	418
Interest received		15,899	13,623	13,396
Dividends received	5, 12	13,010	1,510	1,150
Collection of advances	5	12,084	-	-
Acquisition of subsidiaries, net of cash and cash equivalents acquired	40	-	(1,040)	-
Net cash flows used in investing activities		(28,562)	(149,401)	(155,457)

Forward

	Note	2025	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES				
Net proceeds of:				
Short-term borrowings	40	P1,234,685	P1,334,679	P1,145,761
Long-term borrowings	40	183,696	357,390	292,879
Payments of:				
Short-term borrowings	40	(1,293,970)	(1,256,795)	(1,197,861)
Long-term borrowings	40	(108,963)	(309,435)	(190,822)
Cash dividends and distributions paid to non-controlling shareholders	40	(42,049)	(38,527)	(35,102)
Repurchase of capital securities of subsidiaries	26	(37,903)	(45,040)	(27,134)
Redemption of preferred shares	26	(31,582)	-	-
Repurchase of capital securities	26	(28,655)	-	-
Cash dividends and distributions paid	38, 40	(12,860)	(12,401)	(9,043)
Payments of lease liabilities	40	(11,882)	(20,195)	(20,995)
Repurchase of common treasury shares of a subsidiary	26, 35	(1,130)	-	-
Increase (decrease) in non-controlling interests' share in the net assets of subsidiaries and others	26	(785)	853	(3,014)
Net proceeds of issuance of capital securities of subsidiaries	26	48,685	64,473	-
Net proceeds of reissuance of treasury shares	26	29,709	-	46,749
Redemption of preferred shares of a subsidiary	26	-	(13,403)	-
Share issuance costs from reissuance of treasury shares	26	-	(26)	-
Net proceeds of issuance of preferred shares of a subsidiary	26	-	16,730	13,885
Net cash flows provided by (used in) financing activities		(73,004)	78,303	15,303
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS				
		2,441	1,830	202
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		58,038	32,319	(56,856)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7	293,677	261,358	318,214
CASH AND CASH EQUIVALENTS AT END OF YEAR	7	P351,715	P293,677	P261,358

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 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 shall have a perpetual corporate term in accordance with the Revised Corporation Code of the Philippines (RCC) and the rules of the SEC.

Under Section 2 of SEC Memorandum Circular No. 22, Series of 2020, the corporate term of a corporation with certificate of incorporation issued prior to the effectivity of the RCC and which continue to exist, shall be deemed perpetual upon the effectivity of the RCC, without any action on the part of the corporation.

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, Metro Manila, 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 International Financial Reporting Standards 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 12, 2026.

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
	2025	2024	
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 ^(a,b) , San Miguel Super Coffeemix Co., Inc., The Purefoods-Hormel Company, Inc. (PF-Hormel), 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 Non-alcoholic Beverages			
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 {including 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 ^(d) 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
	2025	2024	
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 Co. Ltd. ^(a) , San Miguel Yamamura Glass (Vietnam) Limited, San Miguel Yamamura Haiphong Glass Company Ltd., Zhaoqing San Miguel Yamamura Glass Company Ltd. ^(a) , Foshan San Miguel Yamamura Packaging Co., Ltd. and subsidiary ^(a) , San Miguel Yamamura Packaging and Printing Sdn. Bhd., San Miguel Yamamura Woven Products Sdn. Bhd. and subsidiary, San Miguel Yamamura Plastic Films Sdn. Bhd. and San Miguel Yamamura Australasia Pty. Ltd. (SMYA) and subsidiaries {including SMYC Pty. Ltd. and subsidiary, SMYV Pty. Ltd., SMYP Pty. Ltd. and subsidiary, Cospak Ltd., SMYBB Pty. Ltd., SMYJ Pty. Ltd., SMYV Ltd. and SMYJ 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) and subsidiaries [including Sual Power Inc. (SPI) and subsidiary, San Roque Hydropower Inc. (SRHI), SMC PowerGen Inc., SMGP BESS Power Inc. (SMGP BESS), Limay Power Inc. (LPI), Malita Power Inc. (MPI), PowerOne Ventures Energy Inc. (PVEI), SMCGP Masinloc Power Company Limited, SMCGP Masinloc Partners Company Limited, Masinloc Power Co. Ltd. (MPCL), SMGP Kabankalan Power Co. Ltd. (SMGP Kabankalan) and Mariveles Power Generation Corporation (MPGC)]	100.00	100.00	Philippines
Fuel and Oil Business			
SEA Refinery Corporation (SRC) ^(d)	100.00	100.00	Philippines
Petron Corporation (Petron) ^(d) and subsidiaries [including Petron Marketing Corporation, Petron Freeport Corporation, Overseas Ventures Insurance Corporation Ltd. ^(a) , New Ventures Realty Corporation (NVRC) and subsidiaries, Mema Holdings Inc. (Mema) and subsidiaries ^(a) , Petron Singapore Trading Pte. Ltd. (PSTPL), Petron Global Limited, Petron Oil & Gas Mauritius Ltd and subsidiary, Petron Oil & Gas International Sdn. Bhd. and subsidiaries ^(a) {including Petron Fuel International Sdn. Bhd., Petron Oil (M) Sdn. Bhd. and Petron Malaysia Refining & Marketing Bhd. (PMRMB) (collectively Petron Malaysia)}] and Petrochemical Asia (HK) Limited ^(a) and subsidiaries	71.82	68.26	Philippines

Forward

	Percentage of Ownership		Country of Incorporation
	2025	2024	
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), Jethandler Asia Services Inc., 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) ^(e) , 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)], SMC SLEX Holdings Company Inc. (SSHCI) and subsidiaries, Manila Toll Expressway Systems, Inc. (MATES) and SMC SLEX Inc. (SMC SLEX), and SMC Tollway Holdings S.à.r.l. (STHS) ^(f) } and SMC Bulacan Water Services Corporation and subsidiaries]	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.]	99.98	99.98	Philippines
Davana Corporation ^(g) and subsidiaries	100.00	100.00	Philippines
Silvertides Holdings Corporation and subsidiary	100.00	100.00	Philippines
Fonterra Verde Holdings Inc. (FVHI)	100.00	100.00	Philippines
Deity Holdings Corporation	100.00	100.00	Philippines
Worldsummit Holdings Corporation (WHC)	100.00	100.00	Philippines
One Verdana Holdings Inc.	100.00	100.00	Philippines

Forward

	Percentage of Ownership		Country of Incorporation
	2025	2024	
Others			
San Miguel International Limited and subsidiary, San Miguel Holdings Limited and subsidiaries, including 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. ^(a)	100.00	100.00	Philippines
SMITS, Inc. (SMITS) and subsidiaries ^(a)	100.00	100.00	Philippines
Petrogen Insurance Corporation (Petrogen) ^(h)	100.00	100.00	Philippines
Anchor Insurance Brokerage Corporation (AIBC) ^(a)	74.27	74.27	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) Petron is 52.71% and 50.10% indirectly owned by SMC through SRC and 19.11% and 18.16% directly owned by SMC as at December 31, 2025 and 2024, respectively.

(e) Consolidated to SMHC effective May 16, 2024.

(f) Consolidated to AABV effective December 2, 2025. Formerly Travis Investment Solution 56 S.à.r.l. The change in the corporate name was approved by the BOD of STHS on December 29, 2025.

(g) Formerly Davana Heights Development Corporation. The change in the corporate name was approved by the SEC on November 28, 2025.

(h) 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.

A change in the ownership interest in a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, the Group: (i) derecognizes the assets (including goodwill) and liabilities of the subsidiary and the carrying amount of any non-controlling interests; (ii) recognizes the fair value of the consideration received and the fair value of any investment retained; (iii) reclassify the Parent Company's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities; and (iv) recognizes any resulting difference as a gain or loss, associated with the loss of control attributable to the controlling interest, in the consolidated statements of income.

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 2025 and 2024 (Note 26).

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 Lack of Exchangeability (Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates*) effective January 1, 2025. The amendments clarify that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

When a currency is not exchangeable, an entity needs to estimate a spot rate that reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions, using either 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 consolidated financial statements, including the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process, and risks to the entity because the currency is not exchangeable.

The adoption of the amendments to standards did not have a material effect on the consolidated financial statements.

New and Amendments to Standards Not Yet Adopted

A number of new and amendments to standards are effective for annual reporting periods beginning after January 1, 2025, and have not been applied in preparing the consolidated financial statements.

The Group will adopt the following new and amendments to standards on the respective effective dates:

- Disclosures about Uncertainties in the Financial Statements (Amendments to Illustrative Examples on PFRS 7, *Financial Instruments: Disclosures*, PFRS 18, *Presentation and Disclosure in Financial Statements*, PAS 1, *Presentation of Financial Statements*, PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, PAS 36, *Impairment of Assets* and PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*). The amendments provide illustrative examples demonstrating how entities can apply PFRS Accounting Standards when reporting the effects of uncertainties in their financial statements. The examples use climate-related scenarios as practical illustrations, but the underlying principles apply more broadly to all uncertainties.

The illustrative examples are not an integral part of the PFRS Accounting Standards and do not have an effective date or transition requirements. Entities are expected to consider these examples in applying the disclosure requirements of the relevant standards on a timely basis.

- Classification and Measurement of Financial Instruments (Amendments to PFRS 9, *Financial Instruments* and PFRS 7). The amendments clarify that a financial liability is derecognized on the settlement date when the related obligation is discharged, cancelled or expires. The amendments also introduce an accounting policy option to derecognize financial liabilities settled through an electronic payment system before the settlement date, if certain specified conditions are met.

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 five standards, of which the following amendments are relevant to the Group:
 - 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 statement of income; 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, 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.

Consequential amendments to PAS 7, *Statement of Cash Flows*, require the use of the operating profit or loss subtotal as the starting point when presenting operating cash flows under the indirect method and eliminate the options for classifying interest and dividend cash flows.

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 2025 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, 11, 13, 20, 35, 41 and 42).

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 represent a recovery of 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 13, 20, 35, 41 and 42).

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 consolidated statements of changes in equity. Any interest earned from investment in debt instrument designated as at FVPL is recognized in the consolidated statements of income. Any dividend income from investment in equity instrument is recognized in the consolidated statements of income when the right to receive payment has been established, unless the dividend clearly represents a recovery of 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 11, 13, 20, 35, 41 and 42).

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 22, 24, 41 and 42).

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 21, 22, 23, 24, 36, 41 and 42).

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, 2025 and 2024 (Note 42).

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, 2025 and 2024 (Note 42).

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	25 - 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 the consolidated statements of income 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

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. Obando Water Company, Inc. (OWCI) and Bulakan Water Company, Inc. (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 36).

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.

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 are 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 and are recognized at par value. Incremental costs directly attributable to the issuance of common shares, referred to as share issuance costs, and share options are recognized as a deduction from equity, net of any tax effects. Such costs are deducted from additional paid-in capital arising from the share issuance. If additional paid-in capital is insufficient to absorb the costs, the excess is charged against additional paid-in capital from previous stock issuances or directly to retained earnings, in that order.

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.

Equity Reserves

Equity reserves include mainly the effects of transactions with: (i) holders of capital securities; (ii) non-controlling interests and equity adjustments arising from changes in ownership interests in subsidiaries that do not result in loss of control, accounted for as equity transactions; (iii) changes in the fair value of investments in equity and debt instruments presented in other comprehensive income; (iv) foreign currency differences arising from the translation of the financial statements of foreign operations; (v) remeasurements of the 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) and (vi) the effective portion of the cumulative net change in the fair value of hedging instruments designated in cash flow including the cost of hedging.

Retained Earnings

Retained earnings represent the accumulated net income or losses, including any accumulated gains or losses that were reclassified from equity reserves upon the derecognition of related investments in equity instruments designated as financial assets at FVOCI, 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 taxes and licenses" 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 exercise judgments, make accounting estimates and use 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 36).

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 36) 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 18).
- (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 assessment of the 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, 2025 and 2024 (Note 22).

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 is entitled to receive substantially all of the returns related to BPI's operations and net assets after providing the fixed returns for preferred shareholders under the articles of incorporation and has the current ability to direct BPI's activities that most significantly affect the returns.

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, 2025 and 2024 as joint ventures (Note 12).

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 42.

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 45).

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 P116 and P25 in 2025 and 2024, respectively. The allowance for impairment losses on trade receivables amounted to P5,344 and P5,924 as at December 31, 2025 and 2024, respectively. The carrying amount of trade receivables amounted to P175,587 and P191,937 as at December 31, 2025 and 2024, 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.

The carrying amounts of other financial assets at amortized cost are as follows:

	Note	2025	2024
Other Financial Assets at Amortized Cost			
Cash and cash equivalents (excluding cash on hand)	7, 41	P345,694	P287,803
Other current receivables - net (included under "Trade and other receivables - net" account)	8	71,972	75,044
Financial assets at amortized cost (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	11, 13, 41, 42	12,205	12,180
Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account)	20, 41, 42	6,155	8,797
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	11, 20, 41, 42	28,777	23,822

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 P11,467 and P268, respectively, as at December 31, 2025, and P9,419 and P590, respectively, as at December 31, 2024 (Notes 8, 20 and 41).

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, 11, 12, 13, 16, 17, 18, 20, 22, 37 and 42.

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 P2,415 and P1,605 as at December 31, 2025 and 2024, respectively (Note 9).

The carrying amounts of inventories amounted to P145,800 and P178,355 as at December 31, 2025 and 2024, 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 P825,637 and P907,069 as at December 31, 2025 and 2024, respectively. Accumulated depreciation of property, plant and equipment amounted to P370,391 and P332,242 as at December 31, 2025 and 2024, respectively (Note 14).

Right-of-use assets, net of accumulated depreciation, amounted to P44,305 and P43,395 as at December 31, 2025 and 2024, respectively. Accumulated depreciation of right-of-use assets amounted to P14,474 and P12,445 as at December 31, 2025 and 2024, respectively (Note 15).

Investment property, net of accumulated depreciation, amounted to P96,608 and P87,931 as at December 31, 2025 and 2024, respectively. Accumulated depreciation of investment property amounted to P29,445 and P26,111 as at December 31, 2025 and 2024, respectively (Note 16).

Deferred containers, net of accumulated depreciation, included as part of "Other noncurrent assets - net" account in the consolidated statements of financial position amounted to P22,583 and P21,188 as at December 31, 2025 and 2024, respectively. Accumulated depreciation of deferred containers amounted to P28,590 and P25,096 as at December 31, 2025 and 2024, respectively (Note 20).

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 P357,213 and P338,075 as at December 31, 2025 and 2024, respectively. Accumulated amortization of intangible assets with finite useful lives amounted to P81,822 and P73,285 as at December 31, 2025 and 2024, respectively (Note 18).

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 P325,252 and P305,582 as at December 31, 2025 and 2024, respectively (Note 18).

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 P186,145 and P184,994 as at December 31, 2025 and 2024, respectively (Note 18).

The combined carrying amounts of licenses and trademarks and brand names amounted to P2,668 and P2,460 as at December 31, 2025 and 2024, respectively (Note 18).

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 2025 (Notes 18 and 40).

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 2025, 2024 and 2023.

Deferred exploration and development costs included as part of "Other noncurrent assets - net" account in the consolidated statements of financial position amounted to P92 as at December 31, 2025 and 2024 (Notes 20 and 36).

Recognition 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 future 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 P23,196 and P22,045 as at December 31, 2025 and 2024, respectively (Note 25).

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 P18,857 and P17,149 as at December 31, 2025 and 2024, respectively (Notes 12, 14, 15, 16, 18 and 20).

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 P1,459,298 and P1,438,328 as at December 31, 2025 and 2024, respectively (Notes 12, 14, 15, 16, 17, 18 and 20).

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 P35,831 and P42,545 as at December 31, 2025 and 2024, respectively (Notes 36, 40, 41 and 42).

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 37 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 P41,229 and P39,710 as at December 31, 2025 and 2024, respectively (Note 37).

ARO. 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 3.28% to 12.64% and 3.24% to 12.64% as at December 31, 2025 and 2024, 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 P2,732 and P2,078 as at December 31, 2025 and 2024, respectively (Notes 22 and 24).

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, 2025 and 2024 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 18).

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 2025 and 2024, included as part of "Airport concession rights" under "Other intangible assets - net" account in the consolidated statements of financial position amounted to P46 and P50 as at December 31, 2025 and 2024, respectively (Note 18).

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 P103 and P100 as at December 31, 2025 and 2024, respectively (Note 24).

Percentage-of-Completion - Airport, Toll Road and Water 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, toll road and water project cost. The Group reviews and revises, when necessary, the estimate of airport, toll road and water 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 P42,241, P57,772 and P60,606 in 2025, 2024 and 2023, respectively (Note 34).

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, 2025 and 2024, 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 5.04% to 9.00% and 6.00% to 6.18% as at December 31, 2025 and 2024, 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 P1,608 and P1,111 as at December 31, 2025 and 2024, respectively (Note 24).

The current portion included as part of "Accounts payable and accrued expenses" account amounted to P339 and P581 as at December 31, 2025 and 2024, respectively (Note 22).

5. Investments in Subsidiaries

The following are the developments relating to the Parent Company's investments:

Infrastructure

- **SMHC**

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 of SMHC 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 of SMHC 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 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.

On October 22 and December 26, 2025, SMAI and the Parent Company executed Subscription Agreements to subscribe to an additional 1,166,671,982 Series "2" Preferred Shares for a total subscription price of P7,000 or P6.00 per preferred share. The Parent Company paid P6,730 in 2025.

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 or disposition of any stocks of any class of SMAI.

Fuel and Oil

- Repurchase of RPS

On September 25 and October 2, 2024, Petron partially repurchased US\$40 (P2,003) and US\$20 (P1,001), respectively, which were subscribed by the Parent Company on July 22, 2020.

On April 4 and August 14, 2025, Petron partially repurchased US\$10 (P501) and US\$42 (P2,078), respectively, which were subscribed by the Parent Company on July 22 and August 10, 2020.

The RPS have no fixed redemption date and are redeemable in whole, or in part, at their principal amounts together with any accrued, unpaid, or deferred distributions, at Petron's option on any distribution payment date after 90 days from issuance date.

Real Estate

- SMPI

- a) Subscription of Common Shares

On March 4 and May 8, 2024, the BOD and stockholders of SMPI, respectively, approved the additional increase in its authorized capital stock from P15,000 divided into 1,500,000,000 common shares to P17,000 divided into 1,700,000,000 common shares, both with a par value of P10.00 per common share. On March 4, 2024, SMPI and the Parent Company executed a Subscription Agreement to subscribe to an additional 50,000,000 common shares of SMPI from the proposed increase in authorized capital stock for a total subscription price of P1,000 or P20.00 per common share, which was fully paid in 2024.

On June 20, 2025, SMPI and the Parent Company executed a Subscription Agreement to subscribe to an additional 80,000,000 common shares of SMPI from the proposed increase in authorized capital stock for a total subscription price of P1,600 or P20.00 per common share. The Parent Company paid P1,540 in 2024, while the balance of the subscription price amounting to P60 was paid in 2025.

The application for the Amendment of Articles of Incorporation for the increase in authorized capital stock of SMPI was filed with the SEC on June 9, 2025 and was approved on June 17, 2025.

On June 20, June 30 and September 30, 2025, SMPI and the Parent Company executed Subscription Agreements to subscribe to a total of an additional 70,000,000 common shares of SMPI from the unissued capital stock for a total subscription price of P1,400 or P20.00 per common share, which was fully paid in 2025.

On May 6 and May 14, 2025, the BOD and stockholders of SMPI, respectively, approved the additional increase in its authorized capital stock from P17,000 divided into 1,700,000,000 common shares to P20,600 divided into 2,060,000,000 common shares, both with a par value of P10.00 per common share. On May 6, 2025, SMPI and the Parent Company executed a Subscription Agreement to subscribe to an additional 90,000,000 common shares of SMPI from the proposed increase in authorized capital stock for a total subscription price of P1,800 or P20.00 per common share, which was fully paid in 2025.

The application for the Amendment of Articles of Incorporation for the increase in authorized capital stock of SMPI was filed with the SEC on October 8, 2025 and was approved on October 9, 2025.

On November 4, 2025, SMPI and the Parent Company executed a Subscription Agreement to subscribe to an additional 68,489,798 common shares of SMPI for a subscription price of P1,369 or P20.00 per common share, which was fully paid in 2025.

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, while the balance was paid in 2025.

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 for the year ended December 31, 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 of FVHI from the proposed increase in authorized capital stock for a total subscription price of P2,500 or P200.00 per common share. The Parent Company paid P495 and P1,935 in 2022 and 2023, respectively, while the balance of the subscription price amounting to P70 was paid in 2024.

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.

On December 16, 2024, FVHI and the Parent Company executed a Subscription Agreement to subscribe to an additional 8,800,000 common shares of FVHI for a total subscription price of P1,760 or P200.00 per common share. The Parent Company paid P1,747 in 2024, while the balance of the subscription price amounting to P13 was paid in 2025.

On October 28, 2025, the BOD and stockholders of FVHI approved the additional increase in its authorized capital stock from P4,250 divided into 42,500,000 common shares to P6,000 divided into 60,000,000 common shares, both with a par value of P100.00 per common share.

On December 15, 2025, FVHI and the Parent Company executed a Subscription Agreement to subscribe to an additional 3,700,000 common shares from the remaining unissued capital stock of FVHI for a total subscription price of P740 or P200.00 per common share, which was fully paid in 2025.

On December 15, 2025, FVHI and the Parent Company executed a Subscription Agreement to subscribe to an additional 6,900,000 common shares of FVHI from the proposed increase in authorized capital stock for a total subscription price of P1,380 or P200.00 per common share. The Parent Company paid P583 as at December 31, 2025.

- WHC

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 balance of the subscription price amounting to P23 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 of WHC from 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.

On December 22, 2025, WHC and the Parent Company executed a Subscription Agreement to subscribe to an additional 113,440,000 common shares of WHC from the proposed increase in the authorized capital stock for a subscription price of P227 or P2.00 per common share, which was fully paid in 2025.

The application for the Amendment of Articles of Incorporation for the increase in authorized capital stock of WHC was filed with the SEC on January 21, 2026 and was approved on January 22, 2026.

On December 22, 2025, the BOD and stockholders of WHC approved the additional increase in its authorized capital stock from P1,300 divided into 1,300,000,000 common shares to P2,800 divided into 2,800,000,000 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 595,000,000 common shares of WHC from the proposed increase in authorized capital stock for a total subscription price of P1,190 or P2.00 per common share. The Parent Company paid P1,101 as at December 31, 2025.

Energy

- Deconsolidation of South Premiere Power Corp. (SPPC), Excellent Energy Resources Inc. (EERI) and Ilijan Primeline Industrial Estate, Inc. (IPIEC)

On March 1, 2024, MGen and Therma NatGas Power, Inc. (TNGP, a subsidiary of Aboitiz Power Corporation [AboitizPower]), through their jointly owned entity, Chromite Gas Holdings Inc. (CGHI), 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 1,278 megawatts (MW) Ilijan Power Plant owned by SPPC, (ii) the greenfield 1,320 MW Batangas Combined Cycle Power Plant (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 had a customary closing conditions and was 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 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, the investment of 67% equity interests in SPPC, EERI and IPIEC by CGHI was completed, pursuant to the agreements executed on March 1, 2024, with San Miguel Global Power.

As a result of this transaction, San Miguel Global Power's equity interests in SPPC, EERI and IPIEC were diluted from 100% to 33%, thereby resulting to a loss of control and deconsolidation of the assets and liabilities of the three subsidiaries from the books of San Miguel Global Power, and the recognition of the 33% equity interests retained in SPPC, EERI and IPIEC at their fair market values totaling to P52,706, classified as "Investments in shares of stock of associates and joint ventures - at equity" under "Investment and advances - net" account in the consolidated statement of financial position as at December 31, 2025 (Note 12), and the resulting revaluation gain of P21,933, included as part of "Other income (charges) - net" account, in the consolidated statement of income for the year ended December 31, 2025 (Note 34).

The following summarizes the accounts derecognized at the deconsolidation date:

	2025
Current assets	P62,420
Noncurrent assets	99,364
Current liabilities	(71,748)
Noncurrent liabilities	(59,263)
Total	P30,773

Subsequently, SPPC, EERI and IPIEC redeemed and paid their respective redeemable preferred shares issued to San Miguel Global Power in cash totaling to P78,717. Moreover, SPPC assigned certain receivables and payables, with a carrying value of P8,233 and P1,889, respectively, to San Miguel Global Power as part of the consideration for the redemption. Consequently, San Miguel Global Power recognized a net gain on investments in equity instruments amounting to P22,262 (net of tax amounting to P688), presented as part of “Net gain on financial assets at fair value through other comprehensive income” account in the consolidated statement of comprehensive income for the year ended December 31, 2025.

- **Subscription of Common Shares**

On March 6, 2025, San Miguel Global Power and the Parent Company executed a Subscription Agreement to subscribe to an additional 950,796,000 common shares of San Miguel Global Power from the unissued capital stock for a total subscription price of P28,524 or P30.00 per common share, which was fully paid in 2025.

On March 6 and April 14, 2025, the BOD and stockholders of San Miguel Global Power, respectively, approved the additional increase in the authorized capital stock from P3,774 divided into 3,774,400,000 common shares to P7,800 divided into 7,800,000,000 common shares, both with a par value of P1.00 per common share. On the same date, San Miguel Global Power and the Parent Company executed a Subscription Agreement to subscribe to an additional 1,011,093,800 common shares of San Miguel Global Power from the proposed increase in authorized capital stock for a total subscription price of P30,333 or P30.00 per common share, which was fully paid in 2025.

The application for the Amendment of Articles of Incorporation for the increase in authorized capital stock of San Miguel Global Power was filed with the SEC on May 9, 2025 and was approved on May 16, 2025.

- **Redemption of Redeemable Perpetual Capital Securities (RPCS)**

On April 7, 2025, San Miguel Global Power redeemed the US\$507 (P27,972) and P29,760 RPCS, which were issued to the Parent Company on various dates in 2023 and 2022.

The RPCS are direct, unconditional, unsecured and subordinated capital securities with no fixed redemption date. San Miguel Global Power and SMGP BESS have the right to defer distribution under certain conditions.

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 of SMCSLC 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 of SMITS for a total subscription price of P708 or P1,600.00 per common share, which was fully paid in 2024.

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 holds long-term concessions in the infrastructure sector in the Philippines. It is engaged in the management and operation, as well as construction and development of various infrastructure projects such as major toll roads, airports, railways and bulk water.

The cement segment is primarily engaged in the manufacturing, marketing and distribution of cement products.

The real estate segment is primarily engaged in leasing, sale of real estate, management services, and hotel operations.

Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist primarily of operating cash, receivables, inventories, biological assets, property, plant and equipment and concession rights, net of allowances, accumulated depreciation and amortization and impairment. Segment liabilities include all operating liabilities and consist primarily of accounts payable and accrued expenses and other noncurrent liabilities, excluding interest payable. Segment assets and liabilities do not include deferred taxes.

Inter-segment Transactions

Segment revenues, expenses and performance include sales and purchases between operating segments. Such transactions are eliminated in consolidation.

Major Customer

The Group does not have a single external customer from which sales revenue generated amounted to 10% or more of the total revenues of the Group.

Operating Segments

Financial information about reportable segments follows:

	Food and Beverage				Packaging				Energy				Fuel and Oil				Infrastructure				Cement				Real Estate and Others				Eliminations				Consolidated	
	2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023				
Sales																																		
External sales	P418,686	P400,590	P379,603	P24,472	P24,729	P24,825	P148,124	P196,593	P159,693	P800,396	P658,757	P785,207	P39,141	P36,555	P34,002	P32,617	P34,208	P36,588	P22,009	P23,947	P26,795	P -	P -	P -	P -	P -	P -	P1,485,345	P1,575,379	P1,446,703				
Inter-segment sales	374	282	219	15,887	15,433	13,554	9,084	8,498	9,897	9,370	9,209	15,820	1,011	968	982	646	726	643	43,864	40,814	37,506	(80,236)	(75,930)	(78,621)	(78,621)	(78,621)	-	-	-	-				
Total sales	P419,060	P400,872	P379,822	P40,359	P40,162	P38,379	P157,208	P205,091	P169,590	P809,766	P667,966	P801,027	P40,152	P37,523	P34,984	P33,163	P34,934	P37,231	P65,873	P64,761	P64,291	(P78,621)	(P80,236)	(P75,930)	(P78,621)	(P78,621)	P1,485,345	P1,575,379	P1,446,703					
Cost of Sales																																		
Inventories	P165,697	P161,624	P158,421	P20,521	P20,789	P20,919	P53,734	P101,764	P86,906	P639,610	P719,743	P656,142	P -	P -	P -	P14,264	P14,023	P15,351	P18,252	P21,364	P23,737	(P32,508)	(P30,636)	(P39,616)	(P39,616)	(P39,616)	P879,570	P1,008,671	P921,860					
Result																																		
Segment result	61,040	55,792	48,411	2,694	2,600	1,915	43,770	40,457	32,526	37,323	29,223	30,713	22,081	20,291	18,164	6,287	6,550	5,980	8,137	5,610	6,648	254	293	128	128	128	181,586	160,816	144,485					
Interest expense and other financing charges																																		
Income taxes	(4,877)	(4,809)	(4,752)	(1,044)	(1,190)	(1,265)	(24,916)	(20,691)	(18,478)	(18,708)	(20,961)	(19,095)	(7,522)	(8,359)	(7,990)	(2,837)	(2,669)	(2,366)	(42,854)	(42,311)	(39,518)	2,490	1,577	2,161	2,161	(100,268)	(99,413)	(91,303)						
Equity in net earnings of associates and joint ventures																																		
Gain on sale of investments and property and equipment																																		
Other income (charges) - net																																		
Income tax expense																																		
Net Income (Loss)	P46,280	P40,933	P38,105	P1,140	P526	(P47)	P48,306	P12,384	P9,903	P15,627	P6,471	P10,112	P14,766	P14,019	P11,413	P2,593	P3,934	P4,010	P3,998	(P5,922)	(P9,106)	(P38,032)	(P37,670)	(P19,691)	(P19,691)	P94,678	P36,675	P44,689						
Attributable to:																																		
Equity holders of the Parent Company																												P41,291	(P7,411)	P198				
Non-controlling interests																												53,387	44,086	44,501				
Net Income																												P94,678	P36,675	P44,689				
Other Information																																		
Segment assets	P328,731	P317,550	P297,032	P560,905	P49,218	P50,431	P703,697	P790,293	P702,778	P440,367	P457,756	P432,972	P530,333	P492,423	P440,455	P111,280	P113,340	P116,185	P364,067	P366,344	P339,296	(P189,781)	(P183,154)	(P180,120)	P2,399,599	P2,393,770	P2,199,029							
Investments in and advances to associates and joint ventures	1,182	-	-	-	-	-	89,068	19,894	10,953	9	11	6	9,768	9,334	5,184	820	819	2,358	26,411	22,890	18,588	-	-	-	-	-	127,258	52,948	37,089					
Goodwill and trademarks and brand names	38,193	38,163	38,085	769	647	570	69,944	69,944	69,944	9,798	8,762	8,124	23,102	23,107	21,952	53,920	53,923	53,590	2,989	2,991	2,990	(12,354)	(12,326)	(12,247)	(12,247)	(12,247)	186,361	185,212	183,008					
Other assets																												20,685	20,685	20,685				
Deferred tax assets																												23,196	23,196	13,633				
Consolidated Total Assets																												P2,726,160	P2,676,930	P2,459,365				
Forward																																		

	Food and Beverage				Packaging				Energy				Fuel and Oil				Infrastructure				Cement				Real Estate and Others				Eliminations				Consolidated			
	2025	2024	2023	2022	2025	2024	2023	2022	2025	2024	2023	2022	2025	2024	2023	2022	2025	2024	2023	2022	2025	2024	2023	2022	2025	2024	2023	2022	2025	2024	2023	2022				
Segment liabilities	P79,863	P83,615	P73,742	P10,948	P10,689	P9,603	P8,603	P86,900	P124,537	P81,870	P81,162	P86,707	P67,925	P59,873	P53,317	P6,665	P6,805	P6,974	P85,022	P98,598	P102,371	P102,371	P85,022	P98,598	P102,371	P102,371	(P149,683)	(P157,705)	(P148,456)	P272,983	P307,574	P246,128				
Loans payable	14,346	17,103	14,684	5,682	8,334	8,589	8,589	33,000	41,350	13,736	138,906	137,910	137,910	-	-	170	600	400	85,494	86,937	39,562	39,562	85,494	86,937	39,562	39,562	-	-	-	230,592	293,200	214,881				
Long-term debt	80,801	79,981	82,809	6,394	3,466	5,045	5,045	285,136	277,938	258,769	117,443	108,896	127,425	120,281	108,649	36,133	39,871	42,030	696,930	628,289	584,386	584,386	696,930	628,289	584,386	584,386	-	-	-	1,357,296	1,267,269	1,190,584				
Lease liabilities																															35,831	42,545	56,572			
Income and other taxes payable																															41,753	43,628	46,254			
Dividends and distributions payable and others																																				
Deferred tax liabilities																															11,062	11,382	10,277			
Consolidated Total Liabilities																															29,303	34,861	29,503			
Capital																																				
Shareholders' equity (Note 14)	15,063	15,672	16,236	3,034	2,435	1,860	1,860	21,638	35,093	36,179	6,188	9,059	6,095	1,274	3,549	1,762	1,922	2,645	3,860	5,571	8,254	5,181	5,181	5,571	8,254	5,181	5,181	-	-	-	54,690	76,707	71,173			
Depreciation of property, plant and equipment (Notes 14 and 30)																																				
Goodwill																																				
Intangible assets (Notes 14 and 30)	7,584	6,649	5,862	2,284	2,125	2,039	2,039	14,721	10,728	8,425	11,442	10,205	9,980	577	449	452	2,548	2,859	2,700	3,666	2,957	2,609	2,609	3,666	2,957	2,609	-	-	-	42,822	35,972	32,167				
Other than depreciation of property, plant and equipment																																				
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, 14, 18, 20 and 34)	9,589	6,623	9,022	717	634	805	805	3,154	10,351	2,527	4,933	3,712	2,625	7,701	6,879	7,614	412	(3)	14	8,063	14,460	(2,121)	(2,121)	8,063	14,460	(2,121)	-	-	-	34,569	42,656	20,486				
	274	1,457	-	255	(3)	188	188	35	35	35	408	-	-	-	-	-	577	(22)	(20)	95	221	577	577	95	221	577	-	-	-	1,644	1,688	780				

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			
	2025	2024	2023		2025	2024			2025	2024	2023		2025	2024	2023		2025	2024	2023		2025	2024	2023		2025	2024	2023		2025	2024	2023	
Timing of Revenue Recognition																																
Sales recognized at point in time	P418,673	P400,578	P379,593	P23,445	P23,802	P24,000	P -	P -	P -	P800,396	P858,757	P785,207	P -	P -	P -	P34,208	P36,588	P15,706	P19,252	P22,945	P1,290,737	P1,336,597	P1,248,333									
Sales recognized over time	13	12	10	1,027	927	825	148,124	196,593	159,693	-	-	-	39,141	36,555	34,002	-	-	6,303	4,695	3,840	194,608	238,782	198,370									
Total External Sales	P418,686	P400,590	P379,603	P24,472	P24,729	P24,825	P148,124	P196,593	P159,693	P800,396	P858,757	P785,207	P39,141	P36,555	P34,002	P32,517	P34,208	P22,009	P23,947	P26,785	P1,485,345	P1,575,379	P1,446,703									

7. Cash and Cash Equivalents

Cash and cash equivalents consist of:

	Note	2025	2024
Cash in banks and on hand		P113,895	P75,153
Short-term investments		237,820	218,524
	4, 41, 42	P351,715	P293,677

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 P13,048, P12,207 and P11,397 in 2025, 2024 and 2023, respectively (Note 33).

8. Trade and Other Receivables

Trade and other receivables consist of:

	Note	2025	2024
Trade		P179,993	P196,886
Non-trade		73,024	74,600
Amounts owed by related parties	35, 37	11,353	10,838
		264,370	282,324
Less allowance for impairment losses	4	16,811	15,343
	4, 41, 42	P247,559	P266,981

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 was the subject of a case filed by SPPC with the Regional Trial Court (RTC) of Mandaluyong City which was ruled in favor of SPPC on June 13, 2025. PSALM filed an appeal to this decision before the Court of Appeals which remains pending to date (Note 45). In January 2025, this receivable from PSALM was transferred by SPPC to San Miguel Global Power pursuant to an agreement executed by both parties (Note 5).
- 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 aimed 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 five equal annual installments from 2022 up to 2026.

As at December 31, 2024, the receivables recognized by SPI in accordance with the Settlement Agreement amounted to P1,103, with noncurrent portion amounting to P549, presented as part of "Other noncurrent assets - net" account in the consolidated statement of financial position (Note 20).

On February 25, 2025, the parties agreed to fully settle all pending obligations under the Settlement Agreement through the prepayment of the remaining balance of P1,149 (inclusive of interest income amounting to P46). Such amount was collected in full from TPEC on March 3, 2025.

- c. Receivables recognized by Albay Power and Energy Corp. from Albay Electric Cooperative, Inc. following the termination of the concession agreement on November 21, 2022 amounted to P1,641 as at December 31, 2025 and 2024 (Note 36). As at December 31, 2025, the said receivable has been fully provided with allowance.

Amounts owed by related parties include trade receivables amounting to P938 and P975 as at December 31, 2025 and 2024, respectively.

The movements in the allowance for impairment losses are as follows:

	Note	2025	2024
Balance at beginning of year		P15,343	P13,120
Charges for the year	29, 34	1,996	2,241
Amounts written off	4	(138)	(117)
Deconsolidation of subsidiaries, translation adjustments and others	5	(390)	99
Balance at end of year		P16,811	P15,343

9. Inventories

Inventories consist of:

	Note	2025	2024
At net realizable value:			
Finished goods and goods in process (including petroleum products)		P86,336	P111,765
Materials and supplies (including coal)		54,706	60,800
At cost:			
Raw land inventory and real estate projects		4,758	5,790
	4	P145,800	P178,355

The cost of finished goods and goods in process amounted to P87,734 and P112,395 as at December 31, 2025 and 2024, 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 P298 and decreased by P130 as at December 31, 2025 and 2024, respectively.

The cost of materials and supplies amounted to P55,723 and P61,775 as at December 31, 2025 and 2024, respectively.

Inventories (including distribution or transshipment costs) charged to cost of sales amounted to P879,570, P1,008,671 and P921,860 in 2025, 2024 and 2023, respectively (Note 28).

The movements in the allowance for write-down of inventories to net realizable value and inventory obsolescence are as follows:

	Note	2025	2024
Balance at beginning of year		P1,605	P1,686
Provisions - net	28, 29	1,193	293
Write-off and others		(383)	(374)
Balance at end of year	4	P2,415	P1,605

Provisions for inventory losses amounted to P1,224 and P296 in 2025 and 2024, respectively. Reversals of provision for inventory losses pertain to inventories sold amounting to P31 and P3 in 2025 and 2024, 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 28 and 29).

The fair value of agricultural produce less costs to sell, which formed part of the cost of finished goods inventory, amounted to P133 and P138 as at December 31, 2025 and 2024, respectively, with corresponding costs at point of harvest amounting to P106 and P113, respectively. Net unrealized gain on fair valuation of agricultural produce amounted to P27, P25 and P8 in 2025, 2024 and 2023, respectively (Note 27).

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, 2025 and 2024, based on management's assessment.

The fair value of raw land inventory amounted to P29,614 and P29,533 as at December 31, 2025 and 2024, 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 Taxes and Licenses

Prepaid taxes and licenses consist of:

	<i>Note</i>	2025	2024
Prepaid taxes and licenses		P69,773	P74,953
Input VAT		33,332	51,069
	25	P103,105	P126,022

Prepaid taxes and licenses consist mainly of real property tax paid in advance, unused creditable withholding taxes, excise tax and excess tax credits which can be utilized as a deduction against future income tax payable.

Input VAT arises mainly from purchases of goods and services which will be applied to output VAT in the normal course of business.

11. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of:

	<i>Note</i>	2025	2024
Restricted cash - current	4, 20, 41, 42	P22,512	P18,422
Prepaid expenses	35	4,023	3,641
Advances to contractors and suppliers		1,410	6,731
Derivative assets	41, 42	1,364	1,198
Prepaid insurance		670	476
Financial assets at amortized cost - current portion	4, 13, 41, 42	601	576
Financial assets at FVPL	13, 35, 41, 42	398	438
Prepaid rent		202	227
Catalyst		178	180
PSALM monthly fee outage credits		-	96
Others	35, 36, 37	331	173
		P31,689	P32,158

Restricted cash - current represents mainly: (i) cash in banks maintained by SMC NAIAX, SMCTC, MMSS3, 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 SMGP BESS, LPI, MPI, MPGC and MPCL, (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.

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 (Note 35).

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 advance payments for certain land acquisitions which are intended for future development.

The methods and assumptions used to estimate the fair values of derivative assets and financial assets at FVPL are discussed in Note 42.

12. Investments and Advances

The movements in investments and advances are as follows:

	<i>Note</i>	2025	2024
Investments in Shares of Stock of Associates and Joint Ventures - at Equity			
Acquisition Cost			
Balance at beginning of year		P25,516	P21,290
Additions	5	13,439	4,224
Fair value of remaining interests in the deconsolidated subsidiaries	5	52,706	-
Reclassification		106	2
Balance at end of year		91,767	25,516
Accumulated Equity in Net Earnings			
Balance at beginning of year		3,470	2,421
Equity in net earnings		11,482	2,364
Share in other comprehensive income		212	9
Share in movement of equity reserves		(11,456)	-
Dividends		(1,137)	(1,180)
Reclassification		(122)	(144)
Balance at end of year		2,449	3,470
		94,216	28,986
Advances for Investments	5	33,042	23,962
	4	P127,258	P52,948

Investments in Shares of Stock of Associates

a. SPPC, EERI, IPIEC and Linseed Field Corporation (LFC)

The Parent Company through San Miguel Global Power owns 33% equity interest of SPPC, EERI and IPIEC, and 32.98% equity interest of LFC as at December 31, 2025.

On January 27, 2025, San Miguel Global Power completed the following transactions with CGHI: (a) investment by CGHI of 67% equity interests in SPPC, EERI and IPIEC, which resulted to the dilution of San Miguel Global Power's ownership interest in each of the three subsidiaries from 100% to 33%; and (b) acquisition by CGHI and San Miguel Global Power of 67% and 32.98% equity interest, respectively, in LFC.

San Miguel Global Power paid P4,340 for the acquisition of 32.98% equity interests in LFC, classified as "Investments in shares of stock of associates and joint ventures" under "Investment and advances - net" account in the consolidated statement of financial position as at December 31, 2025.

For the year ended December 31, 2025, the Group recognized share in net earnings of EERI, SPPC, IPIEC and LFC amounting to P8,708, presented under "Equity in net earnings of associates and joint ventures" account in the consolidated statement of income.

For the year ended December 31, 2025, the Group recognized share in the movement of equity reserves of EERI, SPPC, IPIEC and LFC amounting to P11,456.

SPPC, EERI and IPIEC respectively own the brownfield 1,278 MW Ilijan Power Plant, the greenfield 1,320 MW BCCPP and the land on which EERI's gas-fired power plant and related facilities, as well as the Batangas LNG Terminal are located. LFC owns the Batangas LNG Terminal, which receives, stores and processes LNG to fuel for SPPC's Ilijan Power Plant and for EERI's BCCPP.

b. BankCom

The Parent Company through SMPI and SMCEC owns 31.94% and 4.87% equity interest in BankCom, respectively, as at December 31, 2025 and 2024.

As at December 31, 2025 and 2024, the fair value of the indirect equity investment by the Parent Company in common shares of stock of BankCom amounted to P4,752 and P3,486, respectively.

BankCom provides services such as deposit products, loans and trade finance, domestic and foreign fund transfers, foreign exchange, credit card and trust services.

c. Manila North Harbour Port, Inc. (MNHPI)

The Parent Company through SMHC owns 50% of the outstanding capital stock of MNHPI as at December 31, 2025 and 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 36 berths which can accommodate all types of vessels such as containerized and non-container type vessels.

d. New NAIA Infra Corp. (NNIC)

The Parent Company through SMHC owns 33% of the outstanding capital stock of NNIC as at December 31, 2025 and 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 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 as at December 31, 2025 and 2024. 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 P3, P12 and P498 in 2025, 2024 and 2023, respectively (Note 34).

- b. San Miguel Global Power and its subsidiaries made deposits to certain landholding companies amounting to P20,988 and P14,307 as at December 31, 2025 and 2024, respectively. These deposits will be applied against future stock subscriptions.
- c. 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:

Country of Incorporation	December 31, 2025												December 31, 2024													
	SPPC, EERI, IPIEC and LFC		Angat Hydro and KWPP		BankCom		MNHPI		NNIC		Others		Total		Angat Hydro and KWPP		BankCom		MNHPI		NNIC		Others		Total	
	Philippines		Philippines		Philippines		Philippines		Philippines		Philippines				Philippines		Philippines		Philippines		Philippines		Philippines			
	32.98% - 33.00%	60.00%	36.81%	50.00%	33.00%										60.00%	36.81%	50.00%	33.00%								
Percentage of ownership	P 8,708	P 497	P 1,203	P 1,307	(P 324)	P 91	P 11,482							P 348	P 1,022	P 1,101	(P 304)	P 197	P 2,364							
Share in net income (loss)																										
Share in other comprehensive income (loss)	-	(2)	187	23	-	4	212							4	3	1	-	1	9							
Share in total comprehensive income (loss)	P 8,708	P 495	P 1,390	P 1,330	(P 324)	P 95	P 11,694							P 352	P 1,025	P 1,102	(P 304)	P 198	P 2,373							
Dividends received	P -	P -	P 232	P 550	P -	P 355	P 1,137							P -	P 130	P 1,050	P -	P -	P 1,180							
Carrying amounts of investments in shares of stock of associates and joint ventures	P 57,578	P 5,166	P 15,293	P 5,338	P 3,596	P 7,245	P 94,216							P 4,671	P 14,135	P 4,594	P 3,920	P 1,666	P 28,986							

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, 2025						December 31, 2024					
	SPPC, EERI, IPIEC and LFC	Angat Hydro and KWPP	BankCom	MNHPI	NNIC	Others	Angat Hydro and KWPP	BankCom	MNHPI	NNIC	Others	
Current assets	P76,179	P2,237	P99,236	P2,748	P15,390	P21,760	P1,342	P200,400	P1,960	P14,874	P6,355	
Noncurrent assets	139,052	16,414	187,617	9,234	48,200	24,479	16,927	65,040	8,258	48,022	3,260	
Current liabilities	(47,291)	(391)	(231,416)	(1,072)	(9,759)	(14,609)	(2,019)	(209,265)	(804)	(7,769)	(6,115)	
Noncurrent liabilities	(27,035)	(11,820)	(18,859)	(2,288)	(42,972)	(12,245)	(10,636)	(22,945)	(2,451)	(43,285)	(268)	
Net assets	P140,905	P6,440	P36,578	P8,622	P10,859	P19,385	P5,614	P33,230	P6,963	P11,842	P3,232	
Sales	P117,353	P2,700	P15,318	P6,407	P10,994	P9,516	P2,357	P13,164	P5,848	P2,797	P6,321	
Net income (loss)	P27,818	P829	P3,540	P2,614	(P983)	P1,024	P578	P3,025	P2,202	(P920)	P166	
Other comprehensive income (loss)	-	(3)	659	45	-	12	7	9	3	-	4	
Total comprehensive income (loss)	P27,818	P826	P4,199	P2,659	(P983)	P1,036	P585	P3,034	P2,205	(P920)	P170	

13. Investments in Equity and Debt Instruments

Investments in equity and debt instruments consist of:

	<i>Note</i>	2025	2024
Government and other debt securities		P13,303	P13,286
Equity securities		34,056	7,311
Proprietary membership shares and others		1,502	1,467
	4, 41, 42	48,861	22,064
Less current portion	11	999	1,014
		P47,862	P21,050

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 P705 and P680 as at December 31, 2025 and 2024, respectively. The investments in government securities bear fixed annual interest rates ranging from 3.38% to 7.85% in 2025 and 2.63% to 6.25% in 2024 and with maturities up to 2027 (Note 33).
- 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, 2025 and 2024 and by Petrogen classified as financial assets at FVOCI amounting to P700 and P669 as at December 31, 2025 and 2024, respectively (Note 35).

The investments in debt securities bear annual average interest rate of 6.90% in 2025 and 2024 and with maturities up to 2029 (Notes 33 and 35).

Income earned from the investments in government and other debt securities amounted to P1,723, P974 and P964 in 2025, 2024 and 2023, respectively (Notes 33, 34 and 35).

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 P143 and P162 as at December 31, 2025 and 2024, respectively.
- 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, 2025 and 2024 (Note 35).

Dividend income from the investment in preferred shares of stock of BankCom amounted to P220 and P303 in 2025 and 2024, respectively, presented as part of "Dividend income" under "Other income (charges) - net" account in the consolidated statements of income (Notes 34 and 35).

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.

- c. San Miguel Global Power's investment in the shares of stock of Meralco, consists of 46,596,596 common shares amounting to P574.00 per share or P26,746 as at December 31, 2025. Consequently, San Miguel Global Power recognized a revaluation gain of P22,445, presented under "Net gain on financial assets at fair value through other comprehensive income" account in the consolidated statement of comprehensive income for the year ended December 31, 2025.

Dividend income from the investment in common stock of Meralco amounted to P501 in 2025, presented as part of "Dividend income" under "Other income (charges) - net" account in the consolidated statement of income (Note 34).

- d. San Miguel Global Power's investment in SPPC, EERI, IPIEC, and LFC consists of 110,000 redeemable preferred shares amounting to P11 as at December 31, 2025 (Note 35).

The redeemable preferred shares are: (i) redeemable at the option of the issuer at the issue price, after all dividends to which it is entitled have been fully paid, and, once redeemed, shall not be reissuable; (ii) entitled to dividends as determined by the BOD of issuer; (iii) shall have preference in the distribution of dividends over common shares/all other classes of shares; and (iv) no voting rights except on fundamental matters prescribed under Section 6 of the RCC.

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 P44,672, P243 and P155 in 2025, 2024 and 2023, respectively, in the consolidated statements of comprehensive income.

The movements in investments in equity and debt instruments are as follows:

	Note	2025	2024
Balance at beginning of year		P22,064	P20,983
Additions		5,008	2,107
Fair value gain		22,507	340
Amortization of premium		13	15
Redemption/disposals		(732)	(1,384)
Currency translation adjustments and others		1	3
Balance at end of year	4, 11, 41, 42	P48,861	P22,064

The investments in equity and debt instruments are classified as follows:

	Note	2025	2024
Noncurrent			
Financial assets at FVOCI		P35,770	P8,988
Financial assets at amortized cost	<i>4</i>	11,604	11,604
Financial assets at FVPL		488	458
		47,862	21,050
Current			
Financial assets at amortized cost	<i>4</i>	601	576
Financial assets at FVPL		398	438
	<i>11</i>	999	1,014
		P48,861	P22,064

The methods and assumptions used to estimate the fair value of investments in equity and debt instruments are discussed in Notes 3, 4 and 42.

14. Property, Plant and Equipment

Property, plant and equipment consist of:

Cost	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
January 1, 2024										
Additions		P58,324	P93,452	P225,369	P194,507	P19,845	P260,596	P12,681	P198,417	P1,063,191
Acquisition of a subsidiary	12	3,757	855	2,741	968	893	7,258	389	78,200	95,061
Disposals/retirement		1,414	-	-	-	-	22	-	14	1,450
Reclassifications and others	15, 16	(135)	(110)	-	(36)	(1,459)	(3,689)	(1)	(39)	(5,469)
Currency translation adjustments		1,907	8,633	128,627	3,343	122	18,121	4,040	(84,396)	80,397
		215	449	-	1,963	725	1,259	(21)	91	4,681
December 31, 2024										
Additions		65,482	103,279	356,737	200,745	20,126	283,567	17,088	192,287	1,239,311
Deconsolidation of subsidiaries	5	1,292	765	1,814	754	375	6,853	229	45,265	57,347
Disposals/retirement		(1,619)	(422)	(64,553)	-	-	(467)	-	(34,368)	(101,429)
Reclassifications and others	16	(7)	(45)	-	(4)	(119)	(7,205)	(27)	(117)	(7,524)
Currency translation adjustments		(829)	15,908	33,519	2,491	219	10,197	2,886	(63,669)	732
		383	586	-	3,350	1,257	1,860	9	146	7,591
December 31, 2025		64,702	120,071	327,517	207,336	21,858	294,805	20,195	139,544	1,196,028
Accumulated Depreciation										
January 1, 2024		4,962	24,789	40,308	76,218	15,376	130,322	3,342	-	295,317
Depreciation	6, 30	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	293	3,386	(2)	-	2,993
Currency translation adjustments		2	244	-	920	388	782	(7)	-	2,319
December 31, 2024		4,776	27,872	51,158	83,640	15,445	145,237	4,114	-	332,242
Depreciation	6, 30	538	3,092	14,735	7,524	836	15,153	944	-	42,822
Deconsolidation of subsidiaries	5	(9)	(36)	(4,231)	-	-	(29)	-	-	(4,305)
Disposals/retirement		(7)	(29)	-	(1)	(119)	(4,353)	(6)	-	(4,515)
Reclassifications		(102)	1,556	(235)	10	1	(959)	5	-	276
Currency translation adjustments		3	295	-	1,598	767	1,202	6	-	3,871
December 31, 2025		5,199	32,750	61,427	92,771	16,930	156,251	5,063	-	370,391
Accumulated Impairment										
January 1, 2024		-	3,303	-	-	-	11,008	26	65	14,402
Impairment	34	-	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
Impairment	34	274	-	-	104	12	684	-	92	1,166
Disposals/retirement		-	(6)	-	-	-	(106)	-	-	(112)
Reclassifications		-	(2)	-	-	-	44	-	-	42
Currency translation adjustments		-	130	-	1	-	339	2	-	472
December 31, 2025		274	3,988	-	105	12	12,417	27	364	17,187
Carrying Amount										
December 31, 2024		P60,706	P71,541	P305,579	P117,105	P4,681	P126,874	P12,949	P192,015	P891,450
December 31, 2025		P59,229	P83,333	P266,090	P114,460	P4,916	P126,137	P15,105	P139,180	P808,450

“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 P43,988, P36,818 and P32,247 in 2025, 2024 and 2023, respectively (Notes 30 and 34). These amounts include annual amortization of capitalized borrowing costs amounting to P1,678, P1,252 and P1,213 in 2025, 2024 and 2023, 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 (Notes 15 and 36); (b) the full settlement of all obligations under the Settlement Agreement with TPEC and TSC in March 2025 (Note 18); (c) 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 16); and (d) 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 was recognized as part of “Property, plant and equipment” and “Investment property” accounts at P110 and P33, respectively, presented as part of “Additions” (Notes 16 and 45).

Additions to property, plant and equipment in 2025 and 2024, include noncash or unpaid portion of payables amounting to P11,177 and P18,244, respectively, which represent noncash investing activities.

The Group has capitalized borrowing costs amounting to P2,881 and P5,061 in 2025 and 2024, respectively. The capitalization rates used to determine the amount of interest eligible for capitalization ranged from 2.95% to 8.28% and 2.81% to 9.43% in 2025 and 2024, respectively. The unamortized capitalized borrowing costs amounted to P31,385 and P30,182 as at December 31, 2025 and 2024, respectively.

Certain fully depreciated property, plant and equipment with aggregate costs of P129,922 and P116,544 as at December 31, 2025 and 2024, respectively are still being used in the Group’s operations.

As at December 31, 2025 and 2024, certain property, plant and equipment amounting to P294,127 and P269,015, respectively, were pledged as security for syndicated project finance loans (Note 23).

15. Right-of-Use Assets

Right-of-use assets consist of:

Cost	Note	Land	Buildings and Improvements	Power Plants	Service Stations and Other Equipment	Machinery and Equipment	Total
January 1, 2024		P17,548	P1,163	P113,399	P69	P648	P132,827
Additions		7,470	208	-	-	61	7,739
Disposals/retirement		(313)	(291)	-	-	(1)	(605)
Remeasurement, reclassifications and others	14, 45	(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
Additions		2,040	1,885	-	5	135	3,865
Deconsolidation of subsidiaries	5	(591)	-	-	-	-	(591)
Disposals/retirement		(336)	(122)	-	(8)	(9)	(475)
Remeasurement, reclassifications and others		(798)	281	-	5	(4)	(516)
Currency translation adjustments		611	13	-	6	26	656
December 31, 2025		20,470	2,919	34,464	81	845	58,779
Accumulated Depreciation							
January 1, 2024		5,527	803	17,854	19	522	24,725
Depreciation	30	955	185	3,143	4	64	4,351
Disposals/retirement		(86)	(227)	-	-	(1)	(314)
Remeasurement, reclassifications and others	14, 45	(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
Depreciation	30	808	220	1,004	5	81	2,118
Deconsolidation of subsidiaries	5	(63)	-	-	-	-	(63)
Disposals/retirement		(192)	(120)	-	(8)	(9)	(329)
Remeasurement, reclassifications and others		(165)	162	-	5	2	4
Currency translation adjustments		275	9	-	1	14	299
December 31, 2025		5,777	976	7,027	26	668	14,474
Accumulated Impairment							
January 1, 2024		88	-	-	-	-	88
Currency translation adjustments		5	-	-	-	-	5
December 31, 2024		93	-	-	-	-	93
Currency translation adjustments		2	-	-	-	-	2
December 31, 2025		95	-	-	-	-	95
Carrying Amount							
December 31, 2024		P14,337	P357	P28,441	P50	P117	P43,302
December 31, 2025		P14,598	P1,943	P27,437	P55	P177	P44,210

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 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 P2,118, P4,351 and P4,899 in 2025, 2024 and 2023, respectively (Note 30).

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 14 and 36) and the reversal of right-of-use assets recognized previously by Petron due to pretermination of the lease contracts with Philippine National Oil Company (PNOC) as a result of the conveyance of the landholdings (Note 45).

No impairment loss was recognized in 2025, 2024 and 2023.

The Group recognized interest expense related to these leases amounting to P2,200, P2,803 and P3,772 in 2025, 2024 and 2023, respectively (Note 32).

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 P118, P15 and P4,018, respectively, in 2025, P169, P18 and P3,621, respectively, in 2024, and P194, P8 and P3,294, respectively, in 2023 (Notes 28 and 29).

The Group had total cash outflows for leases of P18,246, P26,610 and P28,222 in 2025, 2024 and 2023, respectively.

16. Investment Property

Investment property consist of:

	Note	Land, Land and Leasehold Improvements	Buildings and Improvements	Machinery and Equipment	Construction in Progress	Right-of-Use Asset	Total
Cost							
January 1, 2024		P58,080	P20,220	P68	P2,954	P20,786	P102,108
Additions		4,873	171	-	3,230	1,744	10,018
Acquisition of a subsidiary		390	-	-	-	-	390
Reclassifications	14	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
Additions		2,722	106	-	1,210	2,319	6,357
Deconsolidation of subsidiaries	5	(219)	-	-	(916)	-	(1,135)
Reclassifications	14	4,187	226	15	(412)	138	4,154
Disposals/retirement		(148)	(24)	-	-	(314)	(486)
Currency translation adjustments		434	1,384	-	8	1,295	3,121
December 31, 2025		70,863	23,113	79	5,703	26,295	126,053
Accumulated Depreciation							
January 1, 2024		855	12,841	17	-	8,860	22,573
Depreciation	30	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
Depreciation	30	12	723	2	-	1,532	2,269
Reclassifications		(7)	(133)	15	-	(57)	(182)
Disposals/retirement		-	(24)	-	-	(314)	(338)
Currency translation adjustments		-	944	-	-	641	1,585
December 31, 2025		1,635	15,656	38	-	12,116	29,445
Accumulated Impairment							
January 1, 2024		8	-	-	14	-	22
Impairment	34	-	-	-	2	-	2
Reclassifications and others		-	-	-	(2)	-	(2)
December 31, 2024		8	-	-	14	-	22
Impairment	34	108	21	-	24	-	153
Reclassifications and others		-	-	-	1	-	1
Currency translation adjustments		1	-	-	-	-	1
December 31, 2025		117	21	-	39	-	177
Carrying Amount							
December 31, 2024		P62,249	P7,275	P43	P5,799	P12,543	P87,909
December 31, 2025		P69,111	P7,436	P41	P5,664	P14,179	P96,431

Total depreciation recognized in the consolidated statements of income amounted to P2,269, P2,140 and P2,046 in 2025, 2024 and 2023, respectively (Note 30).

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 Multi-Ventures Investment Holdings, Inc. (Note 14).

Additions in investment property in 2024 include land recognized by Petron arising from the reversal of the reconveyance of land declared as property dividends in 1993 amounting to P33 (Notes 14 and 45).

Impairment loss of P153, P2 and P14 was recognized in 2025, 2024 and 2023, respectively (Note 34).

There are no other direct selling and administrative expenses other than depreciation and real property taxes arising from investment property that generated income in 2025, 2024 and 2023.

The fair value of investment property amounting to P214,939 and P187,191 as at December 31, 2025 and 2024, 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 ranges from 2% to 7%.

17. Biological Assets

Biological assets consist of:

	Note	2025	2024
Current:			
Growing stocks		P2,218	P2,446
Goods in process		856	795
		3,074	3,241
Noncurrent:			
Breeding stocks - net		2,661	2,652
	4	P5,735	P5,893

Growing stocks pertain to growing broilers and hogs, while goods in process pertain to hatching eggs.

The amortization of breeding stocks recognized in the consolidated statements of income amounted to P3,508, P3,339 and P4,054 in 2025, 2024 and 2023, respectively (Note 30).

The movements in biological assets are as follows:

	Note	2025	2024
Cost			
Balance at beginning of year		P5,907	P6,210
Increase (decrease) due to:			
Production		66,888	61,112
Purchases		1,437	897
Mortality		(280)	(338)
Harvest		(64,681)	(58,580)
Retirement		(3,515)	(3,394)
Balance at end of year		5,756	5,907
Accumulated Amortization			
Balance at beginning of year		14	28
Amortization	30	3,508	3,339
Retirement		(3,501)	(3,353)
Balance at end of year		21	14
Carrying Amount		P5,735	P5,893

The Group harvested approximately 600.6 million and 574.0 million kilograms of grown broilers in 2025 and 2024, respectively, and 0.03 million heads of marketable hogs in 2025 and 2024.

The aggregate fair value less estimated costs to sell of agricultural produce harvested during the year, determined at point of harvest amounted to P66,193 and P61,738 in 2025 and 2024, respectively.

18. Goodwill and Other Intangible Assets

Goodwill and other intangible assets consist of:

	2025	2024
Goodwill	P186,145	P184,994
Other intangible assets	359,842	340,496
	P545,987	P525,490

The movements in goodwill are as follows:

	Note	2025	2024
Gross Carrying Amount			
Balance at beginning of year		P186,814	P184,660
Additions	40	-	1,488
Cumulative translation adjustments and others		1,239	666
Balance at end of year		188,053	186,814
Accumulated Impairment			
Balance at beginning of year		1,820	1,869
Cumulative translation adjustments		88	(49)
Balance at end of year		1,908	1,820
	4	P186,145	P184,994

The movements in other intangible assets with indefinite useful lives are as follows:

	Licenses	Trademarks and Brand Names	Total
Cost			
January 1, 2024	P2,132	P440	P2,572
Currency translation adjustments	111	12	123
December 31, 2024	2,243	452	2,695
Currency translation adjustments	209	3	212
December 31, 2025	2,452	455	2,907
Accumulated Impairment			
January 1, 2024	-	223	223
Currency translation adjustments	-	12	12
December 31, 2024	-	235	235
Currency translation adjustments	-	4	4
December 31, 2025	-	239	239
Carrying Amount			
December 31, 2024	P2,243	P217	P2,460
December 31, 2025	P2,452	P216	P2,668

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, 2024		P207,200	P118,853	P6,978	P13,550	P22,645	P369,226
Additions	8	10,927	27,753	4	51	1,644	40,379
Acquisition of subsidiaries		-	-	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
Additions		14,232	12,012	184	-	1,579	28,007
Deconsolidation of subsidiaries	5	-	-	-	-	(9)	(9)
Reclassifications and others	14	573	427	(2)	24	(1,453)	(431)
Currency translation adjustments		-	-	-	-	108	108
December 31, 2025		233,324	159,408	8,137	13,622	24,544	439,035
Accumulated Amortization							
January 1, 2024		56,535	2,449	1,235	850	3,829	64,898
Amortization	30	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
Amortization	30	7,126	314	310	349	353	8,452
Deconsolidation of subsidiaries	5	-	-	-	-	(5)	(5)
Reclassifications and others		-	-	6	-	(16)	(10)
Currency translation adjustments		-	-	-	-	100	100
December 31, 2025		70,638	3,134	1,845	1,532	4,673	81,822
Accumulated Impairment							
January 1, 2024		-	-	-	-	39	39
December 31, 2025 and 2024		-	-	-	-	39	39
Carrying Amount							
December 31, 2024		P155,007	P144,149	P6,426	P12,415	P20,039	P338,036
December 31, 2025		P162,686	P156,274	P6,292	P12,090	P19,832	P357,174

The Group has capitalized borrowing costs amounting to P43 and P30 in 2025 and 2024, respectively. The capitalization rates used to determine the amount of interest eligible for capitalization ranged from 6.76% to 8.20% and 8.81% to 8.91% in 2025 and 2024, respectively. The unamortized capitalized borrowing costs amounted to P39 as at December 31, 2025 and 2024.

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:

	2025		2024	
	Goodwill	Licenses, Trademarks and Brand Names	Goodwill	Licenses, Trademarks and Brand Names
Energy	P69,944	P -	P69,944	P -
Cement	53,920	-	53,923	-
Fuel and oil	31,792	-	30,757	-
Infrastructure	23,100	-	23,105	-
Packaging	3,676	-	3,552	-
Food and beverage	3,639	2,668	3,639	2,460
Others	74	-	74	-
Total	P186,145	P2,668	P184,994	P2,460

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% to 7% and 1% to 10% in 2025 and 2024, 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 5% to 10% and 6% to 10% in 2025 and 2024, 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 2025 and 2024. Impairment loss recognized in 2023 amounted to P188 (Notes 4 and 34).

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 6% and 2% to 5% in 2025 and 2024, 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 12% and 7% to 12% in 2025 and 2024, respectively. 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 2025, 2024 and 2023.

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, 2025 and 2024, certain other intangible assets amounting to P73,833 and P96,021, respectively, were pledged as security for syndicated project finance loans (Note 23).

19. Contract Assets

Contract assets consist of:

	2025	2024
Balance at beginning of year	P56,028	P39,138
Additions	8,931	12,166
Recoupment of advances	1,232	1,220
Others	3,372	3,504
Balance at end of year	P69,563	P56,028

Contract asset represents the conditional right of the Group to receive the consideration under the Concession Agreement upon substantial completion of the MRT 7 Project. The contract asset is reclassified to financial asset and/or an intangible asset based on the relevant terms of the Concession Agreement.

The recoupment of advances is based on the progress billings made by the contractors for the percentage of accomplishment of their work. The Group made advances to contractors prior to the execution of the Accession Agreement in 2017.

The MRT 7 Project is an integrated transportation system which consists of a highway, Intermodal Transport Terminal and Metro Rail Transit System, including a depot and rolling stock, aimed to address the transportation needs of passengers and to alleviate traffic in Metro Manila, particularly traffic going to and coming from North Luzon.

“Others” consist mainly of capitalized expenditures.

20. Other Noncurrent Assets

Other noncurrent assets consist of:

	<i>Note</i>	2025	2024
Advances to contractors and suppliers		P29,695	P27,005
Deferred containers - net	4	22,058	20,643
Restricted cash	4, 41, 42	6,265	5,400
Noncurrent receivables and deposits - net	4, 8, 35, 36, 41, 42	6,155	8,797
Deposits on land for future development		4,743	4,987
Derivative assets - noncurrent	3, 41, 42	2,300	1,584
Retirement assets	37	1,317	77
Idle assets	4	964	1,296
Noncurrent prepaid expense		528	527
Catalyst		413	515
Noncurrent prepaid rent		167	299
Deferred exploration and development costs	4	92	92
Noncurrent prepaid input tax		32	66
Others		2,871	2,334
		P77,600	P73,622

The movements in deferred containers - net are as follows:

	<i>Note</i>	2025	2024
Gross Carrying Amount			
Balance at beginning of year		P46,284	P38,601
Additions		8,610	11,355
Disposals/retirement/reclassifications		(3,683)	(3,673)
Currency translation adjustments		(38)	1
Balance at end of year		51,173	46,284
Accumulated Depreciation			
Balance at beginning of year		25,096	20,189
Depreciation	30	5,832	4,834
Disposals/retirement/reclassifications		(2,337)	69
Currency translation adjustments		(1)	4
Balance at end of year		28,590	25,096
Accumulated Impairment			
Balance at beginning of year		545	928
Impairment	29, 34	260	-
Retirement/reclassifications		(280)	(383)
Balance at end of year		525	545
		P22,058	P20,643

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” in 2024.

Noncurrent receivables and deposits include amounts owed by related parties amounting to P3,240 and P4,412 as at December 31, 2025 and 2024, respectively (Note 35) and are presented net of allowance for impairment losses amounting to P268 and P590 as at December 31, 2025 and 2024, respectively (Note 4).

Restricted cash mainly represents:

- i. MPCL’s cash flow waterfall accounts and environmental guarantee fund amounting to P3,148 and P2,974 as at December 31, 2025 and 2024, respectively;
- ii. LPI, MPGC and SMGP BESS’ cash flow waterfall accounts amounting to P2,301 and P1,654 as at December 31, 2025 and 2024, respectively;
- iii. Cash in bank maintained by NCC in accordance with the specific purpose and term as required under its loan agreement, amounting to P578 and P554 as at December 31, 2025 and 2024, respectively;
- iv. Rehabilitation funds established by Solid North Mineral Corp. (SNMC), NCC and ECC in compliance with DENR Administrative Order No. 2005-07 for environmental protection and enhancement amounting to P179 and P157 as at December 31, 2025 and 2024, respectively; and
- v. Deposit in escrow by ECC for a pending legal case amounting to P59 and P56 as at December 31, 2025 and 2024, respectively.

The methods and assumptions used to estimate the fair values of noncurrent receivables and deposits, and restricted cash are discussed in Note 42.

“Others” include marketing assistance to dealers and other noncurrent prepaid expenses.

21. Loans Payable

Loans payable consist of:

	<i>Note</i>	2025	2024
Parent Company			
Peso-denominated		P25,575	P49,903
Foreign currency-denominated		41,013	17,323
Subsidiaries			
Peso-denominated		162,741	201,697
Foreign currency-denominated		1,263	24,307
	<i>40, 41, 42</i>	P230,592	P293,230

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 4.00% to 7.05% and from 3.96% to 8.32% in 2025 and 2024, respectively. Interest rates per annum for foreign currency-denominated loans ranged from 3.71% to 6.16% and 3.96% to 8.00% in 2025 and 2024, respectively (Note 32).

Loans payable include interest-bearing amounts payable to BankCom amounting to P2,131 and P6,941 as at December 31, 2025 and 2024, respectively (Note 35).

The movements in debt issue costs are as follows:

	Note	2025	2024
Balance at beginning of year		P31	P -
Additions		345	63
Amortization	32	(236)	(32)
Balance at end of year		P140	P31

22. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of:

	Note	2025	2024
Trade	36	P118,220	P120,062
Non-trade		101,051	135,587
Customers' deposits		14,893	14,101
Accrued interest payable		6,321	6,215
Accrued payroll		6,059	6,105
Amounts owed to related parties	35	2,826	2,066
Derivative liabilities	41, 42	1,999	1,890
Deferred liability on consumer loyalty program		1,054	831
Retention payable		398	947
Current portion of IRO	4	339	581
Retirement liabilities	37	104	170
Deferred income		90	83
Redeemable preferred shares	4	19	19
Others		650	381
	41, 42	P254,023	P289,038

Trade payables are non-interest bearing and are generally on a 30 to 60-day term.

Non-trade payables include liability relating to power rate adjustments, payables to contractors, guarantee deposits, freight, contracted services, rent and other 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, 2025 and 2024, 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 42.

23. Long-Term Debt

Long-term debt consists of:

	2025	2024
Parent Company		
Peso-denominated Bonds:		
Fixed interest rate of 7.4458%, 7.8467% and 8.489% maturing in 2028, 2029 and 2032, respectively (a)	P59,603	P59,446
Fixed interest rate of 5.2704% and 5.8434% maturing in 2027 and 2029, respectively (b)	29,820	29,758
Fixed interest rate of 7.2584% and 7.7197% maturing in 2031 and 2034, respectively (c)	19,777	19,748
Fixed interest rate of 7.465% maturing in 2027 (d)	18,693	18,652
Fixed interest rate of 5.7613% and 7.125% maturing in 2027 and 2028, respectively (e)	10,413	12,835
Peso-denominated Term Notes:		
Fixed interest rate of 6.9375% with maturities up to 2026 (f)	14,950	15,089
Fixed interest rate of 6.3% maturing in 2028 (g)	5,646	-
Fixed interest rate of 7.4998% with maturities up to 2029 (h)	5,060	5,104
Foreign Currency-denominated Term Notes:		
Fixed interest rate of 6.55% maturing in 2028 (i)	8,784	8,630
Fixed interest rate of 6.68% maturing in 2029 (j)	8,771	8,619
Floating interest rate based on Secured Overnight Financing Rate (SOFR) plus margin, maturing in 2029 (k)	115,461	112,973
Floating interest rate based on SOFR plus margin, with maturities up to 2035 (l)	109,275	108,534

Forward

	2025	2024
Floating interest rate based on SOFR plus margin, maturing in 2028 (m)	P77,205	P75,553
Floating interest rate based on SOFR plus margin, maturing in 2026 (n)	52,685	51,564
Floating interest rate based on SOFR plus margin, maturing in 2027 (o)	40,879	40,016
Floating interest rate based on Tokyo Overnight Average Rate (TONA) plus margin, maturing in 2028 and 2030 (p)	22,646	-
Floating interest rate based on SOFR plus margin, maturing in 2028 (q)	17,410	17,054
Floating interest rate based on SOFR plus margin, maturing in 2030 (r)	17,385	-
Floating interest rate based on SOFR plus margin, maturing in 2028 (s)	17,355	16,987
Floating interest rate based on SOFR plus margin, maturing in 2030 (t)	16,874	-
Floating interest rate based on SOFR plus margin, maturing in 2028 (u)	11,602	11,369
Floating interest rate based on SOFR plus margin, maturing in 2026 (v)	5,863	5,751
Floating interest rate based on SOFR plus margin, maturing in 2027 (w)	5,857	5,748
Floating interest rate based on SOFR plus margin, maturing in 2029 (x)	2,917	2,864
	694,931	626,294
Subsidiaries		
Peso-denominated Bonds:		
Fixed interest rate of 7.1051% and 8.0288% maturing in 2028 and 2032, respectively (y)	34,737	39,650
Fixed interest rate of 6.4783%, 6.7026% and 6.9331% maturing in 2030, 2031 and 2034, respectively (z)	34,579	34,529
Fixed interest rate of 6.5945%, 6.9761% and 7.3896% maturing in 2030, 2032 and 2035, respectively (aa)	31,603	-
Fixed interest rate of 4.3368% maturing in 2027 (ab)	8,962	17,917
Fixed interest rate of 5.25% maturing in 2027 (ac)	6,982	14,963
Fixed interest rate of 7.60% maturing in 2026 (ad)	6,918	6,902
Fixed interest rate of 5.1792% maturing in 2026 (ae)	4,752	4,746
Fixed interest rate of 6.625% maturing in 2027 (af)	3,599	3,594
Fixed interest rate of 8.0551% (ag)	-	6,788
Fixed interest rate of 6.4872% (ah)	-	2,498
Peso-denominated Term Notes:		
Fixed interest rate of 7.5758% and 8.0808% with maturities up to 2034 (ai)	41,334	31,854
Fixed interest rate of 8.2104% and 7.7497% with maturities up to 2033 (aj)	36,572	38,503
Fixed interest rate of 7.1913% with maturities up to 2033 (ak)	26,258	28,625
Fixed interest rate of 8.6228% with maturities up to 2029 (al)	26,097	29,415

Forward

	2025	2024
Fixed interest rate of 7.3232% with maturities up to 2032 (am)	P12,334	P9,873
Fixed interest rate of 8.7118% with maturities up to 2027 (an)	12,211	17,731
Fixed interest rate of 8.5915% with maturities up to 2030 (ao)	12,158	13,410
Fixed interest rate of 3.80%, 3.875%, 3.95% and 4.15% with maturities up to 2028 (ap)	11,891	11,894
Fixed interest rate of 6.75%, 6.875%, 7.00% and 7.125% maturing in 2028, 2030, 2032 and 2035, respectively (aq)	10,101	-
Fixed interest rate of 6.9253% maturing in 2027 (ar)	9,966	9,951
Fixed interest rate of 5.7971% and 5.8003% maturing in 2029 and 2031, respectively (as)	9,937	9,925
Fixed interest rate of 4.8356% with maturities up to 2031 (at)	9,875	11,246
Fixed interest rate of 7.5758% with maturities up to 2032 (au)	9,869	9,883
Fixed interest rate of 3.5483% with maturities up to 2029 (av)	9,521	9,662
Fixed interest rate of 7.9276% with maturities up to 2029 (aw)	9,205	9,684
Fixed interest rate of 7.968% and 8.541% maturing in 2028 (ax)	7,464	7,451
Fixed interest rate of 3.846% maturing in 2026 (ay)	6,992	6,981
Fixed interest rate of 7.4941% with maturities up to 2029 (az)	6,973	6,959
Fixed interest rate of 7.8002% with maturities up to 2029 (ba)	6,809	8,173
Fixed interest rate of 6.1566% and 6.2954% with maturities up to 2032 (bb)	4,965	-
Fixed interest rate of 7.0004% with maturities up to 2030 (bc)	4,419	-
Fixed interest rate of 7.1663% with maturities up to 2027 (bd)	3,990	4,483
Fixed interest rate of 6.1858% maturing in 2030 (be)	3,973	-
Fixed interest rate of 5.7513% maturing in 2027 (bf)	2,994	6,986
Fixed interest rate of 8.7815% with maturities up to 2030 (bg)	2,597	3,011
Fixed interest rate of 4.20% maturing in 2026 (bh)	1,998	1,995
Fixed interest rate of 7.4206% with maturities up to 2027 (bi)	1,871	3,114
Fixed interest rate of 7.5496% with maturities up to 2027 (bj)	1,871	3,114
Fixed interest rate of 3.284% with maturities up to 2026 (bk)	1,838	1,889
Fixed interest rate of 6.8182% and 6.7399% with maturities up to 2034 (bl)	995	-
Fixed interest rate of 7.3725%, 7.0071%, 6.8047% and 6.6224% with maturities up to 2033 (bm)	129	129
Fixed interest rate of 5.00% (bn)	-	4,819

Forward

	2025	2024
Fixed interest rate of 6.492% (bo)	P -	P2,370
Fixed interest rate of 5.1657% (bp)	-	1,500
Fixed interest rate of 4.59% (bq)	-	625
Fixed interest rate of 6.8672% (br)	-	624
Floating interest rate based on BVAL plus margin, with maturities up to 2038 (bs)	43,783	30,255
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 (av)	7,616	7,729
Floating interest rate based on BVAL plus margin, with maturities up to 2029 (bt)	4,978	4,969
Floating interest rate based on BVAL plus margin, with maturities up to 2030 (bu)	4,908	6,050
Floating interest rate based on BVAL plus margin, with maturities up to 2030 (bv)	4,473	-
Floating interest rate based on BVAL plus margin or BSP TDF plus margin, whichever is higher, maturing in 2032 (bb)	4,126	-
Floating interest rate based on BVAL plus margin, or BSP Overnight Lending Facility Rate plus margin, whichever is higher, with maturities up to 2030 (bw)	4,120	4,199
Foreign Currency-denominated Term Notes:		
Fixed interest rate of 8.331% with maturities up to 2030 (bx)	15,320	16,494
Fixed interest rate of 5.74% with maturities up to 2030 (by)	11,679	-
Floating interest rate based on SOFR plus margin, with maturities up to 2029 (bz)	28,995	28,347
Floating interest rate based on SOFR plus margin, maturing in 2026 (ca)	17,620	17,249
Floating interest rate based on SOFR plus margin, maturing in 2027 (cb)	17,466	17,085
Floating interest rate based on SOFR plus margin, maturing in 2027 (cc)	17,377	16,954
Floating interest rate based on SOFR plus margin, with maturities up to 2027 (cd)	13,565	27,118
Floating interest rate based on SOFR plus margin, maturing in 2028 (ce)	8,677	-
Floating interest rate based on SOFR plus margin, maturing in 2030 (cf)	5,788	-
Floating interest rate based on SOFR plus margin, with maturities up to 2028 (cg)	5,517	10,227
Floating interest rate based on SOFR plus margin, with maturities up to 2030 (bx)	5,042	5,428
Floating interest rate based on Bank Bill Swap Rate (BBSY) plus margin, with maturities up to 2027 (ch)	1,731	1,603
Floating interest rate based on BBSY plus margin, with maturities up to 2027 (ci)	236	324
Floating interest rate based on BBSY plus margin, with maturities up to 2026 (cj)	9	40

Forward

	Note	2025	2024
Floating interest rate based on SOFR plus margin (ck)		P -	P5,770
Floating interest rate based on SOFR plus margin (cl)		-	2,880
Floating interest rate based on TONA plus margin (cm)		-	788
		662,365	640,975
	40, 41, 42	1,357,296	1,267,269
Less current maturities		176,286	94,123
		P1,181,010	P1,173,146

- 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 8.489% 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 P397 and P554 as at December 31, 2025 and 2024, 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 P180 and P242 as at December 31, 2025 and 2024, 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, for additional investment in the 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 P223 and P252 as at December 31, 2025 and 2024, respectively.

- 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 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 P67 and P108 as at December 31, 2025 and 2024, respectively.

- e. The amount represents the first, third and fourth tranche of the P60,000 Shelf Registered Fixed Rate Bonds issued by the Parent Company amounting to P20,000, 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 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 P7,294 Series B Bonds, P10,000 Series H Bonds and P2,438 Series F Bonds on March 1, 2024, October 4, 2024 and March 19, 2025, respectively.

Unamortized debt issue costs amounted to P26 and P42 as at December 31, 2025 and 2024, respectively.

- f. The amount represents the drawdown by the Parent Company on June 24, 2019 from its term loan facility dated June 20, 2019 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 P1,040 and P880 as at December 31, 2025 and 2024, respectively.

Unamortized debt issue costs amounted to P10 and P31 as at December 31, 2025 and 2024, respectively.

- g. The amount represents the P5,700 Fixed-Rate Corporate Notes due in 2028 issued by the Parent Company on December 23, 2025. The Fixed-Rate Notes were listed on the same day with the PDEX, with an interest rate of 6.3% per annum payable every 23rd of March, June, September and December of each year. The proceeds of the loan were used for general corporate purposes.

Unamortized debt issue costs amounted to P54 as at December 31, 2025.

- h. The amount represents the drawdown by the Parent Company on June 30, 2023 from its term loan facility dated June 26, 2023 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 P104 and P52 as at December 31, 2025 and 2024, respectively.

Unamortized debt issue costs amounted to P36 and P44 as at December 31, 2025 and 2024, respectively.

- i. The amount represents the drawdown by the Parent Company on July 31, 2023 from its term loan facility dated July 21, 2019 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 P34 and P47 as at December 31, 2025 and 2024, respectively.

- j. The amount represents the drawdown by the Parent Company on May 17, 2024 from its term loan facility dated May 13, 2024 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 P47 and P58 as at December 31, 2025 and 2024, respectively.

- k. The amount represents the drawdown by the Parent Company on September 27, 2024 from its term loan facility dated February 8, 2024 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 P2,119 and P2,717 as at December 31, 2025 and 2024, respectively.

- l. The amount represents the drawdown by the Parent Company of US\$1,984 on various dates in 2025, 2024, 2023 and 2022 from its US\$2,165 term loan facility dated March 31, 2022. 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.

The Parent Company paid the scheduled amortization amounting to US\$102 as at December 31, 2025.

Unamortized debt issue costs amounted to P1,407 and P1,535 as at December 31, 2025 and 2024, respectively.

- m. The amount represents the drawdown by the Parent Company of US\$1,330 on various dates in 2023 from its term loan facility dated May 21, 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.

Unamortized debt issue costs amounted to P986 and P1,381 as at December 31, 2025 and 2024, respectively.

- n. The amount represents the drawdown by the Parent Company on various dates in 2022 and 2021 from its term loan facility dated October 21, 2021 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 P226 and P497 as at December 31, 2025 and 2024, respectively.

- o. The amount represents the drawdown by the Parent Company on various dates in 2022 from its term loan facility dated March 28, 2022 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 P274 and P475 as at December 31, 2025 and 2024, respectively.

- p. The amount represents the drawdown by the Parent Company on May 8, 2025 of Facility A and Facility B from its term loan facilities dated March 13, 2025 in the aggregate amount of JPY61,600. The term of Facility A is three years, with an option to extend for an additional two years, while the term of Facility B is five years. Both facilities are subject to floating interest rates. The proceeds of the loan were used for general corporate purposes.

Unamortized debt issue costs amounted to P470 as at December 31, 2025.

- q. The amount represents the drawdown by the Parent Company on September 20, 2023 from its term loan facility dated September 12, 2023 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 P227 and P300 as at December 31, 2025 and 2024, respectively.

- r. The amount represents the drawdown by the Parent Company on December 3, 2025 from its term loan facility dated August 22, 2025 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.

Unamortized debt issue costs amounted to P252 as at December 31, 2025.

- s. The amount represents the drawdown by the Parent Company on November 15 and 24, 2023 of US\$200 and US\$100, respectively, from its term loan facility dated November 6, 2023 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 P282 and P367 as at December 31, 2025 and 2024, respectively.

- t. The amount represents the drawdown of Facility A by the Parent Company totaling US\$300 on July 1, August 5 and October 15, 2025, from its term loan facilities dated February 26, 2025 in the aggregate amount of US\$600. The term of the Tranche A Facility 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 P763 as at December 31, 2025.

- u. The amount represents the drawdown by the Parent Company on July 10, 2023 from its term loan facility dated June 27, 2023 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 P156 and P200 as at December 31, 2025 and 2024, respectively.

- v. The amount represents the drawdown by the Parent Company on December 23, 2021 from its term loan facility dated December 13, 2021 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 P16 and P33 as at December 31, 2025 and 2024, respectively.

- w. The amount represents the drawdown by the Parent Company on August 2, 2022 from its term loan facility dated May 27, 2022 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 P22 and P36 as at December 31, 2025 and 2024, respectively.

- x. The amount represents the drawdown by the Parent Company on August 2, 2024 from its term loan facility dated July 26, 2024 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 P23 and P28 as at December 31, 2025 and 2024, respectively.

- y. 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; (ii) 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.

San Miguel Global Power paid the P5,000 Series K Bonds on July 28, 2025.

Unamortized debt issue costs amounted to P263 and P350 as at December 31, 2025 and 2024, respectively.

- z. 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 P421 and P471 as at December 31, 2025 and 2024, respectively.

- aa. The amount represents the P32,000 Fixed Rate Peso-denominated Bonds issued by Petron on July 7, 2025, divided into: (i) Series G Bonds due in 2030 with an interest rate of 6.5945% per annum; (ii) Series H Bonds due in 2032 with an interest rate of 6.9761% per annum; and (iii) Series I Bonds due in 2035 with an interest rate of 7.3896% per annum. Interest is payable every 7th of January, April, July, and October of each year.

The proceeds of the issuance of the bonds were used for the payment of Series D and Series E Fixed Rate Peso-denominated Bonds, repayment of other existing indebtedness and for general corporate purposes. The Bonds were listed on the PDEX.

Unamortized debt issue costs amounted to P397 as at December 31, 2025.

- ab. 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.

Petron paid the P9,000 Series E Bonds on October 12, 2025.

Unamortized debt issue costs amounted to P38 and P83 as at December 31, 2025 and 2024, respectively.

- ac. 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.

SMFB paid the P8,000 Series A Bonds on March 10, 2025.

Unamortized debt issue costs amounted to P18 and P37 as at December 31, 2025 and 2024, respectively.

- ad. The amount represents the balance of the first tranche of the P60,000 Shelf Registered Fixed Rate Bonds issued by San Miguel Global Power on April 24, 2019 amounting to P16,155. The Bonds were listed on the PDEX.

The Bonds consist of: (i) five-year Series I Bonds, due in 2024 with an interest rate of 7.1783% per annum; and (ii) 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 P9,232 Series I Bonds on April 24, 2024.

Unamortized debt issue costs amounted to P5 and P21 as at December 31, 2025 and 2024, respectively.

- ae. The amount represents the balance of the P15,000 fixed rate bonds issued by San Miguel Global Power on July 11, 2016, comprises ten-year Series C Bonds amounting to P4,756, 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.

Unamortized debt issue costs amounted to P4 and P10 as at December 31, 2025 and 2024, respectively.

- af. The amount represents the balance of the first tranche of the P35,000 Shelf Registered Fixed Rate Bonds issued by San Miguel Global Power on December 22, 2017 amounting to P10,087. The Bonds were listed on the PDEX.

The Bonds consist of: (i) seven-year Series E Bonds, due in 2024 with an interest rate of 6.25% per annum; and (ii) 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 proceeds of the issuance of the bonds were used to refinance Peso-denominated short-term loans.

San Miguel Global Power paid the P6,478 Series E Bonds on December 23, 2024.

Unamortized debt issue costs amounted to P10 and P15 as at December 31, 2025 and 2024, respectively.

- ag. The amount represents the second tranche of the P40,000 Shelf Registered Fixed Rate Bonds issued by Petron amounting to P20,000 on October 19, 2018. The Bonds were listed on the PDEX.

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 issuance of the bonds were used for the payment of short-term loans, redemption of a portion of Petron's Undated Subordinated Capital Securities and for general corporate purposes.

Petron paid the P13,200 Series C Bonds and P6,800 Series D Bonds on April 19, 2024 and October 19, 2025, respectively.

Unamortized debt issue costs amounted to P12 as at December 31, 2024.

- ah. The amount represents the balance of the P7,300 fixed rate bonds issued by SMC SLEX on May 22, 2015, comprises ten-year Series C Bonds amounting to P2,500, 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 bonds on May 22, 2025.

Unamortized debt issue costs amounted P2 as at December 31, 2024.

- ai. The amount represents the drawdown by MPGC from its Omnibus Loan and Security Agreement (OLSA) with various banks dated December 17, 2024 amounting to P32,500 and P9,400 on December 27, 2024 and March 27, 2025, respectively. 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, 2025 and 2024 (Note 35).

Unamortized debt issue costs amounted to P566 and P646 as at December 31, 2025 and 2024, respectively.

- aj. The amount represents the drawdown by SMGP BESS from its P40,000 OLSA with various banks dated October 23, 2023 amounting to P28,000 and P12,000 on October 27, 2023, and March 25, 2024, respectively. The loan is subject to fixed interest rates 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 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 P3,000 and P1,000 as at December 31, 2025 and 2024, respectively.

The drawdown includes payable to BankCom amounting to P5,365 and P5,655 as at December 31, 2025 and 2024, respectively (Note 35).

Unamortized debt issue costs amounted to P428 and P497 as at December 31, 2025 and 2024, respectively.

- ak. The amount represents the drawdown by SMEII on July 14, 2023 from its term loan facility dated July 12, 2023 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.

Payments made amounted to P3,600 and P1,200 as at December 31, 2025 and 2024, respectively.

Unamortized debt issue costs amounted to P142 and P175 as at December 31, 2025 and 2024, respectively.

- al. 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 P17,721 and P14,338 as at December 31, 2025 and 2024, respectively.

Unamortized debt issue costs amounted to P182 and P247 as at December 31, 2025 and 2024, respectively.

- am. The amount represents the drawdown by SMC SLEX amounting to P2,500 and P10,000 on May 19, 2025 and December 12, 2024, respectively, from its term loan facility dated December 9, 2024 amounting to P12,500. 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 pay Series C Fixed Rate Bonds on May 22, 2025 and to refinance existing debt obligations.

Payments made amounted to P62 as at December 31, 2025.

The drawdown includes payable to BankCom amounting to P622 and P500 as at December 31, 2025 and 2024, respectively (Note 35).

Unamortized debt issue costs amounted to P104 and P127 as at December 31, 2025 and 2024, respectively.

- an. 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 P18,758 and P13,203 as at December 31, 2025 and 2024, respectively.

The drawdown includes payable to BankCom amounting to P1,461 and P2,124 as at December 31, 2025 and 2024, respectively (Note 35).

Unamortized debt issue costs amounted to P31 and P66 as at December 31, 2025 and 2024, respectively.

- ao. 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, 2025, the applicable fixed interest rate on the outstanding balance of the loan facility was repriced from 8.2443% to 8.5915% per annum, pursuant to the terms of the OLSA.

Payments made amounted to P9,075 and P7,778 as at December 31, 2025 and 2024, respectively.

The drawdown includes payable to BankCom amounting to P1,837 and P2,031 as at December 31, 2025 and 2024, respectively (Note 35).

Unamortized debt issue costs amounted to P67 and P112 as at December 31, 2025 and 2024, respectively.

- ap. 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 P100 and P79 as at December 31, 2025 and 2024, respectively.

Unamortized debt issue costs amounted to P9 and P27 as at December 31, 2025 and 2024, respectively.

- aq. The amount represents the P10,200 Fixed Rate Notes issued by San Miguel Global Power on August 11, 2025. The notes were divided into: (i) P1,625 with an interest rate of 6.75% per annum due in 2028; (ii) P3,438 with an interest rate of 6.875% per annum due in 2030; (iii) P433 with an interest rate of 7.00% per annum due in 2032; and (iv) P4,704 with an interest rate of 7.125% per annum due in 2035. The notes were enrolled with the PDEX.

The proceeds of the notes were used to refinance existing obligations and for general corporate purposes.

Unamortized debt issue costs amounted to P99 as at December 31, 2025.

- ar. 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 a fixed, repriced interest rate of 6.9253% per annum. 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 P34 and P49 as at December 31, 2025 and 2024, respectively.

- as. The amount represents the loans drawn by SMB amounting to P5,000, P2,000 and P3,000 from its P10,000 unsecured term loan facility executed with various local banks on December 10, 2024. The P5,000 loan is subject to a fixed interest rate of 6.5719% per annum while the P2,000 and P3,000 loans are subject to a fixed interest rate of 6.5719% per annum for one year, subject to repricing on the first and third anniversary from the initial drawdown date. Following the first anniversary of the drawdown, the interest rate of P5,000 was repriced to 5.7971%, while the P2,000 and P3,000 loans were repriced to 5.8003% per annum. The P5,000 and P2,000 are payable in five years and will mature in December 2029, while the P3,000 is payable in seven years and will mature in December 2031.

The proceeds of the loan were used to refinance existing debt obligations.

Unamortized debt issue costs amounted to P63 and P75 as at December 31, 2025 and 2024, respectively.

- at. 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 P2,525 and P1,125 as at December 31, 2025 and 2024, respectively.

The drawdown includes payable to BankCom amounting to P1,756 and P2,002 as at December 31, 2025 and 2024, respectively (Note 35).

Unamortized debt issue costs amounted to P100 and P129 as at December 31, 2025 and 2024, respectively.

- au. The amount represents the drawdown by SSHCI on December 12, 2024 from its term loan facility dated December 9, 2024 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.

Payments made amounted to P50 as at December 31, 2025.

The drawdown includes payable to BankCom amounting to P498 and P500 as at December 31, 2025 and 2024, respectively (Note 35).

Unamortized debt issue costs amounted to P81 and P117 as at December 31, 2025 and 2024, respectively.

- av. 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 dated December 9, 2019 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 P447 and P298 as at December 31, 2025 and 2024, respectively.

Payments made for the floating interest loan amounted to P358 and P238 as at December 31, 2025 and 2024, respectively.

Unamortized debt issue costs for the fixed interest loan amounted to P32 and P40 as at December 31, 2025 and 2024, respectively.

Unamortized debt issue costs for the floating interest loan amounted to P26 and P33 as at December 31, 2025 and 2024, respectively.

- aw. 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 dated July 14, 2024. The loan is subject to a fixed interest rate of 7.9276% per annum and will mature in June 2029. The proceeds of the loan were used to refinance an existing loan.

Payments made amounted to P500 as at December 31, 2025.

Unamortized debt issue costs amounted to P45 and P66 as at December 31, 2025 and 2024, respectively.

- ax. 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 fixed interest rates of 7.968% and 8.541% 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 P36 and P49 as at December 31, 2025 and 2024, respectively.

- ay. The amount represents the drawdown by PF-Hormel on September 29, 2021 from its loan facilities with various banks dated September 23, 2021 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 P8 and P19 as at December 31, 2025 and 2024, respectively.

- az. The amount represents the drawdown by Petron on March 6, 2024 from its term loan facility dated January 16, 2024 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 P27 and P41 as at December 31, 2025 and 2024, respectively.

- ba. 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 P5,160 and P3,780 as at December 31, 2025 and 2024, respectively.

Unamortized debt issue costs amounted to P31 and P47 as at December 31, 2025 and 2024, respectively.

- bb. The amount represents the loan drawn by SMFB on March 7 and August 18, 2025, amounting to P5,000 and P4,200 subject to fixed and floating interest rates respectively, from its term loan facility amounting to P10,000. The loan is amortized for seven years. The proceeds of the loans were used for the payment on March 10, 2025, of the Series A Fixed Rate Peso-denominated Bonds and for general corporate purposes.

Payments made for the floating interest loan amounted to P46 as at December 31, 2025.

Unamortized debt issue costs for the fixed and floating interest loans amounted to P35 and P28, respectively as at December 31, 2025.

- bc. The amount represents the drawdown by SMYPC on January 30, 2025 from its term loan facility dated January 17, 2025 amounting to P5,000. The loan is subject to a fixed interest rate of 7.0004% and with a term of five years. The proceeds of the loan were used to partially refinance maturing obligations and fund general corporate requirements.

Payments made amounted to P553 as at December 31, 2025.

Unamortized debt issue costs amounted to P28 as at December 31, 2025.

- bd. The amount represents the drawdown by Petron on May 19, 2022 from its term loan facility dated May 16, 2022 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.

Payments made amounted to P1,000 and P500 as at December 31, 2025 and 2024, respectively.

Unamortized debt issue costs amounted to P10 and P17 as at December 31, 2025 and 2024, respectively.

- be. The amount represents the drawdown by SMB on May 15, 2025 from its term loan facility dated April 29, 2025 amounting to P4,000 with a term of five years subject to a fixed interest rate of 6.1858% per annum. The proceeds of the loan were used to refinance existing debt obligations.

Unamortized debt issue costs amounted to P27 as at December 31, 2025.

- bf. The amount represents the loans drawn by SMB from a local bank on April 1, 2022 from its term loan facility dated March 21, 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.

Payments made amounted to P4,000 as at December 31, 2025.

Unamortized debt issue costs amounted to P6 and P14 as at December 31, 2025 and 2024, respectively.

- bg. 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 bears a fixed interest rate of 8.7815% per annum, 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 P1,596 and P1,176 as at December 31, 2025 and 2024, respectively.

Unamortized debt issue costs amounted to P7 and P13 as at December 31, 2025 and 2024, respectively.

- bh. 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 P2 and P5 as at December 31, 2025 and 2024, respectively.

- bi. The amount represents the drawdown by Petron on June 15, 2022 from its term loan facility dated June 10, 2022 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 P3,125 and P1,875 as at December 31, 2025 and 2024, respectively.

Unamortized debt issue costs amounted to P4 and P11 as at December 31, 2025 and 2024, respectively.

- bj. The amount represents the drawdown by Petron on June 16, 2022 from its term loan facility dated June 7, 2022 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 P3,125 and P1,875 as at December 31, 2025 and 2024, respectively.

Unamortized debt issue costs amounted to P4 and P11 as at December 31, 2025 and 2024, respectively.

- bk. The amount represents the P2,000 seven-year term loan availed by SMMI on December 19, 2019 from its term loan facility dated December 11, 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 P160 and P107 as at December 31, 2025 and 2024, respectively.

Unamortized debt issue costs amounted to P2 and P4 as at December 31, 2025 and 2024, respectively.

- bl. The amount represents the drawdown by SIDC on December 23, 2025 amounting to P1,000 from its P10,700 term loan facility with local banks dated December 18, 2025. The loan is amortized over eight years and six months and is subject to fixed interest rates of 6.8182% and 6.7399% per annum. The proceeds of the loan were used to partially finance the STAR Widening Project, refinance existing debt and finance all related transaction fees, costs and expenses.

Unamortized debt issue costs amounted to P5 as at December 31, 2025.

bm. The amount represents the drawdown by BWCI on various dates in 2023 amounting to a total of P130 from its P200 OLSA dated January 20, 2023. 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 and P1 as at December 31, 2025 and 2024, respectively.

bn. The amount represents the drawdown by San Miguel Global Power on May 28, 2021 from its term loan facility dated April 19, 2024 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 as at December 31, 2024.

The loan was fully paid on May 28, 2025.

Unamortized debt issue costs amounted to P6 as at December 31, 2024.

bo. The amount represents the drawdown by Petron on September 8, 2022 from its term loan facility dated September 5, 2022 amounting to P2,375. The loan is subject to a fixed interest rate of 6.492% per annum and matured on September 8, 2025. The proceeds of the loan were used to pay existing indebtedness.

The loan was fully paid on September 8, 2025.

Unamortized debt issue costs amounted to P5 as at December 31, 2024.

bp. The amount represents the drawdown by SMYPC on January 30, 2020, from its term loan facility dated January 23, 2020 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 as at December 31, 2024.

The loan was fully paid on January 30, 2025.

bq. The amount represents the drawdown by Petron on April 27, 2020 from its term loan facility dated April 3, 2020 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 as at December 31, 2024.

The loan was fully paid on April 28, 2025.

br. The amount represents the drawdown by Petron on September 30, 2022 from its term loan facility dated September 5, 2022 amounting to P625. The loan is subject to a fixed interest rate of 6.8672% per annum and with a term of three years. The proceeds of the loan were used to pay existing indebtedness.

The loan was fully paid on September 28, 2025.

Unamortized debt issue costs amounted to P1 as at December 31, 2024.

- bs. The amount represents the drawdown by SMC MRT 7 on various dates in 2023, 2024 and 2025 amounting to P14,300, P16,400 and P13,700, 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 P2,886 and P1,996 as at December 31, 2025 and 2024, respectively (Note 35).

Unamortized debt issue costs amounted to P617 and P445 as at December 31, 2025 and 2024, respectively.

- bt. The amount represents the drawdown by Petron on April 18, 2024 from its unsecured term loan facility dated April 15, 2024 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 P22 and P31 as at December 31, 2025 and 2024, respectively.

- bu. 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 P3,206 and P2,041 as at December 31, 2025 and 2024, respectively.

The drawdown includes payable to BankCom amounting to P2,985 and P3,687 as at December 31, 2025 and 2024, respectively (Note 35).

Unamortized debt issue costs amounted to P41 and P64 as at December 31, 2025 and 2024, respectively.

- bv. The amount represents the drawdown by Petron on February 28, 2025 from its term loan facility dated February 26, 2025 amounting to P5,000. The loan is amortized over five years with ten equal semiannual installments beginning August 28, 2025. The loan is subject to a floating interest rate, payable quarterly. The proceeds of the loan were used to refinance the bridge loan availed in 2024.

Payments made amounted to P500 as at December 31, 2025.

Unamortized debt issue costs amounted to P27 as at December 31, 2025.

bw. The amount represents the drawdowns made by SMC NAIAX on various dates from 2022 to 2024 totaling P5,072, and in 2025 amounting to P584, 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 P1,503 and P834 as at December 31, 2025 and 2024, respectively.

The drawdown includes payable to BankCom amounting to P1,246 and P1,272 as at December 31, 2025 and 2024, respectively (Note 35).

Unamortized debt issue costs amounted to P33 and P39 as at December 31, 2025 and 2024, respectively.

bx. 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, 2025 and 2024 and floating interest tranche based on six-month SOFR plus margin amounting to US\$130 as at December 31, 2025 and 2024. 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\$133 and US\$107 as at December 31, 2025 and 2024, respectively, while the payments made for the floating interest tranche amounted to US\$44 and US\$35 as at December 31, 2025 and 2024, respectively.

Unamortized debt issue costs for the fixed interest tranche amounted to P109 and P140 as at December 31, 2025 and 2024, respectively.

Unamortized debt issue costs for the floating interest tranche amounted to P36 and P46 as at December 31, 2025 and 2024, respectively.

by. The amount represents the drawdown by Petron on August 29, 2025 from its term loan facility dated August 14, 2025 amounting to US\$200. The loan is payable semi-annually over five years starting on August 29, 2027 and is subject to a fixed interest rate at 5.74% per annum. The proceeds of the loan were partially used to repay outstanding indebtedness and fund general corporate purposes.

Unamortized debt issue costs amounted to P79 as at December 31, 2025.

- bz. The amount represents the drawdown by Petron on various dates in 2024 from its term loan facility dated July 11, 2024 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 one, three or six 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 P400 and P575 as at December 31, 2025 and 2024, respectively.

- ca. The amount represents the balance of the US\$300 five-year term loan availed in tranches by San Miguel Global Power on March 12 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 P17 and P105 as at December 31, 2025 and 2024, respectively.

- cb. The amount represents the drawdown of San Miguel Global Power on August 26, 2022, from its term loan facility dated August 18, 2022 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 P171 and P269 as at December 31, 2025 and 2024, respectively.

- cc. The amount represents the drawdown of San Miguel Global Power on September 9, 2024 from its three-year term loan facility dated August 30, 2024 amounting to US\$200, with option to increase up to US\$300 executed on August 30, 2024 with a foreign bank. On October 9, 2024, San Miguel Global Power exercised its option and availed of the additional US\$100 from the facility agreement. The loan 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 P260 and P400 as at December 31, 2025 and 2024, respectively.

- cd. 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 dated November 8, 2022. 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 one, three or six 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\$435 and US\$192 as at December 31, 2025 and 2024, respectively.

Unamortized debt issue costs amounted to P192 and P474 as at December 31, 2025 and 2024, respectively.

- ce. The amount represents the drawdown of San Miguel Global Power amounting to US\$100 on May 19, 2025. This was drawn from a US\$100 credit facility, with option to increase up to US\$150, executed on May 13, 2025 with a group of foreign banks. The loan is subject to a floating interest rate based on SOFR plus margin and will mature in May 2028. The loan proceeds were used to refinance the US\$100 term loan that matured in May 2025.

On July 3, 2025, San Miguel Global Power availed of an additional US\$50 from the aforesaid credit facility. The proceeds from the additional loan were used for general corporate purposes and transaction-related fees, costs, and expenses in relation to the facility.

Unamortized debt issue costs amounted to P142 as at December 31, 2025.

- cf. The amount represents the drawdown of San Miguel Global Power amounting to US\$100 on May 19, 2025 from its term loan facility dated May 9, 2025. The loan is subject to a floating interest rate based on SOFR plus margin and will mature in May 2030. The proceeds of the loan were used for general corporate purposes, including advances for capital expenditures, and payment of transaction-related fees, costs, and expenses in relation to the facility.

Unamortized debt issue costs amounted to P91 as at December 31, 2025.

- cg. 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 one, three or six months. The proceeds of the US\$225 Facility were used to partially refinance the redemption of US\$500 SPCS.

Payments made amounted to US\$129 and US\$45 as at December 31, 2025 and 2024, respectively.

Unamortized debt issue costs amounted to P127 and P185 as at December 31, 2025 and 2024, respectively.

- ch. 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.

Payments made amounted to AU\$1 as at December 31, 2025.

Unamortized debt issue costs amounted to P8 and P14 as at December 31, 2025 and 2024, respectively.

- ci. 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\$4 and AU\$2 as at December 31, 2025 and 2024, respectively.

- cj. 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, 2025 and 2024, respectively.

- ck. The amount represents drawdown by San Miguel Global Power on May 24, 2022 from its term loan facility dated May 18, 2022 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 matured 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.

The loan was fully paid on May 19, 2025.

Unamortized debt issue costs amounted to P15 as at December 31, 2024.

- cl. The amount represents drawdown by San Miguel Global Power on October 31, 2023, from its term loan facility dated October 24, 2023 amounting to US\$50. The loan is subject to a floating interest rate based on SOFR plus margin and was set to 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.

The loan was fully paid on February 10, 2025.

Unamortized debt issue costs amounted to P12 as at December 31, 2024.

cm. The amount represents the drawdown by Petron on April 22, 2020 from its term loan facility dated March 27, 2020 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 one, three or six 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 one, three or six months. The proceeds of the loan were used to partially prepay its US\$1,000 term loan facility.

Payments made amounted to JPY12,857 as at December 31, 2024.

The loan was fully paid on March 27, 2025.

Unamortized debt issue costs amounted to P2 as at December 31, 2024.

The gross amount of long-term debt payable to BankCom amounted to P26,154 and P27,267 as at December 31, 2025 and 2024, respectively (Note 35).

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, 2025 and 2024.

Long-term debt includes syndicated project finance loans amounting to P139,096 and P141,287 as at December 31, 2025 and 2024, respectively, which were secured by certain property, plant and equipment and other intangible assets (Notes 14 and 18).

The movements in debt issue costs are as follows:

	Note	2025	2024
Balance at beginning of year		P15,413	P13,250
Additions		2,946	6,310
Amortization	32	(4,069)	(3,821)
Reclassification, capitalized and others		(195)	(326)
Balance at end of year		P14,095	P15,413

Repayment Schedule

The annual maturities of long-term debt are as follows:

Year	Gross Amount	Debt Issue Costs	Net
2026	P177,695	P1,409	P176,286
2027	240,864	3,044	237,820
2028	283,087	2,027	281,060
2029	253,894	2,944	250,950
2030 and thereafter	415,851	4,671	411,180
Total	P1,371,391	P14,095	P1,357,296

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 41.

24. Other Noncurrent Liabilities

Other noncurrent liabilities consist of:

	Note	2025	2024
Retirement liabilities - noncurrent	37	P12,360	P12,380
ARO	4	2,665	2,021
Retention payable - noncurrent		2,529	4,109
Deferred income		2,101	1,809
IRO	4	1,711	1,211
Derivative liabilities - noncurrent	4, 41, 42	790	127
Obligation to ROP - service concession agreement	4, 36	688	713
Customers' deposits	41, 42	464	418
Cash bonds		427	426
Mine rehabilitation obligation (MRO) and decommissioning	4	113	142
Amounts owed to related parties	35	4	2
Others		1,531	1,400
	41, 42	P25,383	P24,758

Deferred income primarily represents downpayments received by the Group in connection with executed agreements for the sale of various lots to third parties.

"Others" include liability to contractors and suppliers.

25. Income Taxes

The components of income tax expense are shown below:

	2025	2024	2023
Current	P27,781	P24,386	P21,678
Deferred	1,714	3,106	6,730
	P29,495	P27,492	P28,408

The movements of deferred tax assets and liabilities are accounted for as follows:

2025	Balance at January 1	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Deconsolidation of Subsidiaries and others	Balance at December 31
Allowance for impairment losses on trade and other receivables and inventory	P1,842	P273	P -	(P113)	P2,002
MCIT	1,478	955	-	-	2,433
NOLCO	8,046	(5,777)	-	-	2,269
Undistributed net earnings of foreign subsidiaries	(1,705)	-	-	-	(1,705)
Leases	(22,077)	1,013	-	10	(21,054)
Unrealized intercompany charges and others	(400)	1,822	(686)	9,212	9,948
	(P12,816)	(P1,714)	(P686)	P9,109	S(P6,107)

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)

The above amounts are reported in the consolidated statements of financial position as follows:

	Note	2025	2024
Deferred tax assets	4	P23,196	P22,045
Deferred tax liabilities		(29,303)	(34,861)
		(P6,107)	(P12,816)

As at December 31, 2025, 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
2023	December 31, 2026	P4,816
2024	December 31, 2027	708
2025	December 31, 2028	3,552
		P9,076

As at December 31, 2025, 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
2023	December 31, 2026	P520
2024	December 31, 2027	893
2025	December 31, 2028	1,020
		P2,433

As at December 31, 2025 and 2024, deferred tax assets in respect of NOLCO and others amounting to P25,412 and P58,182, 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.

The reconciliation between the statutory income tax rate on income before income tax and the Group’s effective income tax rate is as follows:

	2025	2024	2023
Statutory income tax rate	25.00%	25.00%	25.00%
Increase (decrease) in income tax rate resulting from:			
Interest income subject to final tax	(3.25%)	(5.73%)	(4.80%)
Equity in net earnings of associates and joint ventures	(2.31%)	(0.92%)	(0.59%)
Gain on sale of investments subject to final or capital gains tax	(0.20%)	(0.85%)	(0.03%)
Others, mainly income subject to different tax rates - net	4.51%	25.34%	19.28%
Effective income tax rate	23.75%	42.84%	38.86%

*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, 2025 and 2024 were computed and measured using the applicable income tax rates.

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 Group has adopted the amendments to PAS 12, *Income Taxes*, relating to the International Tax Reform - Pillar Two Model Rules. These amendments provide a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from Pillar Two income taxes. Accordingly, no deferred tax assets or liabilities have been recognized in respect of Pillar Two legislation.

The Group is a member of the broader Top Frontier Group. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions where the Top Frontier Group operates. As of December 31, 2025, the legislation has been in effect in Australia, Hong Kong, Indonesia, Japan, Malaysia, Mauritius, the Netherlands, New Zealand, Singapore, Thailand and Vietnam while not yet effective in the Philippines, Bermuda, the British Virgin Islands, the Cayman Islands, China and Taiwan.

The Top Frontier Group is within the scope of the enacted or substantively enacted legislation and has performed a Transitional Country-by-Country (CbCR) Safe Harbor (TCSH) assessment to identify jurisdictions that may be excluded from detailed Pillar Two computations. The assessment was based on the most recent tax filings, CbCR reports and financial statements of the relevant entities. All jurisdictions met the TCSH criteria, except for Bermuda, Hong Kong, Singapore, and New Zealand. Full Pillar Two computations are currently being undertaken for these jurisdictions.

In line with the assessment of the Top Frontier Group, a provision for top-up tax has been recognized to the extent that it is reasonably estimable. The computation remains subject to refinement pending the Top Frontier Group's finalization of detailed calculations and any additional guidance or clarifications from relevant tax authorities

26. 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.

On June 11, 2024 and August 8, 2024, the BOD and stockholders of the Parent Company, respectively, 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.

The Amended Articles of Incorporation of the Parent Company reflecting the amendments were approved by the SEC on February 25, 2025.

On January 16 and March 27, 2025, the BOD and stockholders of the Parent Company approved and ratified, respectively, the amendments to the Articles of Incorporation of the Parent Company, specifically: (a) the reclassification of the 904,752,537 common shares currently held as treasury shares, into Series "2" Preferred Shares held in treasury; and (b) 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.

The Amended Articles of Incorporation of the Parent Company reflecting the amendments were approved by the SEC on July 7, 2025.

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 33,048 and 33,162 common shareholders as at December 31, 2025 and 2024, respectively.

The number of issued and outstanding shares of common stock are as follows:

	2025	2024	2023
Issued shares	2,383,896,588	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	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 February 25, 2025, 300,000,000 Series “1” Preferred Shares, of which 279,406,667 are treasury shares and 20,593,333 are unissued, were reclassified to Series “2” Preferred Shares.

The Parent Company has no issued and outstanding Series “1” Preferred Shares as at December 31, 2025.

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. Unpaid cash dividends were also settled. 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.

On September 11, 2025, the BOD of the Parent Company approved the delisting of 565,445,086 Series "2" Subseries "2-A", 90,428,200 Series "2" Subseries "2-B" and 255,559,400 Series "2" Subseries "2-C" Preferred Shares redeemed in September 2015, 2019 and 2021, respectively.

These preferred shares are no longer outstanding after their redemption by the Parent Company which resulted in the suspension by the PSE of the trading of these Series "2" Preferred Shares. Upon redemption, the said shares reverted to the Parent Company's treasury shares and, subsequently, have been reissued by the Parent Company as different subseries of Series "2" Preferred Shares, under separate applications for listing. With such reissuance and listing, the delisting of the Series "2" Subseries "2-A", Subseries "2-B" and Subseries "2-C" Preferred Shares is appropriate.

The Parent Company has no outstanding and issued Series "2" Subseries "2-A", Subseries "2-B" and Subseries "2-C" Preferred Shares as at December 31, 2025 and 2024.

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. Unpaid cash dividends were also settled. 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 11, 2025, the BOD of the Parent Company approved the delisting of 89,333,400 Series "2" Subseries "2-D" Preferred Shares redeemed in September 2020.

These preferred shares are no longer outstanding after their redemption by the Parent Company which resulted in the suspension by the PSE of the trading of these Series "2" Preferred Shares. Upon redemption, the said shares reverted to the Parent Company's treasury shares and, subsequently, have been reissued by the Parent Company as different subseries of Series "2" Preferred Shares, under separate applications for listing. With such reissuance and listing, the delisting of the Series "2" Subseries "2-D" is appropriate.

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. Unpaid cash dividends were also settled. 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.

On September 22, 2025, the Parent Company redeemed its 223,333,500 Series "2" Preferred Shares - Subseries "2-F" (including the 1,333,500 shares held by a subsidiary) at a redemption price of P75.00 per share. Unpaid cash dividends were also settled. The redemption was approved by the BOD of the Parent Company on August 7, 2025.

The Parent Company has no outstanding and issued Series "2" Subseries "2-D" as at December 31, 2025.

From the 134,000,100 Subseries "2-E" Preferred Shares, 57,527,894 shares are no longer outstanding but they remain issued as they are still in held in treasury, while the balance of 76,472,206 shares were reissued as Subseries "2-O" Preferred Shares.

As at December 31, 2025, the Subseries "2-F" Preferred Shares are no longer outstanding but they remain issued as they are still held in treasury.

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 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 reissued 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 reissued 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. Unpaid cash dividends were also settled. 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, 2025 and 2024, only the 169,333,400 Series “2” Preferred Shares - Subseries “2-I” remain outstanding and issued, and the Subseries “2-G” and Subseries “2-H” Preferred Shares are no longer outstanding, but they remain issued as they are still held in treasury.

Subseries 2-J, Subseries 2-K, Subseries 2-P, Subseries 2-Q, Subseries 2-R
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” Preferred Shares was issued and listed on the PSE on December 10, 2020.

Dividend rates are 4.75% and 4.50% per annum for Subseries “2-J” and Subseries “2-K” Preferred Shares, respectively.

On August 7, 2025, the BOD of the Parent Company approved the offer exchange to the holders of 266,666,667 Subseries “2-J” Preferred Shares and 183,904,900 Subseries “2-K” Preferred Shares (collectively, the “Exchange Share”) at a rate of one Exchange Share to one of any of the Series “2” Preferred Shares, to be reissued in three subseries (Subseries “2-P”, Subseries “2-Q” and Subseries “2-R”), which will be reissued from the treasury Series “2” Preferred Shares of the Parent Company.

On October 10, 2025, an aggregate of 251,474,020 Exchange Shares, consisting of 173,760,520 Subseries “2-J” Preferred Shares and 77,713,500 Subseries “2-K” Preferred Shares were tendered to the Parent Company in exchange for 171,370,380 Subseries “2-P” Preferred Shares, 53,815,840 Subseries “2-Q” Preferred Shares, and 26,287,800 Subseries “2-R” Preferred Shares. On October 24, 2025, the Parent Company issued and listed on the PSE the Series “2” Subseries “2-P”, Subseries “2-Q” and Subseries “2-R” Preferred Shares.

On October 29 and December 10, 2025, the Parent Company redeemed the remaining 92,906,147 Subseries “2-J” and 106,191,400 Subseries “2-K” Preferred Shares, respectively. The redemption price was the issue price of P75.00 per share. Unpaid cash dividends were also settled. The redemption was approved by the BOD of the Parent Company on August 7, 2025.

As at December 31, 2025, the Subseries “2-J” and Subseries “2-K” Preferred Shares are no longer outstanding but they remain issued as they are still held in treasury.

Subseries 2-M

On August 23, 2023, the Parent Company issued 173,333,325 Subseries “2-M” Preferred Shares via private placement 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 reissuable (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.

Subseries 2-S, Subseries 2-T and Subseries 2-U

On October 24, 2025, the Parent Company issued and listed on the PSE 179,837,540 Series "2" Subseries "2-S" Preferred Shares, 73,983,880 Subseries "2-T" Preferred Shares and 146,178,580 Subseries "2-U" Preferred Shares, under the 866,666,700 Series "2" Shelf Registered Preferred Shares. The Subseries "2-S", Subseries "2-T" and Subseries "2-U" Preferred Shares were issued at P75.00 per share, for a total amount of P30,000, with dividend rates per annum of 6.965%, 7.256% and 7.536%, respectively.

The Offer Shares are perpetual and have no fixed final maturity date.

The shares are cumulative, non-voting, non-participating, non-convertible, redeemable, reissuable, Philippine Peso-denominated, perpetual Series "2" Preferred Shares, issued out of the Parent Company's treasury shares.

The Parent Company incurred share issuance costs amounting to P291, P26 and P251 in 2025, 2024 and 2023, respectively.

The Parent Company has 1,494,784,745 and 288,194,494, including the 1,333,500 preferred shares held by a subsidiary in 2024, Series "2" Preferred Shares held in treasury as at December 31, 2025 and 2024, respectively.

The Parent Company has 1,447,474,145 and 1,469,905,192 outstanding Series "2" Preferred Shares as at December 31, 2025 and 2024, respectively.

The Parent Company has a total of 172 and 290 preferred shareholders as at December 31, 2025 and 2024, respectively.

c. *Treasury Shares*

Treasury shares consist of:

	2025	2024	2023
Preferred	P111,345	P42,670	P42,670
Common	-	67,093	67,093
	P111,345	P109,763	P109,763

Common Shares

The Parent Company has no outstanding common shares held in treasury as at December 31, 2025. As at December 31, 2024 and 2023, the Parent Company has 904,752,537 common shares held in treasury.

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 reissued 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.

6. On July 7, 2025, the SEC approved the reclassification of the 904,752,537 common shares held as treasury shares into Series "2" Preferred Shares held in treasury. Consequently, the P67,093 "Treasury stock - common" was reclassified to "Treasury stock - preferred", both under "Treasury stock" account in the consolidated statement of financial position as at December 31, 2025.

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.

On July 29, 2025, the Parent Company redeemed all the outstanding US\$500 SPCS at an amount equivalent to its face value.

The redemption of US\$500 SPCS was approved by the BOD of the Parent Company on June 10, 2025. The Parent Company recognized a loss of P4,444 on the redemption presented as part of "Retained earnings" account in the consolidated statement of changes in equity as at December 31, 2025.

e. Unappropriated Retained Earnings

The unappropriated retained earnings of the Parent Company are restricted in the amount of P67,093 in 2024 and 2023, 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 P16,894, P30,222 and P34,817 in 2025, 2024 and 2023, respectively, to finance future capital expenditure projects. Reversal of appropriations amounted to P10,812, P37,543 and P18,651 in 2025, 2024 and 2023, respectively.

g. Non-controlling Interests

Non-controlling interests consist of:

	2025	2024
Capital securities of subsidiaries	P240,256	P222,343
Share in the net assets of subsidiaries	138,880	126,768
Preferred shares of subsidiaries	44,823	44,823
	P423,959	P393,934

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, 2025	
July 24 and August 11, 2025	8.95%	US\$515	P28,786
December 2, 2024 and February 19, 2025	8.125%	600	34,632
September 12 and 30, 2024	8.75%	900	49,849
June 9 and September 15, 2021	5.45%	683	32,417
January 21, 2020	5.70%	301	15,106
		US\$2,999	P160,790

**Net of directly attributable transaction costs.*

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%	683	32,417
October 21 and December 15, 2020	7.00%	193	9,613
January 21, 2020	5.70%	494	24,807
November 5, 2019	5.95%	113	5,627
		US\$2,883	P151,195

**Net of directly attributable transaction costs.*

On February 19, 2025, San Miguel Global Power completed the issuance of another US\$100 SPCS (equivalent to P5,750 net of directly attributable transaction costs amounting to P88), at an issue price of 100.503% plus an amount corresponding to accrued distribution from (and including) December 2, 2024 to (but excluding) February 19, 2025. The US\$100 SPCS is consolidated into and form a single series with the US\$500 SPCS issued on December 2, 2024, bringing the total securities to US\$600. The US\$100 SPCS are identical in all respects with the US\$500 SPCS, other than with respect to the date of issuance and issue price.

The net proceeds from the issuance of the US\$100 SPCS were used for the redemption of the outstanding 7.00% SPCS issued in October and December 2020.

On July 24, 2025, San Miguel Global Power completed the issuance of US\$400 SPCS (equivalent to P22,329, net of directly attributable transaction costs amounting to P331), at an issue price of 100%, with an initial rate of distribution of 8.95% per annum.

The US\$400 SPCS consists of the following:

- (i) US\$223 (equivalent to P12,459, net of directly attributable transaction costs amounting to P185) in aggregate principal amount of SPCS (the “Concurrent Exchange Offers”) issued in exchange for the remaining 7.00% SPCS issued on October 21 and December 15, 2020, and 5.70% SPCS issued on January 21, 2020 (collectively, the “Remaining Existing Securities”), with a carrying value equivalent to P11,143; and
- (ii) US\$177 (equivalent to P9,870, net of directly attributable transaction costs amounting to P146) in aggregate principal amount of new securities (the “Additional New Securities”).

The net proceeds from the issuance of the Additional New Securities were applied to the following: (i) costs and expenses related to the Concurrent Exchange Offers, including payment of accrued distribution amounts in respect of the Remaining Existing Securities accepted for exchange pursuant and subject to, the terms and conditions of the Concurrent Exchange Offers; (ii) costs and expenses related to the issuance of the Additional New Securities; (iii) purchase, repurchase and/or redemption of all Remaining Existing Securities following the Concurrent Exchange Offers; and (iv) for pre-development costs of solar and hydropower energy projects, and capital expenditures related to BESS projects.

As a result of the foregoing exchange, the movements in the Remaining Existing Securities are as follows:

Title of Existing Securities	Principal of Existing Securities	Accepted Exchange Offers	Remaining Principal of Existing Securities	Amount in Philippine Peso*
7.00% SPCS issued on October 21 and December 15, 2020	US\$193	(US\$30)	US\$163	P8,171
5.70% SPCS issued on January 21, 2020	494	(193)	301	15,106
	US\$687	(US\$223)	US\$464	P23,277

**Net of transaction costs.*

The difference between the price and the carrying value of the outstanding Remaining Existing Securities accepted pursuant to the Concurrent Exchange Offers amounted to P1,501 and was recognized as part of the “Equity reserves” account in the consolidated statements of financial position.

On August 11, 2025, San Miguel Global Power completed the issuance of US\$115 SPCS (equivalent to P6,457, net of directly attributable transaction costs amounting to P103) at an issue price of 100% plus an amount corresponding to accrued distributions from (and including) July 24, 2025 to (but excluding) August 11, 2025.

The US\$115 SPCS is consolidated into and form a single series with the US\$400 SPCS issued on July 24, 2025, bringing the total securities to US\$515. The US\$400 SPCS and US\$115 SPCS are identical in all respects, other than with respect to the date of issuance.

San Miguel Global Power used the net proceeds towards (i) the partial purchase, repurchase and/or redemption of the remaining outstanding SPCS issued in October and December 2020 and in January 2020, and (ii) for pre-development costs of solar and hydropower energy projects and capital expenditures related to BESS projects.

The US\$100, US\$400 and US\$115 SPCS were listed on the SGX-ST on February 20, July 25 and August 12, 2025, respectively.

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 21, 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 "2024 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 2024 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 (equivalent to 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 (equivalent to 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 2024 Exchange Offers; and
- (ii) US\$268 (equivalent to 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 (equivalent to 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 (equivalent to 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 (equivalent to 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 2024 Exchange Offers; and
- (ii) US\$226 (equivalent to 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\$723	(US\$436)	(US\$94)	US\$193	P9,613
5.70% SPCS issued on January 21, 2020	594	(100)	-	494	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 2024 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 2024 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) Redemption of SPCS

- On May 9, 2025, San Miguel Global Power completed the redemption of its US\$113 remaining securities (with a net carrying value of P5,627), out of the US\$500 SPCS issued in November 2019.
- On October 17, 2025, San Miguel Global Power completed the redemption of its US\$163 remaining securities (with a net carrying value of P8,171), out of the US\$750 SPCS issued in October and December 2020.

The securities were redeemed at a price equal to its principal amount pursuant to the terms and conditions of the securities. Any unpaid distributions up to (but excluding) the redemption date was also settled. The difference between the price paid and the carrying value of securities redeemed amounted to P1,977 and was recognized as part of the "Equity reserves" account in the consolidated statements of financial position.

- 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, at the redemption price equal to its principal amount and settled the distributions related thereto pursuant to the terms and conditions of the securities.

The difference between the price paid and the 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.

The US\$783 securities were redeemed using in part the proceeds of the RPS issued in April 2024 and cash generated from operations.

c) Issuance of RPCS

On April 19, 2024, San Miguel Global Power issued US\$800 RPCS to a third party (equivalent to P43,432, net of directly attributable transaction costs amounting to P2,688) at an issue price of 100%, with an initial rate of distribution of 8.5% per annum. Proceeds of the issuance were used for general corporate purposes, including capital expenditures and refinancing of maturing obligations.

Fuel and Oil

▪ Petron

a) Exchange, Tender and Issuance of SPCS

On September 22, 2025, Petron completed the issuance of US\$475 SPCS (P26,794) at an issue price of 100% consisting of US\$333 (P18,795) securities pursuant to exchange offer and US\$142 (P7,999) new securities issued for cash. The securities were listed on the SGX-ST on September 23, 2025. The net proceeds were used to finance costs and expenses relating to the exchange and tender offer and issuance of the SPCS, and for general corporate purposes.

Concurrently, Petron has completed the settlement of US\$333 (P15,890) securities tendered for exchange and US\$54 (P2,585) securities tendered for purchase, both of which form part of the US\$550 SPCS issued in April 2021.

Holders of the SPCS are conferred a right to receive distribution on a semi-annual basis from their issue date at the rate of 7.35% per annum, subject to a step-up rate. Petron has the sole and absolute discretion to defer payment of any or all of the distribution.

The SPCS have no fixed redemption date and are redeemable in whole, but not in part, at their principal amounts together with any accrued, unpaid, or deferred distributions, at Petron's option on or after September 28, 2028 or on any distribution payment date thereafter or upon the occurrence of certain other events.

The SPCS were offered to institutional lenders not exceeding 19 or to not more than 19 non-qualified buyers or to any number of qualified buyers in the Philippines as defined in the Securities Regulation Code and their offer and sale and therefore qualified as exempt transactions pursuant to Sections 10.1(k) and 10.1(l) of the Securities Regulation Code. Hence, no confirmation of exemption from the registration requirements of the Securities Regulation Code was required to be filed with the SEC.

b) 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, 2025 and 2024.

c) 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.

d) 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 subseries: (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, 2025		December 31, 2024	
	Petron	SMFB	Petron	SMFB
Percentage of non-controlling interests	28.18%	11.24%	31.74%	11.24%
Carrying amount of non-controlling interests	P20,718	P80,752	P17,232	P75,254
Net income attributable to non-controlling interests	P3,741	P19,472	P1,031	P18,010
Other comprehensive income attributable to non-controlling interests	P2,575	P343	P1,251	P553
Dividends paid to non-controlling interests	P426	P14,314	P511	P13,778

The following are the audited condensed financial information of subsidiaries with material non-controlling interests:

	December 31, 2025		December 31, 2024	
	Petron	SMFB	Petron	SMFB
Current assets	P238,666	P146,262	P255,873	P144,192
Noncurrent assets	213,296	243,045	212,929	232,914
Current liabilities	(193,572)	(120,269)	(252,259)	(116,706)
Noncurrent liabilities	(137,367)	(72,295)	(112,333)	(80,211)
Net assets	P121,023	P196,743	P104,210	P180,189
Sales	P809,766	P419,060	P867,966	P400,872
Net income	P15,627	P46,280	P8,471	P40,933
Other comprehensive income	6,260	615	2,926	899
Total comprehensive income	P21,887	P46,895	P11,397	P41,832
Cash flows provided by operating activities	P68,745	P64,876	P13,208	P58,143
Cash flows used in investing activities	(7,064)	(25,615)	(10,216)	(25,439)
Cash flows used in financing activities	(50,481)	(33,155)	(1,285)	(32,080)
Effect of exchange rate changes on cash and cash equivalents	470	179	1,163	590
Net increase in cash and cash equivalents	P11,670	P6,285	P2,870	P1,214

27. Sales

Sales consist of:

	Note	2025	2024	2023
Goods		P1,438,141	P1,532,679	P1,408,087
Services		47,204	42,700	38,616
	6, 35	P1,485,345	P1,575,379	P1,446,703

28. Cost of Sales

Cost of sales consist of:

	Note	2025	2024	2023
Inventories	9, 42	P879,570	P1,008,671	P921,860
Taxes and licenses		132,741	125,643	115,944
Depreciation and amortization	30	50,983	46,427	43,390
Power purchases	36	23,257	29,665	25,250
Contracted services		22,189	16,610	14,932
Personnel	31	20,474	17,720	15,347
Fuel and oil		19,770	19,725	21,850
Freight, trucking and handling		15,823	14,204	13,728
Repairs and maintenance		10,455	9,019	7,614
Tolling fees	36	5,715	5,777	5,825
Communications, light and water		5,480	6,143	9,846
Energy fees	36	1,723	1,574	1,641
Rent	15	742	812	839
Others	9, 36	11,368	10,037	10,344
		P1,200,290	P1,312,027	P1,208,410

29. Selling and Administrative Expenses

Selling and administrative expenses consist of:

	2025	2024	2023
Selling	P52,408	P48,517	P46,871
Administrative	51,061	54,019	46,937
	P103,469	P102,536	P93,808

Selling expenses consist of:

	Note	2025	2024	2023
Personnel	31	P16,237	P15,081	P13,769
Freight, trucking and handling		9,740	9,756	9,833
Depreciation and amortization	30	9,298	8,138	7,611
Advertising and promotions		8,430	7,934	7,015
Rent	15	2,513	2,306	2,179
Repairs and maintenance		2,255	2,069	2,171
Taxes and licenses		1,245	1,101	1,056
Supplies		834	950	1,219
Professional fees		748	603	575
Communications, light and water		440	498	491
Others		668	81	952
		P52,408	P48,517	P46,871

Administrative expenses consist of:

	Note	2025	2024	2023
Personnel	31	P22,002	P19,732	P18,002
Taxes and licenses		5,669	4,711	4,673
Contracted services		5,279	7,242	6,375
Depreciation and amortization	30	5,002	4,767	4,856
Travel, entertainment and representation		3,057	4,641	4,680
Professional fees		2,613	3,162	2,899
Repairs and maintenance		2,030	2,624	1,908
Impairment loss	8, 9, 14, 16, 20	2,007	2,323	319
Supplies		1,128	1,208	945
Communications, light and water		1,042	885	930
Rent	15	896	690	478
Research and development		68	89	80
Others		268	1,945	792
		P51,061	P54,019	P46,937

30. Depreciation and Amortization

Depreciation and amortization are distributed as follows:

	Note	2025	2024	2023
Cost of sales:				
Property, plant and equipment	14	P37,592	P31,048	P27,091
Other intangible assets	18	8,147	7,985	7,813
Right-of-use assets	15	1,292	3,575	3,950
Biological assets and others	16, 17, 20	3,952	3,819	4,536
	28	50,983	46,427	43,390
Selling and administrative expenses:				
Property, plant and equipment	14	5,230	4,924	5,076
Right-of-use assets	15	826	776	949
Investment property, deferred containers and others	16, 18, 20	8,244	7,205	6,442
	29	14,300	12,905	12,467
		P65,283	P59,332	P55,857

“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.

31. Personnel Expenses

Personnel expenses consist of:

	Note	2025	2024	2023
Salaries and wages		P36,290	P33,229	P29,863
Retirement costs	37	2,399	2,088	1,787
Other employee benefits		20,024	17,216	15,468
		P58,713	P52,533	P47,118

Personnel expenses are distributed as follows:

	Note	2025	2024	2023
Cost of sales	28	P20,474	P17,720	P15,347
Selling expenses	29	16,237	15,081	13,769
Administrative expenses	29	22,002	19,732	18,002
		P58,713	P52,533	P47,118

32. Interest Expense and Other Financing Charges

Interest expense and other financing charges consist of:

	Note	2025	2024	2023
Interest expense		P90,621	P91,505	P83,083
Other financing charges	21, 23, 37	9,647	7,908	8,220
		P100,268	P99,413	P91,303

Amortization of debt issue costs included as part of "Other financing charges" amounted to P4,305, P3,853 and P4,002 in 2025, 2024 and 2023, respectively (Notes 21 and 23).

Interest expense on loans payable, long-term debt and lease liabilities is as follows:

	Note	2025	2024	2023
Loans payable	21	P15,335	P17,713	P15,400
Long-term debt	23	73,086	70,989	63,911
Lease liabilities	15, 36	2,200	2,803	3,772
		P90,621	P91,505	P83,083

33. Interest Income

Interest income consists of:

	Note	2025	2024	2023
Interest from short-term investments, cash in banks and others	7, 13, 37	P15,550	P14,042	P13,206
Interest from amounts owed by related parties	13, 35, 37	606	662	821
		P16,156	P14,704	P14,027

34. Other Income (Charges)

Other income (charges) consists of:

	<i>Note</i>	2025	2024	2023
Construction revenue				
(a)	4, 18, 36	P42,241	P57,772	P60,606
Gain on fair valuation of investment (b)	5	21,933	-	-
Miscellaneous gain (c)	45	963	3,509	2,291
Dividend income	13, 35	740	330	25
Rent income		638	552	364
Construction costs (a)	4, 18, 36	(42,241)	(57,772)	(60,606)
Gain (loss) on foreign exchange - net	41	(8,709)	(20,514)	2,485
Provision on impairment (d)	8, 12, 14, 18, 20	(1,644)	(1,688)	(780)
Gain (loss) on derivatives - net	42	(1,008)	614	(1,379)
Others - net (e)	4, 36	1,327	718	1,080
		P14,240	(P16,479)	P4,086

- 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. Gain on fair valuation of the retained investment in SPPC, EERI and IPIEC was recognized, following the dilution of San Miguel Global Power's ownership interest from 100% to 33%.
- c. Miscellaneous gain mainly consists of:

SMB

In 2025, SMB recognized income from the return of container deposits amounting to P597.

Petron

Petron recognized income from the write-on of LPG cylinder deposits amounting to P335 in 2025 and reversal of ARO and pretermination of lease related to the reconveyance of landholdings from PNOC amounting to P1,794 and P1,715, respectively, in 2024.

GSMI

In 2023, GSMI recognized income from the assignment of products rights amounting to P1,530.

SMB and the Parent Company

The Group recognized income from the Tax Credit Certificates (TCC) issued by the Bureau of Internal Revenue (BIR) in relation to the claims for refund filed for overpayment of excise taxes for San Mig Light amounting to P30 and P761 in 2025 and 2023, respectively (Note 45).

- d. Provision on impairment mainly consists of:

NCC

In 2023, NCC decided to shut down the operations of the old cement line, except for assets involved in the crushing process and the facilities shared between the old and new cement lines. The decision to shut down is considered as an impairment indicator in the assets under the old cement line. Based on NCC's impairment assessment, the resulting recoverable amount is lower than the carrying amount of assets under the old cement line. Accordingly, impairment loss amounting to P577 was recognized in 2025.

Petron

In 2025, Petron recognized impairment loss in relation to: (i) damage to Petron Malaysia's product jetty facility caused by Tropical Storm Senyar in November 2025, as well as LPG cylinders in circulation that are not expected to be recovered amounting to P255; and (ii) three service stations and a leasehold land in Malaysia as their recoverable amounts were lower than their carrying amounts amounting to P153.

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 project 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 in 2023 was 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 P3, P12 and P498 were recognized in 2025, 2024 and 2023, respectively (Note 12).

- e. "Others" consist of casualty loss, expenses of closed facilities, management income, royalty income, commission income, insurance claims, income from pretermination of lease, and changes in fair value of financial assets at FVPL.

35. 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 Related Party Transactions Policy of 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 expected to be collected/settled in cash. Annual assessment is undertaken by examining the financial position of the related parties and the economic conditions in the market in which they operate.

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, 38	2025	P8	P -	P -	P516	Settled on dividend payment date	Unsecured
		2024	9	-	-	516		
	20	2025	-	-	3,037	-	To be settled on the first anniversary of commercial operations of the Nonoc Project; interest-bearing	Unsecured; no impairment
		2024	-	-	3,037	-		
Retirement plans	8, 37	2025	33	1,119	2,954	-	On demand; non-interest-bearing	Unsecured; no impairment
		2024	30	-	3,166	-		
	8, 33, 37	2025	192	-	3,110	-	On demand; interest-bearing	Unsecured; no impairment
		2024	234	-	4,127	-		
Associates	8, 12, 20, 22, 24	2025	5,063	582	9,228	2,564	On demand and will be applied to subscription; non-interest-bearing	Unsecured; no impairment
		2024	1,984	-	940	161		
	8, 11, 13, 20, 21, 23, 33	2025	627	2,111	9,741	28,285	Less than 1 to 12 years; interest-bearing	Unsecured and secured; no impairment
		2024	637	1,394	9,720	34,208		
Joint ventures	8, 20, 22, 24	2025	600	2,793	183	276	On demand; non-interest-bearing	Unsecured; no impairment
		2024	88	1,103	7	456		
	8	2025	14	-	621	-	On demand; interest-bearing	Unsecured; with impairment
		2024	13	-	621	-		
	8, 20, 33	2025	52	-	341	-	Less than 1 to 10.5 years; interest-bearing	Unsecured; no impairment
		2024	81	-	1,746	-		
Shareholder of the Ultimate Parent Company	8, 22	2025	-	-	1,200	-	On demand; non-interest-bearing	Unsecured; no impairment
		2024	-	-	1,300	-		
Shareholders in subsidiaries	8, 22	2025	61	1,337	94	1,389	On demand; non-interest-bearing	Unsecured; no impairment
		2024	43	1,265	96	1,368		
Others	8, 12, 22, 24	2025	1,031	3,523	1,241	132	On demand and will be applied to subscription; non-interest-bearing	Unsecured; no impairment
		2024	543	1,559	1,022	126		
Total		2025	P7,681	P11,465	P31,750	P33,162		
Total		2024	P3,662	P5,321	P25,782	P36,835		

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. On March 18, 2025, Petron repurchased all of the 459,156,097 common shares held by PCERP pursuant to the common share buyback program approved by the BOD on March 4, 2025 via a block sale aggregating to P1,119.
4. 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% 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, and is undertaken by Philnico Industrial Corporation, Pacific Nickel Philippines, Inc., and Philnico Processing Corp., all indirect subsidiaries of Clariden. As at December 31, 2025 and 2024, the Nonoc Project has not yet started commercial operations.

These amounts are included as part of noncurrent receivables and deposits under "Other noncurrent assets - net" account in the consolidated statements of financial position as at December 31, 2025 and 2024 (Note 20).

- b) The Parent Company has advances to and receivables from San Miguel Corporation Retirement Plan (SMCRP) amounting to P6,064 and P6,311 as at December 31, 2025 and 2024, respectively, included as part of "Amounts owed by related parties" under "Trade and other receivables - net" account in the consolidated statements of financial position (Note 8). Portion of the advances are subject to interest of 5.75% per annum. Interest income earned from the advances amounted to P182, P189 and P188 in 2025, 2024 and 2023, respectively (Notes 33 and 37).

- c) Petron has advances to PCERP amounting to P982 as at December 31, 2024, included as part of "Amounts owed by related parties" under "Trade and other receivables - net" account in the consolidated statements of financial position, which was fully paid on March 20, 2025 (Note 8). Portion of the advances are subject to interest of 5% per annum. Interest income earned from the advances amounted to P10 in 2025 and P45 in 2024 and 2023 (Notes 33 and 37).
 - d) Amounts owed by related parties include advances for investment which will be applied against future stock subscription amounting to P7,158 and P814, presented as part of "Investments and Advances - net" in the consolidated statements of financial position as at December 31, 2025 and 2024, respectively (Note 12).
 - e) Amounts owed by associates include investments in equity and debt instruments under an investment management agreement with BankCom for a total amount of P9,711 and P9,718 as at December 31, 2025 and 2024, respectively, presented as part of "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts in the consolidated statements of financial position (Notes 11 and 13). Income earned from investments in equity and debt instruments amounted to P545, P627 and P466 in 2025, 2024 and 2023, respectively (Notes 33 and 34).
 - f) 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, 2025 and 2024. Interest income earned from the receivable amounted to P14, P13 and P30 in 2025, 2024 and 2023, respectively (Note 33).
 - g) Amounts owed by joint ventures include the interest-bearing loans granted to Angat Hydro by PVEI amounting to P284 and P1,485 as at December 31, 2025 and 2024, 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 20). Interest income earned from the advances amounted to P52, P81 and P77 in 2025, 2024 and 2023, respectively (Note 33).
 - h) Amounts owed by related parties include the receivable from Far East Holdings, Inc. on the assignment by ECC of the advances for future investment in KB Space Holdings, Inc. amounting to P1,200 and P1,300, as at December 31, 2025 and 2024, respectively, presented as part of "Trade and other receivables - net" account in the consolidated statements of financial position (Note 8).
5. Amounts owed to related parties consist of trade payables, professional fees and lease obligations. Amounts owed to a related party for the lease of office space presented as part of "Lease liabilities - current portion" amounted to P107 and P9 as at December 31, 2025 and 2024, respectively, and as part of "Lease liabilities - net of current portion" amounted to P1,425 and P35 as at December 31, 2025 and 2024, respectively. The amount owed to the Ultimate Parent Company pertains to dividends payable (Note 38).

The interest-bearing loans payable to BankCom presented as part of “Loans payable” account amounting to P2,131 and P6,941 and “Long-term debt” account amounting to P26,154 and P27,267 in the consolidated statements of financial position as at December 31, 2025 and 2024, respectively (Notes 21 and 23). Interest expense incurred on the loans amounted to P2,111, P1,394 and P1,447 in 2025, 2024 and 2023, respectively.

The amounts owed to associates include syndicated project finance loans amounting to P25,036 and P26,267 as at December 31, 2025 and 2024, respectively, which were secured by certain property, plant and equipment and other intangible assets (Notes 14 and 18).

The compensation of key management personnel of the Group, by benefit type, follows:

	Note	2025	2024	2023
Short-term employee benefits		P624	P659	P544
Retirement benefits	37	57	57	47
		P681	P716	P591

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.

36. 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

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. previously for SPI, the right to receive an assignment of NPC's interest in existing short-term bilateral power supply contracts and 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;
- v. maintain the performance bond in full force and effect with a qualified bank; and
- vi. 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 14 and 15).

Pursuant to the IPPA Agreements, SRHI has to pay PSALM monthly payments for 18 years until April 26, 2028 and SPI for 15 years until October 1, 2024. Energy fees amounted to P1,723, P1,574, and P1,641 in 2025, 2024 and 2023, respectively (Note 28). SRHI renewed its performance bonds amounting US\$20 which will expire on January 25, 2027.

The lease liabilities of SHRI are carried at amortized cost using the US Dollar and Philippine Peso discount rates of 3.30% and 7.90%, 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 P801, P1,347 and P2,421 in 2025, 2024 and 2023, respectively (Note 32).

The power plants under the remaining IPPA lease arrangements with PSALM, presented as part of “Right-of-use assets - net” account in the consolidated statements of financial position, amounted to P27,437 and P28,441 as at December 31, 2025 and 2024, respectively (Note 15).

Maturity analysis of lease payments as at December 31, 2025 and 2024 are disclosed in Note 41.

○ *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 a portion of the leased premises, with an area of 258,701 square meters, 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.

The total lease charges, covering the entire leased premises and whole duration of the lease term, was fully paid in advance by SPI in October 2024 and in March 2025 for P277 and P6,459, respectively.

MPCL

MPCL has an existing lease agreement with PSALM covering certain parcels of land, with an area 183,747 square meters, located in Barangay Bani, Masinloc, Zambales. The lease agreement includes an assignable option in favor of MPCL to purchase the leased premises and will expire on April 11, 2028.

The land under lease agreements with PSALM, presented under “Right-of-use assets - net” account in the consolidated statements of financial position, amounted to P6,823 and P7,223 as at December 31, 2025 and 2024, respectively (Note 15).

○ *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 and PEMC 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 P1,245, P1,102 and P372 in 2025, 2024 and 2023, respectively (Note 28).

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 July 31, 2025 and October 24, 2026, 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.

The consolidated sales of the Group include 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 P23,257, P29,665 and P25,250 in 2025, 2024 and 2023, respectively (Note 28).

The Group regularly participates in competitive selection process (CSPs) to contract its capacity. In a CSP conducted by Meralco on January 5 and January 23, 2024, EERI, MPGC and SPPC emerged as winning bidders for the supply of 2,700 MW out of the 3,000 MW power requirement of Meralco with 1,200 MW, 300 MW and 1,200 MW in offered capacities, respectively, for 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, Unit 1 and Unit 2 of the BCCPP were declared operational in December 2024 and January 2025, respectively, for the supply of 400 MW each to Meralco. On May 9, 2024, the ERC granted provisional authority to implement the PSA of SPPC with Meralco initially covering 910 MW which commenced in June 2024. The PSA of MPGC with Meralco commenced in June 2025 after securing the approval of ERC.

On March 20, 2024, LPI also executed a PSA with Meralco, pursuant to a CSP conducted on February 26, 2024, for an interim supply of 400 MW baseload power requirement, which took effect starting in August 2024 until February 2025.

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, which commenced in September 2025.

In another CSP conducted by Meralco on August 28, 2024, MPCL emerged as the winning bidder to supply 500 MW out of the 600 MW baseload power requirement of Meralco for a term of 15 years. The PSA commenced in August 2025.

- *ASPA*

- i. On May 2, 2023, MPCL entered into an ASPA with NGCP for a period of five years to allocate the 8 megawatt-hour (MWh) 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 MWh 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 MWh BESS located in various sites nationwide, to provide ancillary services for a period of five years, of which 220 MWh and 110 MWh 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*

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, MPI 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 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), Kuwait Petroleum Corporation (KPC), Chevron USA Inc. Singapore Branch (Chevron) and Shell International Eastern Trading Company (SIETCO). The contract with Saudi Aramco is from January 1, 2025 to December 31, 2025 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 January 1, 2025 to December 31, 2025 was renewed from January 1, 2026 to December 31, 2026. The contract with Chevron is from December 1, 2024 to November 30, 2025 and was renewed from February 1, 2026 to January 31, 2027. The contract with SIETCO is for three years from November 6, 2023.

PMRMB acquires crude oil and condensate for its 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, 2025, 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, 2025 and 2024 (Note 22).

- *Lease Agreement with PNOG*

On September 30, 2009, Petron through NVRC entered into a 30-year lease with PNOG 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, 2025, 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 45). As at December 31, 2025 and 2024, 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 aspects 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 obligations 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, 2025, 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. 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 23 and 35).
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 2025 and 2024 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 18). The unamortized portion is included as part of "Prepaid expenses and other current assets" account in the consolidated statements of financial position (Note 11).
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 to 1,800 meters has been completed in 2016. The construction of the new terminal building is ongoing and expected to be completed in 2027.

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 commencing on the business day immediately following the issuance of the Certificate of Substantial Completion for the first implementation phase.

The salient features of the Concession Agreement are presented below:

1. The MIA shall consist of airfield facilities, passenger and cargo terminal buildings, airline support facilities, airport support facilities, airport access and parking facility, as well as an airport toll road which will connect the MIA to the North Luzon Expressway. The MIA will be implemented in three phases, with increasing capacity for each phase completed.
2. Commercial operation of the first implementation phase of the MIA is expected to commence within a period of five years from the issuance of the Certificate of Substantial Completion for the said first phase, with the remaining two implementation phases subject to the timely submission and approval of the required documentation for the various components of each phase.
3. SMAI shall turnover a total area of 100 hectares of land to the ROP as Government Center Land Area. SMAI and ROP shall execute the necessary documents to transfer full ownership thereof in favor of the ROP.
4. SMAI shall be responsible for the acquisition of sufficient title to, or procurement of possession and use of, and unrestricted access to and quiet enjoyment of, the airport site and airport toll road site, as well as the removal or abatement of all liens, encumbrances and hazardous substances within the airport site and the airport toll road site.
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 income collected and received from 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 franchise is for a period of 50 years.

The salient features of RA No. 11506 are as follows:

1. SMAI shall be exempt from any and all direct and indirect taxes and fees of any kind, nature or description, which emanate exclusively from the construction, development, establishment and operation of the airport and Airport City, including but not limited to income taxes, value-added taxes, excise taxes, customs duties and tariffs, and business taxes, among others, during the ten-year construction period. After such ten-year construction period and during the remaining term of the franchise, SMAI shall be exempt from income taxes and taxes on real estate, buildings and personal property until it is determined by the BIR that SMAI has fully recovered its investment costs on the airport and on the Airport City.
2. After SMAI has fully recovered its investment costs on the Airport City, as determined by the BIR, SMAI shall be entitled to generate income from the Airport City equivalent to an internal rate of return (IRR) of 12% per annum. Any amount in excess of the 12% IRR 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 to encourage public participation within 5 years from the determination of the BIR that SMAI has fully recovered its investment costs.

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 2025.

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.

The MRT 7 Project's civil works and electrical and mechanical works are ongoing as at December 31, 2025.

- *Toll Road Concession Agreements*

- i. *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 Memorandum of Agreement (MOA) with Ayala Corporation (AC), on the inter-operability of the SLEX and Muntinlupa-Cavite Expressway (MCX, formerly 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.

The TR4 Project covers the construction of a new 66.74-kilometer (km) four-lane toll road that will extend the SLEX operating toll roads from TR3 in Sto. Tomas, Batangas to Lucena City in Quezon Province per the STOA and Final Engineering Design.

In 2019, SMC SLEX commenced the construction of TR4 and is ongoing as at December 31, 2025.

ii. 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-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.

iii. 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.

On March 11, 2024, the TRB issued an Amended Toll Operation Permit for Phase II B with the inclusion of the Tramo Ramp provision to the NAIAX Phase II Project.

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.

iv. 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 Metro Manila 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 Metro Manila Skyway but also the planned Metro Manila Tollway. The Joint Investment Proposal embodied, among others, that Citra in cooperation with PNCC committed itself to finance, design and construct the Metro Manila 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 Tollway as Stage 4. The Joint Investment Proposal was approved by the TRB on November 27, 1995.

o 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 (Amended STOA), 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 Amended 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 its 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 Amended 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 any of the following: (a) a force majeure event and/or additional cost of any required repair or reconstruction works arising out of force majeure, to the extent that such additional cost is not covered by insurance; or (b) a significant currency devaluation. A currency devaluation shall be deemed significant if it results in a depreciation of the value of the Philippine Peso relative to the US Dollar by at least five percent. The applicable exchange rate shall be the exchange rate between the currencies in effect as at the date of approval of the prevailing preceding toll rate.

- Skyway Stage 3

The Stage 3 STOA was executed on July 8, 2013 by and among the ROP as the Grantor, acting by and through the TRB, PNCC, MMSS3 as the Investor, and Central Metro Manila Skyway Corporation (CMMSC) as the Operator, wherein MMSS3 was granted the primary and exclusive privilege, responsibility and obligation to design and construct the Skyway Stage 3 Project, and to finance the same, while CMMSC was granted the primary and exclusive privilege, responsibility and obligation to operate and maintain the Skyway Stage 3 Project.

The Skyway Stage 3 Project is an elevated roadway with the entire length of approximately 17.93 km from Buendia Avenue in Makati to Balintawak, Quezon City and will connect to the existing Skyway Stage 1 and 2. This is envisioned to inter-connect the northern and southern areas of Metro Manila to help decongest traffic in Metro Manila and stimulate the growth of trade and industry in Luzon, outside of Metro Manila.

The Skyway Stage 3 Project shall be owned by the ROP, without prejudice to the rights and the entitlements of MMSS3 and CMMSC under the Stage 3 STOA. The legal transfer of ownership of the Skyway Stage 3 Project to the ROP shall be deemed to occur automatically on a continuous basis in accordance with the progress of the construction thereof.

The franchise period for the Skyway Stage 3 Project is 30 consecutive years commencing from the issuance of the Toll Operation Certificate for the entire Skyway Stage 3 Project to MMSS3 and/or CMMSC.

MMSS3 and CMMSC shall enter into a revenue sharing agreement to set forth the terms and conditions of their sharing of the toll revenues from the Skyway Stage 3 Project.

On December 29, 2020, the Skyway Stage 3 Project was partially opened to the public. It was formally inaugurated and opened to motorists on January 14, 2021, free of toll fee. On July 1, 2021, MMSS3 received the Toll Operation Permit and started its full toll operation.

- Skyway Stage 4

On July 14, 2014, the Stage 4 STOA was executed by and among the ROP as the Grantor, acting through the TRB, PNCC, MMSS4 as the Investor, and Metro O&M Corporation (MOMCO) as the Operator. MMSS4 was granted the primary and exclusive privilege, responsibility and obligation to finance the design and construction of Skyway Stage 4 Project, while MOMCO was granted the primary and exclusive privilege, responsibility, and obligation to operate and maintain the same.

The Skyway Stage 4 Project shall be owned by the ROP, without prejudice to the rights and the entitlements of MMSS4 and MOMCO under the Stage 4 STOA. The legal transfer of ownership shall be deemed to occur automatically on a continuous basis in accordance with the progress of the construction thereof. The 30-year concession period shall commence from the date of issuance of the Toll Operation Certificate by the TRB to MMSS4 and/or MOMCO.

As at December 31, 2025, the Skyway Stage 4 Project is in the inception of its construction stage.

- v. *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.

vi. 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.

vii. 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.

viii. 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.

ix. 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.

x. 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.

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.

xi. 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.
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.

xii. 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.
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.
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.

xiii. 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.

Ownership of land assets acquired for the TPLEX Extension Project shall be transferred to the ROP periodically and within a reasonable time after their acquisition. Ownership of all facilities and other improvements forming part of the TPLEX Extension Project shall be transferred to the ROP only upon the expiration of the concession period.

The concession period for the TPLEX Extension Project shall be 34 years commencing from the effectivity date of the STOA.

The TPLEX Extension Project is currently undergoing right-of-way acquisition. The Detailed Engineering Design has been submitted to the Grantor and is currently awaiting review and approval.

o 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 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 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 April 24, 2020, LCWDC successfully completed Stages 1 & 2 of the Bulacan Bulk Water Supply Project and delivered potable bulk water to 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 a Memoranda of Understanding where the parties agreed to cooperate with each other towards the successful implementation of the Bulacan Bulk Water Supply Project. Pursuant thereto, MWSS, LCWDC, and the individual WSPs for Stages 1 & 2 have entered into individual MOAs 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 a 5.5 hectares property 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 period 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 period 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 adjusted 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 a 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 P5,715, P5,777 and P5,825 in 2025, 2024 and 2023, respectively (Note 28).

- 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

MPSA No.	Location	Date of Issuance
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 (NIRC), as well as other taxes, duties and fees levied by existing laws.

Excise taxes paid to the Philippine Government aggregated to P16, P15 and P14 in 2025, 2024 and 2023, 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 2025 and 2024.

ii. ECC and subsidiaries

MPSA No.	Location	Date of Issuance/Renewal
245-2007-III	Dona Remedios Trinidad and San Ildefonso, Bulacan	July 25, 2007
181-2002-III	Akle, San Ildefonso, Bulacan	June 20, 2022
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

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 14).

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, 2025, 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 P58, P48, and P61 in 2025, 2024 and 2023, 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 P19, P14 and P7 in 2025, 2024 and 2023, respectively.

As at December 31, 2025, 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 16). 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:

	2025	2024
Within one year	P3,162	P1,929
More than one to two years	1,471	1,116
More than two to three years	1,226	872
More than three to four years	927	882
More than four to five years	1,058	725
More than five years	10,017	8,272
	P17,861	P13,796

Rent income recognized in the consolidated statements of income amounted to P2,567, P2,284 and P2,004 in 2025, 2024 and 2023, respectively (Note 34). Income from sub-leasing recognized in the consolidated statements of income amounted to P1,867, P1,696 and P1,608 in 2025, 2024 and 2023, respectively.

37. 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, 2025. 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	
	2025	2024	2025	2024	2025	2024	2025	2024
Balance at beginning of year	P27,248	P25,908	(P39,710)	(P36,620)	(P11)	(P2)	(P12,473)	(P10,714)
Benefit obligation of consolidated subsidiaries	-	-	-	(4)	-	-	-	(4)
Recognized in Profit or Loss								
Current service costs	-	-	(2,274)	(2,068)	-	-	(2,274)	(2,068)
Past service costs	-	-	(121)	(9)	-	-	(121)	(9)
Interest expense	-	-	(2,383)	(2,236)	-	-	(2,383)	(2,236)
Interest income	1,651	1,598	-	-	-	-	1,651	1,598
Interest on the effect of asset ceiling	-	-	-	-	(1)	-	(1)	-
Settlement loss	-	-	(4)	(11)	-	-	(4)	(11)
	1,651	1,598	(4,782)	(4,324)	(1)	-	(3,132)	(2,726)
Recognized in Other Comprehensive Income								
Remeasurements								
Actuarial gains (losses) arising from:								
Experience adjustments	-	-	(1,058)	(1,644)	-	-	(1,058)	(1,644)
Changes in financial assumptions	-	-	736	(286)	-	-	736	(286)
Changes in demographic assumptions	-	-	(62)	19	-	-	(62)	19
Return on plan assets excluding interest income	1,738	(401)	-	-	-	-	1,738	(401)
Changes in the effect of asset ceiling	-	-	-	-	(534)	(9)	(534)	(9)
	1,738	(401)	(384)	(1,911)	(534)	(9)	820	(2,321)
Others								
Contributions	3,566	3,318	-	-	-	-	3,566	3,318
Benefits paid	(3,565)	(3,252)	3,893	3,479	-	-	328	227
Transfers from other plans	12	71	(12)	(71)	-	-	-	-
Transfers to other plans	(14)	(23)	14	23	-	-	-	-
Other adjustments	(2)	29	(248)	(282)	-	-	(250)	(253)
	(3)	143	3,647	3,149	-	-	3,644	3,292
Balance at end of year	P30,634	P27,248	(P41,229)	(P39,710)	(P546)	(P11)	(P11,141)	(P12,473)

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 P147, P113 and P89 in 2025, 2024 and 2023, respectively (Note 31).

Retirement costs recognized as part of "Personnel expenses" in the consolidated statements of income by the subsidiaries amounted to P2,252, P1,975 and P1,698 in 2025, 2024 and 2023, respectively (Note 31). 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 P121, P9 and P2 in 2025, 2024 and 2023, respectively.

The net interest expense on the defined benefit retirement liability recognized as part of "Interest expense and other financing charges" account in the consolidated statements of income by the Parent Company amounted to P28, P14 and P75 in 2025, 2024 and 2023, respectively (Note 32).

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 P705, P624 and P557 in 2025, 2024 and 2023, respectively (Notes 32 and 33).

As at December 31, 2025, net retirement assets and liabilities, included as part of "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts, amounted to P6 and P1,317, respectively (Notes 11 and 20) and under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts, amounted to P104 and P12,360, respectively (Notes 22 and 24).

As at December 31, 2024, net retirement assets and liabilities, included as part of "Other noncurrent assets - net" account, amounted to P77 (Note 20) and under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts, amounted to P170 and P12,380, respectively (Notes 22 and 24).

The carrying amounts of the Group's retirement fund approximate fair values as at December 31, 2025 and 2024.

The Group's plan assets consist of the following:

	In Percentages	
	2025	2024
Investments in marketable securities and shares of stock	76.71	80.51
Investments in pooled funds:		
Fixed income portfolio	2.23	3.59
Stock trading portfolio	0.74	0.74
Investments in real estate	3.30	2.60
Others	17.02	12.56

Investments in Marketable Securities

As at December 31, 2025, the plan assets include:

- 51,071,325 common shares and 9,782,770 Subseries "2-I", 2,995,200 Subseries "2-L", 7,441,600 Subseries "2-N", 3,873,600 Subseries "2-O", 4,561,800 Subseries "2-P", 144,750 Subseries "2-Q", 13,000 Subseries "2-R", 2,973,100 Subseries "2-S", 7,666,800 Subseries "2-T" and 7,136,000 Subseries "2-U" Preferred Shares of the Parent Company with fair market value per share of P82.00, P74.50, P79.00, P80.50, P81.00, P77.00, P77.80, P77.50, P77.80, P76.57 and P76.00, respectively;
- 373,201,500 common shares and 474,160 Series 3B, 13,390 Series 4A, 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 P2.48, P1,005.00, P1,010.00, P1,000.00, P1,009.00, P998.00 and P1,015.00, 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 P295.00;
- 25,324,900 common shares of SMFB with fair market value per share of P55.00;
- 300 common shares of SMPL with fair market value per share of P134.12;
- 5,997,311 common shares of Top Frontier with fair market value per share of P61.00;
- 435,246,160 common shares of BankCom with fair market value per share of P9.20; and
- investment in shares of stock of the PSE, other equity securities and bonds which amounted to P7,281.

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.

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 on the investment in marketable securities of Top Frontier, Parent Company and its subsidiaries amounting to P1,467, P382 and P2,180 in 2025, 2024 and 2023, respectively.

Dividend income from the investment in shares of stock of the Parent Company and its subsidiaries amounted to P1,157, P956 and P618 in 2025, 2024 and 2023, 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, 2025 and 2024.

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 84% and 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, 2025 and 2024, respectively.

Approximately 32% and 58% 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, 2025 and 2024, respectively.

Investments in Real Estate

The Retirement Plans of the Group have investments in real estate properties as at December 31, 2025 and 2024. The fair value of investment property amounted to P1,328 and P989 as at December 31, 2025 and 2024, respectively.

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 P3,016 to the Retirement Plans in 2026.

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 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	
	2025	2024
Discount rate	2.70 - 6.59	3.50 - 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 2.10 to 18.10 years and 2.30 to 19.40 years as at December 31, 2025 and 2024, respectively.

As at December 31, 2025 and 2024, 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			
	2025		2024	
	1 Percent Increase	1 Percent Decrease	1 Percent Increase	1 Percent Decrease
Discount rate	(P1,977)	P2,339	(P1,972)	P2,326
Salary increase rate	2,738	(2,422)	2,640	(2,333)

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 P6,064 and P6,311 as at December 31, 2025 and 2024, respectively, included as part of "Amounts owed by related parties" under "Trade and other receivables - net" account in the consolidated statements of financial position (Notes 8 and 35). Portion of the advances are subject to 5.75% interest per annum in 2025 and 2024. Interest income earned from the advances amounted to P182, P189 and P188 in 2025, 2024 and 2023, respectively (Notes 33 and 35).
- b. Petron has advances to PCERP amounting to P982 as at December 31, 2024, included as part of "Amounts owed by related parties" under "Trade and other receivables - net" account in the consolidated statements of financial position, which was fully paid on March 20, 2025 (Notes 8 and 35). Portion of the advances are subject to interest per annum of 5% in 2025 and 2024. Interest income earned from the advances amounted to P10 in 2025, P45 in 2024 and 2023 (Notes 33 and 35).

Transactions with the Retirement Plans are made at normal market prices and terms. Outstanding balances as at December 31, 2025 and 2024 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 2025, 2024 and 2023.

38. Dividends and Distributions

Dividends

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

2025

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend Per Share
Common	March 13, 2025	March 28, 2025	April 25, 2025	P0.35
	June 10, 2025	June 27, 2025	July 23, 2025	0.35
	September 11, 2025	October 3, 2025	October 24, 2025	0.35
	December 4, 2025	January 2, 2026	January 23, 2026	0.35
Preferred SMC2F	January 16, 2025	March 21, 2025	April 4, 2025	1.27635
	May 8, 2025	June 20, 2025	July 4, 2025	1.27635
	August 7, 2025	September 19, 2025	October 3, 2025	1.27635
SMC2I	January 16, 2025	March 21, 2025	April 4, 2025	1.18790625
	May 8, 2025	June 20, 2025	July 4, 2025	1.18790625
	August 7, 2025	September 19, 2025	October 3, 2025	1.18790625
	November 13, 2025	December 19, 2025	January 2, 2026	1.18790625
SMC2J	January 16, 2025	March 21, 2025	April 4, 2025	0.890625
	May 8, 2025	June 20, 2025	July 4, 2025	0.890625
	August 7, 2025	September 19, 2025	October 3, 2025	0.890625
SMC2K	January 16, 2025	March 21, 2025	April 4, 2025	0.84375
	May 8, 2025	June 20, 2025	July 4, 2025	0.84375
	August 7, 2025	September 19, 2025	October 3, 2025	0.84375
	November 13, 2025	December 19, 2025	January 2, 2026	0.740625
	November 13, 2025	December 19, 2025	January 2, 2026	0.309375
SMC2L	January 16, 2025	March 21, 2025	April 4, 2025	1.48396875
	May 8, 2025	June 20, 2025	July 4, 2025	1.48396875
	August 7, 2025	September 19, 2025	October 3, 2025	1.48396875
	November 13, 2025	December 19, 2025	January 2, 2026	1.48396875
SMC2M	January 16, 2025	March 21, 2025	April 4, 2025	1.5703125
	May 8, 2025	June 20, 2025	July 4, 2025	1.5703125
	August 7, 2025	September 19, 2025	October 3, 2025	1.5703125
	November 13, 2025	December 19, 2025	January 2, 2026	1.5703125
SMC2N	January 16, 2025	March 21, 2025	April 4, 2025	1.5649875
	May 8, 2025	June 20, 2025	July 4, 2025	1.5649875
	August 7, 2025	September 19, 2025	October 3, 2025	1.5649875
	November 13, 2025	December 19, 2025	January 2, 2026	1.5649875
SMC2O	January 16, 2025	March 21, 2025	April 4, 2025	1.611300
	May 8, 2025	June 20, 2025	July 4, 2025	1.611300
	August 7, 2025	September 19, 2025	October 3, 2025	1.611300
	November 13, 2025	December 19, 2025	January 2, 2026	1.611300
SMC2P	November 13, 2025	December 19, 2025	January 2, 2026	0.82709375
SMC2Q	November 13, 2025	December 19, 2025	January 2, 2026	0.86165
SMC2R	November 13, 2025	December 19, 2025	January 2, 2026	0.8949
SMC2S	November 13, 2025	December 19, 2025	January 2, 2026	0.82709375
SMC2T	November 13, 2025	December 19, 2025	January 2, 2026	0.86165
SMC2U	November 13, 2025	December 19, 2025	January 2, 2026	0.8949

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
	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	0.329770833333333
	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	0.505989583333333
	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

On January 15, 2026, the BOD of the Parent Company declared cash dividends to all preferred shareholders of record as at March 20, 2026 the following shares to be paid on March 30, 2026, as follows:

Class of Shares	Dividends Per Share
SMC2I	P1.18790625
SMC2L	1.48396875
SMC2M	1.5703125
SMC2N	1.5649875
SMC2O	1.6113
SMC2P	1.3059375
SMC2Q	1.3605
SMC2R	1.413
SMC2S	1.3059375
SMC2T	1.3605
SMC2U	1.413

On March 12, 2026, the BOD of the Parent Company declared cash dividends at P0.35 per share to all common shareholders of record as at March 30, 2026 to be paid on April 17, 2026.

Distributions

The Parent Company declared and paid P2,122 and P2,102 to the holders of SPCS in 2025 and 2024, respectively, as distributions in accordance with the terms and conditions of their respective separate subscription agreements with the Parent Company.

39. Basic and Diluted Earnings Per Common Share

Basic and diluted EPS is computed as follows:

	Note	2025	2024	2023
Net income (loss) attributable to equity holders of the Parent Company		P41,291	(P7,411)	P198
Dividends on preferred shares	26, 38	(7,500)	(7,416)	(4,185)
Distributions on capital securities	26, 38	(1,247)	(2,102)	(2,007)
Net income (loss) attributable to common shareholders of the Parent Company (a)		P32,544	(P16,929)	(P5,994)
Weighted average number of common shares outstanding (in millions) - basic and diluted (b)		2,384	2,384	2,384
Basic and diluted earnings (loss) per common share attributable to equity holders of the Parent Company (a/b)		P13.65	(P7.10)	(P2.51)

Earnings (loss) per common share is computed based on amounts in nearest Peso.

As at December 31, 2025, 2024 and 2023, the Parent Company has no dilutive debt or equity instruments.

40. Supplemental Cash Flow Information

Supplemental information with respect to the consolidated statements of cash flows is presented below:

- a. Changes in 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):

	2025	2024	2023
Trade and other receivables - net	(P14,251)	(P1,561)	(P24,104)
Inventories	27,542	(16,046)	27,789
Prepaid expenses and other current assets	6,616	(13,154)	(13,928)
Accounts payable and accrued expenses	3,422	41,388	(2,026)
Income and other taxes payable and others	5,343	(10,803)	6,883
	P28,672	(P176)	(P5,386)

- b. Acquisition of subsidiaries, net of cash and cash equivalents acquired.

	2024
Current assets	P153
Noncurrent assets	2,832
Current liabilities	(1,765)
Noncurrent liabilities	(1,000)
Non-controlling interests	15
Net assets	235
Cash and cash equivalents	(110)
Goodwill in subsidiaries	1,488
Investments and advances - net	(573)
Net cash flows	P1,040

c. Changes in liabilities arising from financing activities

	Note	Loans Payable	Long-term Debt	Lease Liabilities	Dividends and Distributions Payable
Balance at January 1, 2025		P293,230	P1,267,269	P42,545	P5,160
Changes from Financing Cash Flows					
Proceeds of borrowings		1,234,685	183,696	-	-
Payments of borrowings		(1,293,970)	(108,963)	-	-
Payments of lease liabilities		-	-	(11,882)	-
Dividends and distributions paid		-	-	-	(54,909)
Total Changes from Financing Cash Flows		(59,285)	74,733	(11,882)	(54,909)
Effect of Changes in Foreign Exchange Rates		1,412	11,037	568	-
Deconsolidation of a Subsidiary	5	(5,000)	-	-	-
Other Changes		235	4,257	4,600	54,388
Balance at December 31, 2025		P230,592	P1,357,296	P35,831	P4,639
		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

41. 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, 2025	<1 Year	1-2 Years	>2-3 Years	>3-4 Years	>4-5 Years	>5 Years	Total
Fixed Rate							
Philippine Peso-denominated Interest rate	P76,519 3.284% - 8.7815%	P114,142 3.5483% - 8.7815%	P103,226 3.5483% - 8.7815%	P84,558 3.5483% - 8.7815%	P66,195 4.8356% - 8.7815%	P163,026 4.8356% - 8.6074%	P607,666
Foreign currency-denominated (expressed in Philippine Peso) Interest rate	1,544 8.331%	3,294 5.166% - 8.331%	13,866 5.166% - 8.331%	13,945 5.166% - 8.331%	12,175 5.166% - 8.331%	-	44,824
Floating Rate							
Philippine Peso-denominated Interest rate	4,102 BVAL + margin or applicable reference rate, whichever is higher	5,444 BVAL + margin or applicable reference rate, whichever is higher	6,037 BVAL + margin or applicable reference rate, whichever is higher	12,758 BVAL + margin or applicable reference rate, whichever is higher	2,912 BVAL + margin or applicable reference rate, whichever is higher	43,546 BVAL + margin or applicable reference rate, whichever is higher	74,799
Foreign currency-denominated (expressed in Philippine Peso) Interest rate	95,530 SOFR/ applicable reference rate + margin	117,984 SOFR/ applicable reference rate + margin	159,958 SOFR/ applicable reference rate + margin	142,633 SOFR/ applicable reference rate + margin	75,646 SOFR/ applicable reference rate + margin	52,351 SOFR/ applicable reference rate + margin	644,102
	P177,695	P240,864	P283,087	P253,894	P156,928	P258,923	P1,371,391
December 31, 2024	<1 Year	1-2 Years	>2-3 Years	>3-4 Years	>4-5 Years	>5 Years	Total
Fixed Rate							
Philippine Peso-denominated Interest rate	P69,559 3.284% - 9.635%	P75,072 3.284% - 9.635%	P111,758 3.5483% - 9.635%	P93,032 3.5483% - 9.635%	P81,440 3.5483% - 9.635%	P172,129 4.8356% - 9.635%	P602,990
Foreign currency-denominated (expressed in Philippine Peso) Interest rate	1,453 8.331%	1,519 8.331%	1,588 8.331%	10,338 6.55% - 8.331%	10,416 6.68% - 8.331%	8,674 8.331%	33,988
Floating Rate							
Philippine Peso-denominated Interest rate	1,895 BVAL + margin or applicable reference rate, whichever is higher	2,923 BVAL + margin or applicable reference rate, whichever is higher	4,045 BVAL + margin or applicable reference rate, whichever is higher	4,383 BVAL + margin or applicable reference rate, whichever is higher	10,936 BVAL + margin or applicable reference rate, whichever is higher	29,632 BVAL + margin or applicable reference rate, whichever is higher	53,814
Foreign currency-denominated (expressed in Philippine Peso) Interest rate	22,207 SOFR/ applicable reference rate + margin	105,707 SOFR/ applicable reference rate + margin	115,771 SOFR/ applicable reference rate + margin	146,395 SOFR/ applicable reference rate + margin	138,428 SOFR/ applicable reference rate + margin	63,382 SOFR/ applicable reference rate + margin	591,890
	P95,114	P185,221	P233,162	P254,148	P241,220	P273,817	P1,282,682

The sensitivity to a reasonably possible 1% increase in the interest rates, with all other variables held constant, would have decreased the Group's profit before tax (through the impact on floating rate borrowings) by P7,189, P6,457 and P5,830 in 2025, 2024 and 2023, 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, 2025		December 31, 2024	
	US Dollar	Peso Equivalent	US Dollar	Peso Equivalent
Assets				
Cash and cash equivalents	US\$2,843	P167,215	US\$1,619	P93,731
Trade and other receivables	826	48,518	952	55,088
Prepaid expenses and other current assets	27	1,544	18	1,046
Noncurrent receivables	40	2,460	37	2,184
	3,736	219,737	2,626	152,049
Liabilities				
Loans payable	721	42,416	720	41,661
Accounts payable and accrued expenses	2,553	150,092	2,405	139,067
Long-term debt (including current maturities)	11,719	688,926	10,820	625,878
Lease liabilities (including current portion)	232	13,659	369	21,417
Other noncurrent liabilities	11	657	30	1,775
	15,236	895,750	14,344	829,798
Net foreign currency-denominated monetary liabilities	US\$11,500	P676,013	US\$11,718	P677,749

The Group reported net gain (loss) on foreign exchange amounting to (P8,709), (P20,514) and P2,485 in 2025, 2024 and 2023, respectively, with the translation of its foreign currency-denominated assets and liabilities (Note 34). 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, 2025	P58.790
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 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, 2025				
Cash and cash equivalents	(P2,202)	(P2,292)	P2,202	P2,292
Trade and other receivables	(328)	(778)	328	778
Prepaid expenses and other current assets	(11)	(24)	11	24
Noncurrent receivables	(35)	(31)	35	31
	(2,576)	(3,125)	2,576	3,125
Loans payable	700	545	(700)	(545)
Accounts payable and accrued expenses	1,669	2,384	(1,669)	(2,384)
Long-term debt (including current maturities)	11,685	8,797	(11,685)	(8,797)
Lease liabilities (including current portion)	132	199	(132)	(199)
Other noncurrent liabilities	8	9	(8)	(9)
	14,194	11,934	(14,194)	(11,934)
	P11,618	P8,809	(P11,618)	(P8,809)

	P1 Decrease in the US Dollar Exchange Rate		P1 Increase in the US Dollar Exchange Rate	
	Effect on Income before Income Tax	Effect on Equity	Effect on Income before Income Tax	Effect on Equity
December 31, 2024				
Cash and cash equivalents	(P1,454)	(P1,307)	P1,454	P1,307
Trade and other receivables	(431)	(898)	431	898
Prepaid expenses and other current assets	(10)	(15)	10	15
Noncurrent receivables	(34)	(28)	34	28
	(1,929)	(2,248)	1,929	2,248
Loans payable	425	612	(425)	(612)
Accounts payable and accrued expenses	1,874	2,387	(1,874)	(2,387)
Long-term debt (including current maturities)	10,786	8,123	(10,786)	(8,123)
Lease liabilities (including current portion)	277	301	(277)	(301)
Other noncurrent liabilities	28	23	(28)	(23)
	13,390	11,446	(13,390)	(11,446)
	P11,461	P9,198	(P11,461)	(P9,198)

Exposures to foreign exchange rates vary during the 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, 2025	Carrying Amount	Contractual Cash Flow	1 Year or Less	> 1 Year - 2 Years	> 2 Years - 5 Years	Over 5 Years
Financial Assets						
Cash and cash equivalents	P351,715	P351,715	P351,715	P -	P -	P -
Trade and other receivables - net	247,559	247,559	247,559	-	-	-
Derivative assets (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	3,664	3,664	1,364	109	2,191	-
Financial assets at FVPL (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	886	886	398	-	-	488
Financial assets at FVOCI (included under "Investments in equity and debt instruments" account)	35,770	35,946	54	53	769	35,070
Financial assets at amortized cost (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	12,205	14,390	1,376	947	12,067	-
Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account)	6,155	6,155	-	1,664	750	3,741
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	28,777	28,777	22,512	4,382	1,696	187
Financial Liabilities						
Loans payable	230,592	232,485	232,485	-	-	-
Accounts payable and accrued expenses (excluding current retirement liabilities, derivative liabilities, IRO, ARO and deferred income)	250,350	250,350	250,350	-	-	-
Dividends and distributions payable	4,639	4,639	4,639	-	-	-
Derivative liabilities (included under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts)	2,789	2,789	1,999	6	784	-
Long-term debt (including current maturities)	1,357,296	1,680,863	260,540	310,016	801,526	308,781
Lease liabilities (including current portion)	35,831	50,594	9,693	9,689	11,474	19,738
Other noncurrent liabilities (excluding noncurrent retirement liabilities, derivative liabilities, IRO, ARO, MRO, deferred income and other noncurrent non-financial liabilities)	5,641	5,641	-	2,171	2,053	1,417

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)	285,408	285,408	285,408	-	-	-
Dividends and distributions payable	5,160	5,160	5,160	-	-	-
Derivative liabilities (included under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts)	2,017	2,017	1,890	-	127	-
Long-term debt (including current maturities)	1,267,269	1,627,846	178,609	260,245	857,456	331,536
Lease liabilities (including current portion)	42,545	52,752	12,655	8,750	16,299	15,048
Other noncurrent liabilities (excluding noncurrent retirement liabilities, derivative liabilities, IRO, ARO, MRO, deferred income and other noncurrent non-financial liabilities)	7,068	7,068	-	2,824	1,738	2,506

Credit Risk

Credit risk is the risk of financial loss to the Group when a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from trade and other receivables and investment securities. The Group manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Group's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk.

The Group has regular internal control reviews to monitor the granting of credit and management of credit exposures.

Trade and Other Receivables

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on the credit risk.

The Group obtains collateral or arranges master netting agreements, where appropriate, so that in the event of default, the Group would have a secured claim.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the standard payment and delivery terms and conditions are offered. The Group ensures that sales on account are made to customers with appropriate credit history. The Group has detailed credit criteria and several layers of credit approval requirements before engaging a particular customer or counterparty. The review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer and are reviewed on a regular basis. Customers that fail to meet the benchmark creditworthiness may transact with the Group only on a prepayment basis.

Investment in Debt Instruments

The Group limits its exposure to credit risk by investing only in liquid debt instruments with counterparties that have high credit ratings. The Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields.

Credit Quality

In monitoring and controlling credit extended to counterparty, the Group adopts a comprehensive credit rating system based on financial and non-financial assessments of its customers. Financial factors being considered comprise 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, 2025	December 31, 2024
Cash and cash equivalents (excluding cash on hand)	4, 7	P345,694	P287,803
Trade and other receivables - net	8	247,559	266,981
Derivative assets	11, 20	3,664	2,782
Investments in debt instruments at FVPL	11, 13	398	438
Investments in debt instruments at FVOCI	13	700	669
Investments in debt instruments at amortized cost	4, 11, 13	12,205	12,180
Noncurrent receivables and deposits - net	4, 20	6,155	8,797
Restricted cash	4, 11, 20	28,777	23,822
		P645,152	P603,472

The table below presents the Group's exposure to credit risk and shows the credit quality of the financial assets by indicating whether the financial assets are subjected to 12-month ECL or lifetime ECL. Assets that are credit-impaired are separately presented.

	December 31, 2025					
	Financial Assets at Amortized Cost			Financial Assets at FVPL	Financial Assets at FVOCI	Total
	12-Month ECL	Lifetime ECL not Credit Impaired	Lifetime ECL Credit Impaired			
Cash and cash equivalents (excluding cash on hand)	P345,694	P -	P -	P -	P -	P345,694
Trade and other receivables	-	247,559	16,811	-	-	264,370
Derivative assets	-	-	-	1,164	2,500	3,664
Investments in debt instruments at FVPL	-	-	-	398	-	398
Investments in debt instruments at FVOCI	-	-	-	-	700	700
Investments in debt instruments at amortized cost	12,205	-	-	-	-	12,205
Noncurrent receivables and deposits	-	6,155	268	-	-	6,423
Restricted cash	28,777	-	-	-	-	28,777

	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

The aging of receivables is as follows:

December 31, 2025	Trade	Non-trade	Amounts Owed by Related Parties	Total
Current	P134,967	P37,688	P9,953	P182,608
Past due:				
1 - 30 days	14,599	783	358	15,740
31 - 60 days	3,827	2,074	103	6,004
61 - 90 days	934	1,032	56	2,022
Over 90 days	25,666	31,447	883	57,996
	P179,993	P73,024	P11,353	P264,370

December 31, 2024	Trade	Non-trade	Amounts Owed by Related Parties	Total
Current	P130,568	P40,453	P9,120	P180,141
Past due:				
1 - 30 days	23,898	2,197	105	26,200
31 - 60 days	5,447	5,572	38	11,057
61 - 90 days	2,309	151	30	2,490
Over 90 days	34,664	26,227	1,545	62,436
	P196,886	P74,600	P10,838	P282,324

Various collaterals for trade receivables such as bank guarantees, time deposits and real estate mortgages are held by the Group for certain credit limits.

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible based on historical payment behavior and analyses of the underlying customer credit ratings. There are no significant changes in their credit quality.

The Group computes impairment loss on receivables based on past collection experience, current circumstances and the impact of future economic conditions, if any, available at the reporting period (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.

42. 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, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	P351,715	P351,715	P293,677	P293,677
Trade and other receivables - net	247,559	247,559	266,981	266,981
Derivative assets (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	3,664	3,664	2,782	2,782
Financial assets at FVPL (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	886	886	896	896
Financial assets at FVOCI (included under "Investments in equity and debt instruments" account)	35,770	35,770	8,988	8,988
Financial assets at amortized cost (included under "Prepaid expenses and other current assets" and "Investments in equity and debt instruments" accounts)	12,205	12,205	12,180	12,180
Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account)	6,155	6,155	8,797	8,797
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets - net" accounts)	28,777	28,777	23,822	23,822
Financial Liabilities				
Loans payable	230,592	230,592	293,230	293,230
Accounts payable and accrued expenses (excluding current retirement liabilities, derivative liabilities, IRO, ARO and deferred income)	250,378	250,378	285,456	285,456
Dividends and distributions payable	4,639	4,639	5,160	5,160
Derivative liabilities (included under "Accounts payable and accrued expenses" and "Other noncurrent liabilities" accounts)	2,789	2,789	2,017	2,017
Long-term debt (including current maturities)	1,357,296	1,392,114	1,267,269	1,306,606
Lease liabilities (including current portion)	35,831	35,831	42,545	42,545
Other noncurrent liabilities (excluding noncurrent retirement liabilities, derivative liabilities, IRO, ARO, MRO, deferred income and other noncurrent non-financial liabilities)	5,641	5,641	7,068	7,068

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and Cash Equivalents, Trade and Other Receivables, Financial Assets at Amortized Cost, Noncurrent Receivables and Deposits and Restricted Cash. The carrying amount of cash and cash equivalents and trade and other receivables approximates fair value primarily due to the relatively short-term maturities of these financial instruments. In the case of financial assets at amortized cost, noncurrent receivables and deposits and restricted cash, the fair value is based on the present value of expected future cash flows using the applicable discount rates based on current market rates of identical or similar quoted instruments.

Derivatives. The fair values of forward exchange contracts are calculated by reference to current forward exchange rates. In the case of freestanding currency and commodity derivatives, the fair values are determined based on quoted prices obtained from their respective active markets. Fair values for stand-alone derivative instruments that are not quoted from an active market and for embedded derivatives are based on valuation models used for similar instruments using both observable and non-observable inputs.

Financial Assets at FVPL and Financial Assets at FVOCI. The fair values of publicly traded instruments and similar investments are based on quoted market prices in an active market. For debt instruments with no quoted market prices, a reasonable estimate of their fair values is calculated based on the expected cash flows from the instruments discounted, using the applicable discount rates of comparable instruments quoted in active markets.

Loans Payable, Accounts Payable and Accrued Expenses and Dividends and Distributions Payable. The carrying amount of loans payable, accounts payable and accrued expenses and dividends and distributions payable approximates fair value due to the relatively short-term maturities of these financial instruments.

Long-term Debt, Lease Liabilities and Other Noncurrent Liabilities. The fair value of interest-bearing fixed rate loans is based on the discounted value of expected future cash flows using the applicable market rates for similar types of instruments as at the reporting date. Discount rates used for Philippine Peso-denominated loans range from 4.6% to 8.8% and 4.7% to 7.8% as at December 31, 2025 and 2024, respectively. The discount rates used for foreign currency-denominated loans range from 3.5% to 3.7% and 4.2% to 4.4% as at December 31, 2025 and 2024, 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, 2025	Maturity			Total
	1 Year or Less	> 1 Year - 2 Years	> 2 Years - 5 Years	
Foreign currency risk:				
Non-deliverable call spreads:				
Notional amount	US\$40	US\$40	US\$935	US\$1,015
Average strike rate	P51.35 to P55.40	P54.30 to P59.00	P55.35 to P61.845	
Interest rate risk:				
Interest rate options:				
Notional amount	US\$225	US\$ -	US\$1,050	US\$1,275
Interest rate	0.39% to 2.91%	-	0.50% to 6.25%	
Foreign currency and interest rate risks:				
Non-deliverable swap and options:				
Notional amount	JPY -	JPY -	JPY61,600	JPY61,600
Average strike rate	P -	P -	P0.3809 to P0.53326	
Fixed interest rate	-	-	6.25% to 6.40%	

December 31, 2024	Maturity			Total
	1 Year or Less	> 1 Year - 2 Years	> 2 Years - 5 Years	
Foreign currency risk:				
Non-deliverable call spreads:				
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%	

The following are the amounts relating to hedged items:

December 31, 2025	Change in Fair Value Used for Measuring Hedge Ineffectiveness	Hedging Reserve	Cost of Hedging Reserve
Foreign currency risk:			
US Dollar-denominated borrowings	(P970)	P -	(P953)
Interest rate risk:			
US Dollar-denominated borrowings	79	200	(247)
Foreign currency and interest rate risks:			
Japanese Yen-denominated borrowings	400	-	(447)

December 31, 2024	Change in Fair Value Used for Measuring Hedge Ineffectiveness	Hedging Reserve	Cost of Hedging Reserve
Foreign currency risk:			
US Dollar-denominated borrowings	(P880)	P -	(P752)
Interest rate risk:			
US Dollar-denominated borrowings	(516)	380	(309)
Foreign currency and interest rate risks:			
US Dollar-denominated borrowings	(75)	-	-

There are no amounts remaining in the hedging reserve from hedging relationships for which hedge accounting is no longer applied.

The following are the amounts related to the designated hedging instruments:

December 31, 2025	Changes in the Fair Value of the Hedging Instrument Recognized in Comprehensive Income			Line Item in the Consolidated Statement of Financial Position where the Hedging Instrument is Included	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
	Notional Amount	Carrying Amount Assets	Liabilities		Comprehensive Income	Other Comprehensive Income	Income			
Foreign currency risk: Non-deliverable call spreads	US\$1,015	P 2,375	P -	Prepaid expenses and other current assets and Other noncurrent assets - net	P970	(P747)	(P970)	P479		Interest expense and other financing charges, and Other income (charges) - net
Interest rate risk: Interest rate options	US\$1,275	125	(187)	Prepaid expenses and other current assets, Other noncurrent assets - net, and Other noncurrent liabilities	(79)	84	(161)	-		Interest expense and other financing charges
Foreign currency and interest rate risks: Non-deliverable swap and options	JPY61,600	-	(597)	Other noncurrent liabilities	(400)	(597)	400	-		Interest expense and other financing charges
December 31, 2024	Changes in the Fair Value of the Hedging Instrument Recognized in Comprehensive Income			Line Item in the Consolidated Statement of Financial Position where the Hedging Instrument is Included	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
Foreign currency risk: Non-deliverable call spreads	US\$555	P 1,297	P -		Other noncurrent assets - net	P880	(P892)			
Interest rate risk: Interest rate options	1,275	255	(127)	Other noncurrent assets - net, and Other noncurrent liabilities	516	(68)	(207)	-		Interest expense and other financing charges
Foreign currency and interest rate risks: Non-deliverable swap and options	-	-	-		75	(27)	(44)	-		Interest expense and other financing charges, and Other income (charges) - net

The hedges were assessed to be effective as the critical terms of the hedged items match the hedging instruments. No ineffectiveness was recognized in the 2025, 2024 and 2023 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.

	2025		2024	
	Hedging Reserve	Cost of Hedging Reserve	Hedging Reserve	Cost of Hedging Reserve
Beginning balance	P380	(P1,061)	P125	(P528)
Changes in fair value:				
Foreign currency risk	970	(747)	880	(892)
Interest rate risk	(79)	84	516	(68)
Foreign currency and interest rate risks	(400)	(597)	75	(27)
Amount reclassified to profit or loss	(731)	479	(1,131)	276
Tax effect	60	195	(85)	178
Ending balance	P200	(P1,647)	P380	(P1,061)

Derivative Instruments Not Designated as Hedges

The Group enters into certain derivatives as economic hedges of certain underlying exposures. These include freestanding and embedded derivatives found in host contracts, which are not designated as accounting hedges. Changes in fair value of these instruments are accounted for directly in the consolidated statements of income. Details are as follows:

Freestanding Derivatives

Freestanding derivatives consist of interest rate, foreign currency and commodity derivatives entered into by the Group.

Interest Rate Swap

The Group has outstanding interest rate swap with notional amount of US\$75 as at December 31, 2025 and 2024. 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 P15 and P32 as at December 31, 2025 and 2024, respectively.

Currency Forwards

The Group has outstanding foreign currency forward contracts with aggregate notional amount of US\$1,322 and US\$1,066 as at December 31, 2025 and 2024, respectively, and with various maturities in 2026 and 2025. The net negative fair value of these currency forwards amounted to P446 and P991 as at December 31, 2025 and 2024, respectively.

Currency Options

The Group has outstanding currency options with aggregate notional amount of US\$1,003 and US\$50 as at December 31, 2025 and 2024, respectively, and with various maturities in 2026 and 2025. The net negative fair value of these currency options amounted to P27 and P5 as at December 31, 2025 and 2024, respectively.

Commodity Swaps

The Group has outstanding swap agreements covering its fuel oil requirements, with various maturities up to 2027. Under the agreements, payment is made either by the Group or its counterparty for the difference between the hedged fixed price and the relevant price index.

The outstanding notional quantity of fuel oil was 116.5 million barrels and 100.6 million barrels as at December 31, 2025 and 2024, respectively. The net positive (negative) fair value of these swaps amounted to (P198) and P339 as at December 31, 2025 and 2024, respectively.

Embedded Derivatives

The Group's embedded derivatives include currency forwards embedded in non-financial contracts.

Embedded Currency Forwards

The total outstanding notional amount of currency forwards embedded in non-financial contracts amounted to US\$118 and US\$170 as at December 31, 2025 and 2024, respectively. These non-financial contracts consist mainly of foreign currency-denominated purchase orders, sales agreements and capital expenditures. The embedded forwards are not clearly and closely related to their respective host contracts. The net negative fair value of these embedded currency forwards amounted to P185 and P35 as at December 31, 2025 and 2024, respectively.

The Group recognized marked-to-market gain (loss) from freestanding and embedded derivatives amounting to (P1,008), P614 and (P1,379) in 2025, 2024 and 2023, respectively (Note 34).

Fair Value Changes on Derivatives

The net movements in fair value of all derivative instruments are as follows:

	2025	2024
Balance at beginning of year	P765	P1,187
Net change in fair value of derivatives:		
Designated as accounting hedge	52	1,751
Not designated as accounting hedge	(1,008)	614
	(191)	3,552
Less fair value of settled instruments	(1,066)	2,787
Balance at end of year	P875	P765

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, 2025			December 31, 2024		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial Assets						
Derivative assets	P -	P3,664	P3,664	P -	P2,782	P2,782
Financial assets at FVPL	398	488	886	438	458	896
Financial assets at FVOCI	28,397	7,373	35,770	1,635	7,353	8,988
Financial Liabilities						
Derivative liabilities	-	2,789	2,789	-	2,017	2,017

The Group has no financial instruments valued based on Level 3 as at December 31, 2025 and 2024. In 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

43. Events After the Reporting Date

a. Issuance of US\$300 SPCS by San Miguel Global Power

On January 20, 2026, San Miguel Global Power completed the issuance of US\$300 SPCS at an issue price of 100.00%, with an initial rate of distribution of 8.375% per annum and step-up date of January 20, 2031.

San Miguel Global Power applied the net proceeds from the issuance towards the redemption of all outstanding 5.70% SPCS issued in January 2020.

The US\$300 SPCS were listed on the SGX-ST on January 21, 2026.

b. Issuance of Series N, Series O and Series P Fixed Rate Peso-denominated Bonds by San Miguel Global Power

On February 6, 2026, the BOD of San Miguel Global Power approved the issuance, offer and sale to the public of Peso-denominated bonds with an aggregate principal amount of up to P30,000, comprised of a base offer of Bonds with an aggregate principal amount of up to P20,000 and an oversubscription option of Bonds with an aggregate principal amount of up to P10,000.

The net proceeds of the issuance of the bonds will be used for: (a) refinancing of debt obligations; (b) partial funding of the pipeline of renewable energy project; and (c) payment of transaction-related fees, costs and expenses.

c. Redemption of SPCS by Petron

On March 3, 2026, the BOD of Petron approved the redemption on April 19, 2026 of the remaining \$163 SPCS issued in April 2021.

d. Redemption of Series "2" Preferred Shares - Subseries "2-I" (SMC2I Preferred Shares) by the Parent Company

On March 30, 2026, the Parent Company redeemed the 169,333,400 SMC2I Preferred Shares issued on March 30, 2016 at a redemption price of P75.00 per share. Unpaid cash dividends were also settled. The redemption was approved by the BOD of the Parent Company on January 15, 2026.

The SMC2I Preferred Shares were redeemed using a portion of the proceeds from the US\$1,000 term loan drawn on March 11, 2026 under the US\$1,500 loan facility.

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

44. 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, Lumiere Energy Technologies, Inc. (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. Said request was subsequently approved by the BOI on November 26, 2025.
- 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.

On November 7, 2025, the BOI approved the transfer of SGLPC's BOI registration to Lucanin Solar, Inc. (LSI) subject to certain conditions.

Registration with the Authority of the Freeport Area of Bataan (AFAB)

On April 24, 2019, MPGC was registered with 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). As a FAB 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 four 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 brought about by Corona Virus Disease in 2019, 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.

On December 13, 2021, MPGC has been granted a renewed certificate of registration with AFAB which now remains valid and in effect as long as MPGC remains in good standing or until revoked or cancelled.

On October 8, 2025, AFAB has approved the registration of SMGP BESS as the new operator of BESS Component of the Integrated Renewable Power Facility (R-Hub) in Mariveles, Bataan. As a FAB registered enterprise, SMGP BESS is entitled to incentives that includes ITH for six years and enhanced deductions for ten years, among others.

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.

On August 13, 2025, MPI was granted a RES License by the ERC pursuant to Section 29 of the EPIRA. The term is for a period of five years from August 13, 2025 until August 12, 2030 and renewable thereafter.

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 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.
- *New Domestic Producer of Animal Feeds.* The Sta. Cruz, Davao Tower 2 feedmill project (Davao Feedmill Tower 2 Project) was registered with the BOI pursuant to RA No. 11534 on a non-pioneer status on June 3, 2025 under Certificate of Registration No. 2025-140. The Davao Feedmill Tower 2 Project is entitled to ITH for six years from June 2025 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration.
- Registered projects with expired ITH incentives:

IPA	CR No.	Registration Date	Registered Activity	Location	ITH Entitlement Period
AFA B	2025-083*	May 22, 2025	Manufacturer of Feeds for Poultry, Livestock and Marine Species	Bataan	May 2018 to April 2022
BOI	2016-074	April 14, 2016	Non-Pioneer New Producer of Animal Feeds	San Idelfonso, Bulacan	July 2018 to June 2022
BOI	2016-073	April 14, 2016	Non-Pioneer New Producer of Animal Feeds	Sta. Cruz, Davao	April 2019 to March 2023
BOI	2015-251	Nov 10, 2015	Non-Pioneer New Producer of Animal Feeds	Mandaue, Cebu	Dec 2019 to Nov 2023
BOI	2020-075	May 27, 2020	Non-Pioneer New Producer of Animal Feeds	Phividec, Tagoloan, Misamis Oriental	June 2020 to May 2024

*Latest registration renewal date

Notwithstanding the expiration of ITH benefit, SMFI is still required to continue the submission of annual reports to the BOI, or for a period of five years from the last year of ITH availment pursuant to BOI Circular No. 2014-01. For AFAB registered projects, annual reports are required as long as registered with the IPA.

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

Expanding Producer of Processed Meat (Hotdog). 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 2025 and 2024.

Certificate of entitlement has been timely obtained by Petron to support its ITH incentive.

d. Packaging

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 non-fiscal 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 December 16, 2025, the BOI, pursuant to Republic Act No. 11534, extended the availment of duty exemption on importation of capital goods equipment, raw materials, spare parts or accessories including goods used for administrative purposes in relation to Line 3 until December 31, 2034.

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 non-fiscal incentives:

- i. ITH for income directly attributable to Finishing Mill 5 for two years from December 2022 or actual start of commercial operations, whichever is earlier.

- ii. After ITH, enhanced deductions for five years.
- iii. 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.
- iv. Employment of foreign nationals.
- v. 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, ECC availed benefits from ITH amounting to P398.

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 Regulations.
- 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.

On April 1, 2023, NCC's cement Line A has started its commercial operations.

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.

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 non-fiscal 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.

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 2025 and 2024.

In November 2025, SWCC request for a further deferment of the commercial operation and ITH reckoning date from December 2023 to March 2029 due to delays in securing critical licenses and permits, aggravated by the global disruption caused by COVID-19 pandemic. The request has not been approved as of January 9, 2026.

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, 2025. 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 non-fiscal 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.

No tax benefits from ITH incentives have been availed of in 2025 and 2024.

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;
 - o Enhanced NOLCO; and
 - o 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 No. 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 2025 and 2024 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 2025 and 2024 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. *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, 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.

- iii. *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.
- iv. *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.
- v. *Simplification of Customs Procedures for the Importation of Equipment, Spare Parts, Raw Materials and Supplies.*
- vi. *Exemption from Wharfage Fees 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 2025 and 2024 because entitlements were already expired.

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. *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, 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.
- iii. *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.
- iv. *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.
- 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 incentive was availed in 2025 and 2024 because entitlements were already expired.

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% Gross Income Tax Incentive (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 exempted from wharfage dues on exportation of its registered export products until December 31, 2025.

The availment of the foregoing incentives is subject to all evaluation and processing requirements of PEZA.

Gross income arising from the registered project with the PEZA amounting to P356 were subjected 5% GIT in 2025. Total tax incentives availed by BtSC amounted to P71 in 2025.

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.

45. 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 amounting to P782 and TCC No. 121-20-00013 amounting to P926 in favor of the Parent Company which were applied in full to the Parent Company’s tax obligations as at December 31, 2024 and 2025, respectively.

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 the Parent Company, 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. Six of these claims (i.e., CTA Case Nos. 7973, 8209, 8400, 8591, 8748 and 9743) were decided by the Supreme Court in favor of SMB and TCC amounting to P1,430, P1,569, P761 and P30 were received in 2019, 2020, 2023, and 2025, respectively. The TCC for CTA Case No. 9743 in the amount of P30 was issued by the BIR on October 16, 2025. One claim (CTA Case No. 10241) was withdrawn with the issuance of a TCC in the amount of P162 in 2021. The remaining six 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, 2017 to December 31, 2017 - Third Division docketed as CTA Case No. 10000 (December 27, 2018);

- (e) 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
- (f) Claim for refund of 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 *En Banc* 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, the Supreme Court issued a Resolution dated January 8, 2020 considering the case closed and terminated. The records have been remanded with the CTA Third Division for the CTA Third Division's decision on the merits.

The 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 *En Banc* No. 2890. On November 26, 2024, the CTA *En Banc* rendered its Decision denying the BIR's Petition for Review in CTA *En Banc* No. 2890. The BIR moved for reconsideration but the same was denied by the CTA *En Banc* on September 29, 2025.

The BIR then filed a Petition for Review with the Supreme Court which was docketed as G.R. No. E-02918.

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 with the Supreme Court which 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. The petitions were consolidated pursuant to the Supreme Court's Resolution dated January 11, 2023. 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 in its Resolution dated March 30, 2022, 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. 10000, SMB's claim for refund for P123, was partially decided in favor of SMB by 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 *En Banc* 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 with the Supreme Court which was docketed as G.R. No. 271254.

CTA Case No. 10223, SMB's claim for refund for P147, was partially decided in favor of SMB by the CTA Second Division. On July 5, 2023, the CTA Second Division partially granted SMB's Petition for Review and ordered the refund of P147. The BIR filed for a Motion for Reconsideration which was denied by the CTA Second Division. The BIR filed a Petition for Review with the CTA *En Banc* docketed as CTA *En Banc* No. 2834.

SMB filed its Comment on February 1, 2024. On February 28, 2025, the CTA *En Banc* promulgated its Decision in CTA *En Banc* No. 2834 affirming the decision of the CTA Second Division in favor of SMB.

The BIR moved for reconsideration but the same was denied by the CTA *En Banc* on January 20, 2026. The BIR then filed a Petition for Review with the Supreme Court which was docketed as G.R. No. E-04680.

CTA Case No. 10745, SMB's claim for refund for P1,069, was decided in favor of SMB by 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 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. The BIR filed a Motion for Partial Reconsideration which was denied by the CTA First Division on May 6, 2025. The BIR filed a Petition for Review with the CTA *En Banc* docketed as CTA *En Banc* No. 3157. SMB filed its Comment on June 23, 2025.

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 Commissioner of Internal Revenue (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 *En Banc* 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 *En Banc* 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 *En Banc* 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 *En Banc* 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. The CIR likewise filed its Petition for Review on Certiorari and the same was docketed as Supreme Court G.R. No. 275174.

These cases are still pending resolution.

- (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 CTA 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 GSMI 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 GSMI'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 GSMI's refund claim forwarded to their office.

On January 25, 2024, GSMI 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.

GSMI filed its Memorandum on February 23, 2024. In a Resolution dated March 7, 2024, the CTA noted the filing of GSMI's Memorandum. On April 2, 2024, GSMI received the Minute Resolution of the CTA dated March 22, 2024, noting that the CIR failed to file his Memorandum, and thus the Court deemed the case submitted for decision.

On March 21, 2025, the CTA Third Division promulgated its Decision which granted GSMI's Petition for Review. In the Decision, the CTA ordered the CIR to refund or issue a TCC in favor of GSMI amounting to P66, representing erroneously and illegally collected basic excise tax on the removals of alcohol for the period from January 23, 2020 to February 9, 2020.

On April 10, 2025, the CIR filed a Motion for Reconsideration of the CTA's Decision. On April 25, 2025, GSMI received a copy of CIR's Motion, which sought the reversal and setting aside of the Decision, and prayed for the issuance of a new one denying or dismissing GSMI's Petition for Review for lack of merit and/or failure to exhaust administrative remedies. On May 14, 2025, GSMI filed its Comment to the CIR's Motion for Reconsideration.

In its Resolution dated September 9, 2025, the CTA Third Division resolved to deny the CIR's Motion for Reconsideration for lack of merit. Thus, the Decision promulgated on March 21, 2025 was affirmed. On October 6, 2025, the CIR filed his Petition for Review dated September 24, 2025 with the CTA *En Banc*, and the same was docketed as CTA *En Banc* No. 3235. On November 20, 2025, GSMI received CTA *En Banc*'s Resolution dated November 15, 2025, directing GSMI to file its comment or opposition to the CIR's Petition for Review. In compliance, GSMI filed its Comment on December 1, 2025.

The case is still pending resolution.

- (c) CTA Case No. 9059: This case pertains to GSMI'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 GSMI 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 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 the said ethyl alcohol.

After the presentation of its testimonial and documentary evidence, GSMI 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 GSMI's Claim for refund for insufficiency of evidence. On February 20, 2020, GSMI 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, GSMI 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 GSMI. 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.

In its Resolution dated July 14, 2025, which GSMI received on November 11, 2025, the Supreme Court deferred action on this case. In its Resolution dated August 27, 2025, which GSMI received on November 13, 2025, the Supreme Court resolved to consolidate G.R. No. 257839, "GSMI vs. CIR", with G.R. No. 271363, "GSMI vs. CIR" and G.R. No. 275174, "CIR vs. GSMI", considering that all the cases arose from the same antecedent facts, involve the same parties, and raise interrelated issues.

These cases are still pending resolution.

- 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.

On October 29, 2020, the BIR filed a Petition for Review with the CTA *En Banc* docketed as CTA *En Banc* No. 2345. 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

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 *En Banc* 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 *En Banc* 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, 2025. 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 ten 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, 2025 and 2024, 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.

Given the finality of the Supreme Courts's ruling, Petron recognized in its 2024 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 14 and 16). 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 21), 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 15) recognized previously were reversed which resulted in the recognition of gain on lease termination of P3,509 (Note 34).

On December 12, 2025, the trial court issued an order granting Petron's Motion for Issuance of Writ of Execution. On December 23, 2025, PNOC filed a Motion for Reconsideration with the trial court seeking the reversal of the trial court's order. In an Order dated January 8, 2026, the trial court denied PNOC's Omnibus Motion praying for the reversal of the trial court's December 12, 2025 Order granting the Writ of Execution and for the voluntary inhibition of presiding Judge Ryan Scott F. Robiños.

Petron recognized in its 2025 books additional legal interest amounting to P178 computed up to December 16, 2025 and made a valid tender of payment on December 17, 2025, when it offered to pay PNOC the amount of P588 through a Manager's Check. Petron's judgment debt in favor of PNOC could have been immediately satisfied had PNOC accepted the tender, but PNOC refused to do so. Petron's tender of payment was followed by its attempt to deposit the amount with the Branch Sheriff and the Branch Clerk of Court on January 27, 2026, pursuant to Rule 39 of the Rules of Court. When this was also refused without the payment of various fees, Petron filed a Motion for Consignation with the RTC on February 16, 2026. Also on February 16, 2026, Petron filed an Omnibus Motion seeking the court's order to divest PNOC of its ownership over all subject landholdings covered by the case and to vest ownership in Petron.

On February 19, 2026, Petron received an Order from the RTC divesting PNOC of its title over all the properties covered by the Deeds of Conveyance and vested title over them in Petron and ordered the relevant Registers of Deeds to cancel the transfer certificates of the title in the name of PNOC and to issue new ones in the name of Petron. The trial court also ordered Petron to consign the check that was refused acceptance by PNOC in December 2025.

On March 4, 2026, PNOC accepted the check amounting to P588 in full satisfaction of Petron's monetary obligations, inclusive of legal interest. The liability of Petron to PNOC was derecognized.

- Ilijan IPPA Agreement Dispute

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 its position 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, and a Preliminary Injunction was later on granted maintaining status quo while the main case is pending.

Despite the pendency of the proceedings, the Ilijan Power Plant was turned over by PSALM to SPPC pursuant to the Ilijan IPPA Agreement and the Deed of Sale executed between PSALM and SPPC on June 3, 2022.

Trial on the merits proceeded until the RTC rendered a decision in favor of SPPC on June 13, 2025 (the "June 13, 2025 Decision"), which was received by SPPC on October 7, 2025. The June 13, 2025 Decision stated that PSALM's termination of the Ilijan IPPA Agreement, drawing of the Performance Bond, and issuance of the Cessation Notice were unauthorized and without factual and legal basis, ordered PSALM to among others return to SPPC the amount of the Performance Bond drawn by PSALM, with interests, and dismissed PSALM's counterclaim for lack of merit.

On October 22, 2025, PSALM filed a Motion for Reconsideration of the June 13, 2025 Decision. SPPC filed its Opposition to the Motion for Reconsideration on October 28, 2025.

On January 16, 2026, the RTC issued an order denying PSALM's Motion for Reconsideration of the June 13, 2025 Decision (the "January 16, 2026 RTC Order").

On March 5, 2026, SPPC through its external counsel received the Notice of Appeal dated February 24, 2026, filed by PSALM where it notified the RTC that it is appealing the June 13, 2025 Decision and January 16, 2026 RTC Order.

- 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 for review 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 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.

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, 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. As of November 12, 2025, 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

Complaint against PSALM, TPEC, and TSC

On October 21, 2015, SPI filed a criminal complaint for Plunder and violation of Section 3(e) and 3(f) of RA No. 3019, otherwise known as the "Anti-Graft and Corrupt Practices Act", 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. The TPEC and TSC officers have respectively appealed said July 29, 2016 DOJ Resolution, through the filing of a Petition for Review with the Secretary of Justice while the PSALM officer filed a Verified Motion for Reconsideration.

On October 25, 2017, the DOJ issued a Resolution partially granting the Petition for Review of the TPEC and TSC officers by reversing the July 29, 2016 DOJ Resolution insofar as the conduct of the preliminary investigation was concerned, ruling that the Office of the Prosecutor General should have endorsed the case to the Office of the Ombudsman. On November 17, 2017, SPI filed a motion for partial reconsideration of said DOJ Resolution dated October 25, 2017.

While the said Motion for Partial Reconsideration was pending, SPI, TPEC, TSC and the TPEC and TSC officers filed before the DOJ a Joint Motion to Dismiss dated June 6, 2022 praying for the dismissal of the criminal complaint filed by SPI against TPEC and TSC.

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. The PSALM officer's Verified Motion for Reconsideration remains unresolved as at report date.

- SPI Consignation Case

On June 17, 2016, SPI filed with the RTC of Pasig City (the “RTC Pasig”) a civil complaint for consignation against PSALM arising from PSALM’s refusal to accept SPI’s remittances corresponding to the proceeds from the sale to the WESM of electricity generated from capacity in excess of the 1,000 MW of the Sual Power Plant (the “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 from the Sale of the Excess Capacity and that the consigned amount should belong to TPEC as it is rightfully entitled to the 200 MW excess capacity of the Sual Power Plant (the “Excess Capacity”).

On October 3, 2016, SPI filed an Omnibus Motion to Admit Supplemental Complaint and to Allow Future Consignation 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. Subsequently, SPI continuously consigned additional proceeds from the Sale of the Excess Capacity for succeeding billing periods, with the RTC Pasig.

On May 22, 2018, the RTC Pasig issued an Order dismissing the complaint for consignation 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. SPI filed its Motion for Reconsideration to this Order.

After the case was later re-raffled, the RTC Pasig Branch 268, in an Order dated September 30, 2021: (a) granted SPI’s Motion for Reconsideration and Supplemental Motion for Reconsideration of the Order dated 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.

On October 5, 2022, SPI and PSALM filed an Omnibus Motion to Dismiss and Release Deposited Monies, whereby PSALM, agreed to the release of the said amounts to TPEC. Relying on PSALM’s representation and acknowledgment, did not object to the release of the consigned amounts to TPEC, which was later granted by the RTC Pasig Branch 268.

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 issues on the Excess Capacity issues, which 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 five 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, 2025, 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.

- **Petition to Stop the Imposition of the Increase in Generation Charge**

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.

On December 19, 2013, Petitioners Bayan Muna representatives, et al. filed a petition against the ERC and Meralco, questioning the increase in the generation cost for November 2013 supply month. On December 20, 2013, Petitioner National Association of Electricity Consumers for Reforms (NASECORE) et al. filed a petition against the ERC, DOE and Meralco assailing the automatic adjustment of generation cost. On December 23, 2013, the Supreme Court issued a resolution consolidating both petitions and issued a TRO, originally for a period of 60 days, enjoining: (i) the ERC from implementing its letter dated December 9, 2013; and (ii) Meralco from increasing the rates it charged to its consumers based on its letter dated December 5, 2013.

As a result, Meralco was constrained to fix its generation rate to its October 2013 level of P5.67 per kWh.

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 complaint 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, 2025. SPPC, MPCL and SPI have aggregate outstanding receivables from Meralco estimated at P1,276 included under “Trade and other receivables - net” account in the consolidated statements of financial position as at December 31, 2025.

- **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, San Miguel Electric Corp. (SMELC) and SPPC recognized a reduction in its power purchases. Consequently, a payable and receivable were also recognized for the portion of over-collection or over-payment, the settlement of which have been covered by a 24-month Special Payment Arrangement with PEMC which was already completed on May 25, 2016.

SPI, SPPC, SRHI and MPCL filed various pleadings requesting ERC for the reconsideration of the March 3, 2014 ERC Order. Other generators also requested the Supreme Court to stop the implementation of the March 3, 2014 ERC Order. The ERC denied the motions for reconsideration filed by the generators.

On June 26, 2014, SPI, SPPC and SRHI, and 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 Supreme Court, which were also denied by the Supreme Court through its resolutions dated September 11, 2019 and October 1, 2019. Entries of judgment were subsequently issued by the Supreme Court.

The ERC and Meralco also filed separate Petitions for Review appealing the above orders, which nullified and set aside the 2014 ERC Orders, declaring the WESM prices for November and December 2013 void. The Supreme Court directed the consolidation of the separate petitions to the Third Division of the Supreme Court.

The Supreme Court has not yet promulgated a decision as at December 31, 2025. However, on August 3, 2021, a Decision was rendered by the Supreme Court *En Banc* in a separate case (as discussed under “*Petition to Stop the Imposition of the Increase in Generation Charge*”) 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 San Miguel Global Power 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 36).

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 with 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, 2025 and 2024.

c. Claims for Contract Price Adjustments on Certain “Fixed Price” PSAs with Meralco

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. The SPPC PSA and SPI PSA 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 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”). The Court of Appeals issued a TRO on December 2, 2022, and a writ of preliminary injunction 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 June 27, 2023 Court of Appeal’s Decision); and (iii) made permanent the writ of preliminary injunction issued in favor of SPPC. The Motions for Reconsideration filed by NASECORE and the ERC were also subsequently denied.

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.” The 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 with the ERC a Motion for Issuance of Writ of Execution to enforce the June 27, 2023 Court of Appeals Decision on October 10, 2024 and a Motion to Resolve (re: Motion for Issuance of Writ of Execution) on February 6, 2025. After filing a Motion to Direct the Court of Origin to Issue Writ of Execution with the Court of Appeals in March 2025 to compel the ERC to issue writs of execution on the June 27, 2023 Court of Appeals Decision, the Court of Appeals partially granted its motions and directed the ERC to immediately implement the June 27, 2023 Court of Appeals Decision and act on SPPC’s motions without further delay.

On September 2, 2025, SPPC received the Compliance filed by the ERC with the Court of Appeals. In said Compliance, the ERC submitted its Order in ERC Case No. 2019-081 RC, promulgated on August 22, 2025, which granted SPPC’s Motions for Issuance of Writ of Execution (Re: Court of Appeals Joint Decision dated June 27, 2023). The order allowed SPPC to recover from Meralco the price adjustments prayed for in its motions and authorized Meralco to collect the adjustments from its customers over a period of six months from the September 2025 customer billing period. As at February 25, 2026, Meralco has fully remitted its payment of the price adjustments to San Miguel Global Power.

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 (the "2nd SPPC CIC Claim"), with its claims anchored on essentially the same legal bases established or ruled on by the Court of Appeals in its June 27, 2023 Court of Appeals Decision and confirmed by the Supreme Court with finality.

On January 27, 2026, SPPC received a copy of the ERC's Order dated January 26, 2026 which granted the 2nd SPPC CIC Claim allowing SPPC to recover from Meralco the aggregate amount of P15,850 over a recovery period of 36 months commencing from the March 2026 billing period.

SPI 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").

On January 13, 2023, the Court of Appeals: (i) denied SPI's prayer for the issuance of a TRO and/or writ of preliminary injunction; and (ii) granted the consolidation of the SPI Court of Appeals Petition with the SPPC Court of Appeals Petition.

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, 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 June 27, 2023 Court of Appeals 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.

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." The ERC's Motion for Reconsideration of the Supreme Court Resolution dated April 3, 2024 was denied with finality in a 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, SPI filed with the ERC a Motion for Issuance of Writ of Execution to enforce the June 27, 2023 Court of Appeals Decision on October 10, 2024 and a Motion to Resolve (re: Motion for Issuance of writ of Execution) on February 6, 2025. After filing a Motion to Direct the Court of Origin to Issue Writ of Execution with the Court of Appeals in March 2025 to compel the ERC to issue writs of execution on the June 27, 2023 Court of Appeals Decision, the Court of Appeals partially granted its motions and directed the ERC to immediately implement the June 27, 2023 Court of Appeals Decision and act on SPI's motions without further delay.

On September 2, 2025, SPI received the Compliance filed by the ERC with the Court of Appeals. In said Compliance, the ERC submitted its Order in ERC Case No. 2019-083 RC, promulgated on August 22, 2025, which granted SPI's Motions for Issuance of Writ of Execution (Re: Court of Appeals Joint Decision dated June 27, 2023). The order allowed SPI to recover from Meralco the price adjustments prayed for in its motions and authorized Meralco to collect the adjustments from its customers over a period of six months from the September 2025 customer billing period. As at February 25, 2026, Meralco has fully remitted its payment of the price adjustments to SPI.

Related thereto, pursuant to the June 27, 2023 Court of Appeals Decision, SPI issued a Notice of CIC on August 18, 2023, informing Meralco of its request for price adjustments for the period June 2022 to July 2023 and requested the cooperation and assistance of Meralco in seeking the necessary approvals on the recovery of the additional claim due to CIC, as provided under the SPI PSA, through the filing of a joint motion for the adjustment of the Contract Price with the ERC. In a letter dated January 30, 2024, Meralco acknowledged SPI's right to the adjustment in the Contract Price as a result of the CIC under the SPI PSA, and in a letter dated August 30, 2024, validated the amounts being claimed therein.

On November 21, 2024, SPI filed a Motion for Price Adjustment with the ERC, for its CIC claim for the period June 2022 to July 2023 pursuant to the SPI PSA (the "2nd SPI CIC Claim"), with its claims anchored on essentially the same legal bases established or ruled on by the Court of Appeals in its June 27, 2023 Court of Appeals Decision and confirmed by the Supreme Court with finality.

On January 27, 2026, SPI received a copy of the ERC's Order dated January 26, 2026 which granted the 2nd SPI CIC Claim allowing SPI to recover from Meralco the aggregate amount of P13,362 over a recovery period of 36 months commencing from the March 2026 billing period.

In view of the dilution of San Miguel Global Power's equity interest in SPPC from 100% to 33%, following the Chromite Transaction in January 2025 but prior to the final resolution of these cases by the relevant court and/or the ERC, the parties to the Chromite Transaction acknowledged and agreed that San Miguel Global Power shall be entitled, pursuant to the relevant Chromite Transaction documents and forming part of the agreed consideration thereunder, to the economic benefits, rights of recovery, and corresponding potential equivalent exposure arising from the aforesaid cases and claims involving SPPC.

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 in 2027. The solar power plant to be owned by a wholly-owned subsidiary of SGLPC, LSI, 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.

LSI was incorporated in the Philippines and registered with the Philippine SEC on August 9, 2024 primarily to carry on the business of producing, generating and storing electricity and processing fuels alternatives for the power generation.

On May 21, 2025, CREC subscribed to 105,560 common shares of LSI at a subscription price of P100.00 per share or for a total subscription amount of P11. As a result of the subscription, CREC now owns 49% of the outstanding capital stock of LSI while SGLPC retains 51% equity interest in the same.

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. *Impact of the United States of America-Israel-Iran Conflict*

The joint attack of the United States of America and Israel on Iran on February 28, 2026, has resulted in significant volatility in global oil markets. Dubai crude prices increased sharply and remained elevated. The market reaction was driven by concerns over global oil supply following the closure of the Strait of Hormuz, a key transit route through which about 20% of global oil and a significant share of liquefied natural gas supply pass. As a result, prices have remained volatile, with notable movements observed across refined products, particularly middle distillates such as kerosene, jet fuel and diesel.

The Parent Company, through its Fuel and Oil business, sources most of its crude oil requirements from the Middle East under term supply arrangements. The closure of the Strait of Hormuz has affected the movement of crude oil from the region. The Group has undertaken measures to support the continuity of supply, including pursuing alternative sources of crude oil through its network of suppliers and securing imported fuel products to supplement refinery production and maintain product availability.

The increase in oil prices may affect the Group's working capital requirements. This impact may be further influenced by depreciation of the Philippine Peso, as crude oil and fuel purchases and a portion of the Group's borrowings are denominated in US Dollars. The Group manages its exposure to commodity price and foreign currency fluctuations using derivative instruments under its risk management strategies.

In a deregulated market environment, the Group generally adjusts product prices in response to changes in prevailing regional prices and related costs, subject to market conditions. Prolonged elevated prices may affect demand levels, while refining margins may be influenced by prevailing market conditions.

In light of the evolving situation, management continues to monitor developments and their potential impact on the Group's financial position.

These developments represent non-adjusting events after the reporting date, as the conditions arose subsequent to December 31, 2025 and did not exist at the reporting date. Accordingly, these events do not affect the amounts recognized in the consolidated financial statements as at December 31, 2025. Considering the rapidly evolving nature of the situation, volatility in global oil prices, and uncertainty over the duration and extent of supply disruptions, the Group is currently unable to reliably estimate the potential financial impact on its financial position, financial performance, and cash flows for the subsequent reporting periods.

The Group remains focused on ensuring supply chain reliability, pursuing diversification of crude and product sourcing, optimizing inventory levels, and implementing cost management initiatives. The Group continues to adopt prudent risk management to mitigate the adverse effects of the war, and implement appropriate measures to ensure continuity of supply, operations, and cash flows, amid the oil market volatility and disruptions in 2026.

g. Commitments

The outstanding purchase commitments of the Group amounted to P181,959 and P245,288 as at December 31, 2025 and 2024, respectively.

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

h. 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 P58.790 and P57.845 in 2025 and 2024, respectively, for consolidated statements of financial position accounts; and average rates of P57.508, P57.279 and P55.632 in 2025, 2024 and 2023, respectively, for income and expense accounts.

- i.* Certain accounts in the statements of financial position and statements of cash flows in prior years have been reclassified for consistency with the current year presentation to provide more reliable and relevant information and better referencing to other information in the notes to the consolidated financial statements. These reclassifications had no effect on the reported financial performance for any period.

ANNEX “C”

SUPPLEMENTARY SCHEDULES

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Agreed-Upon Procedures Report on the Use of Proceeds from the Offering of Series "O" and Series "P" Fixed Rate Bonds (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, 2025.

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.

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.

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
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

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, 2025. 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 Prospectus dated June 13, 2024 (the "Prospectus") 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, 2025:

Purpose	Disbursements		Difference (In Millions)
	Allocations per Prospectus (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 -
Partial redemption of Series "I" Fixed-Rate Bonds	11,240	11,240	-
Repayment of the Series "F" Fixed-Rate Bonds	2,438	2,438	-
Additional investment in the Manila International Airport	6,052	6,052	-
Total	P19,981	P19,981	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, 2025:

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	P270	P270	P -
Partial redemption of Series "I" Fixed-Rate Bonds	11,240	11,240	-
Repayment of the Series "F" Fixed-Rate Bonds	2,438	2,438	-
Additional investment in the Manila International Airport	6,052	6,052	-
Total	P20,000	P20,000	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 Prospectus.

R.G. MANABAT & CO.



DARWIN P. VIROCEL
Partner

April 15, 2026
Makati City, Metro Manila

San Miguel Corporation
Proceeds of the Offering of Series “O” and Series “P” Fixed-Rate Bonds
December 31, 2025
(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	
Estimated legal and other professional fees	6	
Philippine SEC filing and legal research fee	5	
Estimated other expenses	10	251
Net proceeds		P19,749
ii. Actual Gross and Net Proceeds		
Gross proceeds		P20,000
Expenses related to the Offering		270*
Net proceeds		P19,730
iii. Each Expenditure Item Where the Proceeds Were Used		
Partial redemption of Series “I” Fixed-Rate Bonds		P11,240
Repayment of the Series “F” Fixed-Rate Bonds		2,438
Additional investment in the Manila International Airport		6,052
Total expenditure where the proceeds were used		P19,730
iv. Balance of the Proceeds as of End of Reporting Period		P -

** 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; (vii) registry fees with PDTC, (viii) additional fees to the PDTC, and (ix) legal counsel's fees.*

R.G. Manabat & Co.



R.G. Manabat & Co.
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6787 Ayala Avenue, Makati City
Philippines 1209
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Fax +63 (2) 8894 1985
Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

Agreed-Upon Procedures Report on the Use of Proceeds from the Issuance of Series 2-S, 2-T and 2-U 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, 2025.

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.

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.

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
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

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, 2025. 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 October 10, 2025 (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, 2025:

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	P214	P214	P -
Repayment of Peso-denominated short-term loans used to redeem 223,333,500 Series 2-F Preferred Shares	16,750	16,750	-
Partial redemption of Series 2-J Preferred Shares	6,968	6,968	-
Partial redemption of Series 2-K Preferred Shares	6,018	6,018	-
Total	P29,950	P29,950	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, 2025:

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	P264	P264	P -
Repayment of Peso-denominated short-term loans used to redeem 223,333,500 Series 2-F Preferred Shares	16,750	16,750	-
Partial redemption of Series 2-J Preferred Shares	6,968	6,968	-
Partial redemption of Series 2-K Preferred Shares	6,018	6,018	-
Total	P30,000	P30,000	P -

3. The net proceeds from the Offering amounting to P29,786 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, 2026
Makati City, Metro Manila

San Miguel Corporation
Proceeds of the Issuance of Series “2”, in Subseries “S”,
Subseries “T” and Subseries “U” Preferred Shares
December 31, 2025
(Amounts in Millions)

i. Gross and Net Proceeds as Disclosed in the Final Offer Supplement		
Gross proceeds		P30,000
Estimated fees, commissions and expenses relating to the issue:		
Underwriting and selling fees	P165	
PSE filing fee (inclusive of VAT)	16	
Taxes to be paid by the Company	15	
Philippine SEC filing and legal research fee	8	
Estimated legal and other professional fees	6	
Estimated other expenses	4	214
Net proceeds		P29,786
ii. Actual Gross and Net Proceeds		
Gross proceeds		P30,000
Expenses related to the Offering		264*
Net proceeds		P29,736
iii. Each Expenditure Item Where the Proceeds Were Used		
Repayment of Peso-denominated short-term loans used to redeem 223,333,500 Series 2, Subseries “F” Preferred Shares		P16,750
Partial redemption of Series 2, Subseries “J” Preferred Shares		6,968
Partial redemption of Series 2, Subseries “K” Preferred Shares		6,018
Total expenditure where the proceeds were used		P29,736
iv. Balance of the Proceeds as of End of Reporting Period		P -

* Expenses of the Offering include: (i) underwriting and selling agent fees; (ii) payment of documentary stamp taxes; (iii) listing application, listing and maintenance fees with the PSE; (iv) payment of filing fees with the SEC; (v) legal counsel's fees; and (vi) other miscellaneous fees (i.e., expenses for publication, marketing and other out-of-pocket expenses).

R.G. Manabat & Co.



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Email ph-inquiry@kpmg.com

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, 2025 and 2024, on which we have rendered our report dated April 15, 2026.

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
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
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029
financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

R.G. Manabat & Co.



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', written over a horizontal line.

DARWIN P. VIROCEL

Partner

CPA License No. 0094495

SEC Accreditation No. 94495-SEC, Group A, valid for the audit
covering 2025 and 2026 to 2030 financial statements

Tax Identification No. 912-535-864

BIR Accreditation No. 08-001987-031-2025

Issued June 11, 2025; valid until June 10, 2028

PTR No. MKT 10764422

Issued January 5, 2026 at Makati City

April 15, 2026

Makati City, Metro Manila

**RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025**
(In Millions)

SAN MIGUEL CORPORATION
No. 40 San Miguel Avenue, Mandaluyong City

Unappropriated retained earnings, January 1, 2025	P410,535
Adjustments:	
Unrealized gain from exchange of shares	(P331,126)
Treasury shares - common	(67,093)
Unearned income due to escalation of contractual lease for subsequent years (net of tax)	(9)
Net movement of deferred tax asset not considered in the reconciling items under other categories	(1,818)
	(400,046)
Unappropriated retained earnings available for dividend declaration, January 1, 2025	10,489
Less: Items that are directly debited to unappropriated retained earnings	
Redemption of capital securities	(4,444)
Dividends and distributions declared during the reporting period	(13,054)
	(7,009)
Unappropriated retained earnings available for dividend declaration, as adjusted	(5,325)
Net loss for the current year	(5,325)
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)	(6)
Less: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
Realized foreign exchange gains, except those attributable to cash and cash equivalents	(187)
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 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
Adjusted net loss	(5,509)

Forward

Add: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares - common (except for reacquisition of redeemable preferred shares)		P67,093
Net movement of deferred tax asset not considered in the reconciling items under the previous categories		
Realized (part of reconciling item of previous year)	(P207)	
Unrealized	610	403
		67,496
Unappropriated retained earnings available for dividend declaration, December 31, 2025		P54,978

R.G. Manabat & Co.



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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, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, on which we have rendered our report dated April 15, 2026.

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

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

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financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

R.G. Manabat & Co.



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', written over a horizontal line.

DARWIN P. VIROCEL

Partner

CPA License No. 0094495

SEC Accreditation No. 94495-SEC, Group A, valid for the audit
covering 2025 and 2026 to 2030 financial statements

Tax Identification No. 912-535-864

BIR Accreditation No. 08-001987-031-2025

Issued June 11, 2025; valid until June 10, 2028

PTR No. MKT 10764422

Issued January 5, 2026 at Makati City

April 15, 2026

Makati City, Metro Manila

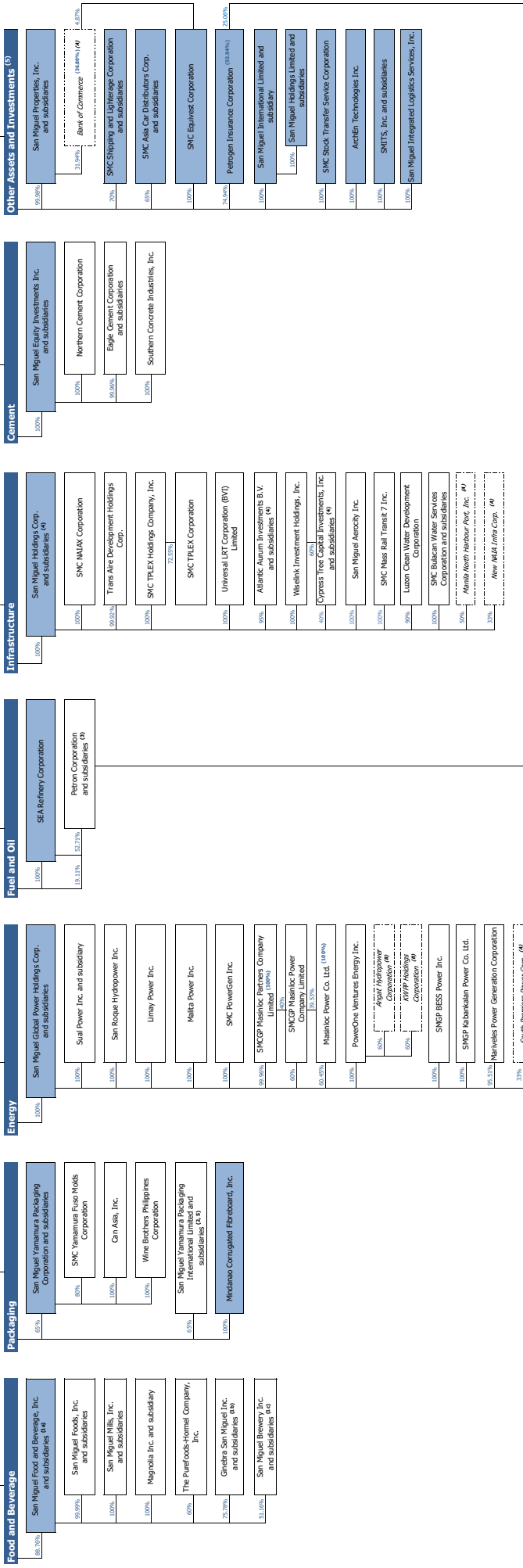
SAN MIGUEL CORPORATION
GROUP STRUCTURE *
As at December 31, 2025

TOP FRONTIER INVESTMENT HOLDINGS, INC.

SAN MIGUEL CORPORATION

Mining

CLARIDEN HOLDINGS, INC. AND SUBSIDIARIES (A)



* The group structure includes the Parent Company, Top Frontier Investment Holdings, Inc., its co-subsiary, Clariden Holdings, Inc. and its subsidiaries and San Miguel Corporation's major subsidiaries, associates and joint ventures.

Note:

- (A) Associate
- (B) Joint Venture

I. Subsidiaries

1. San Miguel Food and Beverage, Inc. subsidiaries also include: (a) 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.; (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 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, 2025.
 2. San Miguel Yamamura Packaging International Limited subsidiaries include San Miguel Yamamura Glass (Vietnam) Limited, San Miguel Yamamura Phu Tho Packaging Co. Ltd., San Miguel Yamamura Haiphong Glass Company Ltd., Zhaoqing San Miguel Yamamura Glass Company Ltd., Foshan San Miguel Yamamura Packaging Co., Ltd. and subsidiary, San Miguel Yamamura Packaging and Printing Sdn. Bhd., San Miguel Yamamura Woven Products Sdn. Bhd. and subsidiary, San Miguel Yamamura Plastic Films Sdn. Bhd., San Miguel Yamamura Australasia Pty. Ltd. and subsidiaries including SMYC Pty. Ltd. and subsidiary, SMYV Pty. Ltd., SMYP Pty. Ltd. and subsidiary, Cospak Ltd., SMYBB Pty. Ltd., SMYJ Pty. Ltd., SMYV Ltd. and SMYJ Ltd.
 3. Petron Corporation subsidiaries include Petron Marketing Corporation, Petron Freeport Corporation, Overseas Ventures Insurance Corporation Ltd., New Ventures Realty Corporation and subsidiaries, Mema Holdings Inc. and subsidiaries, Petron Singapore Trading Pte. Ltd., Petron Global Limited, Petron Oil & Gas Mauritius Ltd and subsidiary, Petron Oil & Gas International Sdn. Bhd. and subsidiaries including Petron Fuel International Sdn. Bhd., Petron Oil (M) Sdn. Bhd. and Petron Malaysia Refining & Marketing Bhd. (collectively Petron Malaysia) and Petrochemical Asia (HK) Limited and subsidiaries.
 4. 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., SMC TPLEX Extension Infrastructure Corp. and Jethandler Asia Services Inc.
- Atlantic Aurum Investments B.V. 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 including Manila Toll Expressway Systems, Inc., SMC SLEX Inc. and SMC Tollway Holdings S.à.r.l.
- Cypress Tree Capital Investments, Inc. subsidiaries include Star Infrastructure Development Corporation and Star Tollway Corporation (collectively the Star Tollways Group).
5. Other Assets and Investments also include Anchor Insurance Brokerage Corporation, Davana 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.

SMC Shipping and Lighterage Corporation subsidiaries include SL Harbor Bulk Terminal Corporation.

San Miguel Holdings Limited subsidiaries include San Miguel Insurance Company, Ltd.

II. Co-Subsidiary

6. 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).

R.G. Manabat & Co.



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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, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, on which we have rendered our report dated April 15, 2026.

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:

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

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financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

R.G. Manabat & Co.



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', written over a horizontal line.

DARWIN P. VIROCEL

Partner

CPA License No. 0094495

SEC Accreditation No. 94495-SEC, Group A, valid for the audit
covering 2025 and 2026 to 2030 financial statements

Tax Identification No. 912-535-864

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Issued June 11, 2025; valid until June 10, 2028

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April 15, 2026

Makati City, Metro Manila

SAN MIGUEL CORPORATION AND SUBSIDIARIES

**INDEX TO FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2025**

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, 2025
(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, 2025	Income (Loss) Received and Accrued
Cash and cash equivalents	-	₱ 351,715	Not applicable	₱ 13,048
Trade and other receivables - net	-	247,559	Not applicable	370
Derivative assets	-	3,664	Not applicable	(1,008)*
Financial assets at FVPL	-	886	Not applicable	87
Financial assets at FVOCI**	-	35,770	₱ 35,770	1,550
Financial assets at amortized cost**	-	12,205	12,205	897
Noncurrent receivables and deposits - net	-	6,155	Not applicable	8
Restricted cash	-	28,777	Not applicable	1,372
		₱ <u>686,731</u>	₱ <u>47,975</u>	₱ <u>16,324</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 41 and 42 of the Consolidated Financial Statements.

SAN MIGUEL CORPORATION AND SUBSIDIARIES
ATTACHMENT TO SCHEDULE A - FINANCIAL ASSETS
December 31, 2025
(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, 2025
San Miguel Corporation		
Alabang Country Club	7 P	105
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	26
Capitol Hills Golf & Country Club	1	-
Casino Espanol de Manila	2	-
Cebu Country Club	1	18
Celebrity Sports Plaza	3	1
Club Filipino	8	5
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	23
Manila Bankers Life	250,000	1
Manila Electric Company	100,331	1
Manila Golf & Country Club	3	415
Manila Polo Club	2	100
Manila Southwoods Golf & Country Club	1	5
Medical Doctors Inc.	83,379	203
Merchant Investment	41,660	-
Metropolitan Club	2	1
Metropolitan Theater	198	-
Mimosa Golf & Country Club	3	2
Monserat Trading	1,000	-
Motor Services	52,500	-
Naga Telephone Co.	220	-

Name of Issuing Entity	No. of Shares or Principal Amount of Bonds and Notes	Value Based on Market Quotation at December 31, 2025
Negros Occidental Golf club	6 P	-
Norcem Philippines	80,000	-
Orchard Golf & Country Club	5	16
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	21
Sta Lucia Realty Golf Club	2	1
Subic Bay Yacht Club	1	-
Tagaytay Highland Golf and Country Club	2	5
Tagaytay Midlands Country Club	1	3
The Country Club - Canlubang	2	8
Top Frontier Holdings, Inc. - Common	2,561,031	143
Universal Leisure Club	1	-
Valle Verde Golf Club	53	16
Valley Golf Club Inc.	2	9
Fiber Hub Telecoms, Inc	1,410,000	1,427
Victorias Country Club	1	-
SMC Equivest Corporation		
Bak of Commerce - Preferred	416,666,670	5,500
Ginebra San Miguel Inc		
BOC Trust	-	1,500
Petrogen		
Government Security - PIID 0323 B101 (RTB 3-10)	-	705
CORPORATE BONDS THRU IMA	50	700
San Miguel Food and Beverages		
Club Filipino	1	-
Makati Sports Club	1	2
Meralco - Ice cream - Preferred	533	-
Meralco - Technopark - Preferred	14,362	-
Philippine Longdistance Tel. Co.	325	1
Valle Verde Country Club	1	4
San Miguel Brewery Inc.		
HSBC Holdings	20,400	19
Pacific Club Kowloon	1	8
Hongkong Arts Centre Ltd.	1	-
The American Club Hong Kong	1	10

Name of Issuing Entity	No. of Shares or Principal Amount of Bonds and Notes	Value Based on Market Quotation at December 31, 2025
Hong Kong Football Club	1 P	8
BOC Trust	-	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	22
Metro Club	1	1
Meralco	91,011	1
Riviera Golf Course and Country Club	-	59
Tagaytay Highlands Golf and Country Club	1	-
Tagaytay Midlands Country Club	1	-
San Miguel Paper Packaging Corp.		
Evercrest Golf & Country Club	1	-
Orchard Golf & Country Club	1	1
Apo Golf & Country Club	1	-
San Miguel Yamamura Packaging Corporation		
Orchard Golf and Country Club	-	12
Evercrest Golf & Country Club	1	-
Canlubang Golf & Country Club	1	9
Manila Southwoods Golf and Country Club	1	17
Orchard Golf & Country Club	1	-
Puerto Azul	1	-
Riviera Golf Course and Country Club	1	3
Mindanao Corrugated Fibreboard, Inc.		
Apo Golf Country Club	1	-
Eagle Cement Corporation		
Retail Treasury Bonds	-	398
San Miguel Purefoods Company, Inc.		
Club Filipino	1	1
Makati Sports Club, Inc.	1	2
Philippine Long Distance Tel. Co.	5,428	-
Alabang Country Club	1	15
Manila Southwoods Golf & Country Club	1	5
Sta Elena Golf Club	1	21
Tagaytay Highland Golf and Country Club	1	3
Royal Tagaytay Country Club	1	-
Orchard Golf and Country Club	1	3

Name of Issuing Entity	No. of Shares or Principal Amount of Bonds and Notes		Value Based on Market Quotation at December 31, 2025
San Miguel Global Power			
Meralco	46,596,596	P	26,746
Preferred - SPPC, EERI and IPIEC	-		11
Petron			
Alabang Country Club A	1		17
Alta Vista Golf B	1		-
Apo Golf and Country Club	1		-
Bacolod Golf	1		-
Canlubang Golf & Co. Club	1		9
Capitol Hills Club	3		-
Casino Espanol de Cebu	1		1
Celebrity Sports	1		-
Club Filipino Inc de Cebu	1		1
Eagle Ridge Golf & Co. Club -C	2		5
Iloilo Golf and Country Club	2		-
Leyte Golf	1		-
Makati Sports Club B	1		1
Mla. Golf and Country Club (Corporate)	2		310
Manila Polo Club	4		100
Mla. Southwoods Golf & Co. Club A	3		17
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		3
Tagaytay Highlands	2		5
The Palm Country Club - A	2		3
Tower Club	1		-
Valle Verde Country Club (individual)	1		1
Valley Golf Club	1		5
Victorias Golf	1		-
Meralco B - 10% Cumulative Preferred Stock Series "B" (CPB)	237,008		2
Institute of Marine Pollution	2		-
Total Financial Assets		P	48,861

See Notes 4, 11, 13, 35, 41 and 42 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, 2025
(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	P 99,343	P 118,340	P (118,605)	P 99,078	P 93,856	P 5,222	P 99,078
San Miguel International Limited and Subsidiaries	13,705	5,168	(4,804)	14,069	14,069	-	14,069
SMC Shipping and Lighterage Corporation and Subsidiaries	5,093	24,841	(25,190)	4,744	4,744	-	4,744
San Miguel Global Power Holdings Corp. and Subsidiaries	10,506	2,616	(8,749)	4,373	4,373	-	4,373
San Miguel Yamamura Packaging Corporation and Subsidiaries	3,322	20,320	(19,727)	3,915	3,801	114	3,915
Petron Corporation and Subsidiaries	3,807	12,521	(12,676)	3,652	3,652	-	3,652
San Miguel Integrated Logistics Services, Inc.	6,111	-	(3,761)	2,350	2,350	-	2,350
Petrogen Insurance Corporation	1,408	2,910	(2,452)	1,866	1,866	-	1,866
San Miguel Food and Beverage, Inc. and Subsidiaries	2,307	5,252	(5,759)	1,800	1,636	164	1,800
San Miguel Holdings Corp. and Subsidiaries	1,777	1,155	(1,261)	1,671	1,545	126	1,671
Archen Technologies, Inc.	1,557	3,052	(3,094)	1,515	1,515	-	1,515
SMITS, Inc. and Subsidiaries	1,083	2,689	(2,579)	1,193	1,103	90	1,193
San Miguel Equity Investments Inc.	1,146	373	(926)	593	529	64	593
San Miguel Properties, Inc. and Subsidiaries	147	4,952	(4,632)	467	464	3	467
Others	3,973	14,676	(14,234)	4,415	4,296	119	4,415
P	155,285	218,865	(228,449)	145,701	139,799	5,902	145,701

SAN MIGUEL CORPORATION AND SUBSIDIARIES
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED
DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2025
(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	₱ 39,513	20,003	₱ (10,846)	₱ 48,670	₱ 47,501	₱ 1,169	₱ 48,670
SEA Refinery Corporation	30,913	-	-	30,913	30,913	-	30,913
San Miguel Global Power Holdings Corp. and Subsidiaries	13,562	14,585	(15,258)	12,889	12,740	149	12,889
San Miguel Food and Beverage, Inc. and Subsidiaries	18,127	22,855	(28,110)	12,872	12,872	-	12,872
Petron Corporation and Subsidiaries	7,826	12,899	(12,533)	8,192	8,192	-	8,192
San Miguel Corporation	7,489	4,852	(4,465)	7,876	7,876	-	7,876
Challenger Aero Air Corp.	6,993	-	(2,457)	4,536	4,536	-	4,536
SMC Shipping and Lighterage Corporation and Subsidiaries	2,406	24,876	(24,759)	2,523	2,523	-	2,523
Petrogen Insurance Corporation	2,545	2,643	(2,672)	2,516	2,516	-	2,516
Fortunate Land Inc. and a Subsidiary	2,010	-	-	2,010	-	2,010	2,010
San Miguel Equity Investments, Inc. and Subsidiaries	2,147	3,410	(3,565)	1,992	1,992	-	1,992
San Miguel Yamamura Packaging Corporation and Subsidiaries	1,834	10,933	(10,850)	1,917	1,917	-	1,917
San Miguel International Limited and Subsidiaries	1,154	12,976	(12,646)	1,484	1,435	49	1,484
San Miguel Properties, Inc. and Subsidiaries	10,812	(590)	(9,992)	230	213	17	230
Others	7,954	10,355	(11,228)	7,081	4,573	2,508	7,081
	₱ 155,285	₱ 139,797	₱ (149,381)	₱ 145,701	₱ 139,799	₱ 5,902	₱ 145,701

SAN MIGUEL CORPORATION AND SUBSIDIARIES
SCHEDULE D - LONG-TERM DEBT
DECEMBER 31, 2025
(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	59,603	7.4458%, 7.8467% and 8.489%	March 2028, December 2029 and December 2032
PHP	30,000	-	29,820	29,820	5.2704% and 5.8434%	Bullet	March 2027 and March 2029
PHP	20,000	-	19,777	19,777	7.2584% and 7.7197%	Bullet	January 2031 and July 2034
PHP	30,000	-	18,693	18,693	7.4650%	Bullet	July 2027
PHP	60,000	-	10,413	10,413	5.7613% and 7.125%	Bullet	March 2027 and March 2028
<u>Peso - denominated Term Notes:</u>							
PHP	16,000	14,950	-	14,950	6.9375%	Amortized	June 2026
PHP	5,700	-	5,646	5,646	6.3%	Bullet	December 2028
PHP	5,200	52	5,008	5,060	7.4998%	Amortized	June 2029
<u>Foreign Currency - denominated Term Notes:</u>							
US\$	2,000	-	115,461	115,461	SOFR + margin	Bullet	February 2029
US\$	2,165	11,525	97,750	109,275	SOFR + margin	Amortized	June 2035
US\$	1,330	-	77,205	77,205	SOFR + margin	Bullet	March 2028
US\$	900	52,685	-	52,685	SOFR + margin	Bullet	October 2026
US\$	700	-	40,879	40,879	SOFR + margin	Bullet	March 2027
JPY	61,600	-	22,646	22,646	TONA + margin	Bullet	March 2028 and March 2030
US\$	300	-	17,410	17,410	SOFR + margin	Bullet	September 2028
US\$	300	-	17,385	17,385	SOFR + margin	Bullet	February 2030
US\$	300	-	17,355	17,355	SOFR + margin	Bullet	November 2028
US\$	600	-	16,874	16,874	SOFR + margin	Bullet	August 2030
US\$	200	-	11,602	11,602	SOFR + margin	Bullet	June 2028
US\$	150	-	8,784	8,784	6.55%	Bullet	July 2028
US\$	150	-	8,771	8,771	6.68%	Bullet	May 2029
US\$	100	5,863	-	5,863	SOFR + margin	Bullet	December 2026
US\$	100	-	5,857	5,857	SOFR + margin	Bullet	May 2027
US\$	50	-	2,917	2,917	SOFR + margin	Bullet	July 2029
PHP		85,075	609,856	694,931			

SAN MIGUEL CORPORATION AND SUBSIDIARIES
SCHEDULE D - LONG-TERM DEBT
DECEMBER 31, 2025
(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
Subsidiaries							
<u>Peso - denominated Bonds:</u>							
<u>San Miguel Global Power Holdings Corp.</u>							
PHP	40,000	PHP	-	PHP	34,737	7.1051% and 8.0288%	April 2028 and July 2032 April 2026 July 2026 December 2027
PHP	30,000	6,918	-	6,918	7.6000%	Bullet	
PHP	15,000	4,752	-	4,752	5.1792%	Bullet	
PHP	20,000	-	3,599	3,599	6.625%	Bullet	
<u>SMC Tollways Corporation</u>							
PHP	35,000	PHP	-	PHP	34,579	6.4783%, 6.7026% and 6.9331%	March 2030, December 2031 and December 2034
<u>Petron Corporation</u>							
PHP	32,000	-	31,603	31,603	6.5945%, 6.9761% and 7.3896%	Bullet	July 2030, July 2032 and July 2035 October 2027
PHP	18,000	-	8,962	8,962	4.3368%	Bullet	
		-	40,565	40,565			
<u>San Miguel Food and Beverage, Inc.</u>							
PHP	15,000	PHP	-	PHP	6,982	5.2500%	March 2027
		-	6,982	6,982		Bullet	
<u>Peso - denominated Term Notes:</u>							
<u>San Miguel Brewery Inc.</u>							
PHP	4,000	3,998	-	3,998	3.80%	Bullet	March 2026
PHP	2,500	2,399	-	2,399	3.875%	Amortized	March 2026
PHP	2,000	1,999	-	1,999	3.95%	Bullet	March 2026
PHP	1,500	1,500	-	1,500	3.95%	Bullet	March 2026
PHP	2,000	120	1,875	1,995	4.15%	Amortized	March 2028
	12,000	10,016	1,875	11,891			
PHP	3,000	-	2,994	2,994	5.7513%	Bullet	April 2027
	3,000	-	2,994	2,994			
PHP	4,000	-	3,973	3,973	6.1858%	Bullet	May 2030
PHP	10,000	-	9,966	9,966	6.9253%	Bullet	December 2027
PHP	10,000	-	9,937	9,937	5.7971% and 5.8003%	Bullet	December 2029 and December 2031

SAN MIGUEL CORPORATION AND SUBSIDIARIES
SCHEDULE D - LONG-TERM DEBT
DECEMBER 31, 2025
(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	1,931	34,641	36,572	8.2104% and 7.7497%		Amortized	October 2033
<u>Mariveles Power Generation Corporation</u>								
PHP 41,900		2,490	38,844	41,334	7.5758% and 8.0808%		Amortized	December 2031 and December 2034
<u>SMC Mass Rail Transit 7 Inc.</u>	PHP 100,000	-	43,783	43,783	BVAL + margin		Amortized	June 2038
<u>Limay Power Inc.</u>	PHP 44,000	3,553	22,544	26,097	8.6228%		Amortized	June 2029
<u>San Miguel Equity Investments Inc.</u>	PHP 30,000	2,819	23,439	26,258	7.1913%		Amortized	May 2033
<u>Petron Corporation</u>								
PHP 7,000		1,988	4,985	6,973	7.4941%		Amortized	March 2029
PHP 5,000		823	4,155	4,978	BVAL + margin		Amortized	April 2029
PHP 5,000		989	3,484	4,473	BVAL + margin		Amortized	February 2030
PHP 5,000		493	3,497	3,990	7.1663%		Amortized	May 2027
PHP 5,000		1,246	625	1,871	7.4206%		Amortized	June 2027
PHP 5,000		1,246	625	1,871	7.5496%		Amortized	June 2027
<u>San Miguel Global Power Holdings Corp.</u>								
PHP 10,200		-	10,101	10,101	6.75%, 6.875%, 7.0% and 7.125%		Bullet	August 2028, August 2030, August 2032 and August 2035
PHP 10,000		1,720	7,485	9,205	7.9276%		Amortized	June 2029
PHP 10,000		-	7,464	7,464	7.968% and 8.541%		Bullet	June 2028
<u>SMC Skyway Stage 3 Corporation</u>	PHP 31,000	5,060	7,151	12,211	8.7118%		Amortized	August 2027
<u>San Miguel Foods, Inc.</u>								
PHP 10,000		148	9,373	9,521	3.5483%		Amortized	December 2029
PHP 8,000		119	7,497	7,616	BVAL + margin or BSP TDF + margin whichever is higher		Amortized	December 2029
<u>Malita Power Inc.</u>	PHP 21,300	1,280	10,878	12,158	8.5915%		Amortized	August 2030
<u>SMC SLEX Inc.</u>	PHP 12,500	140	12,194	12,334	7.3232%		Amortized	June 2032

SAN MIGUEL CORPORATION AND SUBSIDIARIES
SCHEDULE D - LONG-TERM DEBT
DECEMBER 31, 2025
(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>Northern Cement Corporation</u>	PHP 12,500	PHP 1,374	PHP 8,501	9,875	4.8356%	Amortized	June 2031
<u>SMC SLEX Holdings Company Inc.</u>	PHP 10,000	111	9,758	9,869	7.5758%	Amortized	June 2032
<u>SMC TPLEX Corporation</u>	PHP 12,000	1,547	5,262	6,809	7.8002%	Amortized	September 2029
<u>The Purefoods-Hormel Company, Inc.</u>	PHP 7,000	6,992	-	6,992	3.846%	Bullet	September 2026
<u>San Miguel Food and Beverage, Inc.</u>							
PHP 10,000	-	4,965	4,965	4,965	6.2954% and 6.1566%	Amortized	March 2032
<u>Masinloc Power Co. Ltd.</u>	PHP 8,155	1,147	3,761	4,908	BVAL + margin	Amortized	January 2030
<u>SMC NAIAX Corporation</u>							
PHP 5,656	911	3,209		4,120	BVAL + credit spread or BSP OLF + margin whichever is higher	Amortized	June 2030
<u>Luzon Clean Water Development Corporation</u>	PHP 5,400	503	2,094	2,597	8.7815%	Amortized	March 2030
<u>SMC Shipping and Lighterage Corporation</u>	PHP 2,000	1,998	-	1,998	4.200%	Bullet	July 2026
<u>San Miguel Mills, Inc.</u>	PHP 2,000	1,838	-	1,838	3.284%	Amortized	December 2026
<u>San Miguel Yamamura Packaging Corporation</u>	PHP 5,000	728	3,691	4,419	7.0004%	Amortized	January 2030
<u>Star Infrastructure Development Corporation</u>	PHP 10,700	-	498	498	6.7399%	Amortized	June 2034
		-	497	497	6.8182%	Amortized	June 2034
<u>Bulakan Water Company, Inc.</u>							
PHP 130	14	115		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, 2025
(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	2,394	26,601	28,995	SOFR + margin	Amortized	July 2029
	US\$	669	4,021	9,544	13,565	SOFR + margin	Amortized	November 2027
	US\$	200	-	11,679	11,679	5.74%	Amortized	August 2030
	US\$	225	-	5,517	5,517	SOFR + margin	Amortized	July 2028
<u>San Miguel Global Power Holdings Corp.</u>								
	US\$	300	17,620	-	17,620	SOFR + margin	Bullet	March 2026
	US\$	300	-	17,466	17,466	SOFR + margin	Bullet	August 2027
	US\$	300	-	17,377	17,377	SOFR + margin	Bullet	September 2027
	US\$	150	-	8,677	8,677	SOFR + margin	Bullet	May 2028
	US\$	100	-	5,788	5,788	SOFR + margin	Bullet	May 2030
<u>Masinloc Power Co. Ltd.</u>								
	US\$	770	1,516	13,804	15,320	8.331%	Amortized	December 2030
	US\$	255	499	4,543	5,042	SOFR + margin	Amortized	December 2030
<u>San Miguel Yamamura Australasia Pty. Ltd.</u>								
	AUD	45	78	1,653	1,731	BBSY + margin	Amortized	July 2027
	AUD	10	118	118	236	BBSY + margin	Amortized	November 2027
	AUD	5	9	-	9	BBSY + margin	Amortized	February 2026
	PHP	91,211	PHP	571,154	PHP	662,365		
<u>Total Long-term Debt</u>								
	PHP	176,286	PHP	1,181,010	PHP	1,357,296		

See Notes 23, 32, 35, 40, 41 and 42 of the Consolidated Financial Statements.

SAN MIGUEL CORPORATION AND SUBSIDIARIES
SCHEDULE G - CAPITAL STOCK
December 31, 2025

DESCRIPTION	NUMBER OF SHARES AUTHORIZED	NUMBER OF SHARES ISSUED	TREASURY SHARES	NUMBER OF SHARES OUTSTANDING	NUMBER OF SHARES RESERVED FOR OPTIONS *	NUMBER OF SHARES HELD BY:	
						AFFILIATES	DIRECTORS, OFFICERS AND EMPLOYEES
ISSUED SHARES							
COMMON STOCK	2,885,247,463	2,383,896,588	-	2,383,896,588	134,641,564	46,395	3,463,799
SERIES "2" PREFERRED SHARES	3,114,752,537	2,942,258,890	1,494,784,745	1,447,474,145	-	-	558,200
	6,000,000,000	5,326,155,478	1,494,784,745	3,831,370,733	134,641,564	46,395	4,021,999

* See Notes 26, 38 and 39 of the Consolidated Financial Statements.

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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, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated April 15, 2026.

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
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029
financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

R.G. Manabat & Co.



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, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

R.G. MANABAT & CO.

A handwritten signature in black ink, appearing to read 'D. Virocel', written over a horizontal line.

DARWIN P. VIROCEL

Partner

CPA License No. 0094495

SEC Accreditation No. 94495-SEC, Group A, valid for the audit covering 2025 and 2026 to 2030 financial statements

Tax Identification No. 912-535-864

BIR Accreditation No. 08-001987-031-2025

Issued June 11, 2025; valid until June 10, 2028

PTR No. MKT 10764422

Issued January 5, 2026 at Makati City

April 15, 2026

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, 2025 and 2024 for liquidity, solvency and profitability ratios and for the periods ending December 31, 2025 and 2024 for operating efficiency ratios.

	December 31	
	2025	2024
<u>Liquidity:</u>		
Current Ratio	1.23	1.22
Quick Ratio	0.84	0.76
<u>Solvency:</u>		
Debt to Equity Ratio	2.65	2.96
Asset to Equity Ratio	3.65	3.96
<u>Profitability:</u>		
Return on Average Equity Attributable to Equity Holders of the Parent Company	13.63%	(2.48%)
Interest Rate Coverage Ratio	2.24	1.65
Return on Assets	3.50%	1.43%
<u>Operating Efficiency:</u>		
Volume Growth (Decline)	(3%)	11%
Revenue Growth (Decline)	(6%)	9%
Operating Margin	12%	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	$\frac{\text{Earnings Before Interests and Taxes}}{\text{Interest Expense and Other Financing Charges}}$

Forward

KPI	Formula
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, 2025 and 2024
(Amounts in Millions)

	2025	2024
Total Audit Fees*	P115	P116
Non-audit services fees:		
Other assurance services	17	18
Tax services	3	7
All other services	5	8
Total Non-audit Fees	25	33
Total Audit and Non-Audit Fees	P140	P149

Audit and Non-audit fees of other related entities**

	2025	2024
Total Audit and Non-Audit Fees	P -	P1
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Non-audit Fees	-	-
Total Audit and Non-Audit Fees	P -	P1

**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, 2025

(In Millions)

	Total		Current		Past Due				
					1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	
Trade	P	179,993	P	134,967	P	14,599	P	3,827	P
Non-trade		73,024		37,688		783		2,074	
Amounts Owed by Related Parties		11,353		9,953		358		103	
Total		264,370	P	182,608	P	15,740	P	6,004	P
Less allowance for impairment losses		16,811							
Net	P	247,559							

ANNEX “D”

SAN MIGUEL CORPORATION
2025
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 and 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. Irsan, Baguio City, Benguet	Owned	Good			
Carlatan Sales Office	Pennsylvania Ave., Brgy. Madayegdeg, San Fernando, La Union	Owned	Good			
Cauayan Sales Office	Brgy. San. Fermín, 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	Guiguinto Valley Rd., Brgy. Sta. Cruz, Guiguinto, Bulacan	Owned	Good			
San Isidro Sales Office	Gapan-Olongapo Rd., Poblacion San Isidro, Nueva Ecija	Owned	Good			
Cabanatuan Sales Office	Cabanatuan S.O. - Emilio Vergara Blvd., Brgy. Sumacab Este Cabanatuan City, Nueva Ecija	Land and 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.
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			
Greater Manila North	685 Tandang Sora Ave., Quezon City	Warehouse-Rented	Good	177,857.14	May 31, 2026	The Contract is subject to renewal or extension under such terms and conditions as may be mutually agreed upon between the parties in writing.
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			
Greater Manila South	1922 Dr. M. Carreon St., Sta. Ana, Manila	Warehouse - Rented	Good	75,000.00	April 30, 2026	Renewable upon mutual agreement of both parties.
Taytay Sales Office	Manila East Rd., Brgy. Dolores, Taytay, Rizal	Owned	Good			
Paranaque Sales Office	No. 100 Bernabe Subd., Brgy. San Dionisio, Sucat, Paranaque City, Metro Manila	Owned	Good			

Company Name / Subsidiary	Address	Rented / Owned	Condition	Monthly Rental (In PHP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
Pasig Sales Office	Pasig S.O. - Mercedes Ave., Pasig City, Metro Manila	Land & Warehouse-Rented	Good	2,098,783.47	December 31, 2029	Renewable upon mutual agreement of both parties.
Sucat Sales Office	Dr. A. Santos Ave., Brgy. San Dionisio, Paranaque City	Owned	Good			
Canlubang Sales Office	Silangang Exit, Canlubang, Calamba City, Laguna	Owned	Good			
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	204,899.63	March 31, 2026	Renewable upon mutual agreement of both parties.
Masbate Sales Office	Brgy. Pinamarbuan, Mobo, Masbate	Land, Warehouse and Open Space-Rented	Good			
Daraga Sales Office	Daraga S.O. - P4, Salvacion, Daraga Albay	Warehouse, Office & Open Space-Rented	Good	487,600.00	February 28, 2026	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	November 15, 2026	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	833,689.71	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, 2027	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, 2026	Renewable upon mutual agreement of both parties.
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. Lipas, Roxas City, Capiz	Owned	Good			
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. Ongoing renewal of contract.
Iloilo Sales Office	Brgy. Pagduque, Dumangas, Iloilo	Warehouse-Rented	Good	416,053.33	June 15, 2026	Renewable upon mutual agreement of both parties.
IGBR Region Office	Meliza St. Brgy. Zamora, Iloilo City	Owned	Good			
CV North and South Region Offices	National Highway, Brgy. Tipolo, Mandaue City	Owned	Good			
Catbalogan Sales Office	Brgy. Mercedes, Diversion Road, Catbalogan City, Samar	Warehouse and 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 and 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.
Region Office	Brgy. Darong Sta. Cruz, Davao del Sur	Owned	Good			
Davao Sales Office	National Highway, Brgy. Ulas, Talomo, Davao City	Owned	Good			
Region Office	National Highway, Brgy. Maguipo, 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., Balwasan, Zamboanga City	Owned	Good			
Mindanao	Brgy. Bongod, Tandag City, Surigao del Sur	Owned	Good			
Mindanao	J.P. Rizal Ave., Poblacion, Digos City	Owned	Good			
Mindanao	R. Calo St., Fort Poyohan, Butuan 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
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, 2028	Renewable upon mutual agreement of both parties.
Terminal						
Bataan Malt Terminal (land, building, machineries and equipment, furnitures and fixtures)	Mariveles, Bataan	Building and Facilities-Land-Rented	Good	655,179.77	April 30, 2026	Renewable upon mutual agreement of both parties.
Lucanin Malt Terminal	Mariveles, Bataan	Owned	Good			
Investment Properties						
	Brgy. Estefania, Bacolod City (9 lots)	Owned	Good			
	No. 31 Rosario St., Brgy. Granada, Bacolod City	Owned	Good			
	Brgy. Penabatan, Pullian, Bulacan	Owned	Good			
	L26, B11, Brgy. Sto. Domingo, Sta. Rosa, Laguna	Owned	Good			
	Jaro, Iloilo (2 lots)	Owned	Good			
	Barrio of Tinaleros, 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 and San Roque (2 lots)	Owned	Good			
	Bo. of Poblacion 2nd, Municipality of Tarlac (2 lots)	Owned	Good			
	71-B-3-B-4 Barrio Suizo Municipality of Tarlac	Owned	Good			
	Bo. Mabiao, 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, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
B. INTERNATIONAL						
Breweries						
San Miguel Beer (Thailand) Limited	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 229,600.00	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 Company Limited	Quoc Lo 1 , Suoi Hiep , Dien Khanh , Khanh Hoa	Owned	Good			
Sales/Area Offices and Warehouses						
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 Road 1#, Longjiang Town, Shunde District, Guangdong Province, China	Owned	Good			
San Miguel (Guangdong) Brewery Co., Ltd.	32nd Floor, No. 362 Jiangnan Avenue South, Haizhu District, Guangzhou	Office Space-Rented	Good	RMB 7,736.20	July 31, 2028	Renewable upon mutual agreement of both parties, 30 days before the expiration date.

Company Name / Subsidiary	Address	Rented / Owned	Condition	Monthly Rental (In PHP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
Guangzhou Admin Office	Room 2602, No. 238, Changgang Middle Road, Haizhu District, Guangzhou	Office Space-Rented	Good	August 1- September 30, 2025: RMB2,728.00 October 1, 2025 - July 31, 2027: RMB5,456.00 August 1, 2027 - July 31, 2028: RMB5,729.00	July 31, 2028	Upon the expiration of the lease term, the leased property shall be returned to the lessor. Should the lessee wish to continue renting the property, the lessee must initiate negotiations with the lessor at least 30 days prior to the lease expiry, and both parties shall execute a separate agreement for the extension.
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, 2027	At the end of the contract, and provided the property is in the same condition, we shall have the priority right of renewal. The lease rate and terms of renewal shall be mutually agreed upon by both parties.
Jieyang Sales Office	Shop 3, 4th Floor, Building 7, West of Jianshi Village, Rongcheng District, Jieyang	Office Space-Rented	Good	RMB 2,000.00	February 28, 2027	At the end of the contract, and provided the property is in the same condition, we shall have the priority right of renewal. The lease rate and terms of renewal shall be mutually agreed upon 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 12,550.00	June 30, 2026	At the end of the contract, and provided the property is in the same condition, we shall have the priority right of renewal. The lease rate and terms of renewal shall be mutually agreed upon by both parties.
San Remo Taiwan (SRT) Taipei Office	3F-3, No.167, Fusing N. Rd., Taipei, Taiwan (ROC)	Rented	Good	NTD 157,850	April 15, 2028	At the end of contract, lease rate and terms of renewal shall be mutually agreed upon by both parties.
Taichung Office	No.159, Shuwang Rd., Dali Dist., Taichung City 412, Taiwan (R.O.C.)	Rented	Good	NTD 39,000	December 31, 2027	At the end of contract, lease rate and terms of renewal shall be mutually agreed upon by both parties.
Kaohsiung Office	No.305-6, Renlin Rd., Renwu Dist., Kaohsiung City 814, Taiwan (R.O.C.)	Rented	Good	NTD 88,000	April 30, 2028	At the end of contract, lease rate and terms of renewal shall be mutually agreed upon 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.
San Miguel (China) Investment Co. Ltd.	1-7A, 1-9C, 1-7C Parkview Tower Chaoyang District Beijing 100027, China	Owned	Good			
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	6-1-101, Xinshiji, Longxing Road, Baoding City, Hebei Province, China	Office Space-Rented	Good	RMB 1,831.60	September 30, 2026	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, 2025	Renewable upon mutual agreement of both parties. Ongoing renewal of contract.
South sales office (Phuket)	14/4 Moo 4, Tambon Wichit Amphor Muang, Phuket	Office Space-Rented	Good	THB 23,157.90	December 31, 2025	Renewable upon mutual agreement of both parties. Ongoing renewal of contract.
South sales office (Samui)	44/38 Moo 1 Tambon Maenam, Amphur Koh Samui Suratthani	Office Space-Rented	Good	THB 21,052.63	December 31, 2025	Renewable upon mutual agreement of both parties. Ongoing renewal of contract.
Northeast sales office	44/50 Moo 3 Chataphadung Rd, Thumbon Naimuang, Amphur Muang Khonkean	Office Space-Rented	Good	THB 11,578.95	December 31, 2025	Renewable upon mutual agreement of both parties. Ongoing renewal of contract.
Pattaya sales office	263/91 Moo 12 Tambon Nongprue Banglamung Chonburi	Office Space-Rented	Good	THB 25,263.16	December 31, 2025	Renewable upon mutual agreement of both parties. Ongoing renewal of contract.
San Miguel Brewery Vietnam Limited						
San Miguel Brewery Vietnam Limited Ho Chi Minh Sales Office	Quoc Lo 1A, Suoi Hiep - Dien Khanh, Khanh Hoa 180 Nguyen Van Troi Street, Ward 8, Phu Nhuan Dist., HCM City	Land-Rented Rented	Good Good	VND 44,185,733.00 USD 8,774.70	November 12, 2044 March 31, 2027	Renewable upon mutual agreement of both parties. Renewable upon mutual agreement of both parties.
Da Nang Sales Office	180 2/9 Street, Da Nang City, Vietnam	Rented	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	Rented	Good	VND 26,000,000	March 31, 2026	Renewable upon mutual agreement of both parties.
Vung Tau Sale Office	80 Huynh Trang Cong Chua Ward 8, Vung Tau	Rented	Good	VND 7,700,000	June 30, 2027	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	Rented	Fair	USD 1,280.00 + VND 4,000,000	December 31, 2027	Renewable upon mutual agreement of both parties.
Da Nang Warehouse	3rd Floor, 184 Tran Phu, Phuoc Ninh Ward, Hai Chau District, Danang	Rented	Fair	VND 7,500,000.00	April 24, 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
Apartment	1/18 Nguyen Van Mai, Ward 4, Tan Binh District, HCMC Lease Location: Apartment Room No. 403 (4th floor)	Rented	Good	VND 15,500,000	February 18, 2026	Renewable upon mutual agreement of both parties.
Apartment	Apartment No.: T3-B12b.09, Masteri Thao Dien, 159 Vo Nguyen Giap, Thao Dien Ward, Ho Chi Minh City	Rented	Good	VND 18,000,000	May 25, 2026	Renewable upon mutual agreement of both parties.
Apartment	Apartment No.: 205 Floor 2, 86/62 Pho Quang, Tan Son Hoa Ward, Ho Chi Minh City	Rented	Good	VND 15,000,000	April 20, 2026	Renewable upon mutual agreement of both parties
Apartment	Apartment No.: 3914 – Muong Thanh Residential Apartment, Khanh Hoa, Con Tan Lap Residential Area, Xuong Huan Ward, Nha Trang City, Khanh Hoa Province	Rented	Good	VND 9,500,000	April 30, 2026	Renewable upon mutual agreement of both parties.
Apartment	Apartment No.: 2720 – Muong Thanh Residential Apartment, Khanh Hoa, Con Tan Lap Residential Area, Xuong Huan Ward, Nha Trang City, Khanh Hoa Province	Rented	Good	VND 9,000,000	August 31, 2026	Renewable upon mutual agreement of both parties.
2 GINEBRA SAN MIGUEL INC.						
A. HEAD OFFICE						
GSMI Office Space	3rd, 6th, 8th, 9th, 10th and 14th Floors SMPC Bldg., St. Francis Ave., Ortigas Centre, Mandaluyong City	Owned	Good			
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						
GSMI Sta. Barabara Warehouse	Warehouse II Tebag West 2419 Santa Barbara Pangasinan Philippines	Owned	Good			
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 La Union Sales Office - Bauang	R-Hub Bldg. Disco-or 2501 Bauang La Union Philippines	Rented	Good	36,000.00	October 31, 2026	Renewable upon mutual agreement of both parties.
GSMI San Fernando Sales Office	#162 Baliti 2000 City of San Fernando Pampanga	Rented	Good	475,000.00	December 31, 2025	Subject to renewal or extension upon expiration of such period on such terms and conditions as may be mutually agreed upon between the parties. Ongoing renewal of contract.
GSMI Lunec Warehouse 1	Brgy. Lunec, Malasiqui, Pangasinan	Rented	Good	49,500.00	December 31, 2025	Subject to renewal or extension upon expiration of such period on such terms and conditions as may be mutually agreed upon between the parties. Ongoing renewal of contract.
Depot						
GSMI Alcohol Depots #1 and #2	Brgy. Namoritan, Sto. Tomas (Damaritis), 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			
GSMI Matimatic Sta. Barbara Property	Matimatic, Sta. Barbara, Pangasinan	Owned	Good			
EPSBPI San Fermin Cauayan Isabela (TCT No.035-2023001634)	San Fermin, Cauayan, Isabela	Owned	Good			
EPSBPI San Fermin Cauayan Isabela (TCT No.035-2022007225)	San Fermin, Cauayan, Isabela	Owned	Good			
GSMI Cauayan City Property (Ongoing Transfer from NVRC)	San Fermin, Cauayan, 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			

Company Name / Subsidiary	Address	Rented / Owned	Condition	Monthly Rental (In PHP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
GSMI Maybunga Pasig City Sales Office	403 F. Legaspi St. Maybunga 1607 City of Pasig NCR, Second District Philippines	Rented	Good	P334,860.35 (August 01, 2024 to July 31, 2025) P348,254.76 (August 01, 2025 to July 31, 2026) P362,184.95 (August 01, 2026 to July 31, 2027)	July 31, 2027	Subject to renewal or extension upon expiration of such period on such terms and conditions as may be mutually upon between the parties.
CREI NAIA Terminal 3 Branch	Unit 13 Level 1 Ali Filipino Food Hall Arrival Lobby NAIA Terminal 3 Barangay 183 1300 Pasay City NCR, Fourth District Philippines	Owned	Good			
D. SOUTH LUZON						
Plants						
EPSBP1 Ligao Plant (Land and Facilities)	Km 503, Hacienda Mitra, Paulog, Ligao City, Albay	Owned	Good			
GSMI Cabuyao Plant (Land and Facilities)	Silangon 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			
EPSBP1 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)	Brgy. Gulang-gulang, Lucena City, Quezon	Owned	Good			
GSMI Cabuyao Warehouse	Terley Phase Cantibang Industrial Estate Pittland 4025 City of Cabuyao Laguna Philippines	Owned	Good			
EPSBP1 Ligao Warehouse	Hacienda Mitra Paulog 4504 City of Ligao Albay Philippines	Owned	Good			
Depot						
GSMI Cotta Depot	Francisco Ferdinand St., Teacher's Village, Brgy. Cotta, Lucena City	Owned	Good			
GSMI Tabangao Depot (Land and Tanks)	Brgy. Tabangao, Aplaya, Batangas City	Owned	Good			
GSMI Bauan Depot	San Pedro 4201 Bauan Batangas	Owned	Good			
Land						
GSMI Bauan Batangas	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			
Distilleria Bago, Inc. (Aged Alcohol Warehousing and Management)	Brgy. Taloc, Bago City, Negros Occidental	Owned	Good			
Warehouse/Sales Office						
GSMI Bago City Sales Office	Km 13.5, 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	Subject to renewal or extension upon expiration of such period on such terms and conditions as may be mutually agreed upon between the parties.
GSMI Iloilo Sales Office	Pakiad Road, Brgy. Calajunan, Mandurriao, Iloilo City.	Rented	Good	238,914.00	May 15, 2027	Subject to renewal or extension upon expiration of such period on such terms and conditions as may be mutually agreed upon between the parties.
GSMI Northern Samar Sales Office	Sito Cabicalan Londres Allen, Northern Samar	Rented	Good	50,000.00	August 31, 2026	Subject to renewal or extension upon expiration of such period on such terms and conditions as may be mutually agreed upon between the parties.
GSMI Escalante City Sales Office	Purok Maklangyon Alimango 6124 City of Escalante Negros Occidental Philippines	Rented	Good	40,000.00	March 15, 2026	Subject to renewal or extension upon expiration of such period on such terms and conditions as may be mutually agreed upon between the parties.
GSMI Mandaue City Warehouse	Mandaue Port, J. Genniza St., Looc Mandaue City, Cebu	Owned	Good			
GSMI Roxas City Sales Office	Calipayan Road Punta Tabuc 5800 City of Roxas Capiz Philippines	Rented	Good	70,000.00	June 15, 2027	Subject to renewal or extension upon expiration of such period on such terms and conditions as may be mutually agreed upon 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
Depot						
GSMI Duano 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 Administrative Sales Office	Rizal Avenue Purok Nangka Tuburan 7016 City of Pagadian Zamboanga del Sur Philippines	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 Giamang 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.
GSMI Maigo Sales Office	Purok 5 Poblacion 9206 Maigo Lanao Del Norte Philippines	Rented	Good	100,000.00	October 31, 2030	Renewable upon mutual agreement of both parties.
3 FOOD GROUP						
C5 Pasig Office - SMFB, San Miguel Foods, Inc., PHC, Magnolia, Coffee, San Miguel Mills, Inc.	#100 E. Rodriguez Jr. Ave., (C5 Road), Brgy. Ugong, Pasig City 1604	Owned	Good			
Admin Office/Sales Office						
Iloilo Office - Agro Industrial Cluster	Melliza St., Iloilo City	Owned	Good			
Davao Region Office - Agro Industrial Cluster	2F, MPPP DavaSur 2, Sitio Rambutan, Brgy. Darong, Sta. Cruz, Davao del Sur	Owned	Good			
NNIN Region Office (SMFI - A/C)	SMFI B-MEG Plant Mis.Or.2 Zone 4 Brgy. Gracia Tagoloan Mis.Or.	Owned	Good			
Sta. Rosa Poultry Office (SMFI - Feeds, SMFI - A/C)	Sta. Rosa Complex, Bo. Pulong Sta. Cruz, Sta. Rosa, Laguna	Owned	Good			
Admin Office and Feedmill/Processing Plant/Product Development Laboratory/Warehouse						
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 (Building only)- SMFI-Corporate	SMFG Compound., Legaspi cor. Eagle St., Ugong, Pasig City	Owned	Good			
Isabela Feedmill and Warehouse - Feeds	Bo. Soyung, Echague, Isabela City	Owned	Good			
Bulacan Feedmill and Warehouse (San Idefonso) - Feeds	Brgy. Malipampang San Idefonso, Bulacan	Owned	Good			
Pangasinan Feedmill, Office and Laboratory - SMFI - Feeds	Brgy. Bued, Binalonan, Pangasinan City	Owned	Good			
Admin Office and Magnolia Poultry Processing Plant - SMFI - Poultry	SMC Complex, Quebiawan, San Fernando, Pampanga	Owned	Good			
Camarines Sur Office - SMFI - A/C; 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 and BMEG Isabela Plant - SMFI - Poultry	Soyung, Echague, Isabela	Owned	Good			
General Santos Office and Vaimed Hub - SMFI - Poultry	Putingbato, Catumpang, Gen. Santos City	Owned	Good			
Farm/Hatchery						
Isabela Cattle Farm - Meals	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			

Company Name / Subsidiary	Address	Rented / Owned	Condition	Monthly Rental (In PHP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
Laguna Cattle Farm and RandD - SMFI - Meats; Office - SMFI - AIC	Brgy. Mabacan, Calauan, Laguna	Owned	Good			
Camarines Sur Magnolia Poultry Hatchery - SMFI - Poultry; SMFI - AIC	Brgy. San Juan, Baa, 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			
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. Mail-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.Lococ, Mandaue City	Owned	Good			
Land						
Bulacan Land - SMFI Feeds	Malipampang, San Idefonso, Bulacan	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 and Building) - SMFI - SMIS	Brgy. 048 Payao, Catbalogan City, Samar	Owned	Good			
Pangasinan Feedmill (Land only) - SMFI-Feeds	Brgy. Bued, Binalonan, Pangasinan	Owned	Good			
Bulacan Feedmill (Land Only) - SMFI-Feeds	Brgy. Malipampang San Idefonso, Bulacan	Owned	Good			
Davao Land - SMFI-Feeds	Sitio Landing, Brgy. Darong , Sta. Cruz, Davao Del Sur	Owned	Good			
Bataan Breeding Farm (Land only) - SMFI- Poultry	Brgy. General Lim, Orion, Bataan	Owned	Good			
Ready-to-Eat Plant (Land Only) - SMFI+Great Food Solutions	Sta. Rosa Industrial Complex, Brgy. Pulong Sta. Cruz, Sta. Rosa, Laguna	Owned	Good			
Pasig Office (Land Only) - SMFI+Corporate	SMF-G Compound, Legaspi cor. Eagle St., Ugong, Pasig	Owned	Good			
Bataan Hatchery 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.
Sariaya Various Land Properties - San Miguel Foods South Luzon, Inc.	Brgy. Guisguis, San Roque, Sariaya, Quezon	Owned	Good			
Sariaya Various Land Properties - San Miguel Foods South Luzon, Inc.	Brgy. Castanas, Sariaya, Quezon	Owned	Good			
Balayan Various Land Properties - San Miguel Foods South Luzon, Inc.	Brgy. San Piro, Balayan Batangas	Owned	Good			
Balayan Various Land Properties - San Miguel Foods South Luzon, Inc. (SMF-SLI)	Brgy. Santol, Balayan, Batangas	Owned	Good			
Balayan Various Land Properties - San Miguel Foods South Luzon, Inc.	Brgy. Dalig, Balayan Batangas	Owned	Good			
Hagonoy Land - San Miguel Foods Mindanao, Inc.	Guihing, Hagonoy, Davao Del Sur	Owned	Good			
Processing Plant						
Davao Processing Plant 2- SMFI - Poultry	Sitio Rambutan, Brgy. Darong, Sta. Cruz, Davao del Sur	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			
Magnolia Poultry Processing Plant Leyte - SMFI- Poultry	Brgy. Antipolo, Albuera, Leyte	Owned	Good			
Magnolia Poultry Processing Plant Pagbilao (Land only) - SMFI-Poultry	Pagbilao, Quezon	Owned	Good			
Puerto Princesa Dressing Plant - SMFI+Poultry	Brgy. Tagbueros, Puerto Princesa	Rented	Good	22,400.00	December 31, 2025	Renewable every two years. Ongoing renewal of contract.

Company Name / Subsidiary	Address	Rented / Owned	Condition	Monthly Rental (In PHP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
Lucena Processing Plant - SMFI-Poultry	Brgy. Bocohan, Lucena	Rented	Good	1,534,600.00	December 31, 2025	Renewable every year. Ongoing renewal of contract.
Isabela Processing Plant and Laboratory - SMFI-Poultry	Garit Sur, Echague Isabela	Rented	Good	3,554,406 (Cold Storage and Holding room) 40,765.18(Laboratory)	March 15, 2027	Renewable every three years
Rizal Processing Plant - SMFI-Poultry	#1 Sitio Kapatagan, Brgy. Pinugay, Baras, Rizal	Rented	Good	327,431.86	December 31, 2025	Renewable every year. Ongoing renewal of contract.
Batangas Processing Plant - SMFI-Poultry	Brgy. Aya, San Jose, Batangas	Rented	Good	3,352,820.80	December 31, 2025	Renewable upon mutual agreement of both parties. Ongoing renewal of contract.
South Cotabato Processing Plant - SMFI-Meats	Purok 3, Brgy. Glamang, Polomolok, South Cotabato	Rented	Good	45,000.00	August 31, 2026	Renewable every year
Tacloban Processing Plant - SMFI-Poultry	Brgy. 69 Anibong, Tacloban City	Rented	Good	132,000.00	December 31, 2025	Renewable upon mutual agreement of both parties. Ongoing renewal of contract.
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 (Building Only) - SMFI-San Miguel Integrated Sales	Sta. Rosa Industrial Complex, Brgy. Pulong Sta. Cruz, Sta. Rosa City, Laguna	Owned	Good			
Sta. Rosa Warehouse (Land Only) - SMFI-San Miguel Integrated Sales	Sta. Rosa Industrial Complex, Brgy. Pulong Sta. Cruz, Sta. Rosa City, Laguna	Owned	Good			
Iloilo Office - SMFI-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.
Admin Office						
Zamboanga Office - Agro Industrial Cluster	Don Alfonso Marquez Subd., MCLL Highway Teluan Zamboanga City	Rented	Good	38,783.15	December 31, 2025	Renewable every three years. Ongoing renewal of contract.
Bukidnon Office - Agro Industrial Cluster	Propia St., Malaybalay, Bukidnon	Rented	Good	173,250.00	December 31, 2025	Renewable every two years. Ongoing renewal of contract.
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 Sanguinang Panlilawigan).
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	SMPCF Region Office, SMC Complex, Quebiawan, San Fernando, Pampanga	Owned	Good			
Admin Office and Cold Storage/Processing Plant/Warehouse						
Commissary Warehouse/Storage - SMFI-GFSJRTE	Sta Rosa Industrial Complex, Pulong Sta Cruz, Sta. Rosa Laguna	Owned	Good			
Butuan Office and Cold Storage - SMFI-Agro Industrial Cluster and SMFI-Poultry	Km 9, Tag-Ibo, Butuan City	Rented	Good	11,127.16 (Office) 449,450 (Processing Plant) 308,779 (Cold Storage) 190,280 (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-Agro Industrial Cluster and SMFI-Poultry	Mailen, Clarin, Misamis Occidental	Rented	Good	133,917 (Cold Storage) 251,818 (Holding room) 14,946.00 (Office)	December 31, 2025	Office - Renewable every three years. Cold Storage and Holding Room - Renewable 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.
Mandaue Admin Office, Warehouse and Cold Storage - SMFI - Poultry	Lot 2459-B1andB2 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	December 31, 2025	Renewable every three years
Cold Storage						
Misamis Oriental Cold Storage - Meats	Sta. Ana, Tagoloan, Misamis Oriental	Rented	Good	118,552.00	September 30, 2028	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, 2025	Renewable every year. Ongoing renewal of contract.

Company Name / Subsidiary	Address	Rented / Owned	Condition	Monthly Rental (In PHP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
Cold Storage and Blast Freezing Facility/Holding Room/Laboratory/Warehouse/Processing Plant/Mixes						
Bulacan Cold Storage and Holding Room - Poultry	#95 Landicho St., Brgy. Balasing, Sta. Maria, Bulacan	Rented	Good	183,496 (Cold Storage) 187,289 (Holding room)	May 31, 2028	Renewable every three years
Bulacan Cold Storage, Holding Room and Laboratory and Liquidator's Office- SMFI - Poultry	Brgy. Caysio, Sta. Maria, Bulacan	Rented	Good	2,851,878 (Cold Storage) 1,412,502 (Holding Room) 59,797 (Laboratory) 9,750 (Office)	February 28, 2028	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 and Holding Room) 72,081.00 (Laboratory)	September 30, 2026	Renewable every three years
Bataan Cold Storage and Holding Room - SMFI- Poultry	Brgy. Tunalto, Hermosa, Bataan	Rented	Good	2,914,524 (Cold Storage) 1,342,955.00 (Holding Room)	December 31, 2027	Renewable every three years
Nueva Ecija Cold Storage, Holding Room and Laboratory - SMFI - Poultry	Km104, Brgy. Tabuating, San Leonardo, Nueva Ecija	Rented	Good	37,556.25(Laboratory) 693,070 (Cold Storage) 914,660.00 (Holding Room) 28,570.00 (Laboratory)	March 08, 2027	Renewable every three years
Negros Occidental Processing Plant and Cold Storage and 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	1,907,843 (Cold Storage) 407, 819 (Holding Room)	March 3, 2026	Renewable 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.
Pampanga Cold Storage, Holding Room and Laboratory - SMFI - SMFI-Poultry	Brgy. Camuning Acli, Mexico Pampanga	Rented	Good	1,178,074 (Cold Storage) 736,994 (Holding Room)	June 15,2026	Renewable every year
Pangasinan Cold Storage, and Holding Room	Brgy. Mabilao, San Fabian, Pangasinan	Rented	Good	1,051,214 (Cold Storage)	February 28,2026	Renewable every year
Polar Bear Cold Storage and Laboratory - SMFI- Poultry	Sra Ascion, San Jose, Negros Oriental & BolocBoloc, Sibulan, Negros Oriental	Rented	Good	4,183,800 (Cold Storage) 68,170 (Laboratory)	October 31, 2027	Renewable every two years
Warehouse						
SMCSL-Managed Warehouses - SMFI - Feeds	Manila; Bataan; Balangas; Camarines Sur; Cebu; Iloilo; Bacolod; Cagayan de Oro; Ozamiz; Bukidnon; General Santos; Zamboanga; Davao	Rented	Good	37,223,410.00	December 31, 2026	Renewable upon mutual agreement of both parties.
D Meier-Managed Warehouses - SMFI-Feeds	Cristo Rey Capas, Tarlac 2315; 15 Victoria Hills St. Bungal, Project 7, Quezon City, Metro Manila	Rented	Good	631,282.50	December 31, 2026	Renewable upon mutual agreement of both parties.
Tarlac Warehouse - SMFI-Feeds	Mabini, Moncada, Tarlac	Rented	Good	219,184.00	December 31, 2025	Renewable every year. Ongoing renewal of contract.
Pangasinan Warehouse - SMFI-Feeds	Brgy. Barraca, Villasis, Pangasinan	Rented	Good	546,000.00	March 15, 2026	Renewable every year
Camarines Sur Warehouse - SMFI-Feeds	Brgy. San Jose and Sagurong, Pili, Camarines Sur	Rented	Good	669,240.00	December 31, 2026	Renewable every year
Parañaque Warehouse - SMFI-Agro Industrial Cluster, SMFI-San Miguel Integrated Sales, SMFI Great Food Solutions	Pacific Coast Plaza Building, 1st Villamor Street, Parañaque	Rented	Good	59,423.29 (AIC) 156,017.75 (SMIS) 24,433.47 (GFS)	December 31, 2025	Renewable upon mutual agreement of both parties. Ongoing renewal of contract.
Tarlac Warehouse - SMFI-Feeds	Brgy. Estrada Capas, Tarlac	Rented	Good	1,002,400.00	December 31, 2025	Renewable every year. Ongoing renewal of contract.
Snack Counter / Stock Room						
Snack Counter - Northwing T2 - Foodcrave Marketing, Inc. (FMI)	Level 2 Northwing Airside Naia Terminal 2 Naia Road Barangay 197 1300 Pasay City Ncr, Fourth District Philippines	Rented	Good	87,808.00	May 12, 2028	Either Party may serve a written request for renewal on the other Party within ninety (90) days prior to the expiration of the Lease Period, provided that the Party, upon whom such notice is served, shall not be obliged to agree to the renewal of the lease
Snack Counter - Southwing T2 - Foodcrave Marketing, Inc. (FMI)	Level 2 Southwing Airside Naia Terminal 2 Road Barangay 197 1300 Pasay City Ncr, Fourth District Philippines	Rented	Good	87,808.00	May 12, 2028	Either Party may serve a written request for renewal on the other Party within ninety (90) days prior to the expiration of the Lease Period, provided that the Party, upon whom such notice is served, shall not be obliged to agree to the renewal of the lease
Stock room -Southwing T2 - Foodcrave Marketing, Inc. (FMI)	Level 2 Southwing Airside Naia Terminal 2 Road Barangay 197 1300 Pasay City Ncr, Fourth District Philippines	Rented	Good	44,352.00	May 12, 2028	Either Party may serve a written request for renewal on the other Party within ninety (90) days prior to the expiration of the Lease Period, provided that the Party, upon whom such notice is served, shall not be obliged to agree to the renewal of the lease

Company Name / Subsidiary	Address	Rented / Owned	Condition	Monthly Rental (In PHP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
Snack Counter - Northwing T3 - Foodcrave Marketing, Inc. (FMI)	Domestic Food Village Northwing Nala Terminal 3 Andrews Avenue Barangay 183 1300 Pasay City Ncr, Fourth District Philippines	Rented	Good	45,000.00	December 09, 2028	Either Party may serve a written request for renewal on the other Party within ninety (90) days prior to the expiration of the Lease Period, provided that the Party, upon whom such notice is served, shall not be obliged to agree to the renewal of the lease
Snack Counter - Food Hall Arrival Area T3 - Foodcrave Marketing, Inc. (FMI)	Level 1 All Filipino Food Hall Arrival Area 3 Nala Road Andrews Avenue Barangay 182 1300 Pasay City Ncr, Fourth District Philippines	Rented	Good	54,000.00	December 09, 2028	Either Party may serve a written request for renewal on the other Party within ninety (90) days prior to the expiration of the Lease Period, provided that the Party, upon whom such notice is served, shall not be obliged to agree to the renewal of the lease
MAGNOLIA, INC. and SUBS						
Admin Office/Processing Plant/Product Development Laboratory/Warehouse						
Cavite Admin Office, Magnolia Processing Plant and Depots - Magnolia Inc. (Magnolia)	Governor's Drive, Bo. De Fuego, Gen. Trias, Cavite	Owned	Good			
Laguna Ice Cream Plant - Golden Food Management Inc. (GFMI)	Sta. Rosa Industrial Complex, Brgy. Pulong Sta. Cruz, Sta. Rosa, Laguna	Owned	Good			
Land						
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			
Cavite Land 4 (Magnolia)	Lot 1-B-1 (LRA) PSD-04-282045, Brgy. De Fuego, General Trias City, Cavite	Owned	Good			
Cavite Land 5 (Magnolia)	Lot 3-B-1 of Subd. Plan No. Ped-04-287787 Brgy. De Fuego (Now Brgy San Francisco), General Trias City, Cavite	Owned	Good			
Laguna Ice Cream Plant (Land Only) - Golden Food Management Inc. (GFMI)	Sta. Rosa Industrial Complex, Brgy. Pulong Sta. Cruz, Sta. Rosa, Laguna	Owned	Good			
Depot						
Iloilo Depot - Magnolia	3M Dragon, Leganes St., Brgy Lupa, Santa Barbara, Iloilo	Rented	Good	3,038,542.90	December 31, 2026	Renewable every 2 years
Consolacion Cebu Depot - Magnolia	Cebu-North Road, Tayud, Consolacion, Cebu	Rented	Good	5,375,637.97	December 31, 2026	Renewable every 2 years
Cagayan de Oro Depot - Magnolia	Brgy. Cugman, Cagayan de Oro City	Rented	Good	3,088,480.82	December 31, 2026	Renewable every 2 years
Bacolod Depot - Magnolia	Magsaysay Cor Araneta Sts., Brgy. Singcang, Bacolod City	Rented	Good	2,019,692.41	December 31, 2026	Renewable every 2 years
Davao Depot - Magnolia	San Miguel Brewery Sales Office, Ulas Davao City	Rented	Good	87,746,089.33	December 31, 2025	Renewable every year. Ongoing renewal of contract.
Cold Storage						
Muntinlupa Cold Storage - Magnolia	235 FMW Bldg., Alabang-Zapote Road, Cupang, 1771 City of Muntinlupa NCR, Fourth District Philippines	Rented	Good	1,081,856.94	June 30, 2026	Renewable every 3 years
THE PUREFOODS HORMEL, INC.						
Processing Plant/Product Development Laboratory/Warehouse						
Marikina Processed SMFI-Meats Plant (used as warehouse) - Purefoods-Hormel	JP Rizal St., Bo. San Roque, Marikina City	Owned	Good			
Cavite Processed Meat Plant - Purefoods Hormel Company, Inc.	Bo. De Fuego, Brgy. San Francisco, Gen. Trias, Cavite	Owned	Good			
SAN MIGUEL MILLS, INC. and SUBS						
Flourmill/Feedmill and Warehouse						
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			
Bacolod Warehouse - San Miguel Mills Inc.	Reclamation Area, Barangay Poblacion, Bacolod City	Owned	Good			
Paranaque Warehouse - San Miguel Mills, Inc.	8380 Dr. A. Santos Avenue, Barangay BF Homes, Paranaque City	Owned	Good			
Grain Terminal						
Mabini Bulk Grain Handling Terminal (GBGTC) - San Miguel Mills, Inc.	Brgy. Balibaguhan and Brgy. Bulacan, Mabini, Batangas 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
Land							
	Pasig Land (Parking Lot) - Golden Avenue Corp. (GAC)	San Miguel Ave., Corner Tekitte Road, Pasig City	Owned	Good			
	Bacolod Land - San Miguel Mills, Inc.	Reclamation Area, Barangay Poblacion, Bacolod City	Owned	Good			
	Mabini Bulk Grain Handling Terminal (Land only) - Golden Bay Grain Terminal Corp.	Brgy. Balibaguhan and Brgy. Bulacan, Mabini, Batangas	Owned	Good			
	Mabini New Flourmill (Land Only) - San Miguel Mills, Inc.	Brgy. Bulacan, Mabini, Batangas	Owned	Good			
	Mabini Old Flourmill (Land Only) - San Miguel Mills, Inc.	Brgy. Bulacan, Mabini, Batangas	Owned	Good			
	Foreshore						
	Mabini Bulk Grain Handling Terminal Foreshore - Golden Bay Grain Terminal Corp.	Brgy. Balibaguhan and Brgy. Bulacan, Mabini, Batangas	Rented	Good	373,949.14	Continuing unless terminated and agreed by both parties	Lease may be renewed for another 25 years at the option of the DENR. Ongoing renewal of contract.
	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. Ongoing renewal of contract.
	Tabangao Foreshore - San Miguel Mills, Inc.	Brgy. Tabangao, Batangas City	Rented	Good	9,648.63	Continuing unless terminated and agreed by both parties	Lease may be renewed for another 25 years at the option of the DENR. Ongoing renewal of contract.
	INTERNATIONAL SUBS						
	Admin Office and Feedmill/Processing Plant/Product Development Laboratory/Warehouse						
	Depok Office and SMFI-Poultry Processing Plant - PT. San Miguel Purefoods Indonesia	Jl. Raya Bogor Km. 37 Sukamaju, Clodong, Depok, Indonesia	Owned	Good			
	Binh Duong Processing Plant - San Miguel Purefoods (VN) Co., Ltd.	An Tay, Ben Cat, Binh Duong, Vietnam	Owned	Good			
	Ho Chi Minh Office - SMPFVN	6F Mekong Tower, 235-241 Ward 13, Tan Binh, Ho Chi Minh City, Vietnam	Rented	Good	VND 43,363,637/ PHP 99,736.37	July 31, 2026	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	Captian Bayong, Impasugong	Owned	Good			
	Davao	Barrio Talomo, City of Davao	Owned	Good			
	Zamboanga	Barangay Boalan, City of Zamboanga	Owned	Good			
	South Cotabato	Burgos St, Pob. Suralah, 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	Brgy. Tacub, Kauswagan, Lanao Del Norte	Owned	Good			
	Iligan	Bo. San Isidro, Iligan City	Owned	Good			
	Camiguin	Malingin, Mahit, Catarman, Camiguin	Owned	Good			
	Taglay Rizal	Barrio of Moson Taglay, Rizal	Owned	Good			
	Quezon City	36 St. James St. Kingsport Subd., Novaliches, Quezon City	Owned	Good			
	San Fabian	San Fabian, Pangasinan	Owned	Good			
	B. RENTED						
	Admin Office						
	Office Space	40 San Miguel Avenue, Brgy. 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
PACKAGING BUSINESS						
A. DOMESTIC						
1	SAN MIGUEL YAMAMURA PACKAGING CORPORATION					
SMYPC Main Office, SMYPC Contract Packaging Building / Office Space	San Miguel Properties Centre, Saint Francis St., Mandaluyong City	Owned	Good			
SMYPC Rightbak Plant, SMYPC Canlubang PET Land	and Caps Plant, SMYPC MCLP Canlubang Plant and Canlubang Industrial Estate, Canlubang, Laguna	SMYPC Leasing Operations				
Land - under 150-3300	CBPP, SMC Complex, Mandaue City	Owned	Good			
Warehouse - Old MCLP	Canlubang Industrial Estate, Canlubang, Laguna	Owned	Good			
Warehouse - Rightpak	Canlubang Industrial Estate, Canlubang, Laguna	Owned	Good			
SMYPC Cebu Beverage Packaging Plant, SMYPC Land	SMYPC Cebu Glass Plant and SMYPC MCLP Mandaue Plant SMC Mandaue Complex, Hi-way, Tipolo, Mandaue City, Cebu	Owned	Good			
SMYPC MCLP Cebu Warehouse - SMC	SMC Mandaue Complex, Hi-way, Tipolo, Mandaue City, Cebu	Owned	Good			
SMYPC Cebu Glass Plant Warehouse	GSK, Jagobiao, Mandaue City	Rented	Good	2,615,080.00	June 30, 2026	June 30, 2026 is the tentative schedule for the move-out and subsequent move-in to the new SL warehouse.
Warehouse	LDGP, Tayud, Consolacion	Rented	Good	453,065.00	June 30, 2026	June 30, 2026 is the tentative schedule for the move-out and subsequent move-in to the new SL warehouse.
Warehouse	Bassett Land, Tayud, Consolacion	Rented	Good	172,630.66	June 30, 2026	June 30, 2026 is the tentative schedule for the move-out and subsequent move-in to the new SL warehouse.
Warehouse	CBPP, SMC Complex, Mandaue City	Owned	Good			
SMBI Bacolod Warehouse	Barangay Granada, Sta. Fe, Bacolod, 6100 Negros Occidental	Rented	Good	80,000.00	February 28, 2027	Continuing unless terminated and agreed by both parties.
Mincorr Warehouse	Mindanao Corrugated Fibreboard Inc., Km.12, Sasa, Davao City, 8000 Davao del Sur	Rented	Good	240,000.00	November 30, 2026	Continuing unless terminated and agreed by both parties.
TAB Warehouse	SMBI Tagoloan Brewery, Tagoloan, Misamis Oriental	Rented	Good	288,296.00	December 31, 2026	Continuing unless terminated and agreed by both parties.
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 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	Muelle dela Industria St. Binondo, Manila City	Owned	Good			
Warehouse - Brewery	San Fernando Brewery, San Fernando, Pampanga	Owned	Good			
SMYPC Glass Business Office Land	Barrio Halayhay, Tanza, Cavite	Owned	Good			
SMYPC Manila Plastics Plant	631 Tomas Claudio St. Pandacan, Manila	Owned	Good			
SMYPC- Manila Plastics Plant GTU Warehouse	2068 B Candido St. Mapulang Lupa, Valenzuela City	Owned Rented	Good	1,315,282.75	March 31, 2026	To be renewed in 2026, with one year period from May 1, 2026 to April 30, 2027.
Bocaue Warehouse (Ecotorage)	#276 Boontown Industrial Park Brgy. Tambobong, Bocaue, Bulacan	Rented	Good	525,000.00	September 30, 2026	Ongoing renewal for another year, from October 1, 2025 to September 30, 2026.
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			
Warehouse Rental of Bassette Land	Sito Bangkerohan, Tayud, Consolacion	Rented	Good	620,978.40	December 31, 2025	Renewable upon mutual agreement of both parties. Ongoing renewal for 2026.
SMYPC SMY Glass Plant Land		Owned	Good			
Land and Warehouse	Km 27, Aguinaldo Highway, Imus, Cavite Canlubang Industrial Estate, Canlubang, 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 San Simon	Quezon Road, San Simon, Pampanga	Rented	Good	606,100.00	March 31, 2026	Renewable upon mutual agreement of both parties. Ongoing renewal until September 2026.
Springfield Warehouses	Sitio Pantay, Brgy. Maguyam, Silang Cavite	Rented	Good	1,827,990.0	June 04, 2026	Renewable upon mutual agreement of both parties. Ongoing renewal until September 2026.
STMI Warehouse	Km 52 Bo Lawa, Calamba Laguna	Rented	Good	2,255,040.00	April 15, 2026	Renewable upon mutual agreement of both parties. Ongoing renewal until September 2026.
2 SMC YAMAMURA FUSO MOLDS CORPORATION	Governor Dr., Bo, De Fuego, Brgy. 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	Brgy. 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	Renewable upon mutual agreement of both parties.
Warehouse	Duanzhou District, Taihe Road, Junfu Industrial Park, Third Building Four, Zhaoqing City	Rented	Good	296,016.57	September 30, 2026	Renewable upon mutual agreement of both parties.
Storage yard	Duanzhou District, Guangmao Line, Road Bridge, Bottom East, Zhaoqing City	Rented	Good	223,114.67	March 31, 2027	Renewable upon mutual agreement of 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. BHD.	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	Owned	Good			
	Lot 4305, Jalan Usaha 8, Ayer Keroh Industrial Estate, 75450 Melaka, Malaysia					
Plant	Lot 75, Jalan Usaha 5, Ayer Keroh Industrial Estate, 75450 Melaka	Rented	Good	MYR 24,097.00	December 31, 2025	The tenancy will be reviewed every 2 years and any revision will be based on negotiation and mutual agreement between both parties. Early termination is subject to 12 months of written notice. Ongoing renewal of contract.
Warehouse	Lot 4320, Jalan Usaha 6, Ayer Keroh Industrial Estate, 75450 Melaka, Malaysia	Rented	Good	MYR 7,500.00	March 30, 2026	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 11,000.00	February 28, 2027	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").

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13	INSA ALLIANCE SDN. BHD. Office Space	Plo 64 and Plo 65, Jin Kejuteraan 4, Kaw. Perindustrian, Jin Genuang, 85000 Segamat, Johor	Owned	Burnt in fire			
		Plo 64 and Plo 65, Jin Kejuteraan 4, Kaw. Perindustrian, Jin Genuang, 85000 Segamat, Johor	Owned	Burnt in fire			
		Plo 136, Jin Kejuteraan 4, Kaw. Perindustrian, Jin Genuang, 85000 Segamat, Johor	Owned	Good			
		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 PTY. LTD.					
		Office	1 Culverston Road, Minto NSW, Australia	Rented	AUD 170,998.15	July 31, 2027	Renewable upon mutual agreement of both parties.
		Production	21 Huntsmore Road, Minto NSW, Australia (Unit 1)	Good	AUD 30,448.95	July 31, 2027	Renewable upon mutual agreement of both parties.
		SMYV PTY LTD					
		Plant	21 Huntsmore Road, Minto NSW, Australia (Unit 2)	Good	AUD 34,521.93	July 31, 2027	Renewable upon mutual agreement of both parties.
		Warehouse	21 Huntsmore Road, Minto NSW, Australia (Unit 3)	Good	AUD 35,860.98	July 31, 2030	Renewable upon mutual agreement of both parties.
	Warehouse	117-121 Lewis Rd, Knoxfield, Victoria	Rented	Good	AUD 102,971.66	September 07, 2031	Renewable upon mutual agreement of both parties.
		Warehouse 5, Acacia Link Industrial Estate, 25 Industrial Crescent, Willawong, Queensland	Rented	Good	AUD 48,446.97	October 31, 2027	Renewable upon mutual agreement of both parties.
		Warehouse	30-32 Rosberg Rd, Wingfield, South Australia	Good	AUD 52,674.08	June 18, 2027	Renewable upon mutual agreement of both parties.
		Warehouse	52 McDowell Street Welshpool, Western Australia	Good	AUD 46,666.67	September 30, 2029	Renewable upon mutual agreement of both parties.
		Warehouse	22 Kinta Drive, Beresfield, Newcastle	Good	AUD 10,508.33	November 30, 2026	Renewable upon mutual agreement of both parties.
		Warehouse	10-12 Linear Court, Denwent Park, Tasmania	Good	AUD 16,866.10	November 16, 2026	Renewable upon mutual agreement of both parties.
		SMYBB PTY LTD					
		Plant	114-118 Talinga Road, Cheltenham, Victoria	Good	AUD 88,672.77	January 01, 2028	Renewable upon mutual agreement of both parties.
		Plant	160 May Terrace Ottoway, South Australia	Good	AUD 55,415.61	October 17, 2026	Renewable upon mutual agreement of both parties.
		Plant	160 May Terrace Ottoway, South Australia	Good	AUD 28,470.42	November 01, 2026	Renewable upon mutual agreement of both parties.
	Plant	Lionels Vineyard, Payne Road Jindong, Western Australia (Margaret River)	Rented	Good	AUD 37,120.76	July 01, 2029	Renewable upon mutual agreement of both parties.
		Plant/Office	Lot 147, Slurt Highway, Nuriootpa, South Australia	Good	AUD 47,382.72	February 01, 2031	Renewable upon mutual agreement of both parties.
		Plant/Office	463-469 Cowra Avenue, Mildura, Victoria	Good	AUD 25,931.92	July 31, 2027	Renewable upon mutual agreement of both parties.
		Plant/Office	487-501 Cowra Avenue, Mildura, Victoria	Owned			
		Plant/Office	503-513 Cowra Avenue, Mildura, Victoria	Good	AUD 30,930.28	May 16, 2030	Renewable upon mutual agreement of both parties.
		Plant	Port Adelaide Distribution Centre	Good	AUD 30,486.00	July 06, 2027	Renewable upon mutual agreement of both parties.
		SMYJ Pty Ltd	25-91 Bedford Road Gillam SA				
		Plant	Warehouse 02, 95 South Gippsland Highway, Dandenong South, Victoria	Good	AUD 98,881	April 27, 2029	Renewable upon mutual agreement of both parties.
		SMYV PTY LTD					
		Plant/Office	34-38 Aldershot Road, Lonsdale South Australia	Good			
15	COSPAK LIMITED	27 Ross Reid Place, East Tamaki, Auckland, New Zealand	Rented	Good	NZD 151,132.57	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.

Company Name / Subsidiary	Address	Rented / Owned	Condition	Monthly Rental (In PHP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
FUEL and OIL BUSINESS						
1 PETRON CORPORATION						
Refinery and Powerplant						
Petron Bataan Refinery	Petron Bataan Refinery, Limay, Bataan	Owned	Good			
Petron Bataan Refinery	Petron Bataan Refinery, Limay, Bataan	Rented	Good	January to July 2025 - 2,780,198.45 July to December 2025 - 2,863,604.41	July 31, 2039	Lease for 25 years renewable under certain terms and conditions to be agreed upon by the parties.
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 Marveles, Bataan	Owned	Good			
Metro Manila and Manufacturing						
Terminal (Navotas)	PFDA CMPD., Navotas, M.M.	Rented Except Building and Facilities	Good	3,006,714.59	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 and Facilities	Good	7,674.00	October 31, 2029	Renewable upon mutual agreement of both parties.
Airport Installations	NAIA Airport Installation (Petron) and JOCASP Compound, NAIA Complex, Pasay City	Rented Except Building and Facilities	Good	646,333.46	December 31, 2035	Renewable at the option of the lessee
Luzon Operations						
Terminal (Palawan)	Brgy. Masipag, Puerto Princesa City	Rented Except Building and 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)	Sito Camangui, Brgy. Santa Rosa del Sur, Pasacao, Camarines Sur	Rented Except Building and Facilities	Good	Jan - 489,675.38 Jun - 514,159.14	May 31, 2027	Renewable upon mutual agreement of both parties.
Terminal (Poro)	Poro Pl., 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 and 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 (Odlongan)	Brgy. Pootoy, Odlongan, Romblon	Rented	Good	67,175.33	December 31, 2051	Renewable at the option of the lessee
Terminal (SL PanAsia) (Facilities)	Limay, Bataan	Owned	Good			
Terminal (SL PanAsia) (Lot)	Limay, Bataan	Rented Except Building and Facilities	Good	55,675.62	December 31, 2029	Renewable upon mutual agreement of both parties.
Airport Installations	Puerto Princesa Airport, Palawan	Rented Except Building and Facilities	Good	243,000.00	September 30, 2030	Renewable upon mutual agreement of both parties.
Visayas Operations						
Depot (Amlan)	Tandayag, Amlan, Negros Oriental	Rented Except Building and Facilities	Good	66,672.44	November 30, 2033	Renewable at the option of the lessee
Terminal (Bacolod)	Bo. San Patricio, Bacolod City, Negros Occidental	Owned	Good			
Depot (Siquijor Mini BP)	Candamay Sur, Siquijor	Rented Except Building and Facilities	Good	209,429.30	March 31, 2035	Renewable upon mutual agreement of both parties.
Terminal (Iloilo)	Brgy. Mansaya, Lapuz, Iloilo City	Owned	Good			
Terminal (Iloilo)	Brgy. Mansaya, Lapuz, Iloilo City	Rented Except Building and Facilities	Good	4,200,000 (through-based)	April 04, 2039	Effective for 20 years
Terminal (Mactan)	MEPZ, Lapu-lapu City	Rented Except Building and Facilities	Good	780,000.00	September 30, 2045	Continuing unless terminated by both parties.
Terminal (Mactan)	MEPZ, Lapu-lapu City	Rented Except Building and Facilities	Good	14,286.72	September 30, 2043	Continuing unless terminated by both parties.
Terminal (Mactan)	MEPZ, Lapu-lapu City	Rented Except Building and Facilities	Good	104,000.00	December 31, 2026	Continuing unless terminated by both parties. Ongoing renewal of the contract.
Terminal (Ormoc)	Bo. Linao, Ormoc City, Leyte	Owned	Good			

Company Name / Subsidiary	Address	Rented / Owned	Condition	Monthly Rental (In PHP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
Terminal (Ormoc)	Bo. Linao, Ormoc City, Leyte	Rented Except Building and Facilities	Good	20,000.00	May 31, 2030	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 and Facilities	Good	502,535.87	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	Rented Except Building & Facilities	Good	6,042.48	February 16, 2032	Renewable upon mutual agreement of both parties.
Airport Installations	Iloilo Airport, Cabatuan, Iloilo City	Rented Except Building and Facilities	Good	68,502.00	April 30, 2028	Lease for 5 years renewable within 90 days prior to lease expiration provided that the party upon whom such notice is served shall not be obliged to agree to the renewal of the lease.
Mindanao Operations						
Terminal (Davao)	Km. 9, Bo. Pampang, 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 and Facilities	Good	255,256.31	March 02, 2035	Renewable upon mutual agreement of both parties.
Terminal (Jimenez)	Jimenez, Misamis Occidental	Rented Except Building and Facilities	Good	268,019.13	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	90,750.00	December 31, 2025	Renewable upon mutual agreement of both parties.
Terminal (Nasipit)	Talisay, Nasipit, Agusan del Norte	Rented	Good	7,310.00	July 31, 2029	Renewable at the option of the lessee
Terminal (SL Phividec)	SL Phividec, Mindanao	Owned	Good			
Terminal (Tagoloan)	Tagoloan, Misamis Oriental PNOC - 13,836 sqm	Owned	Good			
Terminal (Tagoloan)	Tagoloan, Misamis Oriental - 13,499 sqm	Owned	Good			
Terminal (Tagoloan)	Tagoloan, Misamis Oriental PHIVIDEC/INVR (FLA)- 19,965 sqm	Rented Except Building and Facilities	Good	187,161.22	February 9, 2034	Renewable at the option of the lessee
Terminal (Zamboanga)	Brgy. Campo Islam, Lower Calarian, Zamboanga City	Owned	Good			
Airport Installations	Laguindingan, Misamis Oriental CAAP- 4,000 sqm	Rented Except Building and Facilities	Good	224,530.00	December 31, 2025	Renewable upon mutual agreement of both parties.
Airport Installations	Davao Airport	Rented Except Building and Facilities	Good	Php 32,850.00 + Php0.09/liter Royalty Fee on the sale of aviation fuel	December 31, 2029	Ongoing contract renewal. Renewable upon mutual agreement of both parties.
Airport Installations	Zamboanga International Airport	Rented Except Building and 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)	90 Brgy. San Antonio Dos Maharlika Highway San Pablo, Laguna	Owned	Good			
Terminal (Gasul - Pasig)	#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
6 MASINLOC POWER CO. LTD. (MPCL) ^(a)						
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	Good			
350 MW coal-fired power plant (Unit 5)	Brgy. Bani, Masinloc, Zambales	Owned	Good			
10 MW battery energy storage project (Phase 1)	Brgy. Bani, Masinloc, Zambales	Owned	Good			
20 MW BESS (Phase 2)	Brgy. Bani, Masinloc, Zambales	Owned	Good			
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
7 ALPHA WATER REALTY SERVICES CORPORATION ^(a)						
Land (where Units 1, 2, 3, 4 and 5 power plant and related facilities, and the 10 MW and 20 MW 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			
8 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	Good			
9 MARIVELES POWER GENERATION CORPORATION (MPGC) ^(a)						
Units 1, 2 and 3 Coal-Fired Power Plant	Sitio Lusong, Brgy. Bataan, Mariveles, Bataan	Owned	Good			
Unit 4 Coal-Fired Power Plant	Sitio Lusong, Brgy. Bataan, Mariveles, Bataan	Owned	Good			
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			
Land (Expansion Area)	Sitio Lusong, Brgy. Bataan, Mariveles, Bataan	Owned	Good			
10 TOPGEN ENERGY DEVELOPMENT INC.						
Land (where the 10 MW Tagum BESS project of SMGP BESS is situated) ^(a)	Brgy. Magdum Tagum City, Davao del Norte	Owned	Good			
Land	Barrio Centro Occidental, Polangui, Albay	Owned	Good			
Land	Brgy. Penafraancia, 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			
11 SMGP BESS ^(a)						
Land and 20 MW Malita BESS	Brgy. Culaman, Malita, Davao Occidental	Owned	Good			
Land and 50 MW Linao 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	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	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	Good	110,000.00	April 15, 2045	Renewable upon mutual agreement by both parties.
Land and 20 MW Villanueva BESS	Brgys. Sta. Ana, Tagalisan and San Martin, Villanueva, Phividec Industrial Estate of Misamis Oriental - Special Economic Zone (PIEMO-SEZ)	Land - Rented; BESS - Owned	Good	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.

Company Name / Subsidiary	Address	Rented / Owned	Condition	Monthly Rental (In PHP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
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. Dunlan and Concepcion, Maco, Compostela Valley, Davao del Norte	Owned	Good			
Land and 40 MW Gamu BESS	Brgy. Lenzon, Gamu, Isabela	Owned	Good			
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	Good			
Land and 50 MW Concepcion BESS	Brgy. Sta. Rosa, Concepcion, Tarlac	Owned	Good			
Land and 40 MW Ormoc BESS	Brgy. Dolores, Ormoc City, Leyte	Owned	Good			
Land and 50 MW Lumban BESS	Brgy. Halang and Lewin, Lumban, Laguna	Owned	Good			
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			
12 SAN MIGUEL GLOBAL POWER HOLDINGS CORP. C5 Office Space	#100 E. Rodriguez Jr. Ave., (C5 Road), Brgy. Ugong, Pasig City 1604	Owned	Good			
13 MULTI-VENTURES INVESTMENT HOLDINGS, INC. Land	Ternate, Naic and Maragondon, Cavite	Owned	Good			
14 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 Lucatin, Mariveles, Bataan	Owned	Good			
Land	Lais, Malita, Davao Occidental	Owned	Good			
15 SMC POWERGEN INC. Land (where the 20 MW Ubay BESS facility of SMGP BESS is situated) ^(b)	Brgy. Imelda, Ubay, Bohol	Owned	Good			
16 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 - 11F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
Office Space	20F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
Office Space	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
Office Space	4th Floor San Miguel Properties Center St. Francis Street Mandaluyong City	Owned	Good			
Office Space	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 NAIA X CORPORATION						
Office Space	11F San Miguel Properties Centre, St. Francis Street, Mandaluyong City	Owned	Good			
Office Space	23rd Floor 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 20F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
4 UNIVERSAL LRT CORPORATION (BV) LIMITED						
Office Space	11F 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, Brgy. 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 and Lodging	Narang-Ay Apartment, San Nicolas, Villas, Pangasinan	Rented	Good	19,000.00	January 03, 2027	Subject to renewal or extension as mutually agreed between the parties.
DPWH Office and Lodging - Section 1 and 2	Arnel M. Flores Poblacion 1, Gerona Tarlac	Rented	Good	6,000.00	December 31, 2026	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/Vilas), Tondo, Manila City	Owned	Good			
9 WISELINK INVESTMENT HOLDINGS, INC.						
Office Space	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
10 ATLANTIC AURUM INVESTMENTS B.V.						
Office Space	Museumlaan 2, 3581 HK, Utrecht, The Netherlands	Rented	Good	Euro 1,287	April 30, 2026	Subject to automatic renewal until terminated by lessor or lessee.
11 STAGE 3 CONNECTOR TOLLWAYS HOLDINGS CORPORATION						
Office Space	40 San Miguel Avenue, Brgy. 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
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, Paranaque 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 and 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	72,344.68	August 31, 2027	Renewable upon mutual agreement in writing by the parties through their duly authorized representatives.
Lot Rental	Caticlan, Malay, Aklan	Rented	Good	46,802.67	July 12, 2027	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, 2026	Subject to renewal or extension upon expiration at the option of the lessee and on such terms and conditions as may be mutually agreed upon between the parties.
PNP-SOU Staffhouse	Caticlan, Malay, Aklan	Rented	Good	12,631.58	December 31, 2026	Subject to renewal or extension upon expiration at the option of the lessee and on such terms and conditions as may be mutually agreed upon between the parties.
PNP-AVSEC Barracks	Caticlan, Malay, Aklan	Rented	Good	10,526.32	December 31, 2026	Subject to renewal or extension upon expiration at the option of the lessee and on such terms and conditions as may be mutually agreed upon between the parties.
OTS Barracks	Caticlan, Malay, Aklan	Rented	Good	15,789.47	March 31, 2026	Subject to renewal or extension upon expiration at the option of the lessee and on such terms and conditions as may be mutually 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, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
19 SMC SLEX INC. Land	Lot 3122-C, Sitio Latian, Brgy. Mapagong, Calamba, Laguna	Owned	Good			
Office Space	11F 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, Pasig City	Owned	Good			
Parking Space	Basement of the JMT Corporate Condominium, ADB Avenue, Ortigas Center, Pasig City	Owned	Good			
Land	Ibaan Batangas	Owned	Good			

Company Name / Subsidiary	Address	Rented / Owned	Condition	Monthly Rental (In PHP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
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 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			
22 STAR TOLLWAY CORPORATION Office Space	Brgy. Tambo, Lipa City, Batangas	Owned by ROP (Star Infrastructure Development Corporation Concession Rights)	Good			
23 ULCOM COMPANY, INC. Office Space	11/F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
24 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, 2026	The contract may be renewed thereafter upon mutual written agreement of the parties.
Condo Unit for Project Director	Unit 24 B East Gallery Place, BGC, Taguig City, Philippines	Rented	Good	280,000.00	January 15, 2027	The contract may be renewed thereafter upon mutual written agreement of the parties.
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			
25 AEROFUEL STORAGE MANAGEMENT INC. Office Space	11/F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
26 ARGONBAY CONSTRUCTION COMPANY, INC. Office Space	3rd Floor, 808 Building, Meralco Avenue, Brgy. Antonio Pasig City	Owned	Good			
27 INTELLIGENT E- PROCESSES TECHNOLOGIES CORP. Office Space	23F San Miguel Properties Centre, 7 St. Francis Street, Ortigas Center, Mandaluyong City	Owned	Good			
Office Space	KM 44 South Luzon, Brgy. Mapagong, Sitio Larian, Calamba, Laguna	Owned	Good			
28 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			
29 PASIG RIVER EXPRESSWAY CORPORATION Office Space	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
30 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	Singat Pura, Tarlac	Owned	Good			
Office Space	Anonas Urdaneta, Pangasinan	Owned	Good			
Office Space	Subsub, Rosario, 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
31	SINCERE LUMBER CO., INC.						
	Office Space	111F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
	Land	1500 Quirino Ave., Paco, Manila City, Metro Manila	Owned	Good			
32	SAN MIGUEL AEROCITY INC						
	Office Space	3rd Floor, 808 Building, Meralco Avenue, Brgy. Antonio Pasig City	Owned	Good			
	Parking Space	Gen. Capinpin St./Parking Space Brgy. San Antonio, Pasig City	Owned	Good			
	Office Space	7th Floor, 40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
	Parking Space	Ground Floor, 100 E. Rodriguez Jr. Avenue (C-5 Road), Barrio Ugong, Pasig City, Metro Manila	Owned	Good			
	Office Space	3rd Floor, 100 E. Rodriguez Jr. Avenue (C-5 Road), Barrio Ugong, Pasig City, Metro Manila	Owned	Good			
	Staff House	Brgy. San Nicholas, Bulacan (450 sqm)	Rented	Good	39,930.00	January 15, 2027	Renewable every 5 years
	Parking Space	21 Gen Alenza St., Brgy. San Antonio Pasig City	Rented	Good	76,500.00	December 31, 2026	Annual renewal
	Office Space	14th Floor, 45 San Miguel Bldg.	Rented	Good	515,529.00	June 30, 2026	Renewable every 3 years
	Parking Space	14th Floor, 45 San Miguel Bldg.	Rented	Good	42,446.25	June 30, 2026	Renewable every 3 years
	Staff House	Brgy. San Antonio Pasig	Rented	Good	12,875.00	September 15, 2026	Annual renewal
	Staff House	Paranaque City	Rented	Good	47,000.00	October 15, 2026	Subject to renewal or extension as mutually agreed between the parties.
	Staff House	31 E. Garden Tower 2 Ayala Center Barangay San Lorenzo Makati City	Rented	Good	175,000.00	February 16, 2026	Annual renewal
	Staff House	Anyana Bel Aire Subd., Sanja Mayor, Tanza, Cavite (100 sqm)	Rented	Good	35,000.00	January 30, 2026	Annual renewal
	Consultant	U19D, Lincoln Tower, Proscenium Residences Rockwell Center Dr. J.P. Rizal Avenue, Makati City	Rented	Good	136,842.11	October 31, 2026	Subject to renewal or extension as mutually agreed between the parties.
	Consultant	U702 7th Floor The Annex, 24 Gen. Araneta St., San Antonio Village, Pasig City	Rented	Good	23,392.86	August 16, 2026	Subject to renewal or extension as mutually agreed between the parties.
	Consultant	Unit 501 .5th floor of The Annex located at 24 Gen. Araneta St., San Antonio Village, Pasig City	Rented	Good	33,803.57	October 19, 2026	Subject to renewal or extension as mutually agreed between the parties.
33	SMC CENTRAL ACCESS LINK EXPRESSWAY CORP.						
	Office Space	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
34	SMC MARILAO ACCESS LINK EXPRESSWAY CORP.						
	Office Space	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
35	SMC NORTHERN ACCESS LINK EXPRESSWAY CORP.						
	Office Space	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
36	SMC SOUTHERN ACCESS LINK EXPRESSWAY CORP.						
	Office Space	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
37	SOUTH LUZON TOLL ROAD-5 EXPRESSWAY INC						
	Office Space	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
38	SMC TOLLWAYS CORPORATION						
	Office Space	111F San Miguel Properties Centre, 7 St. Francis St., Ortigas Center, Mandaluyong City	Owned	Good			
39	SMC SLEX HOLDINGS, INC.						
	Office Space	111F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
40	ASSETVALJES HOLDING COMPANY INC						
	Office Space	11F and 20F San Miguel Properties Centre St. Francis Street, Mandaluyong City	Owned	Good			
41	SMC AEROTROPOLIS INC						
	Office Space	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
42	PHILIPPINE INTERNATIONAL AIRPORT INC.						
	Office Space	40 San Miguel Avenue, Brgy. 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
43	SMC AVIATION CITY INC. Office Space	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
44	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			
45	SMC CBEX INC Office Space	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
46	SMC NBEX INC Office Space	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
47	AEROCITY CEMENT INC. Office Space	11/F San Miguel Properties Centre, #7 St. Francis Street, Ortigas Center, Mandaluyong City	Owned	Good			
48	DURACEMENT INC. Office Space	11/F San Miguel Properties Centre, #7 St. Francis Street, Ortigas Center, Mandaluyong City	Owned	Good			
49	SMC PLEX INC. Office Space	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
50	SMC BULACAN WATER SERVICES CORPORATION Office Space	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
51	BULACAN WATER COMPANY, INC. Office Space	Unit 23 DTMI Complex, 202 Daan Estacion, San Jose, Bulacan, Bulacan	Rented	Good	43,000.00	April 30, 2027	Renewable every 3 years
52	OBANDO WATER COMPANY, INC. Office Space	OEG Plaza Paliwas, Obando, Bulacan	Rented	Good	69,961.63	December 31, 2026	Subject to renewal or extension as mutually agreed between the parties.
53	MABINI PROPERTIES INC Office Space	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
54	LUCKY NINE PROPERTIES INC Office Space	No. 153 EDSA, Barangay Wack-Wack, Mandaluyong City	Owned	Good			
55	LODE MINING VENTURES INC Office Space	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
56	GUIMARAS RIDGE PROPERTIES INC Office Space	No. 153 EDSA, Barangay Wack-Wack, Mandaluyong City	Owned	Good			
57	COASTAL VIEW EXPLORATION CORP Office Space	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
58	SMC TPLEX EXTENSION INFRASTRUCTURE CORP Office Space	40 San Miguel Avenue, Brgy. Wack-Wack Mandaluyong City	Owned	Good			
59	SMC SKYPORT DEVELOPMENT CORPORATION (Lot Rental (13 Hectares))	Portion of Nayong Pilipino Cultural Park, Pasay City	Rented	Good	Monthly payment of 10,400,000 starting Jan 1, 2028 subject to an escalation rate of 5% every 5 years (with Advance rent 37,923,600)	January 1, 2050	Subject to renewal or extension as mutually agreed between the parties.
60	AIR GATE MEDIA, INC. Advertising Sites & Office Space	Advertising Site in NAIA Terminal 1,2,3 and Office Space in Terminal 3	Rented	Good	18,380,424.10	July 14, 2035	May be renewed or extended thereafter for another 5 years upon mutual agreement of the parties.
61	PRESTIGE AIRPORT LOUNGE CORP. Office Space	40 San Miguel Avenue, Brgy. 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
CEMENT BUSINESS						
1 SAN MIGUEL EQUITY INVESTMENTS INC. AND SUBSIDIARIES						
San Miguel Equity Investments Inc. Office Space	40 San Miguel Avenue, Brgy. 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	Agro, 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	Cagnlog and Trinidad, Surigao City	Owned	Good			
7 NORTHERN CEMENT CORPORATION						
Head Office Space	3rd Floor, 155 EDSA Building, 155 EDSA, Brgy. Wack-Wack, Mandaluyong City	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, Imalog - Sison, Pangasinan	Owned	Good			
Land	Brgy. Bila and Paldit - Sison, Pangasinan	Owned	Good			
Land	Brgy. Anagbagan, 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, Villas and Mangan Dampay - Malasiqui, Pangasinan	Owned	Good			
Land	Brgy. Mangan Dampay, Talayan, 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	93,079.69	December 31, 2025	Renewable subject to conditions. Ongoing renewal of contract
Land	Brgy. Olympia, Makati City	Rented	Good	41,373.90	December 31, 2025	Renewable subject to conditions. Ongoing renewal of contract
Land	Brgy. Imalog Sison, Pangasinan	Owned	Good			
Land	Brgy. Bila, Sison, Pangasinan	Owned	Good			
Land	Brgy. Batakil Pozorrubio, Pangasinan	Owned	Good			
Land	Brgy. Talayan Malasiqui, Pangasinan	Owned	Good			
Land	Brgy. Asan Norte Sison, Pangasinan	Owned	Good			
Land	Brgy. Alibeng, Sison, Pangasinan	Owned	Good			
Land	Brgy. Sto. Domingo, San Manuel, Pangasinan	Owned	Good			
Land	Brgy. Bacudao Malasiqui, Pangasinan	Owned	Good			
8 EAGLE CEMENT CORPORATION						
Head Office Space	155 EDSA, Brgy. Wack-Wack, Mandaluyong City	Owned	Good			
Cement Plant	Brgy. Akle, San Idefonso, Bulacan	Owned	Good			
Cement Grinding Plant	Brgy. Lamao, Limay, Bataan	Owned	Good			
Land	Brgy. Akle, San Idefonso, Bulacan	Owned	Good			
Land	Brgy. Bohol na Mangga, San Idefonso, Bulacan	Owned	Good			
Land	Brgy. Alagao, San Idefonso, Bulacan	Owned	Good			

Company Name / Subsidiary	Address	Rented / Owned	Condition	Monthly Rental (In PHP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
Land	Brgy. Talbak, DRT, Bulacan	Owned	Good			
Land	Brgy. Kalawakan, DRT, Bulacan	Owned	Good			
Land	Brgy. Blak-na-Bato, San Miguel, Bulacan	Owned	Good			
Land	Brgy. Mabalasbalas, San Rafael, Bulacan	Owned	Good			
Land	Brgy. Gabihan, San Ildefonso, Bulacan	Owned	Good			
Land	Brgy. Caingin, San Rafael, Bulacan	Owned	Good			
Land	Brgy. Cagsing, Ginatlian, Cebu	Owned	Good			
Land	Brgy. Campisong, Ginatlian, Cebu	Owned	Good			
Land	Brgy. Guiwanon, Ginatlian, Cebu	Owned	Good			
Land	Brgy. Looc, Ginatlian, Cebu	Owned	Good			
Land	Brgy. Malaibo, Ginatlian, Cebu	Owned	Good			
Land	Brgy. Poblacion, Ginatlian, Cebu	Owned	Good			
Land	Brgy. Sapang Pulo, San Ildefonso, Bulacan	Owned	Good			
Land	Brgy. Unpuacan, 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	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	223,214.29	December 31, 2026	Renewable subject to conditions
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, Ortigas Center, Mandaluyong City	Owned	Good			
Land	620 Lee St., Mandaluyong City	Owned	Good			
Land	San Isidro Road corner Unnamed Road Lot, Brgy. Talalon, 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 Sinailw Munti, Alfonso, Cavite	Owned	Good			
Land	Brgys. of Mabatac, Sinailw and Kayttinga, 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			

Company Name / Subsidiary	Address	Rented / Owned	Condition	Monthly Rental (In PHP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
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. Pienza-San Fermín, 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. Glanang (Silway), Polomolok, South Cotabato	Owned	Good			
Land	Maragondon / Mabacao - Magallanes Road, Brgy. Mabato, Maragondon, Cavite	Owned	Good			
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	Lot-1-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	Brgy. Aya San Jose, Batangas	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			
Land and Building	Unit No. 2 Dover Hill Condominium, San Juan City	Owned	Good			
Land and Building	Unit 90 Dover Hill Condominium, 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 Annaiz Avenue corner Estacion St., Brgy. Pio del Pilar, Makati City	Owned	Good			
Silang Resources, Inc.						
Land	Brgys. San Vicente, San Miguel, Biluso and Lucutuhin, 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			

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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			
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						
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 and Building	#2 Columbia St. N East Greenhills, San Juan	Owned	Good			
Land and Building	2/F North 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 Igmayan, District 1, Don Salvador Benedicto, Negros Occidental	Owned	Good			
Roca Pesada Realty Corp.						
Land	118 Esteban Abada St. Varsity Hillis, Quezon City	Owned	Good			
Uno Clarity Investment Holdings Inc.						
Land and Building	Bunanga, 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 and B J.R Yulo St. Mandaluyong City	Owned	Good			
Land	6-C East St. Addition Hills Mandaluyong City	Owned	Good			
Auburnrite Holdings Inc.						
Land	Bungahan, Biñan, Laguna	Owned	Good			
Land	Mamplasan, Biñan, 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
Bricktree Properties Inc.						
Land	Bancalaan, Palawan	Owned	Good			
Land						
Agricultural Investors, Inc						
Land	Bugsuk, Palawan	Owned	Good			
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 and Pilar St. San Juan City	Owned	Good			
Escalle Property Holdings Inc.						
Land	Bugsuk Palawan	Owned	Good			
Nine Pillars Holdings Inc.						
Land	Bugsuk Palawan	Owned	Good			
Rockside Holdings Inc.						
Land	Bugsuk Palawan	Owned	Good			
Sunset Shore Holdings Inc.						
Land	Bugsuk Palawan	Owned	Good			
Tidalview Holdings Inc.						
Land	Bugsuk Palawan	Owned	Good			
Citilife Rock Realty Inc						
Land	Mandaluyong 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, Paranaque 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 Calcaben, 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, Loooc, Mandaue City	Owned	Good			
Building (KCSLI)						
Land and Building	Dad Cleland Avenue, Loooc, Lapu Lapu City	Owned	Good			
Land	Brgy. Loboc, Lapaz, Iloilo	Owned	Good			
	Yard 2, Engineering Island, Baseco Compound, Port Area, Manila City	Rented	Good	5,570,908.25	January 02, 2037	Renewable upon mutual agreement of the parties.
Land	Block 22 Manila Harbor Center, Tondo, Manila City	Rented	Good	2,263,049.70	July 14, 2026	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
Land	San Pedro, Bauan, Batangas	Rented	Good	477,543.60	December 06, 2042	SMCSL can exercise an option to purchase the reclaimed lot during the lease period should the municipality decide to sell the property.
Land	Putting Buhangin hi-way, Orion (TCT #s 226614, 2015000040, 2015000041)	Rented	Good	318,880.98	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			
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	Baliarte, Tagoloan, Misamis Oriental	Owned	Good			
Land	Lot 1118 and 1119 Putting 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, and 4)	Mabini, Bauan, Batangas	Owned	Good			
Bik 12 (Lot 1) and Bik 14 (Lot 1-15)	Harbor, Manila	Owned	Good			
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, 2026	Renewable after one year or upon mutual agreement of the parties.
Foreshore Area	Looc, Lapu Lapu City	Rented	Good	1,398.79	October 03, 2026	Renewable after one year or upon mutual agreement of the parties.
Foreshore Area	Looc, Lapu Lapu City	Rented	Good	27,994.66	January 24, 2026	Renewable after one year or upon mutual agreement of the parties.
Foreshore Area	Looc, Lapu Lapu City	Rented	Good	1,763.17	October 03, 2026	Renewable after one year or upon mutual agreement of the parties.
Foreshore Area	Looc, Lapu Lapu City	Rented	Good	5,246.54	February 15, 2026	Renewable after one year or upon mutual agreement of the parties.
Warehouse	218 Don Jose Canciller Avenue, Cauayan City	Rented	Good	100,000.00	December 26, 2026	Renewable upon mutual agreement of the parties.
Warehouse 1and2 (Cosay)	National Highway, Santiago, Pili, Camarines Sur	Rented	Good	221,785.71	December 31, 2026	Renewable upon mutual agreement of the parties.
Warehouse 5-7	Sitio Pantay, Barangay Maguyam, Siliang, Cavite	Rented	Good	614,922.00	December 31, 2026	Renewable upon mutual agreement of the parties.
Warehouse 8	Sitio Pantay, Barangay Maguyam, Siliang, Cavite	Rented	Good	204,974.00	December 31, 2026	Renewable upon mutual agreement of the parties.
Warehouse 13-15	Sitio Pantay, Barangay Maguyam, Siliang, Cavite	Rented	Good	990,990.00	December 31, 2026	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, 2026	Renewable upon mutual agreement of the parties.
Warehouse 1-3	Sitio Tawagan, Tayud, Consolacion, Cebu	Rented	Good	480,000.00	December 31, 2026	Renewable upon mutual agreement of the parties.
Warehouse PKS-F	Sitio Tawagan, Tayud, Consolacion, Cebu	Rented	Good	209,760.00	June 30, 2026	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	20,000.00	May 19, 2026	Renewable upon mutual agreement of the parties.
Condo	33J Pearl of the Orient Ermita, Manila	Rented	Good	16,842.11	April 07, 2026	Renewable upon mutual agreement of the parties.
Condo	Unit 2201 Grand Rivera Suites Roxas Boulevard, Corner Padre Faura St., Ermita, Manila	Rented	Good	25,000.00	June 15, 2026	Renewable upon mutual agreement of the parties.
Warehouse (B1-B3)	Parang, Batangas	Rented	Good	618,000.00	December 31, 2026	Renewable upon mutual agreement of the parties.
Office Space	2nd Floor, Unit G, Bld. 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, 2026	Renewable upon mutual agreement of the parties.
Office Space	2nd Floor, Unit F, Bld. 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, 2026	Renewable upon mutual agreement of the parties.
Office Space	5th Floor, Unit B, Bld. 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, 2026	Renewable upon mutual agreement of the parties.
Office Space	3rd Floor, Bld. 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, 2026	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
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, 2026	Renewable upon mutual agreement of the parties.
Staffhouse	Maharlika Hi-way Brgy. Paulog, Liguao City, Albay	Rented	Good	6,000.00	August 19, 2026	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, 2026	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, 2026	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, 2026	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, 2026	Renewable upon mutual agreement of the parties.
Condo	Unit 1723 Admiral Baysuites Condominium	Rented	Good	29,473.68	July 14, 2026	Renewable upon mutual agreement of the parties.
Condo	Bldg 10, Unit 413, Brgy. 99 and 101 Vitas and Velasquez St. Tondo, Manila	Rented	Good	10,000.00	May 19, 2026	Renewable upon mutual agreement of the parties.
Condo	Bldg 5, Unit 858, Brgy. 99 and 101 Vitas and Velasquez St. Tondo, Manila	Rented	Good	18,000.00	May 05, 2026	Renewable upon mutual agreement of the parties.
Condo	Bldg 5, Unit 1286, Brgy. 99 and 101 Vitas and Velasquez St. Tondo, Manila	Rented	Good	16,315.79	January 19, 2026	Renewable upon mutual agreement of the parties.
2 Rooms Apartment	Lot 1464-B-3-A-2 Jimoga-on, Sambag Jaro, Iloilo City	Rented	Good	16,842.11	January 29, 2026	Renewable upon mutual agreement of the parties.
2 Studio Type Room Apartment	Canangay, Leganes, Iloilo	Rented	Good	6,000.00	January 31, 2026	Renewable upon mutual agreement of the parties.
Apartment	Blk 3, Lot 37, Pittland, Terelay, Subdivision, Cabuyao, Laguna	Rented	Good	6,000.00	September 04, 2026	Renewable upon mutual agreement of the parties.
Condo	Poblacion Norte, Sta. Barbara, Pangasinan	Rented	Good	8,500.00	April 14, 2026	Renewable upon mutual agreement of the parties.
Condo	Unit 201, Tower 1, Avida Towers Cloverleaf, Quezon City	Rented	Good	25,000.00	December 27, 2026	Renewable upon mutual agreement of the parties.
House Rental	House Unit D16, Sto Nino, San Pascual, Batangas	Rented	Good	8,000.00	December 31, 2025	Renewable upon mutual agreement of the parties. Ongoing renewal of contract.
Land	Manila North Harbor Centre (5,645.70 sqm)	Owned	Good			
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	14,000.00	December 31, 2026	Renewable upon mutual agreement of the parties.
Condo	Bldg 3, Unit 558, Brgy. 99 and 101 Vitas and Velasquez St., Tondo, Manila	Rented	Good	18,947.37	December 31, 2026	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, 2026	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, 2026	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, 2026	Renewable upon mutual agreement of the parties.
SMC Shipping and Lighterage Corporation and S. Mariveles Drydocking and Shipyard Corporation	Luzon Avenue, Baseco Compound, Mariveles, Bataan	Owned	Good			
Building (Warehouses, Admin Building, Slipway, Seawall, Guardhouse)	Baseco Compound Luzon Avenue Mariveles, Bataan	Owned	Good			
Land	Barangay San Miguel, Municipality of Bauan, Province of Batangas	Owned	Good			
Land	Mariveles, Bataan	Owned	Good			
SMC Shipping and Lighterage Corporation and Baseco Shipyard Corporation	Baseco Shipyard Corporation	Owned	Good			
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	Owned	Good			
SL Harbour Bulk Terminal Corporation						
Land	Blk 14, Lots 1-5, Manila Harbour Centre, Brgy. 128, Zone 10, Tondo District, Manila City	Owned	Good			
Land	Blk. 15, Lots 8-9, Brgy. 128, Zone 010, Tondo, Manila	Owned	Good			
Land	Blk. 4, 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	651,950.52	May 14, 2026	Renewable upon mutual agreement of the parties.
Land	Manila Harbour Center, Lot 3 fronting Blk. 15 (BERTHING 4)	Rented	Good	493,721.06	May 14, 2026	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
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 as mutually agreed upon by the parties.
Foreshore and Offshore Areas	Gracia, Tagoloan, Misamis Oriental (50,152 sqm)	Rented	Good	310,272.78	March 07, 2029	May be renewed for 25 years as mutually agreed upon by the parties.
Foreshore and Offshore Areas, and Port Facility	Gracia, Tagoloan, Misamis Oriental (121,396 sqm)	Rented	Good	356,337.83	August 03, 2028	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			
Land Improvements	Manila Harbour Centre, Brgy. 128, Zone 10, Tondo, Manila City	Owned	Good			
Office Building	Manila Harbour Centre, Brgy. 128, Zone 10, Tondo, Manila City	Owned	Good			
Buildings (Admin Building, Bulk Office, Mini Laboratory, etc.)	Block 15 Lot 7 Manila Harbour Centre, Brgy. 128, Zone 10, Tondo, Manila City	Owned	Good			
Buildings (Admin Building, Mini Laboratory, etc.)	Limay, Bataan	Owned	Good			
Land	Tagoloan, Misamis Oriental	Owned	Good			
Land	Blk. 12, Rd. 10, Cor Rd. 21, New Harbour Center, Brgy. 128, Zone 010, Tondo, Manila	Owned	Good			
Land	Barrio Kitang, Limay, Bataan (228,616 sqm)	Rented	Good	644,396.46	December 31, 2026	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	3,366,981.50	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	6,012,766.62	December 31, 2026	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			
Land	Manila Harbour Centre, Tondo Manila	Rented	Good	227,128.78	April 30, 2026	Renewable upon mutual agreement of the parties.
Land	Blk. 4, Lot 11, Manila Harbour Centre, Tondo, Manila	Owned	Good			
Land	Road Lot 3 fronting Lot 10 and 11 of Block 4, Manila Harbour Centre, Tondo, Manila City	Rented	Good	351,586.42	May 14, 2026	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-04-196256 being portion of Lot 14038 Cad 584, Bauan Cad.	Owned	Good			
Land	Lot 10156 Cad-584 San Pedro, Bauan, Batangas	Owned	Good			
Land and pier and port facilities	Various land in Bauan, Batangas	Owned	Good			
SMC Shipyard Cebu Land Inc.						
Land and Building	Dad Cleland Ave., Loooc, Lapu Lapu City	Owned	Good			
La Union Shipyard and Marine Service Corporation						
Buildings	Tubod Sto. Tomas La Union	Owned	Good			
Leasehold Improvements/Shipyard	Tubod Sto. Tomas La Union	Owned	Good			
Batangas Shipyard Corporation						

Company Name / Subsidiary	Address	Rented / Owned	Condition	Monthly Rental (In PHP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
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, 2026	Renewable upon mutual agreement of the parties.
Land	Lot 1071, Barangay Putting Buhangin, Orion, Bataan	Rented	Good	44,555.00	September 01, 2026	Renewable upon mutual agreement of the parties.
Staffhouse	125 Bernadette Street, 8th Avenue, Grace Park, Caboocan City	Rented	Good	15,000.00	August 07, 2026	Renewable upon mutual agreement of the parties.
Office space	5th floor, Unit J Kynsna Bldg, Bldg 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, 2026	Renewable upon mutual agreement of the parties.
Office space	3rd floor, Kynsna Bldg, Bldg 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			
Office space	5th floor, Unit I Kynsna Bldg, Bldg 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	January 01, 2026	Renewable upon mutual agreement of the parties.
Staffhouse	Talipit Bulakan, Bulacan	Rented	Good	100,000.00	December 08, 2026	Renewable upon mutual agreement of the parties.
Staffhouse	Talipit Bulakan, Bulacan	Rented	Good	150,000.00	December 08, 2026	Renewable upon mutual agreement of the parties.
Condo	Unit 706 81, Urban Deca Homes, Manila Vitas St, Brgy. 106, Tondo, Manila	Rented	Good	17,000.00	March 31, 2026	Renewable upon mutual agreement of the parties.
Staffhouse	202 Agatona Sepulvida St, Talipit Bulakan, Bulacan	Rented	Good	55,000.00	November 21, 2026	Renewable upon mutual agreement of the parties.
Staffhouse	202 Agatona Sepulvida St, Talipit Bulakan, Bulacan	Rented	Good	95,000.00	November 21, 2026	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 Span Poles Corporation						
Building (Warehouse1, Warehouse Expansion, Water Reservoir, Mixing Building, Mixing Control Room, Laboratory Facility)	1 Provincial Highway, Santa Elena, Orion, Bataan	Owned	Good			
Leasehold Improvements (Permanent Connection, Road Network Development, Storm Drainage)	1 Provincial Highway, Santa Elena, Orion, Bataan	Owned	Good			
Botolan Vibro Sands Corporation						
Warehouse	Inside Warehouse, Brgy. San Miguel, 4201 Bauan, Batangas	Owned	Good			
Office Space	Bldg. 9, Lot 4-6, Fernando St. cor Francisco Siero St., Manila Harbour Centre, Brgy. 128, Zone 10, District 1, 1012 Tondo, Manila	Owned	Good			
Land	Brgy. Capayawan Lot 003 (EAST), Lot 013 (South) and Lot 003 & 009 (West) Municipality of Bangan, Province of Botolan Zambales	Owned	Good			
Land	Lot 139 (North), Lot 158 (East) Brgy. Road Municipality of Bangan, Province of Botolan Zambales	Owned	Good			
Land	Lot No.4235, Botolan, Zambales	Owned	Good			
Land	Lot No.4236, Botolan, Zambales	Owned	Good			
5 SM BULK WATER CO., INC.						
Land	Bobulisan, 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			

Company Name / Subsidiary	Address	Rented / Owned	Condition	Monthly Rental (In PHP, Unless Otherwise Indicated)	Expiry of Lease Contract	Terms of Renewal / Options
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. Queblawan, 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			
Land	Brgy. Darong Municipality of Sta. Cruz Davao Del Sur	Owned	Good			
9 SAN MIGUEL INTEGRATED MERCHANDISING SERVICES INC.						
Office	16th Floor, Unit C and D, JMT Corporate Condominium, ADB Avenue, Pasig City	Rented	Good	482,537.40	March 31, 2026	Renewable upon mutual agreement of the parties.
Office	6th Floor, Unit A and B, JMT Corporate Condominium, ADB Avenue, Pasig 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, 2026	New contract upon expiration of the previous
Office	Lot 1 C, Ramon Diaz St., Villa Corazon del Rosario, Naga City, Camarines Sur	Rented	Good	12,810.00	March 28, 2026	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	32,456.78	July 31, 2026	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	32,456.78	August 31, 2026	New contract upon expiration of the previous
Office	Room 304, 2nd Floor, G and J E Bldg, Cor. Hernaez Locsin Sts., Brgy. 38, Bacolod City, 6100	Rented	Good	8,500.00	February 14, 2026	New contract upon expiration of the previous
Office	127B, Sorongon Drive, Brgy. Danao, Iloilo City	Rented	Good	13,500.00	November 30, 2026	New contract upon expiration of the previous, Ongoing renewal of contract.
Office	2nd Floor, 1st Door, Realmark Commercial Hub Mons. #430 Hayes St., Pinkitan, Cagayan De Oro City	Rented	Good	10,500.00	February 28, 2026	With lease extension letter until contract for new lessor is finalized.
10 SMC MULTI-SERVICES INC.						
Office	#100 E. Rodriguez Jr. Ave., (C5 Road), Brgy. Ugong, Pasig City 1604	Owned	Good			
11 SMC REPAIRS and 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			
Office	Anabu Hills Industrial Estate, Imus, Cavite	Rented	Good	157,500.00	July 31, 2027	May be renewed or extended upon mutual agreement of the parties. In the event that the parties fail to timely agree on the renewal or extension thereof, the Agreement shall be extended on a monthly basis under the same terms and conditions.
13 ONE VERDANA HOLDINGS INC.						
Land	Pamarawan, Malolos, Bulacan	Owned	Good			
Land	Manbog, Malolos, Bulacan	Owned	Good			
14 FONTERRA VERDE HOLDINGS INC.						
Land	San Nicolas, Bulakan, Bulacan	Owned	Good			
Land	Bambang, Bulakan, Bulacan	Owned	Good			
Land	Pliptan, Bulakan, Bulacan	Owned	Good			
Land	Taal, Malolos, Bulacan	Owned	Good			
Land	Bagunbayan, Bulakan, Bulacan	Owned	Good			
Land	Talpitip, Bulakan, 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
15 DEITY HOLDINGS CORP.						
Land	Talipitp, Bulakan, Bulacan	Owned	Good			
Land	Bambang, Bulakan, Bulacan	Owned	Good			
Land	Navotas	Owned	Good			
Land	Obando, Bulacan	Owned	Good			
16 WORLD SUMMIT HOLDINGS CORPORATION						
Land	Ubihan, Meycauayan, Bulacan	Owned	Good			
Land	Meycauayan City, Bulacan	Owned	Good			
Land	Obando-Muzon Bulacan	Owned	Good			
Land	Tawiran, Bulacan	Owned	Good			
Land	Dampalit, Malabon	Owned	Good			
Land	Navotas City	Owned	Good			
Land	Tanza, Navotas City	Owned	Good			
Land	Paco, Obando, Bulacan	Owned	Good			
Land	Liputan, Bulacan	Owned	Good			
Land	SHOREX Tanza, Navotas City	Owned	Good			
17 SMC ASIA CAR DISTRIBUTORS CORP.						
Dealership/Office	Lot 1 Block 2, Connecticut Street Corner Columbia & Florida Street, Barangay 1550 Mandaluyong City Metro Manila	Owned	Good			
Warehouse A	San Miguel Rengo Packaging, 8261 Dr Arcadio Santos Ave 1700 Paranaque National Capital Region	Owned	Good			
Warehouse B	San Miguel Rengo Packaging, 8261 Dr Arcadio Santos Ave 1700 Paranaque National Capital Region	Owned	Good			
Dealership/Office	Lot 1 Block 2, Connecticut Street Corner Columbia & Florida Street, Barangay 1550 Mandaluyong City Metro Manila	Owned	Good			
Dealership/Office/Warehouse/Workshop	184 Eulogio Rodriguez Jr. Avenue, Bagumbayan, Quezon City	Rented	Good	1,328,232.45	January 09, 2029	Renewable upon expiration of the previous contract.
Dealership/Office/Warehouse/Workshop	184 Eulogio Rodriguez Jr. Avenue, Bagumbayan, Quezon City	Rented	Good	3,135,823.64	March 31, 2026	Renewable upon expiration of the previous contract. With renegotiation of lease rates every 5 years.
Dealership/Office/Warehouse/Workshop	169 EDSA, Brgy. Wack Wack, Greenhills East, Mandaluyong City	Owned	Good			
Warehouse/Workshop	151 EDSA, Brgy. Wack Wack, Greenhills East, Mandaluyong City	Owned	Good			
Warehouse/Workshop	San Miguel Rengo Packaging, 8261 Dr Arcadio Santos Ave 1700 Paranaque National Capital Region	Owned	Good			
Dealership/Office/Warehouse/Workshop	RSA Motors Davao Motorrad, Barangay, Unit 108-111, Davao South Gate City Complex, Phil-Japan Highway, Davao City Division Rd 8000 Davao City Davao Region	Rented	Good	151,381.52	February 28, 2027	Renewable upon mutual agreement of the parties.
Dealership/Office/Warehouse/Workshop	Visayas Motor Works, Nivel Hills, Lahug, Cebu	Rented	Good	651,962.23	August 31, 2029	Renewable upon mutual agreement of the parties.

(a) Properties under SPPC, EERI and IPIEC were deconsolidated effective January 27, 2025, pursuant to the terms of the Chromile Transaction

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
as of 31 December 2025



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
24. San Miguel Mango Yuzu (Limited Edition)

ALCOHOL-FREE BEVERAGE

1. San Mig Free

NON-ALCOHOLIC BEVERAGES

1. Magnolia Fruit Drink¹
2. Magnolia Healthtea
3. Magnolia Cali
4. Magnolia Flavored Water²

BREWED FOR PRIVATE LABEL

1. Ikinama
2. Kiwamugi
3. Elite
4. Ceus

BREWED UNDER LICENSING/TOLLING AGREEMENT

1. Carlsberg
2. Sunlik

¹ Discontinued in 2025. Magnolia Fruit Drink flavors were shifted to Magnolia Healthtea in 2025.

² Discontinued in 2025.

IMPORTED/DISTRIBUTED

1. Kirin Ichiban
2. Spitfire
3. Whitstable Bay
4. Mahou
5. Magners

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, and Lychee Martini)
5. PRIMERA LIGHT - Premium Brandy Liqueur
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. SAN MIGUEL ETHYL ALCOHOL

For Export Only

12. 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)

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, Chicken Longanisa, Cheesy Fingers, All-around Giniling, Pinoy Streat Foods (Chicken Skin, Isaw, Proven, Tail) Classic Burger, Toppings (Adobo, Bopis, Spicy Curry, Bistek, and Afritada), BBQ Chicken Ribs, Chicken Karaage (Snow Cheese, Hot & Spicy, Soy Garlic, Chili Honey), Fried Chicken with Glaze (Smoked Bacon, Yangnyeom)

- Magnolia Chicken Station Timplados (Vanilla Fingers, Lumpiang Shanghai, Spicy Neck, Chicken Frillers, Korean BBQ, Chicken Siomai, Chicken Tapa) – produced in Chicken Stations

- Chick'n Sulit (Sisig, Chicken Balls)

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

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

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 Feeds
- 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
- B-MEG Power Maxx Dox-C Maxx

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

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
AlphaPro Puppy Bites Adult Milk & Chicken

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
Customized Super 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
Silang
Dagohoy
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)
Higante Hotdog (Classic, Cheesedog, Chicken, Jumbo)
Vida Hotdog (Regular, Jumbo)
Bongga Hotdog

Breaded, Battered and Fried

Purefoods Chicken Nuggets (Chicken Breast Nuggets, Crazy Cut Shapes, Letters & Numbers, Bacon & Cheese, Cheese Overload, Drummets, 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 Nutri-Meats Chicken Nuggets (Chicken, Chick'n Cheese)
Star Nutri-Meats Burger Bites
Star Nutri-Meats Crispy Ulam Burger

Deli

Purefoods Bacon (Honeycured, Maple-flavored, Thick Cut Honeycured, Bacon Crumble, Beef Bacon)
Hormel Black Label Bacon
Vida Bacon
Purefoods Deli Franks (German, Angus Beef, Cheese, Spicy Pepper Beef)
Purefoods Deli Sausages (Bockwurst, Schublig, Hungarian Cheese, Breakfast Sausage)
Purefoods Deli Patties (Angus Beef, Breakfast Sausage)
Purefoods Deli Toppings (Italian Sausage, Pepperoni)

Whole Hams

Purefoods Fiesta Ham (Pre-Sliced)
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 Curry, Beef Mechado)
Ready-to-Eat Classic Filipino Soups (Beef Bulalo, Beef Kansi)
Purefoods Sauces (Spaghetti Sauce)

Native Line/Pinoy Favorites

Purefoods Tocino (Classic, Sweet Chili, Chicken, Sugarfree)
Purefoods Longanisa (Hamonado, Recado, Chicken, Cebu Chorizo, Vigan, Cabanatuan)
Purefoods Tapa (Beef, Chicken, Sweet & Spicy Beef, Hot & Spicy Chicken)
Purefoods Adobo Flakes
Purefoods Embutido
Purefoods Pinoy BBQ Liempo
Purefoods Salt & Pepper Liempo
Purefoods Chicken Inasal
Purefoods Chicken Barbecue
Purefoods Sisig
Purefoods Chicken Sisig
Purefoods Chicharon Bulaklak
Purefoods Chicken (Gizzard, Neck, Feet)
Star Nutri-Meats Burger (Classic, Chicken)
Star Nutri-Meats Bologna
Vida Meaty Roll

Plant-Based

Veega Meat Free Line (Burger Patty, Sausage, Giniling, Nuggets, 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 Garlic, Hot & Spicy, with Chunks, Bulgogi, Mechado, Salpicao, Bistek, Gyudon, Caldereta, Shawarma)
Chunkee Corned Beef
Star Nutri-Meats Corned Beef (Regular, Chunky Cheese)
Star Nutri-Meats Carne Norte
Bongga Carne Norte (Regular, Hot & Spicy)

Luncheon Meats

Purefoods Luncheon Meat (Classic, Lite, BBQ, Chili Pepper, Bacon, Cheese, Chicken)
Purefoods Chinese Style Luncheon Meat
Purefoods Chicken Luncheon Meat
Star Nutri-Meats Beef Loaf
Star Nutri-Meats Meat Loaf
Star Nutri-Meats Ulam Loaf (Hot & Spicy, Embutido)
Bongga Beef Loaf
SPAM (Regular, Less Sodium, Lite, Tocino, Hot & Spicy, Bacon, Chicken)

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)

Specialty Grocery Products

Purefoods Liver Spread
Purefoods Sauces (Spaghetti Meat Sauce, Meaty Sauce Home-style, Meaty Sauce 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)
My Butter Salted (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
Magnolia Non-Refrigerated Margarine (Food Service)
Magnolia Non-Refrigerated Margarine Unflavored (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 Pure 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)

- Pre Mixes (For Export)

- Magnolia Puto Mix
 - Magnolia Bibingka Mix
 - Magnolia Pandesal Mix
 - Magnolia Pancake Mix
 - Magnolia All Purpose Flour

ICE CREAM**Bulk Ice Cream**

- Magnolia Classic (Kesong Puti, Avocado, Vanilla, Chocolate, Ube)
- Magnolia Gold Label (Vanilla, Chocolate, Ube, Mango, Avocado, Smores, 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, Kesong Puti, Macapuno, Buko Pandan, Dark Chocolate, Ube Keso, Ube, Strawberry, Vanilla)

San Miguel Gold Label (For Export)

SMGL Mellorine (Ube, Ube Keso, Creamy Halo-Halo, Mango, Avocado Macchiato, Macapuno, Ube Swirl, Avocado, Keso, Kesong Puti, Tato White Cheese, Macapuno, Tsokolate, Kape't Tsokolate, Tablea Yema, Langka, Langka't Kasuy, Buko, Buko Pandan, Ube Macapuno, Ube Langka, Ube Rocky Road, Ube Cookies & Cream)
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, Smores, 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)
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

2025 LIST OF PETRON PRODUCTS

PETRON PHILIPPINES

FUELS

Automotive Fuels

Petron Blaze 100
Petron XCS
Petron Xtra Advance
Petron Turbo Diesel
Petron Diesel Max

Aviation Fuels

Aviation Gasoline
Jet A-1

Household Fuels

Petron Gasul
Fiesta Gas
Petron 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 series
Rev-X HD4X
Rev-X HD series
Rev-X Hauler series
Petron XD3
Petron Railroad Extra

Gasoline Engine Oils

Blaze Racing HTP
Blaze Racing Fully Synthetic
Blaze Racing Synthetic Blend
Blaze Racing Premium Multi-grade series
Blaze Racing Multi-grade series
Petron MO series

Motorcycle Oils

Petron Sprint Fully Synthetic HTP
Petron Sprint Fully Synthetic
Petron Sprint Premium Multi-grade
Petron Sprint Synthetic Blend
Petron Sprint Multi-grade

Petron Sprint Mono-grade
Petron Sprint Scooter Oil Fully Synthetic
Petron Sprint Scooter Oil Synthetic Blend
Petron Sprint 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

PACKAGING GROUP

LIST OF PRODUCTS AND SERVICES as of 31 December 2025

GLASS

Glass containers in amber, flint and green color
Applied Color Label (ACL) decorated 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)
Slip sheets
Separator Sheets
Coslock (Carton Divider)
Carrier Bags

FLEXIBLES

Sachets
Stand Up Pouches (SUPs)
E-Cut®
Generic Ziplock SUPs
PVC Shrink Labels
Retortable Pouches
Vacuum Metallized Laminates
ProWrap (Stretch Film)
Shrink Film
Curviché

POLYETHYLENE TEREPHTHALATE (PET)

PET Preforms

PET Bottles

OTHER PACKAGING PRODUCTS

Radiant Barrier (EnviRo-tuff)

EnviRo-tuff Liner

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, 2025

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 Corp.</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
Office Unit 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 (<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	Arnaldo Highway, Brgy. San Francisco, Sitio De

(SMPI)	Fuego, Gen. Trias, Cavite
Land Lease of Bunawan, Davao City Property (SMPI)	Along Davao-Agusan National Highway, Brgy. Bunawan, Davao City
Land Lease of Darong, Davao City Property (SMPI)	Brgy. Darong, Municipality of Sta. Cruz, Davao del Sur
Land Lease of Mariveles, Bataan Properties (E-Fare Investment Holdings, Inc.)	Mariveles Economic Zone, Brgy. Biaan, Mariveles, Bataan
Land Lease of Cabuyao, Laguna Property (Integrated Geosolutions, Inc.)	Brgy. Diezmo, Cabuyao, Laguna
Land Lease of Parking Space for El Magnifico Building (Kingsborough Realty, Inc.)	No. 37 Gen. Delgado St., San Antonio Village, Brgy. San Antonio, Pasig City
Building Lease of Delgado Building (La Verduras Realty Corp.)	No. 38 Gen. Delgado St., San Antonio Village, Brgy. San Antonio, Pasig City
Land lease of Nabas, Aklan Property (La Belle Plume Realty Inc.)	Brgy. Union, Nabas, Aklan
Land lease of East Greenhills, Mandaluyong City Property (Lanes and Bi-Ways Realty Corp.)	403 Columbia St. East Greenhills, Mandaluyong City
Building Lease of Northeast Greenhills, San Juan City Property (Lanes and Bi-Ways Realty Corp.)	No. 2 Columbia St. Northeast Greenhills, San Juan City

E. TOURISM DEVELOPMENT PROJECTS

NAME	LOCATION
(Planned) Bugsuk Eco-Luxury Leisure and Tourism Project (Bricktree Properties, Inc.)	Balabac, Palawan

F. SERVICES

NAME	LOCATION
Administrative and Support Services for Right-Of-Way and Non-Right-Of-Way Acquisitions (Tierra Verdosa Services Corp.)	various

SAN MIGUEL CORPORATION
2025 LIST OF CEMENT PRODUCTS

EAGLE CEMENT CORPORATION GROUP

A. CEMENT

Type 1P

Advance Portland Blended Cement Type 1P (in 40-kg bag)

Type 1

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 1P

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
as of 31 December 2025

COLLECTIVE BARGAINING AGREEMENTS
As of Dec. 31, 2025

BANK OF COMMERCE

Installation, Bargaining Agent & Affiliation	Number of Members	Number of CBAs	EXPIRATION	
			Economic	Representation
Bank of Commerce Employees' Union	803	1	June 30, 2028	June 30, 2030

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. - Independent Employees Union - Mandaue Plant (GSMIIE-MP)	33	1	December 31, 2027	December 31, 2029
GSMI - Cabuyao Plant (Dailies) United Independent Union of GSMI-Cabuyao Plant	116	1	December 31, 2026	December 31, 2027
GSMI - Sta Barbara Plant (Dailies) Ginebra San Miguel Inc. Sta. Barbara Plant Daily Paid Worker's Independent Union (GSMI-SBP-DPWIU)	86	1	December 31, 2025	December 31, 2025
GSMI - Sta Barbara Plant (Monthlies) La Tondena Distillers, Inc. Workers Union-Sta. Barbara Plant (LATODIWU-SBP) Monthly-Paid Independent Union	20	1	December 31, 2025	December 31, 2025
Distilleria Bago Inc. (Monthlies) Congress of Independent Organization - Distilleria Bago Employees Union (CIO - DBEU)	90	1	December 31, 2025	December 31, 2026
Total	345	5	3	2

PETRON CORPORATION

Installation, Bargaining Agent & Affiliation	Number of Members	Number of CBAs	Expiration	
			Economic	Representation
Petron Corporation (Head Office Complex and Terminals) - Petron Employees Association (PEA - NATU)	193	1	December 31, 2028	December 31, 2030
Petron Corporation (Rosario, Navotas, and Batangas) - Petron Employees Labor Union (PELU)	44	1	December 31, 2027	December 31, 2029
Petron Corporation (Bataan) - Bataan Refiners Union of the Philippines (BRUP - PTGWO)	348	1	December 31, 2027	December 31, 2029
	585	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>)	279	1	June 30, 2028	July 27, 2026
SMBI Employees Union (SMBIEU) – PTGWO (<i>Polo Brewery Monthlies Union</i>)	94	1	June 30, 2028	June 30, 2029
San Fernando Brewery Employees Union (SFBEU) – (<i>San Fernando Dailies Union</i>)	320	1	Feb. 15, 2026	Feb. 15, 2030
San Miguel Brewery Inc. Employees Union (SMBIEU-SFB) - (<i>San Fernando Brewery Monthlies Union</i>)	95	1	Dec. 31, 2025	Dec. 31, 2029
San Miguel Brewing Group - Bacolod Brewery Employees Union (SMBG-BBEU) - (<i>Bacolod Brewery Dailies Union</i>)	108	1	July 31, 2028	Apr. 27, 2029
Philippine Agricultural, Commercial and Industrial Workers Union-Trade Union Congress of the Philippines (PACIWU-TUCP) - (<i>Bacolod Brewery Monthlies Union</i>)	DISSOLVED EFFECTIVE OCTOBER 9, 2025			
Kahugpong Sa Ligdong Mamumu-O (KLM) - (<i>Mandaue Brewery Dailies Union</i>)	200	1	Dec. 31, 2026	Dec. 31, 2025
San Miguel Davao Brewery Employees Independent Union - (<i>Davao Brewery Dailies Union</i>)	129	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>)	142	1	Dec. 31, 2026	Oct. 31, 2028
GRAND TOTAL > > >	1367	8		

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)	59	1	February 28, 2026	February 28, 2025
San Miguel Foods Inc. (GMA Monthlies)- SMFI Employees Union (SMFIEU) - PTGWO	98	1	December 31, 2025	October 22, 2026
San Miguel Foods Inc. - South Luzon SMFI Poultry (Monthlies) - Magnolia Poultry Employees Union - PTGWO	19	1	December 31, 2025	June 30, 2026
San Miguel Mills, Inc. - Mabini Batangas Flour Mill Employees Union (Monthlies) - Purefoods Flour Mill Employees Union - (PFMEU)	43	1	December 31, 2025	July 31, 2027
	219	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)	663	1	January 31, 2026	January 31, 2028
Manila North Harbor Port Inc. (Monthlies) - Northport Operators' Independent Union	317	1	April 30, 2027	April 30, 2029
Star Tollway Corporation (Monthlies) - Star Tollway Corporation Toll Teller Employees Association (STCTTEA)	124	1	July 31, 2026	July 31, 2026
Star Tollway Corporation (Monthlies) - Star Tollway Corporation Supervisory Employees Association - Workers Solidarity Network (STCSEA-WSN)	27	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	301	1	December 31, 2026	December 31, 2028
Manila Toll Expressway Systems Inc. (Monthlies) - Obrero Pilipino - SLEX Manila Toll Expressway Systems (Traffic Department) Chapter	45	0	Ongoing negotiation of 1st CBA	March 23, 2027
	1477	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) - SMC Yamamura Fuso Molds Monthlies Union - PTGWO PTGWO Local Chapter 842	68	1	June 30, 2028	Dec. 31, 2028
San Miguel Yamamura Packaging Corporation - Manila Plastics Plant (Ex-Parent) (Monthlies) San Miguel Packaging Specialists, Inc Employees Union - Manila Plastics Plant - PTGWO Local 888	68	1	June 30, 2028	June 30, 2027
San Miguel Yamamura Packaging Corporation - Manila Glass Plant (Ex-Parent) (Monthlies) San Miguel Yamamura Packaging Corp. Employees Union - Manila Glass Plant - Association of Genuine Labor Organization (SMYPCEU-MGP-AGLO)	127	1	June 30, 2028	June 30, 2028
Mindanao Corrugated Fireboard, Inc. (Monthlies) Mincorr Independent Workers Union - Alliance of Progressive Labor - Sentro ng mga Nagkakaisa at Progresibong Manggagawa (MIWU-APL-SENTRO)	39	1	Dec. 31, 2025	Dec. 31, 2027
Can Asia, Inc. - (Monthlies) San Miguel Yamamura Packaging Corporation - Can Asia, Inc. (Independent Union)	85	1	Dec. 31, 2025	Dec. 31, 2029
San Miguel Yamamura Packaging Corporation - SMY Glass Plant (Monthlies) Union Buo Organisadong Samahan ng Empleyado sa SMYAC - Independent (BOSES-SMYAC)	452	1	Dec. 31, 2025	April 01, 2028
San Miguel Yamamura Packaging Corporation - Rightpak Plant (Monthlies) - Independent Rightpak Employees Union	119	1	May 31, 2026	May 31, 2028
San Miguel Yamamura Packaging Corporation - Logistics Services (Dailies) San Miguel Yamamura Logistics Services Worker's Union (Independent)	241	1	June 30, 2026	June 30, 2028
TOTAL	1,199	8		

ANNEX “G”

SAN MIGUEL CORPORATION
LIST OF TOP 20 STOCKHOLDERS
AS OF DECEMBER 31, 2025

STOCKHOLDER NAME	Common	Preferred 2-I	Preferred 2-L	Preferred 2-M	Preferred 2-N	Preferred 2-O	Preferred 2-P	Preferred 2-Q	Preferred 2-R	Preferred 2-S	Preferred 2-T	Preferred 2-U	TOTAL SHARES	% OF O/S
1 PCD NOMINEE CORPORATION (FILIPINO)	313,084,923	150,193,940	160,787,370	0	90,742,560	142,709,910	167,271,400	33,217,850	20,414,570	172,961,090	66,039,470	137,998,460	1,455,421,583	37.986967 %
2 TOP FRONTIER INVESTMENT HOLDINGS, INC.	1,424,111,661	0	0	0	0	0	0	0	0	0	0	0	1,424,111,661	37.169769 %
3 PRIVADO HOLDINGS, COMP.	368,140,516	0	0	0	0	0	0	0	0	0	0	0	368,140,516	9.608585 %
4 GOVERNMENT SERVICE INSURANCE SYSTEM	0	0	0	133,333,330	0	0	0	0	0	0	0	0	133,333,330	3.480043 %
5 PCD NOMINEE CORPORATION (NON-FILIPINO)	99,413,589	1,402,740	1,281,630	0	1,625,640	499,440	897,340	330,740	76,920	2,936,950	643,710	894,120	110,002,819	2.871109 %
6 SOCIAL SECURITY SYSTEM	0	0	0	17,333,333	0	27,800,000	0	0	0	0	0	0	45,133,333	1.177994 %
7 REPUBLIC OF THE PHILIPPINES	27,636,339	0	0	0	0	0	0	0	0	0	0	0	27,636,339	0.721317 %
8 SAN MIGUEL BREWERY INC. RETIREMENT PLAN	0	6,153,600	1,333,400	0	2,666,700	2,000,000	0	0	0	1,837,000	4,667,000	0	23,334,700	0.608782 %
9 SOCIAL SECURITY SYSTEM ASSIGNED TO MANDATORY PROVIDENT FUND	0	0	0	7,999,999	0	10,000,000	0	0	0	0	0	0	17,999,999	0.469806 %
10 PETRON CORPORATION EMPLOYEES' RETIREMENT PLAN	14,250,900	0	0	0	0	0	0	0	0	0	0	0	14,250,900	0.371953 %
11 THE INSULAR LIFE ASSURANCE COMPANY LTD.	0	0	0	13,333,330	0	0	0	0	0	0	0	0	13,333,330	0.348004 %
12 MILLERSTUM ENERGY, INC.	10,807,380	0	0	0	0	0	0	0	0	0	0	0	10,807,380	0.282076 %
13 SYNGRANT CORPORATION	5,105,607	0	0	0	0	0	0	0	0	0	0	0	5,105,607	0.133258 %
14 SSCC HOLDINGS CORPORATION	1,512,895	3,150,000	0	0	0	0	0	0	0	0	0	0	4,662,895	0.121703 %
15 LILIS HOLDINGS INC.	126,074	112,500	0	0	0	0	1,006,120	0	2,347,630	0	0	0	3,582,324	0.093761 %
16 MANHIA HOLDINGS INC.	126,074	112,500	0	0	0	0	1,006,120	3,353,750	2,347,630	0	0	0	3,582,324	0.093761 %
17 RAY MITO HOLDINGS INCORPORATED	0	112,500	0	0	0	0	0	0	2,347,630	0	0	0	3,466,250	0.090470 %
18 SANTA LARA HOLDINGS INC.	0	112,500	0	0	0	0	0	3,353,750	0	0	0	0	3,466,250	0.090470 %
19 SOCIAL SECURITY SYSTEM ASSIGNED TO EMPLOYEES' COMPENSATION COMMISSION FUND	0	0	0	1,333,333	0	2,000,000	0	0	0	0	0	0	3,333,333	0.087001 %
20 GINERUSA SAN MIGUEL INC. RETIREMENT PLAN	0	0	133,400	0	600,000	266,700	0	0	0	252,300	934,000	934,000	3,120,400	0.081443 %

TOTAL NO. OF OUTSTANDING SHARES : 3,831,370,733
TOTAL NO. OF DISTINCT STOCKHOLDERS : 33,192
TOTAL NO. OF ACCOUNTS : 33,208

ANNEX “H”

**SAN MIGUEL CORPORATION
SUMMARY OF 2025 SEC FORM 17-C FILINGS**

SAN MIGUEL CORPORATION
Summary of 2025 SEC Form 17-C Filings

Date Reported	Subject																										
January 6	A. The following are the disbursements of the Company from the net proceeds of the offering of the Fixed-Rate Bonds Series “O” and “P” (the “Offering”). <table><thead><tr><th>Date of Disbursement</th><th>Use of Proceeds</th><th>Details</th><th>Amount in Php</th></tr></thead><tbody><tr><td>03 January 2025</td><td>Investment</td><td>Additional investment in the Manila International Airport</td><td>Php771,972,720.03</td></tr><tr><td colspan="3">TOTAL DISBURSEMENT IN THIS REPORT</td><td>Php771,972,720.03</td></tr><tr><td colspan="3">TOTAL DISBURSEMENTS TO DATE</td><td>13,600,604,697.54</td></tr><tr><td colspan="3">BALANCE OF NET PROCEEDS</td><td>Php6,131,515,341.17</td></tr></tbody></table> The net proceeds of the Offering are computed as follows: <table><tbody><tr><td>Gross Proceeds</td><td>Php 20,000,000,000.00</td></tr><tr><td>Expenses related to the Offering¹</td><td><u>Php 267,879,961.29</u></td></tr><tr><td>Net Proceeds²</td><td>Php19,731,120,038.71</td></tr></tbody></table>	Date of Disbursement	Use of Proceeds	Details	Amount in Php	03 January 2025	Investment	Additional investment in the Manila International Airport	Php771,972,720.03	TOTAL DISBURSEMENT IN THIS REPORT			Php771,972,720.03	TOTAL DISBURSEMENTS TO DATE			13,600,604,697.54	BALANCE OF NET PROCEEDS			Php6,131,515,341.17	Gross Proceeds	Php 20,000,000,000.00	Expenses related to the Offering ¹	<u>Php 267,879,961.29</u>	Net Proceeds ²	Php19,731,120,038.71
Date of Disbursement	Use of Proceeds	Details	Amount in Php																								
03 January 2025	Investment	Additional investment in the Manila International Airport	Php771,972,720.03																								
TOTAL DISBURSEMENT IN THIS REPORT			Php771,972,720.03																								
TOTAL DISBURSEMENTS TO DATE			13,600,604,697.54																								
BALANCE OF NET PROCEEDS			Php6,131,515,341.17																								
Gross Proceeds	Php 20,000,000,000.00																										
Expenses related to the Offering ¹	<u>Php 267,879,961.29</u>																										
Net Proceeds ²	Php19,731,120,038.71																										
January 16	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, January 16, 2025, 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, 2024, distributable as dividends to all stockholders of record as of March 21, 2025 on the following shares of the Corporation to be paid on April 4, 2025, as follows: <table><thead><tr><th>Class of Shares</th><th>Dividend Amount per Share</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>	Class of Shares	Dividend Amount per Share	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								
Class of Shares	Dividend Amount per Share																										
Series “2” Preferred Shares - Subseries “F”	₱1.27635																										
Series “2” Preferred Shares - Subseries “I”	₱1.18790625																										
Series “2” Preferred Shares - Subseries “J”	₱0.890625																										
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Series “2” Preferred Shares - Subseries “N”	₱1.5649875																										
Series “2” Preferred Shares - Subseries “O”	₱1.611300																										

¹ 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

² To be adjusted as and when expenses related to the Offering are disbursed.

January 16	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, January 16, 2025, the Board of Directors of the Corporation appointed Mr Bryan U. Villanueva as Chief Finance Officer and Mr. Joseph N. Pineda as Treasurer, respectively, to replace Mr. Ferdinand K. Constantino as Chief Finance Officer and Treasurer of the Corporation, effective February 1, 2025. Mr. Constantino will remain as advisor of the Corporation and the Board of Directors.										
January 16	At the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, January 16, 2025, the Board of Directors of the Corporation unanimously approved the following: (1) the amendment to Article VII of the Amended Articles of Incorporation of the Corporation 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 Corporation from Php30,000,000,000 with a par value of Php5.00 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 (Series 2) preferred shares of the Corporation, subject to such terms and conditions determined by Management, with the approval and conformity of the Board of Directors and Stockholders.										
January 16	At the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, January 16, 2025, the Board of Directors unanimously approved the delegation to the Board of Directors of the Corporation the power to amend, repeal or adopt new By Laws of the Corporation. The delegation to the Board of Directors of the power to amend, repeal or adopt the By-laws of the Corporation shall be subject to the approval of two-thirds (2/3) of the outstanding capital stock of the Corporation pursuant to Section 47 of the Revised Corporation Code of the Philippines during the Special Stockholders' Meeting scheduled on March 27, 2025.										
January 16	We advise that at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, January 16, 2025, the Board approved the holding of a Special Stockholders Meeting, as follows: <table border="1"> <tr> <td>March 27, 2025</td><td>Date of Stockholders' Meeting 2:00 p.m. via remote communication</td></tr> <tr> <td>February 28, 2025</td><td>Record Date</td></tr> <tr> <td>March 3 to 7, 2025</td><td>Closing of Books</td></tr> <tr> <td>March 13, 2025</td><td>Deadline for submission of proxies</td></tr> <tr> <td>March 20, 2025</td><td>Validation of proxies</td></tr> </table>	March 27, 2025	Date of Stockholders' Meeting 2:00 p.m. via remote communication	February 28, 2025	Record Date	March 3 to 7, 2025	Closing of Books	March 13, 2025	Deadline for submission of proxies	March 20, 2025	Validation of proxies
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February 28, 2025	Record Date										
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March 13, 2025	Deadline for submission of proxies										
March 20, 2025	Validation of proxies										
January 27	Disclosure of the Company relating to the closing of the Ilijan transaction.										
February 04	Disclosure of the Company relating to the news article entitled "QC to BGC in 30 minutes? SMC's Skyway 4 aims to deliver—but it may take time," posted in InsiderPH.com on February 3, 2025.										
February 11	Disclosure of the Company relating to the news article titled "San Miguel to build Pagcor's new office" posted in The Manila Times on February 8, 2025.										
February 24	Disclosure of the Company relating to the news article entitled "SMC power firm lines up 4,000 MW of projects" posted in business.inquirer.net on February 24, 2025.										
February 28	Disclosure on the Notice and Agenda of the Special Stockholders' Meeting of the Corporation.										

March 11	The Corporation was assessed a penalty by the Philippine Stock Exchange ("Exchange") amounting to more than Php50,000 in relation to Sections 7, and 17.11 of Article VII of the Consolidated Listing and Disclosure Rules of the Exchange. The Corporation was directed to pay the penalty within ten (10) days from March 10, 2025, the date of receipt of the Letter-Advise. The Corporation will comply with the requirement to pay the penalty imposed by the Exchange.										
March 11	Disclosure of the Company relating to the news article titled "SMC toll roads may get nod soon" posted in Business Mirror on March 10, 2025.										
March 11	The Corporation was assessed a penalty by the Philippine Stock Exchange ("Exchange") amounting to more than Php50,000 in relation to Sections 7, and 17.11 of Article VII of the Consolidated Listing and Disclosure Rules of the Exchange. The Corporation was directed to pay the penalty within ten (10) days from March 10, 2025, the date of receipt of the Letter-Advise. The Corporation paid the penalty to the Exchange today.										
March 13	During the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, March 13, 2025, the Board of Directors unanimously approved the holding the stockholders' meeting of the Company via remote communication on June 10, 2025. The following are the other key dates relating to the annual stockholders meeting of the Corporation: <u>2025 Annual Stockholders' Meeting</u> <table border="1"> <tr> <td>Date of Annual Stockholders' Meeting</td><td>June 10, 2025 2:00 p.m. (via remote communication)</td></tr> <tr> <td>Record Date for Stockholders Entitled to Vote</td><td>May 15, 2025</td></tr> <tr> <td>Closing of Stock and Transfer Book</td><td>May 16 to 22, 2025</td></tr> <tr> <td>Deadline for Submission of Proxies</td><td>May 27, 2025</td></tr> <tr> <td>Validation of Proxies</td><td>June 3, 2025</td></tr> </table>	Date of Annual Stockholders' Meeting	June 10, 2025 2:00 p.m. (via remote communication)	Record Date for Stockholders Entitled to Vote	May 15, 2025	Closing of Stock and Transfer Book	May 16 to 22, 2025	Deadline for Submission of Proxies	May 27, 2025	Validation of Proxies	June 3, 2025
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Closing of Stock and Transfer Book	May 16 to 22, 2025										
Deadline for Submission of Proxies	May 27, 2025										
Validation of Proxies	June 3, 2025										
March 13	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, March 13, 2025, the Board of Directors, upon the recommendation of the Audit Committee, adopted and approved the Amended Internal Audit Charter of the Corporation. The Amended Internal Audit Charter will be likewise filed with the Securities and Exchange Commission and will be made available at the website of the Corporation as soon as practicable.										
March 13	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, March 13, 2025, 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 25, 2025, to be paid out of the unrestricted retained earnings of the Corporation distributable as dividends as of December 31, 2024. Payment shall be made to the stockholders of record of the aforementioned common shares as of March 28, 2025. The books of the Corporation will be closed from March 31 to April 7, 2025.										
March 17	Further to our disclosure on March 13, 2025, we submit the signed Amended Internal Audit Charter of the Corporation ("Corporation") as approved by the Board of Directors on March 13, 2025, a copy of which will be available at the website of the Corporation.										
March 17	We send herewith a copy of the Press Release entitled "SMC revenue hits P1.6 trillion, up 9% in 2024.										
March 19	We advise that as of March 19, 2025, all of the Php2,438,500,000.00 Series F Fixed Rate Peso Denominated Bonds (the "Bonds") issued by San Miguel Corporation (the "Corporation") due on 2025 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 of the Bonds which was the subject of previous disclosures by the Corporation.										

	<table><tr><th>Date of Disbursement</th><th>Use of Proceeds</th><th>Details</th><th>Amount in Php</th></tr><tr><td>19 March 2025</td><td>Repayment of Series “F” Fixed-Rate Bonds</td><td>Final repayment by the Company of its Series “F” Fixed-Rate Bonds with a total outstanding amount of Php2,438,500,000.00 with an annual interest rate of 6.625%</td><td>Php2,438,500,000.00</td></tr><tr><td colspan="3">TOTAL DISBURSEMENT IN THIS REPORT</td><td>Php2,438,500,000.00</td></tr><tr><td colspan="3">TOTAL DISBURSEMENTS TO DATE</td><td>16,039,104,697.54</td></tr><tr><td colspan="3">BALANCE OF NET PROCEEDS</td><td>Php3,693,015,341.17</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 Offering³</td><td><u>Php 267,879,961.29</u></td></tr><tr><td>Net Proceeds⁴</td><td>Php19,731,120,038.71</td></tr></table>	Date of Disbursement	Use of Proceeds	Details	Amount in Php	19 March 2025	Repayment of Series “F” Fixed-Rate Bonds	Final repayment by the Company of its Series “F” Fixed-Rate Bonds with a total outstanding amount of Php2,438,500,000.00 with an annual interest rate of 6.625%	Php2,438,500,000.00	TOTAL DISBURSEMENT IN THIS REPORT			Php2,438,500,000.00	TOTAL DISBURSEMENTS TO DATE			16,039,104,697.54	BALANCE OF NET PROCEEDS			Php3,693,015,341.17	Gross Proceeds	Php 20,000,000,000.00	Expenses related to the Offering ³	<u>Php 267,879,961.29</u>	Net Proceeds ⁴	Php19,731,120,038.71
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Net Proceeds ⁴	Php19,731,120,038.71																										
March 19	A. The following are the disbursements of the Company from the net proceeds of the offering of the Fixed-Rate Bonds Series “O” and “P” (the “Offering”).																										
March 19	We advise that as of March 19, 2025, all of the Php2,438,500,000.00 Series F Fixed Rate Peso Denominated Bonds (the “Bonds”) issued by San Miguel Corporation (the "Corporation") due on 2025 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 of the Bonds which was the subject of previous disclosures by the Corporation.																										
March 21	Disclosure of the Company relating to the news article entitled “San Miguel seeks ERC nod to recover P34b from Meralco customers” posted in ManilaStandard.net on March 20, 2025.																										
March 26	Disclosure of the Company relating to the news article entitled “Meralco, San Miguel expand power supply deal by 290 MW” posted in Inquirer.net on March 26, 2025.																										
March 26	San Miguel Corporation announces the demise of Director Estelito P. Mendoza on March 26, 2025. Director Mendoza has been a Director of the Corporation since October 30, 1991 and served until April 21, 1993. He was re-elected as Director on April 21, 1998 and held the position up to the present. He was a Member of the Executive Committee and the Audit and Risk Oversight Committee of the Corporation.																										

³ 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

⁴ To be adjusted as and when expenses related to the Offering are disbursed.

March 27	At the Special Meeting of the Stockholders of San Miguel Corporation (the "Corporation") held today, March 27, 2025, the stockholders of the Corporation representing at least 2/3 of the total outstanding capital stock of the Corporation approved the delegation to the Board of Directors of the Corporation the power to amend By-laws of the Corporation. The approval of two-thirds (2/3) of the outstanding capital stock of the Corporation of the delegation is in compliance with Section 47 of the Revised Corporation Code of the Philippines.																		
March 27	At the Special Meeting of the Stockholders of San Miguel Corporation (the "Corporation") held today, March 27, 2025, the stockholders of the Corporation representing at least 2/3 of the total outstanding capital stock of the Corporation approved the following: (1) the amendment to Article VI I of the Amended Articles of Incorporation of the Corporation 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 Corporation from Php30,000,000,000 with a par value of Php5.00 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 Corporation, subject to such terms and conditions determined by Management, with the approval and conformity of the Board of Directors and Stockholders.																		
April 23	Disclosure of the Company relating to the news article entitled "SMC unit, Korail sign MRT-7 completion deal" posted in The Manila Times on April 23, 2025.																		
April 29	Disclosure of the Company relating to the news article entitled "MPTC, SMC push forward with P72-billion Southern Tagalog Expressway" posted in The Manila Bulletin on April 28, 2025.																		
May 08	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, May 8, 2025, 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, 2025, distributable as dividends to all stockholders of record as of June 20, 2025 on the following shares of the Corporation to be paid on July 4, 2025, 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>P1 .611300</td></tr> </tbody> </table>	<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"	P1 .611300
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May 13	Disclosure of the Company relating to the news article entitled "San Miguel unit to build 1,600 MW of hydro projects" posted in ManilaStandard.net on May 9, 2025.																		
May 14	Disclosure of the Company relating to the news article entitled "SMC unit pursuing P89 billion hydropower projects" posted in The Philippine Star on May 11, 2025.																		
May 14	Press release of the Company entitled "SMC Q1 net income jumps to P43.4B, core earnings up 31%" which we will release to the press today.																		

May 21	Disclosure of the Company (as amended) to include the Notice with the agenda of the Annual Stockholders' Meeting to be held on June 10, 2025.
June 10	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, June 10, 2025, 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 25, 2025, to be paid out of the unrestricted retained earnings of the Corporation distributable as dividends as of May 31, 2025. Payment shall be made to the stockholders of record of the aforementioned common shares as of June 27, 2025. The books of the Corporation will be closed from June 30 to July 4, 2025.
June 10	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, June 10, 2025, the Board of Directors of the Corporation passed and approved a resolution for the redemption of all the outstanding US\$500,000,000 Senior Perpetual Capital Securities of the Company under the US\$3,000,000,000 Medium Term Note and Securities Programme (the "Redeemed Securities"). The redemption date is on July 29, 2025 (the "Redemption Date"). The Redeemed Securities were issued on July 29, 2020, with a rate of distribution of 5.5% per annum. The terms of the issuance provided for a step-up rate if the securities were not redeemed on the fifth anniversary date from issuance. Following such redemption, the distributions will cease to accrue on the Redeemed Securities as of the Redemption Date and the Redeemed Securities will be cancelled and delisted from the Singapore Exchange Securities Trading Limited.
June 10	We advise that, at the Annual Stockholders' Meeting of San Miguel Corporation (the "Corporation") held today, June 10, 2025, the following were approved: 1. Election of Directors The following directors were duly elected by the stockholders of the Corporation: Ramon S. Ang John Paul L. Ang Cecile L. Ang Aurora T. Calderon Joselito D. Campos, Jr. Jose C. de Venecia, Jr. Ernesto M. Pernia Joseph N. Pineda Alexander J. Poblador Thomas A. Tan Bryan U. Villanueva Iñigo Zobel Douglas L. LuYm – Independent Director Felipe M. Medalla – Independent Director Margarito B. Teves – Lead Independent Director 2. Approval of Directors Fees for 2024 The stockholders of the Corporation approved the payment of Directors' Fees for 2024 amounting to P72.39 Million. 3. Appointment of External Auditors 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 2025.

June 10

Please be informed that, at the Organizational Meeting of the Board of San Miguel Corporation (the "Corporation") held on June 10, 2025, 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
Bryan U. Villanueva	Chief Finance Officer
Joseph N. Pineda	Treasurer
Virgilio S. Jacinto	General Counsel, Corporate Secretary and Compliance Officer
Mary Rose S. Tan	Assistant Corporate Secretary

B. Lead Independent Director: - Margarito B. Teves

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
Aurora T. Calderon	Member
Douglas L. LuYm	Member
Iñigo Zobel	Member

2. Audit and Risk Oversight Committee

Margarito B. Teves	Chairman (Independent Director)
Felipe M. Medalla	Member (Independent Director)
Douglas L. LuYm	Member (Independent Director)
Aurora T. Calderon	Member
Ernesto M. Pernia	Member

3. Corporate Governance Committee

Felipe M. Medalla	Chairman (Independent Director)
Margarito B. Teves	Member (Independent Director)
Douglas L. LuYm	Member (Independent Director)
Auora T. Calderon	Member
Alexander J. Poblador	Member

4. Related Party Transactions Committee

Felipe M. Medalla	Chairman (Independent Director)
Margarito B. Teves	Member (Independent Director)
Douglas L. LuYm	Member (Independent Director)
Aurora T. Calderon	Member
Alexander J. Poblador	Member

	5. Sustainability Committee <table><tr><td>Douglas L. LuYm</td><td>Chairman (Independent Director)</td></tr><tr><td>Felipe M. Medalla</td><td>Member (Independent Director)</td></tr><tr><td>Margarito B. Teves</td><td>Member (Independent Director)</td></tr><tr><td>Aurora T. Calderon</td><td>Member</td></tr><tr><td>Cecile L. Ang</td><td>Member</td></tr></table>	Douglas L. LuYm	Chairman (Independent Director)	Felipe M. Medalla	Member (Independent Director)	Margarito B. Teves	Member (Independent Director)	Aurora T. Calderon	Member	Cecile L. Ang	Member																
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June 11	Disclosure of the Company relating to the news article entitled “SMC banking on NAIA, South Luzon tollways to fuel future revenue surge” posted in Manila Bulletin on June 10, 2025.																										
January 6	A. The following are the disbursements of the Company from the net proceeds of the offering of the Fixed-Rate Bonds Series “O” and “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>26 June 2025</td><td>Additional Investment</td><td>Additional investment in the Manila International Airport</td><td>Php403,672,933.10</td></tr><tr><td colspan="3">TOTAL DISBURSEMENT IN THIS REPORT</td><td>Php403,672,933.10</td></tr><tr><td colspan="3">TOTAL DISBURSEMENTS TO DATE</td><td>16,442,777,630.10</td></tr><tr><td colspan="3">BALANCE OF NET PROCEEDS</td><td>Php3,286,923,564.69</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 Offering⁵</td><td><u>Php 270,298,804.67*</u></td></tr><tr><td>Net Proceeds⁶</td><td>Php19,729,701,195.33</td></tr></table>	Date of Disbursement	Use of Proceeds	Details	Amount in Php	26 June 2025	Additional Investment	Additional investment in the Manila International Airport	Php403,672,933.10	TOTAL DISBURSEMENT IN THIS REPORT			Php403,672,933.10	TOTAL DISBURSEMENTS TO DATE			16,442,777,630.10	BALANCE OF NET PROCEEDS			Php3,286,923,564.69	Gross Proceeds	Php 20,000,000,000.00	Expenses related to the Offering ⁵	<u>Php 270,298,804.67*</u>	Net Proceeds ⁶	Php19,729,701,195.33
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July 3	At the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, July 3, 2025, the Board of Directors of the Corporation unanimously approved to amend the following provisions of the By-laws of the Corporation as follows: (1) Section 2, Article II -Change in the relevant date of sending of notices of the regular stockholders meeting from at least ten (10) days prior to the date of the meeting to at least twenty one (21) calendar days prior to the date of the meeting. (2) Section 1, Article II -Change the percentage threshold for the stockholders to request to call a meeting from majority of the subscribed capital stock to at least ten percent (10%) of the subscribed capital stock.																										

⁵ 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; (vii) registry fee with PDTC; *(viii) additional fees to the PDTC; and legal counsel's fees.

⁶ To be adjusted as and when expenses related to the Offering are disbursed.

	(3) Section 1-A(a), Article III -Change in the number of independent directors from two (2) to three ((4) Section 6, Article III -Change in the notice of regular and special board meetings from no notice requirement for regular meetings and twenty four hours prior notice for special meetings to two (2) days prior to the scheduled meetings. (5) Section 10, Article III -Provides for the additional requirement of securing the approval of the stockholders of the Corporation for the payment of the compensation of the members of the Board of Directors. The foregoing amendments were made to align and conform with the provisions of the Revised Corporation Code and the relevant issuances of the Securities and Exchange Commission (the "Commission"). The Corporation shall file the corresponding application for the amendment of the Amended By-laws of the Corporation with the Commission, without the need for the approval of the stockholders of the Corporation following the delegation by the stockholders to the Board of Directors of the authority to amend the By-laws, during the Special Stockholders meeting held on March 27, 2025.
July 3	At the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, July 3, 2025, the Board of Directors of the Corporation unanimously approved the amendments to the Amended Manual on Corporate Governance of the Corporation (the "Manual") as follows. (1) Independent Directors - Section 2.2.1.6 of the Manual has been amended to state that the Corporation shall have at least three (3) independent directors. The previous language of the provision stated that it [i.e., the Corporation] shall endeavour to have three independent directors. (2) Sustainability Committee – The provisions of Section 2.2.2.4 include the Sustainability Committee as one of the Board Committees of the Corporation. (3) Rotation of external auditors – Section 2.2.5.4 has been amended to reflect the provisions of SRC Rule 68 Implementing Rules on the rotation of external auditors to be in accordance with the provisions of the Code of Ethics for Professional Accountants. The current provision states that the external auditor or audit partner shall be changed every five (5) years. The current code of ethics allows for a rotation of seven (7) years, which is a practice that is adopted by the Corporation. The Amended Manual on Corporate Governance shall be filed with the Securities and Exchange Commission by way of compliance with the requirements of the Commission.
July 04	Further to our disclosure on July 3, 2025, we submit herewith a copy of the Amended Manual on Corporate Governance of the Corporation as amended on July 3, 2025.
July 16	Disclosure of the Company relating to the news article entitled "San Miguel starts new Caticlan airport terminal to serve 7 million by 2027" posted in the Manila Bulletin on July 14, 2025.
July 17	We advise that the Securities and Exchange Commission ("Commission") approved, on February 25, 2025, the amendments to the Articles of Incorporation of San Miguel Corporation (the "Corporation"). Such amendments were approved by the Board of Directors on June 11, 2024 and confirmed and ratified by the Stockholders of the Corporation during the meeting held on August 8, 2024. We attach herewith a copy of the Certificate of Amendment of the Articles of Incorporation, dated February 25, 2025 issued by the Commission, a copy of which was received by the Corporation today, February 27, 2025.
July 23	Disclosure of the Company relating to the news article entitled "Tycoon Ramon Ang's SMC is back in Meralco with P3.9-B stake after 17-year delay" posted on insider.ph on July 23, 2025.
July 28	Disclosure of the Company, by way of update to the November 14, 2022 disclosure of the Company and in response to and compliance with the requirements of the Exchange relating to the news article entitled "Tycoon Ramon Ang's SMC is back in Meralco with P3.9-B stake after 17-year delay"

August 07	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, August 7, 2025, 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, 2025, distributable as dividends to all stockholders of record as of September 19, 2025 on the following shares of the Corporation to be paid on October 3, 2025, as follows: <table border="1"> <thead> <tr> <th>Class of Shares</th><th>Dividend Amount per Share</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>	Class of Shares	Dividend Amount per Share	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
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August 07	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, August 7, 2025, the Board of Directors passed and approved a resolution for the redemption of the outstanding and issued Two Hundred Twenty-Three Million Three Hundred Thirty-Three Thousand Five Hundred (223,333,500) Series "2" Preferred Shares-Subseries F (the "SMC2F Preferred Shares"), at a redemption price of P75.00 per share, together with any unpaid cash dividends, other than the dividends declared on August 7, 2025 for holders of the SMC2F Preferred Shares as of September 21, 2025 which shall be paid on October 3, 2025. The Company shall issue a Notice of Redemption by publication and mail on September 2, 2025. Upon redemption, the SMC2F Preferred Shares shall not considered retired and may be re-issued by the Corporation. The trading of the SMC2F Preferred Shares will be suspended upon redemption and may only be tradeable upon application by the Corporation for lifting of trading suspension in the event the Corporation decides to re-issue them in the future, subject to compliance with the listing rules of the Exchange.																		
August 07	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, August 7, 2025, the Board of Directors passed and approved a resolution for the redemption of the outstanding and issued Two Hundred Sixty-Six Million Six Hundred Sixty-Six Thousand Six Hundred Sixty Seven (266,666,667) Series "2" Preferred Shares-Subseries J (the "SMC2J Preferred Shares") at a redemption price of P75.00 per share, together with any unpaid cash dividends. The Company shall issue a Notice of Redemption by publication and mail on October 1, 2025. Upon redemption, the SMC2J Preferred Shares shall not considered retired and may be re-issued by the Corporation. The trading of the SMC2J Preferred Shares will be suspended upon redemption and may only be tradeable upon application by the Corporation for lifting of trading suspension in the event the Corporation decides to re-issue them in the future, subject to compliance with the listing rules of the Exchange.																		
August 07	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, August 7, 2025, the Board of Directors passed and approved a resolution for the redemption of the outstanding and issued One Hundred Eighty-Three Million Nine Hundred Four Thousand Nine Hundred (183,904,900) Series "2" Preferred Shares-Subseries K (the "SMC2K Preferred Shares") at a redemption price of P75.00 per share, together with any unpaid cash dividends. The Company shall issue a Notice of Redemption by publication and mail on November 20, 2025. Upon redemption, the SMC2K Preferred Shares shall not considered retired and may be re-issued by the Corporation. The trading of the SMC2K Preferred Shares will be suspended upon redemption and may only be tradeable upon application by the Corporation for lifting of trading suspension in the event the Corporation decides to re-issue them in the future, subject to compliance with the listing rules of the Exchange.																		
August 07	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, August 7, 2025, the Board of Directors approved the following corporate acts, namely:																		

	(1) offer exchange to the holders of the 266,666,667 Subseries 2-J of the Series “2” Preferred Shares (“SMC2J”) and 183,904,900 Subseries 2-K of the Series “2” Preferred Shares (“SMC2K”), (collectively, the “Exchange Shares”) at a rate of exchange of one Exchange Share to one of any of the Series 2 Preferred Shares, to be re-issued in three (3) subseries, namely Subseries 2-P, 2-Q, 2-R which will be re-issued from the treasury Series “2” Preferred Shares of the Corporation (the “Offer Shares”); (2) filing of the (i) Confirmation of Exempt Transaction for the exchange of the Exchange Shares to the Offer Shares and (ii) application for voluntary tender offer, as may be required by the Securities and Exchange Commission (the “SEC”); and (3) filing of the lifting of trading suspension/listing application with the Philippine Stock Exchange for the Series “2” Preferred Shares. For the acts specified above, the Board authorized the Management to determine other relevant terms and conditions of the exchange offering in accordance with the market conditions as well as the engagement of the valuation expert, 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. The Board of Directors earlier today approved the redemption of the Series 2-J and Series 2-K Preferred Shares on October 29, 2025 and December 10, 2025, respectively. The holders of the Series 2-J and Series 2-K Preferred Shares who opt not to avail of the exchange offer will receive their redemption proceeds in accordance with the details of the redemption as separately disclosed by the Corporation.
	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the “Corporation”) held today, August 7, 2025, the Board of Directors of the Corporation authorized the following: (1) public offering of Php20,000,000,025.00 worth of 266,666,667 Series “2” Preferred Shares, with an oversubscription option of Php10,000,000,050.00 worth of 133,333,334 Series “2” Preferred Shares at an offer price of P75 per share (the “Public Offer Shares”), to be issued in three (3) subseries, namely Subseries 2-S, 2-T, 2-U (the “Public Offer Shares”) at an offer price of Php75 per share; (2) filing of the appropriate Registration Statement and Prospectus with the Securities and Exchange Commission; and (3) filing of the listing application with the Philippine Stock Exchange for the Series “2” Preferred Shares;
August 12	Disclosure on the Press Release of the Company entitled “SMC H1 core profit up 9% to P36.7B on broad-based gains.
August 13	Disclosure of the Company relating to the news article entitled: “NAIA workers, civic groups to SC: Declare airport concession deal as unconstitutional” posted in Malaya Business Insight (Malaya.com.ph) on August 13, 2025.
August 15	Disclosure of the Company relating to the Notice of Intention to Offer to Exchange Series 2-J and Series 2-K Preferred Shares.
August 22	On August 20, 2025, the Company filed with the Securities and Exchange Commission (“SEC”) the updated Registration Statement and Offer Supplement for the offer of 266,666,600 Series 2 Preferred Shares with an Oversubscription Option of up to 133,333,400 Series 2 Preferred Shares (the “Offer Shares”) constituting the second tranche of the Company’s 866,666,700 Series 2 Preferred Shares Shelf Registration, to be issued in three (3) subseries, namely Subseries 2-S, 2-T and 2-U. Application for listing covering the Offer Shares was likewise submitted with the Philippine Stock Exchange.

	The Preliminary Offer Supplement for the Offer Shares can be viewed at https://www.sanmiguel.eom.ph/disclosures/preliminary-offer-supplement-and-updaed-registration .																													
August 26	Disclosure of the Company relating to the purchase by San Miguel Global Power Holdings Corp. of 1,034,624 common shares of Manila Electric Company from the Land Bank of the Philippines.																													
August 29	San Miguel Corporation (the “Corporation”) requests the Exchange for the suspension of trading of Two Hundred Twenty-Three Million Three Hundred Thirty-Three Thousand Five Hundred (223,333,500) Subseries “2-F” Preferred Shares, commencing September 9, 2025, which is the ex-date. The request made herein will provide the Corporation the opportunity to process the payment of the proceeds of redemption due to the stockholders of record of such shares. Should the Exchange have any questions or require additional information relating to the aforementioned request, kindly inform the following persons, namely: Atty. Virgilio S. Jacinto (02) 8632-3144 Atty. Mary Rose S. Tan (02) 8632-2818 Mr. Enrique Ll. Yusingco (02) 8632-3450 vjacinto@sanmiguel.com.ph mrtan@sanmiguel.com.ph eyusingco@sanmiguel.com.ph																													
September 01	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>01 September 2025</td><td>Additional investment</td><td>Additional investment in the Manila International Airport Project</td><td>Php471,118,135.28</td></tr><tr><td colspan="3">TOTAL DISBURSEMENT IN THIS REPORT</td><td>Php471,118,135.28</td></tr><tr><td colspan="3">TOTAL DISBURSEMENTS TO DATE</td><td>16,913,895,764.92</td></tr><tr><td colspan="3">BALANCE OF NET PROCEEDS</td><td>Php2,815,805,429.41</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 Offering⁷</td><td>Php 270,298,804.67*</td></tr><tr><td>Net Proceeds⁸</td><td>Php19,729,701,195.33</td></tr></table>				Date of Disbursement	Use of Proceeds	Details	Amount in Php	01 September 2025	Additional investment	Additional investment in the Manila International Airport Project	Php471,118,135.28	TOTAL DISBURSEMENT IN THIS REPORT			Php471,118,135.28	TOTAL DISBURSEMENTS TO DATE			16,913,895,764.92	BALANCE OF NET PROCEEDS			Php2,815,805,429.41	Gross Proceeds	Php 20,000,000,000.00	Expenses related to the Offering ⁷	Php 270,298,804.67*	Net Proceeds ⁸	Php19,729,701,195.33
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September 02	Disclosure of the Company on the Notice of Redemption of Series 2 Preferred Shares Subseries 2-F.																													
September 05	We advise that, on 05 September 2025, the Securities and Exchange Commission (SEC) issued a Certificate of Filing of Enabling Resolutions covering the public offer and sale by the Company of up to Thirty Billion Pesos (Php30,000,000,000.00) worth of Series 2 Preferred Shares to be issued from the 866,666,700 Series 2 Preferred Shares shelf registration of the Company under SEC MSRD Order No. 62, Series of 2023.																													
September 08	Update on the disclosure by the Corporation on the Offer to Exchange Series 2-J and Series 2-K Preferred Shares.																													

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; (v) listing application, listing and maintenance fees with the PDEx; (vi) additional miscellaneous fees; (vii) registry fees with PDTC; *(viii) additional fees to the PDTC; and legal counsel's fees.

⁸ To be adjusted as and when expenses related to the Offering are disbursed.

September 08	We advise that San Miguel Corporation (the “Company”) shall conduct a consent solicitation (the “Consent Solicitation”) to secure from its holders of the following outstanding Philippine Peso bonds as of 5:00 p.m. on 1 September 2025 (the “Record Date”, and the holders as of Record Date, the “Record Bondholders”): (i) the 5.7613% Series C Bonds due 2027; (ii) the 7.1250% Series G Bonds due 2028; (iii) the 7.4650% Series I Bonds due 2027, (iv) the 5.2704% Series J Bonds due 2027, and 5.8434% Series K Bonds due 2029; (v) the 7.4458% Series L Bonds due 2028, 7.8467% Series M Bonds due 2029, and 8.4890% Series N Bonds due 2032; and (vi) the 7.2584% Series O Bonds due 2031, and 7.7197% Series P Bonds due 2034 (collectively, the “Fixed Rate Bonds”), 1. the consent to the waiver request (“Waiver Request”) and the proposed amendments (“Proposed Amendments”) to certain terms and conditions in the respective trust agreements. The Waiver Request seeks to obtain the consent of the Record Bondholders to waive the application of the negative covenant set forth under the respective trust agreements between the Company and the trustee, in respect of the grant by San Miguel Holdings Corp., a Material Subsidiary of the Company, of security interest over certain shares it owns in New NAIA Infra Corp. (“NNIC”) pursuant to the project financing activity undertaken by NNIC. The Proposed Amendments seek to amend, under the respective trust agreements: (i) the definition of “<i>Material Subsidiary</i>”, to increase the relevant thresholds from 25% to 30%; and (ii) the definition of “<i>Permitted Liens</i>”, to include additional carve outs in relation to liens relating to project financing. The consent of the Record Bondholders to the Waiver Request and the Proposed Amendments is being secured considering that the Company and its Material Subsidiaries are continually in growth mode and actively involved in greenfield and/or large-scale developments. As such, they may, and continue to, participate in these developments through joint venture arrangements or project companies, including minority ownership therein. The Consent Solicitation is necessary in order to align the terms of the Fixed Rate Bonds with standard project finance structure, enabling the Company and/or its Material Subsidiaries to support the development of their assets, while the debt is non-recourse to them. The Fixed Rate Bonds are listed and traded on the Philippine Dealing & Exchange Corp. (the “PDEX”) and the results of the Consent Solicitation will be announced on the PDEX. Only holders of the Fixed Rate Bonds on Record Date may participate in the Consent Solicitation. The period for the Consent Solicitation shall be from 12:00 noon (Philippine Standard Time) of 8 September 2025 until 12:00 noon (Philippine Standard Time) of 8 October 2025. The Company may extend, amend, terminate and/or withdraw the Consent Solicitation at its sole discretion, subject to applicable laws, in which case, the Company shall make further disclosures to the PDEX to announce any such change or action. Other relevant terms and conditions of the Consent Solicitation, including copies of the Consent Solicitation Statement and the Consent Form, will be made available to all Record Bondholders and posted on the Company’s website at http://www.sanmiguel.com.ph. For further information on the Consent Solicitation, holders of the Fixed Rate Bonds may coordinate with their respective PDEX trading participants.
September 10	Disclosure of the Company relating to the Tender Offer to Exchange Series 2-J and Series 2-K Preferred Shares.
September 11	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the “ Corporation ”) held today, September 11, 2025, the Board of Directors of the Corporation declared cash dividends on the common shares of stock of the Corporation in the amount of P0.35 per common share.

	The dividend payment date is on October 24, 2025, to be paid out of the unrestricted retained earnings of the Corporation distributable as dividends as of August 31, 2025. Payment shall be made to the stockholders of record of the aforementioned common shares, as of October 3, 2025. The books of the Corporation will be closed from October 6, 2025 to October 10, 2025.																				
September 11	San Miguel Corporation (the "Corporation") held today, September 11, 2025, the Board of Directors of the Corporation approved the delisting of the following Series "2" Preferred Shares. <table><tr><th>Subseries</th><th>No. of shares</th><th>Redemption Date</th></tr><tr><td>2-A</td><td>565,445,086</td><td>September 21, 2017</td></tr><tr><td>2-B</td><td>90,428,200</td><td>September 21, 2019</td></tr><tr><td>2-C</td><td>255,559,400</td><td>September 21, 2022</td></tr><tr><td>2-D</td><td>89,333,400</td><td>September 21, 2020</td></tr></table> The Series "2" Preferred Shares referred above are no longer outstanding after their redemption by the Corporation which resulted in the suspension by the Exchange of the trading of such Series "2" Preferred Shares. Upon redemption, the said shares reverted to the Corporation's treasury shares and, subsequently, have been re-issued by the Corporation as different subseries of Series "2" Preferred Shares, under a separate applications for listing. With such re-issuance and listing, the delisting of the Subseries 2-A, 2-B, 2-C and 2-D Preferred Shares is appropriate. The Corporation will submit the appropriate request for the delisting of the aforementioned said Series "2" Preferred Shares with the Exchange and shall make the appropriate disclosures upon the approval of such application.	Subseries	No. of shares	Redemption Date	2-A	565,445,086	September 21, 2017	2-B	90,428,200	September 21, 2019	2-C	255,559,400	September 21, 2022	2-D	89,333,400	September 21, 2020					
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September 16	Further to our disclosure on September 10, 2025 relating to the above-captioned matter and in order to address frequently asked questions about the Exchange Offer, please refer to the following link https://www.sanmiguel.com.ph/storage/files/reports/SMC%20-%20Exchange%202025%20Frequently%20Asked%20Questions%20FAQ%20[for%20website].pdf																				
September 22	Further to the Notice of Redemption of the Series 2 Preferred Shares Subseries 2-F of San Miguel Corporation (the "Corporation") dated September 2, 2025, submitted to the Exchange, we advise and confirm that the Corporation paid the proceeds for the redemption of the Series 2 Preferred Shares Subseries 2-F (SMC2F shares) due to the stockholders of record thereof commencing today, September 22, 2025. As of close of business hours, 218, 592,214 SMC2F shares have been redeemed representing approximately 97.9% of the SMC2F shares and the amount of P16,394,416,050.00, as redemption proceeds have been paid.																				
September 24	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>24 September 2025</td><td>Additional investment</td><td>Additional investment in the Manila International Airport Project</td><td>Php262,704,667.57</td></tr><tr><td colspan="3">TOTAL DISBURSEMENT IN THIS REPORT</td><td>Php262,704,667.57</td></tr><tr><td colspan="3">TOTAL DISBURSEMENTS TO DATE</td><td>17,176,600,433.49</td></tr><tr><td colspan="3">BALANCE OF NET PROCEEDS</td><td>Php2,553,100,761.84</td></tr></table> The net proceeds of the Offering are computed as follows:	Date of Disbursement	Use of Proceeds	Details	Amount in Php	24 September 2025	Additional investment	Additional investment in the Manila International Airport Project	Php262,704,667.57	TOTAL DISBURSEMENT IN THIS REPORT			Php262,704,667.57	TOTAL DISBURSEMENTS TO DATE			17,176,600,433.49	BALANCE OF NET PROCEEDS			Php2,553,100,761.84
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September 30	In relation to the approved by the Commission of the Corporation's Amended Articles of Incorporation (AOI) on July 17, 2025, the Corporation updated the PDE Disclosure Form 4-20 – Reclassification of Shares via PSE Edge Portal.																										
October 01	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>30 September 2025</td><td>Additional investment</td><td>Additional investment in the Manila International Airport Project</td><td>Php1,556,304,017.68</td></tr><tr><td colspan="3">TOTAL DISBURSEMENT IN THIS REPORT</td><td>Php1,556,304,017.68</td></tr><tr><td colspan="3">TOTAL DISBURSEMENTS TO DATE</td><td>18,732,904,451.17</td></tr><tr><td colspan="3">BALANCE OF NET PROCEEDS</td><td>Php996,796,744.16</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 Offering¹¹</td><td><u>Php 270,298,804.67*</u></td></tr><tr><td>Net Proceeds¹²</td><td>Php19,729,701,195.33</td></tr></table>	Date of Disbursement	Use of Proceeds	Details	Amount in Php	30 September 2025	Additional investment	Additional investment in the Manila International Airport Project	Php1,556,304,017.68	TOTAL DISBURSEMENT IN THIS REPORT			Php1,556,304,017.68	TOTAL DISBURSEMENTS TO DATE			18,732,904,451.17	BALANCE OF NET PROCEEDS			Php996,796,744.16	Gross Proceeds	Php 20,000,000,000.00	Expenses related to the Offering ¹¹	<u>Php 270,298,804.67*</u>	Net Proceeds ¹²	Php19,729,701,195.33
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Gross Proceeds	Php 20,000,000,000.00																										
Expenses related to the Offering ¹¹	<u>Php 270,298,804.67*</u>																										
Net Proceeds ¹²	Php19,729,701,195.33																										
October 06	Disclosure of the Corporation relating to the Imposition of a Penalty on the Corporation by the Securities and Exchange Commission.																										
October 06	Amended disclosure of the Corporation relating to the Imposition of a Penalty on the Corporation by the Securities and Exchange Commission.																										

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; (v) listing application, listing and maintenance fees with the PDEx; (vi) additional miscellaneous fees; (vii) registry fees with PDTC; *(viii) additional fees to the PDTC; and legal counsel's fees.

¹⁰ To be adjusted as and when expenses related to the Offering are disbursed.

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; (vi) additional miscellaneous fees; (vii) registry fees with PDTC; *(viii) additional fees to the PDTC; and legal counsel's fees.

¹² To be adjusted as and when expenses related to the Offering are disbursed.

October 07	Disclosure of the Corporation relating to the news articles to the news article entitled “ <i>News Article – San Miguel’s NAIA revamp delivers P52B to gov’t, big upgrades for flyers</i> ” posted in the Manila Bulletin on October 04, 2025.									
October 08	Further to our disclosure dated 8 September 2025, San Miguel Corporation (the “Company”) announces the extension of the Consent Solicitation Period for the fixed rate bonds specified below, namely— (i) the 5.7613% Series C Bonds due 2027; (ii) the 7.1250% Series G Bonds due 2028; (iii) the 7.4650% Series I Bonds due 2027; (iv) the 5.2704% Series J Bonds due 2027 and 5.8434% Series K Bonds due 2029; (v) the 7.4458% Series L Bonds due 2028, 7.8467% Series M Bonds due 2029, and 8.4890% Series N Bonds due 2032; and (vi) the 7.2584% Series O Bonds due 2031 and 7.7197% Series P Bonds due 2034; (collectively, the “Fixed Rate Bonds”. Terms used but not otherwise defined in this disclosure shall have the same definition as set out in the relevant Consent Solicitation Statement dated 8 September 2025). The Expiration Date for the consent solicitation for the aforementioned Fixed Rate Bonds is extended to 22 October 2025, 12:00 noon (Philippine time), to give the Record Bondholders additional time to review the salient terms and conditions of the Consent Solicitation Statement and to compile the necessary documents therefor. Record Bondholders who have previously delivered consents do not need to redeliver such consents nor take any other action in response to this announcement. Except for the extended Expiration Date above, the terms and conditions of the consent solicitation remain the same as set forth in the relevant Consent Solicitation Statement. The Company may, in its sole discretion and subject to applicable laws, further extend or amend the consent solicitation, as described in the relevant Consent Solicitation Statement. Further disclosures, as appropriate, shall be made by the Company to announce any such action.									
October 10	Update on the disclosure by the Corporation on the Offer to Exchange Series 2-J and Series 2-K Preferred Shares.									
October 10	Disclosure of the Corporation relating to the request of the Corporation of reconsideration of imposition of a penalty and payment of a penalty under protest.									
October 10	Disclosure of the Corporation on the Notice of Redemption of Series 2 Preferred Shares Subseries 2-J.									
October 10	San Miguel Corporation (the “Corporation”) requests the Exchange for the suspension of trading of Two Hundred Sixty-Six Million Six Hundred Sixty-Six Thousand Six Hundred Sixty Seven (266,666,667) Subseries “2-J” Preferred Shares. In order to Company the opportunity to process the payment of the proceeds from the redemption of the SMC2J to the stockholders of record, the Company requests that the trading of SMC2J Shares be suspended beginning October 20, 2025, which is the record date. The redemption date is October 29, 2025. Please contact the following should you have any questions or require additional information relating to the request for trading suspension: <table><tr><td>Atty. Virgilio S. Jacinto</td><td>(02) 8632-3144</td><td>vjacinto@sanmiguel.com.ph</td></tr><tr><td>Atty. Mary Rose S. Tan</td><td>(02) 8632-2818</td><td>mrtan@sanmiguel.com.ph</td></tr><tr><td>Mr. Enrique Ll. Yusingco</td><td>(02) 8632-3450</td><td>eyusingco@sanmiguel.com.ph</td></tr></table>	Atty. Virgilio S. Jacinto	(02) 8632-3144	vjacinto@sanmiguel.com.ph	Atty. Mary Rose S. Tan	(02) 8632-2818	mrtan@sanmiguel.com.ph	Mr. Enrique Ll. Yusingco	(02) 8632-3450	eyusingco@sanmiguel.com.ph
Atty. Virgilio S. Jacinto	(02) 8632-3144	vjacinto@sanmiguel.com.ph								
Atty. Mary Rose S. Tan	(02) 8632-2818	mrtan@sanmiguel.com.ph								
Mr. Enrique Ll. Yusingco	(02) 8632-3450	eyusingco@sanmiguel.com.ph								

October 10	The Company is submitting to the Exchange a copy of the Permit to Sell Securities dated 10 October 2025 issued by the Securities and Exchange Commission for the public offer and sale of Series “2” Preferred Shares consisting of a base offer of 266,666,600 Series “2” Preferred Shares with an oversubscription option of up to 133,333,400 Series “2” Preferred Shares, to be issued in Subseries “2-S”, “2-T” and “2-U” (the “Offer Shares”). The Offer Shares comprise the second tranche of the Company’s shelf registration of up to 866,666,700 Series “2” Preferred Shares previously approved and the shelf registration rendered effective by the Securities and Exchange Commission under MSRD Order No. 62, Series of 2023. The Final Offer Supplement can be viewed at https://www.sanmiguel.com.ph/storage/files/reports/Final Offer Supplement SMC Offer of up to 400 million S2 Preferred Shares.pdf
October 14	Further to our disclosures dated 8 September 2025 and 8 October 2025, respectively, we advise that San Miguel Corporation (the “Company”) has obtained, based on the records of the Trustee, the required consents from bondholders of record as of 1 September 2025 (the “Record Bondholders”) which constitute more than 50% of the outstanding principal of the 5.7613% Series C Bonds due 2027. The Company hereby announces that the Consent Solicitation Period for the 5.7613% Series C Bonds is terminated as of 14 October 2025, 8:00 a.m. (the “Termination Date”). Accordingly, following such Termination Date, the Joint Solicitation Agents, Original Selling Agents, Depository Participants and Trustee, shall no longer accept any submission of Consent Forms by the Record Bondholders for the 5.7613% Series C Bonds. Any Consent Forms submitted by the Record Bondholders for the 5.7613% Series C Bonds and duly received by the Trustee before the Termination Date, will still be processed and verified accordingly, for purposes of determining the Consenting Bondholders entitled to the Consent Fee. If any of the Consent Forms are determined by the Registrar to be defective or incomplete, the Joint Solicitation Agents, Original Selling Agents, Depository Participants and Trustee shall no longer accept any resubmission in view of the termination of the Consent Solicitation Period for the 5.7613% Series C Bonds. This disclosure is considered integral to the Consent Solicitation Statement for the 5.7613% Series C Bonds and forms part thereof. The Consent Solicitation Statement shall be construed accordingly and in the event of any inconsistency between the terms set out herein and any of the terms and conditions set out in the Consent Solicitation Statement for the 5.7613% Series C Bonds, the terms of this disclosure shall prevail. The Company shall make further disclosures, as appropriate, regarding the execution of the Supplemental Trust Agreement and the Consent Payment Date for the 5.7613% Series C Bonds.
October 14	Further to our disclosures dated 8 September 2025 and 8 October 2025, respectively, we advise that San Miguel Corporation (the “Company”) has obtained, based on the records of the Trustee, the required consents from bondholders of record as of 1 September 2025 (the “Record Bondholders”) which constitute more than 50% of the aggregate outstanding principal of the 5.2704% Series J Bonds due 2027 and 5.8434% Series K Bonds due 2029. The Company hereby announces that the Consent Solicitation Period for the 5.2704% Series J Bonds and 5.8434% Series K Bonds is terminated as of 14 October 2025, 8:00 a.m. (the “Termination Date”). Accordingly, following such Termination Date, the Joint Solicitation Agents, Original Selling Agents, Depository Participants and Trustee, shall no longer accept any submission of Consent Forms by the Record Bondholders for the 5.2704% Series J Bonds and 5.8434% Series K Bonds. Any Consent Forms submitted by the Record Bondholders for the 5.2704% Series J Bonds and 5.8434% Series K Bonds and duly received by the Trustee before the Termination Date, will still be processed and verified accordingly, for purposes of determining the Consenting Bondholders entitled to the Consent Fee. If any of the Consent Forms are determined by the Registrar to be defective or incomplete, the Joint Solicitation Agents, Original Selling Agents, Depository Participants and Trustee shall no longer accept any resubmission in view of the termination of the Consent Solicitation Period for the aforementioned Bonds. This disclosure is considered integral to the Consent Solicitation Statement for the 5.2704% Series J Bonds and 5.8434% Series K Bonds and forms part thereof. The Consent Solicitation Statement shall be construed accordingly and in the event of any inconsistency between the terms set out herein and any of the terms and

	conditions set out in the Consent Solicitation Statement for the 5.2704% Series J Bonds and 5.8434% Series K Bonds, the terms of this disclosure shall prevail. The Company shall make further disclosures, as appropriate, regarding the execution of the Supplemental Trust Agreement and the Consent Payment Date for the 5.2704% Series J Bonds and 5.8434% Series K Bonds.
October 16	Further to our disclosures dated 8 September 2025 and 8 October 2025, respectively, we advise that San Miguel Corporation (the “Company”) has obtained, based on the records of the Trustee, the required consents from bondholders of record as of 1 September 2025 (the “Record Bondholders”) which constitute more than 50% of the aggregate outstanding principal of the 7.2584% Series O Bonds due 2031 and 7.7197% Series P Bonds due 2034. The Company hereby announces that the Consent Solicitation Period for the 7.2584% Series O Bonds and 7.7197% Series P Bonds is terminated as of 16 October 2025, 6:00 p.m. (the “Termination Date”). Accordingly, following such Termination Date, the Joint Solicitation Agents, Original Selling Agents, Depository Participants and Trustee, shall no longer accept any submission of Consent Forms by the Record Bondholders for the 7.2584% Series O Bonds and 7.7197% Series P Bonds. Any Consent Forms submitted by the Record Bondholders for the 7.2584% Series O Bonds and 7.7197% Series P Bonds and duly received by the Trustee before the Termination Date, will still be processed and verified accordingly, for purposes of determining the Consenting Bondholders entitled to the Consent Fee. If any of the Consent Forms are determined by the Registrar to be defective or incomplete, the Joint Solicitation Agents, Original Selling Agents, Depository Participants and Trustee shall no longer accept any resubmission in view of the termination of the Consent Solicitation Period for the aforementioned Bonds. This disclosure is considered integral to the Consent Solicitation Statement for the 7.2584% Series O Bonds and 7.7197% Series P Bonds and forms part thereof. The Consent Solicitation Statement shall be construed accordingly and in the event of any inconsistency between the terms set out herein and any of the terms and conditions set out in the Consent Solicitation Statement for the 7.2584% Series O Bonds and 7.7197% Series P Bonds, the terms of this disclosure shall prevail. The Company shall make further disclosures, as appropriate, regarding the execution of the Supplemental Trust Agreement and the Consent Payment Date for the 7.2584% Series O Bonds and 7.7197% Series P Bonds.
October 17	Further to our disclosures dated 8 September 2025 and 8 October 2025, respectively, we advise that San Miguel Corporation (the “Company”) has obtained, based on the records of the Trustee, the required consents from bondholders of record as of 1 September 2025 (the “Record Bondholders”) which constitute more than 50% of the aggregate outstanding principal of the 7.4458% Series L Bonds due 2028, 7.8467% Series M Bonds due 2029, and 8.4890% Series N Bonds due 2032 (together, the “Series L, M, and N Bonds”). The Company hereby announces that the Consent Solicitation Period for the Series L, M, and N Bonds is terminated as of 17 October 2025, 8 a.m. (the “Termination Date”). Accordingly, following such Termination Date, the Joint Solicitation Agents, Original Selling Agents, Depository Participants and Trustee, shall no longer accept any submission of Consent Forms by the Record Bondholders for the Series L, M, and N Bonds. Any Consent Forms submitted by the Record Bondholders for the Series L, M, and N Bonds and duly received by the Trustee before the Termination Date, will still be processed and verified accordingly, for purposes of determining the Consenting Bondholders entitled to the Consent Fee. If any of the Consent Forms are determined by the Registrar to be defective or incomplete, the Joint Solicitation Agents, Original Selling Agents, Depository Participants and Trustee shall no longer accept any resubmission in view of the termination of the Consent Solicitation Period for the Series L, M, and N Bonds. This disclosure is considered integral to the Consent Solicitation Statement for the Series L, M, and N Bonds and forms part thereof. The Consent Solicitation Statement shall be construed accordingly and in the event

	of any inconsistency between the terms set out herein and any of the terms and conditions set out in the Consent Solicitation Statement for the Series L, M, and N Bonds, the terms of this disclosure shall prevail. The Company shall make further disclosures, as appropriate, regarding the execution of the Supplemental Trust Agreement and the Consent Payment Date for the Series L, M, and N Bonds.				
October 17	Please see attached disclosure of the Corporation relating to the Addendum to the Offer Supplement for the Offer of 266,666,600 Series 2 Preferred Shares with an Oversubscription Option of up to 133,333,400 Series 2 Preferred Shares (the “Public Offering”).				
October 17	Further to our disclosures on 8 September 2025, 8 October 2025, and 14 October 2025, we advise that San Miguel Corporation (the “Company”) has obtained, based on the Trustee Certification issued by RCBC Trust Corporation dated 17 October 2025, the required consents in relation to its Consent Solicitation for its Fixed Rate Bonds during the consent solicitation period as follows— <table><tr><td>5.7613% Series C Bonds due 2027</td><td>52.12%</td></tr><tr><td>5.2704% Series J Bonds due 2027 5.8434% Series K Bonds due 2029</td><td>52.53%</td></tr></table> The Company shall make further disclosures, as appropriate, regarding the execution of the relevant Supplemental Trust Agreements and payment of the Consent Fees for the aforementioned Fixed Rate Bonds.	5.7613% Series C Bonds due 2027	52.12%	5.2704% Series J Bonds due 2027 5.8434% Series K Bonds due 2029	52.53%
5.7613% Series C Bonds due 2027	52.12%				
5.2704% Series J Bonds due 2027 5.8434% Series K Bonds due 2029	52.53%				
October 17	Amended disclosure of the Corporation relating to the Addendum to the Offer Supplement for the Offer of 266,666,600 Series 2 Preferred Shares with an Oversubscription Option of up to 133,333,400 Series 2 Preferred Shares (the “Public Offering”).				
October 20	Further to our disclosures on 17 October 2025 and 16 October 2025, respectively, we advise that San Miguel Corporation (the “Company”) has obtained, based on the Trustee Certification issued by RCBC Trust Corporation dated 20 October 2025, the required consents in relation to its Consent Solicitation for its Fixed Rate Bonds during the consent solicitation period as follows— <table><tr><td>7.4458% Series L Bonds due 2028, 7.8467% Series M Bonds due 2029, and 8.4890% Series N Bonds due 2032</td><td>74.35%</td></tr><tr><td>7.2584% Series O Bonds due 2031 and 7.7197% Series P Bonds due 2034</td><td>53.84%</td></tr></table> The Company shall make further disclosures, as appropriate, regarding the execution of the relevant Supplemental Trust Agreements and payment of the Consent Fees for the aforementioned Fixed Rate Bonds.	7.4458% Series L Bonds due 2028, 7.8467% Series M Bonds due 2029, and 8.4890% Series N Bonds due 2032	74.35%	7.2584% Series O Bonds due 2031 and 7.7197% Series P Bonds due 2034	53.84%
7.4458% Series L Bonds due 2028, 7.8467% Series M Bonds due 2029, and 8.4890% Series N Bonds due 2032	74.35%				
7.2584% Series O Bonds due 2031 and 7.7197% Series P Bonds due 2034	53.84%				
October 21	Further to our disclosure on 17 October 2025, San Miguel Corporation (the “Company”) reports that in relation to its Consent Solicitation for its Fixed Rate Bonds, the Company has executed the Supplemental Trust Agreements and paid the Consent Fees as of today, 21 October 2025, for the following Fixed Rate Bonds— <table><tr><td>5.7613% Series C Bonds due 2027</td></tr><tr><td>5.2704% Series J Bonds due 2027 5.8434% Series K Bonds due 2029</td></tr></table>	5.7613% Series C Bonds due 2027	5.2704% Series J Bonds due 2027 5.8434% Series K Bonds due 2029		
5.7613% Series C Bonds due 2027					
5.2704% Series J Bonds due 2027 5.8434% Series K Bonds due 2029					
October 21	Disclosure of the Corporation relating to the update on the reconsideration of the imposition of a penalty and payment of a penalty under protest submitted by the Corporation on October 10, 2025				

October 22	Further to our disclosures dated 8 September 2025 and 8 October 2025, respectively, we advise that San Miguel Corporation (the “Company”) has obtained, based on the records of the Trustee, the required consents from bondholders of record as of 1 September 2025 (the “Record Bondholders”) which constitute more than 50% of the outstanding principal of the 7.1250% Series G Bonds due 2028. The Company hereby announces that the Consent Solicitation Period for the 7.1250% Series G Bonds is terminated as of <u>22 October 2025, 8:00 a.m.</u> (the “Termination Date”). Accordingly, following such Termination Date, the Joint Solicitation Agents, Original Selling Agents, Depository Participants and Trustee, shall no longer accept any submission of Consent Forms by the Record Bondholders for the 7.1250% Series G Bonds. Any Consent Forms submitted by the Record Bondholders for the 7.1250% Series G Bonds and duly received by the Trustee before the Termination Date, will still be processed and verified accordingly, for purposes of determining the Consenting Bondholders entitled to the Consent Fee. If any of the Consent Forms are determined by the Registrar to be defective or incomplete, the Joint Solicitation Agents, Original Selling Agents, Depository Participants and Trustee shall no longer accept any resubmission in view of the termination of the Consent Solicitation Period for the 7.1250% Series G Bonds. This disclosure is considered integral to the Consent Solicitation Statement for the 7.1250% Series G Bonds and forms part thereof. The Consent Solicitation Statement shall be construed accordingly and in the event of any inconsistency between the terms set out herein and any of the terms and conditions set out in the Consent Solicitation Statement for the 7.1250% Series G Bonds, the terms of this disclosure shall prevail. The Company shall make further disclosures, as appropriate, regarding the execution of the Supplemental Trust Agreement and the Consent Payment Date for the 7.1250% Series G Bonds.
October 22	Further to our disclosures dated 8 September 2025 and 8 October 2025, respectively, we advise that San Miguel Corporation (the “Company”) has obtained, based on the records of the Trustee, the required consents from bondholders of record as of 1 September 2025 (the “Record Bondholders”) which constitute more than 50% of the outstanding principal of the 7.4650% Series I Bonds due 2027. The Company hereby announces that the Consent Solicitation Period for the 7.4650% Series I Bonds is terminated as of <u>22 October 2025, 8:00 a.m.</u> (the “Termination Date”). Accordingly, following such Termination Date, the Joint Solicitation Agents, Original Selling Agents, Depository Participants and Trustee, shall no longer accept any submission of Consent Forms by the Record Bondholders for the 7.4650% Series I Bonds. Any Consent Forms submitted by the Record Bondholders for the 7.4650% Series I Bonds and duly received by the Trustee before the Termination Date, will still be processed and verified accordingly, for purposes of determining the Consenting Bondholders entitled to the Consent Fee. If any of the Consent Forms are determined by the Registrar to be defective or incomplete, the Joint Solicitation Agents, Original Selling Agents, Depository Participants and Trustee shall no longer accept any resubmission in view of the termination of the Consent Solicitation Period for the 7.4650% Series I Bonds. This disclosure is considered integral to the Consent Solicitation Statement for the 7.4650% Series I Bonds and forms part thereof. The Consent Solicitation Statement shall be construed accordingly and in the event of any inconsistency between the terms set out herein and any of the terms and conditions set out in the Consent Solicitation Statement for the 7.4650% Series I Bonds, the terms of this disclosure shall prevail. The Company shall make further disclosures, as appropriate, regarding the execution of the Supplemental Trust Agreement and the Consent Payment Date for the 7.4650% Series I Bonds.
October 22	Further to our disclosure on 20 October 2025, San Miguel Corporation (the “Company”) reports that in relation to its Consent Solicitation for its Fixed Rate Bonds, the Company has executed the Supplemental Trust Agreements and paid the Consent Fees as of today, 22 October 2025, for the following Fixed Rate Bonds—

	<table><tr><td>5.7613% Series C Bonds due 2027</td></tr><tr><td>5.2704% Series J Bonds due 2027</td></tr><tr><td>5.8434% Series K Bonds due 2029</td></tr></table>	5.7613% Series C Bonds due 2027	5.2704% Series J Bonds due 2027	5.8434% Series K Bonds due 2029																																					
5.7613% Series C Bonds due 2027																																									
5.2704% Series J Bonds due 2027																																									
5.8434% Series K Bonds due 2029																																									
October 23	We advise that, on 22 October 2025, the Securities and Exchange Commission (SEC) issued a Certificate of Filing of Enabling Resolutions covering the issuance by the Company of up to 450,571,567 Series “2” Preferred Shares to be re-issued in three subseries, namely Subseries 2-P, 2-Q and 2-R.																																								
October 23	Further to our disclosure on 22 October 2025, we advise that San Miguel Corporation (the “Corporation”) has obtained, based on the Trustee Certification issued by RCBC Trust Corporation dated 23 October 2025, the required consents in relation to its Consent Solicitation for its Fixed Rate Bonds during the consent solicitation period as follows— <table><tr><td>7.1250% Series G Bonds due 2028</td><td>50.54%</td></tr><tr><td>7.4650% Series I Bonds due 2027</td><td>51.63%</td></tr></table> The Company shall make further disclosures, as appropriate, regarding the execution of the relevant Supplemental Trust Agreements and payment of the Consent Fees for the aforementioned Fixed Rate Bonds.	7.1250% Series G Bonds due 2028	50.54%	7.4650% Series I Bonds due 2027	51.63%																																				
7.1250% Series G Bonds due 2028	50.54%																																								
7.4650% Series I Bonds due 2027	51.63%																																								
October 23	Further to the disclosure by the Company on October 10, 2025, we are submitting to the Exchange a copy of the Final Tender Offer Report (SEC Form 19-1) filed today with the Securities and Exchange Commission, setting forth therein the results of the voluntary tender offer by the Company to exchange 266,666,667 Series 2-J Preferred Shares and 183,904,900 Series 2-K Preferred Shares for up to 450,571,567 Series “2” Preferred Shares to be re-issued in three subseries, namely Subseries 2-P, 2-Q and 2-R (the “Offer Shares”).																																								
October 27	A. The following are the disbursements of the Company from the net proceeds of the offering of the Series 2 Preferred Shares – subseries “S”, “T” and “U” (the “Offering”). <table><tr><th>Date of Disbursement</th><th>Use of Proceeds</th><th>Details /Name of Payee Bank</th><th>Amount in Php</th></tr><tr><td rowspan="8">24 October 2025</td><td rowspan="8">Repayment of Peso-Denominated Short-Term Loans used to redeem 223,333,500 Series 2-F Preferred Shares</td><td>BDO Unibank, Inc.</td><td>Php4,250,000,000.00</td></tr><tr><td>BDO Unibank, Inc.</td><td>3,200,000,000.00</td></tr><tr><td>BDO Unibank, Inc.</td><td>2,300,000,000.00</td></tr><tr><td>BDO Unibank, Inc.</td><td>2,800,000,000.00</td></tr><tr><td>BDO Unibank, Inc.</td><td>1,500,000,000.00</td></tr><tr><td>BDO Unibank, Inc.</td><td>1,500,000,000.00</td></tr><tr><td>BDO Unibank, Inc.</td><td>920,000,000.00</td></tr><tr><td>Land Bank of the Philippines</td><td>280,000,000.00</td></tr><tr><td colspan="3">TOTAL DISBURSEMENT IN THIS REPORT</td><td>Php16,750,000,000.00</td></tr><tr><td colspan="3">TOTAL DISBURSEMENTS TO DATE</td><td>16,750,000,000.00</td></tr><tr><td colspan="3">BALANCE OF NET PROCEEDS</td><td>Php13,226,107,947.61</td></tr></table> The net proceeds of the Offering are computed as follows: <table><tr><td>Gross Proceeds</td><td>Php 30,000,000,000.00</td></tr><tr><td>Expenses related to the Offering¹³</td><td>Php 23,892,052.39</td></tr><tr><td>Net Proceeds¹⁴</td><td>Php29,976,107,947.61</td></tr></table>	Date of Disbursement	Use of Proceeds	Details /Name of Payee Bank	Amount in Php	24 October 2025	Repayment of Peso-Denominated Short-Term Loans used to redeem 223,333,500 Series 2-F Preferred Shares	BDO Unibank, Inc.	Php4,250,000,000.00	BDO Unibank, Inc.	3,200,000,000.00	BDO Unibank, Inc.	2,300,000,000.00	BDO Unibank, Inc.	2,800,000,000.00	BDO Unibank, Inc.	1,500,000,000.00	BDO Unibank, Inc.	1,500,000,000.00	BDO Unibank, Inc.	920,000,000.00	Land Bank of the Philippines	280,000,000.00	TOTAL DISBURSEMENT IN THIS REPORT			Php16,750,000,000.00	TOTAL DISBURSEMENTS TO DATE			16,750,000,000.00	BALANCE OF NET PROCEEDS			Php13,226,107,947.61	Gross Proceeds	Php 30,000,000,000.00	Expenses related to the Offering ¹³	Php 23,892,052.39	Net Proceeds ¹⁴	Php29,976,107,947.61
Date of Disbursement	Use of Proceeds	Details /Name of Payee Bank	Amount in Php																																						
24 October 2025	Repayment of Peso-Denominated Short-Term Loans used to redeem 223,333,500 Series 2-F Preferred Shares	BDO Unibank, Inc.	Php4,250,000,000.00																																						
		BDO Unibank, Inc.	3,200,000,000.00																																						
		BDO Unibank, Inc.	2,300,000,000.00																																						
		BDO Unibank, Inc.	2,800,000,000.00																																						
		BDO Unibank, Inc.	1,500,000,000.00																																						
		BDO Unibank, Inc.	1,500,000,000.00																																						
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		Land Bank of the Philippines	280,000,000.00																																						
TOTAL DISBURSEMENT IN THIS REPORT			Php16,750,000,000.00																																						
TOTAL DISBURSEMENTS TO DATE			16,750,000,000.00																																						
BALANCE OF NET PROCEEDS			Php13,226,107,947.61																																						
Gross Proceeds	Php 30,000,000,000.00																																								
Expenses related to the Offering ¹³	Php 23,892,052.39																																								
Net Proceeds ¹⁴	Php29,976,107,947.61																																								

¹³ Expenses of the Offering include: (i) payment of filing fees with the SEC; (ii) payment of listing and other fees with the Philippine Stock Exchange, Inc.; and (iii) other various expenses relating to the Offering.

¹⁴ To be adjusted as and when expenses related to the Offering are disbursed.

	Further to our disclosure on 23 October 2025, San Miguel Corporation (the “Company”) reports that in relation to its Consent Solicitation for its Fixed Rate Bonds, the Company has executed the relevant Supplemental Trust Agreements and paid the Consent Fees as of today, 27 October 2025, for the following Fixed Rate Bonds— <table><tr><td>7.1250% Series G Bonds due 2028</td></tr><tr><td>7.4650% Series I Bonds due 2027</td></tr></table>	7.1250% Series G Bonds due 2028	7.4650% Series I Bonds due 2027																								
7.1250% Series G Bonds due 2028																											
7.4650% Series I Bonds due 2027																											
October 29	Disclosure of the San Miguel Corporation on the Redemption of the Series “2” Preferred Shares Subseries 2-J (SMC2J).																										
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November 12	Disclosure of the Company on the Suspension of Trading of Series "2" Preferred Shares - Subseries K (SMC2K Shares).																										
November 13	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, November 13, 2025, the Board of Directors of the Corporation approved the issuance of peso-denominated fixed-rate notes ("Notes") in the amount of up to Php10.0 Billion. The Notes shall be enrolled at the Philippine Dealing Exchange and are exempt from registration with the Securities and Exchange Commission since they will be sold only to qualified institutional buyers. The proceeds for the issue will be used to: (i) refinance and redenominate US Dollar obligations of the Corporation, (ii) general corporate purposes, and (iii) pay fees and expenses arising from the issuance. The Notes will be issued within December 2025 in scripless form, in minimum denominations of P5,000,000.00 each, and in integral multiples of P1,000,000.00 thereafter, with a tenor of 3 years.																										

¹⁵ Expenses of the Offering include: (i) payment of filing fees with the SEC; (ii) payment of listing and other fees with the Philippine Stock Exchange, Inc.; and (iii) other various additional expenses relating to the Offering.

¹⁶ To be adjusted as and when expenses related to the Offering are disbursed.

November 13	Disclosure of the Company on the Notice of Redemption of Series "2" Preferred Shares Subseries 2-K (as amended).																												
November 13	We advise that, at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, November 13, 2025, the Board of Directors of the Corporation declared cash dividends to be paid out of the unrestricted retained earnings of the Corporation as of September 30, 2025, distributable as dividends to all stockholders of record as of December 19, 2025 on the following shares of the Corporation to be paid on January 2, 2026, 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 "I"</td><td>₱1.18790625</td></tr> <tr> <td>Series "2" Preferred Shares - Subseries "K" (for holders that will be redeemed on December 10, 2025)</td><td>₱0.740625</td></tr> <tr> <td>Series "2" Preferred Shares - Subseries "K" (for holders that participated in the Exchange Offer)</td><td>₱0.309375</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> <tr> <td>Series "2" Preferred Shares - Subseries "P"</td><td>₱0.82709375</td></tr> <tr> <td>Series "2" Preferred Shares - Subseries "Q"</td><td>₱0.86165</td></tr> <tr> <td>Series "2" Preferred Shares - Subseries "R"</td><td>₱0.8949</td></tr> <tr> <td>Series "2" Preferred Shares - Subseries "S"</td><td>₱0.82709375</td></tr> <tr> <td>Series "2" Preferred Shares - Subseries "T"</td><td>₱0.86165</td></tr> <tr> <td>Series "2" Preferred Shares - Subseries "U"</td><td>₱0.8949</td></tr> </tbody> </table>	<u>Class of Shares</u>	<u>Dividend Amount per share</u>	Series "2" Preferred Shares - Subseries "I"	₱1.18790625	Series "2" Preferred Shares - Subseries "K" (for holders that will be redeemed on December 10, 2025)	₱0.740625	Series "2" Preferred Shares - Subseries "K" (for holders that participated in the Exchange Offer)	₱0.309375	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	Series "2" Preferred Shares - Subseries "P"	₱0.82709375	Series "2" Preferred Shares - Subseries "Q"	₱0.86165	Series "2" Preferred Shares - Subseries "R"	₱0.8949	Series "2" Preferred Shares - Subseries "S"	₱0.82709375	Series "2" Preferred Shares - Subseries "T"	₱0.86165	Series "2" Preferred Shares - Subseries "U"	₱0.8949
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November 19	Disclosure on the press statement of the Corporation entitled "SMC nine-month core income rises 54% to P60.3B".																												
November 26	Disclosure of the Corporation relating to the news article entitled: "SMGP eyes #300-m bond issuance, exchange offer," posted in Manila Standard (Online Edition) on November 25, 2025.																												
December 01	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 2025, 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 4.84. 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 4.80. For this category, there were 6 questions based on the Charter.																												

December 03	Disclosure of the Corporation relating to the news article entitled: “SMC power unit scraps \$300-m securities offer” posted in Manila Standard (Online Edition) on December 3, 2025.																													
December 04	We advise that at the Regular Meeting of the Board of Directors of San Miguel Corporation (the "Corporation") held today, December 4, 2025, 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 23, 2026, to be paid out of the unrestricted retained earnings of the Corporation distributable as dividends as of October 31, 2025. Payment shall be made to the stockholders of record of the aforementioned common shares as of January 2, 2026. The books of the Corporation will be closed from January 5 to 9, 2026.																													
December 09	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>09 December 2025</td><td>Additional Investment</td><td>Additional investment in the Manila International Airport Project</td><td>Php296,479,450.06</td></tr><tr><td colspan="3">TOTAL DISBURSEMENT IN THIS REPORT</td><td>Php296,479,450.06</td></tr><tr><td colspan="3">TOTAL DISBURSEMENTS TO DATE</td><td>19,729,701,195.33</td></tr><tr><td colspan="3">BALANCE OF NET PROCEEDS</td><td>Php0.00</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>Php 270,298,804.67*</td></tr><tr><td>Net Proceeds¹⁸</td><td>Php19,729,701,195.33</td></tr></table>				Date of Disbursement	Use of Proceeds	Details	Amount in Php	09 December 2025	Additional Investment	Additional investment in the Manila International Airport Project	Php296,479,450.06	TOTAL DISBURSEMENT IN THIS REPORT			Php296,479,450.06	TOTAL DISBURSEMENTS TO DATE			19,729,701,195.33	BALANCE OF NET PROCEEDS			Php0.00	Gross Proceeds	Php 20,000,000,000.00	Expenses related to the Offering ¹⁷	Php 270,298,804.67*	Net Proceeds ¹⁸	Php19,729,701,195.33
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December 10	Further to our disclosure of August 7, 2025, and the Notice of Redemption of the Series “2” Preferred Shares Subseries 2-K (SMC2K) dated November 12, 2025, please be advised that as of December 10, 2025, all of the remaining outstanding SMC2K Preferred Shares have been fully redeemed.																													
December 10	A. The following are the disbursements of the Company from the net proceeds of the offering of the Series 2 Preferred Shares – subseries “S”, “T” and “U” (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>10 December 2025</td><td>Partial Redemption of Series 2-K Preferred Shares</td><td>Redemption of 106,191,400 Series 2-K Preferred Shares at a redemption price of Php75 per share</td><td>Php6,017,770,457.94</td></tr><tr><td colspan="3">TOTAL DISBURSEMENT IN THIS REPORT</td><td>Php6,017,770,457.94</td></tr><tr><td colspan="3">TOTAL DISBURSEMENTS TO DATE</td><td>29,735,731,482.94</td></tr><tr><td colspan="3">BALANCE OF NET PROCEEDS</td><td>Php0.00</td></tr></table> The net proceeds of the Offering are computed as follows:				Date of Disbursement	Use of Proceeds	Details	Amount in Php	10 December 2025	Partial Redemption of Series 2-K Preferred Shares	Redemption of 106,191,400 Series 2-K Preferred Shares at a redemption price of Php75 per share	Php6,017,770,457.94	TOTAL DISBURSEMENT IN THIS REPORT			Php6,017,770,457.94	TOTAL DISBURSEMENTS TO DATE			29,735,731,482.94	BALANCE OF NET PROCEEDS			Php0.00						
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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; (vii) registry fee with PDTC; *(viii) additional fees to the PDTC; and legal counsel’s fees.

¹⁸ To be adjusted as and when expenses related to the Offering are disbursed.

	<table border="1"> <tr> <td>Gross Proceeds</td><td>Php 30,000,000,000.00</td></tr> <tr> <td>Expenses related to the Offering¹⁹</td><td>Php 264,268,517.06</td></tr> <tr> <td>Net Proceeds</td><td>Php29,735,731,482.94</td></tr> </table>	Gross Proceeds	Php 30,000,000,000.00	Expenses related to the Offering ¹⁹	Php 264,268,517.06	Net Proceeds	Php29,735,731,482.94
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Expenses related to the Offering ¹⁹	Php 264,268,517.06						
Net Proceeds	Php29,735,731,482.94						
December 22	Disclosure on the Company relating to the Southeast Metro Manila Expressway -Skyway Stage 4 Project updates.						
December 23	Further to our disclosure on November 13, 2025, we advise that the Company issued on December 23, 2025, its Php5,700,000,000.00, 3-Year Peso-Denominated, SEC Registration-Exempt, Fixed-Rate Corporate Notes (the “3-Year Fixed-Rate Notes”). The 3-Year Fixed-Rate Notes were offered and issued solely to qualified buyers under Section 10.1(I) of the Securities Regulation Code (SRC) and Rules 10.1.4 and 10.1.5 of the SRC Implementing Rules and Regulations, as amended by SEC Memorandum Circular No. 6, Series of 2021 and SEC Memorandum Circular No. 11, Series of 2025. The 3-Year Fixed-Rate Notes will have a fixed interest rate equivalent to 6.3000% per annum, and have been enrolled with the Philippine Dealing & Exchange Corp. on the issue date, December 23, 2025.						
December 23	Disclosure of the Company relating to the SMC Skyway Stage 4 Corporation.						

¹⁹ Expenses of the Offering include: (i) payment of filing fees with the SEC; (ii) payment of listing and other fees with the Philippine Stock Exchange, Inc.; (iii) payment of documentary stamp taxes to the BIR; (iv) payment of underwriting fees and issue management fees; and (vi) other various additional expenses relating to the Offering.

ANNEX “I”

**SAN MIGUEL CORPORATION
Sustainability Report for 2025**

San Miguel Corporation

2025 Sustainability Report

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About the Theme

For 135 years, San Miguel Corporation has grown alongside the nation, guided by a commitment to build with purpose and for the long term. This milestone is both a reflection of what has been achieved and a reaffirmation of what lies ahead.

Our legacy is built on strong foundations, trust, discipline, and partnerships that have endured across generations. As we move forward, we continue to strengthen these foundations by investing in people, systems, and communities, while embedding sustainability into how we operate to support lasting progress.

To be built for centuries is to look beyond immediate gains and focus on what will endure. By doing so, we ensure that our growth remains meaningful, our impact sustained, and our role in nation-building continues to evolve with the times.

1 About the Report

GRI 2-2 | GRI 2-3

At San Miguel Corporation (“SMC”, “San Miguel”, the “Company”, or the “Group”), sustainability is carried forward as a long-standing responsibility that shapes how we operate and evolve over time. As SMC marks 135 years, this responsibility continues to guide the way we grow, adapt, and steward our impact as an organization.

The 2025 Sustainability Report brings this commitment into sharper focus, highlighting how the systems, values, and practices that have shaped SMC across generations continue to evolve, strengthening the Company’s ability to remain resilient in a changing environment.

Guided by our commitment to transparency and accountability, the report presents our performance across key sustainability areas, outlining progress made, challenges that remain, and actions being taken to strengthen our approach in line with evolving expectations and global standards.

We invite readers to explore the 2025 Sustainability Report alongside our 2025 Annual Report to understand how San Miguel continues to build, adapt, and rise, guided by the same enduring sense of responsibility that has carried the Company through 135 years.

1.1 Scope and Coverage

GRI 2-2 | GRI 2-3

This Sustainability Report presents the consolidated Environmental, Social, and Governance (ESG) performance of SMC and its key business groups in the Philippines for the period covering January 1 to December 31, 2025. The scope covers subsidiaries where SMC holds operational control, ensuring that the information reflects the systems, practices, and performance of the businesses that shape the Group over the long term.

The report covers SMC’s major business groups, including:

- Food and Beverage
- Packaging
- Fuel and Oil
- Energy
- Infrastructure
- Cement
- Others, as further described in the “Our Businesses” section of this report

To support consistency, comparability, and transparency, this report presents ESG data over a three-year period (2025, 2024, and 2023), providing context on trends and progress over time. A detailed list of covered subsidiaries and entities is provided in the Appendices.

1.2 Reporting Frameworks and Standards

GRI 2-4 | GRI 3-1

SMC follows globally recognized reporting frameworks to ensure sustainability disclosures that are increasingly robust, transparent, and comparable over time. For the 2025 Sustainability Report, SMC continues to comply with established reporting requirements while strengthening alignment with emerging global sustainability disclosure standards.

Philippine Securities and Exchange Commission (SEC) Guidelines

This report is prepared in compliance with the SEC Memorandum Circular No. 4, Series of 2019, and provides disclosures on SMC’s material ESG impacts, risks, and management approaches, consistent with regulatory expectations.

Global Reporting Initiative (GRI) Standards

SMC continues to report with reference to the GRI Standards to ensure comprehensive and stakeholder-focused sustainability disclosures. A detailed GRI content index is included in the Appendices of this report.

Sustainability Accounting Standards Board (SASB) Standards

In 2025, SMC strengthened its sustainability reporting approach by using SASB-based materiality to better reflect sustainability topics that are most relevant to enterprise value, risk, and long-term performance. This step supports early alignment with the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2), which focus on how sustainability-related risks and opportunities may affect a company’s financial position, performance, and future prospects.

While IFRS S1 and S2 are still being adopted globally, SMC’s use of SASB materiality allows the Company to prepare in advance by sharpening topic prioritization, improving consistency across disclosures, and strengthening links between sustainability, strategy, and risk management. This approach complements, rather than replaces, SMC’s continued reporting under the GRI Standards.

While SASB materiality informed topic prioritization for the report, SMC’s disclosures remain aligned with the requirements of the GRI Standards.

Greenhouse Gas (GHG) Protocol

SMC’s greenhouse gas emissions reporting follows the GHG Protocol Corporate Accounting and Reporting Standard, using the operational control approach to consolidate emissions across business units. The Group continues to progressively measure Scope 3 emissions in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, to better understand value chain impacts and inform long-term climate transition planning.

Reporting Principles

To ensure the quality and integrity of disclosures, this report adheres to the following principles:

- Accuracy – Ensuring that qualitative and quantitative information is reliable and verifiable
- Balance – Presenting a fair view of performance, including achievements and ongoing challenges
- Clarity – Communicating information in a clear and accessible manner
- Comparability – Enabling meaningful year-on-year performance assessment
- Completeness – Covering relevant ESG topics, activities, and impacts within the defined scope

Certain ESG data have been restated to reflect refinements in data collection and validation processes. All material restatements are disclosed in the relevant data tables.

1.3 Note on Forward-Looking Statements

GRI 2-3

This report contains forward-looking statements relating to SMC's sustainability objectives, strategies, initiatives, targets, and expected performance. These statements are based on current assumptions, expectations, and market conditions at the time of reporting and involve known and unknown risks, uncertainties, and other factors that may cause actual outcomes to differ materially from those expressed or implied.

Several factors may influence SMC's operations, sustainability priorities, and ability to achieve stated objectives, including but not limited to:

- Changes in local, regional, and global economic conditions affecting demand, investment capacity, and business continuity
- Volatility in the pricing, availability, and supply of raw materials, fuel, energy, and other critical inputs
- Evolving government regulations, climate-related policies, environmental standards, and disclosure requirements
- Physical and transition climate-related risks, including extreme weather events, resource constraints, and technology readiness
- Broader geopolitical, social, and macroeconomic developments, including global conflicts, trade disruptions, and supply chain instability
- Advancements in technology and infrastructure that may affect the feasibility, timing, or cost of sustainability initiatives

Forward-looking statements in this report are not guarantees of future performance and should not be relied upon as definitive commitments. Any forward-looking statements will not be updated or revised due to new information, future events, or otherwise, except as required by applicable laws or regulations.

Notwithstanding these uncertainties, SMC remains committed to proactive risk management, continuous improvement, and disciplined decision-making. The Company's sustainability approach emphasizes resilience, adaptability, and long-term value creation, supporting shared outcomes for its stakeholders over time.

1.4 Contact Information

GRI 2-3

San Miguel Corporation welcomes feedback, questions, and insights regarding this Sustainability Report and the Group's sustainability initiatives. Stakeholder perspectives are an important part of our continuing efforts to strengthen transparency, accountability, and long-term performance.

Please direct comments or inquiries to:

Corporate Sustainability Office
San Miguel Corporation
40 San Miguel Avenue, Mandaluyong City
1550 Metro Manila, Philippines
Attention: Rita Imelda B. Palabyab
Telephone: (632) 8 632 3974
Email: cso@sanmiguel.com.ph

Additional information on SMC's sustainability approach and performance may be found on our sustainability microsite at: <https://www.sanmiguel.com.ph/sustainability/>

2 Joint Message from the Chairman & CEO and the President & COO

GRI 2-22 | GRI 203-1 | GRI 203-2

In a world increasingly shaped by climate change, economic uncertainty, and global disruption, there has never been a more important time for businesses to strive to do better. At San Miguel, our purpose—to enrich and uplift lives and help build a stronger, more resilient Philippines—guides everything we do. It reflects our belief that being built to last means investing for decades, not cycles, strengthening systems, and governing with discipline. This belief anchors our sustainability agenda and lends clarity to our long-term vision of inclusive, responsible, and durable growth.

Our four sustainability pillars—net zero, circularity across our processes, a fully sustainable and ethical supply chain, and the upliftment of our communities—reflect both the scale of our responsibilities and the ambition of our response. These pillars are supported by clear targets across our priority areas, recognizing that the challenges we face demand action, innovation, and sustained commitment.

Over the past three years, since we outlined our sustainability roadmap, we have made meaningful progress. In collaboration with external experts, we developed a structured, data-driven approach to climate risk. This allows us to identify SMC facilities with the greatest exposure to climate hazards and to integrate these risks into our planning and investment decisions.

At the same time, we are strengthening how we maximize the use of resources across our businesses. Through improved water management and expanded reuse and recycling initiatives, we are rethinking how we consume—and conserve—the resources we depend on most.

We launched our Water for All campaign to reduce water use across our operations by 50% by 2025. While we did not meet this ambitious target, the effort sharpened our understanding of what works and where challenges remain. We have renewed our commitment to responsible water stewardship and set a new goal to reduce our water use by 2030. Alongside this, we are advancing circularity through increased use of renewable materials—reducing waste and emissions, improving operational efficiency, and strengthening our resilience to climate change.

Our responsibility extends beyond our own operations. We work closely with our suppliers and business partners to uphold ethical practices, protect the environment, and operate transparently, while strengthening local sourcing and, where possible, supporting small and medium enterprises. By raising standards across our supply chain, we encourage capability and continuity, creating lasting value and supporting more resilient communities nationwide.

Beyond reducing our environmental footprint through renewable energy, water stewardship, river rehabilitation, and ecosystem protection—including our biodiversity project in Bulacan—we invest in programs that address everyday needs. Through food security initiatives, urban farming, livelihood support, and community engagement under our Better World initiatives, we work to build resilience not just in our businesses, but in the communities and environments that sustain them.

Upliftment is at the heart of our sustainability agenda. As one of the country's largest employers, this begins within our own organization—by investing in our people, upgrading skills, and providing stable, meaningful jobs. When our employees grow, our businesses grow with them, strengthening the foundation for long-term success.

We also work closely with communities, especially those that have long been left behind. In places like Tondo, where some of the poorest and most vulnerable Filipinos live, we are present and engaged through our Better World centers—creating opportunities and helping families build more secure futures.

Our aim is simple: to ensure that progress reaches the ground, that opportunities are shared, and that growth translates into real improvements in people's daily lives—especially where they are needed most.

We are proud of what we have achieved alongside our employees, business partners, and communities, whose shared commitment continues to bring our plans to life. Across the organization, sustainability

now guides how our more than 50,000 employees make decisions, invest, and interact every day—strengthening the systems and capabilities that will carry San Miguel forward over the long term.

The challenges facing our country and the world are complex and evolving. San Miguel is committed to doing its part—setting higher standards, taking responsibility for our impacts, and contributing to solutions that support a more sustainable future for all.

3 About San Miguel Corporation

3.1 Company Overview

GRI 2-1 | GRI 2-6 | GRI 203-1 | GRI 203-2

San Miguel Corporation: Serving the Philippines Across Generations

Beginnings: Built with Purpose

Founded in 1890, San Miguel Corporation began as a single brewery enterprise. From its early years, the Company was guided by enduring principles that shaped the development of integrated operations, ownership, and direct participation in market-leading businesses across multiple sectors. From its earliest years, the Company emphasized enterprise, discipline, service, and *malasakit*—building products and industries that supported local livelihoods, strengthened domestic supply chains, and contributed to national development. This foundational intent to create long-term value while serving broader societal needs continues to inform SMC’s approach to business and sustainability.

Evolution: Growing with the Nation

As the Philippine economy evolved, so did San Miguel Corporation. The Company’s expansion across sectors reflected evolving national needs, spanning food and beverage, packaging, fuel and oil, power generation, large-scale infrastructure, cement, property development and leasing, automotive distribution, and banking services. These operations are supported by more than 100 production facilities across the Philippines and the Asia Pacific region as of December 31, 2025.

Diversification became a source of resilience, allowing the Corporation to navigate economic cycles while continuing to invest in long-term assets critical to nation-building. Each phase of growth reflected an alignment of enterprise capability with the country’s development priorities.

The Enterprise Today: Designed to Endure

Today, San Miguel Corporation is one of the Philippines’ largest and most diversified conglomerates and has been listed on the Philippine Stock Exchange since 1948. Its scale and integration are supported by disciplined capital allocation, operational rigor, and long-term planning. As of December 31, 2025, SMC employs over 59,000 employees (covered in the scope of this report) and reported total assets of PHP2,726,160 million, with a market capitalization of PHP 195,480 million as of the same date. Many of the Company’s core businesses, particularly in energy, cement, and infrastructure, require assets designed to operate over multiple decades and serve successive generations.

Sustainability and Nation-Building

Sustainability is increasingly embedded within SMC’s strategy and operating model, rather than positioned as a separate initiative. At the core of this strategy is the belief that the Company’s growth is inextricably linked with the nation’s growth. SMC adopts a long-term view when tackling social and environmental issues, focusing on capacitating disadvantaged sectors through programs on nutrition, health, and education. Furthermore, the Company protects vital resources through scarce water use reduction, river rehabilitation, large-scale reforestation, and the development of biodiversity offset areas.

Endurance in a Changing Landscape

As the Philippines navigates the climate transition, rising energy demand, and the need for inclusive growth, the relevance of long-term planning and asset durability becomes more pronounced. The Company’s portfolio across power, cement, infrastructure, and other essential industries places it in a position to support energy security, climate resilience, and broad-based economic participation across regions.

By designing assets and operations for longevity, adaptability, and responsible resource use, SMC manages transition and physical climate risks while contributing to a more reliable, resilient, and inclusive Philippine economy, benefiting communities today and over the long term.

SMC’s Major Business Portfolio:

COMPANY	BUSINESS SEGMENT
 SAN MIGUEL FOOD AND BEVERAGE, INC.  SAN MIGUEL BREWERY INC.  GINEBRA SAN MIGUEL SINCE 1824  SAN MIGUEL FOODS	Food and Beverage: • 88.76%: San Miguel Food and Beverage Inc. – 51.16%: San Miguel Brewery Inc. – 75.78%: Ginebra San Miguel Inc. – Food Division Operating Entities: ▪ 99.99% San Miguel Foods, Inc. ▪ 60% The Purefoods-Hormel Company, Inc. ▪ 100% Magnolia Inc. ▪ 100% San Miguel Mills, Inc. ▪ 70% San Miguel Super Coffeemix Co., Inc.
 SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Packaging: • 65%: San Miguel Yamamura Packaging Corporation • 65%: San Miguel Yamamura Packaging International Limited and Subsidiaries • 100%: Mindanao Corrugated Fibreboard, Inc.
 PETRON	Fuel & Oil: • 71.82%: Petron Corporation
 San Miguel Global Power	Energy: • 100%: San Miguel Global Power Holdings Corp.
 SMC INFRASTRUCTURE	Infrastructure: • 100%: San Miguel Holdings Corp.
 NORTHERN CEMENT CORPORATION  EAGLE CEMENT  SOUTHERN	Cement: • 100%: Northern Cement Corporation • 100%: Southern Concrete Industries, Inc. • 99.96%: Eagle Cement Corporation
 SAN MIGUEL PROPERTIES	Property: • 99.98%: San Miguel Properties, Inc.
SMC Asia Car Distributors Corp. A member company of San Miguel Corporation	Cars and Motorcycle Distributorship: • 65%: SMC Asia Car Distributors Corp. – 100%: RSA Motors Corporation – 100%: Visayas Motor Works, Inc.
 SMC Shipping and Lighterage Corporation A Subsidiary of San Miguel Corporation  SAN MIGUEL LOGISTICS	Logistics: • 70%: SMC Shipping and Lighterage Corporation • 100%: San Miguel Integrated Logistics Services, Inc.
 SMITS INC.	Information Technology: • 100%: SMITS, Inc
 Bank of Commerce An Affiliated Bank of San Miguel Corporation	Banking: • 36.81%: Bank of Commerce

3.2 Our 2025 Awards and Recognitions

GRI 2-22

In 2025, San Miguel Corporation’s sustainability story unfolded not just as a set of internal goals, but as a series of external recognitions that affirmed the Company’s evolving role as a driven, ESG-aligned conglomerate on both regional and global stages. This year’s milestones tell a story of integrated environmental stewardship, operational innovation, and deepening social impact, from the parent company and across its subsidiaries.

Award Category	Award Giving Body	Name of Award	Recipient of Award
 Governance and Overall Sustainability Leadership	The Asset Corporate Sustainability Leadership Awards 2025	Best Initiative - Social Responsibility	San Miguel Corporation
	Global Good Governance 3G Awards	Excellence in Sustainability Reporting Award 2025	San Miguel Corporation
	Global Good Governance 3G Awards	Championship Award for CSR 2025	San Miguel Corporation
	ASEAN Corporate Governance Scorecard’s (AGCS) Golden Arrow Awards 2025	2 Golden Arrow Awardee	San Miguel Corporation
	ASEAN Corporate Governance Scorecard’s (AGCS) Golden Arrow Awards 2025	3 Golden Arrow Awardees	San Miguel Food and Beverage, Inc. Petron Corporation
	Global Economics	Best ESG Practices for Sustainable Developments – Utility and Energy - Philippines	San Miguel Global Power Holdings Corp.
	Global Economics	Outstanding Diversified Power Generation Company - Philippines	San Miguel Global Power Holdings Corp.
	TIME	2025 Top 500 Asia-Pacific Companies	Petron Corporation
	TIME	Time Asia-Pacific’s Best Companies of 2025	Ginebra San Miguel Inc.
 Environmental Excellence	Asian Water Awards 2025	Outstanding Water Resources Contribution of the Year - Philippines	Malita Power, Inc.
	Metropolitan Waterworks and Sewerage Systems (MWSS)	Champion of Trees: <i>Kampeon ng Tubig Kanlungan and Kampeon ng Kalikasan</i>	Luzon Clean Water Development Corporation (LCWDC)
	Pollution Control Association of the Philippines (Region 4A)	"Success Story Award for project: “SYFMC’s Sewage Treatment Plant: A Step Towards Water Sustainability”	SMC Fuso Yamamura Molds Corporation (SYFMC)
	Pollution Control Association of the Philippines, Inc.	PCAPI Best Success Story Award	Mindanao Corrugated Fibreboard, Inc. (MCFI)
	4th ASEAN Mineral Awards	Best Practices in Non-Metallic Mineral Mining	Eagle Cement Corporation
	4th ASEAN Mineral Awards	Best Practices in Non-Metallic Mineral Processing	Northern Cement Corporation

	Asian Water Awards 2025	Water Conservation Initiative of the Year - Philippines	Northern Cement Corporation
	Department of Environment and Natural Resources	2025 Presidential Mineral Industry Environment Award	Eagle Cement Corporation
	Department of Environment and Natural Resources	2025 Presidential Mineral Industry Environmental Award (Quarry Operations)	Northern Cement Corporation
	Department of Environment and Natural Resources	Safest Mines Awards (Runner-up)	Eagle Cement Corporation
	DENR Mines and Geosciences Bureau	2025 Mining Forest Program (2nd Runner Up, Non-Metallic)	Northern Cement Corporation
	DENR Environmental Management Bureau - Region 1	2025 Outstanding Environmental Partner	Northern Cement Corporation
	DENR Mines and Geosciences Bureau - Region 1	2025 Best Performing Mining Contractor	Northern Cement Corporation
 Sustainability Leadership in Energy	Asian Power Awards 2025	Circular Economy Leadership of the Year - Philippines	Masinloc Power Co. Ltd.
		Environmental Upgrade of the Year - Philippines	
		Operational Efficiency Initiative of the Year - Philippines	
	Enlit Asia	1 st Runner-up Energy Storage Category	San Miguel Global Power Holdings Corp.
 Workplace Excellence	Asian Power Awards 2025	Employee Engagement Initiative of the Year - Gold	San Miguel Global Power Holdings Corp.
	World HRD Congress	Asia's Best Employer and Happy Employer Brands Award	San Miguel Global Power Holdings Corp.
	ESG Business Awards 2025	Initiative Award for Employee Engagement - Philippines	San Miguel Global Power Holdings Corp.
	NEXT Awards 2025	Most Innovative Sustainability Campaign	San Miguel Global Power Holdings Corp.
 Social Impact and Community Development	ESG Business Awards 2025	Education Equality and Access Award - Philippines	San Miguel Global Power Holdings Corp.
	Toll Regulatory Board	Tollway Industries 9th Advocacy Caravan for Gender Equality and Women Empowerment	Skyway O&M Corporation (SOMCO)
	Literacy Partner Award	<i>Iskolar</i> Reading Center Inc. (Silang, Cavite)	San Miguel Yamamura Glass Plant (SMYGP)
	Department of Economy, Planning and Development	2025 Outstanding Volunteer Regional Awardee	Northern Cement Corporation

 Sustainable Finance	The Asset Triple A Sustainable Finance Awards	Best Liability Management - Philippines	San Miguel Global Power Holdings Corp.
	FinanceAsia Achievement Awards 2025	Best Bond Deal in the Philippines - P32 Billion Retail Bond Sale	Petron Corporation
	International Financing Review Asia Awards 2025	Best Capital Markets Deal in the Philippines - P32 Billion Retail Bond Sale	Petron Corporation

4 Our Approach to Sustainability

4.1 Our Materiality Process

GRI 3-1, GRI 3-2 | SASB: Risk Management; Business Ethics & Compliance

As SMC marks 135 years of building businesses that endure, our approach to materiality continues to evolve alongside our strategy, risk profile, and stakeholder expectations.

In 2025, we enhanced our materiality framework to strengthen alignment with investor-focused sustainability standards, while maintaining the enterprise-wide perspective that reflects the breadth and diversity of our portfolio.

Historically, our materiality assessment was guided primarily by the Global Reporting Initiative (GRI), emphasizing stakeholder impact across environmental, social, and governance dimensions. In 2025, we complemented this approach by integrating the Sustainability Accounting Standards Board (SASB) standards, which focus on sustainability topics that are reasonably likely to affect financial performance, enterprise value, and long-term resilience.

This evolution reflects both external developments, including growing adoption of SASB and IFRS Sustainability Disclosure Standards, and internal priorities to ensure that our sustainability disclosures remain decision-useful, comparable, and aligned with how the Group manages risk and opportunity.

A. Our Materiality Framework

Our materiality process is designed to identify, assess, and validate sustainability topics that are most relevant to SMC's long-term value creation. The process balances enterprise-wide consistency with industry-specific materiality considerations across our diversified businesses.

To strengthen the relevance and decision-usefulness of our sustainability disclosures, we have enhanced our materiality framework by incorporating the Sustainability Accounting Standards Board (SASB) standards.

SASB standards are designed to identify sustainability topics that are reasonably likely to affect a company's financial performance, position, or long-term value creation.

By using SASB as a complementary lens to our existing enterprise materiality framework, we aim to:

- Improve alignment between sustainability disclosures and enterprise risk management,
- Enhance comparability for investors and other capital providers, and
- Ensure that reported topics reflect both stakeholder relevance and financial significance.

This approach allows us to sharpen disclosures where industry-specific risks and opportunities are most pronounced. It also supports our readiness for the adoption of the IFRS Sustainability Disclosure Standards, which build on SASB's industry-based materiality principles.

B. Our Materiality Process Steps and Procedure



Step 1. Review of Business Context and External Standards

We began by reviewing SMC’s business model, strategic priorities, and risk landscape across our major business sectors. This assessment was based on:

- Changes in regulatory and reporting expectations,
- Emerging sustainability risks and opportunities relevant to asset-intensive and consumer-facing industries and
- Global best practices in sustainability reporting.

As part of this review, we referenced the SASB Materiality Finder to identify sustainability topics considered financially material for industries relevant to SMC’s portfolio. This provided a structured, industry-informed baseline for topic identification.

Step 2. Mapping of Existing Enterprise Topics to SASB Standards

We mapped our existing enterprise material topics against SASB disclosure topics to determine:

- Topics that are already fully covered under our current material framework,
- Topics that are partially covered but require clearer articulation, metrics, or framing and
- Topics that are not yet explicitly addressed at the enterprise level.

This mapping exercise allowed us to preserve continuity with prior years while identifying areas where enhanced disclosure would strengthen alignment with SASB expectations.

Step 3. Internal Review and Management Alignment

The results of the SASB mapping were reviewed internally to support management understanding of how SASB-aligned topics relate to SMC’s existing enterprise material framework. This review focused on:

- Considering the relevance of identified SASB topics in the context of SMC’s operations and portfolio,
- Identifying areas where enhanced disclosure may be appropriate and
- Ensuring consistency with how sustainability-related risks and opportunities are currently monitored and managed at the enterprise level.

This step was intended to inform management perspective and reporting alignment, rather than to establish new group-wide commitments or detailed business-level topic prioritization.

Step 4. Validation and Integration into Reporting

The refined list of material topics was presented to management for validation and incorporated into the structure of the 2025 Sustainability Report. These topics include:

- The organization and focus of our disclosures,
- The framing of sustainability-related risks and opportunities and
- Areas for potential enhancement in future reporting.

While 2025 represents an enhancement rather than a full reassessment of materiality, we continue to monitor changes in our operating environment, regulatory expectations, and stakeholder priorities to ensure that our disclosures remain relevant, proportionate, and forward-looking.

C. Our Material Topics

Based on the enhanced materiality process described above, SMC identified a set of environmental, social, and governance topics aligned with SASB standards and relevant to our enterprise value creation. These topics reflect sustainability matters that are most likely to influence our operational performance, risk profile, and long-term resilience.

Our material topics are organized into three pillars. Environmental topics reflect how SMC manages natural capital, mitigates environmental risks, and supports the transition to a low-carbon and resource-efficient economy. Social topics reflect SMC’s responsibility to employees, customers, communities, and other stakeholders across its value chain. Governance topics reflect how SMC ensures ethical conduct, robust risk management, and responsible decision-making across the Group. Our enhanced materiality framework reflects SMC’s commitment to building businesses that are resilient, responsible, and built to last. As sustainability standards continue to evolve, we will continue refining our materiality approach to ensure alignment with global best practices, regulatory developments, and stakeholder expectations.

SMC Material Topics	Equivalent SASB Topics	Industry Relevance	Pillar	SDGs Supported	UNGC Principles
1. Greenhouse Gas (GHG) Emissions	- GHG Emissions - Energy Resource Planning	- Power - Fuel & Oil - Cement - Packaging - Food - Beverage		7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 13 CLIMATE ACTION	7, 8, 9
2. Energy Access & Affordability	- Energy Affordability - End-Use Efficiency & Demand	- Power		7 AFFORDABLE AND CLEAN ENERGY	7
3. Energy Management	- Energy Management - Energy & Fleet Fuel Management - Environmental Footprint of Fuel Use	- Power - Cement - Fuel & Oil - Packaging - Food - Beverage		6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	7, 8
4. Water Management	- Water Management - Water Withdrawal Management	- Food - Beverage - Packaging - Power - Cement - Fuel & Oil - Infrastructure - Properties		6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	7, 8

5. Materials Management	- Materials Sourcing - Product Lifecycle Management	- Packaging - Food - Beverage - Cement			7, 8
6. Waste Management	- Waste Management - Packaging Lifecycle Management	- All BUs			7, 8
7. Biodiversity Impacts	- Biodiversity Impacts - Land Use & Ecological Impacts	- Infrastructure - Cement - Power - Food			7, 8
8. Environmental Impacts of Project Development	- Environmental Impacts of Project Development	- Infrastructure - Cement - Power			7, 8
9. Human Rights & Labor Practices	- Fair Labor Practices - Labor Relations	- All BUs			1, 2, 3, 4, 5, 6
10. Employee Health & Safety	- Workforce Health & Safety - Accident & Safety Management - Health, Safety & Emergency Management	- All BUs			1
11. Diversity, Equity, & Inclusion	- Workforce Diversity & Inclusion	- All BUs			1, 6
12. Employee Engagement, Training, & Development	- Workforce Development	- All BUs			1, 6
13. Customer Welfare & Responsibility	- Food Safety - Product Safety - Product Labeling & Marketing - Responsible Drinking & Marketing - Health & Nutrition	- Food - Beverage - Packaging - Cement - Fuel & Oil			1, 8
14. Animal Care & Welfare	- Animal Welfare	- Food			7, 8
15. Antibiotic Use in Animal Production	- Antibiotic Stewardship	- Food			7, 8

16. Management of Tenant Sustainability Impacts	- Resource Efficiency - Tenant Sustainability Impacts	- Properties			7, 8
17. Community Engagement	- Community Relations - Social Impacts of Infrastructure Projects	- All BUs			1, 2
18. Sustainable Supply Chain	- Supply Chain Management - Environmental & Social Impacts of Ingredient Supply Chains - Materials Sourcing	- All BUs			1–6
19. Business Ethics & Compliance	- Business Ethics - Pricing Integrity - Regulatory Compliance - Intellectual Property Protection	- All BUs			10
20. Digital Transformation	- Managing Systemic Risks from Technology Disruptions - Environmental Footprint of Hardware Infrastructure	- IT			9, 10
21. Data Privacy & Security	- Data Security - Data Privacy	- IT			10
22. Risk Management	- Critical Incident Risk Management	- All BUs			7, 10
23. Structural Integrity & Safety	- Structural Integrity & Infrastructure Safety	- Infrastructure - Power			1, 7

D. How GRI, SASB, and IFRS Coexist in This Report

SMC applies a multi-framework approach to sustainability reporting to reflect the diverse needs of our stakeholders and the evolving global reporting landscape. GRI continues to guide our assessment of stakeholder impacts and informs the breadth of topics covered in this Sustainability Report. SASB standards are used to sharpen the identification of sustainability topics that are most relevant to enterprise value and financial performance, based on industry-specific materiality. Together, these frameworks provide a balanced view of impact and value creation. This integrated approach also

supports our readiness for the IFRS Sustainability Disclosure Standards (IFRS S1 and S2). By aligning these frameworks, we aim to provide sustainability information that is consistent, comparable, and relevant, while remaining grounded in how our businesses operate and create long-term value.

4.2 Our ESG Data Collection Process

GRI 2-5

We worked closely with Environmental, Social, and Governance data providers and consolidators, together with sustainability teams across our business units, to gather the data used in this report. In addition to this year’s data collection cycle, we conducted an informal data audit in order to access the current data landscape and evaluate how each business unit collects, manages, and submits ESG-related data. The goal of the assessment is to identify strengths, weaknesses, and identify possible opportunities for improvement in the data collection processes in order to enhance data quality for SMC’s sustainability reporting.

Our standardized data templates were enhanced based on user feedback, insights from the initial assessment, and the latest ESG reporting requirements. These improvements strengthened our data collection framework, increasing efficiency and streamlining data collection, validation, and consolidation processes.

We remain committed to transparency and accountability in our ESG actions and disclosures. In line with global and local standards, the information disclosed in this report is intended to be accurate, balanced, and complete for the benefit of all our stakeholders.

4.3 Our Sustainability Governance Structure

GRI 2-9 | GRI 2-10 | GRI 2-11 | GRI 2-12 | GRI 2-13 | GRI 2-14 | SASB: Risk Management; Business Ethics & Compliance

At San Miguel Corporation, sustainability governance is designed not only to guide today’s decisions, but to remain effective as the business evolves across generations, markets, and operating environments. At 135 years, governance is how SMC protects continuity, manages complexity, and ensures that long-term value creation remains disciplined, accountable, and resilient.

Rather than operating as a standalone function, sustainability governance at SMC is embedded across leadership, management, and operations, ensuring that ESG considerations are integrated into strategy, risk management, capital allocation, and daily decision-making.

Board Oversight

The Board of Directors provides the strategic oversight of sustainability objectives, ensuring that ESG considerations are integrated into SMC’s corporate strategy, enterprise risk management framework, and long-term business objectives. The Board’s role reflects stewardship across time, balancing growth, resilience, and responsibility in an increasingly complex operating environment.

Supporting the Board, the Board Sustainability Committee focuses on:

- Reviewing and approving key sustainability priorities and initiatives,
- Monitoring ESG performance and emerging sustainability-related risks and opportunities and
- Ensuring alignment with regulatory expectations and global sustainability standards.

Management provides regular, semi-annual updates to the Board and the Board Sustainability Committee on sustainability priorities, performance, and emerging ESG risks and opportunities, enabling informed oversight and timely decision-making.

Executive Leadership

Sustainability leadership at SMC is anchored at the executive level, ensuring that long-term commitments translate into operational reality.

The Chairman and CEO provides overall strategic direction, championing sustainability as a core pillar of SMC's long-term vision. The President and COO oversees the integration of sustainability priorities into day-to-day operations, ensuring consistency across diverse business units and geographies.

The Chief Sustainability Officer (CSO) leads the development and execution of SMC's sustainability strategy, including:

- Setting long-term ESG priorities and performance metrics,
- Coordinating enterprise-wide sustainability initiatives and
- Ensuring consistency across reporting, risk management, and stakeholder engagement.

Together, executive leadership ensures that sustainability is treated not as an adjunct to business strategy, but as a lens through which long-term performance and resilience are managed.

Enterprise Coordination

The Corporate Sustainability Office (CSO) serves as the connective tissue of SMC's sustainability governance. Its role is not to centralize execution, but to enable coherence across the Group.

Key responsibilities include:

- Translating Board and executive direction into actionable frameworks,
- Supporting business units in implementing sustainability initiatives aligned with Group priorities,
- Coordinating ESG assessments, reporting, and regulatory compliance and
- Engaging internal and external stakeholders to strengthen sustainability practices.

This structure allows sustainability governance to scale across businesses with different risk profiles, asset lives, and operating realities, without losing consistency or accountability.

Business Unit Ownership

At the operational level, sustainability is owned by the businesses themselves through Sustainability Working Teams embedded within each business unit. These teams ensure that ESG considerations are integrated into planning, operations, and performance management.

Their responsibilities include:

- Aligning business strategies with Group sustainability priorities,
- Executing sustainability initiatives suited to each business context,
- Identifying and managing ESG risks that may affect business continuity and growth and
- Monitoring performance and supporting continuous improvement.

A cross-functional Core Sustainability Team, composed of representatives from key corporate functions, strengthens integration across the enterprise. The Core Sustainability Team includes:

- Corporate Human Resources
- Corporate Affairs
- San Miguel Foundation
- Office of the General Counsel
- Corporate Procurement
- Finance and Treasury

This structure ensures that sustainability is addressed holistically, across people, operations, supply chains, finance, and governance.

Governance That Evolves with the Business

As SMC continues to grow and operate in increasingly complex environments, its sustainability governance framework continues to evolve. Enhancements focus on:

- Strengthening links between sustainability, risk management, and strategy,
- Improving data quality, consistency, and decision-usefulness and
- Ensuring governance mechanisms remain effective for long-lived assets and long-term commitments.

Through this governance structure, SMC reinforces a simple principle: enduring companies require governance that is disciplined, adaptive, and designed to last.





SAN MIGUEL CORPORATION'S BLUEPRINT



THE SAN MIGUEL GROUP VISION

A resilient and globally-competitive Philippines where everyone can enrich and enjoy their lives.

OUR CORE PURPOSE

To lead in nation-building by creating opportunities that will uplift generations of Filipinos, allowing all to share in the rewards of sustainable development and prosperity.

OUR CORE VALUE - MALASAKIT

Excellence - We believe in doing our best. We think innovation. We help our people succeed.
Accountability - We do what is right. We take accountability for our decisions.
Sustainability - We are a good neighbor. We advocate sustainable development.

OUR SUSTAINABILITY AGENDA

We envision a WORLD OF GOOD, where our business fosters a sustainable future that is good for the planet, good for people, and good for progress, benefiting present and future generations of Filipinos.



KALIKASAN
Good for Planet



KALINGA
Good for People



KASAGANAHAN
Good for Progress

- 1 Establish a circular economy approach by 2040
- 2 Net Zero by 2050
- 3 At least 15 million people uplifted by 2030
- 4 A fully sustainable and ethical supply chain by 2040

OUR BUSINESSES

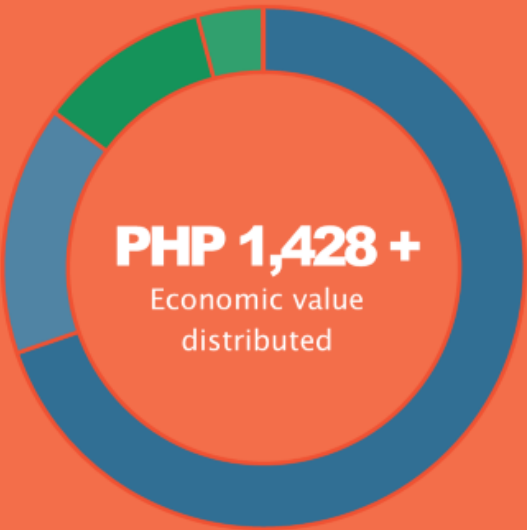


Our Sustainability at a Glance

FINANCIAL CAPITAL

PHP 1,503 +

Economic value generated



PHP 995 B+

Operating costs including payments to suppliers

PHP 153 B+

Payments to providers of capital

PHP 221 B+

Payments to government in taxes

PHP 58 B+

Employee wages & benefits

PHP 0.56 B+

Investments in communities

BUILT CAPITAL



5,710 MW

Power generation capacity across SMC facilities



500 MWh

BESS capacity in commercial operation



538 MW

Renewable energy capacity installed



229 KM

Expressway network supporting national connectivity



17.5 Mn MT

Annual cement production capacity



180k barrels / day

Refinery processing capacity

NATURAL CAPITAL



10%, 1%

Improvement in GHG emission intensity for Petron and Other Businesses



58 B liters

Water saved since 2017 through Water for All initiatives



125%

Increase in number of bird species visiting SMAI's Biodiversity Offset Program (BOP)



10%, 2%

Improvement in energy intensity for Petron and Other Businesses



6.83 Mn MT

Renewable materials used across operations



1,140 sqm

Coral reef habitats conserved



36%

Increase in renewable energy use year on year



8.14 Mn trees

Planted thru reforestation programs



8.95 Mn MT

Silt and waste removed from Pasig and other major rivers

Note: BESS capacity in commercial operation and installed renewable energy capacity are pending official release by the Energy Regulatory Commission (ERC).

SOCIAL & RELATIONSHIP CAPITAL



65,415 hours

Contributed by 4,298 employee volunteers



2,005

Mothers and children supported through the First 1,000 Days nutrition program



600 activations

Employee-led initiatives conducted nationwide



1,141 individuals

Supported through livelihood programs



200,000+

Individuals reached through volunteer programs



6,642 members

Engaged through Better World community centers



18,756 patients

Served through medical missions and community clinics



PHP 1.99 Mn

Livelihood earnings generated through Better World programs

HUMAN CAPITAL



59,117

SMC's growing workforce, with 1,689 new jobs generated in 2025



64%

Employees based outside NCR, reflecting geographical diversity



800+

Managers trained through Leadership & Management Development Program (LMDP)



154

Projects developed through LMDP over nearly a decade



8,741 hours

Online learning by high-potential, rank-and-file employees

GOVERNANCE CAPITAL



100%

Directors and officers who took corporate governance training



269

Internationally recognized certifications



199 Suppliers

Screened for ESG profile and performance



Zero

Reportable data breaches were recorded



Climate Risk

Assessment completed across major operating assets

5.1 Our Sustainability Agenda and Goals

GRI 2-22

San Miguel Corporation’s sustainability agenda is, in many ways, still young. The language of ESG, long-term goals, and global frameworks have only taken shape in recent years. Yet the principles behind them (care for people, respect for resources, and discipline in how progress is pursued) have guided the Company for over 135 years. What has changed is not who we are, but how clearly we now articulate and implement it.

As SMC has grown in scale, complexity, and responsibility, our sustainability agenda has matured alongside it. What once lived in practice, culture, and institutional memory is now expressed through defined pillars, long-term goals, and measurable commitments. This evolution reflects readiness: readiness to manage greater impact, navigate more complex risks, and contribute meaningfully to the future we are helping to shape.

Naming What Has Always Guided Us

SMC’s sustainability agenda is anchored on three pillars: *Kalikasan*, *Kalinga*, and *Kasaganahan*. While these pillars were formally articulated less than a decade ago, they give structure and voice to values that have long shaped how the Company operates.

Kalikasan (Good for the Planet) reflects a long-standing respect for natural limits and the need to steward resources carefully so operations can endure across generations.

Kalinga (Good for People) expresses a culture built on care, trust, and shared progress, within the organization and beyond it.

Kasaganahan (Good for Progress) captures a belief that growth must be governed with discipline, foresight, and responsibility to remain sustainable.

Together, these pillars do not introduce a new direction. They clarify and strengthen one that has been evolving over decades.



A Sign of Maturity and Readiness

The sustainability goals SMC has identified and set for 2030 to 2050 represent an important moment of transition. Such goals signal a shift from implicit practice to explicit commitment, from operating by principle alone to governing with clear direction and accountability. Each goal reflects confidence in the foundations already built, and responsibility for what lies ahead.

These goals are not short-term ambitions. They are long-horizon commitments that recognize how change truly happens: gradually, deliberately, and at scale.



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

















Looking Forward, Built on What Endures

As SMC looks to the future, our sustainability agenda and goals mark a new chapter, not a departure. They reflect an organization that has learned from its past, grown into its scale, and is now prepared to navigate what comes next with greater clarity and intent.

Sustainability, for SMC, is not a reinvention. It is the natural evolution of a company that has always understood that to last, progress must be guided by care, discipline, and foresight.

5.2 Our Climate-Related Risk Assessment

GRI 2-22 | SASB Risk Management

San Miguel Corporation operates long-term, asset-intensive businesses that are deeply embedded in the Philippines’ economic and physical landscape. Our portfolio includes critical infrastructure that support national development and economic resilience.

The scale, geographic footprint, and long operating lives of these assets mean that climate-related risks are a strategic consideration. Rising temperatures, stronger tropical cyclones, changing rainfall patterns, and increasing water stress may influence infrastructure resilience and operational continuity. At the same time, evolving policy frameworks, emerging technologies, and changing market expectations are accelerating the global transition toward lower-carbon energy systems.

Understanding how these developments may affect operations and investments over time is essential for protecting long-term value.

The regulatory environment for climate-related disclosure is also evolving. In the Philippines, the Securities and Exchange Commission continues to strengthen sustainability reporting requirements, while global standards such as IFRS S1 and IFRS S2 are establishing more structured frameworks for climate-related financial disclosures.

In response, the Board of Directors mandated a Group-wide Climate Risk Assessment. The objective was to develop a structured understanding of how both physical climate hazards and transition dynamics may affect the Group’s assets, operations, and strategy over time.

Our Approach

The Climate Risk Assessment applied a science-aligned methodology combining climate modeling, geospatial asset mapping, scenario analysis, and risk evaluation.

The process was conducted through cross-functional collaboration involving sustainability, finance, risk management, engineering, and operations teams. Workshops and technical reviews enabled the Group to interpret climate projections, assess potential operational implications, and validate results using site-level knowledge.

This collaborative approach ensured that model outputs were interpreted within the context of real operating conditions while maintaining analytical consistency.

Scope of Assessment

The Climate Risk Assessment covered the Group’s portfolio of operating assets and major facilities across key geographies with the objective of evaluating climate-related exposure at the asset level while maintaining a consolidated, Group-wide view of risk.

The scope included:

- Portfolio-wide screening of physical and transition risks across the Group’s operating footprint,
- Asset-level hazard exposure analysis using geolocation mapping,
- Assessment across short-, medium-, and long-term time horizons,
- Consideration of both acute hazards and chronic physical climate risks and
- Evaluation of transition risks under multiple future policy and market pathways.

This approach enabled the Group to move from high-level screening to asset-specific insights, while preserving a consolidated understanding of portfolio-wide exposure and potential concentrations of risk.

Methodology Highlights

The Climate Risk Assessment applied a structured, science-aligned methodology combining forward-looking climate modeling, geospatial asset mapping, scenario analysis, structured risk scoring, and financial screening. The approach was designed to convert climate - projections into operational and financial insights aligned with evolving global disclosure expectations.

The methodology distinguished between physical and transition risks and applied scenario-based analysis across defined time horizons. This made it possible to assess not only where risks may emerge, but also how their implications may evolve over time as climate conditions, policy environments, and market expectations continue to change.

Physical Risk Assessment Methodology

Physical climate risks were assessed using climate projections aligned with the Intergovernmental Panel on Climate Change Sixth Assessment Report framework. The analysis incorporated Shared Socioeconomic Pathways (SSP), which reflect different global greenhouse gas trajectories and associated warming outcomes.

Two core climate scenarios were applied. The first was aligned with SSP5-8.5, representing a higher-emissions future characterized by continued fossil fuel reliance and limited mitigation action. This scenario served as a stress test, helping the Group evaluate potential exposure under more severe warming conditions. The second was aligned with SSP2-4.5, representing an intermediate pathway with moderate mitigation and a more stabilized warming trajectory. Using more than one scenario allowed the Group to assess resilience across a range of plausible future conditions rather than rely on a single forecast.

Scenario	Pathway	Warming Profile	Purpose
Higher Emissions Scenario	SSP5-8.5	High emissions, limited mitigation, higher temperature increase	Stress-testing under severe physical risk conditions
Moderate Transition Scenario	SSP2-4.5	Intermediate mitigation and moderated warming	Baseline resilience under stabilized transition

Hazard projections were assessed across defined time horizons to reflect asset life cycles and strategic planning periods. The short-term period extended to approximately 2030 and focused on emerging volatility and near-term operational resilience. The medium-term period extended to 2050, aligning with capital planning horizons and long-term climate commitments. Where relevant, longer-term projections beyond 2050 were also considered for assets with extended operating lives.

Each major operating asset was geolocated using precise geographic coordinates. These coordinates were overlaid against downscaled climate datasets to determine projected exposure intensity under each scenario and time horizon. The analysis incorporated forward-looking projections for multiple hazard categories, including extreme heat, riverine flooding, pluvial flooding, tropical cyclones, drought and water stress, and sea-level rise for coastal exposures.

Hazard intensity outputs were translated into exposure levels using standardized scoring thresholds. Risk was first assessed on an inherent basis by combining projected hazard intensity, asset sensitivity, and geographic exposure without considering existing mitigation measures. Asset sensitivity considered operational characteristics such as process dependency on temperature thresholds, water reliance, structural vulnerability, and operational continuity requirements.

Hazard Category	Risk Type	Description
Extreme Heat	Chronic	Increased temperature averages and frequency of heat extremes

Riverine Flooding	Acute	Flooding from rivers during extreme rainfall
Pluvial Flooding	Acute	Surface flooding due to precipitation intensity
Tropical Cyclones	Acute	Changes in storm intensity and track behavior
Drought and Water Stress	Chronic	Reduced water availability and prolonged dry periods
Sea-Level Rise	Chronic	Coastal inundation risk over time

Sensitivity analysis was also applied to test the robustness of preliminary risk ratings under different assumptions. Where hazard model outputs required contextual interpretation, structured validation sessions were conducted with technical and operational personnel. A documented override mechanism was used to adjust risk ratings where engineering specifications, historical performance data, or site-specific conditions justified modification. This helped ensure that model outputs were interpreted within operational reality while preserving methodological consistency.

Transition Risk Assessment Methodology

Transition risks were evaluated using scenario-based analysis reflecting varying levels of global decarbonization ambition, regulatory tightening, and market transformation.

Two contrasting transition pathways were assessed. The first represented a Business-as-Usual trajectory characterized by delayed or fragmented policy action, gradual energy transition, and continued exposure to physical climate risks. The second represented an Accelerated Transition scenario characterized by stronger climate policy enforcement, faster decarbonization, increased carbon pricing mechanisms, more rapid technological adoption, and shifts in market demand toward lower-carbon alternatives.

Scenario	Description	Strategic Focus
Business-as-Usual	Gradual or fragmented policy response; slower decarbonization	Exposure to prolonged policy uncertainty and physical risk
Accelerated Transition	Stronger regulatory action, rapid decarbonization, technology adoption	Exposure to policy tightening, carbon pricing, and market shifts

The transition assessment incorporated regulatory trend analysis, policy benchmarking, evolving disclosure requirements, technology pathway evaluation, and market signal review. Particular attention was given to potential developments in carbon pricing, emissions standards, fuel transition dynamics, investor expectations, and supply chain decarbonization pressures.

Transition risks were categorized across policy and regulatory, market, technology, and reputational dimensions. Each identified risk driver was evaluated for likelihood and potential magnitude of impact under the defined transition scenarios. This enabled the Group to prioritize material drivers that could affect cost structures, capital allocation, demand patterns, and asset valuation.

Dimension	Focus Area
Policy and Regulatory	Carbon pricing, emissions standards, compliance requirements
Market	Demand shifts, customer preferences, supply chain pressures
Technology	Low-carbon innovation, efficiency upgrades, system transformation
Reputational	Investor scrutiny, disclosure expectations, stakeholder pressure

Rather than undertaking full asset-level financial modeling, the Group performed a qualitative and semi-quantitative screening of potential financial impact channels. These included increased capital

expenditure for compliance or technology upgrades, operating cost volatility linked to energy inputs or carbon pricing, potential asset impairment risk, changes in insurance premiums, cost-of-capital implications, and revenue sensitivity to demand shifts. This screening approach provided directional insight into financial materiality while identifying areas for deeper analysis over time.

Integrated Risk Consolidation

Following completion of the physical and transition assessments, results were consolidated at the portfolio level. Risks were prioritized based on projected severity, time horizon relevance, financial impact potential, and strategic significance. This enabled the Group to identify concentrations of exposure and support the integration of climate-related insights into enterprise risk management and long-term strategic planning.

[Physical Risk Assessment: What We Found](#)

The assessment examined how the Group’s portfolio of operating assets may be affected by changing physical climate conditions under both current and modeled future scenarios. It compared baseline climate data with forward-looking projections aligned with SSP2-4.5 and SSP5-8.5 pathways through 2050.

a) Extreme Heat

Projected increases in average temperatures and in the frequency of high-heat days were observed across a broad portion of the Group’s asset base under higher-emissions scenarios.

Under SSP5-8.5 for 2041 to 2050, several facilities are projected to experience:

- More than 10 additional days per year exceeding 35°C and
- In certain locations, more than 45 high-heat days annually.

Heat exposure is geographically widespread, affecting multiple regions across Luzon and the Visayas. Unlike event-driven hazards, extreme heat is a chronic and intensifying stressor.

For asset-intensive operations, potential implications may include increased cooling demand and energy consumption, thermal stress on temperature-sensitive equipment, enhanced occupational health and safety requirements, and gradual effects on operating efficiency.

While heat exposure is widespread, its effects generally build over time rather than occurring abruptly, allowing adaptation through operational adjustments and infrastructure improvements.

b) Flooding (Riverine and Pluvial)

Flood exposure is more location-specific, but it intensifies under future climate projections.

Under current climate conditions, more than 20 facilities were identified as having high exposure to riverine flooding, particularly in urban and low-lying areas.

Under SSP5-8.5 projections for 2031 to 2060:

- High-exposure facilities increase to more than 50,
- Flood depth intensification of up to 1 meter is projected in certain areas and
- Urban centers such as Metro Manila and Cebu remain concentration points.

Flood exposure is primarily associated with:

- Overflow of nearby waterways, or riverine flooding and
- Intense rainfall events, or pluvial flooding.

This hazard is acute in nature, meaning potential impacts are event driven. For the Group’s operations, flood exposure may affect site accessibility and logistics, interrupt operations temporarily, and damage machinery, storage, and utilities.

c) Tropical Cyclones (Extreme Winds)

Extreme winds represent one of the most material exposure categories across the Group's portfolio.

Under current conditions, almost 70 facilities were identified as highly exposed to tropical cyclone wind intensity.

Under higher-emissions projections:

- High-exposure facilities increase to more than 180,
- Wind speed intensification exceeding 100 kph is projected in several regions and
- Eastern-facing regions such as Isabela, Bicol, and Eastern Visayas show elevated exposure.

Modeled 100-year return period wind speeds in certain locations exceed 178 kph under future scenarios.

In the multi-hazard assessment, tropical cyclones, often in combination with storm surge, are among the key drivers of higher overall exposure scores.

For the Group's energy, fuel, infrastructure, and industrial operations, extreme winds are relevant because of structural vulnerability considerations, potential supply chain and transport disruption, and the importance of business continuity planning.

This hazard is acute and potentially high severity, though episodic in occurrence.

d) Sea-Level Rise and Storm Surge

Sea-level rise exposure is geographically concentrated in coastal and near-coastal facilities.

Under SSP5-8.5 projections to 2050:

- Sea-level rise of up to approximately 0.5 meters is projected in Metro Manila and
- Approximately 0.25 meters is projected in other regions.

When combined with storm surge, this may increase coastal flood depth in selected facilities.

Sea-level rise is best understood as a long-term planning consideration rather than an immediate widespread operational constraint. Exposure levels vary depending on elevation, shoreline proximity, and local coastal conditions.

e) Drought and Water Stress

Water stress is identified as one of the most significant forward-looking shifts in physical exposure across the portfolio.

Under higher-emissions scenarios:

- Facilities in Central Luzon, Metro Manila, and Cebu show projected increases in water stress and
- In certain regions, modeled water demand-to-availability ratios exceed 30 percent.

Water stress is chronic and region-specific. For operations with water-intensive processes, it may affect input cost stability, water sourcing strategies, and longer-term capital planning for recycling, efficiency, or alternative supply.

Unlike flooding or tropical cyclone events, water stress develops gradually, but it can create sustained operational pressure if not adequately managed.

Multi-Hazard Perspective

The assessment also applied a multi-hazard scoring approach, combining exposure across flooding, tropical cyclones, storm surge, heat, water stress, and landslide risk.

Facilities with the highest composite exposure scores are typically those where cyclone intensity, storm surge, and flood risk overlap. This reinforces the importance of evaluating physical hazards not only individually, but also in combination.

Transition Risk Assessment: Scenario-Based Analysis

In addition to physical climate risks, the Group assessed how evolving policy, market, technology, and disclosure developments associated with the transition to a lower-carbon economy may affect its assets, operations, and long-term business model.

The assessment used two transition pathways aligned with IPCC scenarios and localized to the Philippine context: a Business-as-Usual pathway aligned with SSP2-4.5, reflecting moderate transition ambition, and an Accelerated Transition pathway aligned with SSP1-2.6, reflecting earlier emissions peaking and faster decarbonization consistent with the Paris Agreement. These scenarios were assessed across short-term, medium-term, and long-term horizons extending to 2030, 2040, and 2050, respectively.

Overall Transition Risk Profile

The scenario analysis indicates that the Group’s overall transition risk exposure is generally low to medium in the short to medium term, with the potential to increase over the longer term under a high-ambition transition pathway.

In the short to medium term, transition-related impacts are considered manageable under both scenarios. Under an Accelerated Transition pathway, however, exposure may increase for emissions-intensive operations, particularly within the Fuel and Power businesses, due to earlier implementation of carbon pricing, stricter disclosure requirements, and faster shifts in energy demand.

At the same time, the assessment indicates that the Group remains relatively resilient in the short to medium term under both scenarios, supported by the diversified nature of the portfolio and ongoing investments in renewable energy, battery energy storage systems, and biofuels.

a) Policy and Legal Developments

Policy and regulatory developments represent the most material source of transition exposure.

The assessment considered potential global and local carbon pricing mechanisms, renewable energy generation targets set by the Department of Energy, biofuel blending mandates including increasing coco-methyl ester requirements, and electric vehicle adoption targets under national energy plans.

Under a Business-as-Usual pathway, carbon pricing remains under review, and renewable mandates expand gradually. In this scenario, impacts are primarily associated with moderate compliance costs and incremental operating expense increases.

Under an Accelerated Transition pathway, earlier implementation of carbon pricing and more stringent emissions disclosure requirements may introduce higher compliance costs and taxes on greenhouse gas emissions, increase cost of goods sold associated with biofuel mandates, and create potential asset valuation considerations for fossil-based generation assets. Carbon pricing is assessed as the most significant long-term policy exposure for higher-emitting business units.

b) Market Shifts

Market-related risks arise from structural changes in supply and demand, particularly the transition from fossil fuels toward renewable energy and increasing electric vehicle adoption.

Under a gradual transition pathway, demand shifts are expected to unfold steadily, with limited short-term disruption. Under an accelerated transition pathway, earlier mainstream adoption of renewables and electric vehicles may reduce revenues from fossil fuel-based operations and affect profitability for fossil-intensive assets. In some cases, coal-based generation assets may face valuation pressure.

These effects may be partially offset by growth opportunities in renewable energy expansion, battery energy storage systems, electric vehicle charging infrastructure, and biofuel production, including through the CME plant.

c) Reputation and Disclosure Expectations

Transition exposure also arises from evolving sustainability reporting requirements and investor expectations. While Scope 1 and Scope 2 emissions reporting is already mandated for publicly listed companies, future requirements may expand to include Scope 3 emissions and more stringent target-setting expectations.

In the short term, these risks are considered manageable given the Group’s existing sustainability governance structures. Over the medium to long term, however, more rigorous disclosure regimes may require additional capital allocation, stronger reporting systems, and operational adjustments, particularly if quantitative emissions reduction targets and transition plans become mandatory.

Business Unit Hot Spotting

At the parent level, transition exposure is concentrated primarily within the Fuel and Power businesses.

The Fuel business faces exposure to carbon pricing, biofuel blending mandates, and long-term demand risks associated with electric vehicle adoption. These risks are partially offset by the CME plant investment and potential biofuel-related revenue streams.

The Power business faces exposure to carbon pricing and renewable energy mandates, as well as potential valuation implications for fossil-based generation assets. At the same time, its renewable energy expansion and battery energy storage systems position it to benefit from transition-aligned demand.

Other business units may experience more indirect exposure under high-ambition scenarios, including potential land-use pressures between agriculture and renewable energy development.

Overall, the transition risk assessment indicates that while evolving climate policies and market dynamics may increase compliance costs, capital expenditure requirements, and asset valuation sensitivity over time, the Group’s diversified portfolio and low-carbon investments provide meaningful structural buffers.

Transition dynamics are therefore viewed not only as downside risks, but also as part of a broader structural shift that requires ongoing monitoring, disciplined capital allocation, and strategic flexibility.

Financial and Strategic Implications

The Climate Risk Assessment provides a structured view of how physical and transition-related climate risks and opportunities could reasonably be expected to affect the Group’s financial position, financial performance, and cash flows across short-, medium-, and long-term horizons.

While the assessment did not involve full asset-level financial quantification, it included structured financial impact screening to identify material exposure channels and evaluate the potential magnitude and timing of effects under different scenarios. This supports the integration of climate-related considerations into strategy, capital planning, and risk management processes.

Potential Financial Impact Channels

The assessment identified several principal channels through which climate-related risks and opportunities may influence financial outcomes.

- **Capital Expenditure**

Climate-related risks may require incremental capital investment to strengthen asset resilience, comply with evolving regulatory requirements, or reposition the portfolio toward lower-carbon technologies.

These may include structural reinforcement against extreme winds, flood mitigation measures, cooling system upgrades in response to rising temperatures, and investments in renewable energy, battery energy storage systems, and biofuel capacity.

Under higher-ambition transition scenarios, earlier deployment of renewable capacity and emissions-reduction technologies may increase capital expenditure in the short to medium term. At the same time, these investments may support long-term competitiveness and revenue diversification.

- **Operating Expenditure**

Operating costs may be affected by carbon pricing mechanisms, renewable and biofuel mandates, enhanced emissions disclosure requirements, and increased energy demand associated with extreme heat. In addition, inspection, maintenance, and resilience-related operating costs may increase in selected high-exposure areas.

Under moderate transition pathways, these impacts are assessed as manageable within existing cost structures. Under accelerated transition conditions, cost exposure may increase over time, particularly for emissions-intensive operations.

- **Asset Valuation and Impairment Considerations**

The scenario analysis also considered potential implications for asset valuation under high ambition decarbonization pathways. Fossil-based generation assets may face long-term valuation sensitivity where carbon pricing, renewable substitution, or demand shifts materially affect asset economics.

Based on current assumptions and regulatory conditions, no immediate impairment risk has been identified. However, longer-term exposure may increase under accelerated transition scenarios extending toward 2050. Physical hazards such as flooding and extreme winds may also influence asset valuation where residual exposure remains elevated after accounting for resilience measures.

- **Insurance and Risk Transfer**

Acute physical hazards, particularly tropical cyclones and flooding, may influence insurance premiums, deductibles, and coverage availability over time. Insurance remains an important risk transfer mechanism that helps mitigate near-term financial volatility. At the same time, intensifying hazard projections reinforce the importance of complementary adaptation measures and engineering resilience.

- **Operating Disruption**

Event-driven physical hazards may result in temporary operational disruption and associated revenue variability. Business continuity planning, redundancy measures, and emergency response protocols reduce the likelihood of prolonged interruption. Financial exposure in this area is episodic and hazard-dependent rather than structural.

Time Horizon Differentiation

Consistent with scenario-based analysis requirements, the assessment differentiates impacts across defined time horizons.

In the short term to 2030, climate-related financial impacts are assessed as limited and manageable. Policy developments such as carbon pricing remain under legislative consideration, renewable mandates are incremental, and physical risks are largely mitigated by existing resilience measures.

In the medium term to 2040, exposure may increase as regulatory frameworks evolve, renewable penetration accelerates, and hazard intensity projections strengthen. Capital allocation decisions during this period are expected to play an important role in shaping long-term resilience and cost structures.

In the long term to 2050, under accelerated transition and higher-emissions physical scenarios, more pronounced financial implications may arise. These may include increased compliance costs, higher adaptation-related capital expenditure, and valuation sensitivity for emissions-intensive assets. This time-differentiated view supports alignment between climate-related scenario analysis and strategic planning cycles.

Integration into Capital Planning and Strategy

The findings of the Climate Risk Assessment are being incorporated into capital planning, infrastructure design, and portfolio management processes. Physical hazard projections inform engineering standards, elevation thresholds, drainage capacity, and structural wind resistance considerations for new investments and major upgrades.

Transition scenario insights support evaluation of renewable energy expansion, battery storage deployment, biofuel production, energy efficiency initiatives, and broader portfolio optimization. These investments are positioned not only as compliance responses, but also as strategic initiatives aligned with evolving energy systems and market demand.

The Way Forward

The completion of the Climate Risk Assessment marks an important milestone for the Group. It provides a structured and forward-looking understanding of physical and transition-related climate risks. At the same time, it marks the beginning of a continuing process rather than a one-time exercise.

Climate science, regulatory frameworks, market conditions, and technology pathways continue to evolve. The Group therefore recognizes that climate risk management must also continue to evolve through stronger data, deeper analysis, and greater integration into decision-making processes.

Refinement of Data and Methodology

Future iterations of the assessment will focus on strengthening data quality, expanding asset-level granularity, and incorporating updated climate projections as they become available. Improvements in geospatial data, hazard modeling, and emissions measurement will support greater analytical precision.

In addition, the Group intends to progressively enhance quantification of financial exposure where reasonable and supportable data becomes available. This includes refining assumptions related to carbon pricing trajectories, insurance cost trends, and adaptation capital requirements. Over time, this will support stronger linkage between scenario analysis and financial planning.

Deeper Asset-Level Vulnerability Studies

While the current assessment provides portfolio-level insight and hotspot identification, selected high-exposure assets may benefit from more detailed vulnerability studies. These may include engineering-level flood modeling, wind load reassessment, water availability analysis, and evaluation of site-specific adaptation options.

Such targeted studies will help prioritize resilience investments where residual exposure remains elevated.

Strengthening Adaptation Planning

The findings of the hazard assessment reinforce the importance of proactive adaptation. Future planning cycles will consider refinement of engineering standards, drainage and elevation thresholds, structural reinforcement specifications, cooling requirements, and business continuity protocols.

Adaptation planning is expected to become increasingly embedded in infrastructure design and major capital upgrade decisions, supporting long-term asset durability under changing climate conditions.

Governance and Capacity Building

As climate-related disclosure expectations evolve, continued enhancement of governance capacity remains a priority. This includes strengthening management and Board-level understanding of scenario analysis, transition dynamics, and financial risk implications.

Targeted briefings and structured discussions will support oversight responsibilities and help ensure that climate considerations are incorporated into strategic decision-making with appropriate rigor.

Alignment with IFRS S2 and Regulatory Expectations

The Group recognizes the importance of aligning climate-related disclosures with evolving global standards, including IFRS S2. Future reporting cycles will seek to enhance transparency regarding financial implications, scenario assumptions, and risk integration processes.

As integration into enterprise risk management and capital planning advances, disclosures are expected to progressively reflect clearer linkages between climate analysis and financial outcomes.

Strengthening Integration into Enterprise Risk Management

The Climate Risk Assessment represents a significant step in strengthening the Group's understanding of climate-related risks and opportunities. The next priority is to integrate these insights more formally into the enterprise risk management framework to ensure structured oversight, accountability, and governance alignment.

Integration of climate-related risks into the consolidated risk register has been identified as a priority next step following completion of the assessment. The Group recognizes the importance of formally mapping physical and transition risk drivers to existing operational, regulatory, financial, and strategic risk categories within the enterprise risk management framework. This next phase will include defining responsible management owners and clarifying accountability for monitoring and mitigation actions.

As part of this planned integration, climate-related risks are expected to be assessed using the Group's established risk scoring methodology, incorporating likelihood, potential impact, and existing controls. This will enable consistent evaluation alongside other enterprise-level risks and strengthen comparability across business units.

Structured review cycles for climate-related risks are also expected to form part of future enterprise risk review exercises. Periodic reassessment will consider updated hazard projections, regulatory developments, and market conditions. Scenario outputs and material exposure shifts are expected to inform future strategic planning discussions and capital allocation considerations.

Integration into Capital Allocation

Climate considerations are expected to play an increasingly material role in capital allocation decisions. Renewable energy expansion, battery energy storage systems, energy efficiency initiatives, biofuel capacity, and infrastructure resilience investments will be evaluated within the context of both financial return and long-term climate positioning.

By incorporating forward-looking hazard projections and transition dynamics into investment evaluation frameworks, the Group strengthens its ability to allocate capital in a manner consistent with durable value creation.

6 Kalikasan: Good for Planet

6.1 Climate Change Action

GRI 305 | SASB: Greenhouse Gas Emissions

Stewardship Designed to Endure

With 135 years of operations, San Miguel Corporation’s approach to environmental responsibility is anchored in long-term stewardship rather than short-term gains. Our climate actions are guided by a clear imperative: to ensure that the natural systems on which our businesses depend can continue to support operations, communities, and national growth, today and well into the future.

Recent global developments, including the outcomes of COP30, reinforce a growing expectation for governments and the private sector alike to move beyond ambition statements and demonstrate credible, implementable, and finance-ready climate action. The emphasis on execution, resilience, and long-term value creation aligns closely with how SMC plans and operates as a diversified infrastructure and industrial group, with assets designed to serve the country for decades.

This shift toward implementation is reflected in the Global Climate Action Agenda (GCAA) and its Plans for Accelerated Solutions (PAS) framework, which identify priority areas where governments, businesses, investors, and communities can collectively accelerate climate action. Many of the Company’s environmental initiatives contribute to these areas, particularly those related to energy transition, ecosystem stewardship, circular resource use, and water resilience.

Within this evolving landscape, climate and resource considerations are increasingly embedded in enterprise-level decision making. Data on emissions, energy use, water availability, and climate exposure are being integrated into capital allocation, fuel selection, and technology priorities across businesses. Climate action is therefore integrated into core business decisions, influencing asset performance, risk management, and long-term investment decisions.

SMC recognizes that climate-related risks and opportunities unfold across long time horizons. Physical risks, such as extreme weather events and resource constraints, as well as transition-related risks associated with evolving policies, markets, and technologies, are assessed with a forward-looking perspective. This approach strengthens business resilience, safeguards asset value, and supports continuity of operations in sectors critical to the Philippine economy, consistent with the increasing global emphasis on adaptation and resilience highlighted during COP30 discussions.

At the same time, the Company’s climate strategy emphasizes practical emissions reduction measures that can be integrated into core operations, alongside investments that enhance resilience and adaptive capacity. As part of these efforts, the Company continues to invest in renewable energy, including hydroelectric and solar power, as well as energy efficiency initiatives, to support efforts to reduce emissions over time while maintaining reliable and cost-effective operations.

Decarbonization pathways are therefore calibrated to business realities, balancing emissions reduction objectives with system reliability, affordability, and the country’s energy, food, and infrastructure needs. This pragmatic approach mirrors the broader recognition that effective climate action must be grounded in local context, development priorities, and the practical constraints of long-lived assets, particularly in emerging economies.

Where appropriate, climate considerations are also reflected in the structuring of long-term investments and financing decisions, supporting projects that deliver both environmental and economic value. This reflects the growing alignment among climate performance, financial discipline, and long-term value creation, as capital increasingly favors resilient, well-governed projects with credible emissions reductions.

Through this integrated approach, SMC treats climate action not as a standalone initiative, but as an essential component of responsible corporate management, embedded in planning, investment, and operations, and aligned with our role in supporting inclusive and sustainable national development.

ALIGNING WITH GLOBAL CLIMATE PRIORITIES

The Global Climate Action Agenda (GCAA), introduced at **COP30**, outlines priority areas for accelerating climate action through its Plans for Accelerated Solutions (PAS) framework.

San Miguel Corporation’s environmental initiatives contribute to these priority areas, particularly in:

- Axis 1: Energy transition and decarbonization
- Axis 2: Ecosystem protection and restoration
- Axis 4: Resource efficiency, water resilience, and waste management

These initiatives are discussed across the report under the material topics of **Climate Change Action, Resource Management, Circular Economy, and Biodiversity and Ecosystems**.

A. Greenhouse Gas (GHG) Emissions

GRI 305-1 | GRI 305-2 | GRI 305-4 | GRI 305-5 | SASB: Greenhouse Gas Emissions

When the Company began reporting its GHG emissions in 2022, it adopted the GHG Protocol Corporate Standard as the primary framework for accounting and reporting. In addition to its widespread global adoption as a standard for GHG emissions inventories, the GHG Protocol remains a robust and practical tool.

As our sustainability disclosures continue to mature, we have the opportunity to provide more meaningful information that both the Company and our stakeholders can use to track progress toward our sustainability goals. As a publicly listed corporation (PLC), SMC has upheld transparency in its disclosures since its inception and continues to strengthen how it communicates essential and relevant information about its operations.

Using the GRI Standards, the Company has disclosed its Scope 1 (direct) and Scope 2 (indirect) GHG emissions since 2022. We also track our GHG emissions intensity and report on how we manage and reduce emissions using this framework. In 2024, we initiated the process of gathering data for our Scope 3 (other indirect) GHG emissions and have continued refining our data collection process to better understand and capture the full extent of our GHG footprint under this category.

Many of the disclosure requirements related to GHG emissions under the GRI and SASB standards are aligned. Over time, the Company has strengthened its internal capacity and is now well positioned to disclose these GHG emissions in accordance with the International Financial Reporting Standards (IFRS S2) – Climate-related Disclosures, which builds on the Sustainability Accounting Standards Board (SASB) framework.

Since both standards require companies to provide transparency on how GHG emissions are measured using the GHG Protocol Corporate Standard, reporting under these frameworks represents a logical step in the evolution of the Company’s sustainability reporting. Aligning disclosures across these standards provides a more holistic view of how the Company is progressing toward its sustainability goals while highlighting material issues and impacts relevant to stakeholders.

At the global level, the transition toward lower-emissions energy systems is also reflected in the COP30 GCAA and its PAS framework, which identifies priority areas where governments, businesses, and investors can accelerate the implementation of climate action. Many of the Company’s initiatives to manage and reduce GHG emissions support PAS Axis 1 – Transitioning Energy, Industry and Transport, which focuses on advancing cleaner energy systems, improving industrial efficiency, and strengthening low-carbon infrastructure.

Our current disclosure reflects two strategic shifts in San Miguel Global Power’s generation portfolio. In 2024, SMGP restructured its gas assets through an investment by Chromite Gas Holdings Inc. (CGHI), an

entity jointly owned by Meralco PowerGen Corporation (a subsidiary of Meralco) and Therma NatGas Power, Inc. (a subsidiary of Aboitiz Power Corporation), resulting in the Ilijan Combined-Cycle Power Plant being removed from the Group's operational boundary for greenhouse gas reporting. Conversely, the Sual Power Plant was integrated into the reporting boundary in October 2024, following the expiration of the Independent Power Producer Administration (IPPA) agreement and the subsequent transfer of operational control to SMGP subsidiary, Sual Power Inc.

In keeping with the GHG Protocol, GHG emissions, energy consumption and net energy generation data for 2023-2024 now include Sual Power Plant and exclude Ilijan Power Plant, to maintain consistency and comparability.

In 2025, our Scope 1 emissions increased by 6% primarily due to an increase in power generation by SMGP, mainly from the Mariveles Greenfield Power Plant. This plant, a 600-MW circulating fluidized bed coal-fired plant using high efficiency low emission (HELE) technologies, serves as an additional baseload capacity outlined in the Philippine Energy Plan (PEP) 2023-2050. The increase in generation reflects the phased commissioning and subsequent ramp-up to full operation of its 4 × 150 MW units.

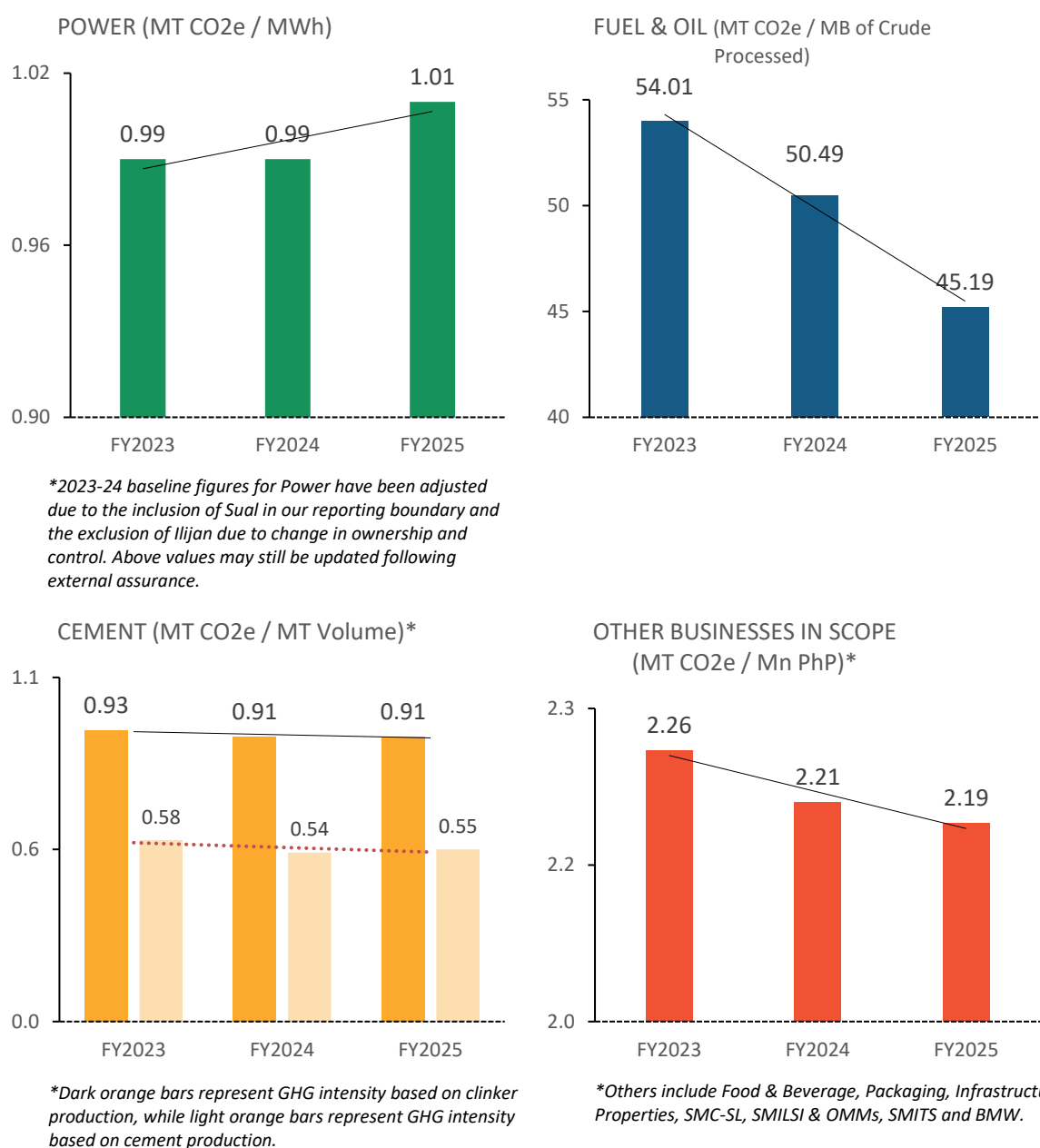
Another contributor was the resumption of Petron's Unit 3 co-generation facility in 2025, which resulted in a significant increase in its refinery production runs.

For Scope 2 emissions, the Company registered a 4% increase, mainly due to maintenance and optimization activities at the Sual plant as it prepared for full operations in 2025.

Overall, the combined Scope 1 and Scope 2 emissions increased by 6%. This trend remains broadly consistent with the medium-term energy outlook reflected in the Philippine Development Plan (PDP) 2023—2028 reference scenario used by the Department of Energy in developing the 2023 PEP. Notably, the increase is below the 8% growth in total GHG emissions recorded in the country's power generation sector in 2024.

With the continued transition toward renewable energy and natural gas as primary fuels for power generation, GHG emissions within the transformation sector are projected to increase modestly at approximately 1.6% across the planning horizon. The transformation sector reflects the energy transition pathway developed by the DOE under the Clean Energy Scenarios (CES1 and CES2).

Under CES1, the Philippines targets an additional 19 GW of offshore wind development, while CES2 envisions expansion to as much as 50 GW of offshore wind capacity. Once fully realized, the clean energy transition is projected to reduce the power generation sector's share of national GHG emissions from 57% in 2022 to 45% by 2050, consistent with the country's long-term decarbonization objectives.



GHG emissions intensity increased slightly from 0.99 to 1.01 MT CO₂e/MWh in 2025, as emissions (+5%) grew faster than net generation (+3%). This was primarily driven by higher output from coal-fired plants, particularly the ramp-up of the Mariveles Power Plant, and increased dispatch from existing thermal facilities. These factors temporarily shifted the generation mix toward higher-emission sources, outweighing the contribution of lower-emission assets such as hydropower and battery storage. Variations in fuel characteristics across reporting periods also contributed to changes in emissions intensity.

At Petron, increased crude processing runs resulted in a 10% reduction in GHG intensity. The resumption of Unit 3 of the refinery’s cogeneration facility enabled greater recovery of waste heat from solid-fired boilers, improving energy efficiency and supporting higher production runs.

The cement business’ GHG intensity increased by 2% during the reporting period, reflecting the impact of lower cement production volumes resulting from reduced market demand. However, as clinker production is the primary source of cement manufacturing emissions, GHG emission intensity calculated using clinker volumes is effectively flat. Since clinker-based emission intensity more accurately reflects kiln efficiency independent of market demand fluctuations, GHG emission intensity of the Cement group remained consistent with prior years.

Other businesses in the 2025 reporting period recorded a 1% decrease in GHG intensity, largely driven by a decrease in GHG emissions in San Miguel Food and Beverage despite higher revenue. Meanwhile,

the packaging business registered a minor increase in GHG emissions outpaced by its revenue increase, resulting in lower emission intensity. The full operation of new expansion facilities along with energy management programs implemented across the manufacturing plants helped drive efficiency and reduced emissions.

As the business environment and climate policy landscape continue to evolve, the Company remains committed to supporting the Philippines’ energy transition while advancing its own sustainability goals. Through continued investments, operational improvements, and transparent disclosures, SMC seeks to contribute to a more resilient energy system, improved energy access for Filipinos, and sustained economic development for the country.

MORE THAN CEMENT

Northern Cement Corporation (NCC) is strengthening its approach to responsible and modern cement manufacturing in the ASEAN region. With the commissioning of its newest production line, the company demonstrates how technology, environmental responsibility, and strong community partnerships can come together to support national development. NCC’s approach reflects a vision of progress that is pro-people, pro-planet, and pro-growth.

At the foundation of this transformation is NCC’s responsible management of abundant raw materials. Mining operations are guided by terrain-adaptive and modern extraction methods that prioritize both efficiency and environmental care. Through controlled excavation, optimized resource recovery, and strict safety protocols, NCC maintains a reliable supply of materials while minimizing land disturbance. Guided by a Zero Waste approach, every stage of extraction and processing is designed to maximize the use of all material grades and limit unnecessary expansion of mining areas.

Inside the plant, this same commitment to sustainability continues. NCC has introduced new systems and operational programs that reduce energy consumption, improve worker safety, and lower environmental impact. Upgraded crushing and grinding technologies allow smoother material handling, while automated dust collection and hydraulic systems create cleaner and safer working conditions. These improvements have delivered measurable results: the new production line has achieved a 30% reduction in specific power consumption, placing NCC among industry leaders in energy efficiency per metric ton of cement produced.

Water stewardship is another area where NCC’s innovation stands out. Through a carefully designed rainwater catchment and recycling system, the company now meets 90–95% of its non-scarce water requirements across the manufacturing process. This achievement positions NCC as a leader in water conservation not only in the Philippines, but also within the wider ASEAN cement industry.

In addition, digital transformation has further strengthened plant performance. Advanced control systems now track production conditions in real time, allowing operators to manage material quality more precisely, optimize kiln performance, and reduce unplanned downtime. By integrating people, data, and equipment, NCC has created a smarter and more responsive production environment that enhances both productivity and workforce well-being.

Environmental gains extend beyond efficiency and water use. NCC has also made steady progress in lowering its carbon footprint. Improved fuel management, cleaner combustion systems, and the increasing use of low-carbon supplementary materials have reduced reliance on traditional fossil fuels and reinforced climate-aligned manufacturing practices.

Co-processing initiatives further support circularity by transforming qualified waste materials into alternative energy sources. This reduces landfill pressure while supplying energy for operations. Through the optimized use of secondary cementitious materials, natural pozzolans, alternative fuel resources, and renewable energy, NCC continues to reduce the carbon intensity of its cement production. As a result, its products are increasingly recognized among those with the lowest carbon footprints in the industry, both in the Philippines and globally.

NCC’s sustainability journey reaches well beyond the boundaries of its production facilities. The company works closely with host communities through livelihood programs and long-term social development initiatives that promote shared progress. It also plays an active role in regional cement and mineral supply chains, helping strengthen economic cooperation and responsible sourcing practices.

Investment in the manpower complement of NCC remains central to this effort. Continuous learning programs, leadership development, and skills enhancement initiatives support employee growth while strengthening operational excellence. These improvements translate into tangible value creation, including better product quality, optimized costs, and greater flexibility for customers and stakeholders.

Health and safety remain non-negotiable priorities. By adhering to global standards and deploying automated safety systems and dust-control measures, NCC ensures that worker well-being is protected alongside production performance. At the same time, the company continues to implement wide-ranging environmental programs such as reforestation, biodiversity monitoring, water conservation, and pollution control, aligned with both national and international frameworks.

Through sustained investments in advanced technology, human development, and environmental protection, Northern Cement Corporation is setting a higher benchmark for sustainable and socially inclusive manufacturing. Its new production line is more than an upgrade in infrastructure, it represents a long-term commitment to nation-building, community partnership, and a greener, more resilient future.

B. Scope 3 GHG Emissions

GRI 302-2 | GRI 305-3 | SASB: Greenhouse Gas Emissions

SMC’s Scope 3 reporting journey began in 2023 with the identification of Scope 3 boundaries, guided by the GHG Protocol Scope 3 Standard. The assessment considered five key criteria, namely size, influence, risk, stakeholder importance, and outsourced activities, to determine relevance across the Company’s operations. In 2024, the Company developed and launched a standardized Scope 3 data collection template. While data were collected for several categories, many were excluded due to high uncertainty, limited coverage, or a significant risk of double counting. The Company prioritized categories where data quality and reliability were highest.

This report discloses emissions data for Category 1 (Purchased Goods and Services) and Category 3 (Fuel- and Energy-Related Activities not included in Scope 1 or Scope 2), where the Company currently has the highest confidence in the quality, completeness, and reliability of the data used for estimations. Scope 3 disclosures remain partial and are expected to expand as data quality improves.

Category 1

As part of its review methodology, the Company revisited purchased goods and services reported in the prior year’s inventory for each business unit and assessed which items may be potentially material. It also reviewed the list of emission factors in its spend-based database and selected the most appropriate factors from the US Environmental Protection Agency’s (EPA) Supply Chain Greenhouse Gas Factors (2024) database for the included items. Refresher training sessions were conducted, and user feedback was incorporated to refine the data collection template and enhance both the accuracy and consistency of Category 1 reporting.

The Company also engaged its suppliers to determine whether they could provide product-specific emissions data for purchased items. Some contracted feed mills and poultry processing plants were able to calculate their Scope 1 and 2 GHG emissions, which were incorporated into the consolidated Category 1 data. For items where suppliers could not provide specific emissions data, the spend-based methodology was applied to estimate emissions.

Scope 3 Category 1 emissions cover the purchase of crude oil, agricultural commodities, contracted poultry farms, feed mills and processing plants, and other raw materials used across the Company’s businesses. While data were successfully collected for major materials, challenges remain in obtaining comprehensive information from local suppliers and identifying reference emission factors that are more representative of materials available in the region.

A decrease of approximately 5% in Scope 3 Category 1 emissions was observed, primarily driven by the Cement business. Lower market demand for local cement resulted in higher clinker inventory, reducing the need for imported clinker and contributing to the decline in Category 1 emissions.

The Company continues to expand its understanding of Category 1 emissions, and the data presented does not yet represent a complete view of the Company’s total Category 1 footprint.

Category 3

The Company applied the average-data methodology to calculate our Category 3 emissions. Well-to-tank emission factors were sourced from the UK Government GHG Conversion Factors for Company Reporting (2023). As with many Scope 3 estimations, the resulting figures carry inherent uncertainty due to the nature of the emission factor sources used.

Category 3 emissions estimates increased by 30% in 2025, primarily driven by increased coal usage across several business units.

The Company continues to enhance its understanding of Category 3 emissions and aims to improve the accuracy of data collection in future reporting cycles. Ongoing efforts will focus on identifying more regional- and material-specific emission factors to reduce uncertainty and strengthen the robustness of emissions estimates.

SCOPE 3 EMISSIONS	2025	2024*	Unit
1 – Purchased goods and services	5,921,327	6,238,241	MT CO ₂ e
3 – Fuel and energy related activities	3,513,773	2,694,597	MT CO ₂ e
Partial Estimated Scope 3 Emissions	9,435,100	8,932,838	MT CO ₂ e

* 2024 data has been updated as part of ongoing data quality improvements, excluding fuel from Category 1 and placing it in Category 3.

At this stage, Scope 3 findings remain directional rather than definitive, serving to identify areas of potential relevance rather than directly driving operational decisions. Data quality and methodological robustness will continue to improve as internal understanding matures and more reliable activity data and relevant emission factors become available.

C. Non-GHG Emissions

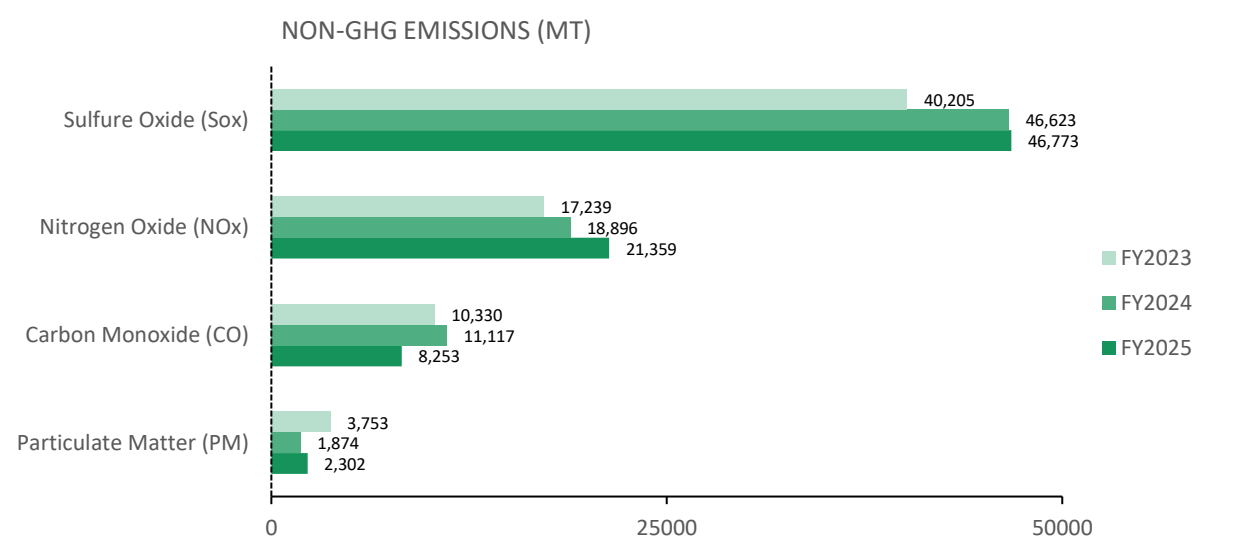
GRI 305-6 | GRI 305-7 | SASB: Air Quality

Non-GHG emissions include nitrogen oxides (NOx), sulfur oxides (SOx), particulate matter (PM), carbon monoxide (CO), and other air pollutants that primarily affect air quality and human health. These emissions are managed alongside the Company’s GHG emissions.

Nitrogen oxides (NOx) refer to a group of gases, including nitrogen monoxide (NO) and nitrogen dioxide (NO₂), formed during fuel combustion from mobile and stationary sources. Sulfur oxides (SOx) are also generated during fuel combustion and can affect both human health and the environment. In the atmosphere, SOx can react with other compounds to form fine particles that contribute to particulate matter (PM) pollution, which at high concentrations, may cause respiratory problems and contribute to acid rain.

Carbon monoxide (CO) is produced from incomplete combustion of fuels and can pose risks to human health by reducing oxygen delivery in the body. Particulate matter (PM), including fine particles such as PM2.5, can penetrate deep into the respiratory system and contribute to a range of health and

environmental impacts.



San Miguel continues to manage non-GHG emissions through a combination of operational controls, process optimization and investments in air pollution control technologies across its businesses.

In 2025, non-GHG emissions particularly nitrogen oxides, sulfur oxides, and particulate matter increased, while carbon monoxide decreased. The increases reflected changes in operating conditions, particularly higher utilization of thermal power assets and the inclusion of Sual within the reporting boundary. These factors contributed to increases in certain pollutants, while improvements in combustion efficiency and emission control systems supported a reduction in carbon monoxide emissions.

Within the Power business, emissions trends were consistent with increased generation to meet rising electricity demand. Despite this, facilities continued to operate with established emission control systems, including seawater-based flue gas desulfurization to manage sulfur dioxide, as well as low-Nox burners and catalytic treatment systems to reduce nitrogen oxide emissions. These measures help ensure that emissions are managed in line with regulatory standards even as output requirements increase.

Other businesses delivered measurable improvements through targeted efficiency and process enhancements. At Petron, improved plant efficiency resulted in a 59% reduction in petroleum fuel consumption, supported by process improvements across refining operations, particularly upgrades to flue gas systems and the decommissioning of the direct-fired air heater. The continued use of desulfurization units, sulfur recovery systems, and more efficient combustion technologies contributed to sustained emissions reductions across key pollutants.

The Food and Beverage business improved emissions performance through fuel efficiency measures, the use of low-sulfur fuels, and strengthened preventive maintenance practices for boilers and emission monitoring systems. These measures support consistent compliance and stable emissions performance across facilities.

In Cement, process emissions such as the reuse of flue gas in raw material grinding and the transition to more efficient production technologies helped reduce sulfur oxide and nitrogen oxide emissions while improving overall energy efficiency. Enhanced coal dosing and dust control systems, including upgraded weight feeders and electrostatic precipitators, further contributed to lower particulate emissions.

Across the Group, continuous emissions monitoring systems- and regular maintenance programs support accurate measurement and effective management of air pollutants. These are complemented by ongoing investments in proven and emerging technologies to strengthen environmental performance.

SMC remains committed to managing air emissions responsibly, balancing operational requirements with the protection of employee health, surrounding communities, and the environment.

D. Energy Access and Affordability

GRI 203-1 | 203-2 | GRI 305-7 | SASB: Energy Access & Affordability

San Miguel supports energy access and affordability through a diversified generation portfolio, long-term power supply arrangements, and investments in technologies that strengthen grid stability. Its portfolio includes baseload and peaking thermal plants, hydroelectric assets, battery energy storage systems, and developing renewable energy capacity. This mix enables the Company to respond to varying demand conditions while managing supply risks and maintaining competitive baseload power rates, while supporting reliable electricity supply across major grids, including areas with tightening supply-demand conditions.

San Miguel's Power business maintains reliable power supply through a combination of baseload and peaking generation assets, supported by battery energy storage systems that provide regulating and contingency reserves to the grid. These systems also help reduce reliance on higher-cost peaking power during peak demand periods, contributing to more stable system-wide electricity costs.

Thermal plants primarily serve as baseload supply under bilateral offtake agreements, while hydroelectric facilities are dispatched as peaking supply, utilizing available water resources during periods of higher demand. The Company continues to expand its battery energy storage capacity to support ancillary services and strengthen grid reliability.

Operational reliability is supported through long-term fuel supply agreements with reputable international and local suppliers, strict adherence to operational protocols, and the use of experienced operations and maintenance providers across its facilities. Efficiency and reliability improvements are also pursued through targeted upgrades.

Electricity pricing within the Company's portfolio is influenced primarily by fuel costs, foreign exchange movements, inflation, and contractual structures. These factors are actively managed to support price stability and predictability for customers.

Most long-term take-or-pay offtake agreements include provisions that allow the pass-through of fuel costs, foreign exchange differentials, and certain fixed costs. Tariffs under these agreements are typically structured to allow adjustments for fuel, foreign exchange, and inflation, helping maintain pricing stability while transparently reflecting underlying cost movements.

Exposure to fuel price volatility and supply disruptions is mitigated through fuel diversification and supplier diversification. Coal price volatility is managed through contractual fuel cost pass-through provisions or periodic tariff reviews under power supply agreements and retail supply contracts. The Company also maintains diversified coal sourcing arrangements alongside LNG supply agreements for gas-fired plants, reducing exposure to any single supplier or region.

Long-term contracts further contribute to price stability. Most power plants operate under offtake agreements that provide predictable cash flows and secure long-term demand, with several agreements extending over long durations, which in turn supports more stable and predictable pricing for customers.

Generation investments are guided by market conditions, economic outlook, and demand trends. Planned projects, including renewable energy developments, are evaluated in relation to evolving power demand and system requirements, with the objective of ensuring sufficient, reliable, and cost-effective capacity over the long-term.

Battery energy storage projects in the development pipeline are expected to participate in future ancillary services tenders and reserve markets, supporting grid stability as the country's demand-supply balance remains tight.

Operational efficiency also contributes to long-term cost stability. Plant performance is monitored through key operating metrics such as availability, reliability, and heat rate. Capital investments include upgrades and maintenance of existing assets, as well as investments in high-efficiency, low-emission technologies to support both operational reliability and efficiency.

San Miguel plays a significant role in supporting national energy security and meeting the Philippines' growing electricity demand, with a substantial presence across key power grids in the country. Reliable and competitively priced electricity remains critical to economic growth, industrial activity, and the continued expansion of the digital economy.

As the energy transition progresses, SMGP continues to balance decarbonization efforts with affordability considerations. The expansion of solar and battery energy storage capacity supports the Company's objective of reducing its carbon footprint while transitioning toward cleaner energy sources. At the same time, the Company prioritizes energy security, reliability, and affordability, ensuring that the shift toward lower-carbon energy is managed in a practical and economically sustainable manner.

E. Decarbonization and Energy Transition

GRI 302 | GRI 305 | SASB: Greenhouse Gas Emissions; Energy Management

Transitioning toward lower-carbon energy systems is a key component of San Miguel Corporation's climate strategy. As an infrastructure and industrial group whose operations span energy, manufacturing, and logistics, the Company recognizes that meaningful decarbonization requires both the expansion of cleaner energy sources and improvements in energy efficiency across its businesses.

In support of these efforts, SMC continues to advance initiatives that contribute to PAS Axis 1 – Transitioning Energy, Industry and Transport, which focuses on accelerating the shift toward cleaner energy systems, improving industrial efficiency, and strengthening low-carbon infrastructure.

A major milestone in 2025 was the award of 6.35 GW of renewable energy capacity to SMGP under the government's Green Energy Auction (GEA) program. The GEA supports the Philippines' National Renewable Energy Program (NREP), which aims to increase the share of renewable energy in the country's power generation mix to 35% by 2030, in line with the objectives of the Renewable Energy Act of 2008 (RA 9513).

Of the total renewable energy capacity secured, 4.15 GW will be developed through pumped storage and hydropower projects. Under the GEA-3 Notice of Award, this includes: (i) San Roque Hydropower, Inc. (SRHI), with an aggregate offered capacity of 1,850 MW of pumped storage hydropower across three facilities to be completed between 2031 and 2035; and (ii) Pan Pacific Renewable Power Phils. Corp. (PPRPPC, 40% owned by SMGP), with an aggregate offered capacity of 2,300 MW of pumped storage and impounding hydropower across three facilities to be completed between 2028 and 2032.

Hydropower generates electricity using energy from water moving through the natural hydrological cycle. Pumped storage systems, meanwhile, function primarily as energy storage facilities that help balance electricity supply and demand. In these systems, water is pumped from a lower reservoir to an upper reservoir during off-peak periods and later released to generate electricity during periods of peak demand.

The remaining 2.2 GW will come from floating and ground-mounted solar projects. Floating photovoltaic systems involve installing solar panels on buoyant platforms deployed on water bodies such as reservoirs, while ground-mounted solar farms consist of land-based photovoltaic systems that convert sunlight into electricity.

Beyond renewable energy expansion, several of the Company's businesses are contributing to emissions reduction through operational improvements and industrial efficiency measures. In the cement business, decarbonization efforts include fuel substitution and energy efficiency initiatives such as harnessing waste heat from kiln operations to generate steam and electricity, thereby reducing reliance on diesel-powered generators. The use of alternative fuels derived from waste materials, combined with upgrades to more energy-efficient mills and the incorporation of fly ash as a supplementary cementitious material, enables the business to integrate energy recovery with mineral recycling.

The Company is also supporting the transition toward lower-carbon transport fuels and electrification. In 2025, plans were initiated to integrate a Coco Methyl Ester (CME) plant into refinery operations to support the country's planned increase in biodiesel blending from 2% to 5%. At the same time, Petron

installed nine electric vehicle (EV) charging units across six retail stations along major expressways in Luzon, while four charging units were installed at the Head Office Complex to support the growing number of electric vehicles used by employees.

Alongside these transition initiatives, the Company continues to strengthen how it measures, monitors, and manages greenhouse gas emissions across its operations. Transparent reporting of emissions remains a critical component of effective climate management, enabling the Company and its stakeholders to track performance, assess progress, and identify opportunities for further emissions reductions.

WATER THAT POWERS A NATION

The Angat Hydroelectric Power Plant (AHEPP) was conceived not as a short-term energy solution, but as long-lived national infrastructure designed to serve climate resilience, energy security, and development needs across generations. Commissioned in 1967, AHEPP reflects early systems-level thinking, integrating power generation, water security, irrigation, and flood control in a single asset, well before climate adaptation became a global priority.

Today, AHEPP remains a vital part of the country’s energy and water systems. It is a joint venture asset of SMGP and Korea Water Resources Corporation (K-Water), with an original generating capacity of 218 MW. Angat Hydropower Corporation (AHC) is responsible for day-to-day plant operations and maintenance, supported by the SMGP and K-Water. Located in Norzagaray, Bulacan, approximately 58 kilometers northeast of Manila, the facility draws from the Angat River, which originates in the Sierra Madre Mountain Range, traverses several municipalities in Bulacan, joins the Pampanga River in Calumpit, and ultimately discharges into Manila Bay. AHEPP plays a central role in meeting the water needs of Metro Manila and surrounding agricultural areas.

As a multipurpose facility, AHEPP continues to deliver low-emissions renewable baseload power while meeting essential water requirements. Its average river inflow of 60 cubic meters per second is carefully allocated to irrigation, potable water supply for Metro Manila, power generation, and river maintenance, illustrating how hydropower supports decarbonization alongside critical public services. During periods of high demand, the plant supports grid reliability, while in the rainy season, it also helps manage reservoir levels and reduce flood risks.

Beyond routine operations, AHEPP plays a critical role in system stability, serving as a power restoration catalyst during grid blackouts. Its water utilization is governed by the National Water Resources Board (NWRB), which prioritizes water use in the following order: domestic use, irrigation, and power generation. At reservoir elevations of 180 meters above sea level (masl) and below, the plant is required to curtail main unit operations to protect water security.

Nearly six decades after commissioning, AHEPP continues to demonstrate how long-lived renewable infrastructure can anchor national decarbonization pathways while strengthening overall system resilience. Its enduring contribution highlights the strategic value of hydropower, not only as a source of clean electricity, but as resilient infrastructure that supports inclusive growth, food security, and reliable water access over the long term.

Within SMGP’s energy transition pathway, AHEPP serves as a foundational asset supporting the shift toward a lower carbon and more resilient power system. As a long-operating, low-emissions renewable facility, it reduces reliance on fossil fuel generation while providing firm, dispatchable capacity that underpins grid stability and enables higher renewable penetration. By delivering dependable baseload power, system balancing, and climate adaptation benefits, AHEPP reinforces SMGP’s net zero strategy while advancing national objectives for decarbonization, energy security, and sustainable development in the Philippines.

To ensure that the plant continues to deliver these benefits over the long term, AHEPP has been undergoing rehabilitation and modernization since 2020 as part of a Life Extension

Program. This initiative is expected to further improve operational efficiency, reliability, and performance while extending the plant’s economic life by another 50 years, while benefiting future generations. The upgrades are being implemented gradually to allow continuous delivery of both electricity and water services throughout the rehabilitation period.

Once fully completed, the program is expected to strengthen AHEPP’s role as a reliable source of renewable energy and a key contributor to water security and climate resilience in the Luzon region. By investing in the long-term viability of this critical asset, SMGP is reinforcing the importance of maintaining and modernizing existing renewable infrastructure as part of the country’s broader energy transition.

6.2 Resource Management

GRI 302 | GRI 303 | SASB: Energy Management; Water Management

San Miguel Corporation marked its 135th founding anniversary in 2025 with a renewed commitment to responsible resource stewardship, reflecting its role not only as a partner in nation-building but also as a contributor to broader sustainability goals. To support this commitment, the Company expanded its 2025 Sustainability Report to integrate both the GRI and SASB standards, enabling more consistent and decision-useful disclosures on how resources are used, managed, recovered, and conserved across its operations.

As the scale and complexity of SMC’s businesses continue to grow, the efficient management of energy, water, materials, and waste has become increasingly important to maintaining operational resilience and long-term value. The Company therefore continues to strengthen how these resources are measured, monitored, and managed across its businesses, with a focus on improving efficiency, reducing losses, increasing recovery, and supporting more circular and resilient operating systems.

These efforts are aligned with PAS Axis 4 – Building Resilience for Cities, Infrastructure, and Water, which emphasizes strengthening resource efficiency and water security in support of resilient communities and infrastructure systems. In this context, SMC’s approach to resource management extends beyond internal operations performance to include investments that help address broader development needs.

One example is the Bulacan Bulk Water Supply Project (BBWSP), initiated through the Company’s Infrastructure business unit to provide clean, affordable, and reliable water supply to cities and municipalities in the province of Bulacan. The project consists of a multi-stage water treatment facility connected to a 66-kilometer pipeline supplying municipal water districts across the province. It currently serves 12 municipalities, providing water access to approximately 332,000 households, with a maximum delivery capacity of 388 million liters per day (MLD) sourced from the Angat watershed.

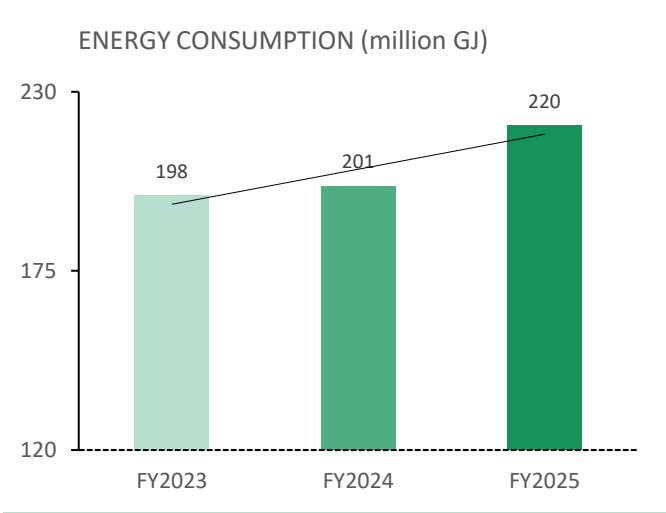
The investment responds to a continuing national challenge. According to the Philippine Institute for Development Studies (PIDS), at least 12.4 million Filipinos still lack access to safe water¹, and less than half of households have piped water connections at home. The same report identifies 332 municipalities as waterless, even as national water access has reached 87.7%. In Bulacan, one city has already declared a state of calamity due to insufficient water supply. Through the BBWSP, the Company aims to strengthen water supply reliability and contribute to the resilience of communities and water infrastructure in the province.

The sections that follow discuss SMC’s approach to energy management, water stewardship, materials optimization, and waste management, reflecting an integrated approach to responsible resource use.

¹ <https://doi.org/10.62986/dp2025.50>

A. Energy Management

GRI 302-1 | GRI 302-3 | GRI 302-4 | SASB: Energy Management



In 2025, the Company’s total energy consumption increased by 9%, largely driven by its Power and Fuel and Oil businesses, which both recorded an 11% increase. This reflects higher energy output to support growing economic activity, increased mobility, and rising electricity demand across the country.

Electricity generation and consumption trends during the year highlight the continued expansion of electrification. Energy consumption increased by 11% due to higher utilization of thermal power plants, including the capacity increase in Mariveles. This was driven in part by the growth of the electric transport sector, with electric vehicles accounting for 6% of total car sales and contributing to a 5% increase in new vehicle registrations. The entry of foreign-operated electric taxi fleets and the rollout of fully electric public utility vehicles (PUVs) further contributed to incremental power demand.

Electricity exported to the grid increased by 8%, reflecting sustained demand from electric utilities, industrial customers, and the emerging electrified transport systems. This trend aligns with broader global developments, as noted in the International Energy Agency’s 2026 Electricity Report², which identified 2025 as the beginning of the “Age of Electricity,” driven by electrification across industry, transport, and buildings.

Total electricity consumption from the grid increased by 3%. This was driven primarily by optimization runs at the Sual power facility following the transfer of operational control to the Power business which were necessary to ensure stable and efficient plant operations. Also contributing to this growth was the increased utilization across the manufacturing, logistics, and infrastructure operations of the Group.

Company-wide non-renewable energy consumption increased by 9%, consistent with higher production and energy demand. At the same time, renewable energy consumption increased by 35%, driven by improved hydropower output, expanded solar PV installations, and increased battery energy storage capacity.

In 2025, the Power business operationalized 500 MWh of battery energy storage system (BESS) capacity. These systems play a critical role in enabling the integration of variable renewable energy sources, improving grid stability, optimizing electricity flows, and strengthening national energy security.

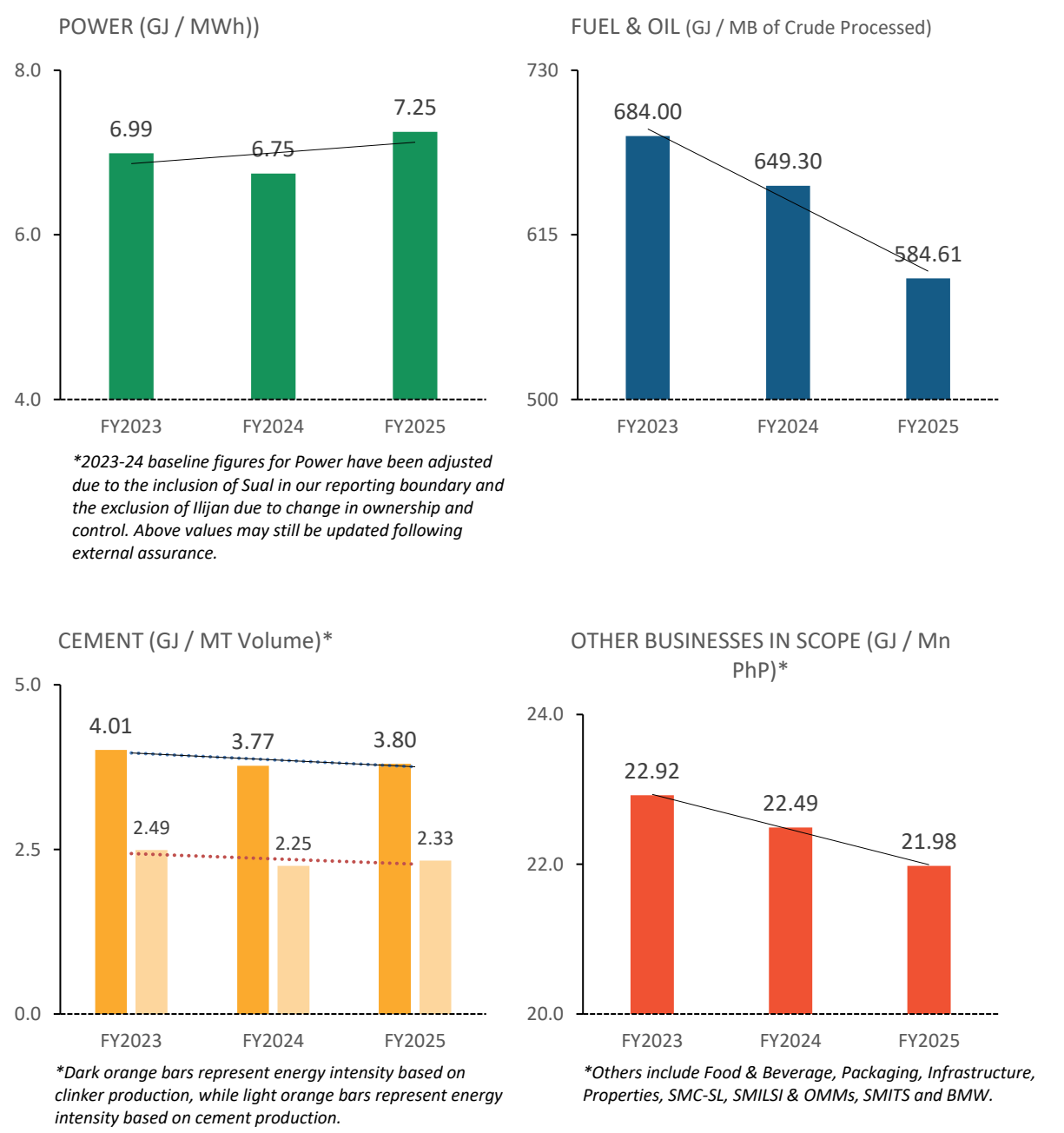
Energy intensity performance varied across business, reflecting differences in operating conditions, output growth, and efficiency gains.

Energy intensity of the Power business increased from 6.75 to 7.25 GJ/MWh in 2025 as energy consumption grew faster than net generation. The ramp-up of Mariveles and increased dispatch from Malita and Sual resulted in higher plant-level intensity, only partly offset by efficiency gains in Limay and the continued contribution of low-intensity hydropower.

² Electricity 2026, International Energy Agency (IEA) Report

At the Petron refinery, energy intensity improved by 10% following the full operation of its co-generation facility. While total energy use increased by 11% to support higher operating volumes, crude throughput rose by 19%, resulting in a net improvement in efficiency. The co-generation facility also enabled a 57% increase in surplus of electricity exported to the grid.

Petron’s energy performance was further supported by targeted energy recovery and loss reduction initiatives:



Refinery Energy Recovery and Loss Reduction

Petron continues to strengthen energy efficiency through operational initiatives that reduce energy losses and improve process reliability.

- Flare Gas Recovery**
The refinery’s Flare Gas Recovery Unit (FGRU) captures waste gas that would otherwise be flared and reuses it as fuel or feedstock. To date, 860 million standard cubic feet (scf) of flare gas has been recovered, avoiding 53,274 metric tons of GHG emissions and generating approximately PHP 519 million in savings.

- **Process Leak Management**

Dedicated maintenance teams monitor refinery systems to detect leaks and prevent product losses. Monitoring is supported by an automated leak detection system linked to a centralized control room, enabling real-time oversight and rapid response to potential safety risks.

- **Tank Evaporation Control**

Under Petron's Ecowatch program, valves, gauges, and hose fittings are regularly monitored to minimize evaporative fuel losses during storage, transfer, and distribution.

Operational Impact

These initiatives generated savings equivalent to 3.8 million liters of oil equivalent (loe) and 677,083 kWh of electricity, helping increase power availability for other consumers by 36% compared with the previous year.

In the Cement business, energy intensity increased by 3% based on cement production output, but only by 1% when measured against clinker volumes. This shows improvement in process efficiency, supported by increased hot gas utilization and waste heat recovery from kiln operations, which saved a total of 6,112,575 loe. The replacement of two older production lines with a more energy-efficient line also resulted in energy savings of 28,1 million kWh in 2025.

Energy intensity across other businesses declined by 2%, driven primarily by a 4% reduction in energy consumption in San Miguel Food and Beverage, alongside 5% revenue growth. Renewable energy usage in SMFB also increased by 9% with higher biogas output in the GSMI distillery, the use of a biomass-fired boiler in poultry, and the transition to electric forklifts in feed milling operations.

The Company continues to strengthen its energy management practices in line with Republic Act 11285 (Energy Efficiency & Conservation Act), which supports national energy security and efficiency objectives. Efforts are focused on aligning operations with the ISO 50001 Energy Management System standard, enabling business units to systematically identify opportunities to reduce energy consumption, improve operational performance, and manage energy-related costs.

In 2025, four facilities, Eagle Cement and three B-MEG feed plants, achieved ISO 50001:2018 certification. The updated standard places greater emphasis on leadership accountability and the integration of energy management system into overall business operations.

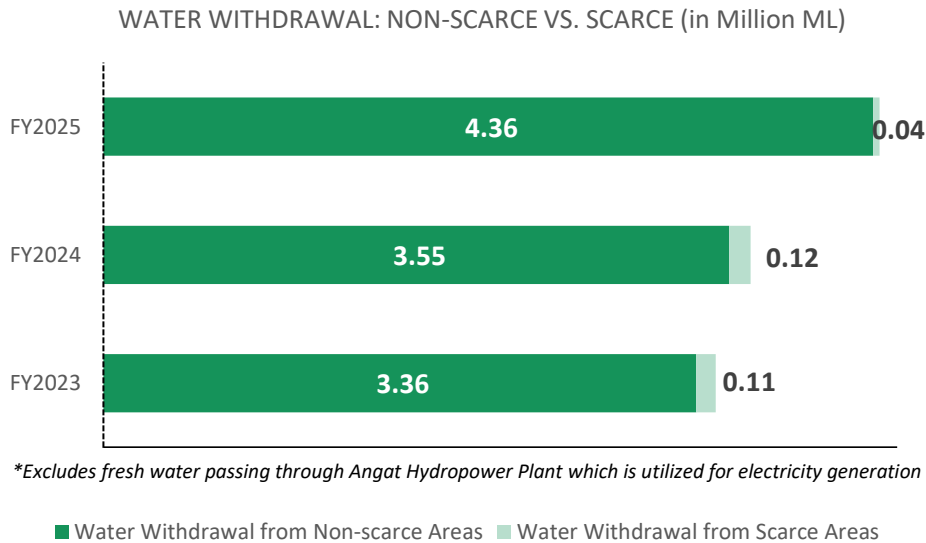
Additional facilities are expected to pursue certification in 2026, as internal systems mature and reach a state of certifiability. To support this, the Corporate Sustainability Office (CSO) trained 570 personnel across multiple business units, focusing on embedding energy management practices into day-to-day operations.

San Miguel Brewery (SMB) also advanced the implementation of its energy management system by establishing a formal policy, appointing an Energy Director, and organizing facility-level energy teams across its breweries. A total of 104 personnel underwent ISO 50001-based training, with a phased approach to certification beginning with pilot facilities.

Through these initiatives, the Company continues to align its energy management practices with the National Energy Efficiency and Conservation Plan (NEE&C) 2023–2050, contributing to improved operational efficiency, cost discipline, and near-term emissions reduction.

B. Water Management

GRI 303-1 | GRI 303-2 | GRI 303-3 | GRI 303-4 | GRI 303-5 | SASB: Water Management



San Miguel continues to strengthen its stewardship of water resources across its operations, guided by the recognition that water is both a critical operational input and a shared resource with communities.

In 2025, SMC achieved a 24.6% reduction in water use compared to its 2016 baseline, reflecting sustained efficiency improvements since the launch of the Water for All (WFA) program in 2017. Over this period, the program delivered cumulative savings of 58 million cubic meters of water, equivalent to the monthly consumption of approximately 1.936 million households, or the annual requirement of about 161,341 households.

Total water withdrawal in 2025 reached 4.4 million megaliters (ML), of which 99% was sourced from non-scarce sources, including seawater and rainwater. The majority, 4.2 million ML, was attributable to the Power business, where seawater is primarily used for cooling and then safely discharged.

Freshwater use remains limited in scale but critical in function. Scarce water sources accounted for 37.2 thousand ML, or 0.8% of total water withdrawal, largely supporting food, beverage, and packaging operations where water is an essential input. This underscores the importance of continued conservation efforts, particularly in water-sensitive processes.

Across facilities, the Company has pursued a combination of system improvements, operational upgrades, and process optimization to enhance water efficiency.

System improvements include the installation of water meters along major distribution lines to strengthen monitoring, detect leaks, and improve accountability. In select facilities, re-piping and above-ground installations have improved inspection and maintenance.

Operational upgrades have reduced water intensity through the installation of pressure regulating valves, replacement of aging and water-intensive equipment such as bottle washers and upgrading of sanitary fixtures. Several sites have also adopted alternative water sources, including treated recycled water, harvested rainwater, and desalinated water, to reduce reliance on freshwater.

Process optimization initiatives include reuse of rinse water, refinement of cleaning-in-place systems, optimization of distillation processes, and adjustments to equipment settings such as bottle washer nozzle pressure. Additional measures include reuse of reverse osmosis concentrate and cooling tower water, alongside improved maintenance of water treatment systems and optimized cooling tower discharge cycles.

These initiatives collectively reinforce operational efficiency while reducing pressure on limited freshwater resources.

The year 2025 marked the completion of the first phase of the *Water for All* program (2017–2025). While the program achieved a 24.6% reduction in water use, below its initial 50% target, it established a strong foundation in water monitoring, efficiency practices, and cross-business collaboration. More importantly, it delivered significant absolute water savings and embedded a culture of resource stewardship across operations.

Building on this foundation, San Miguel launched the next phase of its Water for All (2025-2030) with a renewed target of achieving a further 25% reduction in water use relative to the 2024 baseline.

This next phase places greater emphasis on:

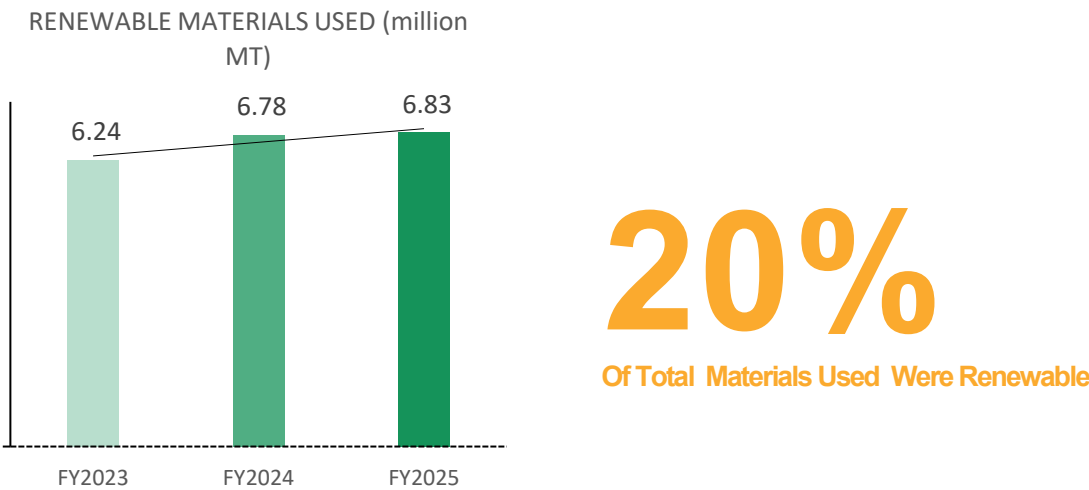
- Strengthening data quality, monitoring, and validation systems, aligned with national frameworks and evolving global reporting standards,
- Deepening site-level efficiency improvements and operational accountability,
- Expanding the use of non-scarce and alternative water sources and
- Enhancing collaboration across business units and contributing to shared water resilience in water-stressed areas.

The program also aims to maintain an average consumption of 9 cubic meters of water per employee per year (approximately 25 liters per person per working day for domestic sanitation use), while exploring opportunities to further increase reliance on non-scarce sources to 20%.

From 2017 to 2025, the WFA’s cumulative savings of 58 million cubic meters of groundwater equivalent have contributed to easing pressure on the country’s widening gap between water supply and demand. The next phase of the program will continue to support the Company’s broader circular economy objectives, advancing resource efficiency, while contributing to national efforts to address water challenges driven by population growth, urbanization, water pollution, watershed degradation, and saltwater intrusion.

C. Materials Management

GRI 301-1 | GRI 301-2 | SASB: Materials Management



Business expansion inevitably results in increased material consumption to sustain operations and support continued growth. For a diversified industrial group such as San Miguel, managing this material intensity is central to improving resource efficiency and advancing circularity across its value chains. Recognizing this, SMC continues to strengthen its efforts to optimize material use while increasing the recovery and utilization of renewable inputs.

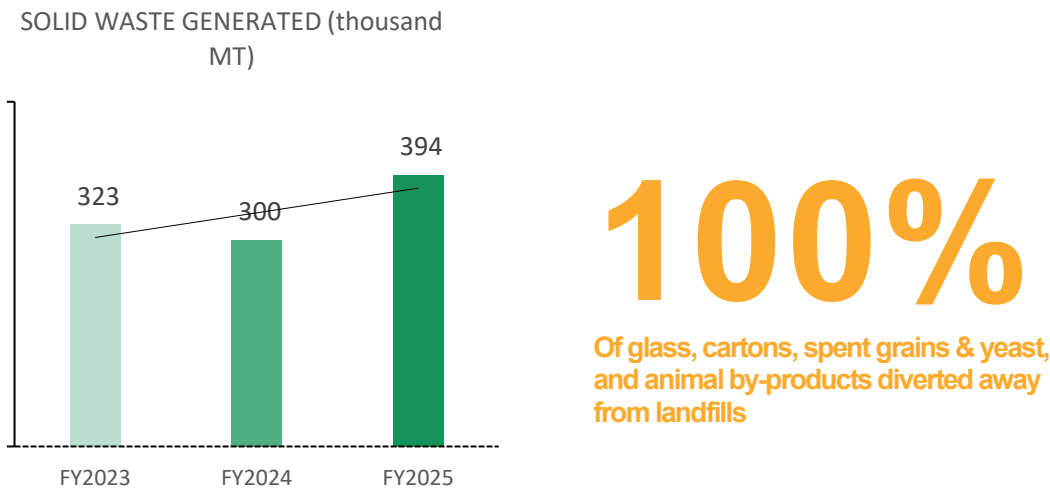
In 2025, the Company’s operations used a total of 34 million MT of materials, representing a 7% increase compared to 2024. Non-renewable materials accounted for 27.2 million MT, mainly reflecting higher activity levels across infrastructure development, fuel operations, and cement production.

Renewable inputs accounted for 6.8 million MT, or 20% of the total materials consumed. This mainly reflects the continued integration of agricultural and bio-based inputs across the Group’s food and beverage businesses. Other renewable materials used by our businesses come from glass, carton, and paper for packaging.

An additional 1.67 million MT of recycled glass bottles and plastic crates were recovered and reused by San Miguel Brewery and Ginebra San Miguel demonstrating the long-standing effectiveness of deposit-return systems in reducing virgin material demand and waste generation.

D. Solid Waste Management

GRI 306-1 | GRI 306-2 | GRI 306-3 | GRI 306-4 | GRI 306-5 | SASB Waste Management



Effective solid waste management remains a key component of San Miguel’s broader circularity strategy. Waste generation trends are closely linked to production volumes and product mix across business units, making year-on-year comparisons an important operational diagnostic rather than a standalone performance indicator. As operations expand and production volumes fluctuate across business units, waste generation metrics may vary year to year. For the Company, these metrics provide important insights that guide waste reduction strategies, strengthen diversion systems, and identify opportunities to improve resource recovery across the organization.

In 2025, total solid waste increased by 3.2% compared with 2024, largely driven by higher volumes of residual and mixed biodegradable waste generated from operations. While 7% of this waste category was diverted as fertilizer, the remaining volume was managed through disposal, highlighting the need to expand viable end-use applications and processing capacity for organic waste streams.

The other waste categories that increased in volume were ferrous metals, plastic, and wood. These increases were driven by construction activities at some facilities and the replacement of damaged plastic pallets and crates used in warehouses and distribution. Of these waste categories, 31% were diverted from disposal, with plastic waste used in the production of new crates and pallets.

Broken glass and cullet generated by SMB, GSMI, and SMYPC decreased to 69.3 thousand MT, compared to 78.9 thousand MT in 2024, with 99.5% of the volume successfully diverted from disposal and recycled into new glass products.

While these increases in the generation of solid waste reflect the operational realities of large-scale manufacturing activities across multiple business units, they also provide valuable operational insights that help the Company identify opportunities to further reduce waste generation and strengthen diversion systems across its facilities.

In parallel with these operational improvements, the Company continues to strengthen its plastic waste recovery systems in support of national policy initiatives. In 2022, the Extended Producer Responsibility (EPR) Act of 2022 was enacted in the Philippines, requiring companies to recover a portion of the plastic

packaging they place in the market and adopt more environmentally responsible packaging design and recovery practices.

In response, SMC implemented an EPR program aimed at reducing its plastic packaging footprint and strengthening post-consumer recovery systems across its businesses.

Among the initiatives implemented under this program are the redesign of lube oil containers to reduce packaging weight while exploring alternative materials without compromising product integrity or consumer safety; partnerships with retail stations, lube oil outlets, and distributors to collect and recover used containers from consumers; the conversion of recovered containers into plastic pellets and other reusable products through partnerships with legitimate recyclers; and collaboration with accredited plastic waste management entities to collect and recycle post-consumer plastic waste to offset residual plastic packaging that cannot be addressed through direct recovery initiatives.

To further strengthen waste diversion efforts, two facilities from the Company’s Cement and Packaging business units initiated the process to become accredited waste diverters, enabling the recovery and diversion of plastic packaging waste for reuse, recycling, or proper disposal in accordance with the provisions of the EPR Act.

Through these initiatives, the Company continues to strengthen circular material flows, while contributing to broader efforts to reduce plastic waste leakage and promote responsible packaging management.

Coal Ash Management

In 2025, coal ash generated across the Company’s operations increased by 27.6%, reaching 906 thousand MT from 710 thousand MT in 2024. The increase reflects higher power generation levels in SMGP’s plants and increased output from the co-generation facility at the Petron Bataan Refinery, in line with higher electricity demand and plant utilization.

Of the total ash generated, 351 thousand MT were recycled, mainly for use in the Cement business as a supplementary cementitious material in the production of pozzolan cement. This represents 38.7% of total coal ash generated, more than double prior year’s proportion. The increase reflects improved recovery and utilization pathways across business units.

The Company continues to assess opportunities to expand ash utilization and strengthen partnerships to improve recovery rates in future periods.

Hazardous Waste Management

In 2025, SMC generated 12 thousand MT of hazardous waste, a decrease from 16 thousand MT in 2024. Of this total, 53% originated from Petron, primarily fuel residues and oily sludge generated from the Petron Bataan Refinery.

The reduction was partly driven by the refinery’s adoption of centrifuge-based sludge processing (Powermacs technology), which separates sludge into oil, water, and residual solids. Through this process, recovered oil is returned to refinery operations for reprocessing, water is treated in the refinery’s wastewater treatment facility, and only the remaining sludge cake is sent for final disposal by accredited third-party service providers.

This approach significantly reduces the volume of hazardous waste requiring external handling. During a recent crude tank maintenance activity, sludge volume was reduced from over 1,000 cubic meters to less than 70 cubic meters, representing a reduction of more than 90%. Cleaning time was also shortened from more than one month to approximately two weeks.

These improvements reduce waste transport requirements, lower disposal costs, and minimize environmental and community impacts associated with hazardous waste handling. They also demonstrate how process innovation can simultaneously improve operational efficiency and environmental performance.

A circular economy is a central goal of sustainability-oriented businesses. Rather than focusing solely on managing waste, it requires designing systems where materials are continually reused, value is preserved, and resource use is optimized across the entire value chain.

For a diversified conglomerate such as San Miguel Corporation, advancing circularity presents both operational challenges and strategic opportunities. The scale and diversity of the Company’s operations increase the complexity of managing materials and waste streams across multiple industries. At the same time, this scale allows SMC to identify synergies among its business units, enabling by-products, recovered materials, and resources from one operation to be utilized by another.

Over time, what began as operational efficiencies within individual facilities has evolved into more structured practices that support circular resource flows across the Group.

In several cases, these efforts now extend beyond single businesses. Materials recovered from one operation are increasingly being evaluated for use in another. For example, refinery by-products may be co-processed in cement manufacturing, or recycled plastics reintegrated into industrial packaging systems.

In 2025, SMC continued to expand circularity initiatives through the integration of technologies that support material recovery and waste reduction. These efforts contribute to SMC’s long-term goal of achieving a fully circular approach to operations by 2040.

REFINING BEYOND FUEL

Beyond energy efficiency and waste reduction, the Petron Bataan Refinery (PBR) has also been implementing engineering solutions designed to reduce waste, recover materials, and maximize resource efficiency.

As one of the most complex industrial facilities in the San Miguel Group, the refinery faces unique challenges in advancing circularity. Its operations involve the processing of crude oil and the handling of hazardous and toxic substances, where safety and environmental controls must remain paramount. Yet through decades of engineering innovation and operational discipline, PBR has steadily integrated circular economy principles into refinery operations.

The refinery has invested in systems that capture value from by-products and process streams. These include the Sulfur Recovery Unit which converts sulfur compounds into marketable products, and the Refinery Solid Fuel Fired Boiler (RSFFB), a co-generation power plant that utilizes petroleum coke to generate steam and electricity for internal use.

Circular Economy Performance Highlights (2025)

The following results illustrate how these systems contributed to measurable resource recovery and environmental benefits:

- Delayed Coking Unit (DCU) Sludge Processing – Reprocessed 1,875 MT of oily sludge, recovering usable products and generating approximately PHP 11.4 million in avoided treatment and disposal costs.
- RSFFB Spent Material Co-processing – Reprocessed 346 MT of spent materials for use as alternative fuels and materials, substituting coal and petcoke, while saving about PHP 0.29 million.
- Water Recycling – Recycled 0.8 million m³ of stripped sour water for reuse in desalters, drum seals, and scrubbers, reducing freshwater withdrawal and wastewater loads while generating approximately PHP 3 million in savings.

- Catalyst Regeneration – Sent 59 MT of spent catalysts for regeneration and rejuvenation, restoring catalyst performance by removing contaminants and generating estimated savings of PHP 79 million.
- Sulfur Recovery – Recovered and produced 97,625 MT of molten sulfur, which was sold as a raw material for downstream manufacturing.
- Repurposing of Spent Chemicals at WWTP – Repurposed 1,846 m³ of spent chemicals within wastewater treatments systems, reducing the need for fresh materials.
- RSFFB Energy Recovery – Converted 451,371 MT of petcoke into approximately 3.7 million MWh of steam and power for the refinery, with excess electricity exported to the grid.

These initiatives demonstrate how refinery operations can transition from linear consumption to closed-loop resource systems, where materials are continuously recovered, repurposed, and reintegrated into productive use.

Looking ahead, Petron is expanding circularity through industrial symbiosis within the San Miguel Group. Oily sludge and spent catalyst materials are being evaluated as alternative fuel inputs at Eagle Cement Corporation. A test run has already been approved by the DENR, following ECC’s receipt of a Treatment, Storage and Disposal Certification.

Another opportunity involves the reuse of calcined limestone from refinery operations as construction material for infrastructure projects, including the Bulacan airport development. Technical evaluations conducted with DPWH have confirmed that the material is suitable for use as sub-layers for concrete pavement.

Through these efforts, circularity at Petron is evolving from facility-level optimization to cross-industry resource integration, strengthening both environmental performance and long-term operational resilience.

GIVING PLASTICS A SECOND LIFE

One of the primary barriers to rigid plastic recycling in the Philippines is the gap between waste collection and industrial reuse. While LGUs, NGOs, and private institutions actively collect plastic waste, many lack the technology needed to convert these materials into usable raw inputs. At the same time, manufacturers often struggle to secure a reliable supply of high-quality recycled plastic for production.

SMYPC’s Sustainability Center at the Manila Plastics Plant (MPP) helps bridge this gap. The facility serves as a link between waste collection systems and industrial manufacturing, transforming recovered plastics into high-grade materials that can be reintegrated into production. By doing so, it supports the development of a practical closed-loop system for rigid plastics, where materials can be recovered, processed, and reused instead of being discarded.

Established in 1970, MPP has long served as a key manufacturing hub for the San Miguel Group. Over the decades, the facility has continuously upgraded its processes and technologies to adapt to changing market needs. The Sustainability Center represents the latest stage in this evolution, expanding the plant’s role from manufacturing to circular resource management.

At the heart of this initiative is the Recycling and Blending Facility, where collected plastics are transformed into usable materials through a series of carefully controlled processes:

- Sorting: Recovered materials are manually sorted by type and color to maintain material purity.
- Size Reduction: Specialized equipment, including crate and pallet crushers and

- large-scale cutting machines, reduce plastics into manageable pieces.
- Pelletizing: Crushed materials are melted and converted into high-grade resins in pellet form ready for manufacturing.
- Distribution: Finished pellets are returned to molding operations to produce new crates and pallets.

Beyond mechanical processing, material innovation plays an important role in ensuring that recycled plastics meet strict quality standards. The plant's Materials R&D team analyzes recovered materials and develops proprietary blends that match the performance requirements of specific products. All finished materials undergo rigorous testing before being used in production.

Traceability and verifiability are critical elements of the system. To ensure accurate accounting of recycled materials, diversion data is integrated directly into the Company's SAP platform. This system links recycled plastic credits to original delivery receipts and purchase orders, creating a verifiable audit trail and allowing real-time monitoring of material flows.

The Sustainability Center was developed through three parallel workstreams: Infrastructure Development, Material Innovation, and System Integration. The Operations team oversaw the construction and installation of recycling equipment, the Materials R&D team advanced material innovation, and the Finance team spearheaded the integration of tracking and accounting systems.

Since commercial operations began in late 2024, the facility has focused on scaling its recycling capacity and improving operational efficiency. Crushing and pelletizing units have already processed nearly 1.8 million kilograms of plastic, maintaining a high yield that ensures materials are diverted from landfill and returned to productive use.

Current crushing capacity exceeds our pelletizing output, and expansion plans are underway to address this constraint. Once these upgrades are completed, the facility is expected to significantly increase its recycling capacity in the coming years.

The true value of this initiative lies in its circularity: pelletized materials are immediately integrated into MPP's molding operations, where they are used to produce durable plastic crates and pallets. Demand for these products continues to grow in order to support the compliance requirements of Obligated Enterprises (OEs) under the Extended Producer Responsibility (EPR) law.

Looking ahead, the Sustainability Center will continue expanding its capabilities to process more complex plastic waste streams. While the facility currently focuses on large rigid plastics, future upgrades aim to broaden its capacity to handle a wider range of materials, further advancing SMYPC's vision of a circular plastics system where waste is transformed into valuable industrial resources.

Circularity across the Group also extends to cement manufacturing, where industrial by-products and plastic waste are repurposed as alternative fuels and supplementary materials. At both Eagle Cement and Northern Cement, these practices form part of a broader transformation of plant operations to improve both resource efficiency and emissions performance. These initiatives are further discussed in the GHG Emissions section of this report.

By linking engineering innovation with responsible resource management, San Miguel is building a more integrated industrial ecosystem where waste is minimized, value is recovered, and materials are continuously reintegrated into productive use. Through this approach, the Group is strengthening both environmental stewardship and operational resilience while supporting the country's transition toward a more circular and resource-efficient economy.

6.4 Biodiversity and Ecosystems
GRI 304-1 | GRI 304-2 | GRI 304-3 | GRI 304-4 | SASB: Ecological Impacts

Healthy ecosystems and biodiversity underpin the natural systems that sustain economic activity, community well-being, and long-term development. For a diversified conglomerate such as San Miguel Corporation, whose operations span energy, infrastructure, food production, and manufacturing across the Philippines, maintaining the integrity of these natural systems is both an environmental responsibility and a strategic business imperative.

The Company therefore seeks to understand and manage the ecological impacts associated with its operations, while contributing to the protection and restoration of ecosystems in areas where it operates. Through science-based assessments, partnerships with research institutions, and community-based conservation initiatives, SMC continues to strengthen its approach to biodiversity stewardship and ecosystem management.

These efforts align with PAS Axis 2 – Stewarding Forests, Oceans, and Biodiversity, which emphasizes the protection, restoration, and sustainable management of natural ecosystems as essential components of climate resilience and sustainable development. By supporting ecosystem restoration and improving biodiversity monitoring across its operations, the Company contributes to broader efforts to safeguard critical habitats, while ensuring that economic progress remains compatible with the long-term health of the natural environment.

A. Biodiversity Impacts
GRI 304 -1 | GRI 304-2 | GRI 304-3 | GRI 304-4 | SASB: Ecological Impacts

In 2025, the number of operational sites located in or adjacent to protected areas and areas with high biodiversity value decreased following the transfer of ownership of the Ilijan power plant, resulting in the facility no longer being included within SMC’s operational reporting boundary. Environmental stewardship responsibilities for the surrounding marine ecosystem were likewise transferred to the new operator in accordance with applicable regulatory requirements.

As a result of this change, the number of species listed under the International Union for Conservation of Nature (IUCN) Red List and the national conservation list in areas potentially affected by the Company’s operations decreased by 15 species in 2025. This reduction reflects a change in operational boundary rather than a direct change in underlying biodiversity conditions.

ECOSYSTEM AND BIODIVERSITY				
	2025	2024	2023	Unit
Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside of protected areas	14	15	13	No.
Habitats protected or restored	1,914.75	1,930.75	1,861.80	Ha.
IUCN Red List species and national conservation list species with habitats in areas affected by operations	18	33	29	No.

Globally, ecosystems such as mangrove forests continue to face increasing pressure. The 2025 Mangrove Breakthrough Impact³ report estimates that approximately 50% of the world’s mangrove forests are at risk of collapse, posing threats to coastal protection, fisheries, and the livelihoods of more than two million people. In the Philippines, where many of the Company’s operations are located in coastal and climate-vulnerable areas, mangrove ecosystems play a critical role in enhancing resilience against storm surges and coastal erosion.

Aligned with Target 2 of the Kunming-Montreal Global Biodiversity Framework, which aims to restore 30% of degraded ecosystems globally, the Company has restored a total of 601 hectares of mangrove forests as of 2025.

³ <https://www.mangrovebreakthrough.com>

Mangrove restoration efforts began in 2019 through the SMGP Foundation’s Ridge to Reef Conservation Program. These efforts are complemented by the Petron Foundation’s Puno ng Buhay program, which has adopted 85 hectares of degraded mangrove areas, and GSMI’s ongoing protection of 14 hectares in Negros Occidental in partnership with the regional environment office.

These initiatives are implemented in close collaboration with local communities, government agencies, and partner institutions, supporting both ecosystem restoration and community-based stewardship.

In 2025, the Company strengthened the scientific basis of its biodiversity programs through an initial assessment of the Puno ng Buhay sites conducted by experts from the University of the Philippines Los Baños – College of Forestry and Natural Resources (UPLB-CFNR). Baseline assessments and site characterization were conducted in the mangrove sites in Bulacan, Capiz, and Davao del Sur, covering soil and water characteristics, biodiversity profiles for flora and fauna, spatial analyses, carbon stock levels, and socio-economic and institutional conditions.

Initial findings indicated that the sites are predominantly dominated by *Avicennia marina* (bungalon), resulting in relatively low species diversity indices. However, this condition does not necessarily indicate low ecological importance, particularly in areas where natural zonation favors specific mangrove species. Importantly, the sites support diverse avifaunal communities, including resident, migratory, and endemic bird species.

The assessments also identified key environmental challenges, including the accumulation of solid waste in certain areas along mangrove fringes, highlighting the importance of integrating waste management with ecosystem restoration.

The Puno ng Buhay program adopts a two-pronged approach that combines carbon sequestration measurement with community engagement to improve survival rates and enhance long-term carbon stock potential. Insights from the baseline studies will inform the development of more integrated conservation strategies that combine ecological monitoring, carbon accounting, and community capacity-building.

Through these initiatives, the Company continues to strengthen its approach to biodiversity management, linking ecosystem restoration with climate resilience, community engagement, and emerging natural capital frameworks. These efforts support the objectives of the Philippine Ecosystem and Natural Capital Accounting System (PENCAS) Act and contribute to the broader integration of environmental considerations into economic decision-making.

B. Environmental Impacts of Project Development

GRI 2-23 | GRI 413-1 | SASB: Environmental Impacts of Project Development

San Miguel Corporation recognizes that its diverse portfolio of infrastructure, energy, and industrial projects has the potential to create both direct and indirect environmental impacts, particularly in ecologically sensitive and rapidly developing areas. As such, environmental considerations are integrated into project development processes from the earliest stages.

All projects and business operations comply with the requirements of the Philippine Environmental Impact Statement System (PEISS). Beyond regulatory compliance, the Company adopts a precautionary and science-based approach to identifying, assessing, and managing potential environmental impacts, recognizing the critical role of natural ecosystems in supporting economic activity and community well-being.

The project development process begins with a pre-feasibility study conducted by internal experts to determine whether proposed projects fall within environmentally critical areas or environmentally critical project categories. This early-stage screening enables the Company to identify potential environmental constraints and considerations prior to project design and investment decisions.

Project concepts are subsequently submitted to the appropriate government authorities to determine

the applicable environmental compliance requirements and regulatory classification.

Following classification, the Company engages independent certified third-party Environmental Impact Assessment (EIA) preparers to conduct detailed environmental studies. These assessments evaluate potential impacts related to i) changes in land and sea use; ii) direct exploitation of organisms; iii) climate change; iv) pollution; and, v) the introduction of invasive species. Broader systemic drivers such as production and consumption patterns, population dynamics, technological developments, and governance conditions, are also considered to provide a more comprehensive understanding of potential environmental risks.

The Company places importance on aligning the composition and expertise of the EIA teams with the scale and complexity of each project, ensuring that assessments are supported by appropriate technical and scientific capabilities.

Consistent with good international practice, the Company seeks to apply a mitigation hierarchy approach, prioritizing the avoidance of impacts where possible, followed by minimization, restoration, and, where appropriate, offsetting measures.

Through this structured and science-based approach, SMC aims to integrate environmental considerations into project planning and decision-making, enabling more responsible development outcomes over the long term.

SMC shares the view that nature can be conserved, restored, and used sustainably while societal and economic goals are simultaneously achieved. Achieving this balance requires coordinated action among government, businesses, communities, and scientific institutions to promote transformative change toward more sustainable development pathways.

BUILDING WITH NATURE

The New Manila International Airport (NMIA) is one of the most ambitious infrastructure projects in the Philippines today. Rising in Bulakan, Bulacan, it is envisioned not only as a future-ready gateway, but as a project that responds thoughtfully to the environmental and social realities surrounding it.

Currently being developed by San Miguel Aerocity, Inc. (SMAI), a subsidiary of San Miguel Corporation, NMIA reflects a broader view of infrastructure. Beyond engineering and transport, the project is guided by sustainability standards that recognize the importance of biodiversity, community well-being, climate resilience, and long-term social value. From the outset, the goal has been to develop an airport complex that is modern and globally competitive, while working toward net zero environmental and social impact through science-based and community-centered programs.

This approach is embedded in how the project is structured. NMIA is being developed under a Public-Private Partnership with the Philippine Government and is guided not only by local regulations, but also by the performance standards of the International Finance Corporation and the Equator Principles. For SMAI, this has meant approaching development with a strong emphasis on risk assessment, mitigation, and responsible planning.

Among the most distinctive aspects of SMAI’s work is its biodiversity management program. Guided by the mitigation hierarchy, the Company prioritizes avoiding and minimizing impacts wherever possible and implements restoration or offset measures where impacts cannot be fully avoided.

For NMIA, this has led to the development of a Biodiversity Offset Program to address the loss of migratory bird habitat associated with the airport’s land platform. The program transforms former fishponds north of Metro Manila into intertidal flats, creating enhanced feeding and roosting grounds for migratory birds.

This initiative, a first in the Philippines, aims to achieve No Net Loss and ultimately Biodiversity Net Gain for critical habitats. Beyond habitat creation, it also supports local livelihoods and strengthens protection for low-lying coastal communities through the restoration of mangroves and coastal ecosystems.

Its pilot site, *Saribuhay sa Dampalit* in Brgy. Pamarawan, Malolos, Bulacan, began development in 2023 and was inaugurated in February 2024. Covering 47 hectares, it has already shown encouraging ecological results, including a 125.53% increase in the number of qualified bird species visiting the area since 2023. Building on these results, the program has expanded, with SMAI establishing more than 400 hectares of mangrove and intertidal habitats across Bulacan and Pampanga. This represents the first full biodiversity offset in the Philippines and one of the largest of its kind globally.

SMAI has also invested in science-based approaches to support long-term conservation. Through a bird tagging initiative involving 25 international experts and 8 local participants, the Company helped document the movements of 76 tagged shorebirds, with some later monitored in offset sites, demonstrating site effectiveness. In November 2025, SMAI presented these findings at the 12th Meeting of Partners of the East Asian–Australasian Flyway Partnership in Cebu, contributing data from multi-year habitat monitoring, waterbird censuses, coastal research, and the country’s first large-scale bird satellite tagging initiative. These efforts highlight the role of private sector-led, science-based programs in strengthening conservation knowledge for Manila Bay and beyond.

Environmental stewardship efforts also extend to marine ecosystems. SMAI supports the Olive Ridley Turtle Conservation Program through a hatchery in Naic, Cavite. Since 2022, in partnership with DENR, PENRO Cavite, LGU Naic, and the Provincial Government of Cavite, nearly 11,000 turtle hatchlings have been released, with some tracked as far as Vietnam and Malaysia.

Mangrove restoration remains a key priority. SMAI is developing a Mangrove Offset Management Plan to guide protection, restoration, and monitoring efforts. To date, 25,551 *Avicennia marina* seedlings and wildlings have been successfully translocated to the Mangrove Eco Park in Bulacan from temporary enhancement areas, where they are being nurtured until suitable planting sites are identified.

Aviation safety is also being addressed through an environmental lens. A Wildlife Hazard Risk Assessment is being implemented to reduce the attractiveness of the NMIA land platform to bird species, while enhancing the quality and functionality of habitats created elsewhere. In this way, aviation safety and biodiversity objectives are being pursued in an integrated manner through habitat design, monitoring, and science-based planning.

Alongside these ecosystem-focused initiatives, SMAI is implementing a comprehensive set of environmental management systems covering greenhouse gas emissions, waste, air quality, and water quality.

Its greenhouse gas inventory, which covers Scopes 1, 2, and 3, has undergone external assurance for three consecutive years from 2022 to 2024, with preparations for the 2025 inventory underway. SMAI has also begun transitioning to an automated ESG digital platform to support real-time tracking of emissions and energy performance. Air, noise, and water quality are continuously monitored across multiple stations in Bulacan and nearby provinces to ensure that mitigation measures remain data driven. Solid and hazardous waste are managed in accordance with Philippine environmental regulations through accredited haulers and service providers.

These efforts reflect broader ambition. NMIA is being designed with climate resilience at its core, supported by a Climate Change Adaptation and Transition Plan that integrates climate risk, greenhouse gas considerations, biodiversity, and social factors into project planning and design. Sustainability is not treated as an afterthought, but as an integral part of how the airport is being built from the ground up.

Kalinga: Good for People

6.5 Our Employees

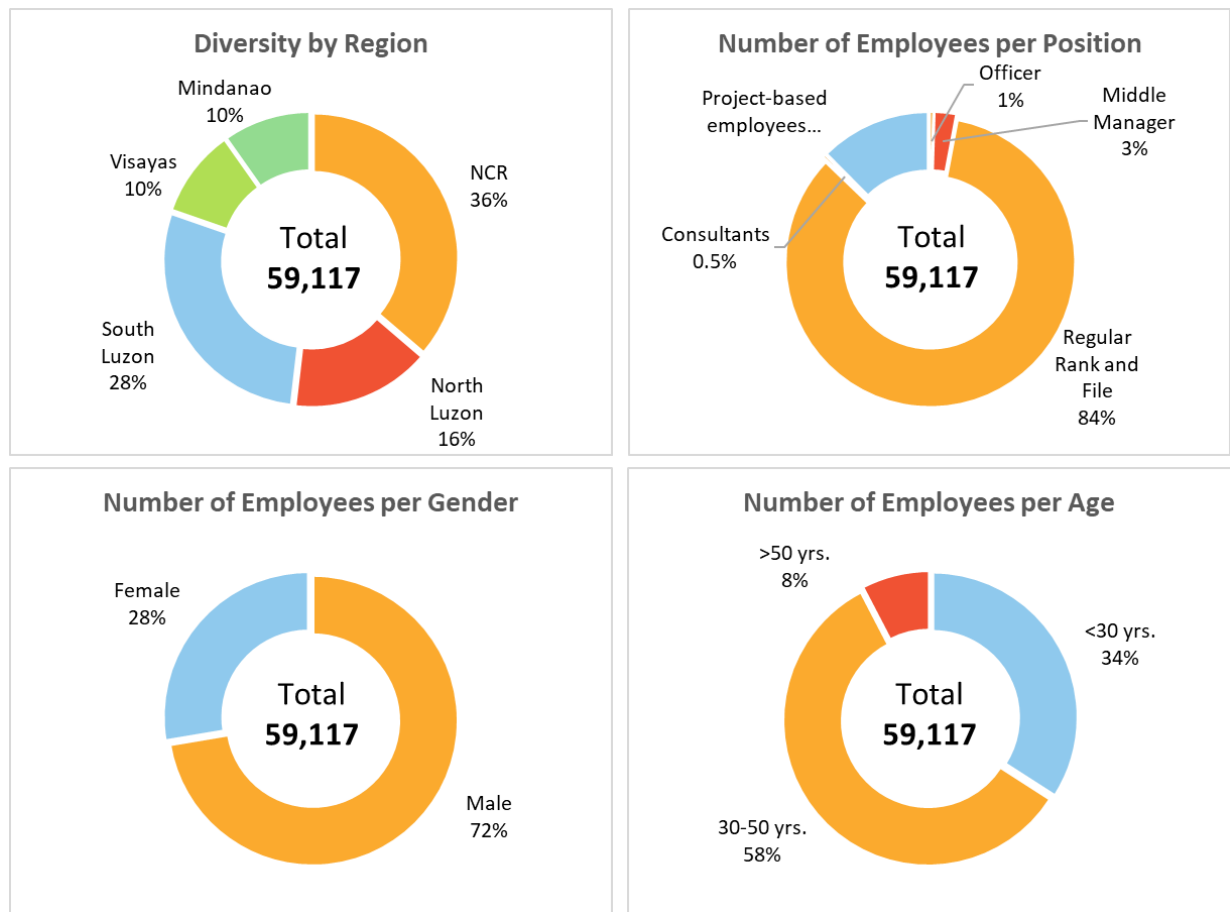
GRI 2-7 | GRI 401-1 | SASB: Recruiting & Managing a Skilled Workforce

At the core of San Miguel’s strength and continued growth is its workforce, enabling the Company to operate at scale across energy, infrastructure, manufacturing, and services while supporting national development. The capabilities, discipline and commitment of its people allow the organization to navigate change, sustain operations, and deliver long-term value across its diversified businesses. In turn, this underscores the importance of sustained investment in leadership development, workforce capability, and an environment where employees can thrive.

In 2025, San Miguel adopted a more deliberate and structured approach to talent development, well-being, and engagement, supported by enhanced workforce analytics and targeted capability-building aligned with the Group’s expansion across key sectors. The organization continues to foster a culture of continuous learning, while strengthening initiatives that support employees’ holistic development. By aligning people strategies with business priorities, San Miguel ensures that its workforce remains agile, resilient, and equipped to meet evolving operational and strategic demands.

The following section presents key workforce metrics and trends that inform these priorities, supported by talent analytics and data-driven insights:

2025 Talent Analytics with Diagrams



San Miguel Corporation employed a total of 59,117 people in 2025, excluding foreign operations and Bank of Commerce, which are outside the reporting boundary. The workforce continues to expand in line with business growth and project development across the Group.

Regular employees comprise 87% of the workforce, while 13% are project-based employees or consultants engaged for specific assignments. This structure reflects the project-driven nature of several

businesses, particularly in infrastructure, construction, and specialized services, while maintaining a stable core workforce. Consultants are engaged to provide technical expertise in areas such as project execution, team management, and leading new initiatives across business units. These temporary roles are compensated based on the value and expertise they bring to the organization.

From the regular employee base, 97% are rank-and-file employees, supporting core operational functions such as production, supply chain and sales. Officers and managers account for 3%, reflecting a lean management structure designed to support large-scale, operations-intensive businesses while maintaining operational efficiency.

In 2025, the Company generated 1,689 new jobs, a 3% increase in total employment compared to 2024. Growth was driven primarily by expansion in the Foods business and new developments in the Properties and services sectors, contributing to employment generation in key growth areas.

San Miguel continues to strengthen workforce diversity. Women represented 28% of total employees, compared to 72% men, equivalent to a male-to-female ratio of 2.6:1. Representation improves at the management level, where the ratio narrows to 1.7:1, reflecting continued progress in expanding opportunities for women in leadership roles across the organization.

The workforce profile reflects a balance between experience and emerging talent. Employees aged 30–50 account for the largest segment at 58%, followed by 34% for those below 30, an increase from the previous year, supporting organizational agility and future capability development. Employees aged above 50 represent 8% and continue to provide institutional knowledge, technical expertise, and mentorship to the organization.

In line with our commitment to diversity and the continued expansion of our regional operations, our workforce distribution has become more geographically balanced, expanding the Company’s national footprint. The most notable shift was observed in South Luzon, which grew to 28% of the total workforce from 15% in 2024, reducing NCR’s share from 50% in 2024 to 36% in 2025, reflecting a deliberate move toward broader regional representation and support for regional economic development.

A. Human Rights and Labor Practices

GRI 2-16 | GRI 2-23 | GRI 2-24 | GRI 2-30 | GRI 408-1 | SASB: Labor Practices

COLLECTIVE BARGAINING AGREEMENTS (CBAs)			
	2025	2024	2023
Active CBAs	33	36	34
Total members	5,192	5,243	5,046

San Miguel respects and is committed to upholding the right of employees to organize, form unions, and engage in collective bargaining, recognizing such rights as essential to fostering a productive, engaged, and empowered workforce.

Through constructive dialogue and collaboration with recognized unions, the Company works to promote fair labor practices, strengthen mutual trust, and support the effective representation of employee interests and welfare. This commitment supports a stable labor-management relationship and contributes to a workplace environment grounded in respect, cooperation, and shared progress.

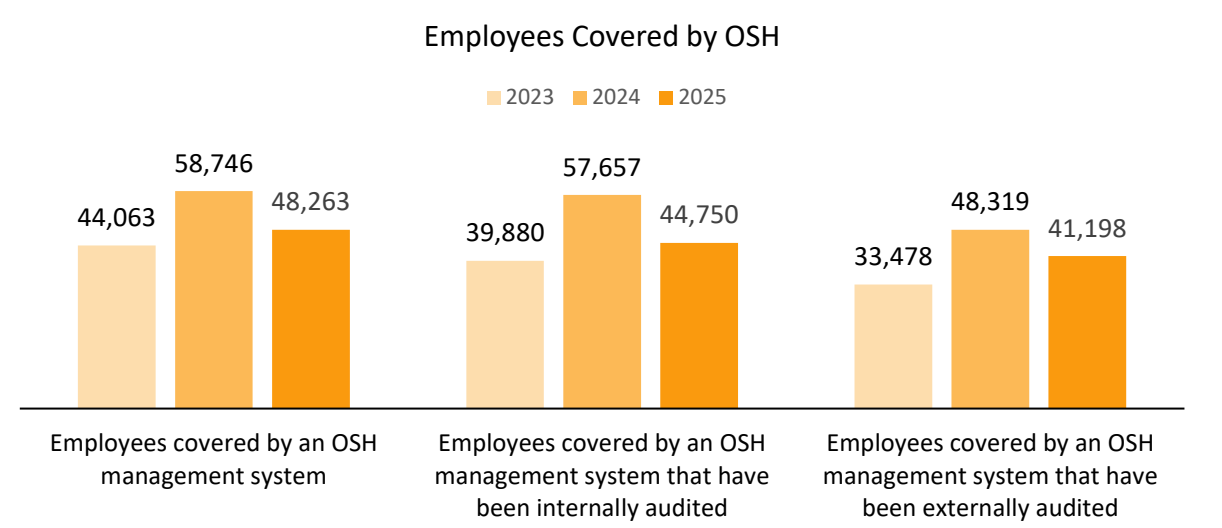
As of end-2025, the Group had existing bargaining agreements with 33 active labor unions, covering 5,192 employees or 9% of the total workforce. The decrease from the previous year reflects the consolidation of three unions, with members absorbed into the remaining unions.

Alongside its collaboration and positive relationship with labor unions, the Company continues to invest in initiatives that support employee engagement and well-being, while upholding its commitment to fair and responsible labor practices. These include the following:

- Productivity Improvement Training – a three-day program designed to help employees manage time and resources, strengthen collaboration and accountability, focus on high impact tasks, and develop practical solutions to everyday work challenges. In 2025, 885 employees across nine installations participated in sessions held from March to July. Participants were primarily from the SMC Services group along with some union members.
- Employee Relations and Engagement initiatives related to the Company’s 135th anniversary, including Labor Education Seminars, Compensation Cascades, Chill Night, Recognition Day, and Information Drives conducted across various plants in Luzon, Visayas and Mindanao.
- Expanded General Labor Standards (GLS) Audit covering 1,030 participating entities in 2025, up from 843 in 2024, which strengthens oversight of labor standards across operations.

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 | SASB: Workforce



Over the past year, San Miguel Corporation rolled out a comprehensive safety and emergency preparedness program aligned with its sustainability commitments. The initiative is designed to support protecting its people, safeguarding assets, and strengthening operational resilience, while minimizing environmental impact and creating shared value for communities and stakeholders.

This section presents the program’s key components, its alignment with the Company’s sustainability strategy, and the progress made toward building a safer, more resilient, and environmentally responsible organization.

To strengthen emergency preparedness across the organization, San Miguel Corporation conducted the SMG-wide Fire Brigade Skills Exhibition, engaging 205 teams or 3,690 employees from across the Group. This represents a year-on-year increase in participation, with a 6% improvement from 2024.

The event was held through 14 cluster-level exhibitions from February to June 2025, culminating in a National Exhibition in July 2025 where top-performing teams showcased their skills. The initiative demonstrates the Group’s ongoing commitment to building capable emergency responders and fostering a culture of safety and readiness.



In preparation for the exhibition, weekly town hall webinars were facilitated for participating teams, providing guidance on fire safety regulations, first aid response, emergency response techniques, and teamwork strategies. These sessions helped sharpen participants’ skills and ensure their safety and readiness for the competition.

More than a platform to demonstrate expertise, the program celebrates the dedication of SMG fire brigade teams and reinforces SMC’s focus on safety, proactive risk management, and a culture of care and preparedness across the organization.

Complementing these efforts, the Company also recognized facilities that demonstrated sustained safety performance through the SMC Safety Milestone Recognition Program. This initiative received 490 entries from facilities across the Group, of which 343 earned the Safety Milestone Awards for their sustained commitment to workplace safety.



Through initiatives like the SMG-wide Fire Brigade Skills Exhibition and the SMC Safety Milestone Recognition Program, the Company reinforces that safety is more than a set of rules: it is how work is designed, led, and carried out every day. From careful engineering practices to the recognition of leaders who strengthen safety culture and daily discipline, these efforts reflect a strong culture of care and professionalism. By embedding safety into processes, automating hazardous tasks, and fostering a culture of readiness and vigilance, the Company supports the protection of employees and enables them to perform their work safely and effectively.

C. Diversity, Equity, and Inclusion

GRI 2-23 | GRI 2-24 | GRI 405-1 | GRI 406-1 | SASB: Employee Engagement, Diversity & Inclusion

San Miguel Corporation’s workforce reflects the scale and diversity of its operations across industries and regions. As the Company continues to expand its footprint beyond Metro Manila and strengthen its talent pipeline, it remains committed to fostering an inclusive workplace where individuals from varied

backgrounds are able to contribute meaningfully and develop within the organization.

Diversity and inclusion are supported through fair and merit-based employment practices, aligned with the Company’s Code of Conduct and its Diversity, Equity and Inclusion policy. These frameworks guide recruitment, development, and day-to-day people management decisions, helping ensure that all employees are treated with respect and provided with equitable access to opportunities.

In 2025, the Company continued to broaden its talent sourcing efforts to support a more geographically diverse workforce. Recruitment activities were conducted across eight locations, with a total of 5,112 applications processed Group-wide. Engagements covered a range of academic institutions, from leading universities to regional colleges located across Metro Manila and nearby provinces such as Batangas, and Cavite. These efforts support the Company’s objective of expanding access to employment opportunities and aligning talent acquisition with its growing regional operations.

The Company continues to attract candidates with diverse educational, geographic, and professional backgrounds. Selection processes remain anchored on merit, values alignment, and the ability to contribute to the Company’s long-term objectives.

As reflected in the workforce profile, women represented 28% of total employees in 2025, with stronger representation of 37% at the management level. The Company continues to support the progression of women into leadership roles, while recognizing the structural realities of operating in traditionally male-dominated industries.

San Miguel remains committed to strengthening diversity and inclusion practices over time, including expanding talent pipelines, supporting inclusive career development, and fostering a workplace culture that enables all employees to perform and grow.

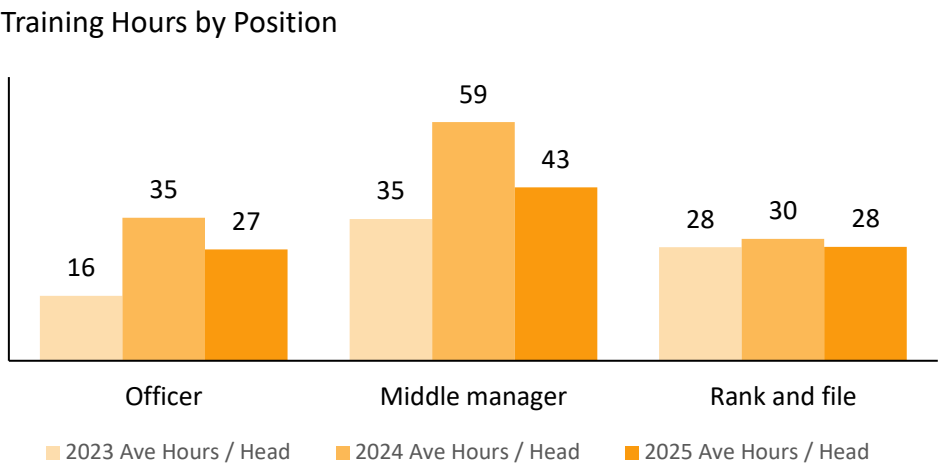


D. Employee Engagement, Training, and Development

GRI 2-17 | GRI 404-1 | GRI 404-2 | GRI 404-3 | SASB: Employee Engagement; Recruiting & Managing a Skilled Workforce

To support a predominantly operational workforce, a growing pipeline of younger employees, and expanding regional operations, San Miguel continues to strengthen its approach to talent development through structured, multi-level capability-building programs. These initiatives are designed to develop leadership depth, enhance technical and functional skills, and ensure that employees across all levels are equipped to support the Group’s evolving business requirements.

LEADERSHIP DEVELOPMENT INITIATIVES



San Miguel’s flagship Leadership and Management Development Program (LMDP), remains central to building the capabilities across the organization. In 2025, the program was expanded to include next-in-line leaders, particularly supervisors, broadening its reach and strengthening the leadership pipeline. This expansion contributed to an average of 43 training hours per employee, compared to 59 hours in 2024, reflecting a deliberate shift toward wider participation rather than reduction in development focus.

Over nearly a decade, the program has trained more than 800 managers and developed 154 action-oriented projects that have helped uncover innovative, out-of-the box ideas with the potential to drive growth and support sustainability initiatives across many of our core businesses. Building on this strong track record, we aim to expand the program further and reach more high-potential leaders.

In 2025, LMDP further evolved with the introduction of its pilot batch for non-managers, enabling high-potential employees to develop competencies in strategic thinking, decision-making, and management at an earlier stage in their careers. This supports the Company’s efforts to build a stronger and more inclusive leadership pipeline.



Sustainability continues to be embedded within leadership development. Participants develop capstone projects aligned with the Company’s ESG priorities, including initiatives supporting EPR law compliance, waste management, circular economy practices, net zero energy, greenhouse gas emissions reduction, sustainable water management.

Starting Batch 32, all projects were aligned with the Company’s 15 ESG material topics, reinforcing the integration of sustainability into business decision-making.

ESG MATERIAL TOPICS		
KALIKASAN	KALINGA	KASAGANAHAN
1. Energy management 2. GHG Emissions 3. Water management 4. Materials consumption 5. Solid waste and hazardous materials management 6. Biodiversity	7. Employees 8. Community 9. Customers	10. Compliance with Government regulations 11. Ethical considerations 12. Risk management 13. Innovation/ knowledge transfer 14. Economic development 15. Stakeholders' engagement

At the senior leadership level, a new cohort of the Executive Management Development Program (EMDP) was launched in 2025 in partnership with the Asian Institute of Management. The program enables leaders to build advanced competencies across diverse disciplines, equipping them to manage complex operations and lead larger organizations.

EMDP is anchored on five key pillars: Strategic Leadership and Sustainability, Innovation and Future-Readiness, Operational Leadership and Execution, Leading People and Change, and Leading Self and Building Influence. Throughout the program, leaders are supported by coaching, from orientation to the completion of their Action Learning Projects.



In 2025, the average training hours for officers was 27 hours per employee, compared to 35 in 2024, reflecting ongoing program recalibration as participation expands and learning pathways are refined.

Beyond the flagship programs, several other initiatives continued to support and further strengthen leadership capabilities across the Group.

Among these is the *Focus on What Matters: Building a Leadership Legacy* program, designed for senior managers and officers as they transition from their current roles to broader leadership responsibilities. The program encourages leaders to reflect on their impact, sharpen their strategic focus, and intentionally shape the legacy they leave within their teams and the organization.

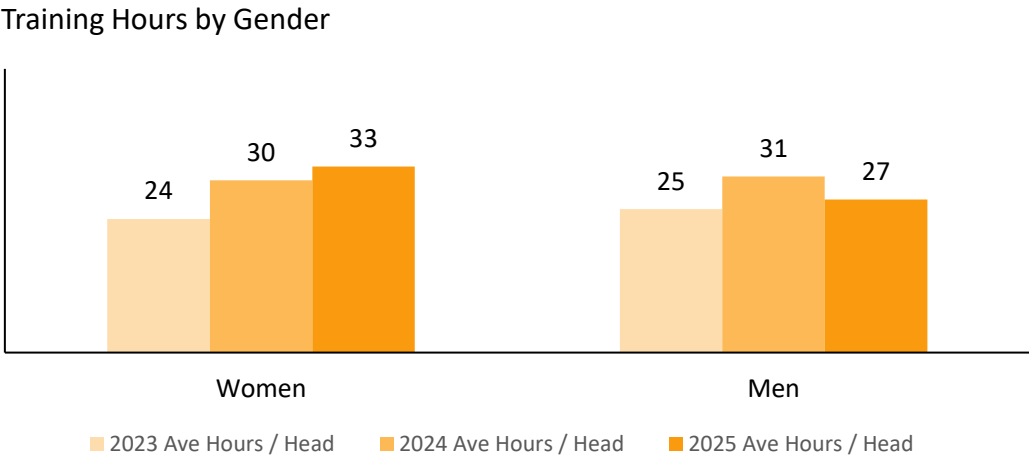
Other programs include Capability Building for Supervisors of the OM&M companies, Laying the Groundwork for Mentoring for HR Practitioners, and Life Orientations Certification for HR Practitioners.

WORKFORCE DEVELOPMENT

To support its large base of rank-and-file employees, who perform critical operational roles across production, supply chain, and sales, San Miguel continues to invest in technical, functional, and behavioral skills development.

Learning hours for rank-and-file employees remained stable at 28 hours per employee in 2025, compared to 30 hours in 2024, reflecting sustained investment in workforce capability.

Training programs are delivered through a combination of business-led technical training, power skills programs, health and well-being sessions, team-based learning, and self-development programs.



Learning hours by gender reflect the Company’s continued commitment to equitable access to development and career advancement opportunities. In 2025, learning hours for women increased from 30 to 33 hours, while those for men decreased slightly from 31 to 27 hours, reflecting efforts to support inclusive career development.

The strong appetite for online learning was sustained among high-potential rank-and-file employees, resulting in a total of 8,741 learning hours. In response, additional LinkedIn Learning licenses were made available starting in 2025, expanding the reach of learners and providing access to a broader range of courses. This enables employees to further develop critical power skills such as agile thinking, data analysis, digital literacy, and project management, equipping them to adapt to evolving business needs.

INNOVATIVE EMPLOYEE DEVELOPMENT INITIATIVES

San Miguel continues to invest in programs that support early-career development, leadership readiness, and long-term talent retention.

The NextGen program, a leadership, capability-building, retention, and succession planning initiative, was launched in 2024 to develop young professionals into value-driven and responsible leaders. In its pilot year, the program focused on Visioning, aligning participants’ personal and career aspirations with the organization’s vision and purpose.

With the same pool of high-potential employees, NextGen returned for a learning session on developing self-awareness using the Life Orientations (LIFO) method. LIFO is a structured tool used in career counseling, personal development, and other learning and development programs to understand an individual’s motivations, values, and behavioral tendencies. It is based on the idea that people have consistent patterns in how they approach life, work, and relationships, and understanding these patterns help better align them with roles, learning pathways, and personal growth opportunities.



As leaders, mastering the ability to lead oneself is a prerequisite to effectively lead others. The LIFO method emphasizes understanding people rather than labeling them, enabling individuals to work, learn, and lead in ways that are both fulfilling and high impact.

The second installment of NextGen sparked broader LIFO discussions across the organization. Businesses such as San Miguel Brewery, San Miguel Global Power, Ginebra San Miguel, and San Miguel Foods held additional sessions to accommodate participants who were unable to attend during their originally scheduled runs. This bridges gaps in the NextGen learning roadmap, enabling participants to catch up and seamlessly rejoin their original batchmates in subsequent installments of the program.

**ANG PAGSIBOL - NEXTGEN INSPIRES OTHER SAN MIGUEL BUSINESSES TO PURSUE
SIMILAR INITIATIVES**

Building on the success of NextGen, several businesses have begun rolling out localized versions of the program to engage more high-potential talent and broaden its reach. One notable example is the launch of Ginebra San Miguel’s *Sibol*, marking a meaningful step in nurturing the next generation of leaders within the organization.

Sibol is a two-day leadership camp designed to immerse participants in learning sessions and activities that deepen self-awareness, strengthen leadership capabilities, and reinforce their connection to Ginebra’s culture of malasakit, excellence, and the *Panalo* spirit. The program also encourages participants to reflect on their growth areas, while building the confidence needed to take on greater responsibilities in their careers.

Beyond the two-day camp, *Sibol* forms part of Ginebra’s broader effort to cultivate a strong pipeline of future leaders who will continue to uphold its values and drive the company’s long-term success.



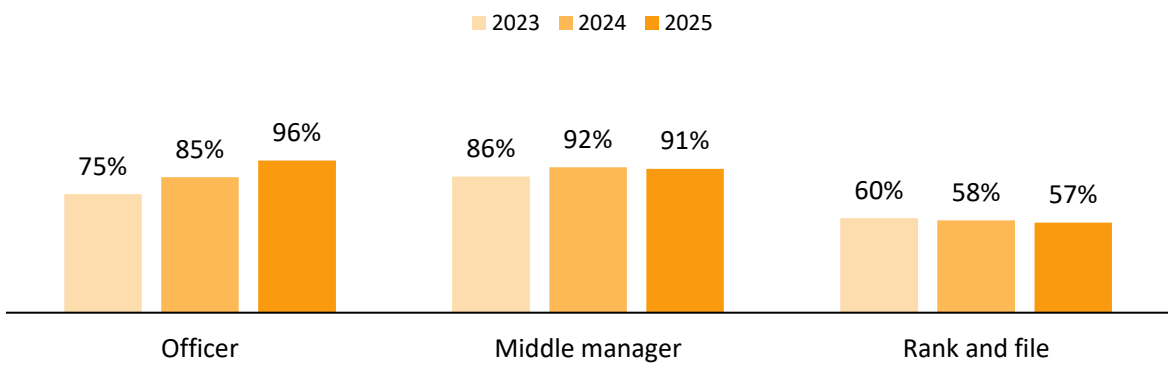
Across the board, the Company’s training and development initiatives collectively support the development of a capable, engaged and future-ready workforce, aligned with San Miguel’s operational needs and long-term growth strategy.

PERFORMANCE AND DEVELOPMENT REVIEWS

Performance reviews play a vital role in advancing business objectives and strategic priorities by aligning individual performance with organizational goals. They provide a structured opportunity to recognize contributions, offer meaningful feedback, and identify areas for development, helping employees grow while ensuring that teams remain focused on delivering results that support the organization’s overall direction.

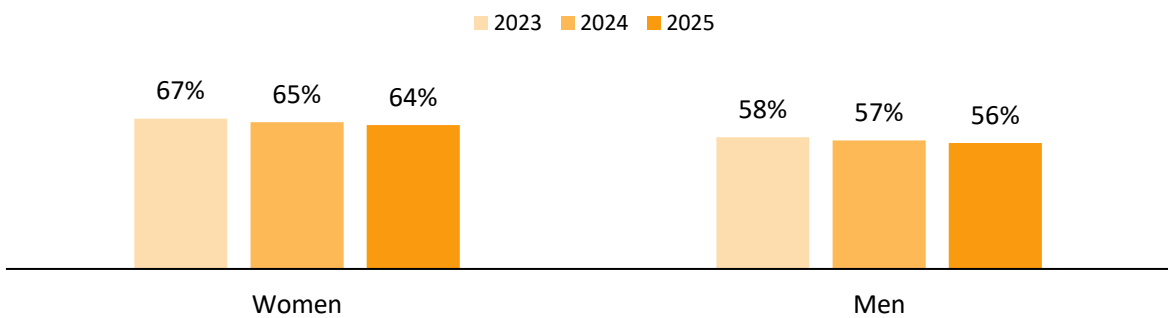
The percentage of regular employees receiving performance reviews saw a marginal decline, from 59% in 2024 to 58% in 2025. This shift underscores the need to assess potential barriers to completion and identify strategies to improve participation across all employee groups.

Performance Review by Position



Officers recorded a significant increase in performance review completion, reaching 96% in 2025, up from 85% in the previous year, reflecting a strengthened feedback mechanism and a more robust approach to performance evaluation. In contrast, completion rates for middle managers and rank-and-file employees saw slight declines, with 91% and 57% receiving reviews in 2025, compared to 92% and 58% in the prior year. This shift highlights an opportunity to further assess and enhance the performance review process for these groups.

Performance Review by Gender



In terms of gender, performance review completion declined slightly for both groups, from 65% to 64% for females and from 57% to 56% for males.

EMPLOYEE ENGAGEMENT AND WELL-BEING San Miguel Corporation @135: Nurturing Wellness, Connection, And A Thriving Workplace

When our employees thrive, our company thrives. This belief continues to guide San Miguel’s employee relations programs, which are designed to support employee well-being, strengthen community, and create meaningful experiences at work. In an organization as large and diverse as San Miguel, these programs help foster connection across business units while supporting a workplace culture where employees feel valued, energized, and engaged.

The year 2025, which marked San Miguel Corporation’s 135th Anniversary, provided a fitting occasion to further strengthen our Company’s health, wellness and engagement initiatives centered on its most important investment, its people. These programs are guided by a holistic framework of well-being—Heart, Mind, Body, and Spirit—which shapes San Miguel Group’s employee offerings and reflects the Company’s view that employees’ growth and well-being extend beyond the workplace.

Alongside its wellness initiatives, San Miguel continued to enhance our employee engagement programs that foster connection, collaboration, and a sense of belonging. Through these activities, relationships were strengthened, milestones were celebrated, and employees were given opportunities to share their interests, talents, and passions. Together, these initiatives help nurture a culture where the employee journey is not only productive, but meaningful, enjoyable, and enriching.

One of the major highlights of the year was the One San Miguel Run and *Atin Ito* Family Day, held on September 21 at the SMC Head office Complex in Mandaluyong City. More than a thousand runners from across San Miguel’s business units joined the event, some traveling from as far as Pampanga. Employees, together with their families and friends, took part in 3KM, 5KM, and a special 13.5KM route - a nod to the Company’s 135-year milestone. The event captured the energy that San Miguel is known for—vibrant, resilient, and ready to go the distance. It also created a shared moment of pride and celebration across the Group.



Unique to the event was *Atin Ito!* Family Day, which gave employees an opportunity to share the San Miguel story with their loved ones. Beyond showcasing iconic brands such as San Miguel Pale Pilsen, Ginebra San Miguel, Magnolia, and Purefoods, the event also highlighted the Company’s newer businesses that are helping drive its continued growth. For many employees, it was a proud and personal moment, an opportunity for employees to show their families what makes San Miguel feel like a second home.



As part of the anniversary Celebration, San Miguel also held its first San Miguel Food, Arts & Crafts Exhibit, an initiative designed to nourish not just the body, but also the mind, creativity, and personal passions of employees. The exhibit featured handcrafted goods, culinary creations and artistic work from across the organization, providing a platform for employees to share talents that may not always be visible in day-to-day work. From knitting and leather artistry to painting and heirloom recipes, the event demonstrated the richness of the San Miguel community and the Company’s support for holistic employee wellness.

More than just a showcase, the exhibit showed San Miguel’s belief that creative expression contributes positively to well-being. By encouraging activities that support passion, creativity, and personal growth, The Company helps cultivate a workplace where people can grow not only professionally, but also personally.



Beyond physical health and creative expression, San Miguel also continued to strengthen support for mental and emotional well-being. Together with its provider CPPSWork, the Company held a two-day Mental Health Fair with the theme “Celebrate Life: Embracing Reasons to Thrive.” The event provided employees with access to mental health resources, interactive sessions, and opportunities for open conversation. It also helped advance understanding of mental health and encouraged employees to seek support when needed, contributing to a more open, compassionate, and resilient workplace culture.



In celebration of Nutrition Month, San Miguel continued to promote awareness of the importance of an active lifestyle, proper nutrition, and healthier daily habits. Activities included a month-long Health and Nutrition Webinar Series featuring doctors, nutritionists, and other experts; a Healthy Recipe Feature highlighting practical, employee-shared ideas for healthier eating; and the Healthy Choices, Healthy One San Miguel! Health and Nutrition Fair, which provided screenings, consultations, and wellness assessments in a lively and engaging setting. Together, these initiatives encouraged employees to make informed health choices while reinforcing that even small, sustainable lifestyle changes can lead to long-term benefits for employees and their families.

Overall, San Miguel’s health, wellness and engagement activities in 2025 showcased what it truly means to be a part of the San Miguel community. By investing in programs that support well-being, connection and personal growth, the Company demonstrates that it values its people not only as professionals but as individuals, and that a thriving workplace is built not only through performance but through care.

BUILT BY GENERATIONS

On any given day, at any major SMC facility, it is not unusual to meet employees who have been with the company for 10, 20, 25, and maybe even 30 years or more. It is also not unusual to hear of spouses, siblings, parents and children, or perhaps even grandchildren of retired employees, working at different business units across San Miguel.

These are not merely happy coincidences, but reflections of a culture that values people, relationships, and stewardship over the long term—something that multiple generations of San Miguel employees throughout most of its 135 years, can attest to.

One example is Petron Vice President Jaime Lu, who is also Overall Project Manager of SMC’s Better Rivers PH river cleanup initiative. Sir Jimmy, as he is fondly called by everyone, has been with San Miguel for almost 40 years.

Starting as a production supervisor for processing ice cream, milk and juice mixes at what was then the Magnolia Division in 1986, he steadily rose through the ranks, becoming Production Manager for butter, margarine and cheese in 1989, and plant manager of the new Magnolia facility in General Trias, Cavite in 1995.

Then, as now, Sir Jimmy says the company always showed concern for employees, and good work was recognized and rewarded. This encouraged teamwork and excellence, which helped sustain the levels of quality San Miguel’s brands have long been known for.

He adds that SMC had also long been practicing sustainability, reflected in its long-held principle, “profit with honor.” And even as he had to adjust to cultural differences when he was assigned abroad—to Australia in 2005, at then-newly acquired National Foods, then to Petron Malaysia in 2012—he carried with him the good values of San Miguel.

It is the same values, manifested in *malasakit*—going beyond to help others—that continue to drive him today, as he helps SMC Management in its efforts to mitigate flooding in our cities and provinces.

“SMC would not be one of the most admired companies and preferred employers in the world today—recognized even in independent global surveys by Forbes and Time magazines—if it did not always have great concern for its employees. At SMC, we are given training and development so we can succeed in bigger roles. We are recognized for our contributions. It is a company where you can really grow professionally, and as a person. I am a living witness and example of that,” he says.

Growth and personal development

Another success story is Mar Natoza, Feeds Manufacturing Manager for North Luzon of San Miguel Foods, who started with the company in the 1990s. At the time, B-Meg’s feeds operations were largely still “manual”: when machinery broke down, they relied on printed manuals and trouble-shooting skills—a far cry from the state-of-the-art production he oversees today at three mega-production facilities.

He says that opportunities for development provided by the company have been key to his career growth and personal development.

In 2010, he was transferred out of South Luzon and assigned to the Visayas, to help oversee B-Meg’s manual facilities as they transitioned to modern processes. He was then assigned to Mindanao, to manage plants in Cagayan de Oro and Bukidnon. By the time he returned to North Luzon, the modern plants were already up and running fit for his decades of experience and expertise.

“I joined San Miguel in March 1989. It was difficult at first, but I just told myself I would persevere and work hard to make sure I could keep my job at the plant. As it turns out, it was not that hard after all. I put my trust in myself that I could do it. I also trusted my co-workers, our bosses, and subordinates. In San Miguel, you can trust that you are in a good company, and that you can have a good tomorrow. All my children are grown and have graduated, and its thanks to San Miguel,” he says.

Family matters

At Ginebra San Miguel Inc., husband-and-wife Joseph Andrew and Peaches Frio support one another through the daily stresses of their individual work. Joseph is a 15-year veteran of the company and works in Liquor manufacturing, while Peaches, who has been with GSMI for 9 years, is assigned to the Logistics team.

Working in the same company, they each have a better understanding of the demands of their jobs. In many ways, this makes it easier for them to support one another. Peaches says that the company culture—one that emphasizes resilience through adversity and determinedness—is something that has also helped them as individuals, professionals, and at home, as partners and a team.

Reflecting parent company SMC’s strong emphasis on family and employee engagement, Joseph and Peaches look forward to celebrating the yearly Halloween Trick-or-Treat event of

GSMI—one of many simple traditions observed at its offices, meant to bring families together.

Next generation

Besides longevity and family stewardship, mentor-mentee relationships are also a hallmark of life in San Miguel. Janzene Gonzales, senior operations engineer for North Luzon Feeds, is a relative “newbie” to the company at “just” seven years in service, compared to his mentor, Mar. But Janzene is already well-versed in modern plant operations, consolidating and helping analyze reports on the production and efficiencies of six feed mills on a daily basis.

Janzene says he admires the resourcefulness and work-ethic of “Boss Mar” and of most colleagues who are older than him or have been with the company longer. On the other hand, what he believes younger generations can offer older ones is their openness and expressiveness—being communicative, and ready to share opinions, which he says helps avoid misunderstandings. This allows his generation to build better relationships with supervisors and colleagues.

He hopes to have a career as fulfilling as his mentor’s and shares the belief that success is not handed to anyone on a silver platter—that one has to earn it. With a good work ethic, a strong corporate culture that values people and provides opportunities for development, combined with a supportive community with a strong sense of family, Janzene’s career journey can be as fulfilling and successful as he wants it to be.

135 YEARS, ONE SAN MIGUEL

Few organizations can claim a history spanning more than a century—and fewer still have crossed three centuries and remained strong through profound global change.

Across generations of leadership and employees, the company has grown not only in scale but in purpose. At 135, we celebrate not just longevity, but resilience, relevance, and our continuing commitment to nation-building.

This milestone is both a celebration and a moment of reflection. To mark our 135th anniversary, the Corporate Affairs Office and Corporate Human Resources led initiatives that honor our history while strengthening our future. These include a family day and fun run, leadership dialogues on strategy and direction, a digital archive to preserve San Miguel’s institutional memory for future generations, and a dedicated anniversary museum that will serve as both a repository and a showcase of our beginnings.

Beyond commemoration, our anniversary was anchored in action. We continued to advance community development in areas surrounding our facilities. Toward the end of the anniversary year, employee-led relief efforts in Cebu and Bacolod—responding to the Cebu earthquake and Typhoons Tino and Uwan—reached over 25,000 individuals, mobilized more than 455 volunteers, and delivered over PHP 15 million in assistance. Together, these efforts reaffirm that service to communities—and to the nation—remains at the heart of who we are.

PEOPLE. CULTURE. FORWARD.

At San Miguel, people remain at the heart of the Group’s continued growth and success. Building a people-focused organization means creating an environment where employees are empowered to grow, contribute meaningfully, and thrive both personally and professionally.

In 2025, the Company revived its HR Summit after more than a decade, relaunching it as the People and Culture Summit. The renewed platform reflects a more deliberate focus on aligning

people strategies with San Miguel’s broader priorities of nation-building, operational excellence and sustainable growth.

Anchored on the theme of social sustainability, the summit brought together HR leaders and practitioners from across the Group to engage on five key topics: People Analytics, ESG for Human Resources, Coaching and Mentoring, Employee Recognition and Retention, and Communications and Branding for an enhanced employee experience.

More than a series of sessions, the summit served as a space for dialogue, reflection and practical exchange, enabling HR teams to share insights and best practices, surface challenges and identify approaches to better support a workforce that is growing in scale, diversity and geographic reach.

A highlight of the event was the People and Culture Summit Awards, which recognized business units and HR teams that implemented impactful initiatives, including the automation of HR processes and programs that promote employee volunteerism.

By showcasing these best practices, the awards not only honored the achievements of HR teams but also encouraged the broader adoption of innovative and effective approaches to strengthen the employee experience and reinforce the Group’s commitment to building a truly people-focused organization.

Moving forward, the People and Culture Summit will serve as an annual platform for collaboration and continuous learning, supporting the ongoing development of people strategies that enable San Miguel’s workforce to grow alongside the Company.





LEADERS IN THE MAKING

“You are never too old to set another goal or to dream a new dream.” – C.S. Lewis

This timeless wisdom perfectly reflects the journey of high-potential employees from SMC Merchandising, SMC Neuventures, and SMC Food Processing, who continue to grow, achieve, and pursue new opportunities within the organization.

This initiative began as DREAM, an Action Learning Project from Cohort 4 of the EMDP. It has since evolved into a strategic effort to empower high-potential employees without college degrees by enabling them to earn formal academic credentials through the Expanded Tertiary Education Equivalency & Accreditation Program (ETEEAP).

Administered by the Commission on Higher Education (CHED), ETEEAP allows qualified individuals with extensive work experience, as well as formal or informal training, to earn a college degree without going through the traditional academic route. By recognizing real-world experience, the program accelerates career growth and unlocks leadership potential from within.

In partnership with Lyceum of the Philippines University (LPU), SMC is piloting the program with 32 high-potential talents. Each participant was carefully selected by the General Managers of their respective businesses and evaluated by LPU based on prior academic background and professional experience. Following the assessment, all selected participants were enrolled in the Bachelor of Science in Business Administration program and will complete three academic terms from September 2025 to August 2026.

Beyond supporting personal and professional growth, the program strengthens the organization’s talent pipeline, fosters pride and engagement, and promotes a culture of inclusive growth and opportunity. It reflects San Miguel’s continued commitment to uplifting its people and developing tomorrow’s leaders from within.



Our Customers

A. Customer Welfare and Responsibility

GRI 416-1 | GRI 417-1 | SASB: Product Quality & Safety

Trust That Compounds Over Time

Customer trust is built patiently, earned through time and consistent quality, responsible decisions, and the ability to adapt as markets shift. For SMC, customer welfare reflects a long-standing commitment to safeguarding quality while responding to evolving consumer needs. Even as technologies advance and markets transform, decisions continue to be guided by a clear principle: protecting long-term confidence in SMC's brands must always take precedence over short-term gains.

Across the Group, products and services are developed and delivered within governance frameworks designed to uphold safety, integrity, and transparency. Regulatory compliance provides the foundation for these efforts, reinforced by internal standards that promote discipline and continuous improvement. Together, these systems help ensure that customer welfare is paramount, and quality is embedded in daily operations.

Within its food and beverage businesses, SMC maintains all required registrations, licenses, and accreditations across operations, ensuring alignment with applicable regulatory standards governing each business activity. These requirements establish a strong baseline, while internal standards and processes keep the businesses in step with customer expectations and evolving technologies. This forward-looking approach ensures that products remain consistent and relevant across generations of consumers.

Responsible sourcing and disciplined manufacturing underpin this commitment. Defined standards guide supplier engagement and raw material selection, supported by quality management and food safety systems aligned with internationally recognized frameworks. By strengthening traceability and reinforcing process controls, these systems safeguard product integrity while enabling innovation and operational resilience as the business grows.

SMC recognizes the growing public focus on nutrition and responsible consumption. Ongoing discussions around nutrient thresholds and front-of-pack labeling reflect broader efforts to provide clearer guidance to consumers. As regulatory frameworks continue to be studied and refined by government agencies and stakeholders, SMC is taking proactive steps to review and improve product formulations where appropriate, balancing evolving nutritional considerations with the taste and quality that consumers trust. Through active participation in industry and multi-stakeholder forums, SMC contributes to shaping regulations that are science-based, consistent, and practical for both consumers and producers.

Across SMC's industrial and energy operations, customer welfare is supported through strict safety standards, responsible product stewardship, and transparent information that enables customers and stakeholders to use products with confidence.

SMC's packaging operations reinforce trust by prioritizing product safety and responsible material sourcing. Facilities operate under internationally recognized quality and food safety systems, while certifications such as FSC Chain of Custody help ensure that raw materials are sourced from ethical and sustainable suppliers. These practices strengthen supply chain integrity while supporting responsible resource use across industries served by the business.

In the energy sector, safety and responsible handling remain central to customer welfare. Petron maintains a strong safety culture supported by structured management systems, certified operational frameworks, and continuous workforce training. Product stewardship practices align with globally recognized standards for chemical classification and labeling, ensuring that fuels, lubricants, and related products are accompanied by clear safety information and meet applicable industry specifications. Through consistent training and operational discipline, the Company reinforces safe handling practices across all its operations.

SMC’s cement business further supports customer safety by providing accessible product information and clear labeling aligned with national standards. Data sheets and technical documentation help customers understand proper application, handling, and performance characteristics. Standardized packaging and labeling practices promote transparency and safe use, ensuring that essential product information is readily available to contractors, distributors, and end-users.

For SMC Infrastructure, customer welfare is all about the safe and reliable movement of people and goods. Tollway operations follow established regulatory guidelines governing the operation and maintenance of transport infrastructure, supported by regular inspections and proactive hazard management. Personnel are trained to respond to emergencies and disruptions, helping ensure that tollways remain safe, resilient, and responsive to the needs of motorists and communities.

Ultimately, trust deepens when companies listen and respond. Across its businesses, SMC maintains channels for customer feedback and inquiries, enabling timely engagement and appropriate action. Insights gathered through these interactions help refine quality standards and guide innovation.

By embedding responsibility, transparency, and responsiveness into how products are developed and services are delivered, SMC continues to build the kind of trust that compounds over time—supporting customer welfare today while preparing the Company to meet the expectations of tomorrow.

TRUST PASSED DOWN

Every day across the Philippines, deliveries arrive quietly at wet markets, supermarkets, and neighborhood stores - crates of chicken, packs of hotdogs, sacks of feeds, and flour making their way from warehouses to communities.

Behind each delivery is a network of distributors who see their work not simply as moving products, but as upholding a promise.

For more than three decades, San Miguel Foods distributors have served the same communities, retailers, and families, often across generations. Their businesses have grown alongside the towns and cities they supply, becoming trusted stewards of product quality, safety, and brand integrity at the local level.

Across provinces and islands, the stories may differ. But the foundation is the same: trust built over time.

For many distributors, the journey began with a single opportunity that evolved into a lifetime partnership.

Elson and Nina Dagondon started with a small trucking business in 1991 before becoming distributors of Magnolia Poultry, B-MEG Feeds, Purefoods, and Magnolia Dairy products through Meat Advantage Exchange Inc., serving Metro Manila, Cavite, and even Davao for poultry.

“Our best marketing tool is the name San Miguel,” they say. “It is synonymous with quality.”

In Negros Occidental, Larry Kilayko began distributing Magnolia Chicken in 2002 with just 50 tons a month. What convinced him to take the opportunity was the strength of the brand.

“Even if our price is slightly higher than competitors, customers still choose it because of the quality that comes with San Miguel Foods,” he says.

In Quezon Province, Alvis Lim grew up watching his father introduce Magnolia Chicken to wet markets from Pagbilao to the Bicol boundary. Today, he leads the second generation of the business.

“This 30-year partnership represents trust built over time, shared growth, and mutual commitment,” he says.

Similar stories unfold elsewhere. In Zamboanga, Kenneth Lee’s family expanded from flour distribution into Purefoods products, with operations eventually reaching General Santos. In Isabela, Nestor Antonio, once a San Miguel Beer regional sales manager, became the first Magnolia Chicken distributor in Cagayan Valley.

“Malaki ang *tiwala* ko sa San Miguel,” Antonio says. “We know the company will grow together with us.”

Trust begins with reputation, but it is sustained through everyday discipline.

Across the country, distributors invest in systems that protect product quality and food safety, from refrigerated trucks and cold storage facilities to digital inventory monitoring and strict warehouse protocols.

The Dagondons operate warehouses where staff wear full protective gear and use barcode-enabled weighing systems and tablet-based monitoring to minimize errors. Their operations consistently perform well in San Miguel Foods’ Distributor Performance Assessment System audits.

In Negros, Kilayko built his own cold storage facility and operates refrigerated trucks to ensure that products remain within a cold chain from warehouse to customer.

In Quezon, the Lim family maintains strict inventory monitoring and first-in, first-out systems to preserve product freshness. In Zamboanga and General Santos, Lee’s teams implement a disciplined first-to-expire, first-out (FEFO) protocols supported by trained staff and structured monitoring.

“Through accountability at every level, product quality and safety are consistently upheld,” Lee explains.

As regulations, customer expectations, and digital tools evolve, distributors continue investing in stronger infrastructure and better processes, raising standards across the network while ensuring reliable supply for communities.

Today, many of these businesses have entered a new chapter as the next generation steps forward.

Elson and Nina’s daughter, When Dagondon, joined the family business in 2016 and now oversees operations. Inspired by her parents’ sacrifices—“blood, sweat, and tears,” she recalls—she embraces both privilege and responsibility.

“In business you are given chances to earn easy money,” she says. “But if you want something that will last long term, it must be integrity.”

For her, continuing the partnership carries a deep sense of responsibility.

“It is *utang na loob*. Because of San Miguel, our business grew and expanded over the years.”

In Negros, Larry Kilayko’s son, Leonard, has handled day-to-day operations for more than a decade. In Quezon, Alvis Lim now leads the business his father built. In Isabela, Antonio’s children are preparing to return home to continue the enterprise he developed over three decades.

“It’s honoring the sacrifices and hard work of my parents,” Lim says. “My goal is simple: to strengthen what’s built, adapt to changes, and continue serving our customers with integrity.”

For these families, success is not simply about business continuity. It is about honoring the relationships and trust built over many years.

Across Metro Manila, Negros, Quezon, Isabela, Zamboanga, and many other communities, customers return not only because of product quality, but because of the people who deliver it.

Distributors support small retailers by extending credit responsibly, ensuring stock during peak demand, and investing in smaller vehicles that can reach narrow streets and remote areas.

“We want customers to feel respected and valued,” Alvis says. “Long-term relationships matter to us more than one-time gain.”

For When Dagondon, the meaning of continuity goes beyond business.

“By continuing this, you are giving jobs to a lot of people and helping to provide for their families,” she says.

Across generations, trust continues to grow, between company and distributor, from parent to child, from reseller to household.

Built on consistent standards, fair practices, shared growth, and daily discipline.

And as one generation steps aside while another steps forward, the trust behind every delivery does not diminish. It deepens—carried in every crate, every transaction, and every handshake.

Because in communities across the Philippines, the San Miguel name is more than a brand. It is a promise—kept not just by a company, but by the families who deliver the products.

B. Animal Care and Welfare

GRI 416-1 | GRI 417-1 | SASB: Animal Welfare

Embedding Responsible Animal Health Across the Production Cycle

San Miguel Foods Inc. (SMFI), the subsidiary engaged in animal feeds, poultry, and hog operations, integrates sound animal care and welfare principles across its entire value chain. From company-owned farms to an extensive network of contract growers, animal care is embedded at every stage of production — beginning with farm preparation and animal placement, through robust animal husbandry practices, and continuing through harvest and post-cycle cleaning and sanitation.

Animal welfare is not treated as a standalone compliance requirement, but as a core operational discipline that underpins food safety, product quality, and production efficiency. Whether in farm operations, animal feed and pet food production, or through San Miguel Animal Health Care (SMAHC), which provides veterinary medicines and animal health products to commercial and backyard farms, animal care forms the foundation of responsible production.

SMFI’s animal health programs align with the internationally recognized Five Freedoms of Animal Welfare, ensuring that animals are protected from hunger, thirst, malnutrition, pain, injury, disease, fear, distress, and environmental discomfort. Proper nutrition and supplementation support freedom from hunger and malnutrition. Appropriate housing, ventilation, and hygiene promote comfort. Humane handling reduces fear and distress. Preventive veterinary care and timely treatment protect animals from pain and disease. Farm management practices also allow animals to express natural behaviors within production environments.

These principles are directly linked to product quality and operational performance. Healthy flocks and herds are more resilient, more productive, and better able to achieve their full genetic potential. Strong animal welfare practices help minimize zoonotic disease risks, protecting both consumers and farm workers. Disease-free animals produce better-quality meat with improved shelf life, greater safety, and reduced contamination risks. At the same time, improved animal health reduces mortality, lowers

treatment costs, and minimizes production losses, contributing to more efficient use of feed, water, and other resources.

Preventive care is central to SMFI’s approach. Rather than relying primarily on reactive treatment, the company emphasizes proactive health management throughout the production cycle. Preventive supplementation programs strengthen immune response and help animals cope with predictable stress periods such as chick placement, vaccination, feed transitions, and heat stress during later growth stages. Between cycles, strict sanitation protocols are implemented to prevent carryover infections. Disinfectants and water sanitizers reduce microbial loads in farm environments before new flocks or herds are introduced, ensuring a clean and safe start.

SMAHC’s veterinary medicine portfolio supports consistent animal care across diverse farm locations and operating conditions. Standardized preventive, supportive, and treatment solutions enable farmers to maintain uniform animal welfare standards regardless of environmental variability. These products are developed through a science-based approach that considers emerging industry challenges, government regulations, customer needs, and veterinary research. As livestock genetics continue to advance — improving growth performance but increasing sensitivity to stress — veterinary solutions play an increasingly important role in supporting immune function, gut health, and respiratory resilience in modern production systems.

Innovation also supports responsible antibiotic stewardship. SMAHC continues to expand natural antimicrobial alternatives that promote gut and respiratory health without contributing to antimicrobial resistance. These solutions help reduce reliance on antibiotics, often require no withdrawal period, and support both animal welfare and production efficiency. By prioritizing preventive and supportive products, SMFI strengthens long-term sustainability while safeguarding food safety.

Animal care is further reinforced through close collaboration among feed programs, veterinary teams, technical services, and farm operators. Trained veterinarians and technicians provide technical guidance, advisory support, and ongoing education to ensure that best practices are consistently implemented across the production network. This integrated model embeds animal health management into everyday farm operations, rather than treating it as a separate function.

Ultimately, animal care and welfare deliver value far beyond treatment. Preventive health programs protect animals, improve productivity, reduce losses, and enhance meat quality and safety. By embedding animal welfare principles throughout farm operations, product development, and technical support systems, San Miguel Foods Inc. advances responsible, sustainable livestock and poultry production. In doing so, it supports San Miguel Corporation’s broader commitment to food safety, operational excellence, and long-term stewardship — ensuring that animal health remains central to delivering safe, high-quality food for communities.

C. Antibiotic Use in Animal Production

GRI 416-1 | GRI 417-1 | SASB: Antibiotic Use in Animal Production

Advancing Responsible Antibiotic Stewardship in Animal Production

SMFI continues to strengthen its approach to animal health management by prioritizing disease prevention, improving farm systems, and advancing responsible antibiotic stewardship. Across its poultry and livestock operations, the company has made measurable progress toward reducing reliance on antimicrobials, while ensuring that animal welfare, food safety, and production reliability remain uncompromised.

Progress toward reduced and antibiotic-free production begins within SMFI’s own integrated production chain. Improvements have been implemented from breeder farms to hatcheries and grow-out operations, reinforcing health at every stage.

Enhanced vaccination protocols now provide broader and earlier disease protection. Comprehensive breeder vaccination programs reduce the risk of vertical disease transmission, while in-ovo vaccination

strengthens immunity at the earliest stage of life. Bacterial vaccines further reduce infection pressure across the production cycle.

Hatchery technologies have also been upgraded to minimize contamination risks. Automatic candling systems remove contaminated eggs early in incubation, lowering infection risk before chicks even reach the farm. Strict sanitation and biosecurity protocols are enforced across hatcheries and farms, including thorough cleaning and disinfection, water sanitation systems, controlled farm access, and mandatory downtime between flocks.

Farm environments have likewise been improved to reduce stress and respiratory disease incidence. Tunnel-ventilated housing systems minimize heat stress, while multi-tier and elevated housing configurations improve air quality and reduce pathogen buildup. Environmental management plays a critical role, as stress is a major factor that increases susceptibility to disease.

Nutrition further supports preventive health. Feed formulations meet genetic standards set by leading global breeding programs such as Cobb and Ross, ensuring optimal growth and immune function. High-quality raw materials, combined with natural feed additives such as organic acids, butyrates, and essential oils, strengthen gut health and resilience. Nutritional supplements containing multivitamins, electrolytes, and amino acids are administered during predictable stress periods to support recovery and maintain overall condition.

These combined operational advances have enabled SMFI to establish antibiotic-free broiler production in select regions, including Isabela, Bicol, and Leyte. Its cage-free brown egg production is already 100% antibiotic-free.

These achievements are sustained through a fully integrated system that spans grandparent stock, parent breeders, hatchery operations, and broiler farms. Success depends on coordinated vaccination programs, strict sanitation protocols, well-managed housing systems, high-quality feed and water, and the strategic use of natural supplements and antibiotic alternatives.

While SMFI continues expanding antibiotic-free production, the Company recognizes that livestock production in the Philippines operates under unpredictable and challenging environmental conditions. In certain cases, prudent therapeutic use of antimicrobials may be necessary to protect animal welfare and prevent disease spread. In this context, SMFI provides a carefully selected portfolio of established or “classical” molecules that are considered less critical in human medicine.

Treatment decisions are guided strictly by veterinary oversight. Veterinarians conduct thorough disease investigations that include clinical assessment, farm history review, necropsy findings, and laboratory diagnostics, including antimicrobial sensitivity testing. The availability of multiple antimicrobial options enables precise selection and appropriate rotation when necessary to maintain effectiveness and reduce resistance pressure.

All antimicrobial administration requires a formal Veterinary Drug Order. Licensed veterinarians determine the appropriate product, correct dosage, and treatment duration. Withdrawal periods are strictly observed to ensure that no residues remain at slaughter. Every treatment is documented in Veterinary Log Sheets, ensuring full traceability and accountability, while generating historical data to evaluate flock response and treatment outcomes. This data-driven approach supports continuous refinement of antimicrobial stewardship strategies.

Education and collaboration further reinforce responsible practices. SMFI conducts regular seminars and technical forums for farm managers and contract growers covering proper biosecurity, ventilation management, water sanitation, and responsible antimicrobial use. Ongoing veterinary guidance strengthens farmer confidence and promotes consistent implementation of best practices. Improved farm management reduces disease risk and supports strong production performance without routine antibiotic reliance.

SMFI aligns its antimicrobial stewardship strategy with the World Health Organization’s One Health framework, recognizing the interconnected health of animals, humans, and the environment. Antimicrobial resistance is a global and long-term challenge that can affect both animal and human

populations. Responsible use — avoiding underdosing, misuse, and indiscriminate administration — protects animal welfare, food safety, and public health, while preserving the long-term effectiveness of antibiotics.

Judicious use remains central to safeguarding antimicrobial efficacy for future generations. By embedding prevention first and reserving antimicrobials for targeted therapeutic treatment, SMFI balances animal welfare, production efficiency, and public health protection.

Antibiotic stewardship is not a short-term initiative but a sustained commitment. Through strengthened farm systems, science-based prevention, rigorous veterinary oversight, data-driven monitoring, and continuous innovation, SMFI advances safe, reliable, and sustainable food production, ensuring that antimicrobials remain effective tools when truly needed while steadily progressing toward reduced and antibiotic-free production across its operations.

D. Responsible Drinking and Marketing

GRI 416-1 | GRI 417-1 | SASB: Responsible Drinking & Marketing

Upholding Legacy, Empowering Choice

As heritage brands trusted by Filipinos for over a century, San Miguel Beer and Ginebra San Miguel carry a deep responsibility to promote their products with integrity and care. Through robust compliance, creative campaigns, and innovative product choices, both companies champion moderation and consumer well-being, while retaining the flavorful narrative of their iconic brands.

In the Philippines, the Advertising Standards Council (ASC) enforces rigorous guidelines for alcohol marketing. SMB and GSMI adhere diligently to these rules, ensuring all promotions target adults (18 and above) and carry the mandated “Drink Responsibly” advisory. Every advertisement is reviewed to align with the ASC’s Alcoholic Beverages Code of Ethics — no campaign ever suggests that drinking is required for social acceptance, or that abstaining is uncool. By following these standards, the companies foster a culture of clear moderation messaging and age-appropriate content in all channels, echoing their commitment to responsible marketing.

GSMI has ingrained moderation into its very identity through its “Gin Responsibly” campaign — a proprietary internal slogan and logo that reinforces responsible drinking across the organization. This is not just a tagline, but a value embedded in employee trainings, corporate communications, and advocacy events. For example, in GSMI’s partnership with TESDA for the Ginebra San Miguel Bar Academy, a bartending school, scholars learn mixology and hospitality skills with an emphasis on responsible service. By championing “Gin Responsibly,” GSMI underscores to its people and partners that every cocktail poured and every celebration toasted should honor the principle of moderation.

GSMI’s marketing campaigns are renowned for their brand storytelling flair that uplifts Filipino values like courage, resilience, camaraderie, and *malasakit* (compassion). A recent campaign, “*Kabayani Kita*” (“I Salute You, Hero”), exemplified this approach by showcasing everyday heroes and the “never-say-die” spirit of Filipinos. It honored community solidarity and *bayanihan*, reinforcing messages of unity and *malasakit* in a modern context. Importantly, GSMI ensures these positive traits are portrayed as qualities of the people and communities they celebrate — not as alcohol-induced outcomes. The company is careful never to imply that gin bestows bravery or that drinking leads to success, in line with ethical advertising rules. Instead, the brand values stand on their own: GSMI’s iconic gin accompanies celebrations of courage and friendship, but the real courage and camaraderie come from the people themselves. This clarity in messaging allows GSMI to inspire national pride and hope through its ads while staying truthful and responsible about its product’s role.

San Miguel Brewery, for its part, is focusing on mindful drinking occasions — encouraging consumers to enjoy beer at the right place, time, and pace. As consumer habits shift towards more situational and moderate alcohol use, SMB has evolved its marketing to reflect that trend. In fact, surveys show a significant number of consumers are “drinking smarter” and cutting back; nearly one-third of moderating consumers only drink on special occasions rather than regularly. SMB embraces these evolving preferences by highlighting beer as a complement to meaningful get-togethers — a cold San

Miguel Pale Pilsen to celebrate a hard day's work, or a light San Mig Light during a weekend lunch with friends. The emphasis is on savoring the experience, not on drinking in excess. SMB's classic tagline "*Samahang Walang Katulad*" ("A Fellowship Like No Other") is intentionally paired with responsible drinking reminders in campaigns, underscoring that the best friendships and memories are made when drinking is moderate and respectful. By promoting mindful, occasion-based enjoyment of its beers, SMB aligns its brand with a modern drinking culture that values moderation, taste, and togetherness over volume.

San Miguel's commitment to responsibility goes beyond messaging – it is also about giving consumers real choices. SMB has expanded its portfolio to include no- and low-alcohol (NOLO) beverages, recognizing the growing demand for healthier and safer alternatives. A prime example is San Mig Free, SMB's alcohol-free beer that delivers the flavor of a brew without the buzz. By innovating such options, the company supports a spectrum of benefits for consumers and society:

- **Mindful, Health-Conscious Choices:** NOLO beverages empower those who are watching their health to still enjoy a beer or cocktail experience. Products like San Mig Free cater to this trend, allowing for guilt-free enjoyment without compromising one's fitness or next-day productivity.
- **Safe Socialization Without Intoxication:** Alcohol-free drinks enable everyone at the gathering to participate in the fun. Designated drivers, expectant mothers, individuals on medication, or those who simply don't want alcohol can toast with a San Mig Free or a zero-proof cocktail and feel fully included.
- **Complementing Road Safety Efforts:** Expanding the NOLO range also directly supports road safety. Drunk driving remains a serious concern, and offering attractive alcohol-free beers provides a clear alternative for would-be drivers. This aligns with broader responsible drinking initiatives – globally and in the Philippines – to curb impaired driving.
- **Fostering Inclusion & Reducing Stigma:** By normalizing alcohol-free options, San Miguel is helping remove the stigma from choosing not to drink. Today's vibrant selection of NOLO drinks means abstainers and moderate drinkers can enjoy sophisticated, flavorful beverages without alcohol. The result is a more inclusive social culture.
- **Empowering Consumers Through Choice (Not Abstinence):** San Miguel's philosophy is to empower choice rather than enforce abstinence. By offering everything from full-strength brews to light beers to zero-alcohol alternatives, SMB lets consumers control their drinking experience. This approach respects individual responsibility and preferences, giving people the tools to enjoy socially without compromising their well-being or values.

What started as a social responsibility initiative has also proven to be a smart business strategy. Diversifying into no- and low-alcohol beverages positions San Miguel for long-term resilience in a changing market. Consumers' preferences are clearly shifting toward moderation, and by investing in NOLO products the company can continue to thrive even as per capita alcohol consumption declines.

This strategic move also helps mitigate ESG risks: it anticipates potential regulatory and societal changes that could affect the alcohol industry. For instance, lawmakers in the Philippines have considered raising the legal drinking age from 18 to 21 to curb alcohol-related harm. San Miguel's inclusive portfolio is a proactive buffer against such shifts – if stricter laws or health campaigns discourage heavy drinking, the company can still meet consumers' needs (and sustain sales) with its low-proof and alcohol-free offerings. In essence, responsible innovation is future-proofing the business against a backdrop of rising health consciousness, government scrutiny, and evolving social norms.

By promoting moderation and offering safer alternatives, San Miguel aligns itself with broader public health objectives and global sustainability goals. Reducing harmful alcohol use is part of the United Nations' Sustainable Development Agenda (tied to good health and well-being), and San Miguel actively contributes to this cause. For SMB, "*sustainability means growing the business through ethical means...and having a positive impact on the community*" – a philosophy that naturally encompasses responsible marketing and product responsibility. By viewing moderate drinking advocacy and NOLO product development as integral to its sustainability roadmap (rather than as mere PR efforts), San

Miguel embeds social well-being into its core strategy. This alignment not only bolsters the company’s reputation with regulators, investors, and the public, but also ensures that its growth contributes positively to society.

Throughout all of their campaigns and innovations, San Miguel Beer and Ginebra San Miguel maintain clear messaging: their products are made to be enjoyed responsibly, never excessively. By combining century-strong brand trust with modern consumer advocacy, San Miguel continues to lead with purpose—advancing a culture of informed choice, respect, and shared celebration.

E. Management of Tenant Sustainability Impacts

GRI 413-1 | 416-1 | GRI 417-1 | SASB: Management of Tenant Sustainability Impacts

San Miguel Corporation recognizes that the sustainability performance of its properties extends beyond building operations to include the activities of tenants and occupants. Energy consumption, water use, waste generation, and safety practices within tenant spaces form an important part of the overall footprint of managed properties.

The Group’s portfolio currently includes office, residential, hospitality, and industrial properties, each with distinct tenant profiles and operational requirements.

As such, the Properties business adopts a shared-responsibility approach—working with tenants to promote responsible resource use, regulatory compliance, and safe operating environments through building rules, operational guidelines, tenant engagement, and monitoring systems.

Tenant sustainability impacts are managed through building rules, operational guidelines, regulatory compliance requirements, and utility monitoring systems. These approaches are adapted to the varying operational profiles of office, residential, hospitality, and industrial tenants across the portfolio. All are aligned with applicable laws, including the Ecological Solid Waste Management Act, the Energy Efficiency and Conservation Act, and regulations of the Department of Environment and Natural Resources (DENR).

While sustainability clauses are not yet formally embedded in lease agreements, environmental and operational requirements are implemented through building policies and tenant guidelines. These include waste segregation, proper disposal of hazardous materials, environmental permitting, and responsible resource use.

Tenant activities are integrated into the overall environmental footprint of managed buildings. Property management teams monitor building-level utility consumption, while submetering systems in the properties allow tenants to track and manage their own electricity and, in some cases, water usage. Scheduled operation of building systems such as air-conditioning and lighting, and structured waste management programs, further support efficient resource use.

The Properties business engages tenants through regular communication channels, including orientation sessions, information and awareness campaigns, coordination meetings, and health, safety, and environmental committee discussions. These platforms support the communication of sustainability initiatives, encourage responsible practices, and provide opportunities to discuss operational concerns and suggestions.

In some properties, these efforts have contributed to measurable improvements, including the adoption of energy-efficient lighting and equipment, strengthened waste segregation and recycling practices and the establishment of Material Recovery Facilities (MRFs).

Tenant feedback is actively encouraged through coordination meetings and direct engagement with property and engineering teams, enabling timely response to sustainability and operational concerns.

Maintaining safe and healthy environments remains a priority across the portfolio. Properties implement standards aligned with the National Building Code of the Philippines, the Fire Code of the

Philippines, and Occupational Safety and Health regulations issued by the Department of Labor and Employment.

Safety information is communicated through orientations, notices, and signage while emergency procedures and operational guidelines are regularly reinforced.

Building management teams conduct regular inspections, fire drills in coordination with the Bureau of Fire Protection, and compliance checks for tenant activities, including renovations and fit-outs, to ensure adherence to safety and regulatory requirement.

Through these governance practices, monitoring systems, and engagement mechanisms, the Properties business extends its sustainability approach beyond direct operations, promoting responsible tenant practices, improving resource efficiency, and supporting safe and compliant environments across its managed properties.

6.6 Our Communities

A. Community Engagement

GRI 203-1 | GRI 203-2 | GRI 413-1 | GRI 413-2 | SASB: Community Relations

Growing Together Over Time

Meaningful progress takes sustained effort and long-term commitment. This is how San Miguel Corporation approaches its role in nation-building: by consistently contributing to the communities where we operate and investing in initiatives that deliver lasting value.

With more than 100 facilities nationwide, we recognize our responsibility to help improve the quality of life in the communities we serve. We work closely with local government units, schools, civic organizations, small businesses, and other community partners to build collaborative relationships that address local needs and priorities.

Where San Miguel operates projects or businesses, we open channels for dialogue and consultation to better understand and prioritize the voices, perceptions, knowledge, concerns, and issues of local stakeholders. By continuously building and deepening relationships with community members, we gain clearer insights into the most meaningful and impactful ways to provide support.

Moreover, we believe that nation-building efforts thrive through shared action and mutual interest among local stakeholders. With their input, we go beyond compliance to support sustainable initiatives, including farm-to-market roads, footbridges, street lighting, livelihood opportunities, local hiring, and small business development. The growth of the communities around us continues to unfold alongside SMC’s longevity.

Strong relationships are also built through shared advocacies and collective resilience during challenging times. SMC employees participate in local volunteer initiatives, including environmental cleanups and tree planting; blood donation drives; health education and medical missions; community outreach; livelihood training; and knowledge-sharing activities. In times of disaster, San Miguel promptly mobilizes relief efforts to support its neighbors and nearby towns.

Amid social and economic challenges, San Miguel, through its Foundation, recognizes the need for deeper, more sustained support to drive positive social change. Vacant properties are repurposed into productive community facilities where individuals can access opportunities, pursue their aspirations, and better understand their roles in building stronger communities.

PROGRAMS	PROJECTS	2025	2024	2023	UNIT
Education 	Scholarships	2,617	2,774	2541	students
	Short-term courses	89	89	1162	students
	Brigada Eskwela	85,981	68,758	38,913	students
		185	183	263	schools
		941	804	1446	classrooms
		5,600	5,600	5,600	school kits
Health 	Community Clinics	5,214	2,427	2,420	patients
		11,067	13,446	14,499	consultations
		8	11	8	clinics
	Feeding	101,347	101,647	69,849	meals
	First 1,000 Days Project	2,005	507	507	mother & children
	Medical Missions	13,542	1,200	6451	patients
		14	7	10	areas

Enterprise 	Livelihood assistance	1,141	1,984	323	persons
		45	11	17	areas
		46	40	12	people's organizations
Housing 	Housing and water provision	n/a	40	n/a	houses
Infrastructure 	Road Access	4,800,296	4,268,366	3,486,806	vehicles / motorists
Environmental 	Restoration & Conservation	74	62	27	sites
	Coral Rescue Program	570	350	220	square meters
		34	59	55	species
		107	61	29	kilo biomass
	Tree Planting / Mangrove	1,379,991	183,737	6,578,552	trees / saplings
	Backyard Bukid	7	8	4	sites
		152	112	71	members
		121,332.50	109,000	97,785	income
Better World Tondo 	Membership Services	2,630	2,190	2,220	persons
		526	438	444	families
		205	139	162	students
Better World Smokey Mountain 	Membership Services	3,429	2,776	1,916	persons
		2,260	1,840	1,287	families
		1,307	1,053	760	students
Better World Cubao 	Membership Services	583	467	556	women
Better World Diliman 	Kitchen for the Environment	888,684	736.4	CLOSED	kilos of food rescued

BUILDING BETTER WORLDS

Better World Tondo, San Miguel's first community center, has served more than 1,000 families through food rescue and hunger relief, while prioritizing children's nutrition and education, as well as livelihood opportunities for their mothers. More than 600 children receive nutritious meals daily, fueling their learning and enabling them to participate in after-school lessons at the facility. Since its launch in 2019, children from the surrounding barangays have been observed to have improved weight, better overall health, and stronger academic performance, ready to move confidently to the next level of their education.

Just a few blocks away is Better World Smokey Mountain, SMC's largest community center to date, with 39 modern classrooms and multiple partner organizations. It serves as a learning and skills development center. A total of 3,429 individual members, or 2,260 families, participate in creative, educational, and income-generating programs aimed at enhancing productivity, fostering a growth mindset, and supporting intergenerational change. In 2025 alone, the center's livelihood program generated over PHP 1.2 million in total income, delivering meaningful financial support to the families of its members.

Better World Cubao, a center for the health, empowerment, and recovery of women, registered almost 600 members in 2025, who received access to mental health sessions, skills training and masterclasses, and empowerment classes called *Abante Babae* workshops. With the skills, values, and confidence they have been honing inside and outside Better World, 81 members were able to generate more than PHP 200,000 in earnings from sewing, while others focused on becoming more active members of their barangays.

Access to health consultations, services, and medicine is also provided to members. Since 2024, San Miguel Foundation has partnered with the Department of Health and Quirino Memorial Medical Center, making Better World Clinic-Cubao the first Bagong Urgent Care and Ambulatory Service (BUCAS) Center established through a private-public partnership. With this expansion and partnership, the clinic now provides urgent care, ambulatory assistance, and alternative healthcare services within the community center. This strengthens the availability of accessible outpatient care, even for non-members from the surrounding barangays.

Better World Diliman operates as an environmental facility committed to diverting food waste from landfills. By championing sustainable local food practices, community self-sufficiency, and improved nutrition, it rescues surplus food from partner companies and organizations and transforms it into warm, packed meals delivered directly from the kitchen to the community. In 2025, more than 888 metric tons of food were rescued, equivalent to nearly 270,000 meals served to those in need. Efforts in the past year prevented close to 2,250 metric tons of carbon emissions, significantly reducing environmental impact while nourishing communities.

Sustaining local food supply and addressing communities' nutritional needs begin at the farm level. Through our urban gardening program, Backyard Bukid, we promote food security while fostering community-building and livelihood opportunities. Now spanning seven urban garden sites nationwide, the program continues to grow, providing additional income for its members while helping ensure that food remains on their tables.

Our support also extends to persons deprived of liberty (PDLs) through Better World Bilibid, which upholds their right to nutrition and education while creating opportunities for growth and dignity. This year alone, nearly 170,000 meals were served to close to 29,000 PDLs under San Miguel's five-year meal augmentation initiative. To support continuing education, a facility at the New Bilibid Prison, Medium Security Camp, now operates as the Bilibid Extension School, managed by the University of Perpetual Help System Dalta. To date, 1,313 students have enrolled in tertiary programs in Accountancy, Business Administration, and Entrepreneurship, with 64 graduates so far and more expected in the coming years.

Beyond our Better World communities, we continue to support local communities through our award-winning First 1,000 Days maternal and child health program, *Happy si Mommy, Malusog si Baby*. Implemented with the San Miguel Food Group, the program helps pregnant

women from vulnerable backgrounds, including teenage mothers and undernourished women, by providing access to quality prenatal and childcare during the most critical period of a child’s physical, cognitive, and emotional development.

We are dedicated to addressing the most urgent needs of marginalized and vulnerable communities. By combining our strengths as one company with those of our partners, stakeholders, and community members, we continue working toward lasting impact, one community at a time.

GROWING STRONGER TOGETHER

“We help them help themselves” reflects our strong belief that meaningful individual and collective growth stems from sustained empowerment rather than one-off support. In San Miguel’s Better World communities, development is built on partnership. Members enroll at no cost, demonstrating a willingness to overcome social stigma, strive for their families’ well-being, and become active contributors to their communities.

Through education, we grow alongside the children we support. Rhicalyn Lamsin and Madellaine Relloso, both Grade 6 students from Tondo, shared that before joining San Miguel’s programs, they were shy, hesitant to form friendships, and performing at an average level in school. Through the program, they benefited from lessons tailored to their learning pace, as well as from the guidance and encouragement of partner teachers as they navigated primary school.

After six years in the program, their dedication to their studies has led to improved academic performance, stronger confidence, and meaningful friendships. Rhicalyn’s participation in one of San Miguel Foundation and San Miguel Yamamura Packaging Corporation’s educational tours sparked her interest in astronomy, inspiring her dream of becoming an astrophysicist. Meanwhile, Madellaine now aspires to become a lawyer.

More than 1,000 students are currently supported through Better World’s academic interventions, including the Alternative Learning System. By strengthening literacy and comprehension, unlocking individual talents, instilling strong values, and providing consistent academic guidance, the program empowers learners to overcome barriers, stay in school, and build pathways to productive, resilient futures.

While children focus on their education, many mothers participate in Better World’s livelihood programs to help support their families. Liza Barroga, a 36-year-old mother of three from Tondo, previously stayed home due to limited income opportunities. Through accessible livelihood training, she now helps run a vinegar-selling business in Better World, which supports her children.

Her involvement in community activities, including health education sessions and blood donation drives, also inspired her to serve others. Motivated to contribute further, Liza applied to become a first-aid medic and is currently awaiting her training schedule.

Many mothers share stories similar to Liza’s. Sussana Mabuhay, Cristina Zapata, Ma. Irish Dipitulan, and Maricel Calimpusan, all in their 30s to 40s, share that they have come a long way from being full-time homemakers with limited livelihood opportunities. Despite having no prior baking experience, they were trained by San Miguel Mills and now produce fresh bread daily, supplying local consumption and large corporate orders. Gaining this skill has sparked their entrepreneurial aspirations, motivating them to start home-based businesses and eventually establish their own small bakeries.

Through their participation in the livelihood program, the mothers have achieved positive outcomes and set new aspirations. Cristina upgraded her home, creating more space for her

family of 10. Sussana has paid off debts and is now building her personal savings. Inspired by fellow participants, Irish is exploring additional business opportunities, while Maricel is pursuing her dream of becoming a chef.

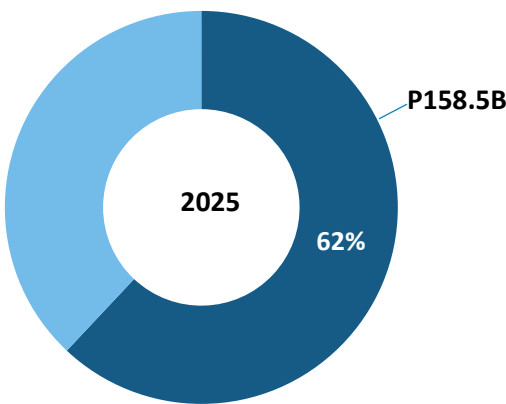
Our Better World livelihood programs help members discover their potential, overcome self-doubt, and build aspirations for independence. They empower participants to earn income, plan for their families' futures, and share their skills with loved ones and neighbors—creating more opportunities for sustainable livelihoods and a better quality of life.

7 Kasaganahan: Good for Progress

7.1 Sustainable Supply Chain

GRI 203-2 | GRI 204-1 | GRI 408-1 | SASB: Supply Chain Management

% Procurement spend on local suppliers



A resilient supply chain is not built on transactions alone, but on relationships that evolve over time. At San Miguel, this means working toward a supply network that can adapt to changing conditions while maintaining continuity and reliability across its operations.

In an increasingly complex and volatile operating environment, supply chain resilience depends not only on efficiency, but also on the strength and stability of supplier relationships. Rather than treating suppliers as interchangeable vendors, San Miguel seeks to build longer-term partnerships where possible, recognizing their role in supporting operational continuity and product quality. At the same time, supplier relationships are periodically reviewed to ensure competitiveness and alignment with evolving business requirements.

Across our operations, San Miguel continues to prioritize local sourcing, where feasible. In 2025, approximately 91% of total procurement spend was directed toward suppliers classified as local. This includes both domestic companies and local subsidiaries or offices of foreign firms operating in the Philippines. While this reflects a strong domestic procurement base, the Company recognizes that this classification may not fully capture the geographic origin of goods and services.

Foreign suppliers continue to play an important role, particularly in providing commodities and specialized materials, technologies and capabilities that are not readily available locally. Maintaining a balance between local and international sourcing remains necessary to support operational requirements and ensure supply reliability.

As supply chains become more complex, improving visibility across the supplier network has become an increasing area of focus. San Miguel has been working to enhance its understanding of its supply chain by improving the availability and quality of supplier data. This effort is intended to support more informed procurement and risk management decisions, although full visibility across all supplier tiers remains a work in progress.

Current efforts are primarily focused on direct (Tier 1) suppliers, with more limited visibility into upstream tiers. Expanding this coverage depends on improvements in data availability, consistency, and supplier participation.

The Company has begun integrating sustainability-related data into its procurement and risk management processes. While this allows for more structured evaluation of supplier performance, the use of such data is still evolving, and methodologies continue to be refined to improve accuracy and comparability across business units.

All suppliers are required to undergo a rigorous registration and accreditation process designed to ensure compliance with applicable laws and internal standards, including those related to environmental protection, labor practices, and ethical conduct. These processes establish a baseline for responsible sourcing, although the Company continues to strengthen its systems to improve consistency and depth of assessment.

Supplier performance is periodically evaluated, with increasing consideration of ESG factors alongside traditional criteria such as cost, quality, and reliability. In parallel, San Miguel is gradually expanding efforts to support supplier capability development, particularly for those that may require assistance in meeting evolving standards.

To support this transition, the Corporate Procurement Group works with the Corporate Sustainability Office and business units to conduct sustainability forums for selected suppliers. These engagements provide opportunities to communicate expectations, share practices, and gather feedback, although participation and coverage vary across business units.

The Company has also initiated a pilot partnership with a third-party platform to support supplier screening and ESG assessment. This initiative is intended to improve data collection and provide a more structured view of supplier performance. As the program remains in its early stages, coverage is still partial, and results are being used primarily for initial assessment and learning.

Initial screening efforts have provided indicative insights into supplier ESG performance. However, these results are not yet comprehensive and should be interpreted with consideration of current data limitations and varying levels of supplier participation.

San Miguel’s approach to supply chain sustainability continues to develop. While progress has been made in strengthening supplier engagement and improving visibility, further work is needed to expand traceability, improve data quality, and more fully integrate sustainability considerations into procurement decisions.

Strengthening supply chain systems forms part of the Company’s broader approach to managing operational and sustainability-related risks. Continued improvements in visibility, supplier performance, and data quality are expected to support more informed decision-making and enhance resilience over the long term.

SEEING THE SUPPLY CHAIN CLEARLY

Building a company that lasts for generations requires more than scale, it requires clarity. In today’s complex supply networks, risks and inefficiencies often remain hidden beneath layers of transactions and relationships. For San Miguel, strengthening governance begins by making these invisible layers visible.

Through improved supplier visibility, the Company is transforming uncertainty into actionable insights. This shift allows San Miguel to move from a reactive approach to a more proactive and informed way of managing its supply chain. Visibility goes beyond identifying direct suppliers, it involves understanding the origins of materials and services, and how each link in the chain contributes to overall performance.

By integrating sustainability and ESG data into its core procurement and risk frameworks, San Miguel enables more precise and evidence-based decision-making. Instead of relying on assumptions or industry averages, leadership can assess supplier performance using verified data, ensuring that sustainability commitments are not just stated, but demonstrated.

These insights support a more strategic and differentiated approach to supplier engagement:

- Procurement teams prioritize partners who consistently meet sustainability and performance standards, reinforcing responsible practices across the supply chain.
- High-potential suppliers are supported through development programs, helping them improve capabilities and remain competitive.

- Targeted interventions, including technical assistance and training, are extended to partners that require support in meeting evolving standards.

This approach promotes both accountability and inclusion, raising the overall quality of the supplier base, while reducing risks associated with over-reliance on limited sources.

To further strengthen supplier capability, San Miguel’s Corporate Procurement Group works closely with the Corporate Sustainability Office and business units to conduct sustainability forums for key suppliers. These engagements create opportunities for knowledge sharing, benchmarking, and alignment on sustainability priorities.

The Company has also partnered with Givvable, a third-party sustainability platform, to pilot automated supplier screening and ESG assessment. This initiative helps streamline data collection, improve transparency, and provide suppliers with clearer guidance on sustainability expectations.

As shown in the Company’s supplier screening efforts, a significant portion of suppliers have already been credentialed and assessed across environmental, social, and governance categories, providing a more comprehensive view of supplier performance and areas for improvement.

Ultimately, investing in visibility is an investment in resilience. By gaining deeper insight into its supply chain and working closely with its partners, San Miguel ensures that every link is aligned with its standards and values, building a supply network that is not only efficient, but also responsible and built to last.

7.2 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 | SASB: Business Ethics

Integrity underpins how San Miguel operates as an enterprise.

For 135 years, San Miguel has been guided by its founding principle of “**Profit with Honor**”—the belief that business success must be pursued with integrity, fairness, and respect for the trust placed in the Company. This principle has sustained the organization through generations of growth and transformation and continues to shape how we operate today.

As the scale and complexity of our businesses expand, ethical conduct remains anchored not in occasional interventions, but in everyday discipline. Across power generation, fuel, infrastructure, transportation, and manufacturing operations, our people make thousands of decisions daily that influence how we serve customers, engage stakeholders, and uphold our responsibilities to society.

Operating across multiple regulated industries means interacting regularly with national and local government agencies, suppliers, contractors, and communities. At the same time, the scale of our procurement and operational spending across the Group requires careful oversight to ensure fairness, transparency, and accountability.

Recognizing these realities, San Miguel reinforces clear ethical expectations across the organization. Policies and governance systems help employees navigate potential conflicts, maintain transparency in transactions, and ensure that business decisions reflect both legal compliance and responsible conduct. While these standards are formalized in policies and procedures, their effectiveness ultimately depends on the daily actions of our people.

As the organization evolves, ethical expectations are regularly refreshed and reinforced to remain relevant to changing business environments.

All new employees undergo onboarding sessions that introduce San Miguel’s policies on integrity, compliance, and responsible conduct. These are supported by annual refresher programs to ensure employees remain aware of their responsibilities and the standards expected across the Group.

Digital learning modules are also available through the SuccessFactors platform, allowing employees to revisit key compliance topics at their own pace. Completion of these modules is monitored by Human Resources units across business units and subsidiaries to ensure consistent participation.

Through this structured approach, San Miguel promotes a shared understanding of ethical conduct across the Group, ensuring that employees, regardless of location or business unit, operate under the same expectations of integrity.

Ethical discipline is further reinforced through operational systems that promote transparency, standardization, and accountability across the Group.

Many of San Miguel’s facilities operate under internationally recognized management systems and certifications, supported by regulatory compliance frameworks, that establish rigorous controls for quality, safety, environmental management, and operational governance. These certifications, summarized in the accompanying table, reflect the Company’s commitment to maintaining consistent standards across its manufacturing, infrastructure, and service operations.

By aligning with globally recognized frameworks such as ISO management systems, San Miguel strengthens internal controls, standardizes operational procedures, and promotes a culture of continuous improvement. Across the Group, these governance systems reinforce operational discipline and accountability.

INTERNATIONAL CERTIFICATIONS AND COMPLIANCE STANDARDS ACROSS SAN MIGUEL OPERATING FACILITIES			
STANDARD	DESCRIPTION	BUSINESS UNITS COVERED	NO. OF CERTIFICATIONS
ISO 9001:2015	Quality Management Systems	SMFB, Packaging, Petron, Power, Infrastructure, Cement, SMCSL, SMITS	61
ISO 14001:2015	Environmental Management Systems	SMFB, Petron, Power, Infrastructure, Cement, SMCSL	52
ISO 17025:2017	Testing and Calibration Laboratories	SMFB	1
ISO 22000:2018	Food Safety Management Systems	SMFB	1
FSSC 22000	Food Safety System Certification	SMFB, Packaging	24
HACCP	Hazard Analysis Critical Control Points	SMFB	30
GMP	Good Manufacturing Practices	SMFB	36
HALAL	Halal Certification	SMFB, Packaging	6
FSC-STD-40-004 V3-0	Chain of Custody Certification	Packaging	1
ISO 22301:2019	Business Continuity Management Systems	Power	3
ISO 45001	Occupational Health & Safety Management Systems	SMFB, Petron, Power, Infrastructure, Cement, SMCSL	37

ISO 50001	Energy Management Systems	SMFB, Cement	4
ISPS	International Ship & Port Facility Security Code	Petron	14
SEDEX	Suppliers Ethical Data Exchange	SMFB	1
ISO 9001:2015	State of Certifiability	Packaging	12

TOTAL NO. OF OPERATING FACILITIES COVERED	Production		Tollways	Ports, Terminals & Others
	Food & Beverage Related	Others		
Food, Beverage and Packaging	56	23		3
Power, Fuel & Cement		12		48
Infrastructure		1	7	
Data Center				1
TOTAL	151			

Note: Others include feedmills, corrugated cartons and mold plants, bulk water, refinery and blending plants.

Together, these certifications emphasize the various required disciplines in every aspect of the Company’s diversified operations.

With a portfolio spanning multiple industries, San Miguel places strong emphasis on maintaining consistent ethical standards across its subsidiaries, business units, and partner ecosystems. From procurement and supplier engagement to project execution and service delivery, the Company works to ensure that its governance frameworks guide decision-making across the enterprise.

By reinforcing ethical expectations through everyday discipline, the Company protects not only its reputation, but also the long-term value and resilience of the businesses it has built over more than a century.

Integrity, after all, is not only a principle. It is the foundation that allows San Miguel to continue stewarding its businesses—and the trust placed in them—into the next hundred years.

7.3 Digital Transformation

GRI 2-23 | GRI 2-24 | GRI 203-1 | GRI 203-2 | SASB: Data Security

In 2025, San Miguel Corporation enhanced the company’s digital transformation by reinforcing governance, risk management, and long-term sustainability across all modernization initiatives. Guided by the theme “Governing Change with Discipline,” SMC anchored technological progress, whether in Enterprise Resource Planning (ERP) modernization, network rehabilitation, AI adoption, or cybersecurity uplift, in human judgment, accountability, and structured control. This governance-first philosophy reflects SMC’s belief that innovation must strengthen trust and operational stability.

Even as systems become more data-driven and automated, Corporate IT ensures that critical decisions retain human oversight. Processes are designed to augment rather than replace human judgment. Decision rights, audit trails, and clear accountability mechanisms remain central, ensuring technology remains aligned with SMC’s values as a company built to last.

A key program in the ongoing digital transformation initiative is the disciplined modernization of SMC’s enterprise applications to SAP S/4HANA across the business units. SMC embedded strong governance structures into every phase of the transition. These include centralized blueprint validation, architecture reviews, role-based access controls, segregation of duties (SoD) compliance, license optimization, and rigorous cutover risk management.

In close collaboration with Corporate Internal Audit, these measures support controlled and compliant system transitions aligned with long-term enterprise needs. They are designed to help ensure that the adequacy and effectiveness of internal controls are maintained. A Governance Risk and Compliance (GRC) application tool is currently being utilized to support continuous control reviews, enhanced production access management, and coordinated audit engagements.

Regular and proactive cybersecurity and patch governance, aligned with corporate Information Security and Audit standards, further reinforce operational stability and regulatory compliance. This structured, governance-led approach reflects SMC's commitment to ensuring that application modernization delivers long-term value while preserving integrity, resilience, and control across business units.

In the area of procurement, SMC expanded the deployment of its modernized procurement system to additional business units. This transition from manual sourcing processes into guided digital workflows strengthens supplier lifecycle management, improves audit trails, and reduces manual risk exposure. These initiatives are complemented by enterprise architecture rationalization efforts and the rollout of cloud and SaaS frameworks designed to reduce system redundancy, promote integration-first design, enhance security, and ensure cost sustainability. Collectively, these measures are intended to ensure that digital expansion strengthens the enterprise.

Beyond applications, SMC also made significant progress in modernizing the company's technological foundation. The rehabilitation and modernization of SMC's network infrastructure focused on high availability, simplified segmentation, and observability-first operations. Standardized configurations help improve reliability and reduce operational risk. These enhancements position the network to support the growing demands of ERP and application modernization and other workloads, while maintaining security and IT service continuity.

SMC approached Artificial Intelligence (AI) with the same disciplined mindset. Generative AI and Agentic AI initiatives are governed through formal use-case charters, ensuring clarity of purpose, data security, ethical considerations, and measurable value. Model lifecycle management, access controls, and human-in-the-loop approval processes help ensure that automation remains safe, transparent, and accountable.

Pilot AI deployments, such as knowledge assistance tools and agent-driven IT service copilots, have delivered productivity benefits while operating within defined control parameters. Automation is designed to remain reversible, auditable, and grounded in risk mitigation.

Cybersecurity remained a core enabler of SMC's sustainability strategy. During the year, SMC completed a comprehensive Cybersecurity Maturity Assessment (CMA) by an independent global audit firm. This assessment benchmarked capabilities against recognized frameworks and established a stronger baseline for responsible technology adoption.

Covering nine domains and 221 security controls, the CMA delivered a risk prioritized roadmap that aligns remediation activities with business impact, spanning systems, exposure, and third-party risks, and strengthened governance through simplified, consolidated, and enforceable security controls.

Across all these initiatives, SMC prioritized control structures that are established before technologies scale. Innovation is facilitated within secure, monitored environments. Long-term viability, evaluated through modularity, interoperability, vendor health, sustainability impacts, and cost predictability, remains a core design criterion.

As automation and interconnectivity expand, SMC continues to strengthen accountability through clear escalation paths, immutable activity logs, and transparent approval workflows. These measures are complemented by enhanced employee capability-building programs, including *Doble Inyat* and Data Privacy Training, which promote risk awareness and responsible use of digital systems and data-driven processes.

Through these efforts, Corporate IT supports the strengthening of reliability, security, sustainability, and operational trust across SMC's digital transformation. By embedding structured oversight and

disciplined risk management into technology initiatives, SMC continues to build digital foundations designed to support long-term resilience and sustainable growth.

7.4 Data Privacy and Security

GRI 2-23 | GRI 2-24 | GRI 418-1 | SASB: Data Security



In an increasingly connected environment, data privacy is essential to maintaining operational continuity, protecting stakeholder trust, and ensuring long-term resilience. At San Miguel, data privacy is integrated across the organization, embedded in business processes, governance structures, and day-to-day operations rather than managed as a standalone compliance function.

The Company’s approach is grounded in responsible data management and compliance with the Data Privacy Act of 2012 and issuances of the National Privacy Commission, aligned with industry best practices. Personal data is processed in accordance with the principles of transparency, legitimate purpose, and proportionality, supporting the responsible handling of information and respect for individual rights.

This commitment is implemented through structured and mandatory compliance frameworks across the Group. These include the appointment Data Protection Officers, annual registration of Data Processing Systems with the National Privacy Commission, incident and breach reporting, and the implementation of Privacy Policies, Privacy Manuals, and Privacy Management Programs. Privacy Impact Assessments are used to identify and address data protection risks early in business processes.

Oversight is led by designated Data Protection Officers (DPOs), supported by Data Privacy Offices and Data Privacy Councils across business units. This reflects a shared responsibility model. Business process owners serve as the first line of defense through operational controls and self-assessments; DPOs and privacy champions provide the second line by setting standards, monitoring compliance, and delivering training; internal audit serves as the third line, validating that controls are functioning as intended.

Data protection at San Miguel is treated not merely as a compliance task but as a critical foundation for enterprise trust and business continuity. By embedding data privacy into operations, the Company demonstrates responsible data stewardship and upholds the human rights of individuals whose personal information it processes. This responsibility extends beyond internal operations to stakeholders, including customers, employees, partners, suppliers, and other interested parties. Over time, responsible data use has also become a source of competitive advantage, reinforcing ethical standards and strengthening trust.

Data protection is supported by a combination of organizational, physical, and technical safeguards. These include defined data processing procedures, controlled access to systems and facilities, and monitoring of data processing activities. Collaboration with information technology and cybersecurity functions supports the application of Privacy by Design from data collection through system implementation. Controls are regularly reviewed and updated to remain aligned with evolving technologies and regulatory expectations.

In 2025, the Company continued to strengthen implementation through initiatives that align regulatory requirements with business operations. These included the automation of a privacy compliance monitoring system to improve visibility across business units and the introduction of independent privacy audits to assess compliance with applicable laws and internal standards. Regular compliance checks, aligned with National Privacy Commission practices, support the consistent application of core requirements .

The Data Privacy Council plays a central role in capability building and alignment across the Group, supporting professional development, standardization of practices, and benchmarking. Through these efforts, the Data Privacy and Security Office continues to evolve as a partner to business units in enabling privacy-aware operations.

Employees and authorized personnel who handle personal data are required to uphold confidentiality and are supported through regular training programs. Privacy champions help reinforce awareness within their respective units, recognizing that effective data protection depends on both systems and responsible behavior.

As operations become more interconnected, managing third-party data privacy risks is increasingly important. San Miguel adopts a lifecycle approach to third-party risk management, with controls applied from vendor selection through contract execution and disengagement. Due diligence processes incorporate early-stage risk identification, including Privacy Impact Assessments conducted during scoping or contract review.

Third-party engagements involving data processing are governed by formal agreements that define responsibilities, processing scope, and compliance obligations. Contractual safeguards are standardized across outsourcing, subcontracting, and data-sharing arrangements, while allowing flexibility to align with third-party requirements without compromising regulatory obligations. Ongoing monitoring supports alignment with the Company’s data privacy standards.

To support preparedness and accountability, San Miguel maintains protocols for identifying, reporting, and responding to data breaches and incidents. Employees and agents are required to report potential incidents within defined timelines, enabling timely investigation and response. Breach drills are conducted to strengthen readiness, and when required, notifications are made to regulators and affected individuals in accordance with applicable laws.

Incident documentation supports monitoring and continuous improvement. The Company maintains records of all data-related incidents, including those below reporting thresholds, to support analysis and refinement of controls.

Risk management is designed to be proactive and integrated into business operations. Privacy risks are identified through Privacy Impact Assessments conducted at various stages of projects and programs, supported by cross-functional collaboration among Information Technology, Human Resources, Legal, Sales and Marketing, and Procurement.

Data privacy efforts are aligned with broader organizational initiatives, including business continuity planning, sustainability programs, and cybersecurity activities. As digitalization evolves, San Miguel continues to refine its policies, controls, and systems to address emerging risks, supported by ongoing coordination with cybersecurity functions.

Sustaining effective data protection requires shared accountability. Management oversight, the active role of DPOs, and collaboration through Data Privacy Councils support a coordinated governance framework, reinforced through regular alignment and capability-building initiatives.

In a digital environment where trust is closely linked to how personal data is managed, San Miguel continues to strengthen its systems and practices. By integrating data privacy into its operations, the Company supports the safeguarding of information and the trust that underpins its long-term success.

7.5 Risk Management

GRI 205-1 | SASB: Risk Management

San Miguel Corporation operates a diversified portfolio of long-lived, asset-intensive businesses that are deeply embedded in the country’s economic and physical landscape. In this context, risk management is not treated as a compliance exercise. It is a protective discipline that supports continuity, safeguards long-term value, and strengthens decision making amid uncertainty.

As the operating environment evolves, the Group’s risk profile continues to be shaped by a wide range of factors, including economic volatility, regulatory change, technological disruption, cybersecurity threats, supply chain pressures, and climate-related physical and transition risks. The Group’s approach is designed to identify and assess risks in a timely manner, evaluate them consistently, and integrate risk considerations into key business processes, particularly strategic planning, capital allocation, and

investment decisions.

The Enterprise Risk Management (ERM) framework is embedded in the Group’s governance structure and guided by the ERM policy set out in the San Miguel Manual on Corporate Governance. The Board of Directors holds ultimate responsibility for ensuring that an effective ERM framework is in place and for overseeing its implementation and effectiveness.

The Audit and Risk Oversight Committee supports the Board by overseeing risk management processes across the Group. Its responsibilities include reviewing risk management strategy, assessing key risk exposures, confirming that mitigation plans are in place for priority risks, and reporting significant exposures to the Board.

At the management level, the Chief Risk Officer (CRO) provides executive oversight of ERM and works with business units to promote and support the integration of risk management principles in day-to-day operations. Risk identification and assessment are conducted through structured processes, allowing risks to be evaluated on a consistent basis while reflecting the operational realities of different business units. Mitigation actions are monitored through established governance channels and are elevated when risk levels exceed defined tolerances or require strategic intervention.

Independent assurance is provided through San Miguel Group Audit, which oversees internal audit functions across subsidiaries. Internal audit teams conduct both scheduled and ad hoc reviews of controls and procedures, with key findings elevated for management action.

Given the Philippines’ exposure to climate-related hazards and the long operating life of many of the Group’s assets, a comprehensive, Group-wide Climate Risk Assessment was undertaken to strengthen forward-looking risk governance. The assessment applied a structured, data-driven methodology, including asset-level geolocation mapping, hazard exposure screening, and evaluation of both physical and transition risks across defined time horizons.

Physical risks were assessed across hazards such as extreme heat, flooding, tropical cyclones, drought and water stress, and sea level rise, while transition risks were evaluated across policy and regulatory, market, technology, and reputational dimensions. The results are used to support the integration of climate considerations into planning, infrastructure design, capital allocation, and enterprise risk review processes.

To strengthen resilience in procurement, the Group has established governance structures to support supplier risk management, policy compliance, and operational audits. Training and capability building reinforce the consistent application of procurement standards and controls across business units.

Through disciplined governance, structured assessment processes, and independent assurance, the Group’s ERM framework supports the proactive management of financial, operational, regulatory, environmental, and emerging risks. By embedding risk considerations into decision making and investment planning, SMC supports business continuity and contributes to the protection of stakeholder trust, and long-term value creation.

A. Structural Integrity and Safety

GRI 203-1 | GRI 2-25 | GRI 413-1 | GRI 413-2 | SASB: Infrastructure Safety & Asset Integrity

San Miguel Corporation’s long-lived, asset-intensive operations require a consistent focus on structural integrity and safety to protect employees, customers, and communities, and ensure operational continuity. This is managed as a key operational risk area within the Group’s broader enterprise risk management approach.

Business units are responsible for maintaining the safety and reliability of their facilities, supported by established engineering standards and structured asset integrity systems. These include documented technical specifications, preventive maintenance programs, inspection protocols, and operational performance monitoring. Structural integrity is addressed across the asset lifecycle, from design and

construction to operation, maintenance and periodic upgrading.

Engineering standards and technical specifications guide the development of new assets and improvements to existing facilities. During operations, preventive maintenance schedules, equipment maintenance histories, and calibration programs are implemented to reduce the risk of equipment failure and structural degradation. Operational parameters are monitored through defined limits, supported by regular testing and analysis of critical systems such as pressure vessels, cooling systems, and electrical equipment.

Multi-functional audits conducted by Corporate Technical Audit provide additional assurance by reviewing mechanical, electrical, environmental, and safety systems, against defined technical, regulatory, and operational criteria. These reviews cover areas such as maintenance implementation, equipment condition, regulatory compliance, workplace safety systems, and emergency preparedness. Audit findings are documented, and corrective actions are tracked through formal processes until closure.

Compliance with applicable regulations is an integral part of asset integrity management. Facilities maintain required permits, certifications, and monitoring reports across environmental, safety, and operational areas. These include permits for boilers, pressure vessels, and electrical systems, as well as environmental compliance documentation such as emissions testing, wastewater monitoring, and hazardous waste management records.

For facilities located in hazard-prone areas, asset planning incorporates exposure to risks such as extreme winds, flooding, and heat. Insights from the Group’s Climate Risk Assessment inform inspection prioritization and long-term upgrade planning for critical assets, supporting resilience over the asset lifecycle.

Performance is monitored through defined indicators, including inspection coverage, audit findings, corrective action closure, and asset integrity-related incidents. Where incidents occur, these are investigated, with findings used to strengthen controls and reduce the likelihood of recurrence.

This approach strengthens the Group’s ability to manage asset-related risks, maintain safe and reliable operations, and support long-term business continuity.

SAFETY BUILT INTO EVERY ROAD

For SMC Infrastructure, road safety is a fundamental component of responsible tollway management. Across its network of limited-access facilities, expressways designed for high-speed travel, operational systems are built to protect motorists, tollway personnel, and nearby communities.

Expressway operations are managed by specialized operators: Skyway O&M Corp. for the Skyway System; Manila Toll Expressway System Inc. for SLEX; Star Tollway Corp. for STAR Tollway; and, TPLEX O&M Corp. for TPLEX. These operators recognize the necessity of a holistic approach in road safety that combines engineering, operational discipline, and responsible user behavior.

Guided by global road safety principles, these companies continue to strengthen operational programs that reduce risks, improve response times, and maintain a safe travel environment for millions of road users each year.

Rather than relying solely on incident response, the companies of the tollway networks adopt a preventive mindset: managing expressways in a manner that anticipates risks and reduces the consequences of human error.

A key component of this safety strategy is the continuous operation of its Traffic Monitoring Center, which functions 24 hours a day, seven days a week. For its southern tollway network, the main Traffic Monitoring Center is located at the Skyway O&M Corp. office in Bicutan, supported by a satellite facility in Calamba, Laguna.

Using an extensive network of CCTV cameras, traffic operators monitor road conditions in real time, allowing immediate detection of stalled vehicles, road obstructions, accidents, or motorists in distress.

Early detection enables the rapid dispatch of patrol and emergency response teams, helping prevent secondary incidents and maintain predictable traffic flow which is a critical factor in minimizing risk on high-speed expressways.

By combining advanced technology with trained personnel, the system strengthens both road safety and service reliability across the network.

Sustainable infrastructure requires consistent upkeep. Expressway operators conduct periodic road maintenance to preserve pavement quality, maintain clear lane markings, and ensure optimal driving conditions.

Routine housekeeping activities are also carried out to remove debris and foreign objects from the carriageway. These preventive measures reduce unexpected hazards that may trigger sudden driver reactions, particularly at high operating speeds.

By prioritizing preventive maintenance rather than reactive repairs, SMC Infrastructure supports both safer travel outcomes and the long-term resilience of critical transport assets.

Beyond centralized monitoring, patrol vehicles are strategically deployed across its expressway network to maintain a visible safety presence on the road.

These patrol teams provide rapid on-site assistance to motorists, help manage traffic during incidents, and coordinate closely with monitoring centers to address emerging risks.

Serving as the operational link between digital monitoring systems and real-world conditions, patrol teams ensure that incidents are addressed quickly and that motorists receive timely support when needed.

To further strengthen safety, perimeter fencing is maintained along expressway corridors to prevent pedestrians and stray animals from entering high-speed lanes. This measure protects both motorists and communities located near expressway alignments.

Motorists are regularly reminded of important safety information through Variable Message Signages (VMS) positioned along the tollway network. These signages provide real-time advisories, including prevailing speed limits, emergency hotlines, traffic situations, and other key messages.

These measures help reinforce responsible driving behavior while supporting safer and more predictable travel conditions.

Recognizing the significant role of heavy vehicles in traffic dynamics, basic roadworthiness inspections are conducted for trucks and large vehicles entering expressways.

These inspections help identify potential mechanical issues that could pose risks on high-speed roads, contributing to safer road-sharing conditions for all motorists while promoting compliance among transport operators.

Height limiters installed at entry plazas also help screen oversized vehicles and prevent mishaps involving vehicles exceeding allowable clearance limits.

As traffic demand continues to grow, SMC Infrastructure remains committed to strengthening safety systems through technology, operational improvements, and infrastructure upgrades.

By embedding road safety into its sustainability strategy, SMC Infrastructure aims to deliver long-term social value, enabling safer travel for millions of motorists, supporting economic productivity and contributing to the development of resilient transport systems for future generations.

8 Appendices

8.1 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 Co., 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 Corporation (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 2025 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.

8.2 ESG Performance Indices

A. Economic

ECONOMIC PERFORMANCE				
	2025	2024	2023	Unit
Direct economic value generated (revenues)	1,503,218	1,592,588	1,460,838	Mn PhP
Economic value distributed	1,428,525	1,542,220	1,418,049	Mn PhP
Operating costs (including payment to suppliers)	994,808	1,139,044	1,007,030	Mn PhP
Employee wages and benefits	58,713	52,533	47,118	Mn PhP
Payments to government (taxes)	221,266	200,095	227,222	Mn PhP
Payments to providers of capital (investors and shareholders)	153,183	150,131	136,140	Mn PhP
Community investments (expenses for CSR projects)	555	417	539	Mn PhP
ECONOMIC VALUE RETAINED	74,693	50,368	42,789	Mn PhP

B. Environment

GHG EMISSIONS				
	2025	2024*	2023*	Unit
Scope 1 GHG emissions	28,651,122.51	27,139,056.08	25,879,439.10	MT CO ₂ e
Scope 2 GHG emissions	1,194,970.97	1,148,821.67	1,108,758.05	MT CO ₂ e
Total Scope 1 and 2 GHG emissions	29,846,093.48	28,287,877.75	26,988,197.15	MT CO ₂ e

* Prior year data was revised to exclude Ilijan and include Sual data for better year-on-year comparison

GHG EMISSION INTENSITY				
	2025	2024*	2023*	Unit
Fuel & Oil (Integrated Refinery & Co-Generation Facility)	45.19	50.49	54.01	MT CO ₂ e e / '000 Barrels Crude Processed
Power	1.01	0.99	0.99	MT CO ₂ e / MWh
Cement	0.55	0.54	0.58	MT CO ₂ e / MT Volume
Other Businesses in Scope	2.19	2.21	2.26	MT CO ₂ e / Mn PhP

* Prior year data was revised to exclude Ilijan and include Sual data for better year-on-year comparison

BIOGENIC CO ₂ EMISSIONS				
	2025	2024	2023	Unit
Biogenic CO ₂ emission (Scope 1)	110,239.14	99,333.59	95,011.53	MT CO ₂ e
Biologically sequestered CO ₂ emission	Not yet being monitored			MT CO ₂ e

GHG REDUCTION				
	2025	2024	2023	Unit
Fuel reduction	32,976.13	54,265.77	207,369.45	MT CO ₂ e
Electricity reduction	52,321.45	43,044.48	61,301.14	MT CO ₂ e
Total GHG Reduction	85,297.58	97,310.25	268,670.59	MT CO ₂ e

NON-GHG EMISSIONS				
	2025	2024	2023	Unit
Nitrogen oxides (NOx)	21,358.91	18,895.81	17,238.78	MT
Sulfur oxides (SOx)	46,773.39	46,623.00	40,204.93	MT
Particulate matter (PM)	2,302.15	1,874.45	3,752.51	MT
Carbon monoxide (CO)	8,252.51	11,117.21	10,330.36	MT
Persistent organic pollutants (POPs)	Not being monitored			
Volatile organic compounds (VOCs)				
Hazardous air pollutants (HAPs)				

ENERGY CONSUMPTION				
	2025	2024*	2023*	Unit
Energy consumption (renewable sources)	2,083,756.72	1,537,491.92	1,167,098.28	GJ
Energy consumption (non-renewable)	282,502,309.87	259,197,014.01	251,692,684.97	GJ
Energy consumption (electricity, heating, cooling, steam)	5,837,342.73	5,658,112.58	5,550,414.07	GJ
Self-generated energy which are not consumed	873,934.55	1,034,259.36	1,761,108.55	GJ
Sold Energy (electricity, heating, cooling, steam)	71,731,225.98	66,367,522.60	61,611,433.54	GJ
TOTAL NET ENERGY CONSUMPTION	219,566,117.88	201,059,355.28	198,559,872.35	GJ

* Prior year data was revised to exclude Ilijan and include Sual data for better year-on-year comparison

ENERGY INTENSITY				
	2025	2024*	2023*	Unit
Fuel & Oil (Integrated Refinery & Co-Generation Facility)	584.61	649.30	684.00	GJ / '000 Barrels Crude Processed
Power	7.25	6.75	6.99	GJ / MWh
Cement	2.33	2.25	2.49	GJ / MT Volume
Other Businesses in Scope	21.98	22.49	22.92	GJ / Mn PhP

* Prior year data was revised to exclude Ilijan and include Sual data for better year-on-year comparison

GRID ELECTRICITY				
	2025	2024*	2023*	Unit
% Grid electricity	2.66%	2.84%	2.86%	%
Purchased grid electricity consumption	5,832,136.42	5,703,986.67	5,685,736.39	GJ
TOTAL ENERGY CONSUMPTION	219,566,117.88	201,059,355.28	198,556,302.55	GJ

* Prior year data was revised to exclude Ilijan and include Sual data for better year-on-year comparison

REDUCTION IN ENERGY CONSUMPTION				
	2025	2024	2023	Unit
Fuel reduction	463,995.26	717,744.21	2,318,634.38	GJ
Electricity reduction	271,288.17	197,196.00	309,929.19	GJ
TOTAL ENERGY REDUCTION	735,283.43	914,940.22	2,628,563.58	GJ

WATER CONSUMPTION				
	2025	2024	2023	Unit
Water withdrawal	4,400,606.37	3,669,778.96	3,471,145.07	ML

Surface water*	2,834.73	2,501.08	1,820.00	ML
Ground water	31,448.86	29,270.32	27,816.38	ML
Sea water	4,362,980.22	3,546,655.19	3,359,752.84	ML
Rainwater	373.20	433.40	409.86	ML
Produced water	44.90	40.30	36.70	ML
Third-party water	2,924.45	90,878.67	81,309.28	ML
Water discharged	4,378,961.69	3,650,213.10	3,452,525.94	ML
Stored water	1.24	62.66	6.25	ML
TOTAL WATER CONSUMPTION	21,645.92	19,628.52	18,625.38	ML
Water recycled and reused	1,766.64	1,746.19	1,955.24	ML
% Water recycled and reused	4.70%	1.42%	1.76%	%

* 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.

** 2023 and 2024 data restated for accuracy.

WATER WITHDRAWAL FROM AREAS WITH WATER STRESS				
	2025	2024	2023	Unit
TOTAL WATER WITHDRAWAL	3,801,814.12	3,416,861.81	3,162,789.53	ML
Surface water	1,699.46	1,438.07	1,151.85	ML
Ground water	27,018.58	25,879.18	25,150.24	ML
Sea water	3,769,888.00	3,298,343.29	3,054,907.78	ML
Rainwater	349.04	426.14	405.11	ML
Produced water	0.39	40.24	36.70	ML
Third-party water	2,858.66	90,734.89	81,137.84	ML

* 2023 and 2024 data restated for accuracy.

WATER DISCHARGE BY DESTINATION				
	2025	2024	2023	Unit
TOTAL WATER DISCHARGE	4,378,961.69	3,650,213.10	3,452,525.94	ML
Surface water	10,469.23	9,802.84	8,631.98	ML
Ground water	401.20	1,423.36	423.88	ML
Sea water	4,366,416.44	3,550,408.53	3,363,740.04	ML
Third-party water	1,674.81	88,578.37	79,730.04	ML
Total water discharge to areas with water stress	3,780,929.19	3,401,193.08	3,147,656.90	ML

* 2023 and 2024 data restated for accuracy.

NON-COMPLIANCE WITH WATER-RELATED LAWS AND REGULATIONS				
	2025	2024	2023	Unit
Total monetary fines for non-compliance	255,624.52	213,227.80	130,738.44	PhP
Incidents for non-compliance (monetary & non-monetary)	5	8	5	No.

MATERIALS USED				
	2025	2024	2023	Unit
TOTAL MATERIALS USED	34,068,643.83	31,974,681.06	27,067,000.07	MT
Renewable materials used	6,834,960.71	6,781,868.70	6,241,765.10	MT
Non-renewable materials used	27,233,683.12	25,192,812.36	20,825,234.97	MT
% Renewable materials used	20.06%	21.21%	23.06%	%
Recycled materials used	963,044.14	976,963.81	1,034,179.15	MT
% Recycled materials used	2.83%	3.06%	3.82%	%

* 2023 and 2024 data restated for accuracy.

COAL ASH MANAGEMENT				
	2025	2024	2023	Unit
TOTAL COAL COMBUSTION RESIDUALS (CCR) GENERATED	906,257.03	710,450.96	582,262.01	MT
Weight of CCR that was reused or reclaimed	2,111.55	927.63	744.94	MT
Weight of CCR recycled (through treatment or processing)	-	-	1,393.27	MT
Weight of CCR sent externally for further recycling	348,818.57	108,488.19	270,133.80	MT
% of CCR recycled	38.72%	15.40%	46.76%	%

SOLID WASTE MANAGEMENT (EXCLUDING COAL ASH)				
	2025	2024	2023	Unit
TOTAL SOLID WASTE DISPOSED	348,898.90	299,996.70	322,363.48	MT
Reused	1,396.44	3,448.25	3,921.20	MT
Recycled	213,832.46	239,911.28	262,566.45	MT
Other recovery operations	14,256.37	7,989.88	13,101.07	MT
Incineration (with energy recovery)	179.36	267.92	146.35	MT
Incineration (without energy recovery)	387.78	56.56	-	MT
Landfilling	69,906.31	31,721.49	24,736.23	MT
Other disposal operations	48,940.19	16,601.32	17,892.18	MT

* 2024 data restated for accuracy.

SOLID WASTE GENERATED (EXCLUDING COAL ASH)				
	2025	2024	2023	Unit
TOTAL SOLID WASTE GENERATED	394,123.86	300,067.31	322,570.46	MT
Residual, mixed	61,668.55	12,431.89	14,166.69	MT
Biodegradable, mixed	60,725.91	21,999.66	9,226.22	MT
Ferrous metal	13,652.35	5,339.24	4,611.48	MT
Aluminum	1,296.93	806.84	1,120.85	MT
Plastic	8,035.86	2,537.22	2,998.78	MT
Wood	20,947.81	2,349.40	1,514.67	MT
Paper and cartons	9,195.64	8,012.78	7,977.21	MT
Glass, cullet, jars	69,349.29	78,906.22	103,276.61	MT
Tires	226.58	298.51	280.50	MT
Sacks	2,995.19	2,596.93	2,348.16	MT
Mortalities	1,314.81	483.85	321.02	MT
Feathers, blood, offals	13,551.05	13,882.45	7,660.13	MT
Spent grains, spent yeast	114,134.39	129,367.89	140,745.29	MT
Inorganic sediment, eggshell, filter aid	5,784.79	6,044.56	6,122.64	MT
Organic sludge, scum	11,147.58	14,781.28	20,110.02	MT
Concrete debris	97.12	228.60	90.20	MT

* 2024 data restated for accuracy.

SOLID WASTE DIVERTED FROM DISPOSAL				
	2025	2024	2023	Unit
TOTAL SOLID WASTE DIVERTED FROM DISPOSAL	229,145.20	251,349.96	279,101.63	MT
Residual, mixed	3.04	148.67	3.21	MT
Biodegradable, mixed	4,019.19	5,340.65	3,940.69	MT
Ferrous metal	4,645.93	4,176.64	3,911.68	MT
Aluminum	1,161.08	801.96	1,113.08	MT
Plastic	6,326.35	2,460.17	2,752.19	MT
Wood	2,032.27	2,056.73	1,469.37	MT

Paper and cartons	9,862.97	7,713.73	7,775.24	MT
Glass, cullet, jars	68,993.41	78,905.44	103,275.43	MT
Tires	42.89	71.04	117.82	MT
Sacks	2,207.83	2,524.58	2,333.88	MT
Mortalities	561.67	263.73	311.62	MT
Feathers, blood, offals	13,551.05	13,198.14	6,464.62	MT
Spent grains, spent yeast	114,134.39	129,367.89	140,745.29	MT
Inorganic sediment, eggshell, filter aid	888.37	236.04	-	MT
Organic sludge, scum	622.58	4,062.55	4,884.75	MT
Concrete debris	92.18	22.00	2.76	MT

* 2024 data restated for accuracy.

SOLID WASTE DISPOSED				
	2025	2024	2023	Unit
TOTAL SOLID WASTE DISPOSED	119,436.93	48,605.93	43,461.13	MT
Residual, mixed	41,751.91	12,280.69	14,161.67	MT
Biodegradable, mixed	55,917.81	16,658.46	5,285.48	MT
Ferrous metal	3,902.61	1,091.59	699.80	MT
Aluminum	3.09	4.89	7.77	MT
Plastic	1,118.44	77.36	246.59	MT
Wood	167.09	292.67	45.30	MT
Paper and cartons	271.25	299.34	201.55	MT
Glass, cullet, jars	10.34	0.78	1.18	MT
Tires	148.56	225.30	157.27	MT
Sacks	190.63	72.36	14.27	MT
Mortalities	753.14	220.13	9.40	MT
Feathers, blood, offals	-	684.31	1,195.51	MT
Spent grains, spent yeast	-	-	-	MT
Inorganic sediment, eggshell, filter aid	4,812.00	5,808.52	6,122.64	MT
Organic sludge, scum	10,389.87	10,682.93	15,225.27	MT
Concrete debris	0.20	206.60	87.44	MT

HAZARDOUS WASTE MANAGEMENT				
	2025	2024	2023	Unit
Total hazardous waste generated	12,059.47	16,005.00	7,914.62	MT
Total hazardous waste transported	14,650.11	13,215.05	10,532.94	MT

HAZARDOUS WASTE GENERATED				
	2025	2024	2023	Unit
TOTAL HAZARDOUS WASTE GENERATED	12,059.47	16,005.00	7,914.62	MT
A-Cyanide waste	1.35	1.21	1.14	MT
B-Acid waste	23.68	16.58	13.64	MT
C-Alkali waste	6.24	37.16	32.12	MT
D405-Chromium waste	1.53	1.44	1.32	MT
D406-Lead compounds	95.63	87.15	86.53	MT
D407-Mercury and compounds	21.45	11.11	26.76	MT
D-Other inorganic chemicals	15.12	41.32	12.62	MT
E-Reactive chemical waste	11.37	55.77	76.29	MT
F-Inks/Dyes/Resins/Organic sludge	88.38	80.78	221.69	MT
G-Waste organic solvents	154.88	437.72	164.21	MT
H-Organic waste	1,053.58	875.61	940.21	MT
I-Used oil and sludge	10,212.39	14,104.29	5,925.50	MT

J-Containers	254.23	176.28	321.14	MT
K-Stabilized wastes	-	-	-	MT
L-Organic chemicals	7.26	17.21	1.30	MT
M501-Infectious waste	5.90	4.21	4.84	MT
M502-Asbestos waste	-	0.02	0.24	MT
M503-Pharma and drugs	0.84	0.76	6.74	MT
M504-Pesticide	-	-	-	MT
M505-POPS	-	-	-	MT
M506-WEEE	105.63	56.38	78.35	MT

HAZARDOUS WASTE TRANSPORTED				
	2025	2024	2023	Unit
TOTAL HAZARDOUS WASTE TRANSPORTED	14,650.11	13,215.05	10,532.94	MT
Reused	76.71	38.58	45.90	MT
Recycled	2,944.48	4,051.53	4,203.57	MT
Other recovery operations	2,132.06	1,345.85	1,064.08	MT
Incineration (with energy recovery)	91.44	218.19	256.60	MT
Incineration (without energy recovery)	96.21	78.18	193.42	MT
Landfilling	59.79	149.42	18.88	MT
Other disposal operations	9,010.56	7,333.94	4,748.19	MT

HAZARDOUS WASTE DIVERTED FROM DISPOSAL				
	2025	2024	2023	Unit
TOTAL HAZARDOUS WASTE DIVERTED FROM DISPOSAL	5,392.31	5,435.96	5,324.42	MT
A-Cyanide waste	0.00	-	-	MT
B-Acid waste	1.91	0.05	-	MT
C-Alkali waste	5.12	8.06	-	MT
D405-Chromium waste	0.91	1.01	-	MT
D406-Lead compound	26.67	24.84	27.63	MT
D407-Mercury and compound	1.57	0.36	12.48	MT
D-Other inorganic chemicals	3.50	3.02	0.83	MT
E-Reactive chemical waste	0.01	0.01	-	MT
F-Inks/Dyes/Resins/Organic sludge	55.96	88.03	162.37	MT
G-Waste organic solvents	171.99	102.04	114.01	MT
H-Organic waste	1,018.64	873.11	775.15	MT
I-Used oil and sludge	3,874.37	4,201.32	4,032.04	MT
J-Containers	202.42	113.08	153.61	MT
K-Stabilized waste	-	-	-	MT
L-Organic chemicals	-	-	-	MT
M501-Infectious waste	0.57	0.02	0.10	MT
M502-Asbestos waste	-	-	-	MT
M503-Pharma and drugs	0.54	-	-	MT
M504-Pesticide	-	-	-	MT
M505-POPS	-	-	-	MT
M506-WEEE	28.12	21.02	46.20	MT

HAZARDOUS WASTE DISPOSED				
	2025	2024	2023	Unit
TOTAL HAZARDOUS WASTE DISPOSED	9,258.00	7,785.62	5,220.13	MT
A-Cyanide waste	-	1.70	1.00	MT
B-Acid waste	2.15	17.66	12.11	MT
C-Alkali waste	0.43	22.33	48.04	MT
D405-Chromium waste	0.26	0.17	0.23	MT
D406-Lead compounds	29.00	32.70	78.53	MT
D407-Mercury and compounds	10.03	7.27	7.94	MT
D-Other inorganic chemicals	9.27	44.55	6.65	MT
E-Reactive chemical wastes	696.64	208.48	889.65	MT
F-Inks/Dyes/Resins/Organic sludge	37.60	39.94	32.49	MT
G-Waste organic solvents	164.13	44.26	2.28	MT
H-Organic waste	20.94	3.98	93.60	MT
I-Used oil and sludge	8,174.11	7,297.42	3,996.48	MT
J-Containers	80.85	38.03	24.74	MT
K-Stabilized waste	-	-	-	MT
L-Organic chemicals	2.72	4.31	-	MT
M501-Infectious waste	1.33	1.27	1.31	MT
M502-Asbestos waste	-	0.24	0.24	MT
M503-Pharma and drugs	0.05	0.70	5.32	MT
M504-Pesticide	-	-	-	MT
M505-POPS	-	-	-	MT
M506-WEEE	28.48	20.60	19.52	MT

ECOSYSTEM AND BIODIVERSITY				
	2025	2024	2023	Unit
Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside of protected areas	12	15	13	No.
Habitats protected or restored	1,908.34	1,930.75	1,858.62	Ha.
IUCN red list species and national conservation list species with habitats in areas affected by operations	65	33	29	No.

* 2023 and 2024 data restated for accuracy.

NON-COMPLIANCE WITH OTHER ENVIRONMENTAL-RELATED LAWS AND REGULATIONS				
	2025	2024	2023	Unit
Total monetary fines for non-compliance	235,033.80	168,479.05	337,991.83	PhP
Incidents for non-compliance (monetary & non-monetary)	7	7	6	No.

C. Social

All employee-related data exclude those related to SMC personnel working in foreign operations and in subsidiaries not within the scope of this Report.

NUMBER OF EMPLOYEES BY POSITION			
	2025	2024	2023
Regular employees	51,534	50,393	47,208
Officer	278	240	262
Middle manager	1,477	1,413	1,644
Rank and file	49,779	48,740	45,302
Consultants	227	256	281
Project-based employees	7,356	6,779	5,868
TOTAL EMPLOYEES	59,117	57,428	53,357

NUMBER OF EMPLOYEES BY AGE			
	2025	2024	2023
Under 30 years old	20,151	19,188	20,358
Between 30 and 50 years old	34,452	33,359	28,992
Over 50 years old	4,514	4,881	4,009

NUMBER OF EMPLOYEES BY GENDER			
	2025	2024	2023
Women	16,341	15,764	15,011
Men	42,776	41,664	38,346

NUMBER OF EMPLOYEES BY REGION			
	2025	2024	2023
NCR	21,446	28,798	15,769
North Luzon	9,208	8,792	7,997
South Luzon	16,832	8,506	19,317
Visayas	5,840	5,648	4,740
Mindanao	5,791	5,684	5,534
TOTAL EMPLOYEES	59,117	57,428	53,357

TRAINING HOURS BY POSITION						
	2025		2024		2023	
	Total Hours	Ave. Hours / Head	Total Hours	Ave. Hours / Head	Total Hours	Ave. Hours / Head
Officer	8,162	27	10,936	35	3,937	16
Middle Manager	78,521	43	87,475	59	54,551	35
Rank-and-File	1,601,987	28	1,673,603	30	1,264,778	28
Total	1,688,670	29	1,772,013	31	1,323,266	28

TRAINING HOURS BY GENDER						
	2025		2024		2023	
	Total Hours	Ave. Hours / Head	Total Hours	Ave. Hours / Head	Total Hours	Ave. Hours / Head
Women	535,655	33	478,678	30	353,661	24
Men	1,153,015	27	1,293,335	31	969,605	25
Total	1,688,670	29	1,772,013	31	1,323,266	25

PERFORMANCE REVIEW BY POSITION									
	2025			2024			2023		
	Total No. of Employees	Received Reviews	% to Total	Total No. of Employees	Received Reviews	% to Total	Total No. of Employees	Received Reviews	% to Total
Officer	278	267	96%	240	205	85%	262	196	75%
Middle Manager	1,477	1,341	91%	1,413	1,297	92%	1,644	1,411	86%
Rank-and-File	49,779	28,292	57%	48,740	28,338	58%	45,302	27,032	60%
Total	51,534	29,900	58%	50,393	29,840	59%	47,208	28,639	61%

PERFORMANCE REVIEW BY GENDER									
	2025			2024			2023		
	Total No. of Employees	Received Reviews	% to Total	Total No. of Employees	Received Reviews	% to Total	Total No. of Employees	Received Reviews	% to Total
Women	14,634	9,327	64%	14,151	9,190	65%	13,207	8,786	67%
Men	36,900	20,573	56%	36,242	20,650	57%	34,001	19,853	58%
Total	51,534	29,900	58%	50,393	29,840	59%	47,208	28,639	61%

CAREER REVIEW BY POSITION						
	2025			2024		
	Total No. of Employees	Received Reviews	% to Total	Total No. of Employees	Received Reviews	% to Total
Officer	278	262	94%	240	193	80%
Middle manager	1,477	1,287	87%	1,413	1,237	88%
Rank and file	49,779	28,054	56%	48,740	23,394	48%
TOTAL	51,534	29,603	57%	50,393	24,824	49%

CAREER REVIEW BY GENDER						
	2025			2024		
	Total No. of Employees	Received Reviews	% to Total	Total No. of Employees	Received Reviews	% to Total
Women	14,634	9,025	62%	14,151	7,456	53%
Men	36,900	20,578	56%	36,242	17,368	48%
TOTAL	51,534	29,603	57%	50,393	24,824	49%

SECURITY PERSONNEL TRAINED IN HUMAN RIGHTS POLICIES AND PROCEDURES*			
	2025	2024	2023
Total number of security personnel	2,346	2,190	3,154
Security personnel trained in human rights	2,238	1,324	1,889
% Security personnel trained	95%	60%	60%

COLLECTIVE BARGAINING AGREEMENTS (CBAs)			
	2025	2024	2023
Active CBAs	33	36	34
Total members	5,192	5,243	5,046

EMPLOYEES COVERED BY OCCUPATIONAL SAFETY AND HEALTH (OSH) MANAGEMENT SYSTEM			
	2025	2024	2023
Employees covered by an OSH management system	48,263	58,746	44,063
Employees covered by an OSH management system that have been internally audited	44,750	57,657	39,880
Employees covered by an OSH management system that have been externally audited	41,198	48,319	33,478

WORK-RELATED INJURIES			
	2025	2024	2023
Fatalities as a result of work-related injuries	2	1	1
Rate of fatalities as a result of work-related injuries	0.02	0.01	0.01
High-consequence work-related injuries	72	97	58
Rate of high-consequence work-related injuries	0.62	0.82	0.49
Recordable work-related injuries	708	682	451
Total employee hours worked	115,327,992	117,942,048	117,559,024

WORK-RELATED ILL HEALTH			
	2025	2024	2023
Fatalities as a result of work-related ill-health	0	0	1
Rate of fatalities as a result of work-related ill-health	0	0	0.01
Recordable work-related ill-health	0	50	1,307
Rate of recordable work-related ill-health	0	0.42	11.12

AVAILMENT OF EMPLOYEE BENEFITS						
Parental Leave						
	2025		2024		2023	
	Count	%	Count	%	Count	%
Women	890	6%	592	4%	541	4%
Men	920	3%	773	2%	1,737	5%
SSS						
	2025		2024		2023	
	Count	%	Count	%	Count	%
Women	6,201	42%	4,574	32%	4,499	34%
Men	14,234	41%	10,862	32%	12,599	37%
PhilHealth						
	2025		2024		2023	
	Count	%	Count	%	Count	%
Women	2,624	18%	1,887	13%	2,104	16%
Men	7,856	23%	4,177	12%	6,472	19%
Pag-Ibig						
	2025		2024		2023	
	Count	%	Count	%	Count	%
Women	6,162	42%	3,709	26%	4,194	32%
Men	16,794	48%	9,177	27%	10,767	32%
Vacation Leave						
	2025		2024		2023	
	Count	%	Count	%	Count	%
Women	12,422	85%	10,252	72%	8,331	63%
Men	28,528	82%	23,264	68%	20,348	60%
Sick Leave						
	2025		2024		2023	
	Count	%	Count	%	Count	%

Women	8,882	61%	7,755	55%	6,294	48%
Men	19,672	56%	16,481	48%	14,264	42%
Medical Benefits (aside from PhilHealth)						
	2025		2024		2023	
	Count	%	Count	%	Count	%
Women	11,216	77%	8,419	59%	7,348	56%
Men	26,634	76%	20,915	61%	17,873	53%

PRODUCT AND SERVICE INFORMATION AND LABELLING			
	2025	2024	2023
% 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	0
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	0
Incidents of non-compliance with voluntary codes	0	0	0

MARKETING COMMUNICATIONS			
	2025	2024	2023
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			
	2025	2024	2023
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		
2025	2024	2023
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.		

FOOD SAFETY			
	2025	2024	2023
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 were corrected.	0%	0%	0%
Notices of violations corrected	0	0	0
Total notices of violation received	0	0	0

LOCAL COMMUNITY ENGAGEMENTS					
Program	Projects	2025	2024	2023	Unit
Education	Scholarships	2,617	2,774	2541	students
	Short-term courses	89	89	1162	students
	Brigada Eskwela	85,981	68,758	38,913	students
		185	183	263	schools
		941	804	1446	classrooms
		5,600	5,600	5,600	school kits
Health	Community Clinics	5,214	2,427	2,420	patients
		11,067	13,446	14,499	consultations
		8	11	8	clinics
	Feeding	101,347	101,647	69,849	meals
	First 1,000 Days Project	2,005	507	507	mother & children
	Medical Missions	13,542	1,200	6451	patients
		14	7	10	areas
Enterprise	Livelihood assistance	1,141	1,984	323	persons
		45	11	17	areas
		46	40	12	people's organization
Housing	Housing and water provision	n/a	40	n/a	houses
Infrastructure	Road Access	4,800,296	4,268,366	3,486,806	vehicles/motorists
Environmental	Restoration & Conservation	74	62	27	sites
	Coral Rescue Program	570	350	220	square meters
		34	59	55	species
		107.25	61.4	29	kilo biomass
	Tree Planting / Mangrove	1,379,991	183,737	6,578,552	trees / saplings
	Backyard Bukid	7	8	4	sites
		152	112	71	members
		121,332.50	109,000	97,785	income
Better World Tondo	Membership Services	2,630	2,190	2,220	persons
		526	438	444	families
		205	139	162	students
Better World Smokey Mountain	Membership Services	3,429	2,776	1,916	persons
		2,260	1,840	1,287	families
		1,307	1,053	760	students
Better World Cubao	Membership Services	583	467	556	women
Better World Diliman	Kitchen for the Environment	888,684	736.4	CLOSED	kilo food rescued

D. Governance

NUMBER OF SUPPLIERS BY LOCATION			
	2025	2024	2023
Local suppliers*	4,694	5,063	5,375
Foreign suppliers	504	6,19	508
TOTAL SUPPLIERS	5,198	5,682	5,883

*A local supplier is a business whose address is in the Philippines.

PROCUREMENT SPEND				
	2025	2024	2023	Unit
Procurement spend on local suppliers	158,520	187,474	181,414	Mn PhP
Procurement spend on foreign suppliers	97,065	124,311	107,100	Mn PhP
Total procurement spend	255,585	311,785	288,514	Mn PhP

COMMUNICATION OF ANTI-CORRUPTION POLICIES AND PROCEDURES			
	2025	2024	2023
% 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			
	2025	2024	2023
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			
	2025	2024	2023
Identified leaks, thefts, or losses of customer data	0	0	0

8.3 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 Association 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, Inc. (PCAPI)
One Philippine Swine Producers Association (OPSPA)
Safety Organization of the Philippines, Inc. (SOFI)
United Nations Global Compact (UNGC) Global Compact Network Philippines (GCNP)

8.4 List of Accreditations and Certifications

GRI 403-1 | GRI 403-2 | GRI 416-1 | GRI: 2-23 | GRI 2-24

Standard	BU	Facility
ISO 9001:2015 Quality Management Systems	SMB	Bacolod Brewery
		Sta. Rosa Brewery
	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
		B-Meg Plant - Batangas
		B-Meg Plant - Bulacan
		B-Meg Plant - Cebu
		B-Meg Plant - Davao del Sur
		B-Meg Plant - Iloilo 2
		B-Meg Plant - Isabela
		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
		PHC Cavite Plant 3
		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
		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

		Tacloban Terminal
		Tagbilaran Terminal
		Tagoloan Terminal
		Zamboanga Terminal
	Power	Limay Power Plant
		Malita Power Plant
		Mariveles Power Plant
	Infrastructure	Manila Toll Expressway Systems, Inc.
	Cement	Eagle Bulacan Plant
		NCC Pangasinan Plant
	SMCSL	Harbor Center
	SMITS	SMC Data Management Center
ISO 14001:2015 Environmental Management Systems	SMB	San Fernando Brewery
	GSMI	EPSBPI Ligao Plant
		GSMI Cabuyao Plant
		GSMI Mandaue Plant
		GSMI Sta. Barbara Plant
	Food	B-Meg Plant – Bataan
		B-Meg Plant - Batangas
		B-Meg Plant - Bulacan
		B-Meg Plant – Cebu
		B-Meg Plant - Davao del Sur
		B-Meg Plant – Isabela
		B-Meg Plant - Misamis Oriental 2
		B-Meg Plant – Tarlac
		PHC Cavite Plant 1
		PHC Cavite Plant 2
		PHC Cavite Plant 3
	Petron	Amlan Terminal
		Bacolod Terminal
		Batangas Terminal
		Bawing Terminal
		Davao Terminal
		Iligan Terminal
		Iloilo Terminal
		Jimenez Terminal
		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
		Tacloban Terminal

		Tagbilaran Terminal
		Tagoloan Terminal
		Zamboanga Terminal
	SMGP	Limay Power Plant
		Malita Power Plant
		Mariveles Power Plant
		Masinloc Power Plant
	Infrastructure	Manila Toll Expressway Systems, Inc.
	Cement	Eagle Bulacan Plant
		NCC Pangasinan Plant
	SMCSL	Harbor Center
ISO 17025:2017 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
		PHC Cavite Plant 3
		Ready-to-Eat Plant
		SMMI Mabini
		SMMI Tabangao
		Poultry Bataan (tolled)
		Poultry Batangas (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	Limay Power Plant
		Malita Power Plant
		Mariveles 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
		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
		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.
	Cement	Eagle Bulacan Plant
		NCC Pangasinan Plant
	SMCSL	Harbor Center
ISO 50001:2018 Energy Management System	Food	B-Meg Plant – Bulacan
		B-Meg Plant – Cebu
		B-Meg Plant – Davao del Sur
	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 Chain of Custody Certification	Packaging	Mindanao Corrugated Fibreboard, Inc.
HACCP	SMB	Bacolod Brewery
		Davao Brewery
		Mandaue Brewery

		Polo 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
		PHC Cavite Plant 3
		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 San Jose (tolled)
		Poultry Sta. Maria (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
		MPPP Leyte
		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 Batangas (tolled)
		Poultry Butuan (tolled)
		Poultry Iloilo (tolled)
		Poultry La Union (tolled)

		Poultry Lucena (tolled)
		Poultry Ozamis (tolled)
		Poultry Palawan (tolled)
		Poultry Rizal (tolled)
		Poultry San Jose (tolled)
		Poultry Sta. Maria (tolled)
		Poultry Tacloban (tolled)
		Poultry Zamboanga (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

8.5 List of Abbreviations

Acronym	Long Form
AHEPP	Angat Hydroelectric Power Plant
ASC	Advertising Standards Council
ASEAN	Association of Southeast Asian Nations
BESS	Battery Energy Storage System
BBWSP	Bulacan Bulk Water Supply Project
BUCAS	Bagong Urgent Care and Ambulatory Service
BU	Business Unit
CALABARZON	Region IV-A: Cavite, Laguna, Batangas, Rizal, and Quezon
CMA	Cybersecurity Maturity Assessment
CME	Coco Methyl Ester
CO	Carbon Monoxide
COP30	30th Conference of the Parties
CRO	Chief Risk Officer
CSO	Chief Sustainability Officer / Corporate Sustainability Office
CSR	Corporate Social Responsibility
DBI	Distileria Bago, Inc.
DENR	Department of Environment and Natural Resources
DOLE	Department of Labor and Employment
DPO	Data Protection Officer
ECC	Eagle Cement Corporation
EIA	Environmental Impact Assessment
EMDP	Executive Management Development Program
EPR	Extended Producer Responsibility
ESG	Environmental, Social, and Governance
ETEEAP	Expanded Tertiary Education Equivalency and Accreditation Program
EV	Electric Vehicle
FDA	Food and Drug Administration
GCAA	Global Climate Action Agenda
GCNP	Global Compact Network Philippines
GEA	Green Energy Auction
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
GSM / GSMI	Ginebra San Miguel, Inc.
HR	Human Resources
IFRS	International Financial Reporting Standards

IFRS S1	IFRS Sustainability Disclosure Standard S1, General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	IFRS Sustainability Disclosure Standard S2, Climate-related Disclosures
IPPA	Independent Power Producer Administration
IT	Information Technology
IUCN	International Union for Conservation of Nature
LGU	Local Government Unit
LIFO	Life Orientations
LMDP	Leadership and Management Development Program
LNG	Liquefied Natural Gas
LPU	Lyceum of the Philippines University
MPP	Manila Plastics Plant
MPPP	Magnolia Poultry Processing Plant
NCC	Northern Cement Corporation
NCR	National Capital Region
NMIA	New Manila International Airport
NO ₂	Nitrogen Dioxide
NOLO	No- and Low-Alcohol
O&M	Operations and Maintenance
OSH	Occupational Safety and Health
PAS	Plans for Accelerated Solutions
PBR	Petron Bataan Refinery
PEP	Philippine Energy Plan
PM	Particulate Matter
R&D	Research and Development
RSFFB	Refinery Solid Fuel Fired Boiler
SASB	Sustainability Accounting Standards Board
SDG / SDGs	Sustainable Development Goal / Sustainable Development Goals
SEC	Philippine Securities and Exchange Commission
SLEX	South Luzon Expressway
SMAHC	San Miguel Animal Health Care
SMAI	San Miguel Aerocity Inc.
SMB	San Miguel Brewery, Inc.
SMC	San Miguel Corporation
SMCSL	SMC Shipping and Lighterage Inc.
SMFB	San Miguel Food and Beverage, Inc.
SMF	San Miguel Foods
SMFI	San Miguel Foods, Inc.
SMGP	San Miguel Global Power Holdings Corporation
SMITS	San Miguel Information Technology Services, Inc.
SMMI	San Miguel Mills, Inc.
SMYPC	San Miguel Yamamura Packaging Corporation
SSP	Shared Socioeconomic Pathways
SSS	Social Security System
STAR	Southern Tagalog Arterial Road
TESDA	Technical Education and Skills Development Authority
TPLEX	Tarlac-Pangasinan-La Union Expressway
UN	United Nations
UNGC	United Nations Global Compact
WFA	Water for All

8.6 List of Measurements

Measurement	Meaning
J (Joule)	The base unit of energy in the International System of Units (SI).
GJ (Gigajoule)	A unit of energy equal to one billion (1,000,000,000) joules, commonly used to measure large-scale energy consumption.
kWh (Kilowatt-hour)	A unit of energy equal to one thousand watt-hours, commonly used to measure electricity consumption.
MWh (Megawatt-hour)	A unit of energy equal to one million watt-hours, typically used for electricity generation and large-scale consumption.
MW (Megawatt)	A unit of power equal to one million watts, often used to describe installed capacity of power plants.
CO ₂ (Carbon dioxide)	The primary greenhouse gas emitted through fossil fuel combustion and industrial processes.
CH ₄ (Methane)	A potent greenhouse gas with a higher global warming potential than carbon dioxide.
N ₂ O (Nitrous oxide)	A greenhouse gas emitted from agricultural and industrial activities.
MT CO ₂ e (Metric tons of carbon dioxide equivalent)	A standard unit for measuring greenhouse gas emissions, expressed as the equivalent amount of carbon dioxide based on global warming potential.
kg CO ₂ e	Kilograms of carbon dioxide equivalent, typically used for smaller scale emissions.
MT CO ₂ e/MWh	Greenhouse gas emissions per unit of electricity generated
MT CO ₂ e/GJ	Greenhouse gas emissions per unit of energy consumed.
kg CO ₂ e/unit	Greenhouse gas emissions per unit of product or output.
GJ/ton	Energy consumption per metric ton of production.
kWh/unit	Electricity consumption per unit of output.
L (Liter)	A unit of volume commonly used for liquids such as water and fuel.
m ³ (Cubic meter)	A unit of volume used for large quantities of water or gas.
kg (Kilogram)	A unit of mass equal to 1,000 grams.
MT (Metric ton or tonne)	A unit of mass equal to 1,000 kilograms.
m (Meter)	The base unit of length in the SI system.
km (Kilometer)	A unit of length equal to 1,000 meters.
ha (Hectare)	A unit of land area equal to 10,000 square meters.
ppm (Parts per million)	A unit used to measure the concentration of a substance in air or water.
mg/Nm ³ (Milligrams per normal cubic meter)	A standardized unit for measuring air emissions under normalized conditions.
PHP (Philippine Peso)	The official currency of the Philippines.
USD (United States Dollar)	A widely used international currency for financial reporting.
Year-on-Year (YoY)	A method of evaluating performance by comparing results of one year vs. the previous year.

8.7 List of Filipino Word Translations

Filipino Word	English Translation
<i>Kalikasan</i>	“Kalikasan” means nature or the natural environment. It reflects the Philippines’ rich biodiversity, from forests and mountains to rivers and seas. More than just describing the environment, the word carries a sense of responsibility to protect and preserve these natural resources for future generations.
<i>Kalinga</i>	“Kalinga” refers to care, compassion, and protection, especially for those in need. It highlights a strong cultural value for looking after others and is closely tied to community support. It is both empathy and action, expressed through efforts to safeguard people’s well-being.
<i>Kasaganahan</i>	“Kasaganahan” means abundance, prosperity, and growth. It suggests not only material wealth but also improved opportunities and quality of life. The term reflects optimism and resilience, emphasizing shared progress when communities work together.
<i>Malasakit</i>	“Malasakit” represents deep empathy and genuine concern for others. It goes beyond simply caring, involving a willingness to take action and extend effort to support others. It drives decisions that are people-centered and purposeful.
<i>Bayanihan</i>	“Bayanihan” is the spirit of collective action and unity. Traditionally symbolized by neighbors helping move a house, it now represents people working together to support one another, especially during challenging times. It highlights the strength of cooperation and shared effort.
<i>Utang na loob</i>	“Utang na loob” refers to a deep sense of gratitude and reciprocity. It is not a simple obligation, but a lasting acknowledgment of kindness, often expressed through continued goodwill and mutual respect. It reflects the importance of relationships in Filipino culture.
<i>Doble Ingat</i>	“Doble Ingat” literally means double care. It is an employee cybersecurity awareness program that encourages heightened caution in detecting and preventing scams, phishing, and other information security threats.
<i>Brigada Eskwela</i>	“Brigada Eskwela,” or “School Brigade,” is a nationwide initiative that promotes volunteerism in preparing public schools for the academic year. Teachers, parents, students, and community members work together to clean, repair, and improve school facilities, reflecting the spirit of bayanihan.
<i>Puno ng Buhay</i>	“Puno ng Buhay,” or “Tree of Life,” is a reforestation initiative that supports biodiversity and ecosystem restoration. It emphasizes the vital role of trees in sustaining life and encourages collective environmental action.
<i>Abante Babae</i>	“Abante Babae,” or “Forward Women,” supports women’s empowerment and inclusion. It creates opportunities for women to lead, grow, and contribute meaningfully to their communities and workplaces.
<i>Atin Ito! Family Day</i>	“Atin Ito,” meaning “This is ours,” fosters a sense of shared ownership and pride. It brings employees and their families together, strengthening unity and belonging within the organization.
<i>Happy si Mommy, Malusog si Baby</i>	This maternal and child health program promotes proper nutrition, healthcare access, and overall well-being for mothers and infants, supporting healthy early development.
<i>Backyard Bukid</i>	“Backyard Bukid,” or “Backyard Farm,” encourages small-scale, sustainable farming. It helps families grow their own food, supporting self-sufficiency and community resilience.
<i>Kabayani Kita</i>	“Kabayani Kita” recognizes everyday acts of service and shared heroism. It highlights how individuals contribute to building stronger communities through simple but meaningful actions.
<i>Samahang Walang Katulad</i>	This reflects a strong sense of unity and pride within an organization. It emphasizes collaboration, shared values, and a commitment to excellence.
<i>Team Malasakit</i>	“Team Malasakit” represents employee volunteerism driven by compassion and service. It focuses on initiatives that prioritize the well-being of communities and stakeholders.

8.8 Complete List of ESG Awards

GRI 3-2

2025

Award Category	Award Giving Body	Name of Award	Recipient of Award
Governance and Overall Sustainability Leadership	The Asset Corporate Sustainability Leadership Awards 2025	Best Initiative - Social Responsibility	San Miguel Corporation
	Global Good Governance 3G Awards	Excellence in Sustainability Reporting Award 2025	San Miguel Corporation
	Global Good Governance 3G Awards	Championship Award for CSR 2025	San Miguel Corporation
	ASEAN Corporate Governance Scorecard's (AGCS) Golden Arrow Awards 2025	2 Golden Arrow Awardee	San Miguel Corporation
	ASEAN Corporate Governance Scorecard's (AGCS) Golden Arrow Awards 2025	3 Golden Arrow Awardees	San Miguel Food and Beverage Inc. Petron Corporation
	Global Economics	Best ESG Practices for Sustainable Developments – Utility and Energy - Philippines	San Miguel Global Power Holdings Corp.
	Global Economics	Outstanding Diversified Power Generation Company - Philippines	San Miguel Global Power Holdings Corp.
	Asia Responsible Enterprise Awards (AREA)	Green Leadership Award	San Miguel Global Power Holdings Corp.
	TIME	2025 Top 500 Asia-Pacific Companies	Petron Corporation
Environmental Excellence	Asian Water Awards 2025	Outstanding Water Resources Contribution of the Year - Philippines	Malita Power Inc.
	City of Valenzuela Go	Green Award 2025	SMB – Polo Brewery
	Metropolitan Waterworks and Sewerage Systems (MWSS)	Champion of Trees: <i>Kampeon ng Tubig Kanlungan</i> and <i>Kampeon ng Kalikasan</i>	Luzon Clean Water Development Corp. (LCWDC)
	Pollution Control Association of the Philippines (Region 4A)	"Success Story Award for project: "SYFMC's Sewage Treatment Plant: A Step Towards Water Sustainability"	SMC Fuso Molds Corporation (SYFMC)
	Pollution Control Association of the Philippines, Inc.	PCAPI Best Success Story Award	Mindanao Corrugated Fibreboard Inc. (MCFI)
	4th ASEAN Mineral Awards	Best Practices in Non-Metallic Mineral Mining	Eagle Cement Corporation
	4th ASEAN Mineral Awards	Best Practices in Non-Metallic Mineral Processing	Northern Cement Corporation

	Asian Water Awards 2025	Water Conservation Initiative of the Year - Philippines	Northern Cement Corporation
	Department of Environment and Natural Resources	2025 Presidential Mineral Industry Environment Award	Eagle Cement Corporation
	Department of Environment and Natural Resources	2025 Presidential Mineral Industry Environmental Award (Quarry Operations)	Northern Cement Corporation
	Department of Environment and Natural Resources	Safest Mines Awards (Runner-up)	Eagle Cement Corporation
	DENR Mines and Geosciences Bureau	2025 Mining Forest Program (2nd Runner Up, Non-Metallic)	Northern Cement Corporation
	DENR Environmental Management Bureau - Region 1	2025 Outstanding Environmental Partner	Northern Cement Corporation
	DENR Mines and Geosciences Bureau - Region 1	2025 Best Performing Mining Contractor	Northern Cement Corporation
Sustainability Leadership in Energy	Asian Power Awards 2025	Circular Economy Leadership of the Year - Philippines	Masinloc Power Co. Ltd
		Environmental Upgrade of the Year - Philippines	
		Operational Efficiency Initiative of the Year - Philippines	
	Enlit Asia	1 st Runner-up Energy Storage Category	San Miguel Global Power Holdings Corp.
Workplace Excellence	Asian Power Awards 2025	Employee Engagement Initiative of the Year - Gold	San Miguel Global Power Holdings Corp.
	World HRD Congress	Asia's Best Employer and Happy Employer Brands Award	San Miguel Global Power Holdings Corp.
	ESG Business Awards 2025	Initiative Award for Employee Engagement - Philippines	San Miguel Global Power Holdings Corp.
	NEXT Awards 2025	Most Innovative Sustainability Campaign	San Miguel Global Power Holdings Corp.
	Department of Labor and Employment (DOLE) Regional Office IV-A (CALABARZON)	Safety Excellence Award	Magnolia Inc. Cavite
	Safety Organization of the Philippines, Inc. (SOPI)	Perfect Safety Record Award	Metal Closures & Lithography Plant - Cebu (MCLP Cebu) and San Fernando (MCLP SF)
	Safety Organization of the Philippines (SOPI)	Award of Honor for 3M Safe Man-Hours without Lost Time Accident	Can Asia Inc. (CAI)

	City Environment and Natural Resources Office (CENRO), City Health Office, LGU of San Fernando, Pampanga	Healthy Work Place 1st Place Large Category (Hall of Famer)	San Fernando Beverage Packaging Plant (SFBPP)
Social Impact and Community Development	ESG Business Awards 2025	Education Equality and Access Award - Philippines	San Miguel Global Power Holdings Corp.
	Asia Responsible Enterprise Awards (AREA)	Social Empowerment Award	San Miguel Global Power Holdings Corp.
	Toll Regulatory Board	Tollway Industries 9th Advocacy Caravan for Gender Equality and Women Empowerment	Skyway O&M Corporation (SOMCO)
	Literacy Partner Award	Iskolar Reading Center Inc. (Silang, Cavite)	San Miguel Yamamura Glass Plant (SMYGP)
	Department of Economy, Planning and Development	2025 Outstanding Volunteer Regional Awardee	Northern Cement Corporation
	Philippine National Red Cross	Hall of Fame – Blood Donation	Eagle Cement Corporation
Sustainable Finance	The Asset Triple A Sustainable Finance Awards	Best Liability Management - Philippines	San Miguel Global Power Holdings Corp.
	FinanceAsia Achievement Awards 2025	Best Bond Deal in the Philippines - P32 Billion Retail Bond Sale	Petron Corporation
	International Financing Review Asia Awards 2025	Best Capital Markets Deal in the Philippines - P32 Billion Retail Bond Sale	Petron Corporation
	R3 Motorrad (BMW Asia Pacific Region C3-R3)	1. Best Customer Care in Sales and Service 2. Best Performance in Digital Marketing and CRM	RSA Motors

2024

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 – <i>Tulong Aral</i> 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 Investor Corporate Awards	Strongest Adherence to Corporate Governance	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 – 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

8.9 GRI and SASB Content Index (Integrated)

A. General Disclosures and Governance

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B. Environmental Performance (*Kalikasan*)

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C. Social Performance (*Kalinga*)

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D. Governance and Economic Impact (*Kasaganahan*)

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