

SEC No. : PW00000216

File No. : ____

MABUHAY VINYL CORPORATION

22F The Salcedo Towers
169 H.V. Dela Costa Street, Salcedo Village
Barangay Bel-Air, Makati City

8817-8971 to 76
(Telephone Numbers)

8816-4785 / 8894-5325
(Fax Numbers)

01 January to 31 December 2024
(Calendar Year Ending)

2024 ANNUAL REPORT (SEC Form 17- A) (Form Type)

For The Calendar Year Ended December 31, 2024
(Period Ended Date)

SECURITIES AND EXCHANGE COMMISSION

SEC Form 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE

- | | |
|--|---|
| 1. For the yearly period ended | : 31 December 2024 |
| 2. Commission Identification Number | : PW00000216 |
| 3. BIR Tax Identification Number | : 000-164-009-00000 |
| 4. Exact name of issuer as specified in its charter | : Mabuhay Vinyl Corporation |
| 5. Province or country of incorporation | : Philippines |
| 6. Industry Classification Code and Chemical Products | : 20 – Manufacturer of Chemicals |
| 7. Address of issuer’s principal office | : 22F The Salcedo Towers
169 H.V. Dela Costa Street
Salcedo Village, Barangay
Bel-Air, Makati City |
| 8. Post Office Box | : P.O. Box 2613 Makati Central
Post Office, 1266 Makati City |
| 9. Issuer’s telephone number | : (632) 8817-8971 to 76 |
| 10. Securities registered pursuant to Sections 4 and 8 of the RSA: | |
| Title of Each Class | : Common Shares |
| Number of Shares Outstanding | : 661,309,398 shares as of
31 Dec. 2024 |

11. Are any or all of the securities listed in the Philippine Stock Exchange?

Yes (/)

No ()

12. Indicate by check mark whether the registrant:

a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder and Sections 126 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or such period 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. Aggregate Market Value of the Voting Stock held by Non-Affiliates of the Registrant

Total Outstanding Shares (as of Dec. 31, 2024)	661,309,398
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Less: Shareholdings of Affiliates of MVC
(Stockholders owning at least 5% of the capital stock
and companies represented in the Board)

1) Tosoh Corp.	581,785,835	
2) Mitsubishi Corp.	<u>39,679,999</u>	621,465,834

Shareholdings of Non-Affiliates	39,843,564
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Average Market Value of MVC Shares	5.52
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Aggregate Market Value of the Voting Stock held by Non-Affiliates	<u>P219,936,473</u>
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DOCUMENTS INCORPORATED BY REFERENCE: NONE

PART I - BUSINESS

A. Description of Business

(1) Business Development

Mabuhay Vinyl Corporation (MVC or the "Company") was incorporated and duly registered with the Philippine Securities and Exchange Commission (SEC) as a rubber shoe manufacturer on 20 July 1934 under the name Mabuhay Rubber Corporation, and subsequently reorganized in 1960 to engage in chemical and PVC resin manufacturing. On October 10, 1966, the corporate name Mabuhay Vinyl Corporation was adopted. In 1984, the Board of Directors (BOD) of the Company approved the amendment of its Articles of Incorporation to extend the corporate life of the Company, which expired on 20 July 1984, for another 50 years up to 20 July 2034. The amended Articles of Incorporation was approved by the SEC in the same year. In 2001, the Company underwent a major business realignment when it decided to exit from the PVC business and focus on the chlor-alkali business. Subsequently, the Company expanded its chlor-alkali capacity (IEM1 Project) in which the plant started commercial operations in October 2003. On 13 December 2006, MVC started implementation of its Ion Exchange Membrane Phase 2 (IEM2) Project and commenced commercial operation on 25 August 2008. MVC is the only chlor-alkali producing company in the Philippines and caters to the industrial and household markets.

On 26 November 2008, MVC's land holding company, "MVC Properties, Inc.", was registered with the SEC, which serves as the repository of all the real estate properties of MVC. MVC transferred/assigned ownership of the land assets of the Company to MVC Properties Inc. ("MPI") in exchange for shares of stocks. MPI started commercial operations in the last quarter of 2009 with the issuance of the related TCTs in its name. In 2009, the Company and MPI, its subsidiary, entered into a contract of lease whereby MPI leases its parcels of land to the Company for a period of 10 years, commencing on 01 October 2009. The lease was renewed on 1 January 2020. The lease is for three years and will automatically renew thereafter unless terminated by both parties. On 1 January 2023, the lease was renewed for another three years or until December 31, 2025. Monthly rental rate amounted to P2,507,912.40 (inclusive of 12% value added tax and 5% annual escalation rate), subject to review and mutual agreement by both parties. Rental expense in 2024 and 2023 amounted to P26.87 Million and P25.59 Million, respectively.

In 2024, the Company and MVC-Retirement Fund (RF) entered into a revised shareholders' agreement with respect to their investment in MVC Properties Inc. (MPI). With the change in the shareholders' agreement, the Company lost its control over MPI and is now being accounted for as investment in associate. Accordingly, the assets and liabilities of MPI are derecognized in the Company's financial statements. MPI's principal activity is to lease its parcels of land to the Company. The primary purpose of the MPI also includes investing in, purchase or otherwise hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidence of indebtedness, and other securities or obligations of any corporation, association, domestic or foreign, for whatever lawful purpose the same may have been organized.

The Company also completed its IEM2 plant expansion and modernization project in 2024. As a result, the Company increased its caustic soda and chlorine production capacity at its Iligan Plant by 68% allowing MVC to accommodate the growing market demand and maintaining the Company's competitive position. The expansion includes related facilities for producing chlorine-derivatives such as hydrochloric acid and liquid chlorine. The expanded capacity will be implemented through a combination of investments in plant production capacity, upgrade of marine-tanker capability and improvement in depot facilities. The project utilizes the latest technologies that will result in reduced power and steam consumption, generate steam from waste process heat and utilize the hydrogen gas by-product as supplemental boiler fuel. These energy efficient technologies will also enable the plant to reduce carbon dioxide (CO₂) emission after expansion.

MVC's expansion is a clear commitment by the Company to serve the growing needs of its customers in a reliable, sustainable and cost-effective manner.

The principal products of the Company are caustic soda and chlorine derivatives which form about 99% of the total revenues of the Company.

Competition in the sale of caustic soda and liquid chlorine basically comes from imported materials brought in by traders and indentors in Metro Manila and neighboring industrial provinces. For hydrochloric acid, competition comes from two (2) fertilizer manufacturers utilizing another process. Sodium hypochlorite, on the other hand, is produced by two (2) other manufacturers. Competition is principally based on price and quality of products. The Company believes that it can provide a competitive price and comply with customer

specifications which allow the Company to compete effectively in the local market.

The Company's clientele are diverse in such a way that the business is not dependent on any single customer. All sales contracts are short term in nature and usually do not exceed one year in duration. Majority are usually on a per delivery basis. Nevertheless, higher import cost affects the pricing of the Company's products but adverse effects are mitigated considering its leading position as both an importer and manufacturer.

The Company uses salt as raw material. In 2024 and 2023, the Company purchased salt from Marubeni Corporation.

The Company leases warehouse and depot facilities in major ports of entry. The products are transported to the depots via specialized shipping vessels then to customers' warehouses via trucks contracted by MVC.

Most marketing research is done by in-house personnel or with the cooperation of prospective principals/investors with minimal cost on the part of the Company. The Company incurred minimal amounts for research and development activities, which do not amount to a significant percentage of revenues.

Required permits were secured by the Company from the Philippine Drug Enforcement Agency (PDEA) for the manufacture, storage and handling of hydrochloric acid.

The Company has secured the required permits and clearances from the Department of Environment and Natural Resources (DENR) to operate all of its facilities. Implementation of the environmental laws particularly Republic Act (R.A.) 6969, as implemented by DENR Administrative Order (DAO) 29 cost MVC about P1.0 million annually.

Total Number of Full Time-Employees (As of December 31, 2024):

	Non CBA	With CBA	Total
Rank and File	9	62	71
Supervisors and Confidential Personnel	61	11	72
Managers and Top Management	24	0	24
Total	94	73	167

It is expected that there will be minimal hiring for the ensuing year covering the replacement of retired or resigned employees.

Except for a 15-day Christmas bonus when the financial condition of the Company allows, there is no other incentive arrangement with CBA-covered rank and file employees. CBA-covered supervisory employees are covered by a Performance Incentive Plan in addition to the 15-day Christmas bonus. For non-unionized employees, a separate incentive is in place based on performance with bonuses ranging from zero to 120% of a month's pay.

The major risks involved in the Company's business as well as the measures being undertaken by the Company to manage such risks are as follows:

Major Risks	Measures Undertaken
1. Price risk for caustic soda	MVC imports more caustic soda and sets local production at its allowable minimum level in times of low prices. MVC maximizes caustic soda production when the price of imported caustic soda is high.
2. Production loss due to breakdown of a major equipment	All the critical equipment has been identified; inventory of vital spare parts are maintained at sufficient levels. Contacts with concerned suppliers and technical people have been established.
3. Property loss due to accident	Have identified all possible safety hazards, installed appropriate safety equipment, strict implementation of safety rules, adequate insurance coverage like fire, machinery breakdown, comprehensive general liability, industrial all risk, and life.

B. Description of Property

The following properties are owned by the Company:

- **Iligan Plant**

The Company's main plant is located at Assumption Heights, Iligan City, Lanao Del Norte .

Among the manufacturing facilities in the Iligan Plant are the Ion-Exchange Membrane Plants 1 and 2, Sodium Hypochlorite plant, product storage facilities, and Industrial Salt bulk storage yard (with a capacity of 30,000 MT), which are all in good operating condition.

All machinery and equipment installed in the facilities of the Company were covered by a Mortgage Trust Indenture (MTI) with BDO as trustee to secure the Company's 5-year term loan with the Bank of the Philippine Islands for P350 Million in January & March 2008. The loan partly financed the retrofitting project (IEM2) of its Diaphragm Cell Plant in Iligan City. The Mortgage Participation Certificate was cancelled upon full payment of the loan in January 2013.

- **Sta. Rosa Plant**

The property is located inside the Laguna Technopark in Biñan, Laguna. It has a highly automated 20,000 MTPY Sodium Hypochlorite production facility. This plant is equipped with adequate storage facilities and a 250 kilovolt-amperes (KVA) standby diesel-power generator owned by the Company.

The following properties are leased by the Company:

<i>Property</i>	<i>Location</i>	<i>Renewal Option</i>
Head office with 5 parking slots	Makati City	Subject to mutual agreement of both parties
BBTI depot BBTI extension lot	Bauan, Batangas -do-	Subject to mutual agreement
Mandaue depot	Mandaue City	Subject to renegotiation
Bago City depot	Negros Occidental	Subject to renegotiation
Davao depot	Davao City	Subject to renegotiation. Lessee shall notify lessor in writing at least thirty (30) days prior to the expiration of the original term.

The Company has allocated funds for the acquisition or rehabilitation of the following properties in 2025:

- | | |
|---|--|
| a. Purchase of New Electrolyzer and Membranes and Refurbishment of Elements | To increase production efficiency, P59.0 Million was budgeted for the purchase and installation of new Electrolyzer and Membranes as well as for the refurbishment of Ion Exchange Elements. |
| b. MT Snoopy I Drydocking | P19.0 Million was budgeted for the dry docking cost of the vessels to comply with regulatory requirements while P2.5 was budgeted for the rubber lining of the vessel's storage tank. |
| c. Rubber lining of Hydrochloric Acid and Sodium Hypochlorite Tanks | P7.1 Million was budgeted to replace the old rubber linings of the storage tanks at Batangas Depot and Mandaue Depot |
| d. Construction of new Sodium Hypochlorite Tank | To improve inventory management and consistently meet customer requirements, P6.8 Million was budgeted for the construction of a new Sodium Hypochlorite storage tank in the Laguna Plant. |

C. Legal Proceedings

- | | |
|--------------------|---|
| 1. Case Title | : MVC vs. Manugas/Acero |
| Nature | : Recovery of excess separation benefits |
| Progress/Status | : After granting MVC's petition, the Supreme Court returned the case to the Court of Appeals for disposition of the substantial issues, specifically the recovery of separation benefits which were erroneously paid by MVC. Awaiting action on the part of CA. |
| Possible Gain/Loss | : P508,662.61 |

2. Case Title : In Re: Petition for Corporate Rehabilitation of PRI/NPIC, Land Bank of the Philippines (Petitioner)
Nature : Corporate Rehabilitation
Progress/Status : Case is suspended due to pendency of the case at the Supreme Court involving interlocutory order. Land Bank filed a motion to convert proceedings to liquidation proceedings. Awaiting resolution of Supreme Court so that the case at the trial court could move.
Evaluation : MVC is an unsecured creditor.
Possible Gain/Loss : ₱25,921,775.65

3. Case Title : Mabuhay Vinyl Corporation vs. Ernesto C. Ouano Development & Management Corporation, et. al.
Nature : Petition for Interim Relief (Deposit of Amount of Money)
Progress/Status : ECODEMCOR filed an Ex-Parte Motion to Release Funds. The Motion's objective was to get the trial court to release funds, which MVC deposited to the RTC of Mandaue, to be used for repair of the roads inside the property MVC is leasing. The trial court ordered the other party to comment on the Motion. Motion for consignment of rental fees was granted by the trial court after receiving the requested comments from MVC. MVC has been regularly depositing with the court the rent due to ECODEMCOR. A memorandum of agreement (MOA) between the disputing parties / directors of ECODEMCOR has been provided. The new directors of ECODEMCOR was established and subsequently filed a motion with RTC-Branch 86, Mandaue City, for the release of rentals deposited by MVC. At present, ECODEMCOR is now processing and is about to receive the deposited rentals from the court.
Possible Gain/Loss : None

4. Case Title : In Re: Petition for Liquidation of Daeduck Philippines, Inc. Civil Case No. 7150-21 before Imus, Cavite RTC Branch 21
Nature : Collection of sum of money in the amount of P1,180,771.24
Progress/Status : The final registry / liquidation plan of claims has been submitted for court approval. In an order dated 09 December 2024, the RTC granted the partial payment of the claims of the secured and unsecured creditors, including the Corporation. The liquidators were directed to effect payment to the creditors. Case monitoring was set on 10 March 2025.
Possible Gain/Loss : P1,180,771.24

5. Case Title : Mabuhay Vinyl Employee Union-Federation of Democratic Labor Organization (MVEU-FDLO), et. al. vs. MVC and Wilfredo Simprota
CA GR SP No. 06386-MIN
Nature : Labor Case
Progress/Status : MVC filed an appeal with the National Labor Relations Commission (NLRC) which resulted in the reversal of the Labor Arbiter's ruling. The NLRC ruled that Wilsim is an independent contractor and is solely liable to the claims. The union elevated the case to the Court of Appeals who later sustained the NLRC's ruling. The union filed a petition before the Supreme Court. Until the present, the Supreme Court has not acted yet on the petition.

6. Case Title : Underpayment of Night Differential on Special and Regular Holidays
CA-G.R. SP No. 09176-MIN
VA Case No. AC-978-RB-10-04-03-08-218
ROX Case No. RO10-CV-2015-10-0086-G
Nature : Complaint by the Union re: underpayment of night shift differential (NSD) on special and regular holidays.
Progress/Status : MVC maintains that its computation of night premiums is in accordance with the specific provision of the Collective Bargaining Agreement (CBA) which is more than what the DOLE Handbook requires.
On October 11, 2023, the Union filed its Motion for Execution. However, the union realized that the formula prescribed by the CA was erroneous. The union filed its Motion for Clarification (On the Computation of Night Premium for Regular Holiday and Rest Day/Special Holiday & Determination of Reckoning Period for Coverage of Differentials) dated 05 March 2024. On 28 May 2024, MVC received the resolution which granted the Motion for Clarification of the Union. On 11 June 2024, MVC filed a motion for reconsideration of the CA resolution. On 07 January 2025, MVC received a

copy of the resolution rendered on 17 December 2024, denying the Company's motion for reconsideration. The Company is preparing to file a petition for certiorari under Rule 65 with the Supreme Court.

7. Case Title : MVEU-FDLO vs. MVC re: extra one day holiday pay
SC G.R. 238160
CA G. R. SP-07592-MIN
VA Case No. AC-209-RB 10-0107-05-2016
Nature : This pertains to the recent correction made by MVC, after it discovered the erroneous payment by MVC of an extra one day, whenever an employee works on his rest day or on special and legal holidays and on unworked legal holidays, in view of the absence of any valid basis thereto either by deliberate company grant, the Collective Bargaining Agreement (CBA), or by the Labor Code; thus, beginning 01 January 2016, the Company discontinued the payment of the extra one (1) day pay.
Progress/Status : The Voluntary Arbitrator (VA) decided the case against the Company. The Company elevated the case to the Court of Appeals (CA). After the filing of the required pleadings, a decision was rendered by the CA reversing the decision of the VA and affirmed the validity of the action of the Company discontinuing the payment of extra one day. The Union filed a motion for reconsideration but was subsequently denied by the CA on 15 February 2018. On 14 March 2018, the union filed its motion for extension of time to file petition for review on certiorari with the Supreme Court (SC). In the resolution dated 05 December 2018, the SC directed the Company to file its Comment on the Petition. MVC already filed the Comment. Notice was received on 16 July 2024 from SC, First Division, on its issuance of Resolution dated 22 January 2024, denying the petition of the Union for failure to sufficiently show that the CA committed any reversible error in the challenged decision and resolution. Hence, MVC won the case. No notice was received yet from Union for appeal by certiorari as of date.
8. Case Title : MVEU-FLDO vs. MVC
NLRC RAB Case No. RAB X-09-22531-19
Nature : Labor Case
Progress/Status : Complainants filed a case for unfair labor practices, payment of wage differentials and damages. MVC filed for a motion to dismiss under the grounds of lack of jurisdiction since the complainant's cause of action is anchored on an interpretation or implementation of the Collective Bargaining Agreement between the parties. On the supplement to the Motion to dismiss by way of rejoinder filed by MVC, the Company raised that the subject matter of the suit comprise the same subject matter threshed out in the ongoing CBA negotiations between the complainants and the respondent, hence, the complainants are engaged in forum shopping which is a ground for dismissal. Order was received from NLRC last 01 August 2023, granting the Motion of MVC to dismiss the case. Hence, this case was dismissed as per NLRC Order, effective 19 June 2023.
9. Case Title : MVC vs. Heirs of Tomas Canoy
Case No. 22-8414
Nature : Civil Case
Progress/Status : This has reference to the 69 kV transmission line supplying power to MVC from the Agus 6 69 kV switchyard. The line was constructed in the 1970's with the affected lot owners opting to have a member of the family employed by MVC. This is actually causing strained relations between the Company and the lot owners especially that the original landowner is dead and the first set of heirs have subdivided the property among themselves. The first sets of heirs are also deceased and the second sets are now making unreasonable demands. Both MVC and the defendants filed a memorandum on 12 October 2024 and 13 October 2024, respectively. The Court rendered the Decision dated 18 December 2024 granting the plaintiff right of way on the two hundred thirteen square meter (213 sq.m.) portion of defendants' lot affected by plaintiff's existing 69kV transmission line, ordering the plaintiff to pay the defendants the amount of P126,309.00, subject to an annual interest of 6% from July 13, 2023, until fully paid by way of indemnity for the use of the lot and ordering the plaintiff to pay the defendants P19,950.00 representing the value of assorted trees cut during the clearing operation conducted by the plaintiff with the said amount shall bear interest at 6% p.a. from the finality of decision until paid in full. The defendants moved for reconsideration. The Court denied the motion on 24 January 2025.

PART II – SECURITIES OF THE REGISTRANT

(A) Market Price, Dividend and Related Stockholder Matters

(1) Market Information

The principal market of Mabuhay Vinyl's common equity is the Philippine Stock Exchange (PSE) where it was listed last February 05, 1997. The offering price was at P1.90 per share. The high and low sales prices by quarter for the last two (2) years are as follows:

	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		1st Quarter
Market Price	2023	2024	2023	2024	2023	2024	2023	2024	2025
High	5.89	6.54	5.74	6.19	6.20	4.98	6.00	6.49	5.84
Low	4.80	4.95	5.00	4.30	4.80	4.00	5.24	4.30	4.70

The price as of 08 April 2025 (latest practicable trading date) is P5.52.

(2) Holders

There are approximately 2,245 holders of common shares of the Company as of 31 March 2025.

Top 25 Stockholders (As of 31 March 2025)

STOCKHOLDER	NATIONALITY	NUMBER OF SHARES	PERCENT OF OWNERSHIP
1. Tosoh Corporation	Japanese	317,779,029	48.053%
2. Tosoh Corporation	Japanese	264,006,806	39.922%
3. Mitsubishi Corporation	Japanese	22,260,000	3.366%
4. Mitsubishi Corporation	Japanese	17,419,999	2.634%
5. PCD Nominee Corporation (Filipino)	Filipino	13,180,168	1.993%
6. Dennis T. Villareal	Filipino	1,203,300	0.182%
7. William Lines, Inc.	Filipino	1,050,000	0.159%
8. Santiago Sr. Tanchan	Filipino	765,730	0.116%
9. Gonzalo Puyat & Sons, Inc.	Filipino	585,169	0.088%
10. PCD Nominee Corporation (Non-Filipino)	Other Alien	408,576	0.062%
11. MultiFarms Agro-Industrial	Filipino	336,000	0.051%
12. J E L P Real Estate Development Corporation	Filipino	300,000	0.045%
13. Wilfredo C. Tecson	Filipino	300,000	0.045%
14. Yang Songbo	Chinese	300,000	0.045%
15. F. C. Roque Agro-Industrial	Filipino	255,092	0.039%
16. Kenneth T. Gatchalian	Filipino	250,000	0.038%
17. Ana Beatriz R. Medrano and/or Victoriano S. Medrano, Jr.	Filipino	250,000	0.038%
18. FGU Insurance Corporation	Filipino	243,000	0.037%
19. Jacinto U. Tiu	Filipino	219,493	0.033%
20. Victoneta Investment Corporation	Filipino	213,931	0.032%
21. Ricardo Paras	Filipino	197,823	0.030%
22. Felicito H. Tiu	Filipino	186,000	0.028%
23. Gilbert Liu	Filipino	180,000	0.027%
24. Vicente Tiu	Filipino	178,568	0.027%
25. Josefa R. Luz	Filipino	146,600	0.022%
Total		642,215,284	97.113%

(3) Dividends

Dividend Information on the Two Most Recent Fiscal Years

No dividends were declared as of March 2025.

Below is a summary of the dividends declared for the years ended December 31, 2023 and 2024:

Date of Declaration	Date of Record	Dividend rate	Dividend per share
April 27, 2023	May 26, 2023	10%	0.10
April 25, 2024	May 24, 2024	10%	0.10

The cash dividend declaration does not require the approval of the stockholders.

There are no restrictions that limit the payment of dividends on Common Shares.

There is no recent sale of unregistered or exempt securities.

PART III - FINANCIAL INFORMATION

A. Management's Discussion and Analysis or Plan of Operation

Management's Discussion and Analysis

The following table shows the consolidated financial highlights of the Company for the years then ended December 31, 2024, 2023 and 2022:

	<i>As of December 31 (In Thousands)</i>		
	2024	2023	2022
Income Statement Data			
Total Revenues	P3,074,069	P3,073,772	P3,201,054
Gross Profit	1,071,619	1,207,762	1,187,915
Operating Income	342,273	484,175	525,009
Net Income (Loss) *	331,315	409,078	399,429
Total Resources	4,588,445	4,333,772	3,955,807

* See page 12, *Changes in Operating Results (2024 vs. 2023)*

Revenues in 2024 was slightly higher compared to 2023 due to higher sales volumes particularly by caustic soda and sodium hypochlorite. Likewise, Cost of sales also increased due to higher production cost resulting from lower production volume, higher material consumption and depreciation which consequently resulted in the decrease in the Gross profit by 11.3%. Operating income decreased by 29.3% due to the lower gross profit, higher depreciation and repairs.

Caustic soda prices in the world market gradually increased towards the end of 2024 as availability from producers has been constrained. However, demand in the region remained weak due to various macro-economic factors such as higher inflation and weakness in major end-use applications.

Excess cash from operations were invested on loan receivables and short-term placements resulting in interest income amounting to P49.28 million. Increase in the interest income is due to higher interest rates.

Revenues from logistics services and custom-tailored environmental services amounted to P1.26 million.

KEY PERFORMANCE INDICATORS

Ratio	Formula	Current Year	Prior Year
a. Quick ratio	(cash and cash equiv. + A/R + short term deposits) / current liabilities Cash and cash equivalents 1,195,348,543 Short-term investment - Accounts receivable 803,170,463 Total 1,998,519,006 Divided by: Total Current Liabilities 475,987,655 Quick ratio 4.20	4.20	4.19
b. Current ratio	current assets / current liabilities Total Current Assets 2,642,279,876 Divided by: Total Current Liabilities 475,987,655 Current ratio 5.55	5.55	6.92
c. Solvency ratio	(net income + depreciation expense) / average liabilities Net income 331,314,618 Depreciation expense 169,128,397 Total 500,443,015 Divided by Average Total Liabilities* 597,100,435 Solvency ratio 0.84 *(beginning plus ending) / 2	0.84	0.88
d. Debt to equity ratio	total liabilities/ total stockholders' equity Total Liabilities 590,724,037 Divided by: Total Stockholders' Equity 3,997,720,616 Debt to equity ratio 0.15	0.15	0.16
e. Net profit margin	net income / sales Net income 331,314,618 Divided by: Total Net sales 3,074,068,637 Net profit margin 0.11	0.11	0.13
f. Return on equity	net income / average stockholders' equity Net income 331,314,618 Divided by: Average Total Stockholders' Equity* 3,864,007,952 Return on equity 0.09 *(beginning plus ending) / 2	0.09	0.11
g. Return on assets	net income / average assets Net income 331,314,618 Divided by: Average Total Assets* 4,461,108,387 Return on assets 0.07 *(beginning plus ending) / 2	0.07	0.10

Ratio	Formula	Current Year	Prior Year
h. Debt to total asset ratio	total liabilities / total assets	0.13	0.14
	Total Liabilities	590,724,037	
	Divided by: Total Assets	4,588,444,653	
	Debt to total asset ratio	0.13	
i. Asset to equity ratio	total assets / total stockholders equity	1.15	1.16
	Total Assets	4,588,444,653	
	Divided by: Total Stockholders' Equity	3,997,720,616	
	Asset to equity ratio	1.15	
j. Interest rate coverage ratio	earnings before interest and taxes / interest expense	46.34	76.90
	Net income	331,314,618	
	Interest Expense	9,450,585	
	Provision for Income Tax	97,174,816	
	EBIT	437,940,019	
	Divided by: Interest Expense	9,450,585	
	Interest rate coverage ratio	46.34	

2024 COMPARED TO 2023

Current Assets. Cash and cash equivalent increased by P515.3M due to cash set aside for settlement of liabilities to suppliers and collection of loans. P723.0M of the cash balance was invested in short-term money market placements with less than three months maturity. **Trade and other receivables** increased by P75.5M due to higher trade receivables during the year. **Loans Receivable** decreased by P500.0M due to collection of loans. Increase in the value of **Inventories** of P112.1M is due to receipt of imported materials. **Other current assets** increased by P56.4M due to advances made to suppliers.

Increase in **Investment in an Associate** due to the recognition of the deemed cost / fair value of retained interest in MPI as a result of its deconsolidation to MVC and equity in net earnings of an associate.

Increase in the value of **Property, plant and equipment - at cost** is primarily due to the acquisition of assets net of the depreciations and disposals during the year.

Land, at appraised value decreased by P563.0M due to the deconsolidation of MPI.

Decrease in the **Other noncurrent assets** is due to closing of advances to suppliers related to the IEM2 expansion project.

Current Liabilities. Trade and other payables increased by P130.1M due to accruals made for imported materials.

Decrease in the **Deferred income tax liabilities - net** is due to the deconsolidation of MPI.

Changes in Operating Results

Gross Margin decreased by 4% compared to last year due to lower selling prices. **Operating expenses** increased due to higher distribution expense resulting from higher sales volume, higher depreciation and repairs. **Interest and financing charges** increased by P2.3M due to adjustments to interest recognized for the adoption of PFRS 16 - Leases. **Other income** increased by P31.7M due to higher miscellaneous income.

2023 COMPARED TO 2022

Current Assets. Cash and cash equivalent increased by P83.5M due to cash set aside for settlement of liabilities to suppliers. P7.0 million of the cash balance was invested in short-term money market placements with less than three months maturity. **Short-term Investments** increased by P93.9M due to investment of excess cash to short term placements with more than three months maturity. **Trade and other receivables** increased by P26.3M due to higher trade receivables during the year. **Loans Receivable** decreased by P100.0M due to collection of loans. Decrease in the value of **Inventories** of P172.7M is due to sale of finished goods and normal depletion of materials and supplies used in production. **Other current assets** increased by P58.24M due to advances made to suppliers.

Increase in **Equity instruments designated at fair value through other comprehensive income** is due to the increase in the fair value of the quoted and unquoted instruments and purchase of shares of stocks.

Increase in the value of **Property, plant and equipment - at cost** is primarily due to the acquisition of assets net of the depreciations and disposals during the year.

Land, at appraised value increased by P0.02M due to revaluation increment recognized resulting from the increase in the fair value of the land.

Net retirement benefits asset decreased by P10.7M due to reclassification of retirement benefits to liability position as a result of loss/present value of defined benefit obligation recognized during the year net of retirement fund assets. Increase in the **Other noncurrent assets** is due to advances made to suppliers related to purchases of property plant and equipment.

Current Liabilities. Trade and other payables decreased by P25.9M due to settlement of liabilities to suppliers.

Decrease in the **Deferred income tax liabilities - net** is mainly due to the tax effect of the revaluation of land, reversal of provision for contingencies, movement on the allowance for inventory losses and other temporary tax differences.

Changes in Operating Results

Gross Margin increased by 2% compared to last year due to lower import costs. **Operating expenses** increased due to higher distribution expenses resulting from higher sales volume. **Interest and financing charges** increased by P3.3M due to adjustments to interest recognized for the adoption of PFRS 16 - Leases. **Other income** increased by P16.7M due to higher miscellaneous income.

2022 COMPARED TO 2021

Current Assets. Cash and cash equivalent decreased by P46.2M due to expenditures related to the Company's expansion project. P205.5 million of the cash balance was invested in short-term money market placements with less than three months maturity. **Trade and other receivables** increased by P90.6M due to higher sales during the year. Increase in the value of **Inventories** of P123.7M is due to receipt of imported materials. **Other current assets** increased by P4.3M due to advances made to suppliers.

Increase in **Equity instruments designated at fair value through other comprehensive income** is due to the increase in the fair value of the unquoted instruments and purchase of shares of stocks.

Increase in the value of **Property, plant and equipment - at cost** is primarily due to the acquisition of assets net of the depreciations and disposals during the year.

Land, at appraised value increased by P14.2M due to revaluation increment recognized resulting from the increase in the fair value of the land.

Net retirement benefits asset increased by P10.3M due to contributions to the retirement fund and gains on retirement fund assets during the year net of the present value of defined benefit obligation. Increase in the **Other noncurrent assets** is due to advances made to suppliers related to purchases of property plant and equipment.

Current Liabilities. Trade and other payables increased by P144.4M due to accruals made for imported materials.

Increase in the **Deferred income tax liabilities - net** is mainly due to the tax effect of the revaluation of land, reversal of provision for contingencies, movement on the allowance for inventory losses and other temporary tax differences.

Changes in Operating Results

Gross Margin Rate dropped by 3% points compared to last year due to higher cost importation and production. **Operating expenses** increased due to higher distribution expense resulting from higher trucking and shipping expenses. **Interest and financing charges** increased by P1.3M due to adjustments to interest recognized for the adoption of PFRS 16 - Leases. **Other income** increased by P1.4M due to higher miscellaneous income.

There are no known trends, events or uncertainties that have material impact on liquidity. Nevertheless, Management still continues to pursue intensive collection efforts to reduce accounts receivables and improve cash management.

The Company is involved in legal proceedings, tax and/or regulatory assessments. The estimate of the probable costs for the resolution of possible claims against the Company has been developed in consultation with outside counsel handling the Company's defense in these matters and is based upon an analysis of potential results. The inherent uncertainty over the outcome of these matters is brought about by the differences in the interpretation and application of the laws and rulings.

The Company, in consultation with its external counsels, does not believe that these proceedings will have a material adverse effect on the consolidated financial statements.

There are no material off-balance sheet transactions, arrangements, obligations and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

The Company continues to spend regular capital expenditures to improve the reliability of manufacturing plants and depots.

With no known trends, events or uncertainties, 2025 sales is projected to be at P3.02 Billion.

Material changes on line items in the financial statements are included in "Management's Discussion and Analysis" above (refer to pages 10-14).

The financial condition or results of operations of the Company are not affected by any seasonal change.

There were no disagreements with the external auditors regarding the accounts on accounting and financial disclosures.

B. Information on Independent Accountant and Other Related Matters

(a) Reappointment of External Auditor

The Corporation's External Auditor is the auditing firm of SyCip Gorres Velayo & Co. ("SGV") and is being recommended by the Board of Directors and the Audit Committee for reappointment and approval by the stockholders for the fiscal year ended 2025 for a fee of Php800,000, exclusive of VAT and out-of-pocket expenses.

The auditing partner in charge for the financial year ended 31 December 2024, Mr. Manolito R. Elle was appointed on 15 February 2018. Consistent with Rule 68, paragraph 3(b)(iv) of the Amended Implementing Rules and Regulations of the Securities Regulation Code ("SRC") regarding the rotation of external auditors, there is no need to change the audit partner for the Corporation.

During the two (2) most recent fiscal years or any subsequent interim period, the independent auditor has not resigned nor was dismissed or has declined to stand for reappointment after the completion of the current audit.

Representatives from SGV are expected to be present at the Annual Stockholders' Meeting, where they will have the opportunity to make a statement, if they so desire. They will also be available to respond to appropriate questions raised by stockholders.

(b) Audit and Audit-Related Fees

The aggregate annual external audit fees billed for each of the last two (2) fiscal years for the audit of the Corporation's annual financial statements and audit services normally provided by the external auditor are as follows:

For the year 2023- P788,229 (billed and paid in 2023 and 2024)

For the year 2024- P893,891 (billed and paid as of March 2025)

The audit fees described above include the following: (a) audit, other assurance, and related services by the External Auditor that are reasonably related to the performance of the audit or review of the Company's

financial statements (P800,000); and (b) All Other Fees, including estimated out of pocket expenses paid by the Company as of March 2025 (P93,891).

The Company engaged the services of SGV to handle the open tax assessment conducted for the Corporation covering the year 2019. Total fees billed and paid by MVC related to this service for the year 2024 amounted to P2,249,375 (nil in 2023).

(c) The Audit Committee's approval of policies and procedures for the above services

The Audit Committee has the function of assessing the independence and professional qualifications of the external auditor, in compliance with the requirements under applicable law, rules and regulations; reviewing the performance of the external auditors; and recommending to the Board of Directors the appointment or discharge of external auditors as well as reviewing and approving audit related and non-audit services to be rendered by external auditors. Prior to the commencement of the audit, the Audit Committee shall discuss, review and recommend with the external auditors the nature, scope and fees of the audit, and ensure proper coordination, if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts.

The following are the members of the Audit Committee for the year 2024 – 2025:

Mr. Ramon J. Abejuela, *Chairman*
Mr. Francisco J. Kong, *Member*
Mr. Yohei Chikamoto, *Member*
Atty. Barbara Anne C. Migallos, *Member*

PART IV – MANAGEMENT AND CERTAIN SECURITY HOLDERS

(A) Directors, Executive Officers

(1) Directors

There are seven (7) members of the Board of Directors, two (2) of whom are Independent Directors. The term of office of each Director is one (1) year or from election at the Annual Stockholders' Meeting until the succeeding Annual Stockholders' Meeting and until his successor is elected and qualified.

A Director who is elected to fill any vacancy in the Board of Directors during the interim will hold office only for the unexpired term of his predecessor. The following are the incumbent members of the Board of Directors:

1. Yohei Chikamoto
2. Steve S.C. Pangilinan
3. Ramon J. Abejuela – Independent Director
4. Hiroyuki Kobayashi
5. Francisco J. Kong – Independent Director
6. Barbara Anne C. Migallos
7. Kazuya Nishisaka

1. YOHEI CHIKAMOTO - 51, Japanese

Graduated from Aoyama Gakuin University, School of International Politics, Economics & Communications

Positions held: Chairman of the Board and Director [June 2023 to present], Mabuhay Vinyl Corporation; President [June 2023 to present], Philippine Resins Industries, Inc.; General Manager for Export Activities [2020] Taiyo Vinyl Corporation; Deputy General Manager for Export Activities [2016] Taiyo Vinyl Corporation; Deputy General Manager for Organic Chemicals (Singapore) [2011] Tosoh Asia Pte. Ltd.; Chlor-Alkali Division [2008] Tosoh Corporation; New Core System Introduction Project [2006] ,Tosoh Corporation; Chlor-Alkali Division, [2001], Tosoh Corporation; Logistics Control & Administration [1996], Tosoh Corporation.

TRAININGS AND CONTINUING EDUCATION

The Director intends to attend seminars and trainings within the year.

2. **STEVE S.C. PANGILINAN** - 58, Filipino

B.S. Chemical Engineering, University of San Carlos-Technological Center, Cebu City; Master in Business Administration, Ateneo de Cagayan-Xavier University

Positions held: President, Chief Operating Officer and Director since August 2020 of Mabuhay Vinyl Corporation; Board of Directors – Cebu Chapter [2024 – present] Philippines Institute of Chemical Engineers; Director [since 2020] Tosoh Polyvin Corporation; Vice-President, Manufacturing [July 2015 to July 2020], Mabuhay Vinyl Corporation; Assistant Vice-President, Manufacturing [May 2013 to June 2015], Mabuhay Vinyl Corporation; Manufacturing Manager [Nov 2009 to April 2013], Mabuhay Vinyl Corporation; Production Manager [June 2003 to Oct 2009], Mabuhay Vinyl Corporation; Shift Manager [Oct 1998 to May 2003], Mabuhay Vinyl Corporation; Production Engineer [Jan 1995 to Sept 1998], Mabuhay Vinyl Corporation; Section Supervisor – Liquid Chlorine Plant [June 1992 to Jan 1995], Mabuhay Vinyl Corporation; Industrial Engineer [Nov 1989 to June 1992], Mabuhay Vinyl Corporation; Temporary Cadet Engineer [May 1989 to Nov 1989], Mabuhay Vinyl Corporation.

TRAININGS AND CONTINUING EDUCATION

Updates on Corporate Practices in the Philippines, SGV &Co. [November 2014]; Corporate Governance Seminar, SGV &Co. [December 2022].

3. **RAMON J. ABEJUELA** – 75, Filipino

Graduated from De La Salle University, Bachelor of Science in Chemical Engineering (Cum Laude); Master's Degree in Business Management, Asian Institute of Management

Positions held: Independent Director [August 2022 to present], Mabuhay Vinyl Corporation; Independent Director [September 2017 to present], Keppel Philippines Holdings, Inc.; Independent Director [1999-2008; 2009 to present], Keppel Philippines Properties Inc.; Director and Vice Chairman of the Board [2004 to present], Philippine Nutri-Foods Corporation (PNFC) and Health and Development Solutions Inc. (HDSI).

TRAININGS AND CONTINUING EDUCATION

Online Training on Corporate Governance, P&A Grant Thornton, [June 2021]; Revised Corporation Code of the Philippines, Center for Global Best Practices [October 2022]; Leading Change: Best Leadership Practices for Fast & Effective Change Management [August 2023]; Strategic Thinking for Board of Directors and Leaders [1 October 2024].

4. **HIROYUKI KOBAYASHI*** - 44, Japanese

Graduated from Keio University, at Minato-Ku, Tokyo Japan, Faculty of Business and Commerce

Positions held: Director [August 2024 to present], Mabuhay Vinyl Corporation; Division Head, Materials Solution & Energy Division [July 2024 to present] Mitsubishi Corporation, Manila Branch; [January 2019] Alcohol & C1 Chemicals Dept, Mitsubishi Corporation, Tokyo, Japan.; [January 2014] Mitsubishi Corporation do Brasil S.A. Sao Paulo, Brazil; [November 2011] Methanol Dept, Mitsubishi Corporation, Tokyo, Japan ; [April 2003] Inorganic Chemical Dept, Mitsubishi Corporation, Tokyo, Japan.

TRAININGS AND CONTINUING EDUCATION

The Director intends to attend seminars and trainings within the year.

5. **FRANCISCO J. KONG** - 69, Filipino

Graduated from San Sebastian College, Bachelor of Science in Commerce Major in Business Management (Magna Cum Laude)

Positions held: Podcaster (2021 to present); Independent Director since 2022 of Mabuhay Vinyl Corporation; Independent Director, Primer Holdings, Inc. [2014 to present]; Columnist, Philippine Star [Jan.2008 to present]; Director, Inspire Leadership Consultancy, Inc. [Jan.2005 to present]; Business and Inspirational Speaker, Success Options, Inc. [2015 to present]; Author [1996 to present]

TRAININGS AND CONTINUING EDUCATION

World of Business Ideas, New York [2021-2022]; AD World Conference [2022]; The Art of Leadership Academy [2022-present]; Masters Class (online) [2022-2025-present]; Leadership Academy (online) [2022-present]; World of Business Ideas, New York [will be held on November 2025]; Video Podcaster [started on March 2025].

6. **BARBARA ANNE C. MIGALLOS** - 70, Filipino

Bachelor of Laws, University of the Philippines

Positions held: Director since August 2000 of Mabuhay Vinyl Corporation; Managing Partner, [2006 to present] Migallos & Luna Law Offices; Director [2001 to present] Phil. Resins Industries, Inc.; Director [2013 to present] Philex Mining Corporation; Corporate Secretary [1998 to present] Philex Mining Corp; Director [2010-2017]; Corporate Secretary [since 2007], PXP Energy Corporation; Corporate Secretary [since 2010] Nickel Asia Corporation; Cordillera Exploration Co., Inc.; Director [2013 to present] Philex Gold Phils. Inc.; Corporate Secretary, Philex Gold Phils. Inc.; Corporate Secretary [2005 to present] Eastern Telecommunications, Philippines, Inc.; Corporate Secretary [2005 to present] Telecommunications Technologies Philippines, Inc.; Corporate Secretary, [2015 to present] Alliance Select Foods International Inc.; Senior Partner [1988-2006] / Managing Partner [2000-2005], Roco, Kapunan, Migallos & Luna Law Offices; Director and Corporate Secretary Angel C. Palanca Peace Program Foundation [2014 to present]; Corporate Secretary [2020-2024] HWAO Foundation, Inc.; Director since 2022, Philippine-Italian Association; Societa' Dante Alighieri, Inc. [2024 to present]; Professional Lecturer [2012 to present] De La Salle University, College of Law; Chair, Mercantile Law Dept. [2016 to present], De La Salle University, College of Law.

TRAININGS AND CONTINUING EDUCATION

2024 Annual Corporate Governance [09 August 2024]; 2023 Annual Corporate Governance Seminar [10 November 2023]; Governance Imperatives, Opportunities and Challenging in the Ages of AI [09 November 2023]; Global Development in AI Standards and Regulations [09 November 2023]; NAC Group Annual Corporate Governance Seminar [6 October 2022]; Becoming Obsessed with the Customer, 2021 Annual Corporate Governance Enhancement Session [17 September 2021]; NAC Group Annual Corporate Governance Seminar [29 September 2021]; Agile Leadership, 2021 Annual Corporate Governance Enhancement Session [12 November 2021].

7. **KAZUYA NISHISAKA**** - 41, Japanese

Graduated from Doshisha University, Japan, Bachelor of Commerce

Positions held: Director [June 2024 – present] Mabuhay Vinyl Corporation; Manager [June 2024] Corporate Strategy, Tosoh Corporation Tokyo Head Office; Manager [June 2021] Sales and Marketing, Taiyo Vinyl Corporation; Sales and Marketing [May 2012] Taiyo Vinyl Corporation; Corporate & Control Accounting [Sep 2008] Tosoh Corporation, Tokyo Head Office; Accounting [April 2005] Tosoh Corporation Nanyo Complex.

TRAININGS AND CONTINUING EDUCATION

The Director intends to attend seminars and trainings within the year.

8. **YASUHIRO FUKUKI***** - 55, Japanese

Graduated from Tohoku University, Japan, Faculty of Economics

Positions held: Director [May 2019 to August 2024], Mabuhay Vinyl Corporation; Division Head, Petroleum, Chemicals & Industrial Materials Division [May 2019 to August 2024], Mitsubishi Corporation, Manila Branch; Inorganic Chemicals Dept., Basic Chemicals Division [April 2017], Mitsubishi Corporation, Tokyo; Functional Materials Dept., Functional Chemicals Division [May 2008], Mitsubishi Corporation, Tokyo; [August 2003] - Mitsubishi Corporation, Kansai Branch; [March 1999] – PT. Peroksida Indonesia Pratama; [February 1998] – Inorganic Chemicals Dept., Mitsubishi Corporation, Tokyo; [April 1995] – Mitsubishi Corporation, Kansai Branch; [April 1992] – Inorganic Chemicals Dept., Mitsubishi Corporation, Tokyo Head Office.

TRAININGS AND CONTINUING EDUCATION

None.

9. **SATOSHI MARUYAMA****** - 43, Japanese

Graduated from Keio University, Japan, Bachelor of Economics

Positions held: Director [2021-2024] of Mabuhay Vinyl Corporation; Manager, Corporate Strategy, [June 2021] Tosoh Corporation Tokyo Head Office; Raw Materials & Fuel Operations, [June 2017] Tosoh Corporation Tokyo Head Office; Chlor-alkali Division [Apr 2005] Tosoh Corporation Head Office; Logistics Strategy Planning Dept. [Apr 2005] Tosoh Logistics Corporation.

TRAININGS AND CONTINUING EDUCATION

None.

* Elected as Director August 16, 2024

** Elected as Director June 21, 2024

*** Resigned as Director August 16, 2024

**** Resigned as Director June 21, 2024

(2) Executive Officers

The Company's key executive officers as of 31 March 2025 are as follows:

Yohei Chikamoto	- Chairman, Chief Executive Officer
Steve S.C. Pangilinan	- President, Chief Operating Officer
Michael S. Yu	- Treasurer, Vice President ("VP") - Corporate Planning
Atsushi Utsunomiya	- VP-Finance
Romeo G. Dela Cruz	- VP-Marketing
Mark Francis D. Basan	- AVP-Manufacturing
Maria Melva E. Valdez	- Corporate Secretary, Compliance Officer
Pamela Ann T. Cayabyab	- Assistant Corporate Secretary

Consistent with the Corporation's By-laws, the Executive Officers are elected or appointed annually by the Board of Directors during its Organizational Meeting held following the Annual Stockholders' Meeting. The Executive Officers each hold office for one (1) year until the next Organizational Meeting of the Board of Directors in the following year and until a successor shall has been elected or appointed and has duly qualified.

INCUMBENT OFFICERS

1. **YOHEI CHIKAMOTO** - Chairman and Chief Executive Officer see foregoing Director's Profile
2. **STEVE S.C. PANGILINAN** - President and Chief Operating Officer see foregoing Director's Profile
3. **MICHAEL S. YU** - Treasurer/Vice-President, Corporate Planning

50, Filipino, B.S. Chemical Engineering, De La Salle University; Master in Business Administration, Ateneo de Manila University; Updates on Corporate Practices in the Philippines, SGV &Co. [November 2014]; Corporate Governance Seminar, SGV &Co. [December 2022]

Positions held: Vice-President, Corporate Planning since May 2017 and Treasurer since 2011; Assistant Vice-President, Corporate Planning [July 2009 to April 2017]; Head of Makati Purchasing [Aug 2004-2010]; Senior Manager, Corporate Planning, [2006-2009]; Corporate Planning, IT, Business Development Manager, [2004-2005]; Corporate Planning Officer, [1999-2001]; and Corporate Planning Engineer, [1997-1999].

4. **ATSUSHI UTSUNOMIYA** - Vice-President, Finance

46, Japanese, Bachelor of Commerce, Osaka City University, Japan

Positions held: Vice-President, Finance since October 2020; Planning and Business Development, Bioscience Division [January 2015], Tosoh Corporation; Corporate Control & Accounting Department [June 2006], Tosoh

Corporation; Accounting Department [May 2003] Nanyo Complex, Tosoh Corporation.

5. **ROMEO G. DELA CRUZ** - Vice-President, Marketing

57, Filipino, B.S. Chemical Engineering, Mapua Institute of Technology; Master in Business Administration (completed academic requirements), De La Salle University; Updates on Corporate Practices in the Philippines, SGV & Co. [November 2014]; Corporate Governance Seminar, SGV & Co. [December 2022]

Positions held: Vice-President, Marketing since July 2015; Assistant Vice-President, Marketing [May 2008 to June 2015]; Area Sales Manager - Luzon [July 2004 to April 2008]; Head of Logistics/Regional Sales Manager for Luzon [Jan 2002 to June 2004]; Area Sales Manager for Luzon/Distribution Manager [Feb 1998 to Dec 2001]; Distribution Manager [Jan 1995 to Jan 1998]; Corporate Planning Engineer/Technical Specialist [July 1993 to Dec 1994]; Marketing Technical Assistant [July 1991 to June 1993]; Market Researcher & Technical Service Assistant [June 1989 to June 1991].

6. **MARK FRANCIS D. BASAN** - Assistant Vice-President, Manufacturing

55, Filipino, B.S. Chemical Engineering, University of San Carlos, Cebu City; Corporate Governance Seminar, SGV & Co. [December 2022]

Positions held: Assistant Vice-President, Manufacturing since December 2021; Manufacturing Manager [Jan 2021 to Nov 2021]; Regional Sales Manager - VisMin [May 2008 to Dec 2020]; Area Sales Manager – Mindanao [Oct 2005 to April 2008]; New Business Development Officer/Assistant Sales Manager – Mindanao [April 2002 to Sep 2005]; Account Executive - Marketing Division [Nov 1996 to Apr 2002]; Corporate planning (Temporary Assignment) [Apr 1996 to Nov 1996]; Industrial Engineer [Mar 1995 to Apr 1996]; Process Engineer [Nov 1993 to Mar 1995]; Shift Supervisor (on training) – Amalgam Plant [Apr 1993 to Nov 1993]; Cadet Engineer [Nov 1991 to Apr 1993].

7. **MARIA MELVA E. VALDEZ** - Corporate Secretary

65, Filipino, Bachelor of Arts in Political Science and Bachelor of Laws, University of the Philippines; Corporate Governance Training, Risks, Opportunities. Assessment and Management [June 2019], Online Training on Corporate Governance, P&A Grant Thornton, [June 2021], Online Seminar on Roles, Responsibilities, and Liabilities of Board of Directors, [September 2023], Online Training on 2024 Year End Tax Updates and Compliance [December 2024]

Positions held: Corporate Secretary since 1997 of Mabuhay Vinyl Corporation; Senior Partner [since 1998] and Management Committee Member, JGLaw Offices; Partner, Bello Valdez and Esguerra Law Offices; Corporate Secretary/Director since 1998 Keppel Phils. Holdings, Inc.; Corporate Secretary since 1998 Keppel Phils. Marine, Inc. (now Seatrium Philippines Marine, Inc.), Keppel Phils. Properties, Inc., and Asian Institute of Management, EMS Services International Inc.; Corporate Secretary since 2004 Keppel Subic Shipyard, Inc.; Director/Corporate Secretary of various Keppel affiliates & subsidiaries and Toyota Corolla Sapporo Philippines Holdings, Trabajo Services, Inc. and VS Industries Philippines, Inc., Suretrac Holdings Inc., Asia Contractors Holdings Inc., Cambe Dental Billing Services, Inc., KPSI Property, Inc., and Asia Control Systems Philippines Inc.; Director since December 2000 Leighton Contractors Phils., Inc.; Director/Chairman/President since September 2000 Servier Philippines, Inc.; Corporate Secretary/Trustee of AIM-Scientific Research Foundation, Inc., FIF Foundation, Inc.; Corporate Secretary of Asian Institute of Management, Seatrium Subic Shipyard, Inc., Wartsila Philippines Inc., Calamba Medical Center, Inc., Calamba Cancer Center, Inc., JV Juliano Holdings, Inc., Saint John the Baptist Medical Center, Inc., Kopiko Philippines Corporation, and Sagara Metro Plastics Industrial Corporation; Current Chair, Membership Committee of Inter-Pacific Bar Association (IPBA). A member of the Philippine-Italian Association, Makati Business Club, The Philippines-Japan Economic Cooperation Committee, Inc., The Philippines-Japan Society, Inc. and Philippines-Singapore Business Council. Trustee, Philippine Japan Economic Cooperation Committee. Trustee and Corporate Secretary, AIM Scientific Research Foundation, Inc., Lecturer of the UP Law Center Paralegal Training Center Program and Adjunct Faculty, Asian Institute of Management (AIM).

8. **PAMELA ANN T. CAYABYAB** - Assistant Corporate Secretary

42, Filipino, Juris Doctor, Ateneo de Manila University; Bachelor of Arts in Political Science, University of the Philippines; Online Training on Corporate Governance, P&A Grant Thornton, [June 2021]; Corporate Governance – Executive Briefing on Crisis Management for Board Directors and Management, Corporate Governance Updates and Economic Briefing, Center for Global Best Practices [June 2022], Online Seminar on Roles, Responsibilities, and Liabilities of Board of Directors, [November 2024].

Positions held: Assistant Corporate Secretary of Mabuhay Vinyl Corporation since November 2020; Assistant Corporate Secretary of Keppel Philippines Holdings Inc. (a listed company) since May 2021, Keppel Philippines Properties, Inc. (a listed company) since June 2021 and various Keppel companies; Assistant Corporate Secretary since May 2015 of Brother International Philippines Corporation; Assistant Corporate Secretary since April 2017 of Fujita Philippines Construction and Development, Inc.; Assistant Corporate Secretary since March 2012 of PPG Coatings (Philippines) Inc.; Assistant Corporate Secretary since March 2011 of Tosoh Polyvin Corporation; Corporate Secretary of EMS Resources Technology Inc., Creotec Philippines Inc. and Gruppo EMS Inc. since April 2024; Corporate Secretary of Toyota Corolla Sapporo Philippines Holdings, Inc.; Senior Partner, Bello Valdez and Esguerra Law Offices.

(3) Significant Employees

The contribution of each of the Corporation's employees is valued. The Company relies significantly on the continued collective efforts of its senior Executive Officers and expects each employee to do his share in achieving the Company's goals.

(4) Family Relationships

There are no family relationships up to the fourth civil degree either by consanguinity or affinity among Directors; Executive Officers; persons nominated, appointed, or elected by the Corporation to become Directors, Executive Officers, security holders of certain record, beneficial owner, or member of Management.

(5) Certain Relationships and Related Transactions

The Corporation, in its regular conduct of business, entered into transactions with related parties which are mostly for the purchase and sale of inventories and lease agreements. The transactions were made on an arm's length basis and at current market prices at the time of the transactions. The related party transactions of the Corporation are discussed in the Notes to the Consolidated Financial Statements (pages 41 to 44).

The Corporation's Directors, Executive Officers, employees, and other related parties are required to promptly disclose any business and family-related transactions with the Corporation to ensure that potential conflicts of interest are identified and brought to the attention of management.

(6) Involvement in Certain Legal Proceedings

As of 31 March 2025, to the knowledge of the Corporation, none of the Company's Directors or Executive Officers have been involved in any legal proceedings during the last five (5) years that are material to an evaluation of their ability or integrity to act as such.

No director has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of security holders due to disagreement with the registrant on any matter relating to the registrant's operations, policies and practices.

None of the Directors and Executive Officers of the Corporation is involved in any of the following in the past five (5) years:

- (i) A bankruptcy petition by or against any business of which a such person was a general partner or Executive Officer either at the time of the bankruptcy or within two (2) years prior to that time;
- (ii) A conviction by final judgement in a criminal proceeding, domestic or foreign, or is being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- (iii) An order, judgement, or decree, not subsequently reversed, suspended, or vacated, by 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; nor
- (iv) A conviction by a domestic or foreign court of competent jurisdiction in a civil action, the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated securities or commodities law or regulation, and the judgement has not been reversed, suspended, or vacated.

(B) Compensation of Directors and Executive Officers

(a) Summary Compensation Table

The following table summarizes the compensation of the Chief Executive Officer ("CEO") and five most highly compensated Executive Officers of the Corporation and the aggregate compensation of all Directors and Officers as a group for the last two completed fiscal years, and their estimated aggregate compensation for the present fiscal year.

SUMMARY COMPENSATION TABLE

Annual Compensation (in Pesos)

Name & Principal Position	Year	Salary	Bonus	Other Compensation
CEO and five most highly compensated Executive Officers:	2025 (Projected)	11,238,908	2,054,999	2,241,324
Yohei Chikamoto <i>Chairman / CEO</i>	2024	10,703,722	1,957,142	2,134,594
Steve S.C. Pangilinan <i>President / COO</i>				
Michael S. Yu <i>Treasurer / VP-Corporate Planning</i>				
Atsushi Utsunomiya <i>VP-Finance</i>	2023	9,882,791	1,833,580	2,126,957
Romeo Dela Cruz <i>VP-Marketing</i>				
All Directors and Executive Officers As A Group	2025 (Projected)	11,238,908	2,054,999	3,049,824
	2024	10,703,722	1,957,142	2,904,594
	2023	9,882,791	1,833,580	2,926,957

(b) Standard Arrangements

Each member of the Board of Directors receives a per diem of Ten Thousand Pesos (PhP10,000.00) per meeting of the Board of Directors. Independent Directors receive quarterly miscellaneous allowances. The Directors and Executive Officers do not receive any regular bonus and are not entitled to a percentage of the Corporation's profits.

Members of the Board of Directors received the following remuneration in 2024:

Name	Total (PHP)
1. Yohei Chikamoto	160,000.00
2. Steve S.C. Pangilinan	50,000.00
3. Ramon J. Abejuela – Independent Director	260,000.00
4. Hiroyuki Kobayashi*	30,000.00
5. Francisco J. Kong – Independent Director	260,000.00
6. Barbara Anne C. Migallos	80,000.00
7. Kazuya Nishisaka**	20,000.00
8. Yasuhiro Fukuki***	90,000.00
9. Satoshi Maruyama****	30,000.00

* Elected as Director August 16, 2024

** Elected as Director June 21, 2024

*** Resigned as Director August 16, 2024

**** Resigned as Director June 21, 2024

The Corporation has a registered non-contributory retirement plan. All regular employees, including the Executive Officers, are covered by the retirement plan.

No warrants or options on the Corporation's shares of stock were issued or given to the Directors and Executive Officers as a form of compensation of services rendered.

During the last two (2) years, no director of the Corporation has received or become entitled to receive any benefit by reason of any contract with the Corporation, a related corporation, a firm of which the Director is a member or a corporation of which a director has a substantial financial interest.

There are no transactions in the last two (2) years or proposed transactions to which the registrant was or is to be a party, in which any of the following persons had or is to have a direct or indirect material interest:

- i. Any Director or Executive Officer of the Corporation;
- ii. Any nominee for election as a Director;
- iii. Any security holders;
- iv. Any member of the immediate family of the preceding persons.

(C) Security Ownership of Certain Record and Beneficial Owners

- (1) The persons known to the registrant to be directly or indirectly the record or beneficial owner of more than 5% of the registrant's voting securities as of 31 March 2024 are as follows:

Title of Class	Name, Address of record owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	Tosoh Corporation ("Tosoh") Tokyo MidtownYaesu, Yaesu Central Tower, 28th & 29th Floors, 2-2-1 Yaesu, Chuo-ku, Tokyo 104-8467, Japan	Tosoh is both the record and beneficial owner. The right to vote or to direct the voting or disposition of the Corporation's shares held by Tosoh are lodged in its Board of Directors. The following are the representatives of Tosoh: Yohei Chikamoto Hiroyuki Kobayashi Barbara Anne C. Migallos Kazuya Nishisaka	Japanese	581,785,835 ("r")	87.9748
Common	Mitsubishi Corporation ("Mitsubishi") 6-3 Marunouchi 2-Chome Chiyoda-Ku, Tokyo, Japan	Mitsubishi is both the record and beneficial owner. The right to vote or to direct the voting or disposition of the Corporation's shares held by Mitsubishi are lodged in its Board of Directors. Mr. Hiroyuki Kobayashi is the representative of Mitsubishi.	Japanese	39,679,999	6.0001

(2) Security Ownership of Directors and Management as of 31 March 2025:

Title of Class	Name of Beneficial Owner	Position	Amount and Nature of Beneficial Ownership	Citizenship	Percentage (%) of Class
Board of Directors:					
Common	Yohei Chikamoto	Chairman/CEO	10,000 (d)	Jpn	0.0015
Common	Steve S.C. Pangilinan	Director/ President/COO	5,000 (d)	Fil	0.0008
Common	Ramon J. Abejuela	Indep. Director	5,629 (d)	Fil	0.0009
Common	Hiroyuki Kobayashi	Director	10,000 (d)	Jpn	0.0015
Common	Francisco J. Kong	Indep. Director	10,000 (d)	Fil	0.0015
Common	Barbara Anne C. Migallos	Director	5,000 (d)	Jpn	0.0008
Common	Kazuya Nishisaka	Director	5,000 (d)	Fil	0.0008
Total for Directors			50,629		0.0080

Executive Officers:					
Common Shares	Yohei Chikamoto	Chairman & CEO/Director	-	Fil	-
Common Shares	Steve S.C. Pangilinan	President & COO/Director	-	Fil	-
N/A	Michael S. Yu	Treasurer / VP-Corporate Planning	-	Fil	-
N/A	Atsushi Utsunomiya	VP-Finance	-	Jpn	-
N/A	Romeo G. Dela Cruz	VP-Marketing	-	Fil	-
N/A	Maria Melva E. Valdez	Corporate Secretary	-	Fil	-
N/A	Pamela Ann T. Cayabyab	Asst. Corporate Secretary	-	Fil	-
N/A	Mark Francis D. Basan	AVP-Manufacturing	-	Fil	-
Total for Officers			-		-
Total Shares of Directors, Executive Officers, and Management			50,629		0.0080

- (3) There are no voting trust holders of 5% or more of the common shares.
- (4) There are no arrangements that may result in a change in control of the Corporation. No change in control of the Corporation has occurred since the beginning of its last fiscal year.

(D) Certain Relationships and Related Transactions

- (1) Tosoh Corporation and Mitsubishi Corporation supply the Company with Liquid Caustic Soda and other materials. The commercial dealings with Tosoh Corporation started in 2018 while that of Mitsubishi have been in effect for more than fifteen years under normal arms-length commercial terms and on a basis consistent with applicable Philippine laws on conflicts of interest and related party transactions. Pricing is dictated by prevailing international markets. Total purchases from Tosoh amounted to P302.8M in 2024, P322.2M in 2023 and P600.5M in 2022 while purchases from Mitsubishi amounted to P649.6M in 2024, P351.4M in 2023 and P408.4M in 2022. Outstanding trade payable to Tosoh Corporation as of 31 December 2022 amounted to P113.2M (nil in 2024 and 2023). Outstanding trade payable to Mitsubishi Corporation as of 31 December 2024 amounted to P86.8M (nil in 2023 and 2022).

- (2) Aside from the party mentioned above, there is no other relationship that has existing negotiations on material transactions.

List of parents of the registrant

a. Tosoh Corp.	No. of MVC shares owned	581,785,835
	Percentage of control	87.9748%

- (3) There have been no transactions with promoters for the past 5 years.

PART V – CORPORATE GOVERNANCE

Pursuant to its Vision and Mission, the Corporation had significantly acted in accordance with its new Manual on Corporate Governance (MCG). The Corporation had consistently performed its responsibilities, with its Corporate Values complementing the directions and activities for the corporation's directors, officers and employees. The Board committees, including the Nominations and Audit committees, have consistently complied with their duties and responsibilities under the MCG. The Nominations Committee observes the nomination and election process for Independent directors, as provided under SRC Rule 38 (as amended). The Audit committee, on the other hand, has put in place an internal audit system which complies with the pertinent regulatory requirements and which ensures the integrity of internal control activities throughout the Company. There were no major deviations from the adopted MCG.

In support of the foregoing, the following programs and interventions for employees and officers were implemented:

1. Annual kick-off planning and alignment of departmental objectives in line with the Company's directions was held at the start of the year. Also, annual strategic planning of Industrial Peace Council, Council of Solidarity, Corporate Council of Quality, Safety, Security, Health and Environment and other plant-wide committees to map out CSR, Employees and Family Welfare, Quality, Safety, Security and Environmental Programs and Activities for the current year.
2. Corporate Social Responsibility (CSR) initiatives in the areas of Education, Environment, and Health.
 - a. Education
 - Donation of snacks for the students of Barangay Buru-un, Iligan for the Moving Up Ceremony last May 7, 2024
 - Participation in the PBSP Ready For School Program where employee-volunteers painted library tables at Rajah Soliman Science & Technology High School, Binondo Manila on July 23
 - Facilitated the distribution of Sodium Hypochlorite for 25 schools within Iligan City from July 24 to 25 as part of the Brigada Eskwela initiative
 - Conducted Brigada Eskwela at San Miguel Day Care Center at Bauan, Batangas on August 16, where workbooks were distributed to students and donation of TV to be used as learning aid
 - Distribution of school supplies to MVC scholars
 - Facilitated employee participation in the Jollibee "Run for Joy" which proceeds will be used to support Jollibee's mobile library school recipients
 - Facilitated Plant Tour of the MSU-Marawi Agricultural Engineering students last November 4, 2024
 - Donation of Jollibee Food Packs and Christmas Gifts for Timoga Day Care Center students during their Christmas Party on December 14
 - Facilitated Plant Tour of the students from Philippine Science High School – Northern Mindanao Campus
 - Facilitated Plant Tour of the students from Iligan Medical Center College – Grade 12 students
 - b. Environment
 - Conduct of bamboo planting activity as part of Women's month Celebration in collaboration with DENR, Barangay Buru-un Council and Buru-un Women in Iligan City
 - Conduct of Lakbay Linis with MVC employees and scholars
 - Participation in the coastal clean up at Barangay Tomas Cabili, Iligan as organized by the Philippine Coast Guard in celebration of Clean Ocean Day

- Participation in the Coastal Clean Up activity in Batangas organized by MVC's depot lessor, Batangas Star Port Services Inc. on June 14
- Mangrove Planting activity in celebration of Arbor day on June 25
- Participation in the Tree Planting Activity of 400 narra seedlings in coordination with Maynilad at IPO Watershed, Norzagaray, Bulacan on July 16
- Celebrated International Coastal Clean-Up Day through conduct of cleaning activities at MVC Pier in partnership with the EHS department
- Celebrated Marine and Archipelagic Nation Awareness Month through conduct of cleaning activities at Tominobo, Iligan City
- Donation of school supplies to the following:
 1. Timoga Youth Organization of Purok 13 Iligan City
 2. Angel Project Tree in collaboration with DOLE-FFWC in Iligan City
- Conduct of Chlorine Leak Drill at Purok 1 & 2 Iligan City

c. Health

- Medical mission for 55 residents of Purok 13, Timoga, Iligan City
- Facilitated the mobile blood donation drive at the Iligan Plant with 20 MVC volunteers
- Conduct of Mobile Blood Donation in coordination with Philippine Red Cross Iligan City Chapter on June 24
- Conducted Medical Mission for Purok 13, Buru-un Iligan City on July 11
- Luzon employees joined the bloodletting drive of TORM Shipping Philippines Inc. in partnership with the National Children's Hospital on September 27 at Salcedo Towers, Makati City
- Conducted sports clinic for community children in Iligan every Saturday of September
- Facilitated mobile blood donation drive at Iligan Plant in partnership with the National Red Cross, Iligan Chapter on September 25
- Conducted First Aid Training for BDRMO/Purok Leaders of Barangay Tonggo and Timoga, Iligan on December 13
- Facilitated Mobile Blood Donation on December 27 in Iligan Plant
- Participation in "Run for Joy" organized by Jollibee-Iligan where 26 runners from MVC participated.

3. Donation and initiatives strengthening relationship with partner – communities and institutions:

- Sponsorship for Thanksgiving Mass for Barangay Buru-un Iligan for the feast of Sto. Niño
- Sponsorship for costumes of participants from Purok 13 Timoga for the celebration of Buru-un Day in Iligan
- Donation of reflectorized paints to Iligan City Traffic and Parking Management Office
- Donation of snacks during the conduct of fire safety campaign by the Bureau of Fire Protection – Iligan at Barangay Ditucalan
- Turnover of Complaint Desk to Iligan City Police Station 2 last May 17, 2024
- Conducted Flores De Mayo activity with 70 children participants from Barangays Tonggo and Buru-un, Iligan City last May 28, 2024
- Provision of work for some residents from Purok 1 & 2 - Tonggo and Purok 13 during the salt hauling activity last June 14-22, 2024.
- Cash donation to Barangay Ditucalan, Iligan City for the fiesta celebration
- MOA signing for DepEd as beneficiary for various CSR initiatives of MVC in partnership with the Philippine Army Infantry Brigade 503
- Conduct of Outreach Program at Tahanan ng Pagmamahal Inc. in Pasig City, an orphanage that houses 37 children, food items were donated
- Cash donation to Barangay Ditucalan and Ma. Cristina as support to their celebration of their Charter Day respectively
- Conducted Community Kids - Sports Clinic on September 14, 21, and Sep 28
- Facilitate the culmination activity of the Community Kids Sports Clinic last October 19 with around 40 kids participated
- Outreach activity at Everlasting Hope Childhood Cancer Mission Center at Cebu, food items and sodium hypochlorite were donated
- Conducted Capability Building/Training for Purok Leaders and Officers of Barangay Tonggo and Timoga, Iligan on December 13
- Pamaskong Handog with Iligan City Police Station 2 for 70 families on December 22
- Pamaskong Handog for Purok 1&2- Tonggo, & Purok 13- Timoga for 200 children and MVC Scholars on December 23
- Donation of school supplies to Purok 13 - Timoga Youth Organization last Nov 16.

- Donation of school supplies for the “Angel Project Tree” in collaboration with DOLE-FFWC last November 8, 2024 for the working children at DSWD
 - Donation and distribution of Jollibee food packs and Christmas Gifts for Timoga Day Care Center during their Christmas Party on Dec. 14
 - Donation for Brgy. Digkilaan - Lay Spiritan Associates of the Philippines - Iligan City Community for their gift giving to Bulalang Elementary School.
 - Organized the MVC Retirees Reunion and Fellowship last Dec 28, 2024
4. “My Voluntary Contribution Drive” (M.V.C.) aimed to raise funds through employee donations:
 - To support operational needs of Tahanan ng Pagmamahal Inc.
 - To support school needs of MVC scholars
 5. Activities under the Labor-Management Cooperation and through the Industrial Peace Council in Iligan and Council of Solidarity in Luzon were Health Awareness Campaign, Brigada Eskwela, Flores de Mayo, and Pamaskong Handog for adopted indigent communities in Iligan, and other Community Outreach programs. All these programs were made possible with management-union participation and cooperation.
 6. Small Improvement Group Activities-Productivity in Action program (SIGA-SI-PIA) aimed to imbibe a performance-based culture which remains an important direction for the Company, as well as recognition of employee contributions to productivity.
 7. Corporate Council on Quality, Safety, Security, Health and Environment (CCoQSSHE) and Council of Solidarity (COS) continuously carried out programs for the health and welfare of the employees and their families/dependents such as the Palaro / Sportsfest, Bowling Tournament, Family Day, Productivity Talks, Nutrition Programs, Health Talks, and Annual Physical Examination for employees and dependents.

The Company submitted its Integrated Annual Corporate Governance Report (I-ACGR) on 30 May 2024 in compliance with SEC Memorandum circular No.15, series 2017.

The directors and officers of the Corporation have attended Corporate Governance Seminars in compliance with SEC Memorandum Circular No. 20, series of 2013 and the Corporation's Manual on Corporate Governance.

The Independent directors have submitted their Certificates of Qualification as required by the SEC vis-à-vis Section 38 of the Securities Regulation Code.

PART VI – SUSTAINABILITY REPORT

Please refer to attached Sustainability Report

PART VII - EXHIBITS AND SCHEDULES

(a) Exhibit

* 2024 Audited Financial Statements

(b) Reports on SEC Form 17-C

07 February 2024	<ul style="list-style-type: none"> • Setting of the Annual Stockholders' Meeting (ASM) date and fixing of Record Date, Approval for ASM to be held via remote communication • Approval of extension of terms of the existing loan receivables to PRII amounting to Six Hundred Million Pesos for a period of not more than one hundred eighty (180) days from 04 February 2024 (original date) to 03 August 2024
28 February 2024	<ul style="list-style-type: none"> • Appointment of external auditors Y2024 • Board approval of Audited Financial Statements (AFS) for the period ended 31 December 2023 and its release/issuance
18 April 2024	<ul style="list-style-type: none"> • Advisement Report on Material Related Party Transaction
25 April 2024 (Board)	<ul style="list-style-type: none"> • Declaration of Cash Dividend • Approval of Revised Shareholders' Agreement between MVC and MVC Retirement Fund
25 April 2024 (ASM)	<ul style="list-style-type: none"> • Election of Directors Y2024-2025 • Ratification of Acts and Proceedings of the Board of Directors, Officers and Management from 27 April 2023 up to 25 April 2024 including the Revised Shareholders' Agreement between MVC and MVC Retirement Fund • Approval of Y2023 Annual Report and Audited Financial Statements • Appointment of External Auditor Y2024
25 April 2024 (Organizational Meeting)	<ul style="list-style-type: none"> • Election of Officers/Committee Members Y2024-2025
15 May 2024	<ul style="list-style-type: none"> • Approval of SEC Form 17-Q for the period ended 31 March 2024
21 June 2024	<ul style="list-style-type: none"> • Resignation of Mr. Satoshi Maruyama as Director, effective 21 June 2024 • Election of Mr. Kazuya Nishisaka as Director to replace Mr. Satoshi Maruyama effective 21 June 2024
18 July 2024	<ul style="list-style-type: none"> • Reduction of the existing loan receivables from PRII from Six Hundred Million Pesos to One Hundred Million Pesos and approval of extension of the term of the loan granted to PRII for a period of not more than one hundred eighty (180) days, from 03 August 2024 (original due date) until 30 January 2025.
14 August 2024	<ul style="list-style-type: none"> • Approval of SEC Form 17-Q for the period ended 30 June 2024
15 August 2024	<ul style="list-style-type: none"> • Resignation of Mr. Yasuhiro Fukuki as Director, Member of the Executive Committee and Member of the Executive Compensation Committee, effective 16 August 2024 • Election of Mr. Hiroyuki Kobayashi as Director, Member of the Executive Committee and Member of the Executive Compensation Committee to replace Mr. Yasuhiro Fukuki, effective 16 August 2024
14 November 2024	<ul style="list-style-type: none"> • Approval of SEC Form 17-Q for the period ended 30 September 2024

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporate Code of the Philippines, this amended annual report has been signed on behalf of the issuer, by the following persons in the capacities and on the dates indicated.



STEVE S.C. PANGILINAN
President and Chief Operating Officer

MARIA MELVA E. VALDEZ
Corporate Secretary



MICHAEL S. YU
Treasurer



FATIMA BIANCA C. LENON
Accounting Manager

NOTE: There is no "Comptroller" position in the existing organizational structure of MVC.

SUBSCRIBED AND SWORN to before me this APR 15 2025 day of April 2025, affiants exhibiting to me their Tax Identification Number (TIN)/Social Security System (SSS) ID Nos., as follows:

AFFIANTS	TIN/SSS Nos.
Steve S.C. Pangilinan	112-075-833
Maria Melva E. Valdez	123-493-209
Michael S. Yu	193-284-786
Fatima Bianca C. Lenon	242-635-363

Doc. No. 320
Page No. 65
Book No. XXVIII
Series of 2025

ATTY. GERVASIO B. ORTIZ JR.
NOTARY PUBLIC
Makati City
Until December 31, 2026
IBP No. 05729-Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-007 (2025-2026)
PTR No. 10466005 Jan. 2, 2025/Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

Upon the written request of the stockholder, the Company undertakes to furnish said stockholder a copy of SEC Form 17-A free of charge, except for exhibits attached thereto which shall be charged at cost. Please direct all requests to the Corporate Secretary, Atty. Ma. Melva E. Valdez, at the following address:

Mabuhay Vinyl Corporation
22F The Salcedo Towers
169 H.V. Dela Costa Street, Salcedo Village
Barangay Bel-air, Makati City
Attention: The Corporate Secretary

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporate Code of the Philippines, this amended annual report has been signed on behalf of the issuer, by the following persons in the capacities and on the dates indicated.



MARIA MELVA E. VALDEZ

Corporate Secretary

NOTE: There is no "Comptroller" position in the existing organizational structure of MVC.

SUBSCRIBED AND SWORN to before me this ____ day of APR 14 2025 in Pasig City; affiant exhibited to me his / her competent proof of identity by way of TIN with no. 123-493-209 issued on _____ and expiring on _____, which bears the affiant's photograph and signature.



HANNA DOMINIQUE H. BESA

Notary Public – Pasig City Appointment No. 209 (2025-2026)

VALID UNTIL 31 DECEMBER 2026

17th Floor, Robinsons Equitable Tower No. 4 ADB Avenue
cor. P. Poveda Drive Origas Center, Pasig City

IBP No. 497330 / 3 January 2025 / Rizal (RSM) Chapter

PTR No. 3061438/ 7 January 2025 / Pasig City

MCLE Compliance No. VIII-0023849 / 14 April 2028

Roll of Attorneys No. 92040

Doc. No. 18
Page No. 5
Book No. 1
Series of 2025

Upon the written request of the stockholder, the Company undertakes to furnish said stockholder a copy of SEC Form 17-A free of charge, except for exhibits attached thereto which shall be charged at cost. Please direct all requests to the Corporate Secretary, Atty. Ma. Melva E. Valdez, at the following address:

Mabuhay Vinyl Corporation
22F The Salcedo Towers
169 H.V. Dela Costa Street, Salcedo Village
Barangay Bel-air, Makati City
Attention: The Corporate Secretary

INDEX OF EXHIBIT

EXHIBIT A

AUDITED FINANCIAL STATEMENTS
For the year 2024 and 2023

SEC No. : PW00000216

File No. : ____

MABUHAY VINYL CORPORATION

22F Salcedo Towers, 169 H.V. Dela Costa St., Bel-Air
Salcedo Village, Makati City

(632) 8817-8971 to 76
(Telephone Numbers)

(632) 8816-4785 or 8894-5325
(Fax Numbers)

01 January to 31 December
(Calendar Year Ending)

2024 SUSTAINABILITY ANNUAL REPORT

(Form Type)

For The Calendar Year Ended December 31, 2024

(Period Ended Date)

SECURITIES AND EXCHANGE COMMISSION

SUSTAINABILITY REPORT

Pursuant to Memorandum Circular No. 4 Series of 2019

(ATTACHMENT TO SEC Form 17-A)

1. For the yearly period ended : **December 31, 2024**
2. Commission Identification Number : **PW00000216**
3. BIR Tax Identification Number : **000-164-009-00000**
4. Exact name of issuer as specified in its charter : **Mabuhay Vinyl Corporation**
5. Province or country of incorporation : **Philippines**
6. Industry Classification Code : **20116**
7. Address of issuer's principal office : **22F Salcedo Towers,
169 H.V. Dela Costa St., Bel-Air
Salcedo Village, Makati City**
8. Post Office Box : **P.O. Box 2613 Makati Central
Post Office, 1266 Makati City**
9. Issuer's telephone number : **(632) 8817-8971 to 76**
10. Securities registered pursuant to Sections 4 and 8 of the RSA:
 - Title of Each Class : **Common Shares**
 - Number of Shares Outstanding : **661,309,398 shares as of
Dec. 31, 2024**

This Sustainability Report follows the guidelines set forth by the Global Reporting Initiative's (GRI) Sustainability Reporting Standards.

GRI 102: General Disclosures

1. Organizational Profile

102-1	<p>Name of Organization</p> <p>Mabuhay Vinyl Corporation</p>
102-2	<p>Primary products, activities and/or services</p> <p>MVC is engaged in the sale, production, importation, trading and distribution of the following basic chemicals:</p> <ol style="list-style-type: none"> 1. Liquid Caustic Soda 2. Hydrochloric Acid 3. Liquid Chlorine 4. Sodium Hypochlorite
102-3	<p>Location of headquarters</p> <p>22F Salcedo Towers 169 H.V. Dela Costa St., Bel-Air Salcedo Village, 1209 Makati City, Philippines</p>
102-4	<p>Location of Operations</p> <ol style="list-style-type: none"> 1. Office – Salcedo Towers, 169 H.V. Dela Costa St., Salcedo Vill., Makati City 2. Plant – 109 Commerce Road, Laguna Technopark Inc., Binan, Laguna 3. Plant – Assumption Heights, Buru-un, Iligan City 4. Depot – Batangas Bay Terminal Inc. Compound, Bauan, Batangas 5. Depot – Ouano Reclamation Area, Mandaue City, Cebu 6. Depot – Bago City, Negros Occidental 7. Depot – Pacific Oil Farmers, Inc. Compound, Bunawan, Davao City
102-5	<p>Ownership and Legal Form</p> <p>Mabuhay Vinyl Corporation (MVC) was incorporated and duly registered with the Philippine Securities and Exchange Commission as a rubber shoe manufacturer on July 20, 1934 under the name Mabuhay Rubber Corporation, and was reorganized in 1960 to engage in chemical and PVC resin manufacturing. The name Mabuhay Vinyl Corporation was adopted in October 10, 1966. The company corporate life was extended in 1984 by another 50 years up to July 20, 2034.</p> <p>MVC's major shareholder is Tosoh Corporation of Japan (87.9748%).</p>
102-6	<p>Markets served</p> <p>MVC is the only manufacturer of liquid caustic soda and liquid chlorine in the Philippines. It is also the largest supplier of liquid caustic soda, hydrochloric acid and merchant sodium hypochlorite in the country.</p> <p>MVC primarily serves the domestic market such as manufacturing industries, power plants and water utilities.</p>

102-7

Scale of the organization

Total Number of employees:	167
Total Number of operations:	7 (Makati, Laguna, Batangas, Cebu, Bago, Iligan, Davao)
Net Sales:	Php 3,074,068,637
Total Capitalization:	Php 661,309,398
Quantity of products provided:	
a. Caustic Soda	20,444 Dry Metric Tons
b. Hydrochloric Acid	37,299 Liquid Metric Tons
c. Liquid Chlorine	5,840 Metric Tons
d. Sodium Hypochlorite	55,691 Metric Tons

102-8

Information on employees and other workers

	Number of Employees	
	Male	Female
1. Makati	11	15
2. Laguna	7	-
3. Batangas	4	-
4. Cebu	5	1
5. Bago City	1	-
6. (Negros Occidental)		
7. Davao	3	
8. Iligan	100	20
Total	131	36

MVC Site	Number of Employees				
	Management Group	Supervisory		Rank and File	
		Non-CBA	CBA	Non-CBA	CBA
1. Makati	10	15	0	0	0
2. Laguna	1	5	0	1	0
3. Batangas	0	1	0	3	0
4. Cebu	1	2	0	3	0
5. Bago City					
6. (Negros Occidental)	0	0	0	1	0
7. Davao	2	0	0	1	0
8. Iligan	10	38	11	0	62
Total	24	61	11	9	62
Age Profile		Number of Employees			
Below 30 years old		1	28	2	17
30 – 40 years old		7	25	9	34
41 – 50 years old		5	6	0	7
51 – 60 years old		11	2	0	4

102-9

Supply chain

Suppliers	Location	Number
Industrial Salt	Australia	1
Electric Power	Philippines	7
Service Contractors	Philippines	12
Logistic Providers	Philippines	25
Traded chemicals	Japan, China, Korea, Taiwan, Indonesia, India	5

MVC's suppliers employ automated and mechanized processes that are not labor-intensive. The most labor-intensive components are the Logistic Providers which are composed of the marine vessel and truck lorry crews.

102-10 Significant changes to the organization and its supply chain

There are no significant changes to the organization's size, structure, ownership and supply chain including the location of its operations, capital structure, location of and relationship with suppliers.

102-11 Precautionary principle or approach

Mabuhay Vinyl Corporation implements a procedure on risk assessment, the Identification of Internal and External Issues and Risks, where every department identifies the issues or risks it may face and identify preventive controls. Evaluation on the identified issues or risks is done regularly.

In addition, the Company, through its EHS team, continually identifies ways to improve its processes and procedures in order to minimize environmental impact in times of emergencies.

102-12 External initiatives

MVC subscribes to the following economic, environmental and social charters, principles and initiatives:

a. United Nations Global Compact Initiative

MVC was a signatory to the UN Global Compact Initiative in May 2002 and has been making a clear statement of this commitment to its stakeholders and the general public since April 2004 through a Communication of Progress section that is part of the company's Annual Report which is distributed to the shareholders and available to the general public.

The UN Global Compact Initiative is a voluntary world-wide commitment to implement universal sustainability principles on human rights, environment and anti-corruption.

b. Responsible Care ®

Responsible Care is the chemical manufacturing industry's environmental, health, safety and security performance initiative.

102-13 Membership in associations

1. Samahan sa Pilipinas ng mga Industriyang Kimika (Chemical Industries Association of the Philippines)
2. Federation of Philippine Industries
3. Philippine Business for Social Progress
4. Iligan Bay Chamber of Industries
5. Semiconductor and Electronics Industries in the Philippines, Inc.
6. The Philippines-Japan Economic Cooperation Committee, Inc. (PHILJEC)
7. People Management Associations in the Philippines (PMAP)
8. Makati Business Club

2. Strategy

102-14 Statement from Senior decision maker

The management of MVC firmly believes that the company must operate

in a manner that enables it to grow its present business without compromising the ability of the company and the future generations to meet their own needs.

The management also puts emphasis in the exploration of carbon emission reduction measures, and prioritizes the need to continuously improve inefficient processes through the use of technological innovations in line with the country's UNDP goals.

Through Sustainability Reporting, the company is able to assess and manage its economic, environmental and social impacts which ultimately benefits stakeholders interested in the organization's ability to create value over time including employees, customers, suppliers, investors, business partners, local communities and regulators.

102-15

Key impacts, risks and opportunities

102-34

Nature and total number of critical concerns

The following are the key risks MVC recognizes and manages:

- **Market risk**
MVC sells to a wide range of industries and customers. Except for a petroleum and petrochemical producer, no other customer accounts for more than 10% of revenues. Sales contracts are likewise not longer than 1 year in duration. A certain portion of sales is based on an annual fixed price contract. Fixed price sales contracts are hedged by a) allocation of products sourced from local production and/or b) securing imported material at a price favorable to supplying the fixed-price sales contract.
- **Credit risk**
There is credit risk as the Company's counterparty may fail to perform its obligations. To manage this risk, it is the Company's policy to require all customers, who wish to trade on credit terms, to comply with and undergo the credit verification process. This process emphasizes on the customer's capacity and willingness to pay. In addition, receivables are closely monitored so that exposure to bad debts is minimized.
- **Human Resource risk**
This is the lack of qualified and capable people to manage the business and operate the plants due to retirement or resignations. To address this risk, MVC continually implements training programs to enhance the capability and experience of its employees based on future expected requirements arising from retirement or expansion. Employee engagement activities are also conducted to minimize resignations.
- **Competitive risk**
The risk of declining business revenue or margins due to the actions of a competitor, higher cost of goods (for traded products), higher cost of production (for manufactured products), and distribution. Management regularly reviews and analyzes its cost to ensure competitiveness. Traded goods are procured on a spot basis to ensure the material's cost is reflective of market situation.
- **Foreign Currency risk**
The risk that the fair value of future cash flows from the Company's foreign currency denominated assets or liabilities may fluctuate due to changes in foreign exchange rates. The Company manages this exposure by matching its receipts and payments for each individual currency. Purchases of finished goods and raw materials are subject to an open account from foreign suppliers and are settled immediately

through a purchase of dollars from a local bank at spot rate once all documentation requirements are complete. The Company may also enter into currency forward contracts to manage the currency risks.

- **Liquidity risk**
Liquidity risk arises when a company encounters difficulties in meeting commitments associated with financial instruments. Such risk may result from inadequate market depth, disruption or refinancing problems.
The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and purchase contracts. Loans through trust receipts availed for operating requirements usually mature within 180 days while trade and other payables usually mature within 60 days. The Company also has existing credit lines with local banks which could be drawn when necessary.
- **Environmental impact**
As a chemical company, pollution is a major concern and must be avoided at all times. To promote environmental preservation, MVC must ensure that the environmental implications of every proposal or actions undertaken are considered before the decisions are implemented.
MVC is committed to provide clean, orderly and safe working conditions for the health and welfare of employees, customers and members of the community. The company implements systems and processes that ensure compliance with all laws on Safety, Health and Environmental standards.

3. Ethics and Integrity

102-16 Values, principles, standards, and norms of behavior

STATEMENT OF ETHICAL STANDARDS

Mabuhay Vinyl Corporation adheres to the highest ideals of ethics in conducting its business. To this end, the company and its employees shall ensure commitment through words and deeds, to conform to the basic tenets of service, integrity, teamwork, excellence and social responsibility consistent with the value of God-centeredness.

OUR CORPORATE CORE VALUES

Values serve as our guide in our day-to-day behavior as we collectively create our desired organizational culture.

1. God-centeredness
2. Integrity
3. Entrepreneurial Spirit
4. Customer Focus
5. Innovation
6. Teamwork
7. Excellence
8. Social Responsibility

ETHICAL STANDARDS FOR SPECIFIC RELATIONAL DOMAINS

Human Resources

MVC is committed to develop and maintain highly trained employees. As an "equal opportunity employer", MVC adheres to the policy and practice of providing equal opportunities for employment, development and advancement for those qualified, and offering job vacancies and opportunities to qualified existing personnel without regard to sex, age and creed. Bound by the fundamental principles of decency and propriety, MVC

employees should refrain from any behavior and relationships which border on or might be considered obscene, indecent or immoral. As much as possible, let a good, wholesome and clean atmosphere pervade the workplace.

Customers

MVC shall, at all times, seek to attain customer satisfaction and loyalty by delivering only quality products and services, stressing value and safety to the user while affirming the company's reliability. To enhance and maintain customer confidence, an MVC employee is expected to attend to customers in an ethical manner and with utmost competence, knowing that the customers are the reason for the company's existence.

Product Quality and Safety Control

MVC shall:

- Obtain/maintain ISO or other appropriate certifications and observe their procedures to enhance product quality assurances and keep the continued trust of our customers.
- Provide customers with accurate product information. MVC shall design and develop its products in accordance with applicable laws and standards for product safety as well as in consideration of the environment, safety and health.
- Comply with the procedures of Chemical Material Safety Data Sheets (MSDS) when MVC supplies products to customers and carriers.

Shareholders

Being the very source of MVC's lifeblood, shareholders deserve no less than fair and full disclosure of information on the company's worth. Transparency shall always be espoused.

Competitors

MVC undertakes to promote and market its products by abiding by the rules of free competition and fair play. It shall not resort to blackmail negative publicity and similar unfair practices aimed at securing undue advantage over its competitors.

Government

Having in mind the nobility of the government and the integrity of its officials and employees, MVC will not resort to offering or giving questionable payments, expensive gifts, bribes or other similar payments and gifts to public officials and personnel, with or without anticipation of favor, privilege or facilitation. It shall faithfully comply with pertinent and existing statutes, ordinances and regulations. MVC shall comply with applicable laws pertaining to donations for political purposes.

Environmental Conservation and Protection

MVC shall:

- Respect the value of environmental conservation and protection, and comply with applicable environmental laws, regulations and internal MVC policies/rules.
- Be responsible for the entire process from research and development to waste disposal. We will endeavor to reduce material consumption, save energy, decrease waste, and protect the environment.

Community

Being a responsible corporate citizen, MVC undertakes to share in the concerns of the communities where it operates. In conducting its business, it shall observe safe and environment-friendly practices. MVC shall comply with all applicable environmental and ecological statutes, ordinances and

regulations.

Suppliers/Contractors

MVC will only do business with suppliers or contractors who deliver quality materials and services, who safeguard the rights and welfare of its workers by providing wages and benefits that comply with government laws and regulations, and who do not engage in forced labor and the hiring of minors. MVC will only do business with suppliers/contractors who commit to contribute and abide with the company's programs on security, health, safety, environment and social responsibility. MVC will place an order for production, maintenance, or other services to a contractor with a written document that specifies all purchase conditions, and will not engage in unfair treatment of contractors, including unjustified delay in payment, unjustified return, or unjustified discount to the agreed price. MVC shall not give/receive any gift or entertainment to/from a customer or business partner that is outside of accepted social norms.

MVC has also defined Ethical Standards in the areas of:

- *Security Export Control*
- *Compliance with Import and Export Laws and Regulations*
- *Compliance with Antitrust Laws and Regulations*
- *No Relations with Antisocial Force*
- *Intellectual Property Rights Policy*

ENSURING A COMFORTABLE, SAFE, HEALTHY WORKPLACE

MVC shall comply with the law, regulations and norms of the society. The officers and employees shall always act with sound common sense and responsibility as a member of society. Sound common sense and responsibility require genuine and fair respect for societal norms and compliance with applicable laws and rules. Compliance with applicable laws and rules means compliance with the laws listed in this Code, other local and international laws and regulations, pertaining to our business activities, including production, sales, research and development and others. In its production, research and development activities, MVC shall comply with business laws applicable to high-pressure gas, poisonous and deleterious substances, and pharmaceutical affairs. MVC is committed to provide clean, orderly and safe working conditions for the health and welfare of employees, customers and members of the community. A safe and clean place of work dignifies workers and instills pride in employment. The company implements systems and processes that ensure compliance with all laws on Safety, Health and environmental standards. MVC expects its employees to be well-informed on safety and environmental issues. All employees and contractors are mandated to undergo environmental and safety training. They are required to comply with the company's health and safety rules and regulations. In the event of an accident or disaster, MVC shall take appropriate action to minimize damage and notify the relevant departments of the company and government authorities. It shall conduct the appropriate investigation of the accident or disaster and provide the report required within the company promptly.

Stewardship of Social Responsibility

MVC shall endeavor to continuously innovate products that contribute to the healthy development of society, provide a reliable supply of its products, and acquire the trust of society. MVC shall strive to be prosperous business and a cooperative and contributing member of the local communities where it conducts business.

COMPLIANCE WITH RULES OF EMPLOYMENT

MVC shall comply with applicable labor laws and strive to maintain and improve our work environment. It shall control its working days or hours in

accordance with the Labor Law. The company will not allow the consumption or possession of alcohol at the workplace except for specific situations with appropriate, advance corporate authorization, such as company-sponsored events. MVC shall not allow the consumption or possession of any illegal drug at the workplace. MVC shall not engage in political or religious activities at the workplace, including solicitation on behalf of political or religious groups or requests for votes, except for specific situations, i.e. Christmas/Anniversary/First Friday masses, Fiesta mass sponsorship and other religious activities like Daily Prayer Offering, Retreat/Recollection/Way of the Cross during Lenten season which are with appropriate corporate authorization. MVC shall not act unfairly or dishonestly in violation of the requirements and policies stated in our employee manual. It shall not discriminate against any person based on his or her origin, nationality, race, religion, sex, age, handicap or sexual preference. MVC shall not use any child or forced or compulsory labor. MVC shall also not condone any form of sexual harassment, power harassment, violence or bullying, and not engage or condone harsh or abusive words and behavior.

MVC also has specific policies in the areas of:

- *Personal Information Protection*
- *Proper Use of Corporate Assets*
- *Proper Use of Information Technology System*
- *Dispatched Workers*
- *Compliance with Noncompetition Duty*
- *Trade Secrets Control*
- *Prohibition of Insider Dealings*

CONFLICT OF INTEREST

A conflict of interest exists whenever an MVC official or employee by reason of his position or influence, makes use of said position or influence for his personal advantage to the prejudice or detriment of the company. MVC officials or employees are expected to place MVC's interests in any business dealing above any personal interest.

FINANCIAL INTEGRITY

MVC's accounting records accurately and fairly reflect the company's financial condition. The company complies with all laws and regulations, and with generally accepted accounting principles. MVC shall process all business transactions using proper accounting procedures to ensure the reliability of the company's financial reports and its compliance with applicable laws, regulations and internal MVC rules. MVC shall not fraudulently record transactions or have unrecorded assets or liabilities. MVC shall manage and maintain all records of the company's business transactions and activities properly and in accordance with applicable laws and regulations and relevant MVC internal policies. MVC shall provide the appropriate cooperation to internal and external audits as well as investigations by public authorities, and shall not obstruct them by discarding, concealing, or tampering with the records. For investor relations, MVC shall disclose timely and precisely, information regarding the company's business operations and financial results that could materially influence investors' judgments.

VIOLATION OF THIS CODE AND OTHER MVC REGULATIONS

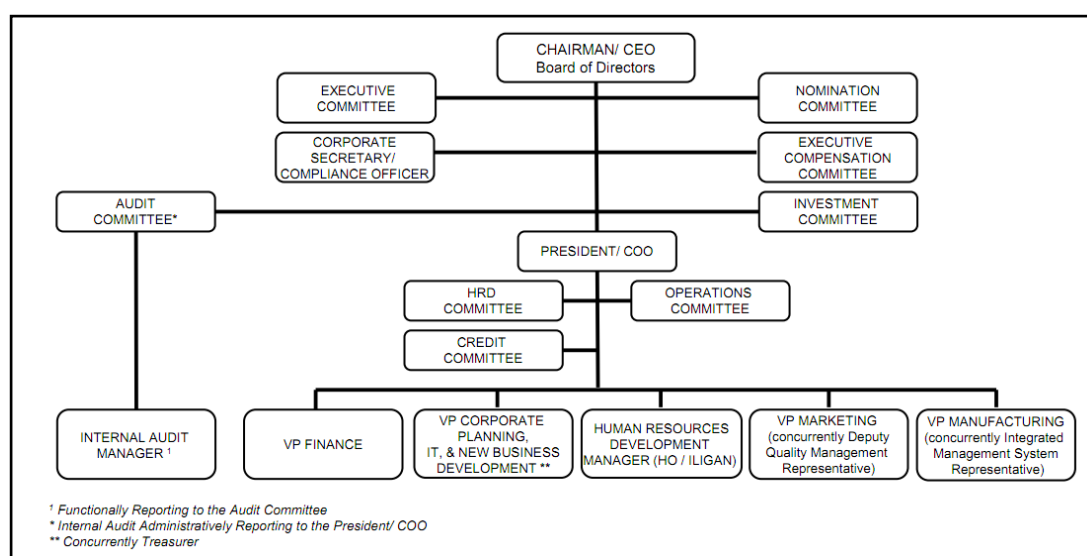
Failure by an MVC officer or employee to comply with this Code of Business Conduct and other regulations governing the Company's business may result in disciplinary action including but not limited to removal from office or termination of employment.

Mabuhay Vinyl Corporation adheres to the highest ideals of ethics in conducting its business. To this end, the company and its employees shall ensure commitment through words and deeds, to conform to the basic tenets of service, integrity, teamwork, excellence and social responsibility consistent with the value of God-centeredness.

The company has an internal reporting system which covers reporting of violations against company policies as well as immoral behaviors. The guidelines aim to provide a sustainable and reliable flow/process of internal reporting in the Corporation and to encourage its application by the employees/officers.

4. Governance

102-18	Governance structure
102-19	Delegating Authority
102-20	Executive-level responsibility for economic, environmental, and social topics
102-22	Composition of the highest governance body and its committees
102-23	Chair of the highest governance body
102-24	Nominating and selecting the highest governance body
102-26	Roles of highest governance body in setting purpose, values, and strategy
102-29	Identifying and managing economic, environmental, and social impacts
102-35	Remuneration policies
102-36	Process for determining remuneration
102-37	Stakeholders' involvement in remuneration



The Board of Directors (BOD) and Management of Mabuhay Vinyl Corporation commit themselves to the principles of good corporate governance as guide in the performance of their functions and accomplishment of MVC's goals and objectives.

BOARD OF DIRECTORS

Compliance with the principles of good corporate governance shall start with the Board of Directors (BOD).

It shall be the BOD's responsibility to foster MVC's long-term success and ensure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which shall be exercised in the best interest of MVC, as well as its shareholders and other stakeholders. To ensure a high standard of best

practice for the corporation, its stockholders, the Board should conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

BOARD COMMITTEES

To aid in complying with the principles of good corporate governance, the BOD shall constitute the following Committees, which shall directly report to the BOD in accordance with procedures duly approved by the BOD. The Committees shall focus on specific board functions to aid in the optimal performance of its roles and responsibilities.

Executive Committee

The BOD shall create an Executive Committee, which shall be composed of not less than three (3) members of the BOD, including the Chairman thereof,

Nominations Committee

The Nominations Committee shall pre-screen and shortlist all candidates nominated to the BOD elections in accordance with the following qualifications and disqualifications and shall submit the same to the BOD for further review and approval

Executive Compensation Committee

The Executive Compensation Committee is responsible for developing and fixing executive remuneration packages of by-laws officers and directors, and provides oversight over remuneration of senior management and other key personnel to ensure that compensation is consistent with MVC's culture, strategy and internal control environment.

Audit Committee

The Audit Committee shall have the following responsibilities:

- Recommend the approval of the Internal Audit Charter (IA Charter) Through the Internal Audit Unit, monitor and evaluate the adequacy and effectiveness of the corporation's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances shall be in place in order to (a) safeguard the company's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, protect the accuracy and reliability of the company's financial data, and (d) ensure compliance with applicable laws and regulations;
 - Review and monitor Management's responsiveness to the Internal Auditor's findings and recommendations;
 - Recommend to the Board the appointment, reappointment, removal and fees of the External Auditor
- Details are provided in the company's Manual on Corporate Governance

102-21

Consulting stakeholders on economic, environmental and social topics

The company conducts consultations with its stakeholders in the following manner:

	Stakeholder	Method of Consultation
Economic	Shareholders	Budget process and meetings
	Customers	Meetings and surveys
Environmental	Government	Reports
	Host community	Meetings and CSR activities
Social	Host community	Meetings and CSR activities

102-25

Conflicts of interest

Everyone in MVC, its directors, officers and employees, are expected to uphold the interest of the Corporation whenever a conflict of interest arises.

Where a potential conflict of interest arises, a Director must adhere to procedures provided by law and policies of the company. The Directors should ensure that there is transparency in all their decisions and that there is full and accurate disclosure of all material information on the financial and opening results of the company.

102-27	Collective knowledge of highest governance body	In accordance with the Company's Manual on Corporate Governance, a director shall, before assuming as such, be required to attend a seminar on corporate governance, which shall be conducted by a duly recognized private or government institute. If necessary, funds shall be allocated for the purpose of conducting an orientation program or workshop to operationalize the Manual.
102-28	Evaluating the highest governance body's performance	<p>In accordance with the Company's Manual on Corporate Governance:</p> <ul style="list-style-type: none"> • The Board should conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. Every three (3) years, the assessment shall be supported by an external facilitator. • The Board shall have in place, a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, committees and such system shall allow for a feedback mechanism from the shareholders. • Each Committee shall report regularly to the Board of Directors. • The Compliance Officer shall establish an evaluation system to determine and measure compliance with the Manual; subject, however, to the adoption and approval by the BOD. Any violation thereof shall subject the responsible officer or employee to the penalty provided under the Manual.
102-30	Effectiveness of risk management processes	Management conducts a risk assessment and evaluates the effectiveness of countermeasures every six (6) months.
102-31 102-33	Review of economic, environmental, and social topics Communicating critical concerns	MVC has monthly Executive Committee meetings (except for months when there is a scheduled BOD meeting), BOD meetings, and Audit Committee meetings where updates in company operations, financials, and relevant risks faced by the company are discussed.
102-32	Highest governance body's role in sustainability reporting	The Sustainability Report is prepared by the management team and approved by the Board of Directors.

5. Stakeholder engagement

102-40	List of stakeholder groups
	<ol style="list-style-type: none"> 1. Employees / Workers 2. Customers 3. Stockholders 4. Government Agencies

- DOLE
- PHILHEALTH
- HDMF
- SSS/ECC
- OTS
- DENR
- BIR
- BFP
- LGUs
- PDEA
- PPA

5. External Service Providers / Contractors / Suppliers
6. Communities where MVC Operates / Neighborhood
7. NGO's / Professional Associations / Media Group

102-41 Collective bargaining agreements

1. Collective Bargaining Agreement was made and entered between MVC and Rank and File Union since 1978. Latest CBA entered between MVC and Mabuhay Vinyl Employees Union – Federation of Democratic Labor Organizations (MVEU-FDLO) covered the CBA period Y2024-2026 for 62 union member-employees.
2. Collective Bargaining Agreement was made and entered between MVC and Supervisors Union since 1995. Latest CBA entered between MVC and Mabuhay Vinyl Supervisory Union (MVSU) covered the CBA period Y2024-2026 for 11 supervisory union member-employees.

102-42 Identifying and selecting stakeholders

Stakeholders are identified and selected based on the following:

1. As interested parties relevant to MVC Integrated Management System
2. Those with relevant requirements – needs and expectations
3. Compliance/ legal obligations
4. Beneficiaries of Corporate Social Responsibility Programs & Activities
5. Those that affect and affected by the business operations

102-43 Approach to stakeholder engagement

1. Upon determination of stakeholder requirements, programs and activities are initiated and implemented, and the status of program implementation monitored.
2. Customer Surveys
3. Employee Satisfaction Surveys
4. Participation to relevant stakeholder welfare activities
5. Participation of workers through policy-determining bodies such as the Corporate Council on Quality, Safety, Security, Health and Environment (CCoQSSHE), Industrial Peace Council (IPC), Council of Solidarity and the other relevant Committees
6. Regular meetings

102-44 Key topics and concerns raised

1. Environmental Protection and Hazards Prevention
2. Compensation and Benefits
3. Safety, Security and Health
4. Livelihood
5. Family Welfare
6. Community Outreach Programs
7. Need for Dialogues and Consultative Meetings

6. Reporting practice

102-45 Entities included in the financial statements

Mabuhay Vinyl Corporation

102-46 Defining report content and topic Boundaries

This report covers the operations of Mabuhay Vinyl Corporation including its manufacturing operations in Iligan & Laguna, and depot operations in Batangas, Cebu, Negros Occidental & Davao.

Specific reporting boundaries are already explicitly shown in this GRI Index Table.

102-47 List of material topics

Materiality Table

Protecting the Environment	Developing our employees	Helping Build Communities	Safeguarding Health, Safety and Security	Contributing to Local and National Economies
<ul style="list-style-type: none"> • Energy conservation • Waste generation, treatment & disposal • GHG emissions • Biodiversity • Environmental advocacy 	<ul style="list-style-type: none"> • Employment • Training & Development • Employee Engagement • Succession Planning and Leadership Development 	<ul style="list-style-type: none"> • Customer Health & Safety • Customer Service • Community Programs • Business Continuity 	<ul style="list-style-type: none"> • Occupational Health & Safety • Compliance to regulations • Customer product handling trainings 	<ul style="list-style-type: none"> • Economic performance • Indirect economic impacts • Procurement practices • Business partners • Supplier assessment • Risk management • Integrity and anti-corruption

102-48 Restatements of information

There are no restatements of information from last year's report.

102-49 Changes in reporting

Energy intensity and GHG intensity are now reported per metric ton product (caustic soda, hydrochloric acid, liquid chlorine and sodium hypochlorite). Previous reports show them per metric ton caustic soda / chlorine ECU (electrochemical unit) pair.

102-50 Reporting period

January 1 to December 31, 2024

102-51 Date of most recent report

The 2023 Sustainability Report was made available last April 15, 2024.

102-52	Reporting cycle
	Annual
102-53	Contact point for questions regarding the report
	Michael S. Yu Vice President, Corporate Planning mikeyu@mvc.com.ph
102-54	Claims of reporting in accordance with the GRI Standards
	This report has been prepared in accordance with the GRI Standards: Core Option.
102-56	External assurance
	No external assurance is provided for this report.

GRI 203: Indirect Economic Impacts

203-1	Infrastructure investments and services supported
	<p>a. Education</p> <ul style="list-style-type: none"> ▪ Facilitated Plant Tour of the students from Philippine Science High School – Northern Mindanao Campus, Iligan Medical Center College – Grade 12 students and MSU – Marawi Agricultural Engineering students ▪ Donation of snacks for the students of Barangay Buru-un, Iligan for the Moving Up Ceremony last May 7 ▪ Participation in the PBSP Ready For School Program where employee-volunteers painted library tables at Rajah Soliman Science & Technology High School, Binondo Manila on July 23 ▪ Facilitated the distribution of Sodium Hypochlorite for 25 schools within Iligan City from July 24 to 25 as part of the Brigada Eskwela initiative ▪ Conducted Brigada Eskwela at San Miguel Day Care Center at Bauan, Batangas on August 16, where workbooks were distributed to students and donation of TV to be used as learning aid ▪ Distribution of school supplies to MVC scholars ▪ Facilitated employee participation in the Jollibee “Run for Joy” which proceeds will be used to support Jollibee’s mobile library school recipients ▪ Donation of Jollibee Food Packs and Christmas Gifts for Timoga Day Care Center students during their Christmas Party on December 14 ▪ Donation of school supplies to the following: <ul style="list-style-type: none"> ▪ Timoga Youth Organization of Purok 13 Iligan City ▪ Angel Project Tree in collaboration with DOLE-FFWC in Iligan City <p>b. Environment</p> <ul style="list-style-type: none"> ▪ Conduct of bamboo planting activity as part of Women’s month Celebration in collaboration with DENR, Barangay Buru-un Council and Buru-un Women in Iligan City ▪ Conduct of Lakbay Linis with MVC employees and scholars

- Participation in the coastal clean-up at Barangay Tomas Cabili, Iligan as organized by the Philippine Coast Guard in celebration of Clean Ocean Day
- Participation in the Coastal Clean-Up activity in Batangas organized by MVC's depot lessor, Batangas Star Port Services Inc. on June 14
- Mangrove Planting activity in celebration of Arbor Day on June 25
- Participation in the Tree Planting Activity of 400 Narra seedlings in coordination with Maynilad at IPO Watershed, Norzagaray, Bulacan on July 16
- Celebrated International Coastal Clean Up Day through conduct of cleaning activities at MVC Pier in partnership with the EHS department
- Celebrated Marine and Archipelagic Nation Awareness Month through conduct of cleaning activities at Tominobo, Iligan City
- Conduct of Chlorine Leak Drill at Purok 1 & 2 Iligan City

c. Health

- Medical mission (free clinic) for 55 residents of Purok 13, Timoga, Iligan City
- Facilitated the mobile blood donation drive at the Iligan Plant with 20 MVC volunteers
- Conduct of Mobile Blood Donation in coordination with Philippine Red Cross Iligan City Chapter on June 24
- Conducted Medical Mission for Purok 13, Buru-un Iligan City on July 11
- Luzon employees joined the bloodletting drive of TORM Shipping Philippines Inc. in partnership with the National Children's Hospital on September 27 at Salcedo Towers, Makati City
- Conducted sports clinic for community children in Iligan every Saturday of September
- Facilitated mobile blood donation drive at Iligan Plant in partnership with the National Red Cross, Iligan Chapter on September 25
- Conducted First Aid Training for BDRRMO/Purok Leaders of Barangay Tonggo and Timoga, Iligan on December 13
- Facilitated Mobile Blood Donation on December 27 in Iligan Plant

203-2

Significant indirect economic impacts

1. Continuing capability building and support to the Hypochlorite Repacking Livelihood Project initiated by Mabuhay Vinyl Corporation through the started up Timoga Multi-Purpose Cooperative. The livelihood project is now a multi-million repacking and selling business from its humble beginning of 3 drums hypo worth P5,000 as investment capital. The business improved the quality of life of at least 100 families in a once indigent community of Purok 13, Timoga, Iligan City.
2. Support to academe-industry linkage research and immersion programs, on-the-job trainings of graduating students and other related educational programs, i.e MSU-IIT, MSU-Marawi, MSU-Naawan, San Carlos, UP-Visayas, St. Michael's College, St. Peter's College and other schools & universities.
3. CSR donations in cash or in kind to LGU's, Schools, religious organizations, community organizations such as purok, women's and fisherfolks associations.

GRI 204: Procurement Practices

204-1 Proportion of spending on local suppliers

The Company follows the standard procurement practices that promote transparency and equality among suppliers. The procurement policies and procedures of the Company aim to conduct business with its suppliers on an arm's length basis and under fair terms and conditions. All officers and employees of the Company involved in the procurement process for materials and services are required to comply fully with the established procurement policies.

As part of our corporate social responsibility, the Company is committed in working with local suppliers to promote their access to business opportunity and growth. In 2024, around 49% of materials and services were procured from local suppliers, from 50% of 2023. These suppliers are appraised annually to ensure that they provide the best value to the Company.

Supplier Accreditation and Evaluation

As business partners of Mabuhay Vinyl Corporation, suppliers are expected to deliver the materials and/or services within the established requirements. The Company, having two HALAL Certifications with the IDCP and HDIP, ensures that procured critical raw materials have Halal Certificates. In ensuring that the Company deals with reliable and competent suppliers, a vendor accreditation process was developed examining the suppliers' impact on the Company's operation and Safety, Health, and Environment. The company implements systems and processes that ensure suppliers compliance with all laws on Safety, Health and Environmental standards. The Company, before selecting suppliers, requires that they comply with all the regulatory requirements and are able to manifest their financial ability to supply the needed materials and/or services.

To enhance sustainability of the Company's procurement process, suppliers' performance is evaluated annually based on their ability to meet criteria focusing on the quality of the product delivered, timeliness of delivery, price competitiveness and compliance to Health, Safety & Environment.

GRI 205: Anti-Corruption

205-1 Operations assessed for risks related to corruption

MVC's long years of operation are grounded in maintaining high ethical standards in the conduct of its business. The Company has developed its Code of Conduct, Employee Handbook and policies; these outline MVC's ethical principles and core values that it adheres to and serves as a guide in relating with co-employees, customers, and all the Company's other stakeholders. MVC also has a policy on Compliance with Anti-bribery and Corruption.

The Company expects its employees to appropriately observe all laws, regulations, internal policies/rules, and social norms applicable to our daily business activities, to foster respect, fairness and integrity. None of our business operations were assessed for risks related to corruption.

205-2 Communication and training about anti-corruption policies and procedures

The Company, through the HR Department, conducts regular and up-to-date communication on the provisions of the policy as it directly applies to

everyday business practices, during new employee orientation and regular re-orientations for existing employees. All employees shall sign an attestation confirming their understanding and acceptance of the policy.

Each employee has a copy of the Company's Code of Conduct and Employee Handbook; policy on the Compliance with Anti-bribery and Corruption is also available for all employees to access.

205-3 Confirmed incidents of corruption and actions taken

We are not aware of any incident of corruption during 2024.

GRI 206: Anti-Competitive Behavior

206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

The company has established policy on Compliance with Antitrust or Competition Law which aims to provide all company employees with tools to identify situations that might run against such issuances on antitrust / competition law requirements and undertake immediate steps to address or correct the situation.

We are not aware of any legal actions pending or completed during 2024 regarding anti-competitive behavior and violations of anti-trust.

GRI 301: Materials

301-1 Materials used by weight or volume

	Total Qty used in production
Salt	35,347 metric tons
Water	8,337 million liters (Iligan) 31.424 million liters (MPBP)
Bunker Fuel	2.277 million liters

The major raw material in the manufacturing of chlor-alkali products is industrial salt. This is externally sourced from the salt mines of Australia with a minimum purity of 96%. It is combined with water to produce a brine solution which then undergoes a series of treatment steps leading to one of the Company's major unit operation.

301-2 Recycled input materials used

Lean brine, containing 17% salt, is recycled back to the start of the process.

301-3 Reclaimed products and their packaging materials

Spent caustic soda from customers is recovered for treatment.

GRI 302: Energy

302-1 Energy consumption within the organization

For 2024:

Site	Total Energy Consumption (kWh)
Iligan Plant	54,773,485
Laguna Plant	197,360

302-2 Energy consumption outside of the organization

No disclosures are provided for energy consumption outside of the organization.

302-3 Energy intensity

MVC's energy intensity for 2024 based on electrical consumption from non-renewable source per product is shown below.

Energy Intensity	2023	2024
Caustic Soda (kWh/DMT NaOH)	437.65	390.88
Hydrochloric Acid (kWh/LMT HCl)	140.05	125.08
Liquid Chlorine (kWh/MT Cl ₂)	437.65	390.88
Sodium Hypochlorite (kWh/MT Hypo)	15.35	18.92

The decrease in energy intensity, compared with 2023, is due to lower non-renewable source of energy for production. Non-renewable source of electricity was reduced by 1%, and fuel usage in the production process was reduced by 15% compared to 2023.

The Company has programs to reduce the use of electricity and fuel in its operations.

302-4 Reduction of energy consumption

Compared with 2023, MVC Iligan Plant's total energy consumption decreased by 0.31% for 2024 due to a lower production volume.

302-5 Reductions in energy requirements of products and services

Topic is not applicable since MVC's products are chemicals.

GRI 303: Water and Effluents

303-1 Interactions with water as a shared resource

a. Iligan Plant:

Water coming from the Agus River and Mimbalut is a surplus and renewable resource near Iligan Plant and is used in the various chlor-alkali production processes. Municipal water, used for firefighting, cleaning, gardening, cooking and other activities, is sourced from Iligan City Waterworks System.

Spent water coming from the different production processes is subjected to pH adjustment and then discharged to Agus River, Timoga Creek and Iligan Bay.

b. MPBP (Laguna) Plant:

The plant is located inside the Laguna Technopark Industrial Park where

water is supplied by Laguna AAA Water. The plant practices zero-discharge wherein all water used in production processes are recycled and reused.

303-2 Management of water discharge-related impacts

MVC complies with the Water Quality Guidelines and General Effluent Standards under DAO 2016-08 of the Department of Environment and Natural Resources (DENR).

For the Iligan Plant, Agus River and Timoga Creek are both classified as Class C freshwater bodies while Iligan Bay is Class SC marine waters. To meet the requirements of DAO 2016-08, spent water from the various processes are treated prior to discharge into the receiving bodies of water. Monitoring equipment and other safeguards are also provided to ensure that compliance to effluent standards is met.

303-3 Water withdrawal

Water Source	Total Water Withdrawal (ML)
Agus River	1,057
Mimbalut Creek	7,280
ICWS	14.8
Laguna	31.424

303-4 Water discharged by Plants

Total water discharged for MVC Iligan Plant is 1,316 million liters. Spent water is treated to meet regulatory requirements prior to discharge. MPBP has zero discharge.

303-5 Water consumption

Total water consumption for MVC Iligan Plant is 8,337 million liters.
Total water consumption for MPBP is 31.424 million liters.

GRI 304: Habitats Protected or Restored

- 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas;
- 304-2 Significant impacts of activities, products and services on biodiversity;
- 304-3 Habitats protected or restored

- At MVC's manufacturing complex in Iligan City which is 60 meters above sea level, nestled a man-made Victor and Patro Park and Lagoon, which is regarded by the Iligan City Tourism must-see attraction for nature lovers and environmental enthusiasts. The Park and Lagoon is famous for its natural fauna and flora and has become the sanctuary or home to dozens of endangered iguana species and other wildlife like birds, butterflies and some other flying and crawling species. Wildlife from the protected areas of Maria Cristina Falls that is a stone throw away often visits the park and lagoon area.
- Fishing ban surrounding the MVC pier in Iligan City resulted to breeding and restoration of schools of fish in the area which now became a fish sanctuary. Neighboring communities and fishermen nearby had already benefited due to this protection.
- MVC actively support mangrove planting and growing restoration in Bayug, Iligan City, a multiple-joint project of Iligan LGU's, government agencies, institutions and Iligan Bay Chamber of Industries where MVC is a member industry.

GRI 305: Emissions

305-1 Direct (Scope 1) GHG emissions

In 2024, total direct GHG emission for Iligan Plant is 6,838.23 metric tons of CO₂ equivalent based on fuel oil and diesel consumption, while for MPBP Plant is 4.04 metric tons of CO₂ equivalent based on diesel consumption.

Source of emission factors and global warming potential (GWP) rates is the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, revised edition.

305-2 Energy indirect (Scope 2) GHG emissions

In 2024, total indirect GHG emission for Iligan Plant is 14,048.24 metric tons CO₂ equivalent, while for MPBP Plant is 136.87 metric tons CO₂ equivalent based on the energy consumption from non-renewable sources.

Grid Factor used for equivalent GHG emissions of purchased electricity is from DOE's 2019-2021 Luzon-Visayas & Mindanao Grid Emission Factor based on the published DOE power statistics data, while global warming potential (GWP) rates used is the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, revised edition.

305-3 Other indirect (Scope 3) GHG emissions

No disclosures are provided for Indirect GHG emissions.

305-4 GHG emissions intensity

The GHG emissions intensity for MVC Iligan Plant and MPBP shown below is based on the total direct and indirect GHG emissions divided by the 2024 production volume.

GHG Intensity	2023	2024
Caustic Soda (MT CO ₂ /DMT NaOH)	0.606	0.499
Hydrochloric Acid (MT CO ₂ /LMT HCl)	0.194	0.160
Liquid Chlorine (MT CO ₂ /MT Cl ₂)	0.606	0.499
Sodium Hypochlorite (MT CO ₂ /MT Hypo)	0.043	0.035

The reduction in emission intensity, compared with 2023, is due to the decrease of the coal component (non-renewable source) in MVC's purchased electricity and decrease of fuel usage in the production process.

305-5 Reduction of GHG emissions

One of the Company's targets is to reduce GHG emissions by improving the efficiency of current equipment in the manufacture of chlor-alkali products by ion exchange membrane technology and attaining the planned specific usages for fuel oil and power.

MVC's IEM 2 Modernization Project, which started its commercial operation in 2024, implements the latest technologies that will reduce power and steam consumption, generate steam from waste process heat and utilize the hydrogen gas by-product as supplemental boiler fuel. Through these energy-efficient

technologies, MVC was able to further reduce its GHG emission.

305-6 Emissions of ozone-depleting substances (ODS)

MVC does not use or purchase materials and equipment with ozone-depleting substances.

305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions

Based on the September 25, 2024 stack sampling analysis by a DENR-accredited testing laboratory on the emissions of the primary boiler used in the production of steam in Iligan Plant, the quantity of significant air emissions is as follows:

- Particulate Matter – 55 mg/Ncm
- NOx – 193 mg/Ncm
- SOx – 283 mg/Ncm
- CO – 364 mg/Ncm

These results are in compliance with the National Emission Standards for Source Specific Standards by the DENR.

GRI 306: Effluents and Waste

306-1 Water discharge by quality and destination

For Iligan Plant:

Water Body	Discharge (m ³ /day)	Quality (Average pH)	Acceptable Quality	Status
Agus River	54.4	8.54	6.0 to 9.5	Pass
Timoga Creek	65.0	8.85	6.0 to 9.5	Pass
Iligan Bay	32.5	8.35	6.0 to 9.0	Pass

MPBP has zero discharge.

306-2 Waste by type and disposal method

For MPBP, the quantity of generated hazardous and non-hazardous wastes are as follows:

Type	2023	2024
<i>Hazardous wastes</i>		
Oil (used) – inventory only	470 li	0 li
Containers – inventory only	191 bottles	0 bottles
<i>Non-hazardous wastes</i>		
Solid wastes (dried sludge)	4,956 kg	5,897 kg

Due to their minimal amount, used oil (in HDPE drums) and small chemical containers are kept stored at the MRF. Non-hazardous dried sludge is packed and sent to the Iligan Plant for disposal.

For Iligan Plant, the quantity of generated hazardous and non-hazardous wastes are as follows:

Type	2023	2024
<i>Hazardous wastes</i>		
Recovered fuel oil	14.326 m ³	5.174 m ³
Busted fluorescent bulbs/lamps	20 kg	100 kg
Oil-contaminated materials	1,960 kg	190 kg
<i>Non-hazardous wastes</i>		
Solid wastes	1,098 kg	1,440 kg

Recovered fuel oil from Boiler operations in MVC Iligan Plant and other identified hazardous wastes are treated by DENR-accredited third-party treaters and transporters. Amount of fuel oil generated has decreased due to lower production volume.

Solid wastes are sorted at source as metal, paper, plastics, and biodegradable. Recyclable wastes are brought to the Materials Recovery Facility (MRF) for segregation, reuse and/or resale. Biodegradable wastes are composted and used as landfill material.

306-3 Significant spills

There is no recorded incidence of spills for all MVC sites during 2024.

306-4 Transport of hazardous waste

MVC Iligan Plant contacted different DENR-accredited treater and transporter for the treatment of MVC's hazardous wastes for 2024. Transport, treatment and disposal shall follow proper handling, labelling and manifest procedure according to DENR rules and regulations.

306-5 Water bodies affected by water discharges and/runoff

The receiving bodies of water for MVC's treated used water are Agus River, Timoga Creek, and Iligan Bay. The latter is largely influenced by freshwater run-off from Agus River and Timoga Creek which contributes to a muddy substrate seashore. The coral reef can be found 300 meters from the shoreline. In terms of fish fauna, four coral reef-related species are identified along with other fish commonly caught by fishermen in the area. This is based on the 2001 survey of the area. Iligan Bay is primarily used for fishing, bathing, and other recreational uses.

Since MPBP has zero wastewater discharge, no nearby water bodies are affected.

GRI 307: Effluents and Waste

307-1 Non-compliance with environmental laws and regulations

MVC is compliant with all relevant environmental laws and regulations.

In keeping with our Environmental Management System, MVC has established plans, policies, and procedures to comply with identified relevant environmental laws and regulations promulgated by DENR and other associated governing bodies. Any non-compliance issues are addressed in accordance with documented information on corrective actions.

GRI 308: Supplier Environmental Assessment

308-1 New suppliers that were screened using environmental criteria

The company has set performance rating criteria in evaluating its suppliers. This evaluation process considers assessment of their impact and compliance on Safety, Health and Environment policies of the Company. MVC's Environmental Management System is accredited under ISO 14001 since 2007 and is further certified under the latest version of the standard, ISO 14001: 2015. The Iligan plant was also awarded certification of its Occupational Health and Safety Management System as required by ISO 45001:2018 standards. In addition, the Iligan Plant is also compliant with the Halal Standards and certified under two Halal Certifications from the IDCP and HDIP.

308-2 Negative environmental impacts in the supply chain and actions taken

We are not aware of any negative environmental impacts in our supply chain that occurred in 2024.

GRI 401: Employment

401-1 New employee hires and employee turnover

MVC Site	New Hires	Employee Turnover
Makati	3	4
Laguna	2	1
Batangas	-	-
Cebu	-	1
Bago City (Negros Occidental)	-	-
Davao	1	-
Iligan	13	7
Total	19	13

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

1. Transportation Allowance / Shuttle Service
2. Rice Subsidy
3. Medical Insurance (HMO) including dependents
4. Life Insurance
5. Vacation Leaves
6. Sick Leaves
7. Uniform
8. Maternity Benefit
9. Christmas Package
10. Retirement Benefit
11. Loyalty Awards
12. Bereavement Assistance
13. Merit Increase for Management Group / Across the Board Increase for CBA members
14. Other CBA negotiated benefits

401-3 Parental leave for Solo Parents

As stated in the MVC Employee Handbook, any employee, who has been certified as a solo parent by the Department of Social Welfare and Development (DSWD), shall be entitled to avail of seven (7) working days parental leave in any given year subject to the allowable reasons

stated in the company's policy on leaves under the Solo Parent Act.

GRI 402: Labor/Management Relations

402-1 Minimum notice periods regarding operational changes

There are several communication channels in place to notify operational changes.

1. Through memos at least one-week prior to implementation
2. For significant operational changes which created new rules and guidelines, 2 notices are given – the first is for the soft implementation and the second notice for full implementation after at least a month.
3. Operational changes are communicated through Department meetings, weekly production planning, monthly labor-management meetings through the Industrial Peace Council and Council of Solidarity and monthly Quality, Safety, Security, Health and Environment Council meetings.
4. A bi-monthly publication, the Pipeline, also features information of significant operational changes.
5. Online notifications for real-time communication platform

GRI 403: Occupational Health and Safety

403-1 Occupational health and safety management system

The Company is committed to the prevention of work-related injuries and illnesses to workers and to provide safe and healthy workplaces. Accordingly, the Company takes effective preventive and protective measures to eliminate hazards and minimize Occupational Health and Safety (OH&S) risks.

The OH&S management system of the main manufacturing site in Iligan City is certified with the latest international standard for OH&S which is ISO 45001 version 2018. With this standard, a risk-based approach in identifying workplace hazards and determining the needs and expectations of workers and other interested parties is implemented.

The Company continually improves the suitability, adequacy, and effectiveness of the OH&S management system and determines opportunities for improvement through monitoring, measurement, and analysis of its performance, and through the conduct of internal audit and management review.

The scope of Iligan Plant's OH&S management system covers all employees, in-house contractor personnel in-charge of project and maintenance activities, suppliers/vendors, student On-the-Job trainees, product transport service providers, visitors, and other identified interested parties that have access to plant premises.

403-2 Hazard identification, risk assessment, and incident investigation

The Company has a documented procedure on Hazard Identification, Risk Assessment and Determining Controls, or HIRADC. Hazards due to interaction with people, work environment, machines/equipment, and materials are identified for the following: routine and non-routine activities, off-site activities done by people under the control of the Company, activities outside the plant premises but may affect the workplace, new or proposed/modified processes, and new activities that are part of corrections and/or corrective actions. The OH&S risks are then identified for each

hazard and an assessment of the risks is performed. The hazard is significant if it is covered by legal or regulatory requirements and if incidents have occurred in the past with respect to the identified hazard. Control measures are then provided for significant hazards according to the hierarchy of controls: (1) elimination, (2) substitution, (3) engineering controls, (4) administrative controls and, (5) personal protective equipment. Residual risk assessment is done in order to verify effectiveness of existing controls. A review for changes to the controls is performed annually according to the procedure on Management of Change. The output for such activity is then discussed during the Management Review.

Workers may report in person, in writing, or through the online reporting system any work-related hazard and hazardous situation to their immediate superior, the department manager, or to the Environment, Health and Safety (EHS) Section without fear of discrimination or reprisal. Any reports are treated with confidentiality and subjected to investigation according to the procedures on Accident/Incident Investigation and Corrective Action.

In the event that an incident has occurred, the supervisor of the area involved conducts an immediate investigation and submits a report to the EHS Section. EHS then evaluates and gives recommendations to prevent recurrence of the incident. The details of the incident and corrective actions provided are presented during the monthly Health and Safety Committee meeting, in the form of the CCOQSSHE.

403-3 Occupational health services

The Company is compliant to the requirements mandated by Republic Act 11058 and the Occupational Safety and Health Standards by the Department of Labor and Employment (DOLE) with regard to the provision of competent and qualified Occupational Health (OH) personnel and facilities. Part-time OH Physicians, one (1) each for Iligan Plant and Makati Head Office, as well as one (1) full-time OH Nurse in Iligan Plant, are provided by the Health Maintenance Organization (HMO) provider of the Company to render OH services. Certified first-aiders of the Company are trained annually by DOLE accredited training organizations. The OH personnel are duly complemented with the required medical supplies, equipment, and Clinic facility. In case of emergencies, an emergency service vehicle is readily available for transporting workers to the nearest hospital from the Plant.

Workers' personal health-related information is private and subjected to strict confidentiality. Safeguards are put into place to ensure that medical records are kept classified and restricted to relevant OH personnel and the Management.

403-4 Worker participation, consultation, and communication on occupational health and safety

The Company ensures that appropriate communication, participation, and consultation processes are established on OH&S related matters. Workers are involved, consulted, and represented in the development and review of policies and procedures to manage OH&S issues.

The Corporate Council of Quality, Security, Safety, Health, and Environment (CCOQSSHE) is the planning and policymaking group of the MVC Iligan Plant for the Quality Management System (QMS), Environmental Management System (EMS) and Occupational Safety and Health Management System (OSHMS). It provides the venue for discussion of all matters pertaining to quality, security, safety & health and environment through monthly meetings with representatives from the unions. The CCOQSSHE is the counterpart of DOLE's requirement for a company Health & Safety Committee and is composed of the IMS Management

Representative, EHS Section, department heads, workers' representatives, and chairpersons of committees.

The Industrial Peace Council (IPC) of the MVC Iligan Plant also serves as an avenue for participation of workers in policy and decision-making processes of the Company in so far as those processes will directly affect their rights, benefits and welfare, except those which are covered by collective bargaining agreements or are traditional areas of bargaining. The IPC is composed of representatives from the unions (rank & file, and supervisory), and management group, chairpersons of committees, and department representatives. The IPC is equivalent to the Labor Management Council as required by DOLE. In 2022, the IPC was awarded one of the Country's Outstanding Labor and Management Cooperation by NCMB-DOLE.

403-5 Worker training on occupational health and safety

The Company trains and develops its workers to ensure that all jobs are performed in the required manner and its current and future needs for skills are met. The Company ensures that persons performing work under its control are aware of the OH&S policies and relevant objectives. These policies are also communicated to other interested parties.

The Human Resource Department (HRD) is responsible for establishing, maintaining, and continuously improving systems and procedures to identify training needs, develop training plans and courses, prepare for conduct of trainings, evaluate training effectiveness, and retain documented information on training.

Department and Section Heads are responsible for defining the training needs of workers on OH&S, confirming training plans and courses, ensuring that training programs for workers are implemented, and monitoring and supporting the application of workers learning on the job.

In compliance to RA 11058, all workers, including new hires, are provided training and information for hazards associated with their work, health promotion, health risks involved or to which they are exposed to, preventive measures to eliminate or minimize OH&S risks, emergency response, and safety instructions for activities and tasks handled. All safety and health personnel are required to undergo the mandatory orientation on OH&S as prescribed by DOLE.

403-6 Promotion of worker health

The Company ensures that workers are protected against health hazards in the workplace and provided with access to adequate medical care and treatment.

Workers are required to undergo physical examinations prior to their employment and every year through the Annual Physical Examination (APE).

A clinic is provided within the premises of the Company where workers may be brought for examination and treatment of their injuries or illnesses, medical consultations, or health monitoring by competent and qualified OH personnel.

Medicines, medical supplies and first aid equipment are also provided in the clinic and other strategic locations or in portable kits. The least minimum quantity of each is according to the provisions of Rule 1960 of the OSH Standards.

A 24-hour emergency vehicle is also provided as a means of transportation

and access to the nearest hospital.

Periodic inspection of premises is conducted to ensure that the working environment is fit for all workers.

Personal health maintenance, physical fitness, and proper nutrition practices can be availed by workers through health talks and other proper communication channels so that workers will be adequately informed.

The Company has also implemented a protocol to strengthen the prevention and control of the transmission of COVID-19 in the workplace. Strict measures are in place to ensure that compliance to local and national guidelines are being followed.

403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

The Company has determined the needs and expectations of interested parties that are relevant to the OH&S management system, including those with access to the workplace and their activities, such as contractors, visitors and other persons; those in the vicinity of the workplace who can be affected by the activities of the organization; and workers at a location not under the direct control of the organization.

The requirements of the OH&S management system and other pertinent OH&S information are communicated to the interested parties as identified by the Company.

403-8 Workers covered by an occupational health and safety management system

The scope of the OH&S management system for MVC Iligan Plant involves the following:

- All MVC employees (including regular and probationary, and temporary workers)
- In-house contractors or service providers for projects, maintenance, and other service activities (Electrical, Mechanical, Instrumentation, Steel Works, PVC Works, Carpentry and Masonry, Machining, Rubber-lining, Motorpool, Janitorial, Transportation, Security, Canteen, Product Handling)
- Product trucking service providers
- Suppliers/vendors
- Student On-the-Job trainees
- Visitors (VIP, government inspectors, academe, etc.)
- Other identified interested parties

403-9 Work-related injuries

MVC Iligan Plant has achieved a frequency rate of 0.00 for year 2024; the severity rate is 0. The frequency rate is calculated using the number of disabling injuries or illnesses divided by the employees-hours of exposure, multiplied by the million man-hour unit. The severity rate, on the other hand, is based on the total days lost divided by the employees-hours of exposure, multiplied by the million man-hour unit. The formulas are stipulated in Rule 1050 of the OSH Standards of DOLE.

The 1,500,000 safe man-hours were attained by MVC Iligan Plant last September 23, 2024. Next target safe man-hours is 1,750,000, which will be achieved by September 8, 2025. As of December 31, 2024, safe man-hours for MVC Iligan Plant is 1,572,208.30.

403-10 Work-related ill health

No work-related illnesses have occurred for year 2024 according to the Annual Physical Examination (APE) results and records provided by the Clinic and OH personnel.

GRI 404: Training and Education

404-1 Average hours of training per year per employee

A Training Plan is executed/implemented each year that ensures training for every employee at an average of 24 hours per year:

1. Safety, environment and health related training for 8 hrs.
2. Competency-based training for at least 8 hrs.
3. Continuing Education for Professionals for at least 8 hours
4. Refresher course skills training for rank and file for at least 8 hours

404-2 Programs for upgrading employee skills and transition assistance programs

1. Attendance to Seminars and Conventions
2. Leadership Development Program
3. Supervisory Development Programs / MVC Academy
4. Succession Planning and Intervention Program, On-the -Job Trainings, Job Rotation, Coaching & Mentoring
5. Regular Drills
6. Continuing Education Assistance (Scholarship) Program
7. TESDA Accreditation
8. Certification Programs

404-3 Percentage of employees receiving regular performance and career development reviews

Performance review:

1. Luzon – 100%
2. Cebu – 100%
3. Davao – 100%
4. Iligan – 100%

Career Development review:

1. Luzon – 5%
2. Cebu – 0%
3. Davao – 0%
4. Iligan - 31%

GRI 405: Diversity and Equal Opportunity

405-1 Diversity of governance bodies and employees

MVC adopts the policy of non-discrimination in hiring and promotion regardless of age, gender or sexual preference, and creed or religion.

(Please refer to 102-8)

Percentage of workers by age group

Age Group	Headcount	% of Workers
Below 30 years old	48	28.74%
30 – 40 years old	78	46.71%
41 – 50 years old	23	13.77%
51 – 60 years old	18	10.78%

Governance bodies like the Board of Directors and Management Team's Field of Interest and/or Profession include:

1. Filipino Management Team	<ul style="list-style-type: none"> • Banking and Finance • Engineering / Manufacturing • Law • Mining
2. Japanese Management Team / Counterparts	<ul style="list-style-type: none"> • Accounting and Finance • Chemical Manufacturing • Law • Audit

405-2 Ratio of basic salary and remuneration of women to men

The ratio is 1:1 for male and female. The company's salary structure and salary administration scheme are applicable to all regardless of employee category, gender and age.

GRI 406: Non-Discrimination

406-1 Incidents of non-discrimination and corrective action taken

None. The MVC Employee Handbook has a major section on rules and discipline that have a specific sanction on discriminatory acts. Company policies have specific provision on non-discrimination and stipulation of roles and responsibilities of employer and employees.

GRI 407: Freedom of Association and Collective Bargaining

407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

Since the Iligan Plant was inaugurated in 1965 and the R&F Union was established in 1978, there were no known operations and suppliers which prevented the workers to their right to freedom of association and collective bargaining as management systems and Labor-Management Cooperation (LMC) best practices are in place.

However, for risk assessment purposes, the contractors and vendors are identified as possible suppliers that may pose risk to collective bargaining.

GRI 408: Child Labor

408-1 Operations and suppliers at significant risk for incidents of child labor

- MVC never had an incident of child labor. The corporate policy on Child Protection and Child Friendly Environment Policy laid down worksite programs to ensure that there will be no incidents of child labor starting

from the recruitment and employment process. Should there be employed below 18 years old, guidelines for work arrangement, work accommodation and continuing education are in place.

- MVC extended its commitment to “no child labor” by imposing its child protection policy to contractors and vendors thru contract agreements and inspections.

GRI 409: Forced or Compulsory Labor

409-1

Operations and suppliers at significant risk for incidents of forced or compulsory labor

- MVC ensures that there shall be no incidents of forced and compulsory labor by strict adherence and compliance to Labor Standards and Occupational Health and Safety Standards in all MVC worksites.
- MVC’s continued strict adherence to UNGCI principles of elimination of forced and compulsory labor and the effective abolition of child labor implemented child friendly programs and activities has earned the recognition of the Employers’ Confederation of the Philippines (ECOP) and International Labor Organization. These institutions awarded MVC as a Child Friendly Firm in 2001 and 2007. MVC’s child friendly programs have been institutionalized, and its implementation is improved every year.

From: eafs@bir.gov.ph
Sent: Tuesday, April 15, 2025 2:12 PM
To: FBCLENON@MVC.COM.PH
Cc: FBCLENON@MVC.COM.PH
Subject: Your BIR AFS eSubmission uploads were received

Hi MABUHAY VINYL CORPORATION,

Valid files

- EAFS000164009TCRTY122024-01.pdf
- EAFS000164009ITRTY122024.pdf
- EAFS000164009RPTTY122024.pdf
- EAFS000164009OTHTY122024.pdf
- EAFS000164009TCRTY122024-03.pdf
- EAFS000164009TCRTY122024-02.pdf
- EAFS000164009AFSTY122024.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-ADFHCGBE0QYRXVVV1MP12S4TW07BLCAGL8**

Submission Date/Time: **Apr 15, 2025 02:12 PM**

Company TIN: **000-164-009**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.



MABUHAY VINYL CORPORATION



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **MABUHAY VINYL CORPORATION** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

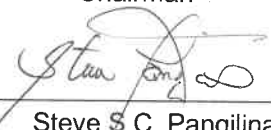
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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


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

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

SyCip Gorres Velayo & Co., the independent auditor appointed by the Stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the Stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature 
Yohei Chikamoto
Chairman

Signature 
Steve S.C. Pangilinan
President

Signature 
Michael S. Yu
Treasurer

Signed this 28th day of February 2025

SUBSCRIBED AND SWORN to before me this MAR 07 2025 day of 2025; affiants exhibiting to me the following:

Yohei Chikamoto	628-429-240
Steve S.C. Pangilinan	112-075-833
Michael S. Yu	193-284-786

Doc. No.: 278
Page No.: 13
Book No.: 13
Series of 2025

ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2025
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 488534 Dec. 27, 2024
MCLE NO.VII-0027570 Roll No. 27932
101 Urban Ave. Campos Rueda Bldg.
Ermita, Manila, Makati City

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

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C	R	M	D
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N	/	A	
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COMPANY INFORMATION

Corpsec@mvc.com.ph

(632) 8817-8971 to 76

0917-857-0633

2,218

Last Thursday of April

12/31

CONTACT PERSON INFORMATION	
NAME	
PHONE	
EMAIL	
ADDRESS	
CITY	
STATE	
ZIP	
COUNTRY	

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

Michael S. Yu

mikeyu@mvc.com.ph

(632) 8817-8971

—

[illegible]

Ocean Tower Condominium, 2044 Roxas Blvd. Malate, Manila

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.



INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Mabuhay Vinyl Corporation
22F The Salcedo Towers
169 H.V. Dela Costa St., Salcedo Village,
Barangay Bel-Air, Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mabuhay Vinyl Corporation (the "Company"), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

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

Key Audit Matters

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

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters.



Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Determining Physical Quantities in the Costing of Raw Materials Inventories

The physical quantities of raw materials inventories, consisting mainly of industrial salt, which are on hand, in process or consumed, are determined through quantity surveys and a set percentage of raw material usage based on output. The determination of quantities considers factors such as density and split of inputs and outputs at different stages in the process, which involve management estimates. This is a key audit matter because of the significance of management's estimates in determining the physical quantities in the costing of the inventory.

The Company's disclosures about inventories are included in Notes 3 and 6 to the financial statements.

Audit Response

We evaluated the competence, capabilities and objectivity of independent surveyor by considering their qualifications, experience and reporting responsibilities. We observed how management conducted the physical count and determined the quantities and tested the quantity conversion. We also reviewed the cost accumulation calculation for selected sample periods by tracing the cost inputs to the source documents and the recognition in the accounting system.

Valuation of Deemed Cost of Investment in an Associate at Fair Value

The deemed cost of the investment in an associate of the Company at the date when the control was lost is equal to the fair value of the retained interest. The determination of the fair value of the retained interest is inherently subjective as it involves the use of valuation inputs that are not market observable. Management also applied judgment in selecting the valuation technique and the assumptions to be used. These assumptions include the fair values of the investee's identifiable assets, such as the appraised values of real estate properties, and the noncontrolling interest discount applied.

The disclosures relating to the investment in an associate are included in Notes 3 and 8 to the financial statements.

Audit Response

We involved our internal specialist in evaluating the valuation technique and assumptions used. We compared the key assumptions such as fair values of investee's real estate properties against appraisal reports and noncontrolling interest discount against market information. We evaluated the competence, capabilities and qualifications of the external appraiser by considering their qualifications, experience and reporting responsibilities. We reviewed the Company's disclosures about those assumptions to which the outcome of the valuation is most sensitive; specifically, those that have the most significant effect on the determination of the fair value of the investment in an associate.



Other Information

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

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

In connection with our audits of the 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 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 Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs 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 financial statements.



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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

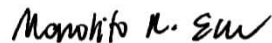


Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 27 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Mabuhay Vinyl Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Manolito R. Elle.

SYCIP GORRES VELAYO & CO.



Manolito R. Elle

Partner

CPA Certificate No. 106471

Tax Identification No. 220-881-929

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-128-2023, January 25, 2023, valid until January 24, 2026

PTR No. 10465300, January 2, 2025, Makati City

February 28, 2025



MABUHAY VINYL CORPORATION
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱1,195,348,543	₱680,073,832
Short-term investment (Note 4)	–	93,865,567
Trade and other receivables (Note 5)	803,170,463	727,693,170
Loans receivable (Note 22)	100,000,000	600,000,000
Inventories (Notes 6, 14 and 22)	332,445,293	220,349,797
Other current assets (Note 7)	211,315,577	154,881,838
Total Current Assets	2,642,279,876	2,476,864,204
Noncurrent Assets		
Investment in an associate (Note 8)	542,494,439	–
Property, plant and equipment:		
At cost (Note 9)	1,326,596,737	983,063,982
Land of a subsidiary at appraised value (Notes 9 and 20)	–	563,000,000
Deferred tax assets - net (Note 18)	13,026,525	–
Other noncurrent assets (Notes 10 and 21)	64,047,076	310,843,934
Total Noncurrent Assets	1,946,164,777	1,856,907,916
TOTAL ASSETS	₱4,588,444,653	₱4,333,772,120
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 11 and 12)	₱408,352,458	₱278,215,889
Customers' deposits (Note 9)	26,225,842	26,438,143
Income tax payable	–	19,105,044
Current portion of lease liabilities (Note 21)	41,409,355	12,800,223
Provisions (Note 24)	–	21,500,000
Total Current Liabilities	475,987,655	358,059,299
Noncurrent Liabilities		
Lease liabilities - net of current portion (Note 21)	109,519,426	116,117,916
Deferred tax liabilities - net (Note 18)	–	121,770,901
Net retirement benefits payable (Note 17)	3,423,456	5,735,216
Other noncurrent liabilities	1,793,500	1,793,500
Total Noncurrent Liabilities	114,736,382	245,417,533
Total Liabilities	590,724,037	603,476,832

(Forward)



	December 31	
	2024	2023
Equity (Note 12)		
Equity attributable to equity holders of the Company		
Capital stock	₱661,309,398	₱661,309,398
Capital paid in excess of par	176,594,308	176,594,308
Revaluation increment - net of deferred income tax effect (Note 9)	–	412,120,357
Remeasurement losses on retirement benefits - net of deferred income tax effect (Note 12)	(16,487,928)	(11,711,104)
Reserve for fluctuations in investments in equity instruments (Note 10)	5,896,007	4,630,063
Retained earnings:		
Appropriated	1,000,000,000	1,000,000,000
Unappropriated	2,170,408,831	1,478,730,384
	3,997,720,616	3,721,673,406
Noncontrolling interest (Note 8)	–	8,621,882
Total Equity	3,997,720,616	3,730,295,288
TOTAL LIABILITIES AND EQUITY	₱4,588,444,653	₱4,333,772,120

See accompanying Notes to Financial Statements.



MABUHAY VINYL CORPORATION
STATEMENTS OF INCOME

	Years Ended December 31		
	2024	2023	2022
REVENUE FROM CONTRACTS WITH CUSTOMERS (Note 13)	₱3,074,068,637	₱3,073,772,249	₱3,201,053,915
COST OF GOODS SOLD (Notes 14 and 22)	(2,002,449,705)	(1,866,010,087)	(2,013,139,157)
GROSS PROFIT	1,071,618,932	1,207,762,162	1,187,914,758
Operating expenses (Note 15)	(729,346,044)	(723,586,790)	(662,905,601)
Interest income (Notes 4, 10 and 22)	49,283,005	46,566,227	20,084,373
Interest expense (Note 21)	(9,450,585)	(7,176,403)	(3,904,851)
Foreign exchange gain (loss) - net (Note 19)	(4,636,390)	1,788,305	(9,875,277)
Other income - net (Note 16)	51,020,516	19,343,473	2,607,894
INCOME BEFORE INCOME TAX	428,489,434	544,696,974	533,921,296
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 18)			
Current	93,006,514	142,572,961	133,816,652
Deferred	4,168,302	(6,954,305)	676,078
	97,174,816	135,618,656	134,492,730
NET INCOME	₱331,314,618	₱409,078,318	₱399,428,566
Net income attributable to:			
Equity holders of the Company	₱330,629,030	₱408,439,609	₱399,068,571
Noncontrolling interest	685,588	638,709	359,995
	₱331,314,618	₱409,078,318	₱399,428,566
BASIC/DILUTED EARNINGS PER SHARE (Note 23)	₱0.500	₱0.618	₱0.603

See accompanying Notes to Financial Statements.



MABUHAY VINYL CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2024	2023	2022
NET INCOME	₱331,314,618	₱409,078,318	₱399,428,566
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Increase in revaluation increment due to appraisal (Note 9)	20,080,000	22,000	14,235,000
Income tax effect	(5,020,000)	(5,500)	(3,558,750)
	15,060,000	16,500	10,676,250
Remeasurement gains (losses) on retirement benefits (Note 17)	(6,369,099)	(9,336,963)	5,040,366
Income tax effect	1,592,275	2,334,241	(1,260,092)
	(4,776,824)	(7,002,722)	3,780,274
Net changes in fair values of equity instruments designated at FVOCI (Note 10)	1,265,944	7,836,911	5,176,816
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	11,549,120	850,689	19,633,340
TOTAL COMPREHENSIVE INCOME	₱342,863,738	₱409,929,007	₱419,061,906
Total comprehensive income attributable to:			
Equity holders of the Company	₱342,178,150	₱409,290,298	₱418,701,911
Noncontrolling interest	685,588	638,709	359,995
	₱342,863,738	₱409,929,007	₱419,061,906

See accompanying Notes to Financial Statements.



MABUHAY VINYL CORPORATION

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

Attributable to the Equity Holders of the Company										
	Capital Stock (Note 12)	Capital Paid in Excess of Par (Note 12)	Revaluation Increment - Net of Deferred Income Tax Effect (Notes 9 and 12)	Remeasurement Gains (Losses) on Retirement Benefits - Net of Deferred Income Tax Effect (Note 12)	Reserve for Fluctuations in Investments in Equity Instruments (Notes 10 and 12)	Retained Earnings (Note 12)		Total	Non-controlling Interest	Total
						Appropriated	Unappropriated			
BALANCES AT JANUARY 1, 2022	₱661,309,398	₱176,594,308	₱401,427,607	(₱8,488,656)	(₱8,383,664)	₱1,000,000,000	₱803,484,084	₱3,025,943,077	₱8,345,021	₱3,034,288,098
Net income	—	—	—	—	—	—	399,068,571	399,068,571	359,995	399,428,566
Other comprehensive income	—	—	10,676,250	3,780,274	5,176,816	—	—	19,633,340	—	19,633,340
Total comprehensive income	—	—	10,676,250	3,780,274	5,176,816	—	399,068,571	418,701,911	359,995	419,061,906
Cash dividends (Note 12)	—	—	—	—	—	—	(66,130,940)	(66,130,940)	—	(66,130,940)
BALANCES AT DECEMBER 31, 2022	661,309,398	176,594,308	412,103,857	(4,708,382)	(3,206,848)	1,000,000,000	1,136,421,715	3,378,514,048	8,705,016	3,387,219,064
Net income	—	—	—	—	—	—	408,439,609	408,439,609	638,709	409,078,318
Other comprehensive income (loss)	—	—	16,500	(7,002,722)	7,836,911	—	—	850,689	—	850,689
Total comprehensive income (loss)	—	—	16,500	(7,002,722)	7,836,911	—	408,439,609	409,290,298	638,709	409,929,007
Cash dividends (Note 12)	—	—	—	—	—	—	(66,130,940)	(66,130,940)	(721,843)	(66,852,783)
BALANCES AT DECEMBER 31, 2023	661,309,398	176,594,308	412,120,357	(11,711,104)	4,630,063	1,000,000,000	1,478,730,384	3,721,673,406	8,621,882	3,730,295,288
Net income	—	—	—	—	—	—	330,629,030	330,629,030	685,588	331,314,618
Other comprehensive income (loss)	—	—	15,060,000	(4,776,824)	1,265,944	—	—	11,549,120	—	11,549,120
Total comprehensive income (loss)	—	—	15,060,000	(4,776,824)	1,265,944	—	330,629,030	342,178,150	685,588	342,863,738
Cash dividends (Note 12)	—	—	—	—	—	—	(66,130,940)	(66,130,940)	(638,709)	(66,769,649)
Impact of loss of control of a subsidiary (Notes 8 and 9)	—	—	(427,180,357)	—	—	—	427,180,357	—	(8,668,761)	(8,668,761)
BALANCES AT DECEMBER 31, 2024	₱661,309,398	₱176,594,308	₱—	(₱16,487,928)	₱5,896,007	₱1,000,000,000	₱2,170,408,831	₱3,997,720,616	₱—	₱3,997,720,616

See accompanying Notes to Financial Statements.



MABUHAY VINYL CORPORATION
STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱428,489,434	₱544,696,974	₱533,921,296
Adjustments for:			
Depreciation and amortization (Notes 9, 10, 14, 15 and 21)	169,128,397	105,530,193	93,998,624
Interest income (Notes 4, 10 and 22)	(49,283,005)	(46,566,227)	(20,084,373)
Deconsolidation loss (Notes 8 and 16)	15,357,898	—	—
Interest expense (Note 21)	9,450,585	7,176,403	3,904,851
Equity in net earnings of an associate (Notes 8 and 16)	(9,191,920)	—	—
Movement in net retirement benefits asset (Note 17)	(8,680,859)	7,082,987	(5,247,011)
Unrealized foreign exchange loss (gain) - net	(436,132)	(1,038,841)	913,831
Gain on sale of equipment (Note 16)	(120,536)	—	(196,696)
Amortization of interest on notes receivables (Note 16)	93,338	190,131	220,492
Unrealized interest income on notes receivables	—	—	(273,619)
Operating income before working capital changes	554,807,200	617,071,620	607,157,395
Decrease (increase) in:			
Trade and other receivables	(79,255,612)	(19,820,349)	(89,969,281)
Inventories	(112,095,496)	172,681,669	(124,016,849)
Other current assets	(52,959,843)	(47,149,205)	1,223,631
Security and rental deposits	(46,269)	(3,515,729)	3,888,852
Increase (decrease) in:			
Trade and other payables and provision	110,178,983	(17,873,003)	141,988,686
Customers' deposits	(212,301)	616,363	2,766,286
Cash generated from operations	420,416,662	702,011,366	543,038,720
Income taxes paid, including creditable and final withholding taxes	(113,840,611)	(172,217,035)	(132,871,223)
Net cash from operating activities	306,576,051	529,794,331	410,167,497
CASH FLOWS FROM INVESTING ACTIVITIES			
Collections of loans and notes receivable (Notes 10 and 22)	501,976,060	101,721,835	2,509,322
Acquisitions of property and equipment, including advances to suppliers (Notes 9 and 10)	(257,626,615)	(411,928,550)	(395,200,486)
Withdrawals of (additions to) short-term investments (Note 4)	93,865,567	(93,865,567)	—
Cash of a deconsolidated subsidiary (Note 8)	(80,068,583)	—	—
Interest received (Notes 4, 10, and 22)	50,141,945	39,954,800	19,230,041
Issuance of loans and notes receivable (Notes 10 and 22)	(1,900,000)	—	(4,864,000)
Proceeds from sale of equipment	135,000	—	196,696
Acquisition of golf shares (Note 10)	—	—	(1,205,000)
Net cash from (used in) investing activities	306,523,374	(364,117,482)	(379,333,427)

(Forward)



	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to equity holders of the Company (Note 12)	(P64,406,984)	(P62,577,657)	(P64,555,817)
Payment of principal portion of lease liabilities (Note 21)	(23,328,436)	(11,728,918)	(8,383,560)
Interest paid (Note 21)	(9,450,585)	(7,176,403)	(3,904,851)
Dividends paid to noncontrolling interest (Note 12)	(638,709)	(721,843)	—
Cash used in financing activities	(97,824,714)	(82,204,821)	(76,844,228)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	—	—	(138,959)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	515,274,711	83,472,028	(46,149,117)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	680,073,832	596,601,804	642,750,921
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	P1,195,348,543	P680,073,832	P596,601,804

See accompanying Notes to Financial Statements.



MABUHAY VINYL CORPORATION

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Mabuhay Vinyl Corporation (the “Company”) was incorporated in the Philippines on July 20, 1934. The Company’s primary purpose is to engage in the business of manufacturing and distributing basic and intermediate chemicals with a wide range of household and industrial applications, including caustic soda, hydrochloric acid, liquid chlorine and sodium hypochlorite (chlor-alkali).

In 2024, the Company and MVC-Retirement Fund (RF) entered into a revised shareholders’ agreement with respect to their investment in MVC Properties Inc. (MPI). With the change in the shareholders’ agreement, the Company lost its control over MPI and is now being accounted for as investment in associate (see Notes 3 and 8). Accordingly, the assets and liabilities of MPI are derecognized in the Company’s financial statements. MPI’s principal activity is to lease its parcels of land to the Company. The primary purpose of the subsidiary also includes investing in, purchase or otherwise hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidence of indebtedness, and other securities or obligations of any corporation, association, domestic or foreign, for whatever lawful purpose the same may have been organized.

The Company is 87.97% owned by Tosoh Corporation, the parent company. The parent company is a foreign corporation based, organized, and existing under the laws of Japan.

The Company operates manufacturing plants in Assumption Heights, Buru-un, Iligan City and Laguna Technopark, Biñan, Laguna. The Company’s registered address is 22F The Salcedo Towers, 169 H.V. Dela Costa St., Salcedo Village, Barangay Bel-Air, Makati City.

The financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 were approved for issue by the Board of Directors (BOD) on February 28, 2025.

2. Summary of Material Accounting Policies

Basis of Preparation

The financial statements of the Company have been prepared using the historical cost convention, except for land which was carried at revalued amount as at December 31, 2023, and equity instruments designated at fair value through other comprehensive income (FVOCI) which are carried at fair value.

The financial statements are presented in Philippine peso (Peso), which is the Company’s functional and presentation currency. Amounts are rounded to the last Peso, unless otherwise indicated.

As discussed in Note 1 to the financial statements, the Company lost its control over MPI by virtue of the revised shareholders’ agreement, which resulted in the derecognition of assets and liabilities of MPI in the Company’s financial statements. Accordingly, the financial statements of the Company as of and for the year ended December 31, 2024 represent the separate financial statements while the comparative financial statements as of and for the years ended December 31, 2023 and 2022 represented the consolidated financial statements and therefore are not comparative.



Statement of Compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis of Consolidation when the Company Still Exercised Control over MPI

The consolidated financial statements in previous periods comprise the financial statements of the Company and MPI, a 40%-owned entity, which the Company assessed then to have exercised control. Control was achieved when the Company was exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of MPI is prepared for the same reporting period as the Company. All intra-group balances, transactions, unrealized gains and losses, resulting from intra-group transactions and dividends were eliminated in full.

Noncontrolling interest represents the portion (60%) of income and expense and net assets in MPI not held by the Company and are presented separately in the statement of income, statement of comprehensive income and within equity in the statement of financial position, separate from the equity attributable to the equity holders of the Company.

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Company.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
The amendments clarify:
 - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
 - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
 - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*
The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.



Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), 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.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. 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)
- A 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 (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

- Amendments to PAS 21, *Lack of exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.



The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

- Annual Improvements to PFRS Accounting Standards - Volume 11

The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.
- Amendments to PFRS 7, *Gain or Loss on Derecognition*
The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.
- Amendments to PFRS 9
 - Lessee Derecognition of Lease Liabilities
The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.
 - Transaction Price
The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to ‘transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*’ with ‘the amount determined by applying PFRS 15’. The term ‘transaction price’ in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.
- Amendments to PFRS 10, *Determination of a ‘De Facto Agent’*
The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.
- Amendments to PAS 7, *Cost Method*
The amendments to paragraph 37 of PAS 7 replaced the term ‘cost method’ with ‘at cost’, following the prior deletion of the definition of ‘cost method’.

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*

The standard replaces PAS 1 Presentation of Financial Statements and responds to investors’ demand for better information about companies’ financial performance. The new requirements include:

- Required totals, subtotals and new categories in the statement of profit or loss
- Disclosure of management-defined performance measures
- Guidance on aggregation and disaggregation



- PFRS 19, *Subsidiaries without Public Accountability*

The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS accounting standards. The application of the standard is optional for eligible entities.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Fair Value Measurement

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:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level of input that is significant to the fair value measurement as a whole:

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



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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets or liability and the level of the fair value hierarchy.

Financial Instruments

A financial instrument is any contract that gives rise to financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, FVOCI, and fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or which the Company has applied the practical expedient are measured at transaction price determined under PFRS 15. Refer to the *Accounting Policy in Section "Revenue"*.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payment for principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

The Company has no financial assets at FVPL and financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments).

Financial assets at amortized cost (debt instruments). This category is most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:



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

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes cash in banks and cash equivalents, trade and other receivables, loans receivable, and security and rental deposits included under "Other noncurrent assets".

Financial assets designated at FVOCI (equity instruments). Upon initial recognition, the Company can elect to classify irrevocably its equity instruments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments, Presentation*, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Company elected to classify irrevocably its quoted and unquoted equity instruments under this category.

Impairment of financial assets

The Company recognizes an allowance for ECL for all debt instruments not held at FVPL and contract assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. (a) For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the 12 months (a 12-month ECL). (b) For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to debtors and the economic environment.



The Company considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual cash flows in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For cash and cash equivalents and short-term investments, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. To estimate the ECL, the Company uses the ratings published by a reputable rating agency.

For other financial assets such as security and rental deposits and notes receivable, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for expected credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over remaining life of the exposure, irrespective of the timing of default (a lifetime ECL).

Modification of financial assets

The Company derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

The Company considers both qualitative and quantitative factors in assessing whether a modification of financial asset is substantial or not. When assessing whether a modification is substantial, the Company considers the following factors, among others:

- Change in currency
- Introduction of an equity feature
- Change in counterparty
- If the modification results in the asset no longer considered solely payment for principal and interest.

The Company also performs a quantitative assessment similar to that being performed for modification of financial liabilities. In performing the quantitative assessment, the Company considers the new terms of a financial asset to be substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial asset.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in profit or loss.



When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of a new financial asset, the modified asset is considered a “new” financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The newly recognized financial asset is classified as Stage 1 for expected credit loss measurement purposes, unless the new financial asset is deemed to be originated as credit impaired (POCI).

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

Financial liabilities at amortized cost (loans and borrowings). This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

The Company’s financial liabilities include trade and other payables, lease liabilities and customers’ deposits. Gains and losses are recognized in the statement of income when these other financial liabilities are derecognized, as well as through the amortization process.

Derecognition of Financial Assets and Liabilities

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

- the contractual right to receive cash flows from the asset has expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or,
- the Company has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of ownership of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of ownership of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of ownership of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company’s continuing involvement in the asset.



Financial liabilities. A financial liability is derecognized when the obligation under the liability has been discharged, cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. The Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Company and all of the counterparties.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the moving average method. Net realizable value for finished goods, merchandise, work-in-process and raw materials is the estimated selling price in the ordinary course of business, less estimated costs to complete and the estimated costs necessary to make the sale. Net realizable value for materials and supplies is the replacement cost. In determining the net realizable value, the Company considers any adjustment necessary for obsolescence.

Prepayments

Prepayments and other current assets are expenses paid in advance and are recorded as an asset before they are utilized. This account comprises prepaid taxes, advances on purchases and other prepaid items. Prepaid income tax is deducted from income tax payable on the same year the revenue was recognized. Other prepaid items are apportioned over the period covered by the payment and charged to the appropriate accounts in profit or loss when incurred.

Investments in an Associate

Investment in an associate pertains to its investment in MPI, over which the Company has significant influence but not control starting 2024. The Company recognizes its investments in an associate using the equity method.

Under the equity method, an associate is carried in the statement of financial position at cost (which is the deemed cost when the Company lost control over MPI) plus post-acquisition changes in the Company's share of the net assets of the associate.

The Company determines, at the end of each reporting year, whether there is any evidence that the investment is impaired. If this is the case, the amount of impairment is calculated as the difference between the carrying amount of the investment and recoverable amount.

Property, Plant and Equipment

Property, plant and equipment, except for land that is carried at revalued amount, are stated at cost less accumulated depreciation and any impairment in value.

The initial cost of property, plant and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Cost also includes: (a) interest and other financing charges on borrowed funds used to finance the acquisition of property, plant and equipment to the extent incurred during the period of



installation and construction; and (b) asset retirement obligation specifically for property and equipment installed/constructed on the leased properties. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance, are normally charged to income in the period in which the costs are incurred.

In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property, plant and equipment.

Land is stated at revalued amount based on the fair market value of the property as determined by an independent firm of appraisers. The increase in the valuation of land, net of deferred income tax liability, is credited to "Revaluation increment" and presented in the equity section of the statement of financial position. Upon disposal, the relevant portion of the revaluation increment realized in respect of the previous valuation will be released from the revaluation increment directly to retained earnings. Decreases that offset previous increases in respect of the same property are charged against the revaluation increment; all other decreases are charged against current operations. The Company obtains an updated appraisal report if there are indicators that the value of the properties may have significantly changed.

The accounting policy on right-of-use assets are discussed under "Leases" section.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

	Years
Land improvements	10
Buildings and structures	10
Machinery and equipment	3-10
Transportation equipment	2-10
Office furniture and equipment	3-5

Leasehold improvements are amortized over the term of the lease or the life of the assets (average of 10 years), whichever is shorter.

The useful lives and depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

When items of property, plant and equipment are sold or retired, their cost and related accumulated depreciation and any impairment in value are removed from the accounts and any gain or loss resulting from their disposal is included in the statement of income.

Construction in progress represents projects under construction and is stated at cost (includes cost of construction, machinery and equipment under installation and other related costs). Construction in progress is not depreciated until such time as the relevant assets are completed and ready for its intended use. Interest costs on borrowings used to finance the construction of the project are accumulated under this account. Interest costs are capitalized until the project is completed and becomes operational. The capitalized interest is amortized over the estimated useful life of the related assets.



Impairment of Nonfinancial Assets

The carrying values of property, plant and equipment and other nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units (CGU) are written down to their recoverable amount. The recoverable amount of these assets is the greater of fair value less cost to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses, if any, are recognized in the statement of income.

Revenue

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services. The Company has generally concluded that it is principal in its revenue arrangements because it typically controls the goods and services before transferring them to the customer.

Sale of goods

Revenue from the sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally when the goods are delivered to and accepted by the customer. The normal credit term is 30 to 60 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing component, noncash considerations, and considerations payable to the customer, if any.

Other revenue

The Company provides other services to certain customers and sale of excess power to market. The Company recognizes revenue upon completion of the related services or delivery of the excess power.

Contract Balances

Contract assets. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables. A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets under *Financial Assets and Financial Liabilities – Financial assets at amortized cost (debt instruments)*.

Contract liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If the customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.



Cost of Goods Sold and Operating Expenses

Cost of goods sold

Cost of goods sold is recognized in the statement of income when the related goods are sold. These are measured at the fair value of the consideration paid or payable.

Operating expenses

Operating expenses primarily consist of shipping and delivery, payroll and related expenses, depreciation expense, professional fees and other expenses. These are recognized in the statement of income upon utilization of the services or materials or at the date that these expenses are incurred. These are measured at the fair value of the consideration paid or payable.

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets. It is the Company's policy to classify right-of-use assets as part of property, plant and equipment. The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying leased assets, as follows:

	Years
Land	3-10
Building	5-10
Warehouse and storage tanks	10

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities. At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.



In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases of parking rental (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Retirement Benefit Costs

Retirement benefits payable, as presented in the statement of financial position, is the aggregate of the present value of the defined benefit obligation reduced by the fair value of plan assets, adjusted for the effect of limiting a net defined benefit asset to the asset ceiling, each at the end of the reporting period. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method. The retirement benefit costs comprise of the service cost, net interest on the net defined benefit liability or asset and remeasurements of net defined benefit 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 statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the statement of income.

Remeasurements comprising actuarial gains and losses, any difference in the interest income and actual return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held in trust and managed by a trustee bank. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. The fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited by the ceiling equivalent to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.



Foreign Currency-denominated Transactions and Translation

Transactions denominated in foreign currency are recorded using the exchange rate at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate at reporting period. Foreign exchange gains or losses are credited to or charged against current operations.

Income Tax

Current income tax

Current income tax assets and liabilities for the current and the prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting period.

Deferred income tax

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

Deferred income tax liabilities are recognized for all taxable temporary differences, including asset revaluations. Deferred income tax liabilities are also recognized for all taxable temporary differences associated with investment in subsidiaries unless the Company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred income tax, however, is not recognized when it arises from 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 the taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax asset to be utilized.

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

Income tax relating to items recognized in the statement of comprehensive income and directly in equity is recognized in the statement of comprehensive income and not included in the calculation of net income for the year.

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

Earnings Per Share

Basic earnings per share is computed by dividing the net income for the year by the weighted-average number of issued and outstanding shares of stock during the year, excluding ordinary shares purchased by the Company and held as treasury shares. The Company has no potential dilutive common shares.



Provisions and Contingencies

Provisions are recognized when: (a) the Company has a present obligation (legal or constructive) as a result of a past event, (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (c) a reliable estimate can be made of the amount of the obligation. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at the pretax rate that reflects current market assessments of the time value of money and, where appropriate, the risk specific to the liability. Where discounting is used, the increase in provision due to the passage of time is recognized as interest expense.

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed in the notes to financial statements when an inflow of economic benefits is probable.

Segment Information

For management reporting purposes, the Company considers the manufacturing and distribution of basic and intermediate chemicals as its primary business activity and only operating segment. Such business segment is the basis upon which the Company reports its operating segment information. The operating segments are reported in a manner that is more consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the BOD that makes strategic decisions. The Company has no inter-segment sales and transactions.

Events After the Balance Sheet Date

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

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements requires management to make judgments and estimates that affect the amounts reported in the financial statements. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the financial statements. Actual results could differ from such estimates. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the financial statements as they become reasonably determinable.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Assessment of the Company's exercise of significant influence or control over MPI

In 2024, the Company and MVC-RF entered into a revised shareholders' agreement with respect to its investment in MPI. With the amendment of certain sections of the shareholders' agreement, MVC has lost its control over MPI considering that the majority voting rights through the representation of MPI's BOD reside with MVC-RF and the actions of the BOD require the approval of the chairman who is appointed by MVC-RF. In addition, the Company has no longer been designated to appoint personnel to manage the day-to-day operations of MPI.



Prior to the amendment of the shareholders' agreement, the Company assessed then that it exercised control over MPI as the Company was exposed, or has rights, to variable returns from its involvement with MPI and has the ability to affect those returns through its power over MPI. While the Company has only 40% equity interest in MPI, the Company has been designated to appoint personnel to manage the day-to-day operations of MPI. Moreover, the only activity of MPI is to lease out its parcels of land to the Company (see Notes 8 and 21).

Determining the lease term of contracts with renewal and termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain to be exercised.

The Company has several lease contracts that include renewal options subject to mutual agreement of both parties and termination options. The Company believes that renewal options are not enforceable as both parties still need to agree to renew, including the terms of the renewal. A renewal that is still subject to mutual agreement of the parties is legally unenforceable under the Philippine laws until both parties come to an agreement on the terms. The periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised (see Note 21).

Assessment of impairment of nonfinancial assets

The Company assesses the impairment of nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include: significant under performance relative to expected historical or projected operating results, significant changes in the manner of use of acquired assets or the strategy for overall business and significant negative industry or economic trends. Management assessed that there was no indication of impairment on the Company's property, plant and equipment and investment in an associate as at December 31, 2024 and 2023.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur:

Determination of the physical quantities in the costing of raw materials inventories

The physical quantities of raw materials inventories, consisting mainly of industrial salt, which are on hand, in process or consumed, are determined through quantity surveys and a set percentage of raw material usage based on output. The determination of quantities considers factors such as density and split of inputs and outputs at different stages in the process, which involve management estimates.

The carrying amounts of inventories as at December 31, 2024 and 2023 are disclosed in Note 6.



Valuation of deemed cost of investment in an associate at fair value

The deemed cost of the investment in an associate of the Company at the date when the control was lost over MPI is equal to the fair value of the Company's retained interest in MPI. The determination of the fair value of the retained interest is inherently subjective as it involves the use of valuation inputs that are not market observable. The Company applied judgment in selecting the valuation technique and the assumptions to be used. These assumptions include the fair values of the investee's identifiable assets, such as the appraised values of real estate properties and the noncontrolling interest discount applied.

The carrying amount of the Company's investment in an associate, including the key assumptions used in the valuation are disclosed in Note 8. The fair value of the retained interest which is the deemed cost of the investment in an associate is disclosed in Note 8.

Valuation of land at revalued amount as at December 31, 2023

The land of MPI, included in property, plant and equipment as at December 31, 2023, was stated at revalued based on the fair market value of the properties as determined by an SEC-accredited independent firm of appraisers. The valuation was made on the basis of the fair market value determined by referring to the character and utility of the properties, comparable property which have been sold or offered for sale recently, and the land's highest and best use in the locality where the properties are located. The carrying value of land is disclosed in Note 9.

Estimation of useful lives of property, plant and equipment

The Company estimated the useful lives of its property, plant and equipment based on the period over which the assets are expected to be available for use. The Company reviews annually the estimated useful lives of property, plant and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental factors and anticipated use of the assets. There is no change in the estimated useful lives during the year. The carrying values of depreciable property, plant and equipment as at December 31, 2024 and 2023 are disclosed in Note 9.

Provision for ECL on trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analyzed.

The assessment of the correlation between observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future. The carrying values of trade receivables as at December 31, 2024 and 2023 are disclosed in Note 5.

Determination of fair value of investment in unquoted equity instruments

The Company determines the fair value of unquoted equity instruments using acceptable valuation technique. The Company has investment in unquoted equity instruments which is measured at fair value using the adjusted net asset value method and noncontrolling interest discount. Under this method, the fair value is derived by determining the fair values of identifiable assets and liabilities of the investee company. The carrying value of unquoted equity investment as at December 31, 2024 and 2023 is disclosed in Note 10.



Estimating the incremental borrowing rate in measuring lease liabilities

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates. The carrying value of lease liabilities as of December 31, 2024 and 2023 are disclosed in Note 21.

Estimation of retirement benefits cost

The determination of the obligation and cost of retirement benefits is dependent on certain assumptions used by the actuary in calculating such amounts. Those assumptions are described in Note 18 to the financial statements and include among others, discount rates and salary increase rates. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the retirement cost and obligations.

The carrying values of net retirement benefits payable as at December 31, 2024 and 2023 are disclosed in Note 17.

Estimation and recognition of deferred income tax assets

The Company's assessment on the recognition of deferred income tax assets on deductible temporary differences is based on the forecasted taxable income of the following year. This forecast is based on the Company's past results and future expectations on revenues and expenses.

The carrying values of gross deferred income tax assets as at December 31, 2024 and 2023 are disclosed in Note 18.

4. Cash and Cash Equivalents and Short-term Investments

	2024	2023
Cash on hand and in banks	₱472,348,543	₱673,073,832
Cash equivalents	723,000,000	7,000,000
	₱1,195,348,543	₱680,073,832

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and are subject to an insignificant risk of change in value. Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods of between one day to three months and earn an average interest rate of 4.75% to 6.25% in 2024, 5.00% to 6.25% in 2023 and 0.50% to 5.25% in 2022.

Interest income earned on cash and cash equivalents amounted to ₱24.74 million in 2024, ₱9.79 million in 2023 and ₱4.08 million in 2022.

Short-term investments amounted to ₱93.87 million in 2023, which was withdrawn in full in 2024. Short-term investments earn an average interest rate of 5.00% to 6.25% in 2023. Interest income earned on short-term investments amounted to ₱1.05 million in 2023 (nil in 2024 and 2022).



5. Trade and Other Receivables

	2024	2023
Trade (Note 13):		
Private	₱779,608,460	₱709,763,220
Government	10,135,030	9,641,983
Related party (Note 22)	985,094	330,174
	790,728,584	719,735,377
Interest receivable (Note 22)	5,524,303	6,383,243
Advances to an associate (Note 22)	3,350,571	—
Current portion of notes receivable (Note 10)	2,346,722	1,902,507
Other receivables	9,912,565	8,364,325
	811,862,745	736,385,452
Allowance for ECL	(8,692,282)	(8,692,282)
	₱803,170,463	₱727,693,170

Trade receivables are noninterest-bearing and are generally on 30-60 day terms.

The allowance for ECL relates to trade receivables. No allowance has been provided on other receivables. There were no movements in the allowance for ECL for each of the three years in the period ended December 31, 2024.

Total intercompany receivable eliminated upon consolidation amounted to ₱1.87 million as at December 31, 2023.

6. Inventories

	2024	2023
At cost:		
Finished goods and merchandise (Notes 14 and 22)	₱188,125,096	₱100,429,876
Work-in-process	12,924,177	10,284,765
Raw materials	131,396,020	109,635,156
	₱332,445,293	₱220,349,797

Inventories recognized as expense are presented as “Cost of goods sold” in the statements of income (see Note 14).

7. Other Current Assets

	2024	2023
Advances on purchases	₱125,450,960	₱67,479,968
Materials and supplies	37,925,584	37,701,902
Prepaid income taxes	34,389,571	30,890,230
Prepaid withholding taxes	7,434,058	6,731,198
Prepaid expenses	5,976,964	6,522,940
Prepaid insurance	138,440	132,387
Net input VAT	—	5,423,213
	₱211,315,577	₱154,881,838



Advances on purchases pertain to advances made to suppliers for purchase of goods and services.

Prepaid income taxes include creditable withholding taxes to be applied against income tax payable.

8. Investment in an Associate

On July 31, 2024, the Company and MVC-RF entered into a revised shareholders' agreement with respect to its investment in MPI. With the amendment of certain sections of the shareholders' agreement, MVC has lost control over MPI considering that the majority voting rights through the representation of MPI's BOD reside with MVC-RF and the actions of the BOD require the approval of the chairman who is appointed by MVC-RF. In addition, the Company has no longer been designated to appoint personnel to manage the day-to-day operations of MPI.

As a result of the Company's loss of control over MPI, the Company deconsolidated the assets, liabilities and equity accounts of MPI. MPI's accounts have been classified in the Company's financial statements as of December 31, 2024 as follows:

- a. Accounts in the statement of financial position were deconsolidated; and
- b. Income statement accounts for the period January 1 to July 31, 2024 are included in the statement of income.

The net assets attributable to MPI, included in the consolidated financial statements, as at July 31, 2024 and the deemed cost of the investment in an associate are as follows:

Assets	
Cash and cash equivalents	₱80,068,583
Trade and other receivables	3,236,896
Other current assets	25,445
Land at appraised values	620,880,000
	<u>704,210,924</u>
Liabilities	
Accrued expenses and other payables	(2,718,006)
Income tax payable	(1,770,288)
Deferred tax liabilities	(142,393,452)
Equity	
Noncontrolling interest	(8,668,761)
	<u>155,550,507</u>
Net assets attributable to MPI	548,660,417
Less: Fair value of retained interest	(533,302,519)
Deconsolidation loss charged to profit or loss (Note 16)	<u>₱15,357,898</u>

The Company recognized deconsolidation loss representing the difference between the net assets of MPI, carried in the consolidated financial statements and the fair value of retained interest as of July 31, 2024. Net cash outflow representing the cash surrendered as a result of loss of control amounted to ₱80.07 million in 2024.

The fair value of the investment in an associate was based on the adjusted net asset value (NAV) approach (Level 3). Under the NAV approach, the fair value was derived by determining the fair value of each identifiable assets and liabilities of the investee company.



Significant assumptions included in the NAV calculation are as follows:

- Fair values of land properties against appraisal reports; and
- Noncontrolling interest discount

The appraised values of land properties as at July 31, 2024 were determined by an SEC-accredited and independent appraisal company, using the market approach wherein the market prices for comparable property listings are adjusted to account for the marketability, nature, bargaining allowance, location and size of the specific properties (Level 3). The valuation considers an industrial land development as the highest and best use of the properties.

The Company believes that no reasonably possible changes in any of the above key assumptions that would cause the fair value of retained interest to change materially.

Subsequent measurement

Subsequent to loss of control, the Company has significant influence over MPI and thus, accounted the investment in MPI at equity method. The rollforward of the investment in an associate follows:

Fair value of retained interest (deemed cost)	₱533,302,519
Equity in net earnings of associate (Note 16)	9,191,920
Balance at end of year	₱542,494,439

The summarized significant financial information of MPI as at and for the years ended December 31 follow:

	2024	2023	2022
Total current assets	₱95,062,060	₱110,218,252	₱87,392,571
Total noncurrent assets	191,745,450	153,945,450	153,945,450
Total current liabilities	5,951,659	4,393,531	2,835,760
Total equity	280,855,851	259,770,171	238,502,261
Total equity attributable to noncontrolling interest	—	8,621,882	8,705,016
Rental income	26,870,490	25,590,943	24,372,321
Net income /total comprehensive income	21,724,389	21,993,653	18,184,658
Net income/total comprehensive income attributable to noncontrolling interest	—	638,709	359,995
Cash dividends declared and paid	(638,709)	(721,843)	—
Net cash flows from operating activities	24,126,422	18,388,053	24,452,539
Net cash flows from (used in) investing activities	56,065,567	(89,501,600)	1,435,569
Net cash flows used in financing activities	(638,709)	(721,843)	(2,538,975)

There are no significant restrictions on the ability of MPI to transfer funds to the Company in the form of dividends or repayment of loans and advances other than the guaranteed dividends payable to MVC-RF (see Note 22).



The reconciliation with the carrying amount of the investment in MPI in the financial statements as at December 31, 2024, are set out below:

Equity of MPI	₱280,855,851
Equity interest of the Company	40%
Share in net assets of associate	112,342,340
Fair value adjustments on the underlying net assets of associate and additional share based on economic interest	430,152,099
Carrying value of investment in associate	₱542,494,439

9. Property, Plant and Equipment

a. Property, plant and equipment at cost consist of:

As at December 31, 2024

	Beginning Balances	Additions	Disposals/ Retirement	Reclassifications	Ending Balances
Cost					
Land improvements	₱43,588,645	₱—	₱—	₱114,404	₱43,703,049
Buildings and structures	334,568,497	—	—	77,221,312	411,789,809
Machinery and equipment	1,900,842,853	—	—	528,859,450	2,429,702,303
Transportation equipment	350,177,307	—	(548,800)	66,701,767	416,330,274
Office furniture and equipment	53,652,733	443,467	—	440,179	54,536,379
Leasehold improvements	23,137,750	—	—	—	23,137,750
Right-of-use asset - land	111,489,446	37,789,646	—	—	149,279,092
Right-of-use asset - building	26,134,698	7,549,432	—	—	33,684,130
Right-of-use asset - warehouse and storage tanks	31,486,187	—	—	—	31,486,187
	2,875,078,116	45,782,545	(548,800)	673,337,112	3,593,648,973
Accumulated Depreciation					
Land improvements	38,701,382	1,193,266	—	—	39,894,648
Buildings and structures	289,844,968	11,438,579	—	—	301,283,547
Machinery and equipment	1,687,170,074	80,214,312	—	—	1,767,384,386
Transportation equipment	307,609,079	43,817,897	(548,800)	—	350,878,176
Office furniture and equipment	51,559,065	2,094,210	—	—	53,653,275
Leasehold improvements	12,634,701	1,550,412	—	—	14,185,113
Right-of-use asset - land	20,545,396	20,851,798	—	—	41,397,194
Right-of-use asset - building	18,659,205	5,327,225	—	—	23,986,430
Right-of-use asset - warehouse and storage tanks	9,675,723	2,527,390	—	—	12,203,113
	2,436,399,593	169,015,089	(548,800)	—	2,604,865,882
	438,678,523	(123,232,544)	—	673,337,112	988,783,091
Construction in progress	544,385,459	466,765,299	—	(673,337,112)	337,813,646
Net Book Values	₱983,063,982	₱343,532,755	₱—	₱—	₱1,326,596,737



As at December 31, 2023

	Beginning Balances	Additions	Disposals/ Retirement	Reclassifications	Ending Balances
Cost					
Land improvements	₱43,588,645	₱—	₱—	₱—	₱43,588,645
Buildings and structures	334,568,497	—	—	—	334,568,497
Machinery and equipment	1,900,732,853	—	—	110,000	1,900,842,853
Transportation equipment	319,498,207	—	—	30,679,100	350,177,307
Office furniture and equipment	53,218,202	—	—	434,531	53,652,733
Leasehold improvements	23,137,750	—	—	—	23,137,750
Right-of-use asset - land	27,939,997	83,549,449	—	—	111,489,446
Right-of-use asset - building	26,134,698	—	—	—	26,134,698
Right-of-use asset - warehouse and storage tanks	31,486,187	—	—	—	31,486,187
	2,760,305,036	83,549,449	—	31,223,631	2,875,078,116
Accumulated Depreciation					
Land improvements	37,483,065	1,218,317	—	—	38,701,382
Buildings and structures	280,010,844	9,834,124	—	—	289,844,968
Machinery and equipment	1,640,661,455	46,508,619	—	—	1,687,170,074
Transportation equipment	279,741,973	27,867,106	—	—	307,609,079
Office furniture and equipment	48,805,880	2,753,185	—	—	51,559,065
Leasehold improvements	11,081,707	1,552,994	—	—	12,634,701
Right-of-use asset - land	12,514,998	8,030,398	—	—	20,545,396
Right-of-use asset - building	13,534,454	5,124,751	—	—	18,659,205
Right-of-use asset - warehouse and storage tanks	7,148,332	2,527,391	—	—	9,675,723
	2,330,982,708	105,416,885	—	—	2,436,399,593
	429,322,328	(21,867,436)	—	31,223,631	438,678,523
Construction in progress	185,715,682	389,893,408	—	(31,223,631)	544,385,459
Net Book Values	₱615,038,010	₱368,025,972	₱—	₱—	₱983,063,982

There are no restrictions on title and no amounts of property, plant and equipment that were used as collateral for the Company's liabilities.

Cylinders, included under machinery and equipment, are used to store and transport the Company's finished goods to customers. The Company receives deposits from the customers while the cylinders are in the latter's possession. The customers' deposits are refundable when the cylinders are surrendered. Outstanding customers' deposits as at December 31, 2024 and 2023 amounted to ₱26.23 million and ₱26.44 million, respectively.

Construction in progress

Construction in progress includes amounts of ₱337.81 million and ₱544.39 million as at December 31, 2024 and 2023, respectively, relating to expenditures for property, plant and equipment in the course of construction or completion. As at December 31, 2023, the Company has significant firm capital commitments relating to the completion of construction in progress amounting to ₱339.92 million, which was completed in 2024.

The remaining balance of construction in progress as at December 31, 2024 pertains to the refurbishment of Ion Exchange Membrane (IEM) 1, which is expected to be completed in 2025. There are no significant firm capital commitments relating to the completion of construction in progress as of December 31, 2024.



b. Movements of land of a subsidiary at revalued amount follow:

	2024	2023
Cost:		
Balances at beginning of year	₱13,506,189	₱13,506,189
Addition	37,800,000	—
Derecognition arising from loss of control (Note 8)	(51,306,189)	—
	—	13,506,189
Appraisal increase:		
Balances at beginning of year	549,493,811	549,471,811
Increase in revaluation increment	20,080,000	22,000
Derecognition arising from loss on control (Note 8)	(569,573,811)	—
Balances at end of year	—	549,493,811
	₱—	₱563,000,000

As at December 31, 2023 and prior to loss of control, the parcels of land were stated at revalued amount categorized under Level 3 based on the appraisal report with valuation date as at December 31, 2023, by an SEC-accredited and independent appraisal company. The appraised value as at December 31, 2023 was determined using the market approach wherein the market prices for comparable property listings are adjusted to account for the marketability, nature, bargaining allowance, location and size of the specific properties.

The significant unobservable input to the valuation is the price per square meter of ₱1,740 to ₱10,500 in 2023. Significant increases (decreases) in the estimated price per square meter in isolation would result in a significantly higher (lower) fair value. The valuation considers an industrial land development as the highest and best use of the properties.

As at December 31, 2023, the revaluation increment, net of the deferred income tax effect, amounted to ₱412.12 million. Following the loss of control over MPI, the land of a subsidiary was deemed disposed and the related revaluation increment as at July 31, 2024 was closed to retained earnings (see Note 8).

10. Other Noncurrent Assets

	2024	2023
Equity instruments designated at FVOCI	₱38,895,492	₱37,629,548
Security and rental deposits (Note 21)	21,700,617	21,654,348
Notes receivable - net of current portion (Note 5)	3,430,034	4,043,646
Intangible assets - net of accumulated amortization amounting to ₱7.32 million and ₱7.21 million as of December 31, 2024 and 2023, respectively	20,933	134,241
Advances to suppliers	—	247,382,151
	₱64,047,076	₱310,843,934



Breakdown of equity instruments designated at FVOCI is as follows:

	2024	2023
Quoted equity instruments:		
Listed companies	₱399,915	₱399,915
Golf shares	8,300,000	3,700,000
	8,699,915	4,099,915
Changes in fair value included in OCI	(700,000)	4,600,000
	7,999,915	8,699,915
Unquoted equity instruments:		
Balances at beginning of year	28,929,633	25,692,722
Changes in fair value included in OCI	1,965,944	3,236,911
Balances at end of year	30,895,577	28,929,633
	₱38,895,492	₱37,629,548

The fair value of investments in shares of listed companies was based on their bid prices as at December 31, 2024 and 2023. Fair value of golf shares was based on club share quotes that are publicly available from the local dailies and websites of club share brokers as at December 31, 2024 and 2023. In 2022, the Company acquired golf shares amounting to ₱1,205,000 (nil in 2024 and 2023).

The investment in unquoted equity instruments consists of investments in 3,813 preferred, redeemable, non-convertible, non-voting shares of Tosoh Polyvin Corporation (TPC), representing 3% of total preferred shares and 10% of TPC's issued capital stock equivalent to 22,478 common shares. The fair value of the investment in unquoted equity instruments was based on the adjusted net asset value approach after applying noncontrolling interest discount.

The following table presents the movements in "Reserve for fluctuations in investments in equity instruments":

	2024	2023
Balances at beginning of year	₱4,630,063	(₱3,206,848)
Change in fair value included in OCI	1,265,944	7,836,911
Balances at end of year	₱5,896,007	₱4,630,063

The Company follows the specific identification method in determining the cost of any investment in equity securities sold.

The Company granted loans to third party borrowers with a total principal amount of ₱1.90 million in 2024 and ₱4.86 million in 2022 (nil in 2023), with an interest of 8% per annum. The loans are collectible in monthly amortizations over five years. The loans are secured by certain motor vehicles owned by the borrowers. The Company collected a portion of the notes receivable which amounted to ₱1.76 million in 2024, ₱1.72 million in 2023 and ₱2.51 million in 2022. Interest income earned on notes receivable amounted to ₱0.32 million in 2024, ₱0.32 million in 2023 and ₱0.31 million in 2022.

Advances to suppliers represent downpayments to suppliers for purchases of property and equipment.



11. Trade and Other Payables

	2024	2023
Trade payables (Note 22)	₱230,393,779	₱149,629,069
Accrued expenses:		
Shipping and distribution	45,072,327	45,991,000
Payroll and others	40,114,484	31,500,970
Professional fees and other services	24,927,641	9,072,011
Rent and power	3,538,979	5,475,834
Output VAT	25,841,464	772,430
Dividends payable (Note 12)	22,841,587	21,117,631
Withholding taxes and other payables	4,572,739	4,665,630
Contract liabilities (Note 13)	3,162,956	3,162,956
Others	7,886,502	6,828,358
	₱408,352,458	₱278,215,889

Trade payables are noninterest-bearing and are normally settled on 15-day to 60-day terms.

Accrued expenses are noninterest-bearing and have average terms of one to two months.

12. Equity

Capital Stock

The number of shares authorized, issued and outstanding as at December 31, 2024 and 2023 are as follows:

	Number of Shares	Amount
Authorized at ₱1 par value per share	1,072,942,532	₱1,072,942,532
Issued and outstanding	661,309,398	661,309,398
Capital paid in excess of par		176,594,308

Track Record of Registration of Securities

Authorized capital stock

Date	Activity	Par Value	No. of Common Shares	Balance
February 5, 1997	Authorized	₱1.00	—	₱1,200,000,000
December 28, 2007	Retirement of capital stock	1.00	(100,057,468)	1,099,942,532
August 31, 2011	Retirement of capital stock	1.00	(27,000,000)	1,072,942,532

Issued and outstanding

Date	Activity	Offer Price	No. of Common Shares	Balance
February 5, 1997	Issued and outstanding before listing	₱—	—	₱433,785,389
February 5, 1997	Issued during offer	1.90	223,187,000	656,972,389
June 15, 1997	Stock dividend	—	131,394,477	788,366,866
December 28, 2007	Retirement of capital stock	—	(100,057,468)	688,309,398
August 31, 2011	Retirement of capital stock	—	(27,000,000)	661,309,398

The Company's shares are listed on and traded at the Philippine Stock Exchange (PSE) and the number of equity holders of the Company was 2,218 and 2,225 as at December 31, 2024 and 2023, respectively.



The Company received its permit to offer its shares to the public from the Philippine SEC on October 7, 1996.

Retained Earnings

Below is a summary of the dividends declared for the years ended December 31, 2024, 2023 and 2022:

Date of Declaration	Date of Record	Dividend rate	Dividend per share	Amount
April 25, 2024	May 24, 2024	10%	₱0.10	₱66,130,940
April 27, 2023	May 26, 2023	10%	0.10	66,130,940
April 28, 2022	May 26, 2022	10%	0.10	66,130,940

On April 25, 2024, MPI declared and paid cash dividends amounting to ₱0.64 million to Common B stockholders of record as at May 24, 2024. The dividend was also paid during the year.

On April 27, 2023, MPI declared and paid cash dividends amounting to ₱0.72 million to Common B stockholders of record as at April 30, 2023. The dividend was also paid during the year.

Movements of dividends payable follow:

	2024	2023	2022
Balances at beginning of year	₱21,117,631	₱17,564,348	₱15,989,225
Cash dividends declared	66,769,649	66,852,783	66,130,940
Dividends paid to equity holders	(64,406,984)	(62,577,657)	(64,555,817)
Dividends paid to noncontrolling interests	(638,709)	(721,843)	—
Balances at end of year	₱22,841,587	₱21,117,631	₱17,564,348

Retained earnings include ₱568.47 million and ₱163.40 million as at December 31, 2024 and 2023, respectively, representing revaluation increment due to appraisal recycled to retained earnings, deferred income tax assets and undistributed earnings of MPI, which are not available for dividend declaration.

On November 21, 2018, the BOD issued a resolution to appropriate retained earnings of ₱700.00 million for future projects and capital expenditures. On February 27, 2020, the BOD issued a resolution to make an additional appropriation on retained earnings of ₱300.00 million for future projects and capital expenditures.

Details of the appropriated retained earnings as at December 31, 2024 and 2023 follow:

Projects	Timeline	2024	2023
Future projects and capital expenditures	2021 - 2023	₱1,000,000,000	₱1,000,000,000

On February 28, 2025, the BOD approved the following resolutions:

- Reversal of the appropriation of retained earnings amounting to ₱1.00 billion; and
- Appropriation of retained earnings to support the acquisition and development of logistic assets and facilities in strategic locations in the Philippines for the next five years amounting to ₱1.50 billion.



Movements of OCI

	Revaluation Increment -Net of Deferred Income Tax Effect	Remeasurement Gains (Losses) on Retirement Benefits - Net of Deferred Income Tax Effect	Reserve for Fluctuations in Investments in Equity Instruments	Total
BALANCES AT JANUARY 1, 2022	₱401,427,607	(₱8,488,656)	(₱8,383,664)	₱384,555,287
Increase in revaluation increment due to appraisal	10,676,250	—	—	10,676,250
Remeasurement gains on retirement benefits	—	3,780,274	—	3,780,274
Net changes in fair values on equity instruments designated at FVOCI	—	—	5,176,816	5,176,816
BALANCES AT DECEMBER 31, 2022	412,103,857	(4,708,382)	(3,206,848)	404,188,627
Increase in revaluation increment due to appraisal	16,500	—	—	16,500
Remeasurement losses on retirement benefits	—	(7,002,722)	—	(7,002,722)
Net changes in fair values on equity instruments designated at FVOCI	—	—	7,836,911	7,836,911
BALANCES AT DECEMBER 31, 2023	412,120,357	(11,711,104)	4,630,063	405,039,316
Increase in revaluation increment due to appraisal	15,060,000	—	—	15,060,000
Remeasurement losses on retirement benefits	—	(4,776,824)	—	(4,776,824)
Net changes in fair values on equity instruments designated at FVOCI	—	—	1,265,944	1,265,944
Impact of loss of control of a subsidiary (Note 8)	(427,180,357)	—	—	(427,180,357)
BALANCES AT DECEMBER 31, 2024	₱—	(₱16,487,928)	₱5,896,007	(₱10,591,921)

13. Revenue from Contracts with Customers

Disaggregated Revenue Information

Set out below is the disaggregation of the Company's revenue from contracts with customers for the years ended December 31:

	2024	2023	2022
By type			
Goods	₱3,073,040,951	₱3,067,191,521	₱3,198,251,185
Others	1,027,686	6,580,728	2,802,730
	₱3,074,068,637	₱3,073,772,249	₱3,201,053,915
	2024	2023	2022
By customers			
Private	₱3,037,641,360	₱3,031,921,680	₱3,161,752,524
Government	30,836,712	36,714,139	33,157,273
Related party (Note 22)	5,590,565	5,136,430	6,144,118
	₱3,074,068,637	₱3,073,772,249	₱3,201,053,915

Contract Balances

The Company's trade receivables as at December 31, 2024 and 2023 are disclosed in Note 5 while contract liabilities, which pertain to advance payments from customers as at December 31, 2024 and 2023, are disclosed in Note 12. The advance payments from customers as at December 31, 2024 will be recognized as revenue in 2025.

Set out below is the amount of revenue recognized from:

	2024	2023	2022
Amounts included in contract liabilities at the beginning of the year	₱3,162,956	₱3,162,956	₱7,395,673



The Company has no contract assets as at December 31, 2024 and 2023.

Performance Obligations

For the sale of goods, the performance obligation is satisfied upon the delivery of the goods and payment is generally due within 30 to 60 days from delivery.

14. Cost of Goods Sold

	2024	2023	2022
Finished goods and merchandise inventories, January 1	₱100,429,876	₱290,715,847	₱195,099,409
Raw materials used and merchandise purchased (Note 22)	1,682,408,789	1,339,795,075	1,811,782,103
Direct labor	42,224,486	41,442,808	41,136,509
Manufacturing overhead:			
Depreciation and amortization (Notes 9, 10 and 21)	95,728,131	48,408,862	52,891,245
Repairs and maintenance	60,193,914	45,436,919	35,646,467
Supervision and indirect labor	55,269,473	51,065,852	48,724,927
Supplies and facilities	47,014,086	47,262,290	42,342,671
Taxes and licenses	19,257,887	18,765,937	17,958,765
Rent and utilities	10,846,690	8,983,658	9,400,264
Others	79,840,881	69,192,104	58,755,291
Total manufacturing cost and merchandised purchased	2,092,784,337	1,670,353,505	2,118,638,242
Decrease (increase) in work in process inventories	(2,639,412)	5,370,611	(9,882,647)
Cost of goods manufactured and merchandise purchased	2,090,144,925	1,675,724,116	2,108,755,595
Total goods available for sale	2,190,574,801	1,966,439,963	2,303,855,004
Finished goods and merchandise inventories, December 31	(188,125,096)	(100,429,876)	(290,715,847)
	₱2,002,449,705	₱1,866,010,087	₱2,013,139,157

15. Operating Expenses

	2024	2023	2022
Shipping and delivery	₱438,106,981	₱443,165,458	₱446,746,950
Depreciation and amortization (Notes 9, 10 and 21)	73,400,266	57,121,331	41,107,379
Supplies	41,075,264	33,052,864	24,727,769
Salaries and wages	39,176,300	36,430,183	36,335,113
Employee benefits	26,965,262	24,996,074	22,327,637
Taxes and licenses	20,631,330	35,724,168	22,321,567
Rent, light and water (Note 21)	18,008,183	13,777,882	11,330,780

(Forward)



	2024	2023	2022
Repairs and maintenance	₱16,620,419	₱11,694,807	₱11,754,812
Retirement benefits costs (Note 17)	9,319,141	23,582,987	6,752,989
Insurance	8,741,135	8,328,444	7,007,275
Transportation and travel	8,717,198	6,974,038	4,772,660
Professional fees	7,491,950	9,967,723	9,546,529
Entertainment, amusement and recreation	3,004,311	1,794,395	2,025,596
Communications	2,316,737	2,363,591	2,667,291
Others	15,771,567	14,612,845	13,481,254
	₱729,346,044	₱723,586,790	₱662,905,601

Professional fees include remuneration of certain members of the BOD amounting to ₱0.98 million in 2024, ₱0.94 million in 2023 and ₱0.93 million in 2022.

16. Other Income (Charges) - Net

	2024	2023	2022
Sale of excess power	₱46,932,939	₱17,133,589	₱—
Deconsolidation loss (Note 8)	(15,357,898)	—	—
Equity in net earnings of an associate (Note 8)	9,191,920	—	—
Sale of scraps	4,679,893	508,613	128,062
Gain on sale of equipment	120,536	—	196,696
Amortization of interest on notes receivable	(93,338)	(190,131)	(220,492)
Others - net	5,546,464	1,891,402	2,503,628
	₱51,020,516	₱19,343,473	₱2,607,894

Others include rent income, docking fee and miscellaneous charges.

17. Retirement Benefits Cost

The Company has a funded, non-contributory defined benefit retirement plan providing for death and retirement benefits to all its regular employees. An independent actuary, using the projected unit credit method, conducted the actuarial valuation of the plan. The retirement benefits liability is determined according to the plan formula, taking into account the service rendered and compensation of covered employees as at valuation date.

The following tables summarize the components of net retirement expense recognized in the statements of income, other comprehensive income and the funding status and amounts recognized in the statement of financial position.



The components of retirement benefits cost are as follows:

	2024	2023	2022
Current service cost	₱8,969,293	₱5,318,298	₱6,773,254
Past service cost	—	19,044,674	—
Net interest cost (income)	349,848	(779,985)	(20,265)
Retirement expense recognized in profit or loss (Note 15)	9,319,141	23,582,987	6,752,989
Remeasurements recognized in OCI	6,369,099	9,336,963	(5,040,366)
Retirement benefit costs	₱15,688,240	₱32,919,950	₱1,712,623

The remeasurements on retirement benefits consists of:

	2024	2023	2022
Gains (losses) on obligation arising from:			
Experience adjustments	(₱5,456,920)	₱3,985,952	(₱5,817,651)
Changes in financial assumptions	—	(11,408,643)	18,605,748
	(5,456,920)	(7,422,691)	12,788,097
Losses on plan assets	(912,179)	(1,914,272)	(7,747,731)
Remeasurement gains (losses)	(₱6,369,099)	(₱9,336,963)	₱5,040,366

The details of the retirement benefits payable are as follows:

	2024	2023
Present value of defined benefits obligation	₱131,061,369	₱120,111,153
Fair value of plan assets	(127,637,913)	(114,375,937)
Net retirement benefits payable	₱3,423,456	₱5,735,216

The movements in the retirement benefits payable are as follows:

	2024	2023
Balances at beginning of year	₱5,735,216	(₱10,684,734)
Retirement benefit costs	15,688,240	32,919,950
Contributions	(18,000,000)	(16,500,000)
Balances at end of year	₱3,423,456	₱5,735,216

Changes in the present value of retirement benefit obligation are as follows:

	2024	2023
Balances at beginning of year	₱120,111,153	₱95,228,861
Current service cost	8,969,293	5,318,298
Past service cost	—	19,044,674
Interest cost on benefit obligation	7,326,780	6,951,707
Benefits paid	(10,802,777)	(13,855,078)
Remeasurement losses (gains) on obligation from:		
Experience adjustments	5,456,920	(3,985,952)
Change in assumptions	—	11,408,643
Balances at end of year	₱131,061,369	₱120,111,153



Changes in the fair value of plan assets are as follows:

	2024	2023
Balances at beginning of year	₱114,375,937	₱105,913,595
Interest income on plan assets	6,976,932	7,731,692
Contributions	18,000,000	16,500,000
Benefits paid	(10,802,777)	(13,855,078)
Remeasurement losses	(912,179)	(1,914,272)
Balances at end of year	₱127,637,913	₱114,375,937

Actual return (loss) on plan assets is as follows:

	2024	2023	2022
Interest income on plan assets	₱6,976,932	₱7,731,692	₱5,633,550
Remeasurement losses	(912,179)	(1,914,272)	(7,747,731)
	₱6,064,753	₱5,817,420	(₱2,114,181)

The fund is administered by a trustee bank (Trustee). The Trustee is responsible for investment of the assets. The Trustee proposes an investment strategy based on the investment instructions and, as approved, executes such strategy. When defining the investment strategy, the Trustee takes into account the plan's objectives, benefit obligations and risk capacity. The investment strategy is defined in the form of a long-term target structure (investment policy). The control, direction, and management of the fund shall reside in and be the sole responsibility of the Trustee.

The major categories of the net plan assets are as follows:

	2024	2023
Cash	0.42%	0.08%
Investments in debt securities:		
Government securities	63.95%	55.05%
Corporate debt securities	13.71%	18.76%
Loans and other receivables	1.11%	1.00%
Investments in equity securities:		
Property	10.27%	12.34%
Holding firms	3.73%	4.42%
Banks	2.83%	3.55%
Transportation services	1.16%	1.12%
Telecommunications	1.13%	1.29%
Food, beverage, and tobacco	0.90%	1.32%
Power and utilities	0.56%	0.69%
Retail	0.25%	0.38%
	100.00%	100.00%

The management and its trustee bank review the performance of the plan on a regular basis and assesses whether the plan will achieve an investment return which, together with contributions, will be sufficient to pay retirement benefits as they fall due. The Company also reviews its solvency position on an annual basis and estimates, through the actuary, the expected contribution to the plan in the subsequent year.

The investments in equity and debt securities are based on quoted prices as at the dates of the statement of financial position. The carrying value of cash and loans and other receivables approximate its fair value.



The Company expects to contribute ₱18.00 million in 2025.

The assumptions used to determine retirement benefits obligation as at January 1 are as follows:

	2024	2023	2022
Discount rate	6.10%	7.30%	5.10%
Salary increase rate	6.00%	6.00%	6.00%

The latest actuarial valuation made for the plan was as at December 31, 2024.

As at December 31, 2024, discount rate and salary increase rate are 6.10% and 6.00%, respectively.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at December 31, 2024 and 2023, assuming all other assumptions were held constant:

	Increase (decrease) in rate	2024	2023
Discount rate			
Assumption 1	+0.5%	(₱1,926,492)	(₱3,920,427)
Assumption 2	-0.5%	9,240,858	17,135,066
Future salary increase rate			
Assumption 1	+0.5%	8,796,649	16,230,107
Assumption 2	-0.5%	(1,564,413)	(3,326,844)

There were no changes from the previous period in the methods and assumptions used in preparing sensitivity analysis.

The maturity profile of the undiscounted benefits payments as at December 31 follows:

	2024	2023	2022
Not later than one year	₱10,188,935	₱8,439,061	₱19,124,059
Later than one year and not later than five years	82,978,339	65,765,386	34,126,908
Later than five years	622,331,937	596,107,150	510,697,134

18. Income Taxes

- The Company is registered with the Board of Investments (BOI) pursuant to its Charter and Title XIII of the National Internal Revenue Code of 1997, as amended by Republic Act No. 11534, or the Corporate Recovery Tax Incentives for Enterprises (CREATE) Act, as a domestic market enterprise engaged in manufacture of basic chemicals, modernization - domestic production of liquid caustic soda (NaOH), hydrochloric acid (HCl) and liquid chlorine (Cl₂), which was approved on December 1, 2023. The Company is entitled for income tax holiday (ITH) for three (3) years, from its actual start of commercial operations, afterwards, is entitled to enhanced deduction for five (5) years and duty exemption for twelve (12) years.
- The current provision for income tax consists of the following:

	2024	2023	2022
Regular corporate income tax	₱88,963,467	₱140,324,914	₱132,998,205
Final tax	4,043,047	2,248,047	818,447
	₱93,006,514	₱142,572,961	₱133,816,652



- c. The components of the net deferred income tax liabilities of the Company are as follows:

	2024	2023
Deferred income tax assets recognized in profit or loss:		
Lease liabilities	₱37,732,195	₱69,371,879
Unamortized past service cost	6,118,722	5,814,431
Allowance for expected credit losses	2,173,071	2,173,071
Other noncurrent liabilities	448,375	448,375
Provision for incentives	139,727	139,727
	46,612,090	77,947,483
Deferred income tax liabilities recognized in profit or loss:		
Right-of-use assets	(34,215,668)	(63,638,672)
Net retirement benefits asset	(4,640,112)	(2,469,897)
Unrealized foreign exchange gains	(187,732)	(78,700)
Premium on notes receivable	(38,029)	(61,363)
	(39,081,541)	(66,248,632)
Deferred income tax asset on net retirement plan assets recognized directly in other comprehensive income	5,495,976	3,903,701
Deferred income tax liability on revaluation increment recognized directly in other comprehensive income (Note 8)	—	(137,373,453)
Net deferred income tax asset (liabilities)	₱13,026,525	(₱121,770,901)

The reconciliation of the net deferred income tax assets (liabilities) of the Company follows:

	2024	2023	202
Balances at beginning of year	(₱121,770,901)	(₱131,053,947)	(₱125,559,027)
Recognized in profit or loss	(4,168,302)	6,954,305	(676,078)
Recognized in OCI	(3,427,724)	2,328,741	(4,818,842)
Derecognition arising from loss of control (Note 8)	142,393,452	—	—
Balances at end of year	₱13,026,525	(₱121,770,901)	(₱131,053,947)

There are no income tax consequences attached to the payment of dividends by the Company to its stockholders for each of the three years in the period ended December 31, 2024.

- d. A reconciliation of income tax computed at the statutory income tax rate to the provision for income tax reflected in the statements of income is as follows:

	2024	2023	2022
Income tax at statutory rates	₱107,122,359	₱136,174,244	₱133,480,324
Increase (decrease) in provision for income tax resulting from:			
Benefit from ITH	(12,378,234)	—	—
Nondeductible expenses	8,481,613	3,513,662	1,189,665
Nontaxable income	(3,092,027)	—	—
Interest income subjected to final tax	(2,180,664)	(508,076)	(257,853)
Others	(778,231)	(3,561,174)	80,594
Provision for income tax	₱97,174,816	₱135,618,656	₱134,492,730



19. Financial Risk Management Objectives and Policies

The Company's principal financial assets include trade and other receivables, cash and cash equivalents that are derived directly from operations. The Company's principal financial liabilities comprise of trade and other payables, the main purpose of which is to finance the Company's operations. The Company does not engage in any trading of financial instruments.

The following are the Company's financial assets and liabilities:

	2024	2023
<i>Equity instruments designated at FVOCI:</i>		
Quoted	₱7,999,915	₱8,699,915
Unquoted	30,895,577	28,929,633
	38,895,492	37,629,548
<i>Debt instruments at amortized cost:</i>		
Cash and cash equivalents*	1,193,228,543	677,973,832
Short-term investments	—	93,865,567
Trade and other receivables	803,170,463	727,693,170
Loans receivable	100,000,000	600,000,000
Notes receivable - noncurrent	3,430,034	4,043,646
Security and rental deposits**	9,944,234	9,944,234
	2,109,773,274	2,113,520,449
Total financial assets	₱2,148,668,766	₱2,151,149,997
Current	₱2,096,399,006	₱2,099,532,569
Noncurrent	52,269,760	51,617,428
Total financial assets	₱2,148,668,766	₱2,151,149,997
<i>Other financial liabilities:</i>		
Trade and other payables***	₱374,775,299	₱269,614,873
Lease liabilities	150,928,781	128,918,139
Customers' deposits	26,225,842	26,438,143
Total financial liabilities	₱551,929,922	₱424,971,155

*Excludes cash on hand amounting to ₱2.12 million and ₱2.10 million as at December 31, 2024 and 2023, respectively.

**Excludes nonfinancial deposits amounting to ₱11.76 million and ₱11.71 million as at December 31, 2024 and 2023, respectively.

***Excludes nonfinancial liabilities amounting to ₱33.58 million and ₱8.60 million as at December 31, 2024 and 2023, respectively.

The main risks arising from the Company's financial instruments are foreign currency risk, credit risk and liquidity risk. The Company's exposure to equity price risk resulting from changes in the fair value of its investment in equity securities is not significant. The BOD reviews and approves the policies for managing each of these risks and they are summarized below.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows from the Company's foreign-currency denominated assets or liabilities may fluctuate due to changes in foreign exchange rates.

The Company's exposure to foreign currency risk primarily arises from deposits and placements in foreign currency and importation of finished goods, raw materials and equipment. The Company manages this exposure by matching its receipts and payments for each individual currency. Purchases of finished goods and raw materials are subject to an open account from foreign suppliers and are settled immediately through a purchase of dollars from a local bank at spot rate once all documentation requirements are complete. The Company may also enter into currency forward contracts to manage the currency risks. There are no currency forward contracts outstanding as at December 31, 2024 and 2023.



The foreign currency-denominated financial instruments of the Company as at December 31 are as follows:

	2024	2023
Cash	US\$358,258	US\$176,124
Trade receivables	179,594	143,112
Trade payables	(1,613,943)	—
	(1,076,091)	319,236
Closing exchange rate	57.845	55.370
Peso equivalent	(P62,246,484)	P17,676,097

The net foreign exchange losses (gains) amounted to P4.64 million in 2024, (P1.79 million) in 2023 and P9.88 million in 2022.

The following table shows the effect on income before income tax for the years ended due to a reasonably possible change in foreign currency rates. There is no other impact on the Company's equity other than those affecting net income.

	Increase (decrease) in rate	Effect on income before income tax
2024	4.5%	(P2,782,374)
	(4.5%)	2,782,374
2023	0.7%	122,057
	(0.7%)	(122,057)

The sensitivity analysis takes into account historical movements of Peso in every US\$1 foreign exchange rates. The foreign exchange rates amounted to P55.845 and P55.370 per US\$ as at December 31, 2024 and 2023, respectively. The Company assumes parallel upward and downward effect on income due to a reasonably possible change in these foreign exchange rates.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), including deposits with banks and financial institutions and other financial instruments.

The Company is not exposed to concentration of credit risk. The Company does not have any customer that accounts for more than 10% of its total revenue. It is the Company's policy to require all customers, who wish to trade on credit terms, to comply with and undergo the credit verification process. This process emphasizes on the customer's capacity to pay. In addition, receivables are closely monitored so that exposure to bad debts is minimized. The Company deals only with legitimate and duly accredited parties. The maximum gross credit exposure of the Company's financial assets is equal to their carrying values as at December 31, 2024 and 2023. These financial assets are not supported by any collateral from the counterparties, except for notes receivable which are secured by certain motor vehicles owned by the borrowers.

An impairment analysis is performed using a provision matrix to measure ECL. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecast of future economic conditions. Based on historical experience, the Company's trade receivables are fully collected and no history of write-offs.



Credit risk from balances with banks and financial institutions is managed by the Company's Finance Department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties. Counterparty credit limits are reviewed by the Company's Credit Committee on an annual basis, and may be updated throughout the year subject to the approval of the Company's Vice President for Finance. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The amount and timing of the ECLs, as well as the probability assigned thereto, have been based on the available information up to reporting date. This included probability-weighted shocks to macro-economic factors.

The following tables below summarize the credit quality of the Company's financial assets (gross of allowance for impairment losses) as at December 31:

	2024					
	Current			Past Due		Total
	High	Standard	Substandard	(1-90 Days)	>90 Days	
Cash and cash equivalents*	₱1,193,228,543	₱—	₱—	₱—	₱—	₱1,193,228,543
Trade receivables						
Private	144,569,881	487,558,460	5,406,712	99,394,938	42,678,469	779,608,460
Government	589,912	5,871,413	—	644,741	3,028,964	10,135,030
Related party	985,094	—	—	—	—	985,094
Loans receivable	100,000,000	—	—	—	—	100,000,000
Notes receivable	5,776,756	—	—	—	—	5,776,756
Interest and other receivables	18,787,439	—	—	—	—	18,787,439
Security and rental deposits**	9,944,234	—	—	—	—	9,944,234
	₱1,473,881,859	₱493,429,873	₱5,406,712	₱100,039,679	₱45,707,433	₱2,118,465,556

*Excludes cash on hand amounting to ₱2.12 million as at December 31, 2024.

**Excludes nonfinancial deposits amounting to ₱11.76 million as at December 31, 2024.

	2023					
	Current			Past Due		Total
	High	Standard	Substandard	(1-90 Days)	>90 Days	
Cash and cash equivalents*	₱677,973,832	₱—	₱—	₱—	₱—	₱677,973,832
Short-term investments	93,865,567	—	—	—	—	93,865,567
Trade receivables						
Private	96,624,200	361,940,161	4,200,975	211,934,193	35,063,691	709,763,220
Government	439,000	2,290,987	—	5,052,143	1,859,853	9,641,983
Related party	330,174	—	—	—	—	330,174
Loans receivable	600,000,000	—	—	—	—	600,000,000
Notes receivable	5,946,153	—	—	—	—	5,946,153
Interest and other receivables	14,747,568	—	—	—	—	14,747,568
Security and rental deposits**	9,944,234	—	—	—	—	9,944,234
	₱1,499,870,728	₱364,231,148	₱4,200,975	₱216,986,336	₱36,923,544	₱2,122,212,731

*Excludes cash on hand amounting to ₱2.10 million as at December 31, 2023.

**Excludes nonfinancial deposits amounting to ₱11.71 million as at December 31, 2023.

The Company classifies credit quality risk as follows:

High grade receivables consist of receivables from customers and other parties with good credit standing and with a history of no delay in payments.

Standard grade receivables are those from customers with history of slight delay in payments.

Substandard grade receivables are receivables from customers with a history of recurring delayed payments.



The Company constantly monitors the receivables in order to identify any potential adverse changes in the credit quality. Short-term placements and cash in banks are maintained in banks duly approved by the BOD. Credit impaired receivables pertaining to individually impaired receivables are fully provided with allowance for expected credit losses.

The following tables below summarize the staging considerations (other than trade receivables subject to provision matrix) of the Company's financial assets as at December 31:

2024				
	Stage 1 (12-Month ECL)	Stage 2 (Life time ECL)	Stage 3 (Credit Impaired)	Total
Cash and cash equivalents*	₱1,193,228,543	₱—	₱—	₱1,193,228,543
Loans receivable	100,000,000	—	—	100,000,000
Notes receivable	5,776,756	—	—	5,776,756
Interest and other receivables	18,787,439	—	—	18,787,439
Security and rental deposits**	9,944,234	—	—	9,944,234
	₱1,327,736,972	₱—	₱—	₱1,327,736,972

*Excludes cash on hand amounting to ₱2.12 million as at December 31, 2024.

**Excludes nonfinancial deposits amounting to ₱11.76 million as at December 31, 2024.

2023				
	Stage 1 (12-Month ECL)	Stage 2 (Life time ECL)	Stage 3 (Credit Impaired)	Total
Cash and cash equivalents*	₱677,973,832	₱—	₱—	₱677,973,832
Short-term investments	93,865,567	—	—	93,865,567
Loans receivable	600,000,000	—	—	600,000,000
Notes receivable	5,946,153	—	—	5,946,153
Interest and other receivables	14,747,568	—	—	14,747,568
Security and rental deposits**	9,944,234	—	—	9,944,234
	₱1,402,477,354	₱—	₱—	₱1,402,477,354

*Excludes cash on hand amounting to ₱2.10 million as at December 31, 2023.

**Excludes nonfinancial deposits amounting to ₱11.71 million as at December 31, 2023.

Set out below is the information about the credit risk exposure on trade receivables using a provision matrix as at December 31:

2024				
	Current	Days Past Due		Total
		1-90 Days	> 90 Days	
Expected credit loss rate	0.03%	0.95%	8.88%	
Estimated total gross carrying amount at default	₱644,981,472	₱100,039,679	₱45,707,433	₱790,728,584
Expected credit loss	164,980	949,487	4,060,327	5,174,794
Credit impaired	—	—	3,517,488	3,517,488
Total expected credit loss	₱164,980	₱949,487	₱7,577,815	₱8,692,282

2023				
	Current	Days Past Due		Total
		1-90 Days	> 90 Days	
Expected credit loss rate	0.19%	1.92%	9.88%	
Estimated total gross carrying amount at default	₱465,825,496	₱216,986,336	₱36,923,545	₱719,735,377
Expected credit loss	885,068	4,159,168	3,648,046	8,692,282
Credit impaired	—	—	—	—
Total expected credit loss	₱885,068	₱4,159,168	₱3,648,046	₱8,692,282



Liquidity risk

Liquidity risk arises when a company encounters difficulties in meeting commitments associated with financial instruments. Such risk may result from inadequate market depth, disruption or refinancing problems.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and purchase contracts. The Company also has existing credit lines with local banks which could be drawn when necessary.

The tables below summarize the maturity profile of the Company's financial liabilities and financial assets used to manage liquidity as at December 31, 2024 and 2023:

December 31, 2024

	On-demand	Up to a year	1-3 years	More than 3 years	Total
Financial liabilities:					
Trade and other payables*	P–	P374,775,299	P–	P–	P374,775,299
Customers' deposits	26,225,842	–	–	–	26,225,842
Lease liabilities**	–	50,682,776	36,446,339	105,242,973	192,372,088
	26,225,842	425,458,075	36,446,339	105,242,973	593,373,229
Financial assets:					
Cash on hand and in banks	472,348,543	–	–	–	472,348,543
Cash equivalents**	–	731,243,264	–	–	731,243,264
Trade receivables					
Private	–	770,916,178	–	–	770,916,178
Government	–	10,135,030	–	–	10,135,030
Related party	–	985,094	–	–	985,094
Loans receivable	–	100,000,000	–	–	100,000,000
	472,348,543	1,613,279,566	–	–	2,085,628,109
Excess (deficiency) of financial assets over financial liabilities	P446,122,701	P1,187,821,491	(P36,446,339)	(P105,242,973)	P1,492,254,880

*Excludes nonfinancial liabilities amounting to P33.58 million as at December 31, 2024.

**Includes interest until maturity.

December 31, 2023

	On-demand	Up to a year	1-3 years	More than 3 years	Total
Financial liabilities:					
Trade and other payables*	P–	P269,614,873	P–	P–	P269,614,873
Customers' deposits	26,438,143	–	–	–	26,438,143
Lease liabilities**	–	21,352,580	38,966,946	114,370,110	174,689,636
	26,438,143	290,967,453	38,966,946	114,370,110	470,742,652
Financial assets:					
Cash on hand and in banks	673,073,832	–	–	–	673,073,832
Cash equivalents**	–	7,075,833	–	–	7,075,833
Short-term investments**	–	95,064,960	–	–	95,064,960
Trade receivables					
Private	–	701,297,430	–	–	701,297,430
Government	–	9,415,491	–	–	9,415,491
Related party	–	330,174	–	–	330,174
Loans receivable	–	600,000,000	–	–	600,000,000
	673,073,832	1,413,183,888	–	–	2,086,257,720
Excess (deficiency) of financial assets over financial liabilities	P646,635,689	P1,122,216,435	(P38,966,946)	(P114,370,110)	P1,615,515,068

*Excludes nonfinancial liabilities amounting to P8.60 million as at December 31, 2023.

**Includes interest until maturity.



Capital Management

The primary objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is not subject to externally imposed capital requirements.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for the years ended December 31, 2024 and 2023. The Company was able to meet its capital management objectives as at December 31, 2024 and 2023.

For the purpose of capital management, the Company's capital consists of:

	2024	2023
Capital stock	₱661,309,398	₱661,309,398
Capital paid in excess of par	176,594,308	176,594,308
Retained earnings:		
Appropriated	1,000,000,000	1,000,000,000
Unappropriated	2,170,408,831	1,478,730,384
	₱4,008,312,537	₱3,316,634,090

20. Fair Value

Fair Value

Due to the short-term nature of the transactions, the carrying value of cash in banks and cash equivalents, trade and other receivables, customers' deposits, and trade and other payables approximate their fair values.

The following table sets forth the carrying values and estimated fair values of the Company's financial instruments with recurring fair value measurements, other than those with carrying amounts that are reasonable approximations of fair values:

	2024				
	Carrying Value	Fair Value	Quoted prices in active market (Level 1)	Significant Observable inputs (Level 2)	Significant Unobservable inputs (Level 3)
Measured at fair value					
Equity instruments designated at FVOCI					
Quoted	₱7,999,915	₱7,999,915	₱399,915	₱7,600,000	₱-
Unquoted	30,895,577	30,895,577	-	-	30,895,577
Assets for which fair values are disclosed					
Debt instruments at amortized cost					
Security and rental deposits*	9,944,234	6,275,035	-	6,275,035	-
Notes receivable	5,776,756	7,613,757	-	7,613,757	-
	₱54,616,482	₱52,784,284	₱399,915	₱21,488,792	₱30,895,577

*Excludes nonfinancial deposits amounting to ₱11.76 million as at December 31, 2024.



	2023				
	Carrying Value	Fair Value	Quoted prices in active market (Level 1)	Significant Observable inputs (Level 2)	Significant Unobservable inputs (Level 3)
Measured at fair value					
Equity instruments designated at FVOCI					
Quoted	₱8,699,915	₱8,699,915	₱399,915	₱8,300,000	₱-
Unquoted	28,929,633	28,929,633	-	-	28,929,633
Land at appraised value	563,000,000	563,000,000	-	-	563,000,000
Assets for which fair values are disclosed					
Debt instruments at amortized cost					
Security and rental deposits*	9,944,234	5,954,394	-	5,954,394	-
Notes receivable	5,946,153	5,868,794	-	5,868,794	-
	₱616,519,935	₱612,452,736	₱399,915	₱20,123,188	₱591,929,633

*Excludes nonfinancial deposits amounting to ₱11.71 million as at December 31, 2023.

Reconciliation of fair value measurements categorized within Level 3 is disclosed in Notes 9 and 10.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Security, rental deposits and notes receivable

The fair value of security and rental deposits have been calculated as the sum of all future cash flows, discounted using prevailing market rate of interest for instruments with similar maturities (Level 2).

Quoted financial assets

The fair values of publicly traded instruments and similar investments are based on quoted bid prices (Level 1). For investments in golf shares, fair value of golf shares was based on club share quotes that are publicly available from the local dailies and websites of club share brokers as at December 31, 2024 and 2023 (Level 2).

Unquoted financial assets

The fair value of the investment in unquoted equity instruments as at December 31, 2024 and 2023 was based on adjusted net asset value approach (Level 3). The Company believes that the net asset value represents the fair value as at the date of the statement of financial position. The significant unobservable inputs used in the valuation pertain to the noncontrolling interest discount. The decrease (increase) in fair value of unquoted financial assets assuming an increase (decrease) in noncontrolling interest discount of +10% (-10%) amounted to (₱6,281,994) and ₱7,119,594, respectively, as at December 31, 2024 and (₱5,821,226) and ₱6,597,390, respectively, as at December 31, 2023.

Land of a subsidiary at appraised value at December 31, 2023

The fair value of the land is determined by external, independent property appraisers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being appraised. The appraised value as at December 31, 2023 was determined using the Market Approach wherein the market prices for comparable property listings are adjusted to account for the marketability, nature, bargaining allowance, location and size of the specific properties (Level 3). Significant increases (decreases) in the estimated price per square meter in isolation would result in a significantly higher (lower) fair value. The valuation considers an industrial land development as the highest and best use of the properties.



The Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting date. There were no transfers between Level 1 and Level 2 in 2024 and 2023.

21. Leases

The Company has various noncancellable operating lease agreements covering its office spaces, parking slots, warehouse, storage tanks, piping system, pumps, and bulk storage and handling facilities with remaining lease terms ranging from 2 years to 10 years. These leases are renewable upon mutual agreement of the parties and subject to escalation at a rate of 2.5% to 6.5% annually. In 2023, there were changes in the lease fixed rental payments.

Set out below are the amounts recognized in the statements of income.

	2024	2023	2022
Depreciation expense of			
right-of-use assets	₱28,706,414	₱15,682,540	₱10,562,146
Interest expense on lease liabilities	9,450,585	7,176,403	3,904,851
Short-term leases included under:			
Operating expenses (Note 15)	12,972,158	7,815,452	4,896,543
Cost of goods sold (Note 14)	1,288,254	213,854	807,908
	₱52,417,411	₱30,888,249	₱20,171,448

Total cash outflow for leases amounted to ₱47.04 million in 2024, ₱26.94 million in 2023 and ₱17.99 million in 2022.

The covering agreements of these leases require the Company to pay certain amounts of security and rental deposits, which are included under “Other noncurrent assets” in the statement of financial position. The related security deposits amounted to ₱21.70 million and ₱21.65 million as at December 31, 2024 and 2023, respectively (see Note 10).

Set out below, is the rollforward analysis of lease liabilities during the years ended December 31:

	2024	2023
Balances at beginning of year	₱128,918,139	₱57,097,608
Non-cash changes:		
Additions	45,339,078	—
Modifications	—	83,549,449
Interest expense	9,450,585	7,176,403
Payments:		
Principal portion	(23,328,436)	(11,728,918)
Interest	(9,450,585)	(7,176,403)
Balances at end of year	150,928,781	128,918,139
Less current portion	(41,409,355)	(12,800,223)
Noncurrent portion	₱109,519,426	₱116,117,916



Shown below is the maturity analysis of the undiscounted lease payments as at December 31:

	2024	2023
Within one year	₱50,682,776	₱21,352,580
More than 1 years to 2 years	17,741,625	21,996,442
More than 2 years to 3 years	18,704,714	16,970,504
More than 3 years to 4 years	19,433,803	17,619,854
More than 5 years	85,809,170	96,750,256

22. Related Party Transactions

Related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity and its key management personnel, directors or stockholders.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

All individual material related party transactions shall be approved by at least two-thirds vote of the BOD, with a least a majority of the independent directors voting to approve the material related party transactions. In the event that the majority of the independent directors' vote is not secured, the material related party transactions may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. Material related party transactions refer to any related party transaction, either individually or in the aggregate over a 12-month period with the same related party, with an amount equivalent to at least 10% of the Company's assets.

Outstanding balances and transactions with related parties are as follows:

Related parties	Nature	Year	Volume	Outstanding Balance	Terms and Conditions
<i>Stockholders</i>					
Mitsubishi Corporation	Purchases	2024	₱649,600,148	₱86,762,581	Unsecured, payable 30 days from date of bill of lading; to be settled in cash
		2023	351,421,236	—	
		2022	408,425,312	—	
Tosoh Corporation	Purchases	2024	302,770,842	—	-do-
		2023	322,165,110	—	
		2022	600,489,892	113,186,826	
<i>Associate</i>					
MVC Properties, Inc.	Rental expense (Reflected as interest and depreciation)	2024	11,795,875	27,274,882	Unsecured, payable quarterly
		2023	—	—	
		2022	—	—	
	Rental income	2024	66,964	—	Unsecured, payable monthly
		2023	—	—	
		2022	—	—	
	Advances	2024	1,485,144	3,350,571	Unsecured, payable on demand
		2023	—	—	
		2022	—	—	
<i>Retirement fund</i>					
Mabuhay Vinyl Corporation - Retirement Fund	Investment in MPI	2024	—	7,750,000	Guaranteed dividends equivalent to T-Bill Rate plus 300 basis points subject to declaration by the MPI's BOD
		2023	—	7,750,000	
		2022	—	7,750,000	



Related parties	Nature	Year	Volume	Outstanding Balance	Terms and Conditions
<i>Entity under common control</i>					
Philippine Resins Industries, Inc.	Sales	2024	₱5,590,565	₱985,094	Unsecured; 30 days; non-interest-bearing
		2023	5,136,430	330,174	
		2022	6,144,118	835,912	
	Loans receivable	2024	(500,000,000)	100,000,000	Interest-bearing; payable within one year; to be settled in cash
		2023	(100,000,000)	600,000,000	
		2022	–	700,000,000	
	Interest income	2024	24,220,858	1,005,443	To be settled in cash
		2023	35,412,864	5,542,300	
		2022	15,686,729	1,649,569	

a. Mitsubishi Corporation

The Company purchases inventories from Mitsubishi based on agreed commercial terms and conditions.

b. Tosoh Corporation

The Company purchases inventories from Tosoh based on agreed commercial terms and conditions.

c. MVC Properties, Inc.

The Company has a lease agreement with MPI which was renewed starting January 1, 2020. The lease is for three years and will automatically renew thereafter unless terminated by both parties (see Note 21). On January 1, 2023, the lease was renewed for another three years or until December 31, 2025.

The Company also granted noninterest-bearing advances to MPI amounting to ₱1.49 million in 2024, ₱1.50 million in 2023 and ₱1.42 million in 2022 to finance MPI's working capital requirements. In 2022, MPI paid the advances due to the Company amounting to ₱2.54 million. Outstanding balances from these transactions amounted to ₱3.35 million and ₱1.87 million as at December 31, 2024 and 2023, respectively.

As at December 31, 2024 and for the period July 31, 2024 to December 31, 2024, the above intercompany transactions were eliminated prior to recognizing equity from net earnings of an associate. As at December 31, 2023 and for the years ended December 31, 2023 and 2022, the above intercompany transactions were eliminated upon consolidation.

d. Mabuhay Vinyl Corporation - Retirement Fund

As at December 31, 2024 and 2023, the Company's defined benefit retirement fund has investments in the shares of stock of MPI with a cost of ₱7.75 million. No gain was recognized by the fund in relation to the investment. The Company's retirement fund is being managed by a trustee bank. All of the fund's investing decisions are made by the trustee bank. The power to exercise the voting rights rests with the representative from the trustee bank.

e. Philippine Resins Industries, Inc. (PRII)

The Company sells finished goods to PRII, a fellow subsidiary of Tosoh Corporation, based on agreed commercial terms and conditions.



On February 7, 2020 and November 23, 2020, the Company entered into a loan agreement with PRII amounting to ₱240.00 million and ₱160.00 million, respectively, for a period of six months.

On August 18, 2021, the Company entered into an additional loan agreement with PRII amounting to ₱300.00 million for a period of six months or until February 14, 2022, which may be extended upon mutual agreement of both parties.

The loans are subject to an interest rate based on the Philippine BVAL Reference Rate Tenor of one month, as published by the Bankers Association of the Philippines, plus 0.50% per year.

The loans have been extended several times and the remaining balance matured on January 30, 2025.

Rollforward of the Company's loans receivable are as follows:

	2024	2023
Balances at beginning of year	₱600,000,000	₱700,000,000
Collection	(500,000,000)	(100,000,000)
Balances at end of year	₱100,000,000	₱600,000,000

f. The compensation of key management personnel follows:

	2024	2023	2022
Short-term employee benefits	₱10,703,722	₱9,882,791	₱9,027,717
Retirement benefits (Note 17)	996,386	2,076,489	594,603
	₱11,700,108	₱11,959,280	₱9,622,320

There are no agreements between the Company and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the Company's retirement plan.

23. Basic/Diluted Earnings Per Share

	2024	2023	2022
Net income attributable to the equity holders of the Company (a)	₱330,629,030	₱408,439,609	₱399,068,571
Weighted average number of shares outstanding (Note 12) (b)	661,309,398	661,309,398	661,309,398
Basic/Diluted earnings per share (a/b)	₱0.500	₱0.618	₱0.603

24. Commitments, Provisions and Contingencies

a. Unused Credit Lines

As at December 31, 2024, and 2023, the Company has unused credit lines amounting to ₱958.59 million and ₱946.57 million, respectively.



b. Provisions

Provision for probable loss pertains to provisions made for various assessments, claims and litigations involving the Company in the ordinary course of business. The timing and amount of the cash outflows were uncertain then as they depended upon the outcome of the Company's negotiations and/or any legal proceedings. Disclosure of additional details beyond the present disclosures may seriously prejudice the Company's position and negotiating strategy. Thus, as allowed by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, only general descriptions were provided.

Movement of provisions are as follows:

	2024	2023	2022
Beginning balances	₱21,500,000	₱11,000,000	₱20,000,000
Additions	–	14,000,000	–
Payments	(21,500,000)	(3,500,000)	(9,000,000)
Ending balances	₱–	₱21,500,000	₱11,000,000

c. Contingencies

The Company, in the normal course of business, is subject to periodic examinations by tax authorities and is involved in various labor and other legal cases either as the defendant or plaintiff. The Company, together with its counsels, believes that the outcome of these cases will not have a material effect on the financial statements.

25. Segment Information

The Company is engaged in manufacturing and distributing basic and intermediate chemicals and considers such as its primary activity and only operating segment. Management monitors the operating results (net sales and net income) of the Company for the purpose of making decisions about resource allocation and performance assessment.

Net sales, net income, total assets and total liabilities as at and for the years ended December 31, 2024, 2023, and 2022 are the same as reported elsewhere in the financial statements.

Segment information for this reportable business segment is shown in the following table (amounts in millions):

	2024	2023	2022
Revenue from contracts with customers	₱3,074	₱3,074	₱3,201
Net income	331	409	399
Total assets	4,588	4,334	3,956
Total liabilities	591	603	569
Interest income	49	47	20
Income taxes	97	136	134
Depreciation and amortization	169	106	94
Capital expenditures	258	412	395



Revenue from contracts with customers are all coming from Philippines based on the locations of the customers. The noncurrent operating assets of the Company are also located in the Philippines. The Company does not have any customer that accounts for more than 10% of its total revenue.

26. Notes to Statements of Cash Flows

The non-cash investing and financing activities follow:

	2024	2023	2022
Investing activities:			
Recognition of investment in an associate	₱533,302,519	₱—	₱—
Derecognition of land at appraised values	(620,880,000)	₱—	₱—
Addition to right-of-use assets	45,339,078	83,549,449	—
Changes in fair value of equity instruments designated at FVOCI	1,265,944	7,836,911	5,176,816
Financing activities:			
Accretion of lease liabilities	9,450,585	7,176,402	3,904,851

27. Supplementary Information Required Under Revenue Regulations No. 15-2010

In compliance with Revenue Regulations No. 15-2010 issued by the BIR on November 25, 2010, the following present information on taxes, duties and license fees paid or accrued in 2024.

- a. The Company is a VAT-registered entity with output VAT declaration provided below. The amount of revenue is reflected in the “Revenue from Contracts with Customers”.

	Amount of revenue	Output VAT
Sales subject to 12% VAT	₱2,516,626,474	₱301,995,177
Zero-rated sales	564,993,727	—
Sales to government	30,836,712	3,700,405
VAT-exempt sales	9,605,571	—
Total	₱3,122,062,484	₱305,695,582

Zero-rated sales consist of direct and indirect export sales to PEZA-registered entities and BOI-registered entities with VAT-zero rating approval, pursuant to Section 106 and 108 of the Tax Code.



- b. The details of the input VAT as of December 31, 2024 are as follows:

Beginning balances	₱11,142,873
Current year purchases/payments for	
Domestic purchase of goods	35,222,496
Imported purchase of goods	151,296,223
Capital goods subject to amortization	116,694
Capital goods not subject to amortization	92,026
Domestic purchase of services	95,328,522
Tax payments and other credits	12,496,748
Less: Application against output tax	(305,695,582)
Ending balances	₱—

- c. Total landed cost of importations for 2024 amounted to ₱1,422,728,348, of which ₱151,296,223 pertains to customs duties and tariff fees.

- d. The details of taxes and licenses account for 2024 are as follows:

Business tax	₱14,923,961
Real property tax	14,577,046
Fringe benefit tax	2,750,848
Documentary stamps tax	1,000,299
Others	6,637,063
	₱39,889,217

The total amount is distributed as follows:

Cost of services	₱19,257,887
Operating expenses	20,631,330
	₱39,889,217

- e. The Company's withholding taxes paid and accrued/withheld for 2024 are as follows:

Expanded withholding taxes	₱24,805,797
Tax on compensation and benefits	13,060,502
Final withholding taxes	9,485,773

Outstanding amount of withholding taxes are included in "Trade and other payables" account in the statement of financial position.

- f. The Company is not engaged in the manufacture or production of certain specified goods or articles subject to excise tax for domestic sale or consumption or for any other disposition.
- g. The Company has no ongoing internal revenue tax case, litigation and/or prosecution in courts, bodies or tribunals outside the BIR as of December 31, 2024.

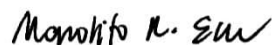


INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Mabuhay Vinyl Corporation
22F The Salcedo Towers
169 H.V. Dela Costa St., Salcedo Village,
Barangay Bel-Air, Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Mabuhay Vinyl Corporation (the "Company") as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, included in this Form 17-A, and have issued our report thereon dated February 28, 2025. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Manolito R. Elle

Partner

CPA Certificate No. 106471

Tax Identification No. 220-881-929

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-128-2023, January 25, 2023, valid until January 24, 2026

PTR No. 10465300, January 2, 2025, Makati City

February 28, 2025



MABUHAY VINYL CORPORATION

INDEX TO THE SUPPLEMENTARY SCHEDULES

- Annex I: Reconciliation of Retained Earnings Available for Dividend Declaration
- Annex II: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered
- Annex III: Supplementary Schedules Required by Annex 68-J
- Schedule A. Financial Assets
 - Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
 - Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
 - Schedule D. Long-term Debt
 - Schedule E. Indebtedness to Related Parties
 - Schedule F. Guarantees of Securities of Other Issuers
 - Schedule G. Capital Stock
 - Schedule H. Supplementary Schedule of External Auditor Fee-Related Information



MABUHAY VINYL CORPORATION

SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2024

Unappropriated Retained Earnings, December 31, 2023		₱1,355,400,208
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	P—	
Effect of restatements or prior-period adjustments	—	
Revaluation increment due to appraisal recycled to retained earnings	427,180,357	427,180,357
		<hr/>
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(66,130,940)	
Retained Earnings appropriated during the reporting period	—	
Effect of restatements or prior-period adjustments	—	
Others	—	(66,130,940)
		<hr/>
Unappropriated Retained Earnings, as adjusted		1,716,449,625
Add: Net income for the current year		331,314,618
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	(9,191,920)	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(562,828)	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Unrealized fair value gain of investment property	—	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	(11,456,618)	
Sub-total		<hr/> (21,211,366)
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	—	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Realized fair value gain of investment property	—	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—	
Sub-total		<hr/> —

(Forward)



Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)

Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	P—
Reversal of previously recorded fair value adjustment (mark-to market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
Reversal of previously recorded fair value gain of investment property	—
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	—
Sub-total	P—
Adjusted Net Income	1,593,639,313

Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)

Depreciation on revaluation increment (after tax)	—
Sub-total	—

Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP

Amortization of the effect of reporting relief	—
Total amount of reporting relief granted during the year	—
Others	—
Sub-total	—

Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution

Net movement of treasury shares (except for reacquisition of redeemable shares)	—
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(304,291)
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	2,216,680
Adjustment due to deviation from PFRS/GAAP - gain (loss)	—
Unrealized revaluation increment due to appraisal recycled to retained earnings	(427,180,357)
Sub-total	(425,267,968)

Total Retained Earnings available for dividend declaration, December 31, 2024

₱1,601,284,909

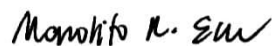


INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Mabuhay Vinyl Corporation
22F The Salcedo Towers
169 H.V. Dela Costa St., Salcedo Village,
Barangay Bel-Air, Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Mabuhay Vinyl Corporation (the "Company") as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated February 28, 2025. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for 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 financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Manolito R. Elle

Partner

CPA Certificate No. 106471

Tax Identification No. 220-881-929

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-128-2023, January 25, 2023, valid until January 24, 2026

PTR No. 10465300, January 2, 2025, Makati City

February 28, 2025



INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

2024 Audited Consolidated Financial Statements

Statement of Management's Responsibility for Financial Statements	
Independent Auditors' Report	
Consolidated Balance Sheets as of December 31, 2024 and 2023	
Consolidated Statements of Income for the years ended December 31, 2024, 2023 and 2022	
Consolidated Statements of Comprehensive Income for the years ended December 31, 2024, 2023 and 2022	
Consolidated Statements of Changes in Equity for the years ended December 31, 2024, 2023 and 2022	
Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023 and 2022	
Notes to Consolidated Financial Statements	

Forms and Content Schedules

	Page Number
Independent Auditor's Report on Supplementary Schedules	
ANNEX I: Reconciliation of Retained Earnings Available for Dividend Declaration	1-2
ANNEX II: Map Showing the Relationship Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered	3-4
ANNEX III: Supplementary Schedules Required by Annex 68-J	
• Schedule A. Financial Assets	5
• Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	6
• Schedule C. Amounts Receivable from Related Parties which were Eliminated during the Consolidation of Financial Statements	7
• Schedule D. Long-term Debt	8
• Schedule E. Indebtedness to Related Parties	9
• Schedule F. Guarantees of Securities and Other Issuers	10
• Schedule G. Capital Stock	11
• Schedule H. External Auditor Fee-Related Information	12

MABUHAY VINYL CORPORATION
SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2024

Unappropriated Retained Earnings, December 31, 2023		₱1,355,400,208
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	₱—	
Effect of restatements or prior-period adjustments	—	
Revaluation increment due to appraisal recycled to retained earnings	427,180,357	427,180,357
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(66,130,940)	
Retained Earnings appropriated during the reporting period	—	
Effect of restatements or prior-period adjustments	—	
Others	—	(66,130,940)
Unappropriated Retained Earnings, as adjusted		1,716,449,625
Add: Net income for the current year		331,314,618
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	(9,191,920)	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(562,828)	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Unrealized fair value gain of investment property	—	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	(11,456,618)	
Sub-total		(21,211,366)
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	—	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Realized fair value gain of investment property	—	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—	
Sub-total		—

(Forward)

Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)

Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	P=
Reversal of previously recorded fair value adjustment (mark-to market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
Reversal of previously recorded fair value gain of investment property	—
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	—
Sub-total	P=

Adjusted Net Income **1,593,639,313**

Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)

Depreciation on revaluation increment (after tax)	—
Sub-total	—

Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP

Amortization of the effect of reporting relief	—
Total amount of reporting relief granted during the year	—
Others	—
Sub-total	—

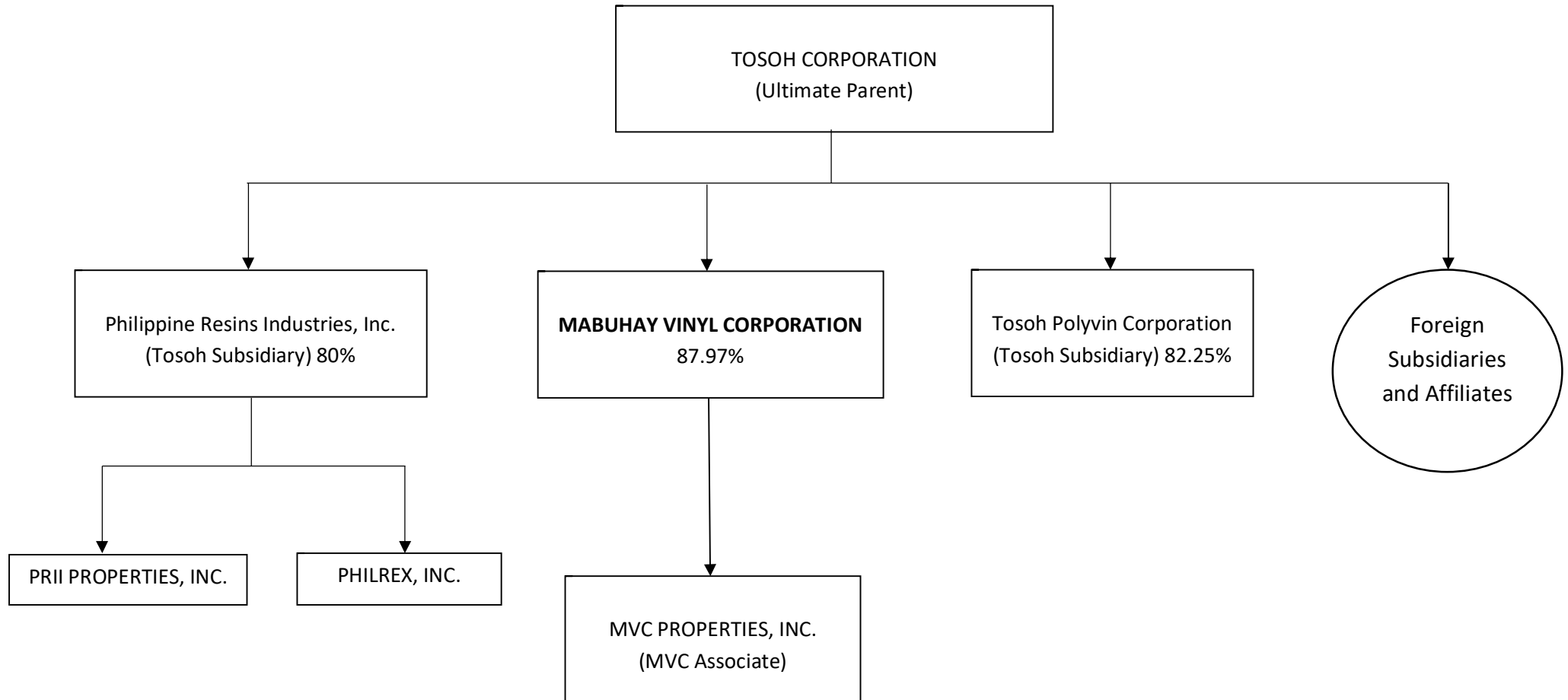
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution

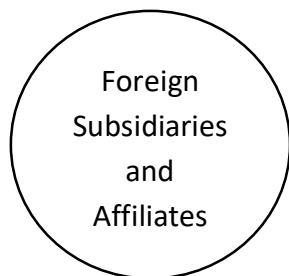
Net movement of treasury shares (except for reacquisition of redeemable shares)	—
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(304,291)
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	2,216,680
Adjustment due to deviation from PFRS/GAAP - gain (loss)	—
Unrealized revaluation increment due to appraisal recycled to retained earnings	(427,180,357)
Sub-total	(425,267,968)

Total Retained Earnings available for dividend declaration, December 31, 2024 **P1,601,284,909**

TOSOH CORPORATION

Map Showing the Relationship Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered





TOSOH SUBSIDIARIES:

Ace Pack Co.,Ltd. (49.32%)
 Organo Corporation (41.31%)
 Kasumi Engineering Inc. (100%)
 Kasumi Kyodo Jigyo Co.,Ltd. (65%)
 Sankyo Kasei Industry Corporation (66.67%)
 Sanwa Construction Co.,Ltd. (78.44%)
 Seiwa Kouki Corp. (100%)
 Taihei Chemicals Limited (74.59%)
 Taiyo Vinyl Corporation (68%)
 Tosoh AIA,Inc. (100%)
 Tosoh SGM Corporation (100%)
 Tosoh Quartz Corporation(NSG Japan) (100%)
 Tosoh Information Systems Corporation (100%)
 Tosoh Silica Corporation (100%)
 Tosoh Speciality Materials Corporation (100%)
 Tosoh Zeolum,Inc. (100%)
 Tosoh Ceramics Co.,Ltd (100%)
 Tosoh General Service Co.,Ltd (100%)
 Tosoh Techno-System,Inc. (100%)
 Tosoh Nikkemi Corporation (100%)
 Tosoh Hi-Tec,Inc. (100%)
 Tosoh Hyuga Corporation (100%)
 Tosoh Finechem Corporation (100%)
 Tosoh Logistics Corporation (100%)
 Tosoh Analysis and Research Center Co.,Ltd.
 (100%)
 Tohoku Denki Tekko Co.,Ltd. (96.76%)
 Tohoku Tosoh Chemical Co.,Ltd. (100%)
 Toyo Polymer Co.,Ltd. d. (100%)
 Plas-Tech Corporation (65.06%)
 Hokuetsu Kasei Co.,Ltd. (100%)
 Minami Kyushu Chemical Industries Co.,Ltd.
 (72.29%)
 Rinkagaku Kogyo Co.,Ltd. (100%)
 Rensol Co.,Ltd. (100%)
 Asia Industry Co.,Ltd. (100%)
 Nippon Miractran Co.,Ltd. (100%)

Tosoh Europe N.V. (100%)
 Tosoh Europe B.V. (100%)
 Tosoh Bioscience A.G. (98%)
 Tosoh Bioscience SRL (100%)
 Tosoh Bioscience, Ltd. (100%)
 Tosoh Bioscience GmbH (100%)
 PT. Standard Toyo Polymer (60%)
 Tosoh America, Inc. (100%)
 Tosoh Bioscience LLC (100%)
 Tosoh Bioscience, Inc. (100%)
 Tosoh Quartz, Inc. (100%)
 Tosoh SMD, Inc. (100%)
 Tosoh SMD Korea, Ltd. (100%)
 Tosoh SMD Taiwan, Ltd. (100%)
 Tosoh SMD Shanghai, Ltd. (100%)
 Tosoh Specialty Chemicals USA, Inc. (100%)
 Tosoh USA, Inc. (100%)
 Tosoh Asia Pte., Ltd. (100%)
 Tosoh Hellas A.I.C. (65%)
 Tosoh Quartz Co., Ltd. (100%)
 Tosoh Advanced Materials Sdn. Bhd. (100%)
 Tosoh India Private Limited (100%)
 Tosoh China Holdings Co.,Ltd. (100%)
 Tosoh (Ruian) Polyurethane Co.,Ltd (100%)
 Tosoh (Shanghai) Polyurethan Co.,Ltd (100%)
 Tosoh (Shanghai) Co.,Ltd. (100%)
 Tosoh Bioscience Shanghai Co.,Ltd. (100%)
 Tosoh (Guangzhou) Chemical Industries, Inc.
 (67%)

TOSOH AFFILIATES:

Izumi Sangyo Co.,Ltd. (46.67%)
 Shinomura Chemical Industry Corporation (40%)
 Toho Acetylene Co.,Ltd. (24.47%)
 Yoriin Construction Co.,td (50%)
 Yokkaichi Oxyton Co.,Ltd. (40%)
 Lonseal Corporation (36.16%)
 Manac Incorporated (19.14%)
 Delamine B.V. (50%)

MABUHAY VINYL CORPORATION
Schedule A. Financial Assets
December 31, 2024

Investments

Name of Issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at end of reporting period	Income received and accrued
Equity instruments designated at FVOCI:				
PLDT - Preferred stock - 10% cumulative, series U	350	₱4,025	₱4,025	₱—
Piltel	600	1,680	1,680	—
Atlas Consolidated Mining Corp.	79,000	394,210	394,210	—
Makati (Sports) Club, Inc.	1	1,600,000	1,600,000	—
The Orchard Golf and Country Club, Inc. (Class A)	1	2,000,000	2,000,000	—
Valley Golf and Country Club	1	4,000,000	4,000,000	—
Total quoted	79,953	7,999,915	7,999,915	—
Tosoh Polyvin Corporation	26,291	30,895,577	30,895,577	—
Total unquoted	26,291	30,895,577	30,895,577	—
	106,244	₱38,895,492	₱38,895,492	₱—

Debt instruments at amortized cost:

Cash in banks and cash equivalents	—	₱1,193,228,543	₱—	₱—
Trade and other receivables	—	803,170,463	—	—
Loans receivable	—	100,000,000	—	—
Notes receivables - noncurrent	—	3,430,034	—	—
Security and rental deposits	—	9,944,234	—	—
	—	2,109,773,274	—	—
Total financial assets	—	₱2,148,668,766	₱—	₱—

MABUHAY VINYL CORPORATION

**Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and
Principal Stockholders (Other than Related Parties)**

December 31, 2024

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
MVC Properties Inc.	₱ —	₱3,350,571

MABUHAY VINYL CORPORATION

**Schedule C. Amounts Receivable from Related Parties which were Eliminated during the
Consolidation of Financial Statements
December 31, 2024**

NOT APPLICABLE

MABUHAY VINYL CORPORATION
Schedule D. Long-Term Debt
December 31, 2024

NOT APPLICABLE

MABUHAY VINYL CORPORATION
Schedule E. Indebtedness to Related Parties
December 31, 2024

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
Mitsubishi Corporation	₱—	₱86,762,581

MABUHAY VINYL CORPORATION
Schedule F. Guarantees of Securities and Other Issuers
December 31, 2024

NOT APPLICABLE

MABUHAY VINYL CORPORATION
Schedule G. Capital Stock
December 31, 2024

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held by Related Parties	Number of Shares Held by Directors and Officers	Number of Shares Held by Others
Common	1,072,942,532	661,309,398	–	621,465,834	50,629	39,792,935

MABUHAY VINYL CORPORATION
Schedule H. External Auditor Fee-Related Information
December 31, 2024

Below are the audit and non-audit fees (exclusive of out of pocket expenses and VAT) of the Company for the years ended December 31, 2024 and 2023:

	2024	2023
Total Audit Fees	₱800,000	₱700,000
Non-audit service fees:		
Tax Services	2,193,375	—
All other services	44,100	49,350
Total Non-Audit Fees	2,237,475	49,350
Total Audit and Non-Audit Fees	₱3,037,475	₱749,350

MABUHAY VINYL CORPORATION
Financial Ratios
For the years ended December 31, 2024 and 2023

Ratio	Formula	Current Year	Prior Year
a. Quick ratio	(cash and cash equiv. + A/R + loan receivable + short term deposits) / current liabilities	4.20	4.19
		2024	2023
	Cash and cash equivalents	₱1,195,348,543	₱680,073,832
	Accounts receivable	803,170,463	727,693,170
	Short term investments	–	93,865,567
	Total	1,998,519,006	1,501,632,569
	Divided by: Total Current Liabilities	475,987,655	358,059,299
	Quick ratio	4.20	4.19
b. Current ratio	current assets / current liabilities	5.55	6.92
		2024	2023
	Total Current Assets	₱2,642,279,876	₱2,476,864,204
	Divided by: Total Current Liabilities	475,987,655	358,059,299
	Current ratio	5.55	6.92
c. Solvency ratio	(net income + depreciation expense) / average liabilities	0.84	0.88
		2024	2023
	Net income	₱331,314,618	₱409,078,318
	Depreciation expense	169,128,397	105,530,193
	Total	500,443,015	514,608,511
	Divided by Average Total Liabilities*	597,100,435	586,032,442
	Solvency ratio	0.84	0.88
	*(beginning plus ending) / 2		
d. Debt to equity ratio	total liabilities/ total stockholders' equity	0.15	0.16
		2024	2023
	Total Liabilities	₱590,724,037	₱603,476,832
	Divided by: Total Stockholders' Equity	3,997,720,616	3,730,295,288
	Debt to equity ratio	0.15	0.16
e. Net profit margin	net income / sales	0.11	0.13
		2024	2023
	Net income	₱331,314,618	₱409,078,318
	Divided by: Total Net sales	3,074,068,637	3,073,772,249
	Net profit margin	0.11	0.13
f. Return on equity	net income / average stockholders' equity	0.09	0.11
		2024	2023
	Net income	₱331,314,618	₱409,078,318
	Divided by: Average Total Stockholders' Equity*	3,864,007,952	3,558,757,176
	Return on equity	0.09	0.11
	*(beginning plus ending) / 2		

Ratio	Formula	Current Year	Prior Year
g. Return on assets	net income / average assets	0.07	0.10
	20242023		
	Net incomeP331,314,618P409,078,318		
	Divided by: Average Total Assets4,461,108,3874,144,789,618		
Return on assets0.070.10			
	*(beginning plus ending) / 2		
h. Debt to total asset ratio	total liabilities / total assets	0.13	0.14
	20242023		
	Total LiabilitiesP590,724,037P603,476,832		
	Divided by: Total Assets4,588,444,6534,333,772,120		
Debt to total asset ratio0.130.14			
i. Asset to equity ratio	total assets / total stockholders' equity	1.15	1.16
	20242023		
	Total AssetsP4,588,444,653P4,333,772,120		
	Divided by: Total Stockholders' Equity3,997,720,6163,730,295,288		
Asset to equity ratio1.151.16			
j. Interest rate coverage ratio	earnings before interest and taxes / interest expense	46.34	76.90
	20242023		
	Net incomeP331,314,618P409,078,318		
	Interest Expense9,450,5857,176,403		
	Provision for Income Tax97,174,816135,618,656		
	EBIT437,940,019551,873,377		
	Divided by: Interest Expense9,450,5857,176,403		
Interest rate coverage ratio46.3476.90			


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

TREASURER'S CERTIFICATION

I, **Michael S. Yu**, of legal age, Filipino and with office address at **22F The Salcedo Towers, 169 H.V. Dela Costa Street, Salcedo Village Makati City**, after being sworn in accordance with law, hereby certify that:

1. I am the Treasurer of **Mabuhay Vinyl Corporation** (the "Company"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines under SEC Certificate of Registration No. **PW00000216** with principal office address at **22F The Salcedo Towers, 169 H.V. Dela Costa Street, Salcedo Village Makati City**.
2. The Financial Statement ("F/S") diskette submitted contains the exact data stated in the hard copies of the F/S of the Corporation.
3. I am executing this certification to attest to the truth of the foregoing and in compliance with the reportorial requirements of SEC.

WITNESS MY HAND on this 28th day of February 2025 at Makati City.


Michael S. Yu
Treasurer

SUBSCRIBED AND SWORN to before me on this MAR 06 2025 day of March at , Affiant exhibited to me his Passport No. P5707300A issued on January 22, 2018 at the City of Manila.

Doc. No.: 253
Page No.: 53
Book No.: 13
Series of 2025

ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2025
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 488534 Dec. 27, 2024
MCLE NO. VI-0027570 Roll No. 27932
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

GENERAL FORM FOR FINANCIAL STATEMENTS

NAME OF CORPORATION: MABUHAY VINYL CORPORATION
CURRENT ADDRESS: 22F THE SALCEDO TOWERS, 169 H.V. DELA COSTA STREET, SALCEDO VILLAGE, MAKATI CITY
TEL. NO.: 8817-8971 FAX NO.: 8816-4785
COMPANY TYPE : MANUFACTURING PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA		2024 (in P'000)	2023 (in P'000)
A. ASSETS (A.1 + A.2 + A.3 + A.4 + A.5 + A.6 + A.7 + A.8 + A.9 + A.10)		4,588,444	4,333,772
A.1 Current Assets (A.1.1 + A.1.2 + A.1.3 + A.1.4 + A.1.5)		2,681,174	2,514,494
A.1.1 Cash and cash equivalents (A.1.1.1 + A.1.1.2 + A.1.1.3)		1,195,349	680,074
A.1.1.1 On hand and in Banks		472,349	673,074
A.1.1.2 Short term placements		723,000	7,000
A.1.1.3			
A.1.2 Trade and Other Receivables (A.1.2.1 + A.1.2.2)		803,170	727,693
A.1.2.1 Due from domestic entities (A.1.2.1.1 + A.1.2.1.2 + A.1.2.1.3 + A.1.2.1.4)		803,170	727,693
A.1.2.1.1 Due from customers (trade)		789,743	719,405
A.1.2.1.2 Due from related parties		985	330
A.1.2.1.3 Others, specify (A.1.2.1.3.1+A.1.2.1.3.2)		21,134	16,650
A.1.2.1.3.1 Tax Claims and Creditable Withholding Taxes			
A.1.2.1.3.2 Others		21,134	16,650
A.1.2.1.4 Allowance for doubtful accounts (negative entry)		(8,692)	(8,692)
A.1.2.2 Due from foreign entities, specify (A.1.3.2.1 + A.1.3.2.2 + A.1.3.2.3 + A.1.3.2.4)		-	-
A.1.2.2.1			
A.1.2.2.2			
A.1.2.2.3			
A.1.2.2.4 Allowance for doubtful accounts (negative entry)			
A.1.3 Inventories (A.1.3.1 + A.1.3.2 + A.1.3.3 + A.1.3.4 + A.1.3.5 + A.1.3.6)		332,445	220,350
A.1.3.1 Raw materials and supplies		131,396	109,635
A.1.3.2 Goods in process (including unfinished goods, growing crops, unfinished seeds)		12,924	10,285
A.1.3.3 Finished goods		188,125	100,430
A.1.3.4 Merchandise/Goods in transit			
A.1.3.5 Unbilled Services (in case of service providers)			
A.1.3.6 Others, specify (A.1.3.6.1+A.1.3.6.2)		-	-
A.1.3.6.1			
A.1.3.6.2			
A.1.4 Financial Assets other than Cash/Receivables/Equity investments (A.1.4.1 + A.1.4.2 + A.1.4.3 + A.1.4.4+A.1.4.5+A.1.4.6)		138,895	637,630
A.1.4.1 Financial Assets at Fair Value through Profit or Loss - issued by domestic entities (A.1.4.1.1 + A.1.4.1.2 + A.1.4.1.3 + A.1.4.1.4 + A.1.4.1.5)			
A.1.4.1.1 National Government			
A.1.4.1.2 Public Financial Institutions			
A.1.4.1.3 Public Non-Financial Institutions			
A.1.4.1.4 Private Financial Institutions			
A.1.4.1.5 Private Non-Financial Institutions			
A.1.4.2 Held to Maturity Investments - issued by domestic entities (A.1.4.2.1 + A.1.4.2.2 + A.1.4.2.3 + A.1.4.2.4 + A.1.4.2.5)		-	-
A.1.4.2.1 National Government			
A.1.4.2.2 Public Financial Institutions			
A.1.4.2.3 Public Non-Financial Institutions			
A.1.4.2.4 Private Financial Institutions			
A.1.4.2.5 Private Non-Financial Institutions			

NOTE:

This general form is applicable to companies engaged in Agriculture, Fishery, Forestry, Mining, and Quarrying, Manufacturing, Electricity, Gas and Water, Construction, Wholesale and Retail Trade, Transportation, Storage and Communications, Hotels and Restaurants, Real Estate, Community, Social and Personal Services, other forms of production, and general business operations. This form is also applicable to other companies that do not have industry-specific Special Forms. Special forms shall be used by publicly-held companies and those engaged in non-bank financial intermediation.

Domestic corporations are those which are incorporated under Philippine laws or branches/subsidiaries of foreign corporations that are licensed to do business in the Philippines where the center of economic interest or activity is within the Philippines. On the other hand, foreign corporations are those that are incorporated abroad, including branches of Philippine corporations operating abroad.

Financial Institutions are corporations principally engaged in financial intermediation, facilitating financial intermediation, or auxiliary financial services. Non-Financial institutions refer to corporations that are primarily engaged in the production of market goods and non-financial services.

GENERAL FORM FOR FINANCIAL STATEMENTS

NAME OF CORPORATION: MABUHAY VINYL CORPORATION
CURRENT ADDRESS: 22F THE SALCEDO TOWERS, 169 H.V. DELA COSTA STREET, SALCEDO VILLAGE, MAKATI CITY
TEL. NO.: 8817-8971 FAX NO.: 8816-4785
COMPANY TYPE: MANUFACTURING PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA		2024 (in P'000)	2023 (in P'000)
A.1.4.3	Loans and Receivables - issued by domestic entities: (A.1.4.3.1 + A.1.4.3.2 + A.1.4.3.3 + A.1.4.3.4 + A.1.4.3.5)	100,000	600,000
A.1.4.3.1	National Government		
A.1.4.3.2	Public Financial Institutions		
A.1.4.3.3	Public Non-Financial Institutions		
A.1.4.3.4	Private Financial Institutions		
A.1.4.3.5	Private Non-Financial Institutions	100,000	600,000
A.1.4.4	Available-for-sale financial assets / Equity Instruments designated at fair value through other comprehensive income - issued by domestic entities: (A.1.4.4.1 + A.1.4.4.2 + A.1.4.4.3 + A.1.4.4.4 + A.1.4.4.5)	38,895	37,630
A.1.4.4.1	National Government		
A.1.4.4.2	Public Financial Institutions		
A.1.4.4.3	Public Non-Financial Institutions	400	400
A.1.4.4.4	Private Financial Institutions		
A.1.4.4.5	Private Non-Financial Institutions	38,495	37,230
A.1.4.5	Financial Assets issued by foreign entities: (A.1.4.5.1+A.1.4.5.2+A.1.4.5.3+A.1.4.5.4)		
A.1.4.5.1	Financial Assets at fair value through profit or loss		
A.1.4.5.2	Held-to-maturity investments		
A.1.4.5.3	Loans and Receivables		
A.1.4.5.4	Available-for-sale financial assets		
A.1.4.6	Allowance for decline in market value (negative entry)		
A.1.5	Other Current Assets (state separately material items) (A.1.5.1 + A.1.5.2 + A.1.5.3 + A.1.5.4)	211,315	248,747
A.1.5.1	Input tax - net	0	5,423
A.1.5.2	Creditable withholding tax	34,390	37,621
A.1.5.3	Prepaid expenses and other current assets	138,999	74,135
A.1.5.4	Short-term investments	0	93,866
A.1.5.5	Materials and supplies	37,926	37,702
A.2	Property, plant, and equipment (A.2.1 + A.2.2 + A.2.3 + A.2.4 + A.2.5 + A.2.6 + A.2.7+A.2.8)	1,326,597	1,546,064
A.2.1	Land	0	563,000
A.2.2	Building and improvements including leasehold improvement	478,631	401,295
A.2.3	Machinery and equipment (on hand and in transit)	2,429,702	1,900,843
A.2.4	Transportation/motor vehicles, automotive equipment, autos and trucks, and delivery equipment	416,330	350,177
A.2.5	Others, specify (A.2.5.1 + A.2.5.2 + A.2.5.3 + A.2.5.4 + A.2.5.5)	606,800	767,148
A.2.5.1	Office furniture and equipment	54,537	53,653
A.2.5.2	Construction in progress	337,814	544,385
A.2.5.3	Right-of-use asset-land	149,279	111,489
A.2.5.4	Right-of-use asset-building	33,684	26,135
A.2.5.5	Right-of-use asset-warehouse and storage tanks	31,486	31,486
A.2.6	Appraisal increase, specify (A.2.6.1 + A.2.6.2 + A.2.6.3 + A.2.6.4)	-	-
A.2.6.1			
A.2.6.2			
A.2.7	Accumulated Depreciation (negative entry)	(2,604,866)	(2,436,399)
A.2.8	Impairment Loss or Reversal (if loss, negative entry)		
A.3	Investments accounted for using the equity method (A.3.1 + A.3.2 + A.3.3)	542,494	-
A.3.1	Equity in domestic subsidiaries/affiliates	542,494	-
A.3.2	Equity in foreign branches/subsidiaries/affiliates		
A.3.3	Others, specify (A.3.1.1 + A.3.2.1 + A.3.3.1 + A.3.3.4)	-	-
A.3.3.1			
A.4	Investment Property	0	0
A.5	Biological Assets		
A.6	Intangible Assets (A.6.1 + A.6.2)	-	-
A.6.1	Major item/s, specify (A.6.1.1 + A.6.1.2 + A.6.1.3 + A.6.1.4)	-	-
A.6.1.1		-	-
A.6.2	Others, specify (A.6.2.1 + A.6.2.2 + A.6.2.3 + A.6.2.4)	-	-
A.6.2.1			
A.7	Assets Classified as Held for Sale		
A.8	Assets included in Disposal Groups Classified as Held for Sale		

GENERAL FORM FOR FINANCIAL STATEMENTS

NAME OF CORPORATION: MABUHAY VINYL CORPORATION

CURRENT ADDRESS: 22F THE SALCEDO TOWERS, 169 H.V. DELA COSTA STREET, SALCEDO VILLAGE, MAKATI CITY

TEL. NO.: 8817-8971

FAX NO.: 8816-4785

COMPANY TYPE: MANUFACTURING

PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2024 (in P'000)	2023 (in P'000)
A.9 Long-term receivables (net of current portion) (A.9.1 + A.9.2 + A.9.3)	-	-
A.9.1. From domestic entities, specify (A.9.1.1 + A.9.1.2 + A.9.1.3 + A.9.1.4)	-	-
A.9.1.1		
A.9.1.2		
A.9.1.3		
A.9.1.4		
A.9.2 From foreign entities, specify (A.9.2.1 + A.9.2.2 + A.9.2.3 + A.9.2.4)	-	-
A.9.2.1		
A.9.2.2		
A.9.2.3		
A.9.2.4		
A.9.3 Allowance for doubtful accounts, net of current portion (negative entry)		
A.10 Other Assets (A.10.1 + A.10.2 + A.10.3 + A.10.4 + A.10.5)	38,179	273,214
A.10.1 Deferred charges - net of amortization		
A.10.2 Deferred Tax Assets	13,027	-
A.10.3 Advance/Miscellaneous deposits		
A.10.4 Others, specify (A.10.4.1 + A.10.4.2 + A.10.4.3 + A.10.4.4)	25,152	273,214
A.10.4.1 Security and rental deposits	21,701	21,654
A.10.4.2 Advances to suppliers noncurrent	0	247,382
A.10.4.3 Retirement benefits asset - net	0	0
A.10.4.4 Notes receivable - noncurrent portion	3,430	4,044
A.10.4.5 Intangible assets	21	134
A.10.5 Allowance for write-down of deferred charges/bad accounts (negative entry)		
B. LIABILITIES (B.1 + B.2 + B.3 + B.4 + B.5)	590,724	603,477
B.1 Current Liabilities (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5 + B.1.6 + B.1.7)	585,507	474,177
B.1.1 Trade and Other Payables to Domestic Entities	453,146	317,836
B.1.1.1 Current portion of lease liabilities	41,409	12,800
B.1.1.2 Trade Payables	230,394	149,629
B.1.1.3 Payables to Related Parties, specify (B.1.1.3.1 + B.1.1.3.2 + B.1.1.3.3)	-	-
B.1.1.3.1		
B.1.1.3.2		
B.1.1.3.3		
B.1.1.4 Others, specify (B.1.1.4.1 + B.1.1.4.2 + B.1.1.4.3)	181,343	155,407
B.1.1.4.1 Accrued expenses	113,653	92,040
B.1.1.4.2 Customer deposits	26,226	26,438
B.1.1.4.3 Others	41,464	36,929
B.1.2 Trade and Other Payables to Foreign Entities (specify) (B.1.2.1+B.1.2.2+B.1.2.3+B.1.2.4)	-	-
B.1.2.1		
B.1.2.2		
B.1.2.3		
B.1.2.4		
B.1.3 Provisions	0	0
B.1.4 Financial Liabilities (excluding Trade and Other Payables and Provisions) (B.1.4.1 + B.1.4.2 + B.1.4.3)	-	-
B.1.4.1		
B.1.4.2		
B.1.4.3		
B.1.4.4		
B.1.5 Liabilities for Current Tax	0	19,105
B.1.6 Deferred Tax Liabilities		
B.1.7 Others, specify (If material, state separately; indicate if the item is payable to public/private or financial/non-financial institutions)	132,361	137,236
B.1.7.1 Dividends declared and not paid at balance sheet date	22,842	21,118
B.1.7.2 Lease Liabilities - net of current portion	109,519	116,118
B.1.7.3 Liabilities under Trust Receipts	0	0
B.1.7.4 Portion of Long-term Debt Due within one year	0	0
B.1.7.5 Deferred Income		
B.1.7.6 Any other current liability in excess of 5% of Total Current Liabilities, specify: (B.1.7.6.1 + B.1.7.6.2 + B.1.7.6.3 + B.1.7.6.4)	-	-
B.1.7.6.1 Short term loans	0	0
B.1.7.6.2		
B.1.7.6.3		
B.1.7.6.4		

GENERAL FORM FOR FINANCIAL STATEMENTS

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TEL. NO.: 8817-8971 FAX NO.: 8816-4785
COMPANY TYPE: MANUFACTURING PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA		2024 (in P'000)	2023 (in P'000)
B.2 Long-term Debt - Non-current Interest-bearing Liabilities (B.2.1 + B.2.2 + B.2.3 + B.2.4 + B.2.5)		-	-
B.2.1 Domestic Public Financial Institutions		0	0
B.2.2 Domestic Public Non-Financial Institutions			
B.2.3 Domestic Private Financial Institutions			
B.2.4 Domestic Private Non-Financial Institutions			
B.2.5 Foreign Financial Institutions			
B.3 Indebtedness to Affiliates and Related Parties (Non-Current)			
B.4 Liabilities Included in the Disposal Groups Classified as Held for Sale			
B.5 Other Liabilities (B.5.1 + B.5.2)		5,217	129,300
B.5.1 Deferred Income Tax		0	121,771
B.5.2 Others, specify (B.5.2.1 + B.5.2.2 + B.5.2.3 + B.5.2.4)		5,217	7,529
B.5.2.1 Retirement benefits payable		3,423	5,735
B.5.2.2 Asset retirement obligation		1,794	1,794
B.5.2.3			
B.5.2.4			
C. EQUITY (C.3 + C.4 + C.5 + C.6 + C.7 + C.8 + C.9+C.10)		3,997,720	3,730,295
C.1 Authorized Capital Stock (no. of shares, par value and total value; show details) (C.1.1+C.1.2+C.1.3)		661,309	661,309
C.1.1 Common shares	688,309,398 shares, P1 par value	661,309	661,309
C.1.2 Preferred Shares			
C.1.3 Others			
C.2 Subscribed Capital Stock (no. of shares, par value and total value) (C.2.1 + C.2.2 + C.2.3)		-	-
C.2.1 Common shares			
C.2.2 Preferred Shares			
C.2.3 Others			
C.3 Paid-up Capital Stock (C.3.1 + C.3.2)		0	0
C.3.1 Common shares			
C.3.2 Preferred Shares			
C.4 Additional Paid-in Capital / Capital in excess of par value / Paid-in Surplus		176,594	176,594
C.5 Minority Interest		0	8,622
C.6 Others, specify (C.6.1 + C.6.2 + C.6.3 + C.6.4 + C.6.5)		(10,592)	(7,081)
C.6.1 Reserve for fluctuations in available-for-sale financial assets		5,896	4,630
C.6.2 Remeasurement gains (losses) on retirement benefits - net of deferred income tax effect		(16,488)	(11,711)
C.6.3			
C.6.4			
C.6.5			
C.7 Appraisal Surplus/Revaluation Increment in Property/Revaluation Surplus		0	412,120
C.8 Retained Earnings (C.8.1 + C.8.2)		3,170,409	2,478,731
C.8.1 Appropriated		1,000,000	1,000,000
C.8.2 Unappropriated		2,170,409	1,478,731
C.9 Head / Home Office Account (for Foreign Branches only)			
C.10 Cost of Stocks Held in Treasury (negative entry)		0	0
D. TOTAL LIABILITIES AND EQUITY (B + C)		4,588,444	4,333,772

GENERAL FORM FOR FINANCIAL STATEMENTS

NAME OF CORPORATION: MABUHAY VINYL CORPORATION
CURRENT ADDRESS: 22F THE SALCEDO TOWERS, 169 H.V. DELA COSTA STREET, SALCEDO VILLAGE,
TEL. NO.: 8817-8971 FAX NO.: 8816-4785
COMPANY TYPE : MANUFACTURING PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Income Statement

FINANCIAL DATA		2024 (in P'000)	2023 (in P'000)
A. REVENUE / INCOME (A.1 + A.2 + A.3)		3,169,736	3,141,470
A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining, utilities, trade, services, etc.) (from Primary Activity)		3,074,069	3,073,772
A.2 Share in the Profit or Loss of Associates and Joint Ventures accounted for using the Equity Method			
A.3 Other Revenue (A.3.1 + A.3.2 + A.3.3 + A.3.4 + A.3.5)		51,020	19,344
A.3.1 Rental Income from Land and Buildings			
A.3.2 Receipts from Sale of Merchandise (trading) (from Secondary Activity)			
A.3.3 Sale of Real Estate or other Property and Equipment			
A.3.4 Royalties, Franchise Fees, Copyrights (books, films, records, etc.)			
A.3.5 Others, specify (A.3.5.1 + A.3.5.2 + A.3.5.3 + A.3.5.4 + A.3.5.5 + A.3.5.6 + A.3.5.7)		51,020	19,344
A.3.5.1 Other Income		51,020	19,344
A.3.5.2 Logistics and other services		0	0
A.3.5.3			
A.3.5.4			
A.3.5.5			
A.3.5.6			
A.3.5.7			
A.4 Other Income (non-operating) (A.4.1 + A.4.2 + A.4.3 + A.4.4)		44,647	48,354
A.4.1 Interest Income		49,283	46,566
A.4.2 Dividend Income			
A.4.3 Gain / (Loss) from selling of Assets, specify (A.4.3.1 + A.4.3.2 + A.4.3.3 + A.4.3.4 + A.4.3.5 + A.4.3.6 + A.4.3.7)		-	-
A.4.3.1 Gain (Loss) on sale of equipment		0	0
A.4.3.2 Unrealized interest income on notes receivables		0	0
A.4.3.3			
A.4.3.4			
A.4.4 Gain / (Loss) on Foreign Exchange (A.4.4.1 + A.4.4.2 + A.4.4.3 + A.4.4.4)		(4,636)	1,788
A.4.4.1 Foreign exchange gain (loss) - net		(4,636)	1,788
A.4.4.2			
A.4.4.3			
A.4.4.4			
B. COST OF GOODS SOLD (B.1 + B.2 + B.3)		2,002,450	1,866,010
B.1 Cost of Goods Manufactured (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5)		2,090,145	1,675,724
B.1.1 Direct Material Used		1,682,409	1,339,795
B.1.2 Direct Labor		42,224	41,443
B.1.3 Other Manufacturing Cost / Overhead		368,151	289,116
Goods in Process, Beginning		10,285	15,655
B.1.5 Goods in Process, End (negative entry)		(12,924)	(10,285)
B.2 Finished Goods, Beginning		100,430	290,716
B.3 Finished Goods, End (negative entry)		(188,125)	(100,430)
C. COST OF SALES (C.1 + C.2 + C.3)		-	0
C.1 Purchases			
C.2 Merchandise Inventory, Beginning			
C.3 Merchandise Inventory, End (negative entry)			
D. COST OF SERVICES, SPECIFY (D.1 + D.2 + D.3 + D.4 + D.5 + D.6)		-	-
D.1			
D.2			
D.3			
D.4			
D.5			
D.6			

GENERAL FORM FOR FINANCIAL STATEMENTS

NAME OF CORPORATION: MABUHAY VINYL CORPORATION
CURRENT ADDRESS: 22F THE SALCEDO TOWERS, 169 H.V. DELA COSTA STREET, SALCEDO VILLAGE, MAKATI CITY
TEL. NO.: 8817-8971 FAX NO.: 8816-4785
COMPANY TYPE : MANUFACTURING PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Income Statement

FINANCIAL DATA	2024 (in P'000)	2023 (in P'000)
E. OTHER DIRECT COSTS, SPECIFY (E.1 + E.2 + E.3 + E.4 + E.5 + E.6)	-	-
E.1 Cost of sales - Property	0	0
E.2		
E.3		
E.4		
E.5		
E.6		
F. GROSS PROFIT (A - B - C - D - E)	1,167,286	1,275,460
G. OPERATING EXPENSES (G.1 + G.2 + G.3 + G.4)	738,797	730,763
G.1 Selling or Marketing Expenses		
G.2 Administrative Expenses		
G.3 General Expenses	729,346	723,587
G.4 Other Expenses, specify (G.4.1 + G.4.2 + G.4.3 + G.4.4 + G.4.5 + G.4.6)	9,451	7,176
G.4.1 Interest and other financing charges	9,451	7,176
G.4.2 Impairment loss on investment property	-	0
G.4.3		
G.4.4		
G.4.5		
G.4.6		
H. FINANCE COSTS		
I. NET INCOME (LOSS) BEFORE TAX (F - G - H)	428,489	544,697
J. INCOME TAX EXPENSE (negative entry)	(97,174)	(135,619)
K. INCOME AFTER TAX	331,315	409,078
L. Amount of (i) Post-Tax Profit or Loss of Discontinued Operations; and (ii) Post-Tax Gain or Loss Recognized on the Measurement of Fair Value less Cost to Sell or on the Disposal of the Assets or Disposal Group(s) constituting the Discontinued Operation (if any)		
L.1 Net changes in fairvalue of AFS		
L.2 Increase in revaluation increment		
M. Profit or Loss Attributable to Minority Interest	686	639
N. Profit or Loss Attributable to Equity Holders of the Parent	330,629	408,439

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TEL. NO.: 8817-8971 FAX NO.: 8816-4785
COMPANY TYPE: MANUFACTURING PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 3. Cash Flow Statements

FINANCIAL DATA		2024 (in P'000)	2023 (in P'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income (Loss) Before Tax and Extraordinary Items		428,489	544,697
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
Depreciation and amortization		169,128	105,530
Others, specify:			
Interest income		(49,283)	(46,566)
Retirement benefit cost		(8,681)	7,083
Unrealized interest income on notes receivables		93	190
Interest expense		9,451	7,176
Unrealized foreign exchange (gain) loss		(436)	(1,039)
Gain on sale of property and equipment		(120)	0
Deconsolidation Loss		15,358	0
Equity in net earnings of an associate		(9,192)	0
Loss on sale of Property, Plant, and Equipment			
Changes in Assets and Liabilities:			
Decrease (Increase) in:			
Receivables		(79,256)	(19,867)
Inventories		(112,095)	172,682
Other Current Assets		(52,960)	(47,149)
Others, specify: Other noncurrent assets		(46)	(3,516)
Increase (Decrease) in:			
Accounts payable and accrued expenses		110,179	(17,805)
Trust receipts payable		0	0
Others, specify: Customer deposits		(212)	616
Asset retirement obligation		0	0
Cash generated from operations			
Income Taxes paid, including creditable withholding taxes		(113,841)	(172,217)
Interest Paid			0
A. Net Cash Provided by (Used in) Operating Activities (sum of above rows)		306,576	529,815
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) Decrease in Short-term investments		0	0
(Increase) Decrease in Advances to suppliers		-	0
Reductions/(Additions) to Property, Plant, and Equipment		(257,627)	(411,928)
Others, specify: Proceeds from sale of equipment		135	0
Issuance of loans and notes receivables		(1,900)	0
Withdrawals (additions to) of short-term investments		93,866	(93,866)
Interest received		50,142	40,002
Collection of Notes receivable		501,976	101,722
Change due to loss of control over a subsidiary		(80,069)	0
B. Net Cash Provided by (Used in) Investing Activities (sum of above rows)		306,523	(364,070)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Loans			
Long-term Debt			
Issuance of Securities			
Others, specify: Short term loans		0	0
Payments of:			
(Loans)			
(Long-term Debt)		0	-
(Notes Payable)		0	0
Others, specify (negative entry):			
Principal portion of lease liabilities		(23,328)	(11,729)
Interest paid		(9,451)	(7,176)
Dividends paid		(64,407)	(62,578)
		(638)	(722)
C. Net Cash Provided by (Used in) Financing Activities (sum of above rows)		(97,824)	(82,205)
D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		0	(68)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C+ D)		515,275	83,472
Cash and Cash Equivalents			
Beginning of year		680,074	596,602
End of year		1,195,349	680,074

Control No.: _____
Form Type: **GFFS (rev 2006)**

GENERAL FORM FOR FINANCIAL STATEMENTS

NAME OF CORPORATION: **MABUHAY VINYL CORPORATION**

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TEL. NO.:	8817-8971	FAX NO.:	8816-4785
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PSIC:

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Table 4. Statement of Changes in Equity

[illegible]

J.4.2 Retirement of TS									0
J.4.3 Other comprehensive			15,060	(4,777)	1,266				11,549
J.4.4 Impact of loss of control			(427,180)				427,180	(8,669)	(8,669)
K. Net Income (Loss) for the Period							330,629	686	331,315
L. Dividends (negative entry)							(66,130)	(639)	(66,769)
M. Appropriation for (specify)									
M.1 Capital Expenditures									0
M.2									
M.3									
M.4									
M.5									
N. Issuance of Capital Stock									
N.1 Common Stock									
N.2 Preferred Stock									
N.3 Others									
O. Balance, 31-Dec-24	661,309	176,594	-	(16,488)	5,896	1,000,000	2,170,410	0	3,997,721