

# COVER SHEET

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S.E.C Registration Number

M A B U H A Y V I N Y L C O R P O R A T I O N

(Company's Full Name)

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 D E L A C O S T A S T . S A L C E D O V I L L A G E  
 B R G Y . B E L - A I R , M A K A T I C I T Y

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

Attys. Maria Melva E. Valdez &  
 Pamela Ann T. Cayabyab

Contact Person

88178971/  
 88159071 to 78

Company Telephone Number

1 2

Month

3 1

Day

**SEC FORM 20-IS**

FORM TYPE

April 30

Month Day  
 Annual Meeting

Secondary License Type, if Applicable

Dept. Requiring this Doc.

2,238

Total No. of Stockholders

Amended Articles Number/Section

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

SEC Number : PW00000216  
 File Number :

# **MABUHAY VINYL CORPORATION**

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(Company's Full Name)

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

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(Company's Address)

**000-164-009-00000**

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(TIN Number)

**88178971**

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(Telephone Number)

**88164785**

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(Fax Number)

## **SEC FORM 20-IS DEFINITIVE INFORMATION STATEMENT**

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Form Type

Each Active Secondary License Type and File Name: NONE



## A. GENERAL INFORMATION

### Item 1. Date, time and place of meeting of security holders.

(a) The Annual Stockholders' Meeting shall be held on:

Date : **30 April 2026**  
Time : **3:00 p.m.**  
Location : Virtual Meeting via <http://www.mvc.com.ph/investor-relations/asm2026/>  
Registration : Email [asm@mvc.com.ph](mailto:asm@mvc.com.ph) on or before 21 April 2026

Registrant's Complete Mailing Address:

**MABUHAY VINYL CORPORATION**  
**22<sup>nd</sup> Floor The Salcedo Towers**  
**169 H.V. Dela Costa Street, Salcedo Village, Barangay Bel-Air, Makati City**

(b) This Information Statement and a copy of the Company's Management Report are to be sent to qualified stockholders of record on or before **08 April 2026**. Pursuant to SEC Notice dated 11 March 2026 providing for alternative mode for distributing and providing copies of the Notice of Meeting, Information Statement, and other documents in connection with the holding of Annual Stockholders' Meeting for 2026, the same will be available at MVC's website ([www.mvc.com.ph](http://www.mvc.com.ph)) and via Philippine Stock Exchange (PSE)'s website – PSE Edge Portal.

**WE ARE NOT ASKING YOU FOR A PROXY AND  
YOU ARE REQUESTED NOT TO SEND US A PROXY.**

### Item 2. Dissenter's Right of Appraisal

The matters to be discussed in the Annual Stockholders' Meeting subject of this Notice do not give rise to any appraisal right in favor of the stockholders.

Title X, Section 80 and Title IV, Section 41 of the Revised Corporation Code of the Philippines ("RCCP") allow a shareholder to exercise his right of appraisal in the following instances: (1) in case an amendment to the Articles of Incorporation will change or restrict the rights of such shareholder or otherwise extend or shorten the term of the company; (2) in case of sale, lease, exchange, transfer, mortgage, pledge, or other disposition of all or substantially all of the company's properties; (3) in cases of merger or consolidation; or (4) in case the company decides to invest its funds in another corporation or business.

As required by Title X, Section 81 of the RCCP, a dissenting stockholder who voted against a proposed corporate act may exercise the right of appraisal, when available, by making a written demand on the corporation for the payment of the fair value of the shares held within thirty (30) days from the date on which the vote was taken.

### Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

No Director, Officer, or Nominee for election as Director of the Company, or associate of the foregoing has any substantial interest in any matter to be acted upon, other than election to office.

The Corporation has not received any information from any Director that he intends to oppose any matter to be acted upon in this year's Annual Stockholders' Meeting.

## B. CONTROL AND COMPENSATION INFORMATION

### Item 4. Voting Securities and Principal Holders Thereof

(a) *Total Number of Shares Issued and Outstanding as of 31 March 2026*

	Shares Outstanding	No. of Vote Each Share Is Entitled
<b>Common Shares held by:</b>		
<b>Filipino nationals</b>	<b>39,046,713</b>	<b>One (1) vote per share</b>
<b>Foreign nationals</b>	<b>622,262,685</b>	<b>One (1) vote per share</b>
<b>TOTAL</b>	<b>661,309,398</b>	

(b) *Record Date*

All stockholders of record as of **30 March 2026** are entitled to notice of and to vote at the Annual Stockholders' Meeting.

(c) *Manner of Voting*

The holders of common stock are entitled to one (1) vote per share. With respect to the election of Directors, stockholders of record are entitled to as many number of votes equal to the number of shares he owns as of Record Date multiplied by seven (7), the number of Directors to be elected. The stockholder may (i) cast all votes in favor of one (1) nominee; or (ii) cast votes for as many Directors to be elected; or (iii) distribute the votes among as many nominees he shall see fit.

Stockholders may vote by remote communication or through proxy by appointing the Chairman of the meeting. Please refer to the Guidelines in Participation by Remote Communication in the Annual Stockholders' Meeting for information on voting by remote communication or by proxy.

(d) *Security Ownership of Certain Record and Beneficial Owners and Management*

(i) *Security Ownership of Certain Record and Beneficial Owners of more than 5% as of 31 March 2026*

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 2026 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	<b>Tosoh Corporation ("Tosoh")</b> 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	<b>Mitsubishi Corporation</b> ("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 is lodged in its Board of Directors.  Mr. Hiroyuki Kobayashi is the representative of Mitsubishi.	Japanese	39,679,999	6.0001
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(ii) Security Ownership of Directors and Management as of 31 March 2026:

Title of Class	Name of Beneficial Owner	Position	Amount and Nature of Beneficial Ownership	Citizenship	Percentage (%) of Class
	<b>Board of Directors:</b>				
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	Independent Director	5,629 (d)	Fil	0.0009
Common	Hiroyuki Kobayashi	Director	10,000 (d)	Jpn	0.0015
Common	Francisco J. Kong	Independent Director	10,000 (d)	Fil	0.0015
Common	Barbara Anne C. Migallos	Director	5,000 (d)	Fil	0.0008
Common	Kazuya Nishisaka	Director	5,000 (d)	Jpn	0.0008
<b>Total for Directors</b>			<b>50,629</b>		<b>0.0080</b>

Title of Class	Name of Beneficial Owner	Position	Amount and Nature of Beneficial Ownership	Citizenship	Percentage (%) of Class
<b>Executive Officers:</b>					
Common Shares	Yohei Chikamoto	Chairman & CEO/Director	-	Jpn	-
Common Shares	Steve S.C. Pangilinan	President & COO/Director	-	Fil	-
N/A	Michael S. Yu	Treasurer / VP-Corporate Planning	-	Fil	-
N/A	Yasumasa Nishi	VP-Finance	-	Jpn	-
N/A	Romeo G. Dela Cruz	VP-Marketing	-	Fil	-
N/A	Mark Francis D. Basan	AVP-Manufacturing	-	Fil	-
N/A	Maria Melva E. Valdez	Corporate Secretary	-	Fil	-
N/A	Pamela Ann T. Cayabyab	Asst. Corporate Secretary	-	Fil	-
<b>Total for Officers</b>			<b>-</b>		<b>-</b>
<b>Total Shares of Directors, Executive Officers, and Management</b>			<b>50,629</b>		<b>0.0080</b>

(iii) Voting Trust Holders of 5% or more

There are no voting trust holders of 5% or more of the common shares.

(iv) *Change in Control*

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.

**Item 5. Directors and Executive Officers**

**(a) 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

A summary of the qualifications of the incumbent Directors is attached as Annex "A".

The following are the members of the Nominations Committee for the year 2025 – 2026:

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

During the meeting held on 26 February 2026, the Nominations Committee approved the following nominees for election to the Board of Directors at the upcoming Annual Stockholders' Meeting and said nominees have accepted their nomination:

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

Nominated as Independent Directors are Messrs. Ramon J. Abejuela and Francisco J. Kong. The Corporation will be electing only two (2) Independent Directors considering its size and operations. All nominees for Independent Directors were duly evaluated by the Nominations Committee and were found to be compliant with the guidelines on nomination and election of Independent Directors provided in Rule 38 of the Securities Regulation Code and the Corporation's Manual on Corporate Governance.

The nominees for Independent Directors were advised of SEC Memorandum Circular No. 5, Series of 2017 regarding the required Certificate of Qualification of Independent Directors. They were likewise informed of SEC Memorandum Circular No. 07, Series of 2026 (SEC MC No.07-2026) on the term limits of Independent Directors.

Messrs. Ramon J. Abejuela and Francisco J. Kong were nominated as Independent Directors by Mr. Steve S.C. Pangilinan. The nominees are not related to the respective nominating stockholder.

**(b) Executive Officers**

The Company's key executive officers as of 31 March 2026 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
Yasumasa Nishi	- 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 have been elected or appointed and has duly qualified.

For a summary of qualifications of each of the Executive Officers, please refer to the attached Annex "A" (pages 18 to 22).

**(c) Significant Employees**

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

**(d) 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.

**(e) 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 Financial Statements (pages 44 to 46).

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.

## **(f) Involvement in Certain Legal Proceedings**

As of 31 March 2026 to the knowledge of the Corporation, none of the Company's Directors or Executive Officers has 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.

To the knowledge of the Corporation, 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 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.

## **Item 6. 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
<b>CEO and five most highly compensated Executive Officers:</b>  <b>Yohei Chikamoto</b> <i>Chairman / CEO</i>  <b>Steve S.C. Pangilinan</b> <i>President / COO</i>  <b>Michael S. Yu</b> <i>Treasurer / VP-Corporate Planning</i>  <b>Yasumasa Nishi</b> <i>VP-Finance</i>  <b>Romeo G. Dela Cruz</b> <i>VP-Marketing</i>	2026 (Projected)	11,456,386	2,027,060	2,578,368
	2025	10,910,844	1,930,534	2,455,588
	2024	10,703,722	1,957,142	2,134,594
	2026 (Projected)	11,456,386	2,027,060	3,607,368
<b>All Directors and Executive Officers As A Group</b>	2025	10,910,844	1,930,534	3,435,588
	2024	10,703,722	1,957,142	2,904,594

(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 2025:

	Name	Total (PHP)
1.	Yohei Chikamoto	210,000.00
2.	Steve S.C. Pangilinan	90,000.00
3.	Ramon J. Abejuela – Independent Director	220,000.00
4.	Hiroyuki Kobayashi	170,000.00
5.	Francisco J. Kong – Independent Director	220,000.00
6.	Barbara Anne C. Migallos	130,000.00
7.	Kazuya Nishisaka	50,000.00

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 for 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.

## **Item 7. Independent Public Accountants**

### **(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 2026 for a fee of P830,000, exclusive of VAT and out-of-pocket expenses.

The auditing partner in charge for the financial year ended 31 December 2025, Ms. Djole S. Garcia was appointed on 26 February 2025. 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 2025- P943,891 (billed and paid in 2024 and 2025)
- For the year 2026- P935,000 (billed and accrued as of March 2026)

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 2026 (P135,000).

The Company engaged the services of SGV to handle the open tax assessment conducted for the Corporation covering the years 2023 and 2019. Total fees billed and paid by MVC related to this service for the year 2025 and 2024 amounted to P765,210 and P2,249,375, respectively.

**(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 2025 – 2026:

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

**Item 8. Compensation Plans**

No action will be presented for stockholders' approval at this year's Annual Stockholders' Meeting with respect to any plan wherein cash or non-cash compensation may be paid or distributed.

**C. ISSUANCE AND EXCHANGE OF SECURITIES (Items 9 to 14)**

No action will be presented for stockholders' approval at this year's Annual Stockholders' Meeting that involves any of the following: (a) authorization or issuance of securities other than for the Exchange; (b) modification or exchange of the class of securities; (c) merger, consolidation, acquisition of securities of another person, sale or transfer of all or any substantial part of the assets of the Corporation; (d) liquidation or dissolution of the Corporation; or (e) restatement of any of the Corporations' assets, capital, or surplus accounts.

**D. OTHER MATTERS**

**Item 15. Action with Respect to Reports**

**(a) Approval of the Minutes of the Annual Stockholders' Meeting on 24 April 2025**

The Minutes of the Annual Stockholders' Meeting held on 24 April 2025 will be submitted for approval of the stockholders. For the convenience of the stockholders, copies of the Minutes will be made available for inspection or review at the Annual Stockholders' Meeting.

**STOCKHOLDERS PRESENT:**

Total No. Shares Outstanding	661,309,398
Total No. Shares of Stockholders Present in Person	50,629
Total No. of Shares of Stockholders Represented by Proxy	621,465,834

Total No. of Shares Present (In Person and by Proxy)	621,516,463
Percentage of Shares of Stockholders Present	93.98%

**DIRECTORS PRESENT:**

Yohei Chikamoto  
Steve S.C. Pangilinan  
Ramon J. Abejuela - Independent Director  
Hiroyuki Kobayashi  
Francisco J. Kong - Independent Director  
Kazuya Nishisaka  
Barbara Anne C. Migallos

**OFFICERS PRESENT:**

Michael S. Yu - Treasurer/VP-Corp. Planning  
Romeo G. Dela Cruz - VP- Marketing  
Atsushi Utsunomiya - VP- Finance  
Mark Francis D. Basan - AVP- Manufacturing  
Maria Melva E. Valdez - Corporate Secretary  
Pamela Ann T. Cayabyab - Assistant Corporate Secretary

The following were the significant matters discussed, resolutions reached, and the record of the voting results at the 24 April 2025 Annual Stockholders' Meeting:

MATTERS DISCUSSED	RESOLUTION	VOTING RESULTS
Approval of the Minutes of the Annual Stockholders' Meeting held on 25 April 2024	Approved.	F – 93.98% A – 0% Ab – 0%
The President's Report	Noted.	
Ratification of corporate acts and proceedings of the Board of Directors, Officers, and Management;	Approved.	F – 93.98% A – 0% Ab – 0%
The Annual Report and Audited Financial Statements for the Fiscal Year 2024;	Approved.	F – 93.98% A – 0% Ab – 0%
Election of Directors, including Independent Directors	The following were declared as the duly elected Directors of the Company for Y2025-Y2026 and until their successors are duly elected and qualified in accordance with the By-Laws of the Corporation:  1. Yohei Chikamoto 2. Steve S.C. Pangilinan 3. Ramon J. Abejuela – Independent Director 4. Hiroyuki Kobayashi 5. Francisco J. Kong – Independent Director 6. Kazuya Nishisaka 7. Barbara Anne C. Migallos	F – 93.98% A – 0% Ab – 0%

Appointment of External Auditor for Fiscal Year 2025.	Approved.	F – 93.98% A – 0% Ab – 0%
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F – For; A – Against; Ab – Abstain

The approval of the Minutes refers to the correctness of the Minutes and will not constitute an approval or disapproval of the matters stated in the Minutes.

**Description of the voting and voting tabulation procedures used in the previous meeting**

The holders of common stocks are entitled to one vote per share. An affirmative vote by the stockholders owning at least a majority of the outstanding capital stock shall be sufficient to approve matters requiring stockholder’s action, except as to the election of Directors. The holder of a majority interest of all outstanding stock of the Company entitled to vote at the meeting shall constitute a quorum for the transaction of business.

In connection with the election of Directors, however, the system of cumulative voting will be followed. In cumulative voting, each stockholder is entitled to as many votes equal to the number of shares held by the stockholder at the close of business on the Record Date multiplied by the number of directors to be elected. A stockholder may cast all votes for a single nominee or may apportion such votes among any two or more nominees. The total number of votes cast shall not exceed the number of shares owned by him multiplied by the number of Directors to be elected.

**Description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given**

An online web address (URL) was provided on the Company website, <http://www.mvc.com.ph>. Questions and comments may be sent via email prior to or during the meeting to [asm@mvc.com.ph](mailto:asm@mvc.com.ph), and limited to the items in the Agenda of the meeting.

During the meeting, the Chairman inquired whether any stockholder that participated by remote communication raised questions. After checking the online platform used, the Corporate Secretary reported that no questions were raised by stockholder.

**(b) Approval of the Management Report and Financial Statements for the period ended 31 December 2025**

Management will report on the significant business transactions, financial targets, and achievements for the fiscal year 2025.

**(c) Reports of Directors, Officers and Committees**

Actions approved by the Board of Directors shall be endorsed for ratification of the shareholders on the forthcoming annual stockholders’ meeting:

Date	Meeting Type	Resolution
24 Apr 2025	Regular	<ul style="list-style-type: none"> <li>Declaration of Cash Dividends</li> </ul>
24 Apr 2025	Organizational	<ul style="list-style-type: none"> <li>Election of Directors/Officers/Committee Members</li> </ul>

15 May 2025	Special	<ul style="list-style-type: none"> <li>● Approval of SEC Form 17-Q as of 31 March 2025</li> </ul>
13 Aug 2025	Special	<ul style="list-style-type: none"> <li>● Approval of SEC Form 17-Q as of 30 June 2025</li> </ul>
13 Nov 2025	Special	<ul style="list-style-type: none"> <li>● Approval of SEC Form 17-Q as of 30 September 2025</li> </ul>
20 Nov 2025	Regular	<ul style="list-style-type: none"> <li>● Approval of Y2026 Annual Business Plan</li> <li>● Timetable of Activities related to Y2026 Annual Stockholders' Meeting</li> </ul>
09 Jan 2026	Special	<ul style="list-style-type: none"> <li>● Setting of Y2026 ASM date and record date</li> <li>● Boiler Upgrade Project Approval</li> </ul>
26 Feb 2026	Regular	<ul style="list-style-type: none"> <li>● Appointment of external auditor Y2026</li> <li>● Appointment of proxy for MPI and TPC's annual stockholders' meeting</li> <li>● Report of nomination committee regarding list of nominees</li> <li>● Renewal of insurance coverage</li> </ul>
05 March 2026	Special	<ul style="list-style-type: none"> <li>● Approval of the Y2025 Audited Financial Statements and its release upon finalization and printing.</li> <li>● Appropriation of retained earnings to partially fund the acquisition and development of a supplemental power generating facility and chemical tanker for the next five years.</li> </ul>

**Item 16. Matters Not Required to be Submitted**

The acts of the Board of Directors, Executive Officers, and Management during the fiscal year 2025 will be presented for ratification of the stockholders. These acts include resolutions regarding the usual course of business of the Corporation, including the opening of bank accounts and the designation of authorized signatories for various commercial transactions.

**Item 17. Amendment of Charter, By-laws, or Other Documents**

No action will be presented for stockholders' approval at this year's Annual Stockholders' Meeting with respect to any amendment of the Corporation's charter, by-laws, or other documents.

**Item 18. Other Proposed Action**

**(a) Election of Directors**

Seven (7) Directors will be elected, including the Independent Directors, for the year 2026 to 2027.

**(b) Appointment of External Auditor**

The External Auditor will be appointed for the fiscal year 2026.

**(c) Ratification of the Corporate Acts of the Board of Directors, Officers, and Management for the Period under Review**

The acts of the Board of Directors, Executive Officers, and Management during the fiscal year 2025 will be presented for ratification of the stockholders. These acts include resolutions regarding the usual course of business of the Corporation, including the designation of authorized signatories for various commercial transactions.

#### **Item 19. Voting Procedure**

An affirmative vote by the stockholders owning at least a majority of the outstanding capital stock shall be sufficient to approve matters requiring stockholder's action, except as to the election of Directors. The holder of a majority interest of all outstanding stock of the Company entitled to vote at the meeting, in person or by proxy, shall constitute a quorum for the transaction of business. Only written proxies signed by the stockholders and duly presented to the Corporate Secretary on or before 21 April 2026 shall be honored for purposes of voting.

The holders of common stocks are entitled to one vote per share. In connection with the election of Directors, however, the system of cumulative voting will be followed. In cumulative voting, each stockholder is entitled to as many votes equal to the number of shares held by the stockholder at the close of business on the Record Date multiplied by the number of directors to be elected. A stockholder may cast all votes for a single nominee or may apportion such votes among any two or more nominees. The total number of votes cast shall not exceed the number of shares owned by him multiplied by the number of Directors to be elected.

All votes shall be cast and counted by the Corporate Secretary, assisted by the External Auditor. Stockholders may vote by remote communication or through proxy by appointing the Chairman of the meeting. Please refer to the Guidelines in Participation by Remote Communication in the Annual Stockholders' Meeting for information on voting by remote communication or by proxy.

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. Maria Melva E. Valdez, at the following address: *Mabuhay Vinyl Corporation, 22<sup>nd</sup> Floor The Salcedo Towers, 169 H.V. Dela Costa Street, Salcedo Village, Barangay Bel-Air, Makati City.* The written request may also be sent electronically to [asm@mvc.com.ph](mailto:asm@mvc.com.ph).

Likewise, electronic copies of Notice of Meeting, Information Statement, and Other Documents may also be accessed from the Company's website <http://www.mvc.com.ph/investor-relations/asm2026/>

#### SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete, and correct. This report is signed in the City of Pasig on \_\_\_\_ April 2026.

MABUHAY VINYL CORPORATION

By:

  
MARIA MELVA E. VALDEZ  
Corporate Secretary

## ANNEX “A”

### INCUMBENT BOARD OF DIRECTORS, EXECUTIVE OFFICERS, AND NOMINEES:

#### MEMBERS OF THE BOARD:

1. **YOHEI CHIKAMOTO** - 52, 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** - 59, 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]; World of Business Ideas, New York [November 2025].

3. **RAMON J. ABEJUELA** - 76, 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]; Best Practices of Effective Boards [5 November 2025].

### 4. **HIROYUKI KOBAYASHI** - 45, 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** - 70, 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-present]; Leadership Academy (online) [2022-present]; Video Podcaster [March 2025]; World of Business Ideas, New York [November 2025].

### 6. **BARBARA ANNE C. MIGALLOS** - 71, 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.; Senior Partner [1988-2006] / Managing Partner [2000-2005], Roco, Kapunan, Migallos & Luna Law Offices; 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 2024], 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** - 42, 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.

## CORPORATE OFFICERS:

### 8. **MICHAEL S. YU** - Treasurer/Vice-President, Corporate Planning

51, 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].

### 9. **YASUMASA NISHI** - Vice-President, Finance

40, Japanese, Bachelor of Commerce, Okayama University, Japan

*Positions held:* Vice-President, Finance since 2025; Chlor-alkali Division [August 2011], Tosoh Corporation; Human Resources [April 2008], Yokkaichi Complex, Tosoh Corporation.

### 10. **ROMEO G. DELA CRUZ** - Vice-President, Marketing

58, 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].

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

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

*Positions held:* Assistance 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].

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

66, 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. (now Seatrium 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; Former Chairperson, 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).

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

43, 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 public company) since May 2021, Keppel Philippines Properties, Inc. (a listed company) since June 2021 and various Keppel companies, Seatrium Philippines Marine Inc. and Seatrium Subic Shipyard Inc.; Corporate Secretary of EMS Resources Technology Inc., EMS Services Philippines Inc., Creotec Philippines Inc. and Gruppo EMS Inc. since April 2024; Partner, Bello Valdez and Esguerra Law Offices.

**FINAL LIST OF NOMINEES:**

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

**MANAGEMENT REPORT****A. Description of Business**

Mabuhay Vinyl Corporation (“MVC”) was incorporated and duly registered with the Philippine Securities and Exchange Commission 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 10 October 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 Philippine Securities and Exchange Commission (“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 invested in a major expansion of its chlor-alkali business (“IEM Project”); the plant started commercial operations in October 2003. On 13 December 2006, the Company started implementation of its Ion Exchange Membrane (“IEM”) Phase 2 Project. MVC is the only chlor-alkali producing company in the Philippines and caters to the industrial and household markets. The IEM2 Plant was placed into commercial operations on 25 August 2008. In 2024, the Company completed its chlor-alkali expansion and modernization project in Iligan Plant. The project has increased the production capacity by 68%, reduced the power consumption and considerably lowered the carbon emissions of the Company.

On 26 November 2008, MVC’s landholding 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 on 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 January 1, 2020. The lease is for three years and will automatically renew thereafter unless terminated by both parties. 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.

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’s Ion Exchange Membrane (IEM) 2 plant Expansion and Modernization Project in Iligan was also completed in 2024. This project will allow MVC to accommodate the growing market demand and maintain the Company’s competitive position. The remaining cost related to the project was capitalized in 2025.

As part of the regular maintenance and compliance with regulatory requirements, one of the Company’s chemical tankers underwent periodic drydocking works in 2025.

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 importers 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 uses salt as raw material. In 2025 and 2024, the Company purchased salt from Marubeni Corporation.

The Company's clientele is 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.

The Company purchases inventories from Tosoh Corporation and Mitsubishi Corporation (Related parties) based on agreed commercial terms and conditions. Total purchases from Tosoh Corporation amounted to P384.66 million and P302.77 million in 2025 and 2024, respectively; while purchases from Mitsubishi amounted to P502.32 million and P649.60 million in 2025 and 2024, respectively.

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 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.

The Company incurred minimal amounts for research and development activities, which do not amount to a significant percentage of revenues.

## **B. 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 (CA) 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 : ₱508,662.61
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 motion to convert proceedings to liquidation proceedings. Awaiting resolution of the 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 : In Re: Petition for Liquidation of Daeduck Philippines, Inc. Civil Case No, 7150-21 before Imus, Cavite RTC Branch 21  
Nature : Liquidation case involving Daeduck Philippines, Inc.

- Progress/Status : Daeduck has paid ₱461,132.16 out of the proportionate claim in the amount of ₱538,294.15, leaving an unpaid proportionate claim of ₱77,162.00. The said proportionate claim in the amount of ₱538,294.15 represents the recoverable amount from MVC's total claim of ₱1,180,771.24 based on the latest Amended Final Distribution Plan submitted for the approval of Court. The next monitoring hearing case is scheduled on February 23, 2026.
- Possible Gain/Loss : ₱719,639.08 (total claim of ₱1,180,771.24, net of the recovered amount of ₱461,132.16.)
4. 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.
5. 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  
Authority 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. MVC filed a petition for certiorari under Rule 65 with the Supreme Court (SC). Until now, the SC has not yet acted on the petition.
6. 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 (1) one 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.

7. 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.

## C. Securities of the Registrant

### Market Price, Dividend and Related Stockholder Matters

The principal market of Mabuhay Vinyl's common equity is the Philippine Stock Exchange ("PSE") where it was listed last 05 February 1997. 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	
<i>Market Price</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>
High	6.54	5.84	6.19	6.39	4.98	5.48	6.49	5.47
Low	4.95	4.70	4.30	4.50	4.00	4.61	4.30	4.80

*\*No transaction for the period January 1 to March 25, 2026.*

The price as of 31 March 2026 (latest practicable trading date) is P5.20.

There are no recent sales of unregistered or exempt securities including recent issuance of securities constituting an exempt transaction.

There are approximately 2,238 holders of common shares of the Company as of 31 March 2026.

Please refer to Annex "C" page 43 for the List of material information on the current stockholders and their voting rights as of 31 March 2026.

Below is a summary of the dividends declared for the years ended December 31, 2025 and 2024:

<u>Date of Declaration</u>	<u>Date of Record</u>	<u>Dividend rate</u>	<u>Dividend per share</u>
25 April 2024	24 May 2024	10%	0.10
24 April 2025	23 May 2025	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.

#### D. Management's Discussion and Analysis or Plan of Operation

The following table shows the financial highlights of the Company for the years then ended December 31, 2025, 2024 and 2023:

<i>As of December 31 (In Thousands)</i>			
	<b>2025</b>	<b>2024</b>	<b>2023</b>
<b>Income Statement Data</b>			
Total Revenues	P3,340,440	P3,074,069	P3,073,772
Gross Profit	1,101,006	1,071,619	1,207,762
Operating Income	336,891	342,273	484,175
Net Income	355,321	331,315	409,078

Revenues in 2025 was higher compared to 2024 due to higher sales volumes of all products. Cost of sales also increased due to higher sales volume, higher import cost and higher production cost resulting from high cost of power and higher steam consumption. Consequently, these factors contributed to the decrease in the Gross profit by 2%. Operating income decreased by 1.6% due to the lower gross profit and higher shipping and delivery expenses resulting from the higher sales volume.

Caustic soda prices towards the end of 2025 in the Asian market are stable as regional supply remains healthy while demand continues to be sluggish amid the weak economic growth.

Excess cash from operations were invested on loan receivables and short-term placements resulting in interest income amounting to P52.31 million. Increase in the interest income is due to higher interest rates.

In 2026, the Company intends to achieve revenues of P3.33 billion, gross profit of P1.04 billion and net income after tax of P153.69 million. Sales volume is targeted to be higher than the prior year.

There are no significant events that could have a negative impact on the Company's outlook for 2026 except for the price movements of liquid caustic soda. The Company expects its power allocation to be sufficient to meet planned production targets assuming no major breakdown in Mindanao's power plants. On the other hand, the movement of liquid caustic soda price in the international market may introduce some risks to the portion of the Company's trading business where it had entered into fixed-price supply contracts.

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

There are no events that will trigger direct or contingent financial obligation that is material to the Company. 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 for regular capital expenditures to improve the reliability of manufacturing plants and depots. These expenditures were financed using cash from operations.

Material changes on line items in the financial statements for the year ending 31 December 2025 are included in "Management's Discussion and Analysis" below (refer to pages 29-35).

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.

## MATERIAL CHANGES IN FINANCIAL CONDITION

<i>From 01 January 2025 to 31 December 2025</i>	<i>From 01 January 2024 to 31 December 2024</i>	<i>From 01 January 2023 to 31 December 2023</i>
<p><b>a. Cash and cash equivalents decreased by P280.4M</b> due to investment of excess cash to short term placements with more than three months maturity. P600.0 million of the cash balance was invested in short-term money market placements with less than three months maturity.</p>	<p><b>a. Cash and cash equivalents increased by P515.3M</b> due to cash set aside for settlement of liabilities to suppliers and collection of loans. P723.0 million of the cash balance was invested in short-term money market placements with less than three months maturity.</p>	<p><b>a. Cash and cash equivalents increased by P83.5M</b> 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.</p>
<p><b>b. Short-term investments increased by P616.6M</b> due to investment of excess cash to short term placements with more than three months maturity.</p>	<p><b>b. Short-term investments decreased by P93.9M</b> The decrease is a normal movement of short term investments as they mature.</p>	<p><b>b. Short-term investments increased by P93.9M</b> due to investment of excess cash to short term placements with more than three months maturity.</p>
<p><b>c. Accounts Receivable decreased by P62.6M</b> due to sustained collection drive.</p>	<p><b>c. Accounts Receivable increased by P75.5M</b> due to higher trade receivables during the year.</p>	<p><b>c. Accounts Receivable increased by P26.3M</b> due to higher trade receivables during the year.</p>
<p><b>d. Loans Receivable decreased by P100.0M</b> due to collection of loans.</p>	<p><b>d. Loans Receivable decreased by P500.0M</b> due to collection of loans.</p>	<p><b>d. Loans Receivable decreased by P100.0M</b> due to collection of loans.</p>
<p><b>e. Inventories increased by P32.0M</b> due to receipt of imported materials.</p>	<p><b>e. Inventories increased by P112.1M</b> due to receipt of imported materials.</p>	<p><b>e. Inventories decreased by P172.7M</b> due to sale of finished goods and normal depletion of materials and supplies used in production.</p>
<p><b>f. Other current assets decreased by P29.9M</b> due to closing of advances to suppliers.</p>	<p><b>f. Other current assets increased by P56.4M</b> due to advances made to suppliers.</p>	<p><b>f. Other current assets increased by P58.2M</b> due to advances made to suppliers.</p>

<i>From 01 January 2025 to 31 December 2025</i>	<i>From 01 January 2024 to 31 December 2024</i>	<i>From 01 January 2023 to 31 December 2023</i>
<b>g. Investment in associate increased by P23.0M</b> due to the recognition of the Company's equity in net earnings of an associate.	<b>g. Investment in associate increased by P542.5M</b> 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.	<b>g. Investment in associate (nil)</b> no change.
<b>h. Property, plant and equipment - at cost decreased by P66.0M</b> due to depreciations and disposals during the year.	<b>h. Property, plant and equipment - at cost increased by P343.5M</b> due to the acquisition of assets net of the depreciations and disposals during the year.	<b>h. Property, plant and equipment - at cost increased by P368.0M</b> due to the acquisition of assets net of the depreciations and disposals during the year.
<b>i. Land, at appraised value (nil)</b> no change.	<b>i. Land, at appraised value decreased by P563.0M</b> due to the deconsolidation of MPI.	<b>i. Land, at appraised value increased by P0.02M</b> due to revaluation increment recognized resulting from the increase in the fair value of the land.
<b>j. Net retirement benefits asset increased by P22.2M</b> 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.	<b>j. Net retirement benefits asset (nil)</b> no change.	<b>j. Net retirement benefits asset decreased by P10.7M</b> 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.
<b>k. Other noncurrent assets increased by P11.1M</b> due advances made to suppliers related to purchases of property plant and equipment.	<b>k. Other noncurrent assets decreased by P246.8M</b> due to closing of advances to suppliers related to the IEM2 expansion project.	<b>k. Other noncurrent assets increased by P23.5M</b> due advances made to suppliers related to purchases of property plant and equipment.
<b>l. Accounts payable and accrual decreased by P120.0M</b> due to settlement of liabilities to suppliers.	<b>l. Accounts payable and accrual increased by P130.1M</b> due to accruals made for imported materials.	<b>l. Accounts payable and accrual decreased by P25.9M</b> due to settlement of liabilities to suppliers.
<b>m. Retirement benefits payable decreased by P3.4M</b> due to the reclassification to asset position as a result of fund income, contributions made to the fund and adjustments to recognize gain/loss on the remeasurement of retirement benefits in accordance with PAS 19R.	<b>m. Retirement benefits payable decreased by P2.3M</b> due to contributions made to the fund and adjustments to recognize gain/loss on the remeasurement of retirement benefits in accordance with PAS 19R.	<b>m. Retirement benefits payable increased by P5.7M</b> Reclassification to liability position as a result of loss/present value of defined benefit obligation recognized during the year net of retirement fund assets.

## CHANGES IN OPERATING RESULTS

2025 vs. 2024	2024 vs. 2023	2023 vs. 2022
<p><b>a. Gross Margin decreased to 33%</b> Gross margin decreased by 2% due to higher import and production costs.</p>	<p><b>a. Gross Margin decreased to 35%</b> Gross margin decreased by 4% due to lower selling prices compared to last year.</p>	<p><b>a. Gross Margin increased to 39%</b> Gross margin increased by 2% due to lower import costs.</p>
<p><b>b. Operating expense increased by P34.8M or 5%</b> due to higher distribution expense resulting from higher sales volume.</p>	<p><b>b. Operating expense increased by P5.8M or 1%</b> due to higher distribution expense resulting from higher sales volume, higher depreciation and repairs.</p>	<p><b>b. Operating expense increased by P60.7M or 9%</b> due to higher distribution expense resulting from higher sales volume and higher trucking expenses.</p>
<p><b>c. Interest and financing charges decreased by P0.2M</b> due to adjustments to interest recognized for the adoption of PFRS 16 - Leases.</p>	<p><b>c. Interest and financing charges increased by P2.3M</b> due to adjustments to interest recognized for the adoption of PFRS 16 - Leases.</p>	<p><b>c. Interest and financing charges increased by P3.3M</b> due to adjustments to interest recognized for the adoption of PFRS 16 - Leases.</p>
<p><b>d. Other income increased by P17.6M</b> due to higher miscellaneous income.</p>	<p><b>d. Other income increased by P31.7M</b> due to higher miscellaneous income.</p>	<p><b>d. Other income increased by P16.7M</b> due to higher miscellaneous income.</p>

## KEY PERFORMANCE INDICATORS

Ratio	Formula	Current Year	Prior Year
a. Quick ratio	(cash and cash equiv. + A/R + short term deposits) / current liabilities	6.60	4.20
	Cash and cash equivalents 914,980,158		
	Short-term investment 616,563,600		
	Accounts receivable 740,575,572		
	Total 2,272,119,330		
	Divided by: Total Current Liabilities 344,413,628		
	Quick ratio 6.60		
b. Current ratio	current assets / current liabilities	8.18	5.55
	Total Current Assets 2,817,953,166		
	Divided by: Total Current Liabilities 344,413,628		
	Current ratio 8.18		
c. Solvency ratio	(net income + depreciation expense) / average liabilities	1.04	0.84
	Net income 355,320,664		
	Depreciation expense 182,268,606		
	Total 537,589,270		
	Divided by Average Total Liabilities* 518,134,856		
	Solvency ratio 1.04		
	*(beginning plus ending) / 2		
d. Debt to equity ratio	total liabilities/ total stockholders' equity	0.10	0.15
	Total Liabilities 445,545,674		
	Divided by: Total Stockholders' Equity 4,303,238,873		
	Debt to equity ratio 0.10		
e. Net profit margin	net income / sales	0.11	0.11
	Net income 355,320,664		
	Divided by: Total Net sales 3,340,439,862		
	Net profit margin 0.11		
f. Return on equity	net income / average stockholders' equity	0.09	0.09
	Net income 355,320,664		
	Divided by: Average Total Stockholders' Equity* 4,150,479,745		
	Return on equity 0.09		
	*(beginning plus ending) / 2		

g. Return on assets	net income / average assets		0.08	0.07
	Net income	355,320,664		
	Divided by: Average Total Assets*	4,668,614,600		
	Return on assets	0.08		
	*(beginning plus ending) / 2			
h. Debt to total asset ratio	total liabilities / total assets		0.09	0.13
	Total Liabilities	445,545,674		
	Divided by: Total Assets	4,748,784,547		
	Debt to total asset ratio	0.09		
i. Asset to equity ratio	total assets / total stockholders' equity		1.10	1.15
	Total Assets	4,748,784,547		
	Divided by: Total Stockholders' Equity	4,303,238,873		
	Asset to equity ratio	1.10		
j. Interest rate coverage ratio	earnings before interest and taxes / interest expense		49.17	46.34
	Net income	355,320,664		
	Interest Expense	9,273,420		
	Provision for Income Tax	91,347,449		
	EBIT	455,941,533		
	Divided by: Interest Expense	9,273,420		
	Interest rate coverage ratio	49.17		

There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

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

#### *Financial Risks*

- a. Interest Rate Risk – The Company's interest rate risk is limited to its trust receipts and short-term loans. There were no outstanding trust receipts and short term-loans as of December 31, 2025.
- b. Foreign Currency Risk – Exposure to said risk arises from deposits and importation of finished goods, raw materials and equipment in foreign currency. Purchases of finished goods and raw materials are subject to an open account with foreign suppliers and are settled immediately through purchase of dollars from a local bank at spot rate as soon as documentation requirements are completed.
- c. Credit Risk – The Company has a policy to require customers who wish to buy on credit terms to comply and undergo a credit verification process concentrating on capacity, character and willingness to pay. Receivables are closely monitored to ensure that changes in credit quality are recognized and exposure to bad debts is minimized.
- d. Liquidity Risk – The Company maintains a balance between continuity of funding and flexibility using bank loans and purchase contracts. Short-term loans availed for operating requirements usually mature within one year while loans through trust receipts within 180 days. Other payables usually mature within 60 days. There were no loans availed in 2025.

The Company has no investments in foreign securities.

## 2025 COMPARED TO 2024

**Current Assets. Cash and cash equivalents** decreased by P280.4M due to investment of excess cash to short-term placements with more than three months maturity. P600.0M of the cash balance was invested in short-term money market placements with less than three months maturity. **Short-term investments** increased by P616.6M due to investment of excess cash to short term placements with more than three months maturity. **Trade and other receivables** decreased by P62.6M due to sustained collection drive. **Loans Receivable** decreased by P100.0M due to collection of loans. Increase in the value of **Inventories** of P32.0M is due to receipt of imported materials. **Other current assets** decreased by P29.9M due to closing of advances made to suppliers.

Increase in **Investment in an Associate** is due to the recognition of the Company's equity in net earnings of an associate.

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

**Net retirement benefits asset** increased by P22.2M 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** decreased by P120.0M due to settlement of liabilities to suppliers.

### Changes in Operating Results

**Gross Margin** decreased by 2% compared to last year due to higher import and production costs. **Operating expenses** increased due to higher distribution expense resulting from higher sales volume. **Interest and financing charges** decreased by P0.2M due to adjustments to interest recognized for the adoption of PFRS 16 - Leases. **Other income** increased by P17.6M due to higher miscellaneous income.

## 2024 COMPARED TO 2023

**Current Assets. Cash and cash equivalents** 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 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 equivalents** 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 expense 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.

## **E. Certain Relationships and Related Transactions**

- (1) Tosoh Corporation and Mitsubishi Corporation supplies 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 market. Total purchases from Tosoh amounted to P384.7M in 2025, P302.8M in 2024 and P322.2M in 2023 while purchases from Mitsubishi amounted to P502.3M in 2025, P649.6M in 2024 and P351.4M in 2023. There were no outstanding trade payables to Tosoh Corporation in 2025, 2024, and 2023. Outstanding trade payable to Mitsubishi Corporation as of 31 December 2024 amounted to P86.8M (nil in 2025 and 2023).

- (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 Corporation		
	No. of MVC shares owned	581,785,835
	Percentage of control	87.9748%

- (3) There is no transaction with promoters for the past 5 years.

**F. Management and Certain Security Holders**

**Directors, Executive Officers**

There are currently seven (7) members of the Board, two (2) of whom are independent directors who hold office for one (1) year. Please refer to pages 5 and 6 for the list of incumbent directors/officers. The Corporation relies significantly on the continued collective efforts of its senior executive officers and expects each employee to do his share in achieving the Corporation's goals.

There are no family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers, persons nominated or chosen by the Company to become directors, or executive officers, any security holder of certain record, beneficial owner or management.

No director or executive officer has been involved in any legal proceeding during the last five (5) years.

**G. Corporate Governance**

The Company remains committed to its Corporate Vision-Mission and mandate as reflected by the following programs and activities implemented for such:

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
    - Facilitated plant tour of Iligan Medical Center College nursing students
    - Donation of used HDPE blue drums to Iligan City National High School and Sgt. Miguel Canoy Central School
    - Donation of Sodium Hypochlorite to Iligan City National High School and Tomas Cabili National High School
    - Donation of snacks for 210 learners on their moving up ceremony at seven (7) child development centers in Barangay Buru-un
    - Sponsorship for MVC Scholar tuition fee for SY 2025
    - Joined PBSP's Ready For School Program at Balara Elementary School, Quezon City where employee volunteers were tasked to cover books
    - Donation of ceiling fans and sodium hypochlorite to Cesar Cabahug Elementary School, Mandaue City, Cebu
    - Donation of Sodium Hypochlorite to Brgy. Tomas Cabili High School, Iligan City
    - Provision of financial assistance for school fees and distribution of school supplies for MVC Scholars

- Donation of school supplies and aircon to the San Miguel Day Care, Bauan Batangas as part of Brigada Eskwela activity
- Donation of Sodium Hypochlorite to eighteen (18) public schools in Iligan City as part of the Adopt-A-School Program
- Facilitated Canva and PowerPoint Presentation workshop for the kids of Purok 1,2 Tonggo and Purok 13-Timoga, Brgy. Buru-un.

b. Environment

- Bamboo planting activity in partnership with PNP Iligan, Iligan City National High School and CENRO Iligan
- Facilitated several activities in collaboration with the EHS Department such as Mangrove planting activity at Marcelo, Ma. Cristina, Barangay Buru-un Iligan City and Coastal Clean Up at Purok 13,14 & 15, Timoga, Barangay Buru-un Iligan City
- Tree Hugging Activity at MVC Plant, in coordination with the Environment Health and Safety Section and Community Environment and Natural Resources Office
- Participated in the Motorcade Parade for BFP- Fire Prevention Month and was recognized as the largest contingent.
- Memorandum of Agreement Signing of the Community and Environmental Stewardship Team together with stakeholders and DENR-CENRO

c. Health

- Conducted Medical mission at Purok 2 Tonggo, Iligan City
- Conducted Medical Mission at Purok 1&2 Tonggo, Buru-un, Iligan residents with free clinic, circumcision and haircut in partnership with MSU College of Medicine, Omicron Delta & 503rd Combat Engineer Battalion
- Facilitated medical consultation to all Community Fire Auxiliary Group Participants of Brgy. Buru-un in preparation for Regional Fire Olympics
- Conducted learning session about dental hygiene and distribution of dental kits and vitamins to Grade 1 students of Daniel M. Perez Elementary School, Bunawan, Davao City
- Conducted free medical consultation with distribution of medicines and vitamins for the third-party hauler crew deployed at the Batangas Depot
- Donated meals for the staff of Iligan City Health Office in support to their HIV/AIDS caravan as part of World AIDS Awareness Day
- Facilitated Mobile Blood Donation at the Iligan Plant
- Conduct of medical consultation and distribution of medicines and vitamins for third party hauler crew deployed at MPBP Plant
- Assisted Brgy. Buru-un's Basic Life Support Training of BDRRMO volunteers
- Facilitated activities of Occupational Medicine Week and conducted Health Talk on Ergonomics

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

- Donation for the Fiesta celebration of Purok 13, Iligan City and Araw ng Barangay Buruun
- Donation of used HDPE blue drums to Iligan City National High School
- Donation of Sodium Hypochlorite to Bureau of Fire Iligan City
- Donation of construction materials for the barracks for the Women Reserves Command of Philippine Army – Region X
- Donated financial assistance for the fisherfolks of Brgy, Ma. Cristina, Iligan
- Donation of sports equipment to Purok Tonggo, Iligan City
- Donation of used blue HDPE drums to Purok 13 Timoga residents for sanitation purposes of their relocation area at Suarez, Iligan City
- Facilitated training for Bureau of Fire Protection (BFP), Community Fire Auxiliary Group (CAFG) and MVC Contractors on Confined Space and Ladder Rescue training

- Donated food and grocery items to the fire victims of Barangay Buru-un in Iligan City in support to the initiative and as an active member of Iligan Bay Chamber of Industries (IBCI)
  - Conducted outreach activity at AJ Kalinga Foundation, Manila City by donating Sodium Hypochlorite, food supply and employee's monetary contribution to support the feeding program to homeless individuals. Employee-volunteers experienced hands on work during the actual feeding program activity.
  - Donated streamers and pennants for Purok 13, Iligan City fiesta celebration
  - Donated blue drums to the Girl Scouts of the Philippines for the Iligan Citywide camping activity
  - Conduct of workshop for the children in the adopted community in Iligan City
  - Donated food for the celebration of Barangay Ma. Cristina, Iligan City in celebration of their Charter Day
  - Conducted outreach activity at Bonita Homes Cebu – shelter for abused women wherein MVC donated pantry items and Sodium Hypochlorite
  - Participation in the Fire Olympics " Pinakurat Challenge 2025" hosted by the BFP, and was declared champion
  - Conducted Flores De Mayo activity with participants from Prk. 1 & 2, Tonggo, Brgy. Buru-un
  - Pamaskong Handog sa mga Bata for 200 children of Purok 1 & 2 - Tonggo, and Purok 13 - Timoga
  - Donation and distribution of Jollibee food packs and Christmas Gifts for Timoga Day Care Center during their Christmas Party
4. "My Voluntary Contribution Drive" (M.V.C.) aimed to raise funds through employee donations:
- To support the relief and recovery efforts for the victims of Cebu Earthquake
  - To support assistance to the families affected by Typhoon Tino in Negros Occidental and Cebu
  - To support post operation recovery of MVC employee
  - 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, Fun Run and Annual Physical Examination for employees and dependents.

The Company submitted its Integrated Annual Corporate Governance Report (I-ACGR) on 30 May 2025 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.

## Directors Attendance Report

Name	Date of Board Meetings											% of Attendance
	23	28	15	24	24	15	19	24	13	13	20	
	Jan	Feb	Apr	Apr	Apr	May	Jun	Jul	Aug	Nov	Nov	
	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	
	Special	Regular	Special	Regular	Org	Special	Special	Regular	Special	Special	Regular	
Yohei Chikamoto	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Steve S.C. Pangilinan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Ramon J. Abejuela	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Hiroyuki Kobayashi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Francisco J. Kong	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Barbara Anne C. Migallos	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Kazuya Nishisaka	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%

Name	Date of Executive Committee Meetings										% of Attendance
	16	20	16	20	18	18	23	18			
	Jan	Mar	May	Jun	Aug	Sep	Oct	Dec			
	2025	2025	2025	2025	2025	2025	2025	2025			
	Regular	Regular	Regular	Regular	Regular	Regular	Regular	Regular	Regular		
Yohei Chikamoto	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Steve S.C. Pangilinan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Hiroyuki Kobayashi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%

Name	Date of Nominations Committee Meeting		% of Attendance
	28		
	Feb		
	2025		
	Regular		
Yohei Chikamoto	✓		100%
Francisco J. Kong	✓		100%
Barbara Anne C. Migallos	✓		100%

Name	Date of Audit Committee Meeting			% of Attendance
	21	30	05	
	Feb	Oct	Dec	
	2025	2025	2025	
	Regular	Regular	Regular	
Yohei Chikamoto	✓	✓	✓	100%
Ramon J. Abejuela	✓	✓	✓	100%
Francisco J. Kong	✓	✓	✓	100%
Barbara Anne C. Migallos	✓	✓	✓	100%

Legend: X- Absent      ✓- Present

### **Appraisal and performance reports for the board and the criteria and procedure for assessment**

The Board carries out evaluations to appraise its performance as a body and assess whether it possesses the right mix of backgrounds and competencies by conducting 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 Nominations Committee considers the performance of each director in the previous year when it shortlists the nominees for election to the Board of Directors. Criteria include the Director's attendance, active participation during meetings and compliance with the Company's Code of Business Conduct and Ethics.

The Nominations Committee graded the directors as follows:

Name of Director	Rating
Yohei Chikamoto	100%
Steve S.C. Pangilinan	100%
Ramon J. Abejuela	100%
Hiroyuki Kobayashi	100%
Francisco J. Kong	100%
Barbara Anne C. Migallos	100%
Kazuya Nishisaka	100%

## ANNEX "C"

**Mabuhay Vinyl Corporation**  
**List of material information on the current stockholders and their voting rights**  
**As of 31 March 2026**

	STOCKHOLDER'S NAME	NATIONALITY	OUTSTANDING SHARES	PERCENTAGE
<b>TOP TWENTY (20) STOCKHOLDERS</b>				
1	TOSOH CORPORATION C/O PHILIPPINE RESINS INDUSTRIES, INC., UNIT 2104 ANTEL 2000 CORPORATE CENTER, 121 VALERO ST. SALCEDO VILLAGE, MAKATI CITY	JPN	317,779,029	48.053%
2	TOSOH CORPORATION 4560 KAISEI-CHO, SHUUNARA-SHI,YAMAGUCHI 746-8501, JAPAN	JPN	264,006,806	39.922%
3	MITSUBISHI CORPORATION 6-3 MARUNOUCHI 2-CHOME, CHIYODA-KU, TOKYO, JAPAN	JPN	22,260,000	3.366%
4	MITSUBISHI CORPORATION 14/F, L. V. LOCSIN BLDG.,AYALA AVE. COR MAKATI AVENUE, MAKATI CITY	JPN	17,419,999	2.634%
5	PCD NOMINEE CORPORATION (FILIPINO) G/F MSKE BLDG., 6767 AYALA AVE, MAKATI CITY	FIL	13,247,268	2.003%
6	DENNIS T. VILLAREAL 37 NARRA AVENUE, FORBES PARK, MAKATI CITY	FIL	1,203,300	0.182%
7	WILLIAM LINES, INC. DON SERGING OSMENA BLVD. NORTH RECLAMATION AREA, CEBU CITY	FIL	1,050,000	0.159%
8	SANTIAGO SR. TANCHAN 166 DON MARIANO CUI ST., CEBU CITY	FIL	765,730	0.116%
9	GONZALO PUYAT & SONS, INC. 4TH FLR., ENZO BUILDING 399 SEN. GIL PUYAT AVENUE, MAKATI, METRO MANILA	FIL	585,169	0.088%
10	PCD NOMINEE CORPORATION (NON-FILIPINO) G/F MSKE BLDG., 6767 AYALA AVE, MAKATI CITY	NOF	401,276	0.061%
11	MULTIFARMS AGRO-INDUSTRIAL DEVELOPMENT CORPORATION M.J. CUENCO AVENUE CORNER, URDANETA STREET, CEBU CITY	FIL	336,000	0.051%
12	J E L P REAL ESTATE DEVT. CORP. 1 POLK STREET, NORTH GREENHILLS, SAN JUAN, METRO MANILA	FIL	300,000	0.045%
13	WILFRIDO C. TECSON 4900 PASAY ROAD, DASMARINAS VILLAGE, MAKATI CITY	FIL	300,000	0.045%
14	YANG SONGBO 150 MARIVELES STREET, QUEZON CITY	CHN	300,000	0.045%
15	F.C. ROQUE AGRO-INDUSTRIAL C/O NOVALICHES ICE PLANT, PLAZA, NOVALICHES, QUEZON CITY	FIL	255,092	0.039%
16	KENNETH T. GATCHALIAN 22/F CITIBANK TOWER, PASEO DE ROXAS, MAKATI CITY	FIL	250,000	0.038%
17	ANA BEATRIZ R. MEDRANO AND/OR VICTORINO S. MEDRANO JR #91 SCOUT FUENTEBELLA STREET, KAMUNING, QUEZON CITY	FIL	250,000	0.038%
18	FGU INSURANCE CORPORATION 16 <sup>TH</sup> -18 <sup>TH</sup> FLOOR BPI BLDG. AYALA AVENUE CORNER PASEO DE ROXAS, MAKATI CITY	FIL	243,000	0.037%
19	JACINTO U. TIU C/O PARAMOUNT VINYL CORP., 56 G. DE JESUS STREET, CALOOCAN CITY	FIL	219,493	0.033%
20	VICTONETA INVESTMENT CORP. VICTONETA PARK, POTRERO, MALABON, METRO MANILA	FIL	213,931	0.032%
<b>OTHER STOCKHOLDERS</b>				
21	RICARDO PARAS C/O ELISA PARAS 19 CATANDUANES ST. WEST AVE., QUEZON CITY	FIL	197,823	0.030%
22	FELICITO H. TIU C/O GOLD STAR PHIL. TRADERS, LEON GUINTO ST., ILOILO CITY 5000	FIL	186,000	0.028%
23	GILBERT LIU 1595 QUEZON AVE. QUEZON CITY	FIL	180,000	0.027%
24	VICENTE TIU	FIL	178,568	0.027%
25	JOSEFA R. LUZ #3 IPIL ROAD, FORBES PARK, MAKATI CITY	FIL	146,600	0.022%
	TOTAL		<b>642,275,084</b>	<b>97.122%</b>



# MABUHAY VINYL CORPORATION



## NOTICE OF ANNUAL STOCKHOLDERS' MEETING OF MABUHAY VINYL CORPORATION

To All Stockholders:

Notice is hereby given that the Annual Stockholders' Meeting ("Meeting") of Mabuhay Vinyl Corporation (the "Company") will be held on **30 April 2026, 3:00 p.m.** The Meeting will be held virtually and a link to the virtual meeting will be posted on the Company website, <http://www.mvc.com.ph/investor-relations/asm2026/>, and will be disclosed on PSE Edge.

The Agenda for the Meeting shall be as follows:

1. Call to Order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Guidelines in Participation by Remote Communication
5. Reading and Approval of the Minutes of the Annual Stockholders' Meeting held on 24 April 2025
6. President's Report
7. Ratification of the Corporate Acts of the Board of Directors, Officers, and Management for the Period under Review
8. Presentation and Approval of the Y2025 Annual Report and Audited Financial Statements
9. Election of Directors for the year 2026-2027
10. Appointment of External Auditor for Fiscal Year 2026
11. Other Matters
12. Adjournment

Only stockholders of record at the close of business hours of **30 March 2026** are entitled to notice of and to vote at the Meeting. Stockholders may attend and participate by remote communication or by appointing a proxy, such as the Chairman of the Meeting.

If you will be appointing a proxy, kindly date, sign, and deliver your proxy form to the Corporate Secretary at Mabuhay Vinyl Corporation, 22F The Salcedo Towers, 169, H.V. Dela Costa Street, Salcedo Village, Barangay Bel-Air, Makati City, Makati City on or before **21 April 2026**. All proxies received will be validated on 24 April 2026.



# MABUHAY VINYL CORPORATION



Note that Management is not soliciting proxies.

Stockholders that will participate by remote communication should register by notifying the Company through email to **asm@mvc.com.ph** of their intent to participate by on or before **21 April 2026**. Stockholders may vote electronically or in absentia, subject to validation procedures. The guidelines for registration and for participation by remote communication is attached to this Notice and posted on the Company website.

Pasig City, 19 March 2026

Very truly yours,

**MARIA MELVA E. VALDEZ**

*Corporate Secretary*



# MABUHAY VINYL CORPORATION



## NOTICE OF TO STOCKHOLDERS OF MABUHAY VINYL CORPORATION TO DISCLOSE BENEFICIAL OWNERSHIP OF SHARES

To All Stockholders:

The Revised Corporation Code requires corporations to disclose to the Securities and Exchange Commission (SEC) the results of the Annual Stockholders Meeting (ASM) and the beneficial owner of shares no later than thirty (30) days from the ASM or on 29 May 2026, Friday (30 May 2026, the 30<sup>th</sup> being a Saturday).

To timely comply with the law, please inform the Corporate Secretary in writing on or before the ASM (30 April 2026) of the name of the natural person that ultimately owns, controls, or exercises the ultimate effective control of your shareholdings in Mabuhay Vinyl Corporation. In case of any change in beneficial ownership of shares, please inform the Corporate Secretary no later than five (5) days from such change to timely make the necessary disclosures to the SEC.

Please direct disclosures on beneficial ownership of shares to the Corporate Secretary, Atty. Maria 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, Makati City.

Very truly yours,

**PAMELA ANN T. CAYABYAB**

*Assistant Corporate Secretary*



# MABUHAY VINYL CORPORATION



## GUIDELINES IN PARTICIPATION BY REMOTE COMMUNICATION IN THE ANNUAL STOCKHOLDERS MEETING OF MABUHAY VINYL CORPORATION ON 30 APRIL 2026

To All Stockholders:

1. Stockholders who intend to participate in the Annual Stockholders Meeting (“Meeting”) by remote communication or by proxy must inform the Company their intention to do so by email at **asm@mvc.com.ph** on or before **21 April 2026**. Only stockholders of record that duly submitted their valid proxy or notified the Company their intention to participate by remote communication may vote at the Meeting.
2. For validation purposes, the email should include the following information of the stockholder: (i) full name; (ii) address; (iii) contact number, landline or mobile number, and (iv) a scanned copy of the front and back portion of a valid government issued identification card, preferably with photo and residential address. Valid government issued IDs include the following: passport, driver’s license, unified multi-purpose ID, SSS ID, senior citizen ID, among others. The provided information will be used solely for purposes of validating the identity of the stockholder.
3. For corporate stockholders, a copy of the Secretary’s Certificate attesting to the authority of the representative to vote for and on behalf of the corporate stockholder should be sent by email as well. Similar to Item 2, the following information on the authorized representative should be provided in the email: (i) full name; (ii) address; (iii) contact number, landline or mobile number, and (iv) a scanned copy of the front and back portion of a valid government issued identification card, preferably with photo and residential address.
4. Any data from stockholders or their authorized representative will be collected, stored, processed, and used exclusively for the purpose of electronic registration for the Meeting.
5. An online web address (URL) will be provided on the Company website, <http://www.mvc.com.ph>. Questions and comments may be sent via email prior to or during the meeting to [asm@mvc.com.ph](mailto:asm@mvc.com.ph), and shall be limited to the items in the Agenda of the meeting.



# MABUHAY VINYL CORPORATION



6. The holders of common stocks are entitled to one vote per share. An affirmative vote by the stockholders owning at least a majority of the outstanding capital stock shall be sufficient to approve matters requiring stockholder's action, except as to the election of Directors. The holder of a majority interest of all outstanding stock of the Company entitled to vote at the meeting shall constitute a quorum for the transaction of business.
7. In connection with the election of Directors, however, the system of cumulative voting will be followed. In cumulative voting, each stockholder is entitled to as many votes equal to the number of shares held by the stockholder at the close of business on the Record Date multiplied by the number of directors to be elected. A stockholder may cast all votes for a single nominee or may apportion such votes among any two or more nominees. The total number of votes cast shall not exceed the number of shares owned by him multiplied by the number of Directors to be elected.
8. For the convenience of the stockholders, we recommend to register early prior to the deadline on **21 April 2026**. This is to allow sufficient time to address any concerns prior to the Meeting.

**PAMELA ANN T. CAYABYAB**

*Assistant Corporate Secretary*

## PROXY

The undersigned (hereinafter referred to as the “Principal”), being a stockholder of Mabuhay Vinyl Corporation (“MVC”), hereby appoints and empowers **Mr./Ms.** \_\_\_\_\_ as the proxy to act/vote in the principal's name and stead at any and all meetings of the stockholders of MVC until his replacement is duly appointed/empowered, or this proxy is terminated, by the Principal.

Done this \_\_\_th of day of \_\_\_\_\_ 2026 at \_\_\_\_\_ City, Philippines.

\_\_\_\_\_  
Stockholder

\_\_\_\_\_  
(authorized officer)

## CERTIFICATION OF QUALIFICATION OF INDEPENDENT DIRECTOR

I, **Ramon J. Abejuela**, Filipino, of legal age and a resident of 116 Ma. Cristina St., Ayala Alabang Village, Muntinlupa City, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of Mabuhay Vinyl Corporation (“MVC”).
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
	Financial Consultant	2007 to present
Keppel Phils. Holdings, Inc.	Independent Director	1997 – 2002; 2017 to Present
Keppel Phils. Properties, Inc.	Lead Independent Director	1999 to present
Keppel Philippines Marine, Inc.	Independent Director	2020 to June 2022
Philippine Nutri-Foods Corp.	Board Member	2000 to present
Health and Development Solutions	Board Member	2000 to present
St. James COPA Foundation	Board Member	2010 to present


3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Mabuhay Vinyl Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances of the Securities and Exchange Commission (“SEC”).
4. I am not related to any director, officer, or substantial shareholder of MVC and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not in the government service or affiliated with any government agency or government owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and SEC issuances.
8. I shall inform the Corporate Secretary of Mabuhay Vinyl Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done this 25 FEB 2026 day of February 2026, at MAKATI CITY, Philippines.

  
**RAMON J. ABEJUELA**  
Affiant

25 FEB 2026  
SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of February 2026 at MAKATI CITY, Philippines, affiant personally appeared before me and exhibited to me his Senior Citizen ID No. 35397.

Doc. No. 43  
Page No. 10  
Book No. XIII  
Series of 2025.

  
**ATTY. RYAN ANTHONY G. PEREÑA**  
NOTARY PUBLIC for MAKATI CITY  
Commission No. M-012 until Dec. 31, 2027  
Roll of Attorneys 77327  
PTR No. 10465813; 01/02/2026; Makati City  
ICR OR No. 566188 12/15/2025; Pasig City  
MCLE Compliance No. VIII-0000389  
8553 San Jose St., Guadalupe Nuevo, Makati City

## CERTIFICATION OF QUALIFICATION OF INDEPENDENT DIRECTOR

I, **Francisco J. Kong**, Filipino, of legal age and a resident of 56 L. Esteban St., Highway Hills, Mandaluyong City after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of Mabuhay Vinyl Corporation (“MVC”).
2. I am affiliated with the following companies or organizations:

COMPANY/ ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
	Podcaster	Nov 2021 to present
Success Options, Inc.	Business and Inspirational Speaker	April 2015 to present
Primer Holdings, Inc.	Independent Director	2014 to present
Philippine Star	Columnist	January 2008 to present
Inspire Leadership Consultancy	Business and Inspirational Speaker	2005 to present
	Author	1996 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Mabuhay Vinyl Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances of the Securities and Exchange Commission (“SEC”).
4. I am not related to any director, officer, or substantial shareholder of MVC and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not in the government service or affiliated with any government agency or government owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and SEC issuances.
8. I shall inform the Corporate Secretary of Mabuhay Vinyl Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done this **25 FEB 2026** day of February 2026, at Makati City, Philippines.

  
**FRANCISCO J. KONG**  
Affiant

**SUBSCRIBED AND SWORN** to before me this **25 FEB 2026** day of February 2026 at Makati City, Philippines, affiant personally appeared before me and exhibited to me his driver's license no. N09-73-008451.



Doc. No. **AA**  
Page No. **10**  
Book No. **XXI**  
Series of **2026**.

**ATTY. RYAN ANTHONY G. PEREÑA**  
NOTARY PUBLIC for MAKATI CITY  
Commission No. M-012 until Dec. 31, 2027  
Roll of Attorneys 77327  
PTR No. 10465813; 01/02/2026; Makati City  
LBP OR No. 566188 12/16/2025; Pasig City  
MCLE Compliance No. VIII-0000389  
153 San Jose St., Guadalupe Nuevo, Makati City



# 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, 2025 and 2024, 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 5<sup>th</sup> day of March 2026

SUBSCRIBED AND SWORN to before me this 12 MAR 2026 day of \_\_\_\_\_ 2026; 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.:   
Page No.:   
Book No.:   
Series of 2026

  
**ATTY. RYAN ANTHONY G. PEREÑA**  
NOTARY PUBLIC for MAKATI CITY  
Commission No. M-012 until Dec. 31, 2027  
Roll of Attorneys 77327  
PTR No. 10764513; 01/02/2026; Makati City  
IBP OR No. 566188 12/16/2025; Pasig City  
MCLE Compliance No. VIII-0000389  
2553 San Jose St., Guadalupe Nuevo, Makati City

# COVER SHEET

for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P	W	0	0	0	0	0	0	2	1	6
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COMPANY NAME

M	A	B	U	H	A	Y	V	I	N	Y	L	C	O	R	P	O	R	A	T	I	O	N

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

2	2	F	T	h	e	S	a	l	c	e	d	o	T	o	w	e	r	s					
1	6	9	H	.	V	.	D	e	l	a	C	o	s	t	a	S	t	.	,				
S	a	l	c	e	d	o	V	i	l	l	a	g	e	,	B	a	r	a	n	g	a	y	
B	e	l	-	A	i	r	,	M	a	k	a	t	i	C	i	t	y						

Form Type  
**A A F S**

Department requiring the report  
**C R M D**

Secondary License Type, If Applicable  
**N / A**

### COMPANY INFORMATION

Company's Email Address <b>Corpsec@mvc.com.ph</b>	Company's Telephone Number <b>(632) 8817-8971 to 76</b>	Mobile Number <b>0917-857-0633</b>
No. of Stockholders <b>2,242</b>	Annual Meeting (Month / Day) <b>Last Thursday of April</b>	Fiscal Year (Month / Day) <b>12/31</b>

### CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person <b>Michael S. Yu</b>	Email Address <b>mikeyu@mvc.com.ph</b>	Telephone Number/s <b>(632) 8817-8971</b>	Mobile Number <b>-</b>
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### CONTACT PERSON'S ADDRESS

**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 balance sheet as at December 31, 2025 and 2024, 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, 2025, 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, 2025 and 2024, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2025 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

#### **Basis for Opinion**

We conducted our audit 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 (the Code of Ethics), as applicable to the audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to the audits of financial statements of public interest entities 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 the independent surveyor by considering its 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.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 but does not include the 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, 2025 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 PFRSs, 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 Djole S. Garcia.

SYCIP GORRES VELAYO & CO.



Djole S. Garcia

Partner

CPA Certificate No. 0097907

Tax Identification No. 201-960-347

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

SEC Partner Accreditation No. 97907-SEC (Group A)

Valid to cover audit of 2022 to 2026 financial statements

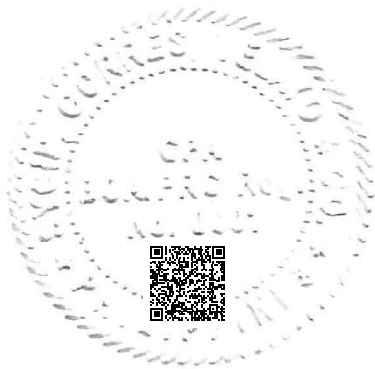
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-102-2024, August 27, 2024, valid until August 26, 2027

PTR No. 10765054, January 2, 2026, Makati City

March 5, 2026



**MABUHAY VINYL CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION**

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 4)	<b>₱914,980,158</b>	₱1,195,348,543
Short-term investment (Note 4)	<b>616,563,600</b>	–
Trade and other receivables (Note 5)	<b>740,575,572</b>	803,170,463
Loans receivable (Note 22)	–	100,000,000
Inventories (Notes 6, 14 and 22)	<b>364,398,649</b>	332,445,293
Other current assets (Note 7)	<b>181,435,187</b>	211,315,577
<b>Total Current Assets</b>	<b>2,817,953,166</b>	2,642,279,876
<b>Noncurrent Assets</b>		
Investment in an associate (Note 8)	<b>565,454,881</b>	542,494,439
Property, plant and equipment (Note 9)	<b>1,260,604,194</b>	1,326,596,737
Net retirement benefit assets (Note 17)	<b>22,223,143</b>	–
Deferred tax assets - net (Note 18)	<b>7,418,717</b>	13,026,525
Other noncurrent assets (Notes 10 and 21)	<b>75,130,446</b>	64,047,076
<b>Total Noncurrent Assets</b>	<b>1,930,831,381</b>	1,946,164,777
<b>TOTAL ASSETS</b>	<b>₱4,748,784,547</b>	₱4,588,444,653
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables (Notes 11 and 12)	<b>₱288,396,266</b>	₱408,352,458
Customers' deposits (Note 9)	<b>26,910,631</b>	26,225,842
Current portion of lease liabilities (Note 21)	<b>10,180,882</b>	41,409,355
Income tax payable	<b>18,925,849</b>	–
<b>Total Current Liabilities</b>	<b>344,413,628</b>	475,987,655
<b>Noncurrent Liabilities</b>		
Lease liabilities - net of current portion (Note 21)	<b>99,338,546</b>	109,519,426
Net retirement benefits payable (Note 17)	–	3,423,456
Other noncurrent liabilities	<b>1,793,500</b>	1,793,500
<b>Total Noncurrent Liabilities</b>	<b>101,132,046</b>	114,736,382
<b>Total Liabilities</b>	<b>445,545,674</b>	590,724,037

(Forward)



	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<b>Equity</b> (Note 12)		
Capital stock	<b>₱661,309,398</b>	₱661,309,398
Capital paid in excess of par	<b>176,594,308</b>	176,594,308
Remeasurement losses on retirement benefits - net of deferred income tax effect (Note 12)	<b>(3,352,269)</b>	(16,487,928)
Reserve for fluctuations in investments in equity instruments (Notes 10 and 12)	<b>9,088,881</b>	5,896,007
Retained earnings:		
Appropriated	<b>1,500,000,000</b>	1,000,000,000
Unappropriated	<b>1,959,598,555</b>	2,170,408,831
<b>Total Equity</b>	<b>4,303,238,873</b>	3,997,720,616
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱4,748,784,547</b>	₱4,588,444,653

*See accompanying Notes to Financial Statements.*



**MABUHAY VINYL CORPORATION**  
**STATEMENTS OF INCOME**

	Years Ended December 31		
	2025	2024	2023
<b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b> (Note 13)	<b>₱3,340,439,862</b>	₱3,074,068,637	₱3,073,772,249
<b>COST OF GOODS SOLD</b> (Notes 14 and 22)	<b>(2,239,434,302)</b>	(2,002,449,705)	(1,866,010,087)
<b>GROSS PROFIT</b>	<b>1,101,005,560</b>	1,071,618,932	1,207,762,162
Operating expenses (Note 15)	<b>(764,114,377)</b>	(729,346,044)	(723,586,790)
Interest income (Notes 4, 10 and 22)	<b>52,308,379</b>	49,283,005	46,566,227
Interest expense (Note 21)	<b>(9,273,420)</b>	(9,450,585)	(7,176,403)
Foreign exchange gain (loss) - net (Note 19)	<b>(1,842,987)</b>	(4,636,390)	1,788,305
Other income - net (Note 16)	<b>68,584,958</b>	51,020,516	19,343,473
<b>INCOME BEFORE INCOME TAX</b>	<b>446,668,113</b>	428,489,434	544,696,974
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b> (Note 18)			
Current	<b>90,118,194</b>	93,006,514	142,572,961
Deferred	<b>1,229,255</b>	4,168,302	(6,954,305)
	<b>91,347,449</b>	97,174,816	135,618,656
<b>NET INCOME</b>	<b>₱355,320,664</b>	₱331,314,618	₱409,078,318
Net income attributable to:			
Equity holders of the Company	<b>₱355,320,664</b>	₱330,629,030	₱408,439,609
Noncontrolling interest	-	685,588	638,709
	<b>₱355,320,664</b>	₱331,314,618	₱409,078,318
<b>BASIC/DILUTED EARNINGS PER SHARE</b> (Note 23)	<b>₱0.537</b>	₱0.500	₱0.618

*See accompanying Notes to Financial Statements.*



**MABUHAY VINYL CORPORATION**  
**STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31		
	2025	2024	2023
<b>NET INCOME</b>	<b>₱355,320,664</b>	₱331,314,618	₱409,078,318
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Remeasurement gains (losses) on retirement benefits (Note 17)	17,514,212	(6,369,099)	(9,336,963)
Income tax effect	(4,378,553)	1,592,275	2,334,241
	<b>13,135,659</b>	(4,776,824)	(7,002,722)
Net changes in fair values of equity instruments designated at FVOCI (Note 10)	<b>3,192,874</b>	1,265,944	7,836,911
Increase in revaluation increment due to appraisal (Note 9)	–	20,080,000	22,000
Income tax effect	–	(5,020,000)	(5,500)
	–	15,060,000	16,500
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	<b>16,328,533</b>	11,549,120	850,689
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱371,649,197</b>	₱342,863,738	₱409,929,007
Total comprehensive income attributable to:			
Equity holders of the Company	<b>₱371,649,197</b>	₱342,178,150	₱409,290,298
Noncontrolling interest	–	685,588	638,709
	<b>₱371,649,197</b>	₱342,863,738	₱409,929,007

*See accompanying Notes to Financial Statements.*



# MABUHAY VINYL CORPORATION

## STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

	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 (Note 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			
<b>BALANCES AT JANUARY 1, 2023</b>	<b>₱661,309,398</b>	<b>₱176,594,308</b>	<b>₱412,103,857</b>	<b>(₱4,708,382)</b>	<b>(₱3,206,848)</b>	<b>₱1,000,000,000</b>	<b>₱1,136,421,715</b>	<b>₱3,378,514,048</b>	<b>₱8,705,016</b>	<b>₱3,387,219,064</b>
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)
<b>BALANCES AT DECEMBER 31, 2023</b>	<b>661,309,398</b>	<b>176,594,308</b>	<b>412,120,357</b>	<b>(11,711,104)</b>	<b>4,630,063</b>	<b>1,000,000,000</b>	<b>1,478,730,384</b>	<b>3,721,673,406</b>	<b>8,621,882</b>	<b>3,730,295,288</b>
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)
<b>BALANCES AT DECEMBER 31, 2024</b>	<b>661,309,398</b>	<b>176,594,308</b>	<b>–</b>	<b>(16,487,928)</b>	<b>5,896,007</b>	<b>1,000,000,000</b>	<b>2,170,408,831</b>	<b>3,997,720,616</b>	<b>–</b>	<b>3,997,720,616</b>
Net income	–	–	–	–	–	–	355,320,664	355,320,664	–	355,320,664
Other comprehensive income	–	–	–	13,135,659	3,192,874	–	–	16,328,533	–	16,328,533
Total comprehensive income	–	–	–	13,135,659	3,192,874	–	355,320,664	371,649,197	–	371,649,197
Cash dividends (Note 12)	–	–	–	–	–	–	(66,130,940)	(66,130,940)	–	(66,130,940)
Reversal of appropriation (Note 12)	–	–	–	–	–	(1,000,000,000)	1,000,000,000	–	–	–
Appropriation for business expansion (Note 12)	–	–	–	–	–	1,500,000,000	(1,500,000,000)	–	–	–
<b>BALANCES AT DECEMBER 31, 2025</b>	<b>₱661,309,398</b>	<b>₱176,594,308</b>	<b>₱–</b>	<b>(₱3,352,269)</b>	<b>₱9,088,881</b>	<b>₱1,500,000,000</b>	<b>₱1,959,598,555</b>	<b>₱4,303,238,873</b>	<b>₱–</b>	<b>₱4,303,238,873</b>

See accompanying Notes to Financial Statements.



**MABUHAY VINYL CORPORATION**  
**STATEMENTS OF CASH FLOWS**

	<b>Years Ended December 31</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax	<b>₱446,668,113</b>	₱428,489,434	₱544,696,974
Adjustments for:			
Depreciation and amortization (Notes 9, 10, 14, 15 and 21)	<b>183,942,990</b>	169,128,397	105,530,193
Interest income (Notes 4, 10 and 22)	<b>(52,308,379)</b>	(49,283,005)	(46,566,227)
Equity in net earnings of an associate (Notes 8 and 16)	<b>(22,960,442)</b>	(9,191,920)	–
Interest expense (Note 21)	<b>9,273,420</b>	9,450,585	7,176,403
Movement in net retirement benefits (Note 17)	<b>(8,132,387)</b>	(8,680,859)	7,082,987
Unrealized foreign exchange gain - net	<b>(683,769)</b>	(436,132)	(1,038,841)
Gain on sale of equipment (Note 16)	<b>(223,214)</b>	(120,536)	–
Amortization of interest on notes receivables (Note 16)	<b>93,519</b>	93,338	190,131
Deconsolidation loss (Notes 8 and 16)	<b>–</b>	15,357,898	–
Operating income before working capital changes	<b>555,669,851</b>	554,807,200	617,071,620
Decrease (increase) in:			
Trade and other receivables	<b>63,041,416</b>	(79,255,612)	(19,820,349)
Inventories	<b>(31,953,356)</b>	(112,095,496)	172,681,669
Other current assets	<b>29,686,068</b>	(52,959,843)	(47,149,205)
Security and rental deposits	<b>(280,002)</b>	(46,269)	(3,515,729)
Increase (decrease) in:			
Trade and other payables and provision	<b>(120,931,136)</b>	110,178,983	(17,873,003)
Customers' deposits	<b>684,789</b>	(212,301)	616,363
Cash generated from operations	<b>495,917,630</b>	420,416,662	702,011,366
Income taxes paid, including creditable and final withholding taxes	<b>(70,998,023)</b>	(113,840,611)	(172,217,035)
Net cash from operating activities	<b>424,919,607</b>	306,576,051	529,794,331
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to short-term investments (Note 4)	<b>(616,563,600)</b>	–	(93,865,567)
Acquisitions of property and equipment, including advances to contractors (Notes 9 and 10)	<b>(127,301,667)</b>	(257,626,615)	(411,928,550)
Collections of loans and notes receivable (Notes 10 and 22)	<b>102,244,684</b>	501,976,060	101,721,835
Interest received (Notes 4, 10, and 22)	<b>51,097,170</b>	50,141,945	39,954,800
Proceeds from sale of equipment	<b>223,214</b>	135,000	–
Withdrawals of short-term investments (Note 4)	<b>–</b>	93,865,567	–
Cash of a deconsolidated subsidiary (Note 8)	<b>–</b>	(80,068,583)	–
Issuance of loans and notes receivable (Notes 10 and 22)	<b>–</b>	(1,900,000)	–
Net cash from (used in) investing activities	<b>(590,300,199)</b>	306,523,374	(364,117,482)

(Forward)



	<b>Years Ended December 31</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid to equity holders of the Company (Note 12)	<b>(P64,305,020)</b>	(P64,406,984)	(P62,577,657)
Payment of principal portion of lease liabilities (Note 21)	<b>(41,409,353)</b>	(23,328,436)	(11,728,918)
Interest paid (Note 21)	<b>(9,273,420)</b>	(9,450,585)	(7,176,403)
Dividends paid to noncontrolling interest (Note 12)	-	(638,709)	(721,843)
Cash used in financing activities	<b>(114,987,793)</b>	(97,824,714)	(82,204,821)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(280,368,385)</b>	515,274,711	83,472,028
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>1,195,348,543</b>	680,073,832	596,601,804
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)</b>	<b>P914,980,158</b>	P1,195,348,543	P680,073,832

*See accompanying Notes to Financial Statements.*



# **MABUHAY VINYL CORPORATION**

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## **NOTES TO FINANCIAL STATEMENTS**

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### **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, 2025 and 2024 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 March 5, 2026.

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### **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 in 2024. Accordingly, the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Company for the years ended December 31, 2025 and 2024 represent the separate financial statements while the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended December 31, 2023 represent 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 Material Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2025. 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 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.

### 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 the parent company financial statements. The Company intends to adopt the following pronouncements when they become effective.

#### *Effective beginning on or after January 1, 2026*

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.



The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.

- 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.

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

The amendments only apply to contracts that reference nature-dependent electricity such as contracts to buy or sell nature-dependent electricity, as well as financial instruments that reference such electricity. This amendment cannot be applied by analogy to other contracts, items or transactions.

The amendments clarify the application of the 'own-use' requirements for in-scope contracts, amend the designation requirements for a hedge item in a cash flow hedging relationship for in-scope contracts and include new disclosure requirements.

- 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 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. Thereafter, on February 14, 2025, the FSRSC approved the amendment to PFRS 17 that further defers the date of initial application by an additional two (2) years, to annual periods beginning on or after January 1, 2027. This will provide more time for the insurance industry to fully prepare and assess the impact of adopting the said standard.



- 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

The Company is currently assessing the impact the standard will have on the primary financial statements and notes to the financial statements.

- 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.

In 2025, PFRS 19 was amended to provide reduced disclosure requirements for new or amended PFRS Accounting Standards adopted by the FSRSC from the issuances of the IASB between February 2021 and May 2024.

The application of the standard is optional for eligible entities.

- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

*Deferred effectivity*

- Amendments to PFRS 10 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 FSRSC 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:

	<u>Years</u>
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.

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### 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, 2025 and 2024.

#### 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, 2025 and 2024 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.

#### *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, 2025 and 2024 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, 2025 and 2024 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, 2025 and 2024 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, 2025 and 2024 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, 2025 and 2024 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, 2025 and 2024 are disclosed in Note 18.

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#### 4. Cash and Cash Equivalents and Short-term Investments

	2025	2024
Cash on hand and in banks	<b>₱314,980,158</b>	₱472,348,543
Cash equivalents	<b>600,000,000</b>	723,000,000
	<b>₱914,980,158</b>	₱1,195,348,543



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 5.00% to 5.75% in 2025, 4.75% to 6.25% in 2024 and 5.00% to 6.25% in 2023.

Interest income earned on cash and cash equivalents amounted to ₱45.92 million in 2025, ₱24.74 million in 2024 and ₱9.79 million in 2023.

Placement of short-term investments amounted to ₱616.56 million and nil in 2025 and 2024, respectively. Short-term investments earn an average interest rate of 5.00% to 5.375% in 2025. Interest income earned on these short-term investments amounted to ₱7.85 million in 2025, nil in 2024, and ₱1.05 million in 2023.

## 5. Trade and Other Receivables

	2025	2024
Trade (Note 13):		
Private	<b>₱720,281,199</b>	₱779,608,460
Government	<b>8,494,386</b>	10,135,030
Related party (Note 22)	<b>769,070</b>	985,094
	<b>729,544,655</b>	790,728,584
Interest receivable (Note 22)	<b>6,735,512</b>	5,524,303
Current portion of notes receivable (Note 10)	<b>1,842,764</b>	2,346,722
Advances to an associate (Note 22)	<b>205,495</b>	3,350,571
Other receivables	<b>10,939,428</b>	9,912,565
	<b>749,267,854</b>	811,862,745
Allowance for ECL	<b>(8,692,282)</b>	(8,692,282)
	<b>₱740,575,572</b>	₱803,170,463

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, 2025.

## 6. Inventories

	2025	2024
At cost:		
Finished goods and merchandise (Notes 14 and 22)	<b>₱239,964,180</b>	₱188,125,096
Work-in-process	<b>11,949,207</b>	12,924,177
Raw materials	<b>112,485,262</b>	131,396,020
	<b>₱364,398,649</b>	₱332,445,293

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



## 7. Other Current Assets

	2025	2024
Advances on purchases	P81,600,657	P125,450,960
Materials and supplies	48,398,867	37,925,584
Prepaid income taxes	34,195,249	34,389,571
Prepaid expenses	8,744,615	5,976,964
Prepaid withholding taxes	8,322,741	7,434,058
Prepaid insurance	173,058	138,440
	<b>P181,435,187</b>	<b>P211,315,577</b>

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 MI'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:

<b>Assets</b>	
Cash and cash equivalents	P80,068,583
Trade and other receivables	3,236,896
Other current assets	25,445
Land at appraised values	620,880,000
	<b>704,210,924</b>
<b>Liabilities</b>	
Accrued expenses and other payables	(2,718,006)
Income tax payable	(1,770,288)
Deferred tax liabilities	(142,393,452)
<b>Equity</b>	
Noncontrolling interest	(8,668,761)
	<b>155,550,507</b>
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)	<b>P15,357,898</b>



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 P80.07 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 for the years ended December 31 follows:

	2025	2024
Balance at beginning of year	<b>P542,494,439</b>	P-
Fair value of retained interest (deemed cost)	-	533,302,519
Equity in net earnings of associate (Note 16)	<b>22,960,442</b>	9,191,920
Balance at end of year	<b>P565,454,881</b>	P542,494,439

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

	2025	2024	2023
Total current assets	<b>P82,647,587</b>	P95,062,060	P110,218,252
Total noncurrent assets	<b>227,183,075</b>	191,745,450	153,945,450
Total current liabilities	<b>7,717,261</b>	5,951,659	4,393,531
Total equity	<b>302,113,401</b>	280,855,851	259,770,171
Total equity attributable to noncontrolling interest	-	-	8,621,882
Rental income	<b>30,187,232</b>	26,870,490	25,590,943
Net income /total comprehensive income	<b>24,115,577</b>	21,724,389	21,993,653
Net income/total comprehensive income attributable to noncontrolling interest	-	-	638,709

(Forward)



	2025	2024	2023
Cash dividends declared and paid	(P2,858,027)	(P638,709)	(P721,843)
Net cash flows from operating activities	21,400,639	24,126,422	18,388,053
Net cash flows from (used in) investing activities	(31,313,615)	56,065,567	(89,501,600)
Net cash flows used in financing activities	(2,858,027)	(638,709)	(721,843)

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, 2025 and 2024, are set out below:

	2025	2024
Equity of MPI	P302,113,401	P280,855,851
Equity interest of the Company	40%	40%
Share in net assets of associate	120,845,360	112,342,340
Fair value adjustments on the underlying net assets of associate and additional share based on economic interest	444,609,521	430,152,099
<b>Carrying value of investment in associate</b>	<b>P565,454,881</b>	<b>P542,494,439</b>

## 9. Property, Plant and Equipment

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

As at December 31, 2025

	Beginning Balances	Additions	Disposals/ Retirement	Reclassifications	Ending Balances
<b>Cost</b>					
Land improvements	P43,703,049	P-	P-	P-	PP43,703,049
Buildings and structures	411,789,809	-	-	6,843,262	418,633,071
Machinery and equipment	2,429,702,303	-	-	12,883,804	2,442,586,107
Transportation equipment	416,330,274	1,653,450	(587,054)	-	417,396,670
Office furniture and equipment	54,536,379	-	-	-	54,536,379
Leasehold improvements	23,137,750	-	-	-	23,137,750
Right-of-use asset - land	149,279,092	-	-	-	149,279,092
Right-of-use asset - building	33,684,130	-	-	-	33,684,130
Right-of-use asset - warehouse and storage tanks	31,486,187	-	-	-	31,486,187
	<b>3,593,648,973</b>	<b>1,653,450</b>	<b>(587,054)</b>	<b>19,727,066</b>	<b>3,614,442,435</b>



	Beginning Balances	Additions	Disposals/ Retirement	Reclassifications	Ending Balances
<b>Accumulated Depreciation</b>					
Land improvements	₱39,894,648	₱1,133,769	₱-	₱-	₱41,028,417
Buildings and structures	301,283,547	11,509,471	-	-	312,793,018
Machinery and equipment	1,767,384,386	99,604,988	-	-	1,866,989,374
Transportation equipment	350,878,176	25,261,273	(587,054)	-	375,552,395
Office furniture and equipment	53,653,275	415,228	-	-	54,068,503
Leasehold improvements	14,185,113	1,527,995	-	-	15,713,108
Right-of-use asset - land	41,397,194	36,412,241	-	-	77,809,435
Right-of-use asset - building	23,986,430	5,529,701	-	-	29,516,131
Right-of-use asset - warehouse and storage tanks	12,203,113	2,527,391	-	-	14,730,504
	2,604,865,882	183,922,057	(587,054)	-	2,788,200,885
	988,783,091	(182,268,607)	-	19,727,066	826,241,550
Construction in progress	337,813,646	116,276,064	-	(19,727,066)	434,362,644
<b>Net Book Values</b>	<b>₱1,326,596,737</b>	<b>(₱65,992,543)</b>	<b>₱-</b>	<b>₱-</b>	<b>₱1,260,604,194</b>

As at December 31, 2024

	Beginning Balances	Additions	Disposals/ Retirement	Reclassifications	Ending Balances
<b>Cost</b>					
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
<b>Accumulated Depreciation</b>					
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
<b>Net Book Values</b>	<b>₱983,063,982</b>	<b>₱343,532,755</b>	<b>₱-</b>	<b>₱-</b>	<b>₱1,326,596,737</b>

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, 2025 and 2024 amounted to ₱26.91 million and ₱26.23 million, respectively.



Construction in progress

Construction in progress includes amounts of ₱434.36 million and ₱337.81 million as at December 31, 2025 and 2024, 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. In 2025, construction in progress amounting to ₱19.28 million was completed. The remaining balance of construction in progress as at December 31, 2025 pertains to the procurement and refurbishment of Electrolizer Elements and Membranes for Ion Exchange Membrane (IEM) Plants and Drydocking of vessels. These are expected to be completed in 2026.

There are no significant firm capital commitments relating to the completion of construction in progress as of December 31, 2025 and 2024, respectively.

- b. Movements of land of a subsidiary at revalued amount in 2024 follow:

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

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**

	2025	2024
Equity instruments designated at FVOCI	<b>₱42,088,366</b>	₱38,895,492
Security and rental deposits (Note 21)	<b>21,980,619</b>	21,700,617
Advances to contractors	<b>9,372,153</b>	—
Notes receivable - net of current portion (Note 5)	<b>1,689,308</b>	3,430,034
Intangible assets - net of accumulated amortization amounting to ₱7.34 million and ₱7.32 million as of December 31, 2025 and 2024, respectively	—	20,933
	<b>₱75,130,446</b>	<b>₱64,047,076</b>



Breakdown of equity instruments designated at FVOCI is as follows:

	2025	2024
Quoted equity instruments:		
Listed companies	<b>₱399,915</b>	₱399,915
Golf shares	<b>7,600,000</b>	8,300,000
	<b>7,999,915</b>	8,699,915
Changes in fair value included in OCI	<b>900,000</b>	(700,000)
	<b>8,899,915</b>	7,999,915
Unquoted equity instruments:		
Balances at beginning of year	<b>30,895,577</b>	28,929,633
Changes in fair value included in OCI	<b>2,292,874</b>	1,965,944
Balances at end of year	<b>33,188,451</b>	30,895,577
	<b>₱42,088,366</b>	₱38,895,492

The fair value of investments in shares of listed companies was based on their bid prices as at December 31, 2025 and 2024. 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, 2025 and 2024.

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":

	2025	2024
Balances at beginning of year	<b>₱5,896,007</b>	₱4,630,063
Change in fair value included in OCI	<b>3,192,874</b>	1,265,944
Balances at end of year	<b>₱9,088,881</b>	₱5,896,007

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 nil and ₱1.90 million in 2025 and 2024, respectively, 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 ₱2.24 million in 2025, ₱1.76 million in 2024 and ₱1.72 million in 2023. Interest income earned on notes receivable amounted to ₱0.34 million in 2025, ₱0.32 million in 2024 and ₱0.32 million in 2023.

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



## 11. Trade and Other Payables

	2025	2024
Trade payables (Note 22)	<b>₱76,357,180</b>	₱230,393,779
Accrued expenses		
Shipping and distribution	<b>67,237,135</b>	45,072,327
Payroll and others	<b>45,176,097</b>	40,114,484
Professional fees and other services	<b>19,052,885</b>	24,927,641
Rent and power	<b>3,058,411</b>	3,538,979
Output VAT	<b>38,061,044</b>	25,841,464
Dividends payable (Note 12)	<b>24,667,507</b>	22,841,587
Withholding taxes and other payables	<b>6,374,090</b>	4,572,739
Others	<b>8,411,917</b>	11,049,458
	<b>₱288,396,266</b>	₱408,352,458

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, 2025 and 2024 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 2,242 and 2,225 as at December 31, 2025 and 2024, 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, 2025, 2024 and 2023:

Date of Declaration	Date of Record	Dividend rate	Dividend per share	Amount
April 24, 2025	May 23, 2025	10%	₱0.10	₱66,130,940
April 25, 2024	May 24, 2024	10%	0.10	66,130,940
April 27, 2023	May 26, 2023	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:

	2025	2024	2023
Balances at beginning of year	<b>₱22,841,587</b>	₱21,117,631	₱17,564,348
Cash dividends declared	<b>66,130,940</b>	66,769,649	66,852,783
Dividends paid to equity holders	<b>(64,305,020)</b>	(64,406,984)	(62,577,657)
Dividends paid to noncontrolling interests	–	(638,709)	(721,843)
Balances at end of year	<b>₱24,667,507</b>	₱22,841,587	₱21,117,631

Retained earnings include ₱592.04 million and ₱568.47 million as at December 31, 2025 and 2024, 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.

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.

Details of the appropriated retained earnings as at December 31, 2025 and 2024 follow:

Projects	Timeline	2025	2024
Future projects and capital expenditures	2021 - 2023	₱–	₱1,000,000,000
Future projects and capital expenditures	2025 - 2030	<b>1,500,000,000</b>	–

On March 5, 2026, the BOD approved the additional appropriation of retained earnings amounting to ₱500 million to partially fund the acquisition and development of a supplemental power generating facility and chemical tanker for the next five years.



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
<b>BALANCES AT JANUARY 1, 2023</b>	<b>₱412,103,857</b>	<b>(₱4,708,382)</b>	<b>(₱3,206,848)</b>	<b>₱404,188,627</b>
Increase in revaluation increment due to appraisal	16,500	–	–	16,500
Remeasurement gains 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
<b>BALANCES AT DECEMBER 31, 2023</b>	<b>412,103,857</b>	<b>(4,708,382)</b>	<b>(3,206,848)</b>	<b>404,188,627</b>
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
Impact of loss of control of a subsidiary (Note 8)	(427,180,357)	–	–	(427,180,357)
<b>BALANCES AT DECEMBER 31, 2024</b>	<b>–</b>	<b>(16,487,928)</b>	<b>5,896,007</b>	<b>(10,591,921)</b>
Remeasurement losses on retirement benefits	–	13,135,659	–	13,135,659
Net changes in fair values on equity instruments designated at FVOCI	–	–	3,192,874	3,192,874
<b>BALANCES AT DECEMBER 31, 2025</b>	<b>₱–</b>	<b>(₱3,352,269)</b>	<b>₱9,088,881</b>	<b>₱5,736,612</b>

**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:

	2025	2024	2023
<b>By type</b>			
Goods	<b>₱3,340,439,862</b>	₱3,073,040,951	₱3,067,191,521
Others	–	1,027,686	6,580,728
	<b>₱3,340,439,862</b>	₱3,074,068,637	₱3,073,772,249
	<b>2025</b>	<b>2024</b>	<b>2023</b>
<b>By customers</b>			
Private	<b>₱3,302,386,712</b>	₱3,037,641,360	₱3,031,921,680
Government	<b>32,353,072</b>	30,836,712	36,714,139
Related party (Note 22)	<b>5,700,078</b>	5,590,565	5,136,430
	<b>₱3,340,439,862</b>	₱3,074,068,637	₱3,073,772,249

Contract Balances

The Company's trade receivables as at December 31, 2025 and 2024 are disclosed in Note 5.

The Company has no contract asset and liability as at December 31, 2025 and 2024.

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

	2025	2024	2023
Finished goods and merchandise inventories, January 1	<b>₱188,125,096</b>	₱100,429,876	₱290,715,847
Raw materials used and merchandise purchased (Note 22)	<b>1,826,505,125</b>	1,682,408,789	1,339,795,075
Direct labor	<b>45,155,140</b>	42,224,486	41,442,808
Manufacturing overhead:			
Depreciation and amortization (Notes 9, 10 and 21)	<b>130,174,552</b>	95,728,131	48,408,862
Supervision and indirect labor	<b>59,088,539</b>	55,269,473	51,065,852
Repairs and maintenance	<b>56,206,962</b>	60,193,914	45,436,919
Supplies and facilities	<b>49,758,067</b>	47,014,086	47,262,290
Taxes and licenses	<b>25,976,146</b>	19,257,887	18,765,937
Rent and utilities	<b>14,170,787</b>	10,846,690	8,983,658
Others	<b>83,263,098</b>	79,840,881	69,192,104
Total manufacturing cost and merchandised purchased	<b>2,290,298,416</b>	2,092,784,337	1,670,353,505
Decrease (increase) in work in process inventories	<b>974,970</b>	(2,639,412)	5,370,611
Cost of goods manufactured and merchandise purchased	<b>2,291,273,386</b>	2,090,144,925	1,675,724,116
Total goods available for sale	<b>2,479,398,482</b>	2,190,574,801	1,966,439,963
Finished goods and merchandise inventories, December 31	<b>(239,964,180)</b>	(188,125,096)	(100,429,876)
	<b>₱2,239,434,302</b>	₱2,002,449,705	₱1,866,010,087

#### 15. Operating Expenses

	2025	2024	2023
Shipping and delivery	<b>₱492,691,267</b>	₱438,106,981	₱443,165,458
Depreciation and amortization (Notes 9, 10 and 21)	<b>53,768,438</b>	73,400,266	57,121,331
Supplies	<b>42,810,347</b>	41,075,264	33,052,864
Salaries and wages	<b>37,312,421</b>	39,176,300	36,430,183
Employee benefits	<b>29,075,942</b>	26,965,262	24,996,074
Taxes and licenses	<b>19,392,931</b>	20,631,330	35,724,168
Rent, light and water (Note 21)	<b>17,756,634</b>	18,008,183	13,777,882

(Forward)



	2025	2024	2023
Repairs and maintenance	<b>₱11,510,664</b>	₱16,620,419	₱11,694,807
Retirement benefits costs (Note 17)	<b>9,867,613</b>	9,319,141	23,582,987
Insurance	<b>8,586,185</b>	8,741,135	8,328,444
Transportation and travel	<b>8,505,792</b>	8,717,198	6,974,038
Professional fees	<b>8,497,205</b>	7,491,950	9,967,723
Entertainment, amusement and recreation	<b>5,016,806</b>	3,004,311	1,794,395
Communications	<b>2,536,022</b>	2,316,737	2,363,591
Others	<b>16,786,110</b>	15,771,567	14,612,845
	<b>₱764,114,377</b>	₱729,346,044	₱723,586,790

Professional fees include remuneration of certain members of the BOD amounting to ₱1.09 million in 2025, ₱0.98 million in 2024 and ₱0.94 million in 2023.

#### 16. Other Income (Charges) - Net

	2025	2024	2023
Sale of excess power	<b>₱41,693,144</b>	₱46,932,939	₱17,133,589
Equity in net earnings of an associate (Note 8)	<b>22,960,442</b>	9,191,920	-
Sale of scraps	<b>433,094</b>	4,679,893	508,613
Gain on sale of equipment	<b>223,214</b>	120,536	-
Amortization of interest on notes receivable	<b>(93,519)</b>	(93,338)	(190,131)
Deconsolidation loss (Note 8)	-	(15,357,898)	-
Others - net	<b>3,368,583</b>	5,546,464	1,891,402
	<b>₱68,584,958</b>	₱51,020,516	₱19,343,473

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:

	2025	2024	2023
Current service cost	<b>₱9,658,782</b>	₱8,969,293	₱5,318,298
Past service cost	–	–	19,044,674
Net interest cost (income)	<b>208,831</b>	349,848	(779,985)
Retirement expense recognized in profit or loss (Note 15)	<b>9,867,613</b>	9,319,141	23,582,987
Remeasurements recognized in OCI	<b>(17,514,212)</b>	6,369,099	9,336,963
<b>Retirement benefit costs</b>	<b>(₱7,646,599)</b>	₱15,688,240	₱32,919,950

The remeasurements on retirement benefits consists of:

	2025	2024	2023
Gains (losses) on obligation arising from:			
Experience adjustments	<b>₱6,025,795</b>	(₱5,456,920)	₱3,985,952
Changes in financial assumptions	<b>4,474,124</b>	–	(11,408,643)
	<b>10,499,919</b>	(5,456,920)	(7,422,691)
Gains (losses) on plan assets	<b>7,014,293</b>	(912,179)	(1,914,272)
<b>Remeasurement gains (losses)</b>	<b>₱17,514,212</b>	(₱6,369,099)	(₱9,336,963)

The details of the retirement benefits payable (asset) are as follows:

	2025	2024
Present value of defined benefits obligation	<b>₱133,127,873</b>	₱131,061,369
Fair value of plan assets	<b>(155,351,016)</b>	(127,637,913)
<b>Net retirement benefits payable (asset)</b>	<b>(₱22,223,143)</b>	₱3,423,456

The movements in the retirement benefits payable (asset) are as follows:

	2025	2024
Balances at beginning of year	<b>₱3,423,456</b>	₱5,735,216
Retirement benefit costs (benefit)	<b>(7,646,599)</b>	15,688,240
Contributions	<b>(18,000,000)</b>	(18,000,000)
<b>Balances at end of year</b>	<b>(₱22,223,143)</b>	₱3,423,456

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

	2025	2024
Balances at beginning of year	<b>₱131,061,369</b>	₱120,111,153
Current service cost	<b>9,658,782</b>	8,969,293
Interest cost on benefit obligation	<b>7,994,744</b>	7,326,780
Benefits paid	<b>(5,087,103)</b>	(10,802,777)
Remeasurement losses (gains) on obligation from:		
Experience adjustments	<b>(6,025,795)</b>	5,456,920
Change in assumptions	<b>(4,474,124)</b>	–
<b>Balances at end of year</b>	<b>₱133,127,873</b>	₱131,061,369



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

	2025	2024
Balances at beginning of year	<b>₱127,637,913</b>	₱114,375,937
Interest income on plan assets	<b>7,785,913</b>	6,976,932
Contributions	<b>18,000,000</b>	18,000,000
Benefits paid	<b>(5,087,103)</b>	(10,802,777)
Remeasurement gains (losses)	<b>7,014,293</b>	(912,179)
Balances at end of year	<b>₱155,351,016</b>	₱127,637,913

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

	2025	2024	2023
Interest income on plan assets	<b>₱7,785,913</b>	₱6,976,932	₱7,731,692
Remeasurement losses	<b>7,014,293</b>	(912,179)	(1,914,272)
	<b>₱14,800,206</b>	₱6,064,753	₱5,817,420

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:

	2025	2024
Cash	<b>0.42%</b>	0.42%
Investments in debt securities:		
Government securities	<b>42.65%</b>	63.95%
Corporate debt securities	<b>8.37%</b>	13.71%
Loans and other receivables	<b>0.66%</b>	1.11%
Investments in equity securities:		
Property	<b>43.06%</b>	10.27%
Holding firms	<b>1.59%</b>	3.73%
Banks	<b>1.13%</b>	2.83%
Transportation services	<b>0.66%</b>	1.16%
Telecommunications	<b>0.51%</b>	1.13%
Food, beverage, and tobacco	<b>0.40%</b>	0.90%
Power and utilities	<b>0.40%</b>	0.56%
Retail	<b>0.15%</b>	0.23%
	<b>100.00%</b>	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 2026.

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

	<b>2025</b>	2024	2023
Discount rate	<b>6.10%</b>	6.10%	7.30%
Salary increase rate	<b>6.00%</b>	6.00%	6.00%

The latest actuarial valuation made for the plan was as at December 31, 2025.

As at December 31, 2025, discount rate and salary increase rate are 6.50% 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, 2025 and 2024, assuming all other assumptions were held constant:

	<b>Increase (decrease) in rate</b>	<b>2025</b>	2024
<b>Discount rate</b>			
Assumption 1	<b>+0.5%</b>	<b>(₱5,184,675)</b>	(₱1,926,492)
Assumption 2	<b>-0.5%</b>	<b>5,641,379</b>	9,240,858
<b>Future salary increase rate</b>			
Assumption 1	<b>+0.5%</b>	<b>5,212,822</b>	8,796,649
Assumption 2	<b>-0.5%</b>	<b>(4,832,516)</b>	(1,564,413)

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:

	<b>2025</b>	2024	2023
Not later than one year	<b>₱24,475,273</b>	₱10,188,935	₱8,439,061
Later than one year and not later than five years	<b>67,748,065</b>	82,978,339	65,765,386
Later than five years	<b>664,184,396</b>	622,331,937	596,107,150

## 18. Income Taxes

- a. 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 (Cl<sub>2</sub>), 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.



b. The current provision for income tax consists of the following:

	2025	2024	2023
Regular corporate income tax	<b>₱81,379,779</b>	₱88,963,467	₱140,324,914
Final tax	<b>8,738,415</b>	4,043,047	2,248,047
	<b>₱90,118,194</b>	₱93,006,514	₱142,572,961

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

	2025	2024
Deferred income tax assets recognized in profit or loss:		
Lease liabilities	<b>₱27,379,857</b>	₱37,732,195
Unamortized past service cost	<b>5,963,246</b>	6,118,722
Allowance for expected credit losses	<b>2,173,071</b>	2,173,071
Other noncurrent liabilities	<b>448,375</b>	448,375
Provision for incentives	<b>139,727</b>	139,727
	<b>36,104,276</b>	46,612,090
Deferred income tax liabilities recognized in profit or loss:		
Right-of-use assets	<b>(23,098,333)</b>	(34,215,668)
Net retirement benefits asset	<b>(6,673,209)</b>	(4,640,112)
Unrealized foreign exchange gains	<b>(16,790)</b>	(187,732)
Premium on notes receivable	<b>(14,650)</b>	(38,029)
	<b>(29,802,982)</b>	(39,081,541)
Deferred income tax asset on net retirement plan assets recognized directly in other comprehensive income	<b>1,117,423</b>	5,495,976
Net deferred income tax asset	<b>₱7,418,717</b>	₱13,026,525

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

	2025	2024	2023
Balances at beginning of year	<b>₱13,026,525</b>	(₱121,770,901)	(₱131,053,947)
Recognized in profit or loss	<b>(1,229,255)</b>	(4,168,302)	6,954,305
Recognized in OCI	<b>(4,378,553)</b>	(3,427,724)	2,328,741
Derecognition arising from loss of control (Note 8)	-	142,393,452	-
Balances at end of year	<b>₱7,418,717</b>	₱13,026,525	(₱121,770,901)

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, 2025.



- 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:

	2025	2024	2023
Income tax at statutory rates	<b>₱111,667,028</b>	₱107,122,359	₱136,174,244
Increase (decrease) in provision for income tax resulting from:			
Benefit from ITH	<b>(12,239,581)</b>	(12,378,234)	–
Nontaxable income	<b>(5,740,110)</b>	(3,092,027)	–
Interest income subjected to final tax	<b>(2,764,888)</b>	(2,180,664)	(508,076)
Nondeductible expenses	<b>425,000</b>	8,481,613	3,513,662
Others	–	(778,231)	(3,561,174)
<b>Provision for income tax</b>	<b>₱91,347,449</b>	₱97,174,816	₱135,618,656

## 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:

	2025	2024
<i>Equity instruments designated at FVOCI:</i>		
Quoted	<b>₱8,899,915</b>	₱7,999,915
Unquoted	<b>33,188,451</b>	30,895,577
	<b>42,088,366</b>	38,895,492
<i>Debt instruments at amortized cost:</i>		
Cash and cash equivalents*	<b>912,860,158</b>	1,193,228,543
Short-term investments	<b>616,563,600</b>	–
Trade and other receivables	<b>740,575,572</b>	803,170,463
Loans receivable	–	100,000,000
Notes receivable - noncurrent	<b>1,689,308</b>	3,430,034
Security and rental deposits**	<b>10,224,234</b>	9,944,234
	<b>2,281,912,872</b>	2,109,773,274
<b>Total financial assets</b>	<b>₱2,324,001,238</b>	₱2,148,668,766
Current	<b>₱2,269,999,330</b>	₱2,096,399,006
Noncurrent	<b>54,001,908</b>	52,269,760
<b>Total financial assets</b>	<b>₱2,324,001,238</b>	2,148,668,766
<i>Other financial liabilities:</i>		
Trade and other payables***	<b>₱240,798,176</b>	₱374,775,299
Lease liabilities	<b>109,519,428</b>	150,928,781
Customers' deposits	<b>26,910,631</b>	26,225,842
<b>Total financial liabilities</b>	<b>₱377,228,235</b>	₱551,929,922

\*Excludes cash on hand amounting to ₱2.12 million as at December 31, 2025 and 2024, respectively.

\*\*Excludes nonfinancial deposits amounting to ₱11.76 million as at December 31, 2025 and 2024, respectively.

\*\*\*Excludes nonfinancial liabilities amounting to ₱47.60 million and ₱33.58 million as at December 31, 2025 and 2024, 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, 2025 and 2024.

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

	2025	2024
Cash	<b>US\$641,498</b>	US\$358,258
Trade receivables	<b>110,030</b>	179,594
Trade payables	-	(1,613,943)
	<b>751,528</b>	(1,076,091)
Closing exchange rate	<b>58.79</b>	57.845
Peso equivalent	<b>₱44,182,331</b>	(₱62,246,484)

The net foreign exchange losses (gains) amounted to ₱1.84 million in 2025, ₱4.64 million in 2024 and (₱1.79 million) in 2023.

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
<b>2025</b>	<b>1.6%</b>	<b>(₱721,796)</b>
	<b>(1.6%)</b>	<b>721,796</b>
2024	4.5%	(2,782,374)
	(4.5%)	2,782,374

The sensitivity analysis takes into account historical movements of Peso in every US\$1 foreign exchange rates. The foreign exchange rates amounted to ₱58.79 and ₱55.845 per US\$ as at December 31, 2025 and 2024, 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, 2025 and 2024. 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:

	2025						Total
	Current			Past Due			
	High	Standard	Substandard	(1-90 Days)	>90 Days		
Cash and cash equivalents*	<b>₱912,860,158</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱912,860,158</b>
Short-term investment	<b>616,563,600</b>	-	-	-	-	-	<b>616,563,600</b>
Trade receivables							
Private	95,817,129	514,060,116	9,084,030	69,536,536	31,783,388		720,281,199
Government	150,220	3,995,694	-	1,089,609	3,258,863		8,494,386
Related party	-	769,070	-	-	-		769,070
Notes receivable	3,532,072	-	-	-	-		3,532,072
Interest and other receivables	17,880,435	-	-	-	-		17,880,435
Security and rental deposits**	10,224,234	-	-	-	-		10,224,234
	<b>₱1,657,027,848</b>	<b>₱518,824,880</b>	<b>₱9,084,030</b>	<b>₱70,626,145</b>	<b>₱35,042,251</b>	<b>₱2,290,605,154</b>	

\*Excludes cash on hand amounting to ₱2.12 million as at December 31, 2025.

\*\*Excludes nonfinancial deposits amounting to ₱11.76 million as at December 31, 2025.



	2024					Total
	Current			Past Due		
	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
	<b>₱1,473,881,859</b>	<b>₱493,429,873</b>	<b>₱5,406,712</b>	<b>₱100,039,679</b>	<b>₱45,707,433</b>	<b>₱2,118,465,556</b>

\*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.

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:

	2025			
	Stage 1	Stage 2	Stage 3	Total
	(12-Month ECL)	(Life time ECL)	(Credit Impaired)	
Cash and cash equivalents*	<b>₱912,860,158</b>	₱-	₱-	<b>₱912,860,158</b>
Loans receivable	<b>616,563,000</b>	-	-	<b>616,563,000</b>
Notes receivable	<b>3,532,072</b>	-	-	<b>3,532,072</b>
Interest and other receivables	<b>17,880,435</b>	-	-	<b>17,880,435</b>
Security and rental deposits**	<b>10,224,234</b>	-	-	<b>10,224,234</b>
	<b>₱1,561,060,499</b>	<b>₱-</b>	<b>₱-</b>	<b>₱1,561,060,499</b>

\*Excludes cash on hand amounting to ₱2.12 million as at December 31, 2025.

\*\*Excludes nonfinancial deposits amounting to ₱12.07 million as at December 31, 2025.

	2024			
	Stage 1	Stage 2	Stage 3	Total
	(12-Month ECL)	(Life time ECL)	(Credit Impaired)	
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
	<b>₱1,327,736,972</b>	<b>₱-</b>	<b>₱-</b>	<b>₱1,327,736,972</b>

\*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.



Set out below is the information about the credit risk exposure on trade receivables using a provision matrix as at December 31:

2025				
	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	<b>₱623,876,259</b>	<b>₱70,626,145</b>	<b>₱35,042,251</b>	<b>₱729,544,655</b>
Expected credit loss	299,289	903,004	3,972,501	5,174,794
Credit impaired	–	–	3,517,488	3,517,488
<b>Total expected credit loss</b>	<b>₱299,289</b>	<b>₱903,004</b>	<b>₱7,489,989</b>	<b>₱8,692,282</b>

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	<b>₱644,981,472</b>	<b>₱100,039,679</b>	<b>₱45,707,433</b>	<b>₱790,728,584</b>
Expected credit loss	164,980	949,487	4,060,327	5,174,794
Credit impaired	–	–	3,517,488	3,517,488
<b>Total expected credit loss</b>	<b>₱164,980</b>	<b>₱949,487</b>	<b>₱7,577,815</b>	<b>₱8,692,282</b>

*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, 2025 and 2024:

December 31, 2025

	On-demand	Up to a year	1-3 years	More than 3 years	Total
<b>Financial liabilities:</b>					
Trade and other payables*	<b>₱76,357,180</b>	<b>₱164,440,996</b>	<b>₱–</b>	<b>₱–</b>	<b>₱240,798,176</b>
Customers' deposits	26,910,631	–	–	–	26,910,631
Lease liabilities**	–	17,741,625	38,138,517	85,809,169	141,689,311
	<b>103,267,811</b>	<b>182,182,621</b>	<b>38,138,517</b>	<b>85,809,169</b>	<b>409,398,118</b>
<b>Financial assets:</b>					
Cash on hand and in banks	314,980,158	–	–	–	314,980,158
Cash equivalents**	–	606,671,875	–	–	606,671,875
Short-term investments**	–	624,356,279	–	–	624,356,279
Trade receivables					
Private	240,721,763	470,867,154	–	–	711,588,917
Government	5,817,804	2,676,582	–	–	8,494,386
Related party	225,000	544,070	–	–	769,070
	<b>561,744,725</b>	<b>1,705,115,960</b>	<b>–</b>	<b>–</b>	<b>2,266,860,685</b>
<b>Excess (deficiency) of financial assets over financial liabilities</b>	<b>₱458,476,914</b>	<b>₱1,522,933,339</b>	<b>(₱38,138,517)</b>	<b>(₱85,809,169)</b>	<b>₱1,857,462,567</b>

\*Excludes nonfinancial liabilities amounting to ₱47.60 million as at December 31, 2025.

\*\*Includes interest until maturity.



December 31, 2024

	On-demand	Up to a year	1-3 years	More than 3 years	Total
<i>Financial liabilities:</i>					
Trade and other payables*	₱230,393,779	₱144,381,520	₱–	₱–	₱374,775,299
Customers' deposits	26,225,842	–	–	–	26,225,842
Lease liabilities**	–	50,682,776	36,446,339	105,242,973	192,372,088
	256,619,621	195,064,296	36,446,339	105,242,973	593,373,229
<i>Financial assets:</i>					
Cash on hand and in banks	472,348,543	–	–	–	472,348,543
Cash equivalents**	–	731,243,264	–	–	731,243,264
Trade receivables					
Private	314,560,315	456,355,863	–	–	770,916,178
Government	6,060,249	4,074,781	–	–	10,135,030
Related party	–	985,094	–	–	985,094
Loans receivable	–	100,000,000	–	–	100,000,000
	792,969,107	1,292,659,002	–	–	2,085,628,109
Excess (deficiency) of financial assets over financial liabilities	₱536,349,486	₱1,097,594,706	(₱36,446,339)	(₱105,242,973)	₱1,492,254,880

\*Excludes nonfinancial liabilities amounting to ₱33.58 million as at December 31, 2024.

\*\*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, 2025 and 2024. The Company was able to meet its capital management objectives as at December 31, 2025 and 2024.

For the purpose of capital management, the Company's capital consists of:

	2025	2024
Capital stock	<b>₱661,309,398</b>	₱661,309,398
Capital paid in excess of par	<b>176,594,308</b>	176,594,308
Retained earnings:		
Appropriated	<b>1,500,000,000</b>	1,000,000,000
Unappropriated	<b>1,959,598,555</b>	2,170,408,831
	<b>₱4,297,502,261</b>	₱4,008,312,537

## 20. 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:



2025					
	Carrying Value	Fair Value	Quoted prices in active market (Level 1)	Significant Observable inputs (Level 2)	Significant Unobservable inputs (Level 3)
<b>Measured at fair value</b>					
Equity instruments designated at FVOCI					
Quoted	P8,899,915	P8,899,915	P8,899,915	P-	P-
Unquoted	33,188,451	33,188,451	-	-	33,188,451
<b>Assets for which fair values are disclosed</b>					
Debt instruments at amortized cost					
Security and rental deposits*	10,224,234	6,787,775	-	-	6,787,775
Notes receivable	3,532,072	4,655,266	-	4,655,266	-
	<b>P55,844,672</b>	<b>P53,531,407</b>	<b>P8,899,915</b>	<b>P4,655,266</b>	<b>P39,976,226</b>

\*Excludes nonfinancial deposits amounting to P11.76 million as at December 31, 2025.

2024					
	Carrying Value	Fair Value	Quoted prices in active market (Level 1)	Significant Observable inputs (Level 2)	Significant Unobservable inputs (Level 3)
<b>Measured at fair value</b>					
Equity instruments designated at FVOCI					
Quoted	P7,999,915	P7,999,915	P7,999,915	P-	P-
Unquoted	30,895,577	30,895,577	-	-	30,895,577
<b>Assets for which fair values are disclosed</b>					
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	-
	<b>P54,616,482</b>	<b>P52,784,284</b>	<b>P7,999,915</b>	<b>P7,613,757</b>	<b>P37,170,612</b>

\*Excludes nonfinancial deposits amounting to P11.76 million as at December 31, 2024.

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, 2025 and 2024 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 (P6,819,387) and P7,728,638, respectively, as at December 31, 2025 and (P6,281,994) and P7,119,594, respectively, as at December 31, 2024.



## 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.

	2025	2024	2023
Depreciation expense of right-of-use assets	<b>₱44,469,333</b>	₱28,706,413	₱15,682,540
Interest expense on lease liabilities	<b>9,273,420</b>	9,450,585	7,176,403
Short-term leases included under:			
Operating expenses (Note 15)	<b>10,073,290</b>	12,972,158	7,815,452
Cost of goods sold (Note 14)	<b>4,184,343</b>	1,288,254	213,854
	<b>₱68,000,386</b>	₱52,417,410	₱30,888,249

Total cash outflow for leases amounted to ₱64.94 million in 2025, ₱47.04 million in 2024 and ₱26.94 million in 2023.

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 ₱21.98 million and ₱21.70 million as at December 31, 2025 and 2024, respectively (see Note 10).

Set out below, is the rollforward analysis of lease liabilities during the years ended December 31:

	2025	2024
Balances at beginning of year	<b>₱150,928,781</b>	₱128,918,139
Non-cash changes:		
Additions	–	45,339,078
Interest expense	<b>9,273,420</b>	9,450,585
Payments:		
Principal portion	<b>(41,409,353)</b>	(23,328,436)
Interest	<b>(9,273,420)</b>	(9,450,585)
Balances at end of year	<b>109,519,428</b>	150,928,781
Less current portion	<b>(10,180,882)</b>	(41,409,355)
Noncurrent portion	<b>₱99,338,546</b>	₱109,519,426

Shown below is the maturity analysis of the undiscounted lease payments as at December 31:

	2025	2024
Within one year	<b>₱17,741,625</b>	₱50,682,776
More than 1 years to 2 years	<b>18,704,714</b>	17,741,625
More than 2 years to 3 years	<b>19,433,803</b>	18,704,714
More than 3 years to 4 years	<b>20,192,130</b>	19,433,803
More than 5 years	<b>65,617,039</b>	85,809,170



## 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	<b>2025</b>	<b>₱502,322,761</b>	<b>₱-</b>	Unsecured, payable 30 days from date of bill of lading; to be settled in cash
		2024	649,600,148	86,762,581	
		2023	351,421,236	-	
Tosoh Corporation	Purchases	<b>2025</b>	<b>384,664,956</b>	-	-do-
		2024	302,770,842	-	
		2023	322,165,110	-	
<i>Associate</i>					
MVC Properties, Inc.	Rental expense (Reflected as interest and depreciation)	<b>2025</b>	<b>30,187,232</b>	-	Unsecured, payable quarterly
		2024	11,795,875	27,274,882	
		2023	-	-	
	Rental income	<b>2025</b>	<b>160,714</b>	-	Unsecured, payable monthly
		2024	66,964	-	
		2023	-	-	
	Advances	<b>2025</b>	<b>4,820,437</b>	<b>205,495</b>	Unsecured, payable on demand
		2024	1,485,144	3,350,571	
		2023	-	-	
<i>Retirement fund</i>					
Mabuhay Vinyl Corporation - Retirement Fund	Investment in MPI	<b>2025</b>	-	<b>7,750,000</b>	Guaranteed dividends equivalent to T-Bill Rate plus 300 basis points subject to declaration by the MPI's BOD
		2024	-	7,750,000	
		2023	-	7,750,000	
<i>Entity under common control</i>					
Philippine Resins Industries, Inc.	Sales	<b>2025</b>	<b>5,700,078</b>	<b>769,070</b>	Unsecured; 30 days; non-interest-bearing
		2024	5,590,565	985,094	
		2023	5,136,430	330,174	
	Loans receivable	<b>2025</b>	<b>(100,000,000)</b>	-	Interest-bearing; payable within one year; to be settled in cash
		2024	(500,000,000)	100,000,000	
		2023	(100,000,000)	600,000,000	
	Interest income	<b>2025</b>	<b>6,146,517</b>	-	To be settled in cash
		2024	24,220,858	1,005,443	
		2023	35,412,864	5,542,300	



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.

Effective January 1, 2025, the Company entered into a contract of lease with MPI for a period of one year. The lease will automatically renew thereafter unless terminated by both parties.

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 ₱4.82 million in 2025, ₱1.49 million in 2024 and ₱1.50 million in 2023 to finance MPI's working capital requirements. In 2025, MPI paid the advances due to the Company amounting to ₱7.97 million. Outstanding balances from these transactions amounted to ₱0.21 million and ₱3.35 million as at December 31, 2025 and 2024, respectively.

As at December 31, 2025 and 2024, for the year ended December 21, 2025 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 and for the year ended December 31, 2023, the above intercompany transactions were eliminated upon consolidation.

d. Mabuhay Vinyl Corporation - Retirement Fund

As at December 31, 2025 and 2024, 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. The loans were repaid in 2025.

Rollforward of the Company's loans receivable are as follows:

	2025	2024
Balances at beginning of year	<b>₱100,000,000</b>	₱600,000,000
Collection	<b>(100,000,000)</b>	(500,000,000)
Balances at end of year	<b>₱-</b>	₱100,000,000

f. The compensation of key management personnel follows:

	2025	2024	2023
Short-term employee benefits	<b>₱10,910,844</b>	₱10,703,722	₱9,882,791
Retirement benefits (Note 17)	<b>1,004,488</b>	996,386	2,076,489
	<b>₱11,915,332</b>	₱11,700,108	₱11,959,280

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

	2025	2024	2023
Net income attributable to the equity holders of the Company (a)	<b>₱355,320,664</b>	₱330,629,030	₱408,439,609
Weighted average number of shares outstanding (Note 12) (b)	<b>661,309,398</b>	661,309,398	661,309,398
Basic/Diluted earnings per share (a/b)	<b>₱0.537</b>	₱0.500	₱0.618

## 24. Commitments, Provisions and Contingencies

a. Unused Credit Lines

As at December 31, 2025, and 2024, the Company has unused credit lines amounting to ₱947.63 million and ₱958.59 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:

	2025	2024	2023
Beginning balances	P-	P21,500,000	P11,000,000
Additions	-	-	14,000,000
Payments	-	(21,500,000)	(3,500,000)
Ending balances	P-	P-	P21,500,000

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.

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## 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, 2025, 2024, and 2023 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):

	2025	2024	2023
Revenue from contracts with customers	<b>P3,340</b>	P3,074	P3,074
Net income	<b>355</b>	331	409
Total assets	<b>4,749</b>	4,588	4,334
Total liabilities	<b>446</b>	591	603
Interest income	<b>52</b>	49	47
Income taxes	<b>91</b>	97	136
Depreciation and amortization	<b>184</b>	169	106
Capital expenditures	<b>127</b>	258	412

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:

	2025	2024	2023
Investing activities:			
Recognition of investment in an associate	P-	P533,302,519	P-
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	3,192,874	1,265,944	7,836,911
Financing activities:			
Accretion of lease liabilities	9,273,420	9,450,585	7,176,402

Details of the changes in liabilities from financing activities, primarily lease liabilities, are presented in Note 21.

## 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 2025.

- 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	P2,590,527,671	P310,863,321
Zero-rated sales	752,762,826	-
Sales to government	32,353,072	3,882,369
VAT-exempt sales	9,018,071	-
<b>Total</b>	<b>P3,384,661,640</b>	<b>P314,745,690</b>

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.

VAT-exempt sales consist of direct sales to cooperatives, pursuant to Section 109 of the Tax Code.

- b. The details of the input VAT as of December 31, 2025 are as follows:

Beginning balances	P174,430
Current year purchases/payments for	
Domestic purchase of goods	30,873,642
Imported purchase of goods	169,623,971
Capital goods subject to amortization	79,943
Capital goods not subject to amortization	6,409,627
Domestic purchase of services	90,383,914
Tax payments and other credits	17,200,162
Less: Application against output tax	(314,745,689)
<b>Ending balances</b>	<b>P-</b>



c. Total landed cost of importations for 2025 amounted to ₱1,485,732,568, of which ₱169,623,971 pertains to customs duties and tariff fees.

d. The details of taxes and licenses account for 2025 are as follows:

Real property tax	₱20,581,281
Business tax	16,066,829
Fringe benefit tax	3,421,575
Documentary stamps tax	874,518
Others	4,424,874
	<hr/>
	₱45,369,077
	<hr/>

The total amount is distributed as follows:

Cost of services	₱25,976,146
Operating expenses	19,392,931
	<hr/>
	₱45,369,077
	<hr/>

e. The Company's withholding taxes paid and accrued/withheld for 2025 are as follows:

Expanded withholding taxes	₱24,152,016
Tax on compensation and benefits	14,190,674
Final withholding taxes	10,158,601

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, 2025.



## **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, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, included in this Form 17-A, and have issued our report thereon dated March 5, 2026. 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.**

*Djole S. Garcia*  
Djole S. Garcia

Partner

CPA Certificate No. 0097907

Tax Identification No. 201-960-347

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

SEC Partner Accreditation No. 97907-SEC (Group A)

Valid to cover audit of 2022 to 2026 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-102-2024, August 27, 2024, valid until August 26, 2027

PTR No. 10765054, January 2, 2026, Makati City

March 5, 2026



**MABUHAY VINYL CORPORATION**  
**INDEX TO THE SUPPLEMENTARY SCHEDULES**

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- 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



**MABUHAY VINYL CORPORATION**  
**SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS**  
**AVAILABLE FOR DIVIDEND DECLARATION**  
**DECEMBER 31, 2025**

<b>Unappropriated Retained Earnings, December 31, 2024</b>		<b>₱1,601,284,909</b>
<b>Add: Category A: Items that are directly credited to Unappropriated Retained Earnings</b>		
Reversal of Retained Earnings Appropriation/s	₱1,000,000,000	
Effect of restatements or prior-period adjustments	–	
Revaluation increment due to appraisal recycled to retained earnings	–	1,000,000,000
		<hr/>
<b>Less: Category B: Items that are directly debited to Unappropriated Retained Earnings</b>		
Dividend declaration during the reporting period	(66,130,940)	
Retained Earnings appropriated during the reporting period	(1,500,000,000)	
Effect of restatements or prior-period adjustments	–	
Others	–	(1,566,130,940)
		<hr/>
<b>Unappropriated Retained Earnings, as adjusted</b>		<b>1,035,153,969</b>
<b>Add: Net income for the current year</b>		<b>355,320,664</b>
<b>Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>		
Equity in net income of associate/joint venture, net of dividends declared	(22,960,442)	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(683,769)	
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	–	
Sub-total		<hr/> <b>(23,644,211)</b>
<b>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)</b>		
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/> <b>–</b>

(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	<u>P-</u>

**Adjusted Net Income** **331,676,453**

**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	<u>-</u>

**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	<u>-</u>

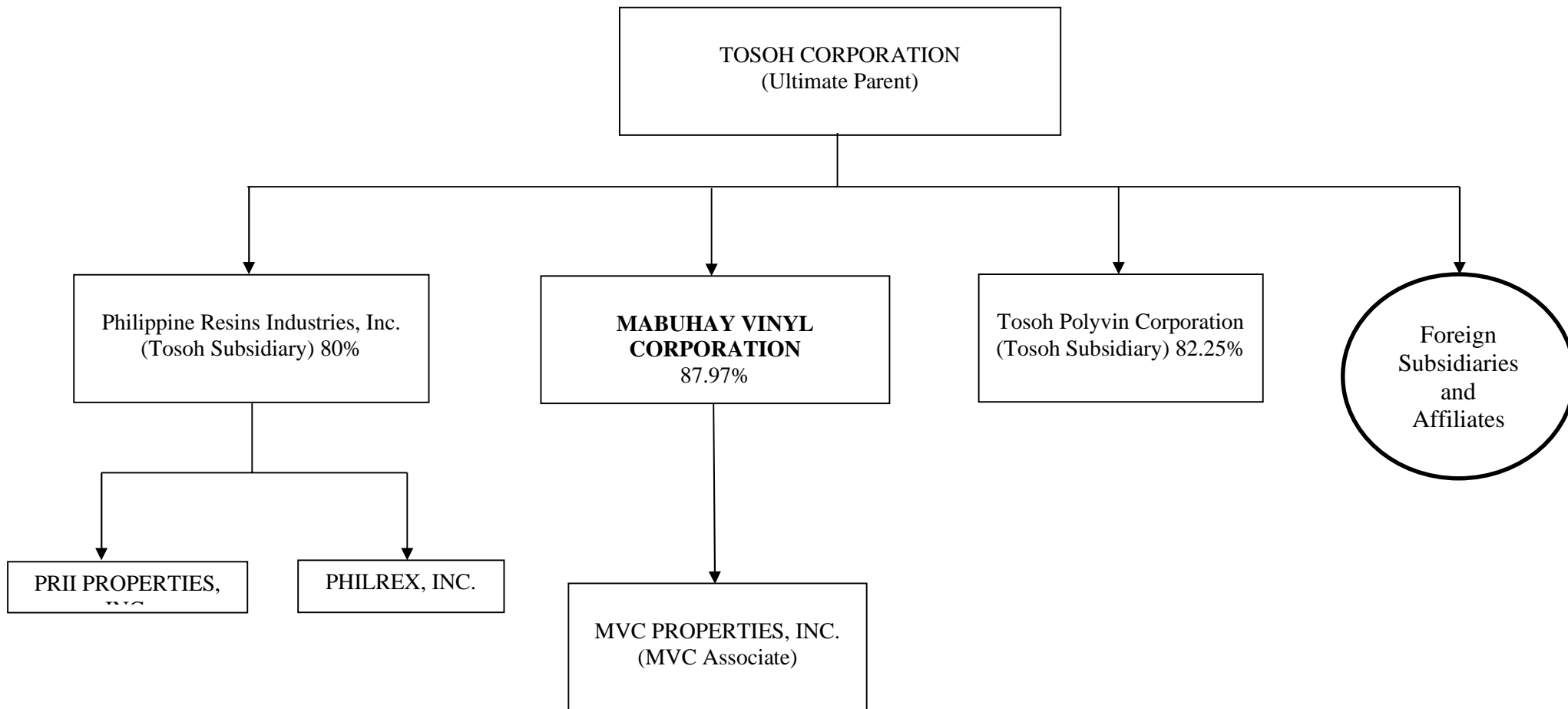
**Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution**

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	155,476
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	(764,997)
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
Others	-
Sub-total	<u>(609,521)</u>

**Total Retained Earnings available for dividend declaration, December 31, 2025** **P1,366,220,901**

**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**



Foreign  
Subsidiaries  
and  
Affiliates

**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%)  
 Yorin 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, 2025**

**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
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**Equity instruments designated at FVOCI:**

PLDT - Preferred stock - 10% cumulative, series U	350	P4,025	P4,025	P-
Piltel	600	1,680	1,680	-
Atlas Consolidated Mining Corp.	79,000	394,210	394,210	-
Makati (Sports) Club, Inc.	1	2,000,000	2,000,000	-
The Orchard Golf and Country Club, Inc. (Class A)	1	2,500,000	2,500,000	-
Valley Golf and Country Club	1	4,000,000	4,000,000	-
<b>Total quoted</b>	<b>79,953</b>	<b>8,899,915</b>	<b>8,899,915</b>	<b>-</b>
Tosoh Polyvin Corporation	26,291	33,188,451	33,188,451	-
<b>Total unquoted</b>	<b>26,291</b>	<b>33,188,451</b>	<b>33,188,451</b>	<b>-</b>
	<b>106,244</b>	<b>P42,088,366</b>	<b>P42,088,366</b>	<b>P-</b>

**Debt instruments at amortized cost:**

Cash in banks and cash equivalents	-	P912,860,158	P-	P-
Short-term investments	-	616,563,600	-	-
Trade and other receivables	-	740,757,572	-	-
Notes receivables - noncurrent	-	1,689,308	-	-
Security and rental deposits	-	10,224,324	-	-
	<b>-</b>	<b>2,282,094,962</b>	<b>-</b>	<b>-</b>
<b>Total financial assets</b>	<b>-</b>	<b>P2,324,183,328</b>	<b>P-</b>	<b>P-</b>

**MABUHAY VINYL CORPORATION**

**Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and  
Principal Stockholders (Other than Related Parties)**

**December 31, 2025**

<b>Name of Related Party</b>	<b>Balance at Beginning of Period</b>	<b>Balance at End of Period</b>
MVC Properties Inc.	₱3,350,571	₱205,495
Philippine Resins Industries, Inc.	985,094	769,070

**MABUHAY VINYL CORPORATION**  
**Schedule C. Amounts Receivable from Related Parties which were Eliminated during the**  
**Consolidation of Financial Statements**  
**December 31, 2025**

**NOT APPLICABLE**

**MABUHAY VINYL CORPORATION**  
**Schedule D. Long-Term Debt**  
**December 31, 2025**

**NOT APPLICABLE**

**MABUHAY VINYL CORPORATION**  
**Schedule E. Indebtedness to Related Parties**  
**December 31, 2025**

<b>Name of Related Party</b>	<b>Balance at Beginning of Period</b>	<b>Balance at End of Period</b>
Mitsubishi Corporation	₱86,762,581	₱-

**MABUHAY VINYL CORPORATION**  
**Schedule F. Guarantees of Securities and Other Issuers**  
**December 31, 2025**

**NOT APPLICABLE**

**MABUHAY VINYL CORPORATION**  
**Schedule G. Capital Stock**  
**December 31, 2025**

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**  
**External Auditor Fee-Related Information**  
**December 31, 2025**

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, 2025 and 2024:

	2025	2024
<b>Total Audit Fees</b>	<b>₱800,000</b>	₱800,000
Non-audit service fees:		
Tax Services	742,871	2,193,375
All other services	47,057	44,100
<b>Total Non-Audit Fees</b>	<b>789,928</b>	2,237,475
<b>Total Audit and Non-Audit Fees</b>	<b>₱1,589,928</b>	₱3,037,475

**MABUHAY VINYL CORPORATION**  
**Financial Ratios**  
**For the years ended December 31, 2025 and 2024**

<b>Ratio</b>	<b>Formula</b>	<b>Current Year</b>	<b>Prior Year</b>		
<b>a. Quick ratio</b>	(cash and cash equiv. + A/R + loan receivable + short term deposits) / current liabilities	<b>6.60</b>	4.20		
				2025	2024
	Cash and cash equivalents			<b>₱914,980,158</b>	₱1,195,348,543
	Accounts receivable			<b>740,575,572</b>	803,170,463
	Short term investments			<b>616,563,600</b>	–
	Total			<b>2,272,119,330</b>	1,998,519,006
	Divided by: Total Current Liabilities			<b>344,413,628</b>	475,987,655
Quick ratio	<b>6.60</b>	4.20			
<b>b. Current ratio</b>	current assets / current liabilities	<b>8.18</b>	5.55		
				2025	2024
	Total Current Assets			<b>₱2,817,953,166</b>	₱2,642,279,876
	Divided by: Total Current Liabilities			<b>344,413,628</b>	475,987,655
Current ratio	<b>8.18</b>	5.55			
<b>c. Solvency ratio</b>	(net income + depreciation expense) / average liabilities	<b>1.04</b>	0.84		
				2025	2024
	Net income			<b>₱355,320,664</b>	₱331,314,618
	Depreciation expense			<b>183,942,900</b>	169,128,397
	Total			<b>539,263,564</b>	500,443,015
	Divided by Average Total Liabilities*			<b>518,134,856</b>	597,100,435
	Solvency ratio			<b>1.04</b>	0.84
	*(beginning plus ending) / 2				
<b>d. Debt to equity ratio</b>	total liabilities/ total stockholders' equity	<b>0.10</b>	0.15		
				2025	2024
	Total Liabilities			<b>₱445,545,674</b>	₱590,724,037
	Divided by: Total Stockholders' Equity			<b>4,303,238,873</b>	3,997,720,616
Debt to equity ratio	<b>0.10</b>	0.15			
<b>e. Net profit margin</b>	net income / sales	<b>0.11</b>	0.11		
				2025	2024
	Net income			<b>₱355,320,664</b>	₱331,314,618
	Divided by: Total Net sales			<b>3,340,439,862</b>	3,074,068,637
Net profit margin	<b>0.11</b>	0.11			
<b>f. Return on equity</b>	net income / average stockholders' equity	<b>0.09</b>	0.09		
				2025	2024
	Net income			<b>₱355,320,664</b>	₱331,314,618
	Divided by: Average Total Stockholders' Equity*			<b>4,150,479,745</b>	3,864,007,952
	Return on equity			<b>0.09</b>	0.09
				*(beginning plus ending) / 2	

<b>Ratio</b>	<b>Formula</b>	<b>Current Year</b>	<b>Prior Year</b>
<b>g. Return on assets</b>	net income / average assets	<b>0.08</b>	0.07
	<b>2025</b> 2024		
	Net income <b>₱355,320,664</b> ₱331,314,618		
	Divided by: Average Total Assets <b>4,668,614,600</b> 4,461,108,387		
	Return on assets <b>0.08</b> 0.07		
*(beginning plus ending) / 2			
<b>h. Debt to total asset ratio</b>	total liabilities / total assets	<b>0.09</b>	0.13
	<b>2025</b> 2024		
	Total Liabilities <b>₱445,545,674</b> ₱590,724,037		
	Divided by: Total Assets <b>4,748,784,547</b> 4,588,444,653		
	Debt to total asset ratio <b>0.09</b> 0.13		
<b>i. Asset to equity ratio</b>	total assets / total stockholders' equity	<b>1.10</b>	1.15
	<b>2025</b> 2024		
	Total Assets <b>₱4,748,784,547</b> ₱4,588,444,653		
	Divided by: Total Stockholders' Equity <b>4,303,238,873</b> 3,997,720,616		
	Asset to equity ratio <b>1.10</b> 1.15		
<b>j. Interest rate coverage ratio</b>	earnings before interest and taxes / interest expense	<b>49.17</b>	46.34
	<b>2025</b> 2024		
	Net income <b>₱355,320,664</b> ₱331,314,618		
	Interest Expense <b>9,273,420</b> 9,450,585		
	Provision for Income Tax <b>91,347,449</b> 97,174,816		
	EBIT <b>455,941,533</b> 437,940,019		
	Divided by: Interest Expense <b>9,273,420</b> 9,450,585		
	Interest rate coverage ratio <b>49.17</b> 46.34		

## **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, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 5, 2026. 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 PFRSs. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Djole S. Garcia

Partner

CPA Certificate No. 0097907

Tax Identification No. 201-960-347

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

SEC Partner Accreditation No. 97907-SEC (Group A)

Valid to cover audit of 2022 to 2026 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-102-2024, August 27, 2024, valid until August 26, 2027

PTR No. 10765054, January 2, 2026, Makati City

March 5, 2026





# MABUHAY VINYL CORPORATION



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 5<sup>th</sup> day of March 2026 at Makati City.

Michael S. Yu  
Treasurer

SUBSCRIBED AND SWORN to before me on this 12 MAR 2026 day of 2026 at MAKATI CITY. Affiant exhibited to me his Driver's License No. N04-93-278955 issued on August 30, 2024 at the City of Manila.

**ATTY. RYAN ANTHONY G. PEREÑA**  
NOTARY PUBLIC for MAKATI CITY  
Commission No. M-012 until Dec. 31, 2027  
Roll of Attorneys 77327  
PTR No. 10764513; 01/02/2026; Makati City  
IBP OR No. 566188 12/16/2025; Pasig City  
MCLE Compliance No. VIII-0000389  
8553 San Jose St., Guadalupe Nuevo, Makati City

Doc. No.: 193  
Page No.: 40  
Book No.: XXVI  
Series of 2026

**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	2025 ( in P'000 )	2024 ( in P'000 )
<b>A. ASSETS (A.1 + A.2 + A.3 + A.4 + A.5 + A.6 + A.7 + A.8 + A.9 + A.10)</b>	<b>4,748,785</b>	<b>4,588,444</b>
A.1 Current Assets (A.1.1 + A.1.2 + A.1.3 + A.1.4 + A.1.5)	2,860,041	2,681,174
A.1.1 Cash and cash equivalents (A.1.1.1 + A.1.1.2 + A.1.1.3)	914,980	1,195,349
A.1.1.1 On hand and in Banks	314,980	472,349
A.1.1.2 Short term placements	600,000	723,000
A.1.1.3		
A.1.2 Trade and Other Receivables (A.1.2.1 + A.1.2.2)	740,575	803,170
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)	740,575	803,170
A.1.2.1.1 Due from customers (trade)	728,775	789,743
A.1.2.1.2 Due from related parties	769	985
A.1.2.1.3 Others, specify (A.1.2.1.3.1+A.1.2.1.3.2)	19,723	21,134
A.1.2.1.3.1 Tax Claims and Creditable Withholding Taxes		
A.1.2.1.3.2 Others	19,723	21,134
A.1.2.1.4 Allowance for doubtful accounts ( <b>negative entry</b> )	<b>(8,692)</b>	<b>(8,692)</b>
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 ( <b>negative entry</b> )		
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)	364,398	332,445
A.1.3.1 Raw materials and supplies	112,485	131,396
A.1.3.2 Goods in process (including unfinished goods, growing crops, unfinished seeds)	11,949	12,924
A.1.3.3 Finished goods	239,964	188,125
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)	42,088	138,895
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**

<b>FINANCIAL DATA</b>		<b>2025</b> ( in P'000 )	<b>2024</b> ( 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
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	0	100,000
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)	42,088	38,895
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	41,688	38,495
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 ( <b>negative entry</b> )		
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)	798,000	211,315
A.1.5.1	Input tax - net	0	0
A.1.5.2	Creditable withholding tax	34,195	34,390
A.1.5.3	Prepaid expenses and other current assets	98,842	138,999
A.1.5.4	Short-term investments	616,564	0
A.1.5.5	Materials and supplies	48,399	37,926
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)	1,260,605	1,326,597
A.2.1	Land	0	0
A.2.2	Building and improvements including leasehold improvement	485,474	478,631
A.2.3	Machinery and equipment (on hand and in transit)	2,442,586	2,429,702
A.2.4	Transportation/motor vehicles, automotive equipment, autos and trucks, and delivery equipment	417,397	416,330
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)	703,349	606,800
A.2.5.1	Office furniture and equipment	54,537	54,537
A.2.5.2	Construction in progress	434,363	337,814
A.2.5.3	Right-of-use asset-land	149,279	149,279
A.2.5.4	Right-of-use asset-building	33,684	33,684
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 ( <b>negative entry</b> )	(2,788,201)	(2,604,866)
A.2.8	Impairment Loss or Reversal ( <b>if loss, negative entry</b> )		
A.3	Investments accounted for using the equity method (A.3.1 + A.3.2 + A.3.3 )	565,455	542,494
A.3.1	Equity in domestic subsidiaries/affiliates	565,455	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	2025 (in P'000)	2024 (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)	62,684	38,179
A.10.1 Deferred charges - net of amortization		
A.10.2 Deferred Tax Assets	7,419	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)	55,265	25,152
A.10.4.1 Security and rental deposits	21,981	21,701
A.10.4.2 Advances to suppliers noncurrent	9,372	0
A.10.4.3 Retirement benefits asset - net	22,223	0
A.10.4.4 Notes receivable - noncurrent portion	1,689	3,430
A.10.4.5 Intangible assets	0	21
A.10.5 Allowance for write-down of deferred charges/bad accounts (negative entry)		
<b>B. LIABILITIES (B.1 + B.2 + B.3 + B.4 + B.5)</b>	<b>445,546</b>	<b>590,724</b>
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)	443,752	585,507
B.1.1 Trade and Other Payables to Domestic Entities	300,819	453,146
B.1.1.1 Current portion of lease liabilities	10,181	41,409
B.1.1.2 Trade Payables	76,357	230,394
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)	214,281	181,343
B.1.1.4.1 Accrued expenses	134,525	113,653
B.1.1.4.2 Customer deposits	26,911	26,226
B.1.1.4.3 Others	52,845	41,464
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	18,926	-
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)	124,007	132,361
B.1.7.1 Dividends declared and not paid at balance sheet date	24,668	22,842
B.1.7.2 Lease Liabilities - net of current portion	99,339	109,519
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**

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**

<b>FINANCIAL DATA</b>		<b>2024</b> ( in P'000 )	<b>2023</b> ( 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)		1,794	5,217
B.5.1 Deferred Income Tax		0	0
B.5.2 Others, specify (B.5.2.1 + B.5.2.2 + B.5.2.3 + B.5.2.4)		1,794	5,217
B.5.2.1 Retirement benefits payable		0	3,423
B.5.2.2 Asset retirement obligation		1,794	1,794
B.5.2.3			
B.5.2.4			
<b>C. EQUITY (C.3 + C.4 + C.5 + C.6 + C.7 + C.8 + C.9+C.10)</b>		<b>4,303,239</b>	<b>3,997,720</b>
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	<b>688,309,398 shares, P1 par value</b>	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	0
C.6 Others, specify (C.6.1 + C.6.2 + C.6.3 + C.6.4 + C.6.5)		5,737	(10,592)
C.6.1 Reserve for fluctuations in available-for-sale financial assets		9,089	5,896
C.6.2 Remeasurement gains (losses) on retirement benefits - net of deferred income tax effect		(3,352)	(16,488)
C.6.3			
C.6.4			
C.6.5			
C.7 Appraisal Surplus/Revaluation Increment in Property/Revaluation Surplus		0	0
C.8 Retained Earnings (C.8.1 + C.8.2)		3,459,599	3,170,409
C.8.1 Appropriated		1,500,000	1,000,000
C.8.2 Unappropriated		1,959,599	2,170,409
C.9 Head / Home Office Account (for Foreign Branches only)			
C.10 Cost of Stocks Held in Treasury <b>(negative entry)</b>		0	0
<b>D. TOTAL LIABILITIES AND EQUITY (B + C)</b>		<b>4,748,785</b>	<b>4,588,444</b>

**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**

<b>FINANCIAL DATA</b>		<b>2025</b> ( in P'000 )	<b>2024</b> ( in P'000 )
<b>A. REVENUE / INCOME (A.1 + A.2 + A.3)</b>		<b>3,459,490</b>	<b>3,169,736</b>
A.1	Net Sales or Revenue / Receipts from Operations (manufacturing, mining, utilities, trade, services, etc.) (from Primary Activity)	3,340,440	3,074,069
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)	68,585	51,020
	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)	68,585	51,020
	A.3.5.1 Other Income	68,585	51,020
	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)	50,465	44,647
	A.4.1 Interest Income	52,308	49,283
	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)	(1,843)	(4,636)
	A.4.4.1 Foreign exchange gain (loss) - net	(1,843)	(4,636)
	A.4.4.2		
	A.4.4.3		
	A.4.4.4		
<b>B. COST OF GOODS SOLD (B.1 + B.2 + B.3)</b>		<b>2,239,434</b>	<b>2,002,450</b>
B.1	Cost of Goods Manufactured (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5)	2,291,273	2,090,145
	B.1.1 Direct Material Used	1,826,505	1,682,409
	B.1.2 Direct Labor	45,155	42,224
	B.1.3 Other Manufacturing Cost / Overhead	418,638	368,151
	Goods in Process, Beginning	12,924	10,285
	B.1.5 Goods in Process, End (negative entry)	(11,949)	(12,924)
	B.2 Finished Goods, Beginning	188,125	100,430
	B.3 Finished Goods, End (negative entry)	(239,964)	(188,125)
<b>C. COST OF SALES (C.1 + C.2 + C.3)</b>		<b>-</b>	<b>0</b>
	C.1 Purchases		
	C.2 Merchandise Inventory, Beginning		
	C.3 Merchandise Inventory, End (negative entry)		
<b>D. COST OF SERVICES, SPECIFY (D.1 + D.2 + D.3 + D.4 + D.5 + D.6)</b>		<b>-</b>	<b>-</b>
	D.1		
	D.2		
	D.3		
	D.4		
	D.5		
	D.6		

**GENERAL FORM FOR FINANCIAL STATEMENTS**

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 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	2025 ( in P'000 )	2024 ( in P'000 )
<b>E. OTHER DIRECT COSTS, SPECIFY (E.1 + E.2 + E.3 + E.4 + E.5 + E.6)</b>	-	-
E.1 Cost of sales - Property	0	0
E.2		
E.3		
E.4		
E.5		
E.6		
<b>F. GROSS PROFIT (A - B - C - D - E)</b>	<b>1,220,056</b>	<b>1,167,286</b>
<b>G. OPERATING EXPENSES (G.1 + G.2 + G.3 + G.4)</b>	<b>773,388</b>	<b>738,797</b>
G.1 Selling or Marketing Expenses		
G.2 Administrative Expenses		
G.3 General Expenses	764,115	729,346
G.4 Other Expenses, specify (G.4.1 + G.4.2 + G.4.3 + G.4.4 + G.4.5 + G.4.6)	9,273	9,451
G.4.1 Interest and other financing charges	9,273	9,451
G.4.2 Impairment loss on investment property	-	0
G.4.3		
G.4.4		
G.4.5		
G.4.6		
<b>H. FINANCE COSTS</b>		
<b>I. NET INCOME (LOSS) BEFORE TAX ( F - G - H )</b>	<b>446,668</b>	<b>428,489</b>
<b>J. INCOME TAX EXPENSE (negative entry)</b>	<b>(91,347)</b>	<b>(97,174)</b>
<b>K. INCOME AFTER TAX</b>	<b>355,321</b>	<b>331,315</b>
<b>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)</b>		
L.1 Net changes in fairvalue of AFS		
L.2 Increase in revaluation increment		
<b>M. Profit or Loss Attributable to Minority Interest</b>	<b>0</b>	<b>686</b>
<b>N. Profit or Loss Attributable to Equity Holders of the Parent</b>	<b>355,321</b>	<b>330,629</b>

**GENERAL FORM FOR FINANCIAL STATEMENTS**

NAME OF CORPORATION: MABUHAY VINYL CORPORATION  
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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	2025 ( in P'000 )	2024 ( in P'000 )
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net Income (Loss) Before Tax and Extraordinary Items</b>	446,668	428,489
<b>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</b>		
Depreciation and amortization	183,943	169,128
Others, specify:		
Interest income	(52,308)	(49,283)
Retirement benefit cost	(8,132)	(8,681)
Unrealized interest income on notes receivables	94	93
Interest expense	9,273	9,451
Unrealized foreign exchange (gain) loss	(684)	(436)
Gain on sale of property and equipment	(223)	(120)
Deconsolidation Loss	0	15,358
Equity in net earnings of an associate	(22,960)	(9,192)
Loss on sale of Property, Plant, and Equipment		
Changes in Assets and Liabilities:		
Decrease (Increase) in:		
Receivables	63,041	(79,256)
Inventories	(31,953)	(112,095)
Other Current Assets	29,686	(52,960)
Others, specify: Other noncurrent assets	(280)	(46)
Increase (Decrease) in:		
Accounts payable and accrued expenses	(120,932)	110,179
Trust receipts payable	0	0
Others, specify: Customer deposits	685	(212)
Asset retirement obligation	0	0
Cash generated from operations		
Income Taxes paid, including creditable withholding taxes	(70,998)	(113,841)
Interest Paid		0
<b>A. Net Cash Provided by (Used in) Operating Activities (sum of above rows)</b>	<b>424,920</b>	<b>306,576</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Increase) Decrease in Short-term investments	0	0
(Increase) Decrease in Advances to suppliers	-	0
Reductions/(Additions) to Property, Plant, and Equipment	(127,303)	(257,627)
Others, specify:		
Proceeds from sale of equipment	223	135
Issuance of loans and notes receivables	0	(1,900)
Withdrawals (additions to) of short-term investments	(616,564)	93,866
Interest received	51,097	50,142
Collection of Notes receivable	102,245	501,976
Change due to loss of control over a subsidiary	-	(80,069)
<b>B. Net Cash Provided by (Used in) Investing Activities (sum of above rows)</b>	<b>(590,302)</b>	<b>306,523</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
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	(41,409)	(23,328)
Interest paid	(9,273)	(9,451)
Dividends paid	(64,305)	(64,407)
	0	(638)
<b>C. Net Cash Provided by (Used in) Financing Activities (sum of above rows)</b>	<b>(114,987)</b>	<b>(97,824)</b>
<b>D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>0</b>	<b>-</b>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C+ D)</b>	<b>(280,369)</b>	<b>515,275</b>
Cash and Cash Equivalents		
Beginning of year	1,195,349	680,074
End of year	914,980	1,195,349



J.4.2 Retirement of TS										0
J.4.3 Other comprehensive				13,136	3,193					16,329
J.4.4 Impact of loss of control										0
<b>K. Net Income (Loss) for the Period</b>							355,321	0		355,321
<b>L. Dividends (negative entry)</b>							(66,131)	0		(66,131)
<b>M. Appropriation for (specify)</b>										
M.1 Reversal of Appropriation						(1,000,000)	1,000,000			0
M.2 Acquisition and development of logistics assets and facilities						1,500,000	(1,500,000)			0
M.3										
M.4										
M.5										
<b>N. Issuance of Capital Stock</b>										
N.1 Common Stock										
N.2 Preferred Stock										
N.3 Others										
<b>O. Balance, 31-Dec-25</b>		661,309	176,594	-	(3,352)	9,089	1,500,000	1,959,599	0	4,303,239

**MABUHAY VINYL CORPORATION**  
**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING**

22F The Salcedo Towers, 169, H.V. Dela Costa Street,  
Salcedo Village, Barangay Bel-Air, Makati City  
Via Remote Communication  
on **24 April 2025**

**I. CALL TO ORDER**

After the invocation and singing of the Philippine national anthem, the meeting was called to order by the Chairman, Mr. Yohei Chikamoto, at 3:15 pm.

**II. PROOF OF NOTICE OF MEETING**

Atty. Maria Melva E. Valdez, Corporate Secretary, confirmed and certified that written notice of the meeting was published in print and online formats by two (2) newspapers of general circulation namely, The Philippine Star and The Manila Times, on 1 and 2 April 2025. The publication was made in accordance with the Company by-laws and the Securities and Exchange Commission (SEC) Memorandum Circular No. 6 series of 2020 and SEC Notice dated 22 February 2024.

A Certification to this effect was executed by Leo N. Alisgar of The Philippine Star and Eden F. Del Rosario of The Manila Times. These Certificates are hereby submitted to form part of the Company records.

Additionally, the Notice of Meeting was posted on the Company website and disclosed via PSE Edge.

**III. CERTIFICATION OF QUORUM**

Certifying to the presence of a quorum, the Corporate Secretary stated that stockholders owning **93.98%** of the outstanding capital stock were present, either by remote communication or by proxy. Hence, there was quorum for the transaction of any business during the meeting.

For the list of present directors and stockholders, see Annex "A".

#### IV. GUIDELINES IN PARTICIPATION BY REMOTE COMMUNICATION

The Chairman thanked all attendees for their patience and cooperation in making possible the Y2025 Annual Stockholders' Meeting (ASM). Similar to last year's ASM, this year's ASM was held via remote communication.

To guide all participants, the Corporate Secretary reminded the stockholders of the basic guidelines, which was published on the Company website and disclosed on the PSE Edge System before the meeting, *to wit*:

The Guidelines in Participation by Remote Communication at today's Meeting was published on the Company website and disclosed on the PSE Edge System. To guide everyone today, the following are important points to remember:

1. Only stockholders of record that duly submitted their valid proxy or notified the Company their intention to participate by remote communication was included in determining the existence of a quorum at today's Meeting.
2. Stockholders were requested to send questions or comments prior to the Meeting by email to [asm@mvc.com.ph](mailto:asm@mvc.com.ph). Questions or comments received before the meeting will be read and addressed before the Meeting is adjourned. Other questions or comments not taken up during the Meeting due to time constraints will be addressed separately and replied through email.
3. Results and final tabulation of votes will be reflected in the Minutes of the Meeting.

#### V. READING AND APPROVAL OF THE MINUTES OF THE ASM HELD ON 25 APRIL 2024

Copy of the minutes of the ASM held on 25 April 2024 was posted on the Company website before the meeting.

Upon motion duly made and seconded, the reading of the said minutes was dispensed with and the same was approved without amendments.

The Corporate Secretary recorded the following votes:

	FOR	AGAINST	ABSTAIN
NUMBERS OF SHARES VOTED	621,516,463	0	0
	93.98%		

## VI. DECLARATION OF CASH DIVIDENDS

Mr. Chikamoto announced that the Board of Directors, in its earlier meeting, declared a cash dividend at 10% per share (P 0.10/share) to stockholders of record as of 23 May 2025, to be paid on 16 June 2025.

## VII. PRESIDENT'S REPORT

The President and Chief Operating Officer (COO), Mr. Steve S.C. Pangilinan, reported highlights of the Y2024 operational and financial performance, significant events, as well as Company outlook for the year 2025:

Mr. Pangilinan reported that the preceding year was filled with challenges on the operational level, but it also brought clarity to the strategic issues facing the company. We are thankful to have hurdled 2024 in a confident manner, and will continue to face the future with determination.

In 2024, the Philippine economy, excluding remittances from overseas workers, grew by 5.6% in 2024. This was comparable to the 5.5% GDP growth for 2023 but below the 7.6% registered in 2022. However, the 5.6% GDP was driven mainly by the services sector, while the manufacturing sector grew by only 3.6%. In fact, exports of electronics products, which accounts for almost 60% of Philippine exports, contracted by 6.4% from USD 45.65 Billion in 2023 to USD 42.74 Billion in 2024.

Despite the difficult business environment, we were successful in increasing sales volume and market share for caustic soda and sodium hypochlorite, although we suffered setbacks with hydrochloric acid and liquid chlorine.

Mabuhay Vinyl Corporation (MVC) has also completed the construction and commissioning of its Ion Exchange Membrane Plant 2 (IEM2) Expansion and Modernization Project at their Iligan Plant in 2024. The project increased production capacity by 68%, reduced power consumption through the use of the latest electrolyzers, and substantially reduced carbon dioxide emissions with the country's first plate-type caustic soda evaporator.

### **Corporate Performance**

Our 2024 full-year profit declined to P331.3 Million or 19% lower than the record high P409.1 Million of 2023 due to weaker demand for chlorine derivatives produced from the Iligan Plant and lower price of caustic soda in the international market.

Revenues reached P3.074 Billion, which is equal to that attained the previous year. Nevertheless, it is noteworthy that we made exceptional progress on liquid caustic soda and sodium hypochlorite, with sales volume increasing by 10% and 28% respectively and reaching the highest volumes in the company's history. However, we posted lower sales in hydrochloric acid and liquid chlorine due to weaker demand and cheaper imports respectively.

Gross profit decreased by P136.1 Million due to significantly lower margins from traded commodities and higher production cost.

Operating expenses increased by P5.76 Million or 0.8% due to higher distribution expenses brought about by increase in sales volume. Unit delivery cost actually declined because the quantity delivered increased by 9.8%.

Substantial other income was contributed by profit from sale of excess power to the Wholesale Electricity Spot Market (WESM) and interest income from money market placements.

Moving forward, we will focus on increasing sales of hydrochloric acid and liquid chlorine in order to improve plant utilization, lower production cost and enhance profitability of production operations. We will also work on reducing logistic cost to improve competitiveness in key competitive markets.

#### **Caustic Soda Market in 2024**

Compared to 2023, the demand for liquid caustic soda in Asia weakened further in 2024, particularly in China, which resulted to more cargo being exported. Initially, two major caustic soda consuming industries, the alumina and battery sectors, were bright spots, but even those eventually succumbed to weaker demand.

From an average CFR price of \$470/DMT in 2023, prices fell to as low as \$400/DMT before recovering to \$530/DMT by December 2024 for an average CFR price of \$430/DMT.

Fortunately, liquid caustic soda price did not fall as much as feared despite weak demand because the near zero price of its chlorine co-product requires chlor-alkali producers to recover production cost from caustic soda. The major end-use of Chlorine is for making PVC resin, but China's real-estate crisis has caused PVC resin demand to plummet.

## **Manufacturing Operations**

At the MVC Iligan Plant, we successfully completed the construction and commissioning of the IEM2 Expansion and Modernization Project in 2024 with minimal disruption to existing operations, thereby ensuring uninterrupted supply of products to customers. The expansion plant uses the latest electrolyzers to minimize power consumption, a first in the country plate-type caustic evaporator to achieve ultralow steam consumption, and a hydrochloric acid plant with steam co-generation capability for heat recovery.

Despite the completion of the IEM2 Expansion and Modernization Project, production output at the Iligan Plant increased by only 2% compared to 2023 due to high inventory of hydrochloric acid and liquid chlorine arising from weak demand and competition from cheap imported material. Movement of hydrochloric acid was also hampered by the drydocking of our acid-vessel, MT Snoopy-II. Production costs increased by 9.4% due to higher cost of raw materials and higher fixed cost due to the depreciation of the new plant.

Over in Laguna, Mabuhay's Premium Bleach Plant had an exceptional year in 2024 with production of sodium hypochlorite increasing by 35% compared to the previous year, its highest output since inception, as it responds to higher demand for sodium hypochlorite in the water treatment and energy generation industries. Expansion of production facilities is being considered to cater to the growing demand.

## **Environmental Responsibility**

Caustic soda and chlorine-derivatives are basic chemicals produced from the electrolysis of saturated brine. Despite using the most advanced technology available, the production process is still very resource intensive and uses a lot of electrical energy and water. As a responsible member of society, we monitor, report and implement measures to reduce the environmental impact of its operations.

In 2024, we were able to reduce the energy intensity of its products by 10.7%. This was made possible by reducing the amount of steam consumed at the caustic soda evaporator and lowering the use of power from non-renewable sources.

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 <sub>2</sub> )	437.65	390.88
Sodium Hypochlorite (kWh/MT Hypo)	15.35	18.92

We publish a Sustainability Report every year, as part of the 17-A Annual Report, containing details of the company's environmental performance. The report conforms to the Global Reporting Initiative (GRI) Standard as required by the Securities and Exchange Commission and is also available on our website.

**VIII. RATIFICATION OF THE CORPORATE ACTS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, OFFICERS AND MANAGEMENT FOR THE PERIOD UNDER REVIEW**

The acts, proceedings, and resolutions were discussed and approved in the meetings of the Board of Directors and documented by minutes of meetings. These matters constitute the transactions and operations of the Company. This was also mentioned on pages 14-15 of the Information Statement posted on the Company website and available for public perusal via the PSE EDGE portal.

On motion duly made and seconded, the following resolution was approved:

**RESOLVED**, That the corporate acts and proceedings of the Board of Directors, Officers, and Management of Mabuhay Vinyl Corporation for the preceding year (25 April 2024 to 24 April 2025) are hereby approved and ratified.

The Corporate Secretary recorded the following votes:

	FOR	AGAINST	ABSTAIN
NUMBERS OF SHARES VOTED	621,516,463	0	0
	<b>93.98%</b>		

**IX. PRESENTATION AND APPROVAL OF Y2024 ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED**

**31 DECEMBER 2024**

Copies of MVC's Y2024 Annual Report and Audited Financial Statements for the year ended 31 December 2024 were made available on the Company website prior to the meeting.

On motion duly made and seconded, the following resolution was approved:

**RESOLVED**, That the Y2024 Annual Report and Audited Financial Statements for the year ended 31 December 2024 of Mabuhay Vinyl Corporation are hereby approved.

The Corporate Secretary recorded the following votes:

	FOR	AGAINST	ABSTAIN
NUMBERS OF SHARES VOTED	621,516,463	0	0
	<b>93.98%</b>		

**X. ELECTION OF DIRECTORS FOR THE YEAR 2025 - 2026**

On behalf of the Nominations Committee, the Corporate Secretary announced the names of the nominees to the Board of Directors as well as the justifications for nominating as independent directors Messrs. Abejuela and Kong.

After tabulation of votes of proxies received and of those that participated by remote communication, the following were declared as the duly elected Directors of the Company for Y2025 - Y2026 and/or until their successors are duly elected and qualified in accordance with the by-laws of MVC:

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

The Corporate Secretary recorded the following votes:

NAME OF DIRECTOR	FOR	AGAINST	ABSTAIN
Yohei Chikamoto	621,516,463 93.98%	0	0
Steve S.C. Pangilinan	621,516,463 93.98%	0	0
Hiroyuki Kobayashi	621,516,463 93.98%	0	0
Ramon J. Abejuela	621,516,463 93.98%	0	0
Atty. Barbara Anne C. Migallos	621,516,463 93.98%	0	0
Francisco J. Kong	621,516,463 93.98%	0	0
Kazuya Nishisaka	621,516,463 93.98%	0	0

**XI. APPOINTMENT OF EXTERNAL AUDITOR**

On behalf of the Audit Committee, Mr. Pangilinan announced that Sycip Gorres Velayo & Co. (SGV) was recommended and endorsed by the Audit Committee and the Board of Directors as the Company's external auditor for the audit period 31 December 2025.

On motion duly made and seconded, the following resolution was approved:

**RESOLVED**, That Sycip Gorres Velayo & Co. is hereby appointed as Mabuhay Vinyl Corporation's External Auditor for the fiscal year ending 31 December 2025, under such terms and conditions as Management may deem appropriate.

The Corporate Secretary recorded the following votes:

	FOR	AGAINST	ABSTAIN
NUMBERS OF SHARES VOTED	621,516,463 93.98%	0	0

**XII. OTHER MATTERS**

The Chairman inquired whether any stockholder who participated by remote

communication raised questions.

After checking the online platform used, the Corporate Secretary reported that no questions were raised by stockholders.

### **XIII. ADJOURNMENT**

There being no other matter to be discussed, the meeting was adjourned at around 4:00 p.m.

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

Attested by:



**YOHEI CHIKAMOTO**

*Chairman of the Board of Directors*

*Presiding Officer of the Stockholders' Meeting*

## Annex A

### STOCKHOLDERS PRESENT:

Total No. Shares Outstanding	661,309,398
Total No. Shares of Stockholders Present in Person	50,629
Total No. of Shares of Stockholders Represented by Proxy	621,465,834
Total No. of Shares Present (In Person and by Proxy)	621,516,463
Percentage of Shares of Stockholders Present	93.98%

### DIRECTORS PRESENT:

Yohei Chikamoto  
Steve S.C. Pangilinan  
Francisco J. Kong - Independent Director  
Barbara Anne C. Migallos  
Ramon J. Abejuela - Independent Director  
Hiroyuki Kobayashi  
Kazuya Nishisaka

### OFFICERS PRESENT:

Romeo G. Dela Cruz - VP- Marketing  
Atsushi Utsunomiya - VP- Finance  
Michael S. Yu - Treasurer/VP-Corporate Planning  
Mark Francis D. Basan - AVP-Manufacturing  
Maria Melva E. Valdez - Corporate Secretary  
Pamela Ann T. Cayabyab - Assistant Corporate Secretary

### REPRESENTATIVE FROM THE AUDITOR:

Manolito R. Elle - Partner-in-charge (Sycip, Gorres, Velayo & Co.)

### REPRESENTATIVE FROM THE STOCK TRANSFER AGENT

Roland Raymund P. Rojas - Security Services (BDO Stock Transfer)