SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 17.1(b) OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

☐ Preliminary Information Statement

☑ Definitive Information Statement

2. Name of Registrant as specified in its charter

FILSYN CORPORATION

3. Province, country or other jurisdiction of incorporation or organization

Philippines

4. SEC Identification Number

35841

5. BIR Tax Identification Code

000-158-664-000

6. Address of principal office

Unit 8, 5B, The Pearlbank Centre, 146 Valero Street, Salcedo Village, Makati City
Postal Code
1227

7. Registrant's telephone number, including area code

(+632) 8652-5167

8. Date, time and place of the meeting of security holders

May 26, 2026 at 4:00 p.m. through remote communication via Zoom

9. Approximate date on which the Information Statement is first to be sent or given to security holders

Apr 28, 2026

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor

N/A

Address and Telephone No.

N/A

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding

CLASS A COMMON	123,747,707
CLASS B COMMON	49,071,976
PREFERRED	33,426,498

13. Are any or all of registrant's securities listed on a Stock Exchange?

☑ Yes ☐ No

If yes, state the name of such stock exchange and the classes of securities listed therein:

PHILIPPINE STOCK EXCHANGE

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

Filsyn Corporation
FYN

PSE Disclosure Form 17-5 - Information Statement for Annual or Special Stockholders' Meeting

References: SRC Rule 20 and Section 17.10 of the Revised Disclosure Rules

Date of Stockholders' Meeting	May 26, 2026
Type (Annual or Special)	Annual
Time	4:00 P.M.
Venue	through remote communication via Zoom
Record Date	Apr 30, 2026

Inclusive Dates of Closing of Stock Transfer Books

Start Date	Apr 29, 2026
End date	Apr 30, 2026

Other Relevant Information
Please see attached Definitive Information Statement for the 2026 Annual Stockholders’ Meeting of Filsyn Corporation which was rescheduled from 29 April 2026 to 26 May 2026.

Filed on behalf by:

Name	Apolinario Posio
Designation	Chief Financial Officer

COVER SHEET

3	5	8	4	1

SEC Registration Number

F	I	L	S	Y	N			C	O	R	P	O	R	A	T	I	O	N		A	N	D				
S	U	B	S	I	D	I	A	R	I	E	S															

(Company's Full Name)

U	N	I	T		8		5	B		P	E	A	R	L	B	A	N	K		C	E	N	T	R	E	
1	4	6		V	A	L	E	R	O		S	T		M	A	K	A	T	I		C	I	T	Y			

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

Mr. Apolinario L. Posio	**(+632) 8652-5167**
Contact Person	Company Telephone Number

DEFINITIVE INFORMATION STATEMENT

1 2	3 1		
Month	Day	Month	Day
Fiscal Year		Annual Meeting	

Not Applicable

Secondary License Type, if Applicable

Dept. Requiring this Doc.	Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number	LCU
Document I.D.	Cashier

STAMPS

Remarks = please Use Black Ink for scanning purposes

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO ALL STOCKHOLDERS:

Notice is hereby given that the Annual Stockholders' Meeting of FILSYN CORPORATION ("Filsyn") will be held on 26 May 2026, Tuesday, at 4:00 p.m. and conducted through remote communication via Zoom. The agenda will be as follows:

A G E N D A[1]

1. Call to Order

2. Proof of sending of due notice of meeting and determination of quorum

3. Consideration and approval of the Minutes of the Annual Stockholders' Meeting held on 18 September 2025

4. Consideration of the Management Report for the year ended 2025

5. Consideration and approval of the Annual Report/ Audited Financial Statements for the year ended 31 December 2025

6. Amendments to the Articles of Incorporation

    a) Second Article (Change in the Primary Purpose)
    b) Sixth Article (Reduction in the Number of Directors)
    c) Seventh Article (Declassification of Common Shares)

7. Amendment to Article IV, Section 2 of the By-Laws (Reduction in the Number of Directors)

8. Ratification and Confirmation of Corporate Acts, Resolutions and Proceedings of the Board of Directors and of Management from 18 September 2025 to 26 May 2026

9. Election of Directors for 2026 – 2027

10. Appointment of External Auditor for 2026 – 2027

11. Other Matters

12. Adjournment

The Board of Directors of Filsyn has fixed 30 April 2026 as the Record Date for the determination of stockholders entitled to notice of, and to vote at this meeting.

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[1] *See next page for the explanation for each agenda item.*

The 2026 Annual Stockholders' Meeting of Filsyn will be conducted virtually. Stockholders of Record may attend/participate via proxy, remote communication or vote in absentia.

Stockholders who wish to participate in the meeting through remote communication and to vote in absentia should notify Filsyn via e-mail to info@filsyncorp.com on or before 12 May 2026. Validated stockholders will be provided access to the live streaming of the meeting and can cast their votes in absentia on or before 19 May 2026. All votes cast shall be subject to validation.

Filsyn is not soliciting proxies. Stockholders who are unable to join the meeting but wish to vote on items in the agenda by proxy must submit their duly accomplished proxy forms via email to info@filsyncorp.com not later than 19 May 2026.

Stockholders of Record may send their queries and comments to the Management Report and other items in the Agenda to info@filsyncorp.com on or before 19 May 2026.

The Definitive Information Statement along with the Notice, Agenda, Proxy, Management Report, SEC Form 17-A, and other information related to the Annual Stockholders' Meeting shall be posted at https://filsyncorp.com and the PSE Edge Portal.

Very truly yours,

(Sgd.)
MARY ROGELYN T. CABRERA
Corporate Secretary

EXPLANATION OF AGENDA ITEMS

1. *Call to Order*

   The Chairman and President, Atty. Florentino M. Herrera III, will call the Annual Stockholders' Meeting ("ASM") to order.

2. *Proof of sending of due notice of meeting and determination of quorum*

   The Corporate Secretary, Atty. Mary Rogelyn T. Cabrera, will certify that Notice of the Annual Stockholders' Meeting ("ASM") was published in two (2) newspapers of general circulation online and print for two (2) consecutive days, and that the copy of the ASM Notice was also posted at the Corporation's website and disclosed to the PSE Edge Portal. She will thereafter certify that the stockholders of record as of 30 April 2026 were duly notified at least twenty-one (21) days prior to the date of the meeting.

   The Corporate Secretary will also certify the existence of a quorum upon determination of the presence of the stockholders of record, in person or by proxy, representing a majority of the outstanding voting capital stock of the Corporation.

   Except the approval of the amendments to the Articles of Incorporation of the Corporation, all the items in the agenda requiring approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the outstanding voting capital stock of the Corporation present at the ASM. Each one (1) outstanding share of stock entitles the registered stockholders to one (1) vote.

3. *Consideration and approval of the Minutes of the Annual Stockholders' Meeting held on 18 September 2025*

   The Minutes of the Annual Stockholders' Meeting held on 18 September 2025 can be accessed on the Corporation's website, https://filsyncorp.com.

   A resolution approving the Minutes will be presented for the approval of the stockholders representing at least a majority of the Corporation's outstanding voting capital stock that are present or represented at the meeting.

4. *Consideration of the Management Report for the year ended 2025*

   The Executive Vice President-Chief Financial Officer, Mr. Apolinario L. Posio, will deliver the Management Report to the stockholders (a) which provides the highlights of the performance and operations of the Corporation in 2025-2026; and (b) the plans of operations for the foreseeable future.

   A resolution noting and approving the Management Report will be presented for approval by affirmative vote of the stockholders representing at least a majority of the Corporation's outstanding voting capital stock that are present or represented at the meeting.

5. *Consideration and approval of the Annual Report/ Audited Financial Statements for the year ended 31 December 2025*

   The Executive Vice President-Chief Financial Officer, Mr. Apolinario L. Posio, will present the Annual Report/Audited Financial Statements for the year ended 31 December 2025 to the stockholders.

A resolution approving the Annual Report/Audited Financial Statements for the year ended 31 December 2025 will be presented for approval by affirmative vote of the stockholders representing at least a majority of the Corporation's outstanding voting capital stock that are present or represented at the meeting.

6. *Amendments to the Articles of Incorporation*

6.1. Second Article (Change in Primary Purpose)

The Board of Directors recommends the change in the Corporation's primary purpose from polyester manufacturing to real estate related activities.

6.2. Sixth Article (Reduction in the Number of Directors)

The Board of Directors recommends the reduction in the number of directors from thirteen (13) to ten (10).

6.3. Seventh Article (Declassification of Common Shares)

The Board of Directors recommends the declassification of Common Class "A" shares and Common Class "B" Shares of the Corporation as mandated by the Securities and Exchange Commission and the Philippine Stock Exchange.

Resolutions approving amendments to the Corporation's Articles of Incorporation will be presented for the approval of the stockholders holding at least two-thirds (2/3) of the Corporation's issued and outstanding voting capital stock.

7. *Amendment to Article IV, Section 2 of the By-Laws (Reduction in the Number of Directors)*

The Board of Directors recommends the reduction in the number of directors from thirteen (13) to ten (10).

Resolutions approving the amendment to the Corporation's By-Laws will be presented for approval of the stockholders holding at least majority of the Corporation's issued and outstanding voting capital stock.

8. *Ratification and Confirmation of Corporate Acts, Resolutions and Proceedings of the Board of Directors and of Management from 18 September 2025 to 26 May 2026*

A summary of the corporate acts, resolutions, and proceedings performed by the Board of Directors and of Management, done in the ordinary course of business from 18 September 2025 to 26 May 2026, will be presented to the stockholders.

A resolution approving, confirming and ratifying all the corporate acts, resolutions, and proceedings of the Board of Directors and of Management will be presented for the affirmative vote of the stockholders representing at least a majority of the Corporation's outstanding voting capital stock that are present or represented at the meeting.

9. *Election of Directors for 2026 - 2027*

A brief profile of each nominee to the Board of Directors will be provided in the Information Statement.

Each stockholder entitled to vote may cast the votes to which the number of shares he/she owns entitles him/her, for as many persons as there are to be elected as directors, or he/she may give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of his/her shares shall equal, or he/she may cast the votes among as many candidates as he/she may see fit, provided that the whole number of votes cast by him/her shall not exceed the number of shares owned by him/her multiplied by the number of directors to be elected. The nominees receiving the highest number of votes will be declared elected as directors.

10. *Appointment of External Auditor for 2026 - 2027*

The Board of Directors will recommend to the stockholders an external auditor for the current year, upon the endorsement of the Audit Committee.

A resolution for the appointment of the external auditor will be presented to the stockholders for adoption by an affirmative vote of the stockholders representing at least a majority of the Corporation's outstanding voting capital stock that are present or represented at the meeting.

11. *Other Matters*

Any relevant questions or comments received by the Corporation via email within the prescribed period given to registered stockholders shall be properly acknowledged, noted and addressed, accordingly.

12. *Adjournment*

Upon confirmation by the Corporate Secretary that there are no other matters to be considered, and on motion duly made and seconded by a stockholder, the Chairman of the meeting will declare the meeting adjourned. The meeting proceedings shall be recorded in audio and video format to be safe kept by the Office of the Corporate Secretary and shall be made available in a secured manner to stockholders upon request by sending an email to info@filsyncorp.com.

FILSYN CORPORATION
2026 ANNUAL STOCKHOLDERS' MEETING
26 May 2026 at 4:00 p.m. through remote communication

Guidelines for Participating through Remote Communication and Voting in Absentia and through Proxy

A. Attendance by Remote Communication and Voting in Absentia

1. Stockholders intending to participate by remote communication and/or voting in absentia should notify the Office of the Corporate Secretary through a Letter of Intent ("LOI") to be sent via e-mail to info@filsyncorp.com on or before 12 May 2026, complete with the following requirements for validation purposes:

   1.1 Indicate the following required information:

   1.1.1 Complete Registered Name
   1.1.2 Complete Registered Residential/Mailing Address
   1.1.3 Active e-Mail Address
   1.1.4 Active Mobile No.
   1.1.5 Active Landline No.

   1.2 Attach the following documents (e-copy/scanned copy):

   1.2.1 Valid government-issued ID with photo and signature (scanned front and back)

   1.2.2 Proof of Ownership, such as, but not limited to, the following:

   a) Stockholder's certificate (for certificated shares); or
   b) Broker's certification (for scripless or uncertificated shares); or
   c) Secretary's certificate for authorized representative (for corporate)

   1.2.3 Other supporting documents/s, as applicable

2. The Office of the Corporate Secretary shall forward the email containing the LOI and its attachments to the Corporation's stock transfer agent, Banco de Oro Unibank, Inc. - Trust and Investments Group. The validation process will be completed by the stock transfer agent no later than one (1) business day from its receipt of the LOI. The Corporation's stock transfer agent reserves the right to request for additional information and documents, as needed/necessary. Moreover, electronic signature for the required documents shall be allowed while notarization shall not be required.

3. Once validated/verified, a stockholder shall be provided by the Corporation with a confirmation correspondence with secure links for virtual meeting registration. For security purposes, the confirmation correspondence which includes access credentials, links and instructions for participation through remote communication shall only be sent to the stockholder's email address, and if necessary, notification shall be sent to the stockholder's mobile number provided.

3.1 A verified stockholder shall have to access the corresponding link in order to be able to join the virtual meeting on the Annual Stockholders' Meeting day.

3.2 A verified stockholder may cast his vote on each of the agenda items on or before 19 May 2026. Beyond this date, stockholders may no longer avail of the option to vote in absentia. The Office of the Corporate Secretary shall then tabulate all votes, including those cast in absentia and by proxy, to be assisted by the Corporation's stock transfer agent, Banco de Oro Unibank, Inc. - Trust and Investments Group. The Corporate Secretary shall report the results of voting during the meeting. For information on counting and tabulation of votes, please refer to "Voting Procedures" of the Information Statement.

B. Attendance by Proxy

1. In case a stockholder cannot attend the virtual meeting and wishes to be represented, said stockholder shall designate an authorized representative ("Proxy") by submitting a duly-accomplished proxy instrument which may be downloaded at https://filsyncorp.com. and submitted on or before 19 May 2026 via email to info@filsyncorp.com, complete with the following requirements for validation purposes:

   1.1 For the stockholder, attach the following documents (e-copy):

      1.1.1 Valid government-issued ID (with photo)

   1.2 For the Proxy, attach the following document (e-copy):

      1.2.1 Valid government-issued ID (with photo)

   1.3 A stockholder may designate the Chairman of the Meeting as Proxy. Likewise, if no name is indicated, the Chairman of the Meeting will act as the Proxy.

2. The Office of the Corporate Secretary shall forward the email containing the duly-accomplished proxy instrument and its attachments to the Corporation's stock transfer agent, Banco de Oro Unibank, Inc. - Trust and Investments Group. The validation process will be completed by the stock transfer agent no later than one (1) business day from its receipt of the duly accomplished proxy instrument. The Corporation's stock transfer agent reserves the right to request for additional information and documents, as needed/necessary. Moreover, electronic signature for the required documents shall be allowed while notarization shall not be required.

3. Once validated/verified, a stockholder shall be provided a confirmation correspondence with secure links for virtual meeting registration. For security purposes, the confirmation correspondence which includes links and instructions for participation through remote communication shall only be sent to the stockholder's email address, and if necessary, notification shall be sent to the stockholder's mobile number provided. It is the duty of the stockholder to

securely provide the information on access credentials and instructions to the Proxy.

C. Participation and Determination of Quorum and Votes

1. Only those shareholders who have notified the Corporation of their intention to participate in the Meeting by remote communication, together with the stockholders who voted in absentia and by proxy, will be included in the determination of quorum at the meeting. By participating remotely and by proxy, a stockholder shall be deemed present for purposes of quorum.

2. Due to logistical limitations of the meeting conducted virtually, voting and open forum/discussion will not be possible during the virtual meeting. However, a stockholder, once verified/ registered, will be given an opportunity to raise any relevant questions or express an appropriate comment limited to the agenda items by sending an email to info@filsyncorp.com not later than 19 May 2026 to be properly noted and addressed accordingly. Any relevant questions or comments received by the Office of the Secretary via email within the prescribed period given by registered stockholders shall be properly acknowledged, noted and addressed accordingly. Questions and comments not taken up during the meeting shall be addressed directly via email by the Corporation.

3. The Office of the Corporate Secretary shall take down minutes of the meeting accordingly and shall note all comments and other relevant matters discussed covering the agenda of the meeting. The meeting proceedings shall be recorded in audio and video format to be safekept by the Office of the Corporate Secretary and shall be made available in a secured manner to stockholders upon request by sending an email to info@filsyncorp.com.

4. The Office of the Corporate Secretary shall ensure confidentiality of all votes for tabulation, including those cast in absentia and by proxy, with assistance from the Corporation's stock transfer agent, Banco de Oro Unibank, Inc. - Trust and Investments Group. The Corporate Secretary shall report the results of voting during the meeting. For information on counting and tabulation of votes, please refer to "Voting Procedures" of this Information Statement.

For ASM-related matters, please go to https://filsyncorp.com. For ASM-related queries, please send an email to info@filsyncorp.com. For account updating/validation concerns, please get in touch with the Corporation's Stock Transfer Agent, Banco de Oro Unibank, Inc. - Trust and Investments Group (Attention: Ms. Gesan Tesiorna, via email to bdo-stocktransferteam2@bdo.com.ph).

Date :
From :
To : The Office of the Corporate Secretary
(email address: info@filsyncorp.com)
Subject: Letter of Intent ("LOI") to Participate in the 2026 Annual Stockholders' Meeting ("2026 ASM") of FILSYN CORPORATION

This is to express my intent to participate in FILSYN CORPORATION's 2026 ASM to be held through remote communication via Zoom on 26 May 2026, Tuesday, at 4:00 p.m.

Please see my contact information below:

(1) Complete Registered Name : _____
(2) Complete Registered Residential/Mailing Address: _____
_____
(3) Active E-mail Address : _____
(4) Active Mobile Number : _____
(5) Active Landline Number : _____

Attached are the necessary documents (e-copy/scanned copy)[1] for validation purposes[2]:

(a) Valid ID with photo and signature (scanned front and back)

(b) Secretary's certificate for authorized representative (for corporate)

Looking forward to your favorable response.

Thank you.

_____
(Signature over Printed Name of the Stockholder)

Note:

The personal data of each individual stockholder (or that of the corporate stockholder's authorized representative) will be collected, stored, processed and used exclusively for purposes of the 2026 Annual Stockholders' Meeting of Filsyn Corporation. Personal information will be processed in accordance with Republic Act No. 10173 (Data Privacy Act) and applicable rules and regulations.

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[1] Please limit file size up to 2MB.

[2] The Office of the Corporate Secretary shall forward this email LOI with its attachments to the Corporation's Stock Transfer Agent, Banco de Oro Unibank, Inc. - Trust and Investments Group (Attention: Ms. Gesan Tesiorna via email to bdo-stocktransferteam2@bdo.com.ph).

FILSYN CORPORATION

Unit 8 5B Floor Pearlbank Centre
146 Valero Street, Salcedo Village
Makati City

Tel. No. (+632) 8652-5167

INFORMATION STATEMENT

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS

Information Statement Pursuant to Section 20
of the Securities Regulation Code

1. Check the appropriate box:

   ___ Preliminary Information Statement
   _√_ Definitive Information Statement

2. Name of Registrant as specified in its charter: **Filsyn Corporation**

3. Province, country or other jurisdiction of incorporation or organization: **Philippines**

4. SEC Identification Number: **35841**

5. BIR Tax Identification Code: **000-158-664**

6. Address of principal office: **Unit 8 5B/F Pearlbank Centre, 146 Valero Street, Salcedo Village, Makati City**

7. Registrant's telephone number, including area code: **(+632) 8652-5167**

8. Date, time and place of the meeting of security holders: **May 26, 2026, 4:00 p.m., through remote communication via Zoom**

9. Approximate date on which the Information Statement is first to be sent or given to security holders is on **28 April 2026**

10. Security registered pursuant to Section 8 of the SRC
    As of 31 March 2026
    Title of Each Class: **Common and Preferred Shares**
    Number of shares of Common Stock Outstanding: **172,819,683**
    Number of shares of Preferred Stock Outstanding: **33,426,498**[1]
    Common Shares: Issued and Subscribed: **172,819,683**
    Preferred Shares: Issued and Subscribed: **33,426,498**[1]

11. Are any or all of registrant's securities listed on the Philippine Stock Exchange? **Yes**

[1] *On 26 June 2023, the Securities and Exchange Commission approved the (i) decrease in Authorized Common B Shares by 33,426,498 and establishment of 33,426,498 Authorized Preferred Shares resulting to reclassification of 33,426,498 issued Common B Shares to Preferred Shares; and (ii) increase of the Corporation's authorized capital stock from PhP120,000,000.00 to PhP647,306,477.72.*

FILSYN CORPORATION
Information Statement

FILSYN CORPORATION IS NOT SOLICITING PROXIES AND THE STOCKHOLDERS ARE NOT REQUIRED TO SEND PROXIES.

Date, Time and Place of Meeting

The Annual Stockholders' Meeting of Filsyn Corporation ("Corporation") will be held on 26 May 2026 at 4:00 p.m. through remote communication via Zoom. The Zoom link for the meeting is as follows:

Zoom Link	https://us06web.zoom.us/j/89212676259?pwd=CJTbpfwOa4mmxZfkWpXRweT9Tb9sHE.1
Meeting ID	892 1267 6259
Passcode	326145

The approximate date on which the Information Statement is first sent to security holders is on 28 April 2026.

The principal office of Filsyn Corporation is located at Unit 8 5B/F Pearlbank Centre, 146 Valero Street, Salcedo Village, Makati City.

Dissenter's right of appraisal

A stockholder has the right to dissent and demand payment of the fair value of his shares in the following instances:

1. In case an amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any shares of any class, or of extending or shortening the term of corporate existence;

2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code of the Philippines;

3. In case of merger of consolidation; and

4. In case of investment of corporate funds for any purpose other than the primary purpose of the Corporation.

A stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right. The procedure for the exercise by a dissenting stockholder of his appraisal right is as follows:

1. The dissenting stockholder shall make a written demand on the Corporation within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares. The failure of the stockholder to make the demand within the thirty (30)-day period shall be deemed a waiver of his appraisal right;

2. If the proposed corporate action is implemented or effected, the Corporation shall pay to such stockholder, upon surrender of corresponding certificate(s) stock within ten (10) days after demanding payment for his shares (Section 85 of the Revised Corporation Code of the Philippines), the fair value thereof; and

3. Within ten (10) days after demanding payment for shares held, a dissenting stockholder shall submit the certificates of stock representing the shares to the Corporation for notation that such shares are dissenting shares. Failure to do so shall, at the option of the Corporation, terminate the appraisal rights. If shares represented by the certificates bearing such notation are transferred, and the certificates consequently cancelled, the rights of the transferor as a dissenting stockholder shall cease and the transferee shall have all the rights of a regular stockholder; and all dividend distributions which would have accrued on such shares shall be paid to the transferee.

The procedure set out in Title X of the Revised Corporation Code of the Philippines shall be followed in case of any such exercise of appraisal right.

At the Annual Stockholders' Meeting detailed above, the Corporation shall not take up any matters which will give rise to a dissenter's right of appraisal.

VOTING SECURITIES

As of 31 March 2026, the total number of shares outstanding and entitled to vote in the stockholders' meeting is 172,819,683 common shares. Each common share of stock is entitled to one (1) vote. The record date for purposes of determining the stockholders entitled to vote is 30 April 2026. The total number of shares outstanding and entitled to vote in the stockholders' meeting is expected to be 172,819,683 common shares. Stockholders are entitled to cumulative voting in the election of the board of directors, as provided by the Revised Corporation Code of the Philippines.

Interest of Certain Persons in or Opposition to Matters to be Acted Upon

a) No current director or officer of the Corporation, or nominee for election as director of the Corporation nor any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than election to office.

b) No director has informed the Corporation in writing that he intends to oppose any action to be taken by the Corporation at the meeting.

Cumulative Voting Right

A stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit: *Provided,* That the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Corporation multiplied by the whole number of directors to be elected.

The stockholder must be a stockholder of record in order that he may exercise cumulative voting rights.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

1. Security Ownership of Certain Record and Beneficial Ownership of more than 5% as of 31 March 2026

Title of Class	Name and Address of Record/Beneficial Owner and Relationship with Issuer	Citizenship/ Place of Incorporation	Number of Shares Held	Percent of Class
Common	Trans-Pacific Oriental Holding Company, Inc. Unit 8, 5B Pearlbank Centre, 146 Valero Street, Salcedo Village, Makati City	Filipino	63,578,181	36.79%
Common	Far Eastern Investment Holding Limited Claredon House 2, Church Street, Hamilton HM11, Bermuda	Bermudian	45,065,670	26.08%

The Corporation has no parent company which holds at least 51% of the total outstanding capital.

Trans-Pacific Oriental Holding Company, Inc. and Far Eastern Investment Holding Limited are the record and beneficial owners of their respective shares of stock.

The persons who have the right to vote are Atty. Ma. Belina B. Mariano for Trans-Pacific Oriental Holding Company, Inc. and Mr. David Wang for Far Eastern Investment Holding Limited.

2. Security Ownership of Directors and Management as of 31 March 2026

Title of Class	Name of Beneficial Owner	Number of Shares	Position	Citizenship	Percent of Class
Common	Florentino M. Herrera III	1,000	Director/ Chairman & President	Filipino	0.00%
Common	Amy Huang	49,999	Director	Chinese	0.03%
Common	Marialen C. Corpuz	636	Director	Filipino	0.00%
Common	Alan Tsai	49,998	Director	Chinese	0.03%

Title of Class	Name of Beneficial Owner	Number of Shares	Position	Citizenship	Percent of Class
Common	Evelyn L. Forbes	113,233	Director	Filipino	0.07%
Common	Ma. Belina B. Mariano	1	Director & Assistant Corporate Secretary	Filipino	0.00%
Common	David Wang	1	Director	Chinese	0.00%
Common	Bing-Chiou Chang	1	Director	Chinese	0.00%
Common	Consolacion A. Sanchez	1	Independent Director	Filipino	0.00%
Common	Samuel V. Torres	1	Independent Director	Filipino	0.00%
Common	Edmundo A. Ong	1	Independent Director	Filipino	0.00%
Common	Apolinario L. Posio	0	Executive Vice President-Chief Financial Officer	Filipino	0.00%
Common	Mary Rogelyn T. Cabrera	1	Corporate Secretary	Filipino	0.00%
Common	Marinela C. Santos	0	Treasurer	Filipino	0.00%
Common	Le Iris T. Lucido	0	Interim Compliance Officer	Filipino	0.00%

The directors and executive officers as a group hold 0.13% of the total outstanding capital.

There has been no change in control of the Corporation since the beginning of its last fiscal year.

There is no person who holds more than five percent (5%) of the common stock under a voting trust or similar agreement because the Corporation has no voting trust agreement.

There is no existing arrangement which may result in a change of control in the Corporation.

INCUMBENT DIRECTORS AND EXECUTIVE OFFICERS

A. Directors

Name	Age	Period as Directors	Citizenship
Florentino M. Herrera III	74	August 1992 to September 2017; 15 September 2022 to present	Filipino
David Wang	70	1998 to present	Chinese
Bing-Chiou Chang	69	15 September 2022 to present	Chinese
Alan Tsai	60	2011 to present	Chinese
Amy Huang	50	2011 to present	Chinese
Evelyn L. Forbes	74	2010 to present	Filipino
Ma. Belina B. Mariano	64	2006 to present	Filipino
Marialen C. Corpuz	74	6 October 2023 to present	Filipino
Consolacion A. Sanchez (*Independent Director*)	79	17 September 2015 to present	Filipino
Samuel V. Torres (*Independent Director*)	60	20 September 2018 to present	Filipino
Edmundo A. Ong (*Independent Director*)	63	19 September 2024 to present	Filipino

The aforesaid directors shall serve for a period of one (1) year and until their successor shall have been elected and qualified.

The Meeting Attendance of the Corporation's Board of Directors is provided in **Annex "A"**.

B. Officers

Position	Name	Age	Citizenship	Period of Service
Chairman and President	Florentino M. Herrera III	74	Filipino	15 September 2022 to present
Executive Vice President and Chief Financial Officer	Apolinario L. Posio	73	Filipino	2017 to present
Treasurer	Marinela C. Santos	74	Filipino	15 September 2022 to present
Corporate Secretary	Mary Rogelyn T. Cabrera	58	Filipino	18 September 2025 to present

Position	Name	Age	Citizenship	Period of Service
Asst. Corporate Secretary	Ma. Belina B. Mariano	64	Filipino	1995 to present
Compliance Officer (interim)	Le Iris T. Lucido	40	Filipino	14 August 2025 to present

C. Profile of Incumbent Directors and Executive Officers

Atty. Florentino M. Herrera III is the Chairman and President of Filsyn Corporation. He is the founding partner of Herrera Teehankee & Cabrera Law Offices (established in 1986). He was formerly a Partner of one of the largest law offices in the Philippines. He has been engaged in the general practice of law for the past forty-nine (49) years specializing in corporate law practice as counsel for various companies. Among others, he is the Chairman of FYN Green PET Corporation and Chairman/President of Arpeggio International Resources Corporation. Atty. Herrera holds a Bachelor of Arts in Political Science degree and a Bachelor of Laws degree (Cum Laude, Salutatorian) both from the University of the Philippines.

Mr. Chien-Cheng Wang aka David Wang is the Chief Financial Officer of Far Eastern New Century Corporation. He is also a Director of Trans Pacific Oriental Holding Company, Inc. Mr. Wang received a Master's Degree in Business Administration from Mississippi State University.

Mr. Min-Hsiung Tsai aka Alan Tsai is the Chief Administrative Officer of Far Eastern New Century Corporation. He is also a Director of Trans-Pacific Oriental Holding Company, Inc. Mr. Tsai received a Master's Degree in Operation Management and Laws Program for Executives from National Cheng Chi University in Taiwan.

Ms. Pei Tien Huang aka Amy Huang is presently a Senior In-House Counsel of Far Eastern Group's Legal Department. Before joining Far Eastern Group, Ms. Huang worked as a practicing lawyer in Australia. Ms. Huang received her double degree in Law and Business from Queensland University of Technology and was admitted as a member of Queensland Law Society in 2000.

Mr. Bing-Chiou Chang aka Bing Chang is the Chief Operating Officer of Far Eastern New Century Corporation. Mr. Chang received a Master's Degree in Industry Engineering from Yuan Ze University in Taiwan.

Mrs. Evelyn L. Forbes is currently the Executive Vice President & General Manager of Capital Storage Facilities Corporation; Vice-President of PLLIM Investments, Inc. and Director of Lipave Management Corporation. She attended - Asian Institute of Management (1974-1976); Georgetown University (1972-1974); New York University (Summer 1970); Bennet College Millbrook, New York (1968-1970); Assumption Convent, SLV (1956-1968).

Atty. Ma. Belina B. Mariano is presently a Director and the Assistant Corporate Secretary of Filsyn Corporation. She is also the Chairperson/President of Trans-Pacific Oriental Holding Company, Inc. since September 2017. She is a graduate of the Ateneo Law School and holds a Bachelor of Science degree Major in Mathematics and Physics from De La Salle University.

Ms. Marialen C. Corpuz is the current President and a Director of FYN Green PET Corporation and a former Vice President for Finance of Filsyn Corporation (1992 – 1997). She graduated from the University of the Philippines with the degree of Bachelor of Science in Business Administration, Major in Financial Management. She received her Master's Degree in Business Administration from the University of the Philippines in 1979.

Ms. Consolacion A. Sanchez is presently an Independent Director of Filsyn Corporation. She is a Director of Cemtex Apparel, Inc. and Far Eastern International Garments, Inc. She is a Certified Public Accountant by profession. She graduated from the University of the East in November 1969 with the degree of Bachelor of Science in Business Administration Major in Accounting.

Atty. Samuel V. Torres is presently an Independent Director of Filsyn Corporation. He is presently the General Counsel of Pan Malayan Management & Investment Corporation of the Yuchengco Group of Companies. He also serves as the Corporate Secretary of various companies, i.e., House of Investments, Inc., iPeople, iNC., PetroEnergy Resources Corporation, Seafront Resources Corporation, Malayan Insurance Company, Inc., RCBC Bankard Services Corporation, RCBC Capital Corporation, RCBC Forex Brokers Corporation, RCBC Securities, Inc., Sun Life Grepa Financial, Inc., A. T. Yuchengco, Inc., A Y Foundation, Inc., Luisita Industrial Park Corp., Enrique T. Yuchengco, Inc. Investment Managers, Inc., Grepaland, Inc., Grepa Realty Holdings Corporation, GPL Cebu Tower Office Condominium Corp., Hexagon Integrated Financial & Insurance Agency, Inc., Hexagon Lounge, Inc., RCBC Land, Inc., RCBC Realty Corp., Malayan High School of Science, Inc., Malayan Education System, Inc., Malayan Colleges Mindanao (A Mapua School), Inc. (Operating as Mapua Malayan Colleges Mindanao), Malayan Colleges Foundation, Inc., Malayan Information Technology Center, Inc., Malayan Colleges Laguna, Inc A Mapua School operating under the name of Mapua Malayan Colleges Laguna (Formerly: Malayan Colleges Laguna, Inc., A Mapua School), Linc Institute, Inc., University of Nueva Caceres, Inc., National Teachers College, GPL Holdings, Inc., HI Cars, Inc., Hi-Eisai Pharmaceutical, Inc., La Funeraria Paz Sucat, Inc., Landev Corp., Pan Malayan Express, Inc., Pan Malayan Realty Corp., Philippine Advertising Agency, Inc., First Nationwide Assurance Corp., Malayan Insurance Co., Inc., MICO Equities, Inc., RCBC Trust Corporation, Tarlac Terra Ventures, Inc., and ATYC, Inc. He graduated from the University of the Philippines School of Economics with a degree in Bachelor of Science in Business Economics and completed Bachelor of Laws at Ateneo de Manila University School of Law.

Mr. Edmundo A. Ong is presently an Independent Director of Filsyn Corporation. He is presently a Taiwan Desk Manager of Deloitte Taiwan and former of KPMG Taiwan. He was previously a Sales Manager at MJW Enterprise Co. Ltd., a Senior Manager at Gregorio Trading, a Country Global Account Manager at DHL Express (Taiwan) Corporation, and a Regional Business Development Manager at DHL International (HK) Ltd.. He graduated from De La Salle University with a degree in Bachelor of Science in Commerce, Major in Management of Financial Institutions.

Mr. Apolinario L. Posio is the Executive Vice President and Chief Finance Officer of Filsyn Corporation. He was formerly the Vice President-Finance & Accounting & Compliance Officer of Filsyn Corporation. He is also a Director/Treasurer of FYN Green PET Corporation, Chairman/President of Island King Aquaventures Corporation, Vice-Chairman/Director of Total Dev Multi-Purpose Cooperative, and Treasurer of Arpeggio International Resources Corporation. He is a Certified Public Accountant by profession. He graduated from the

University of Santo Tomas with a degree of Bachelor of Science in Commerce Major in Accounting

Atty. Mary Rogelyn T. Cabrera is the Corporate Secretary of Filsyn Corporation. Atty. Cabrera is a Senior Partner of Herrera Teehankee & Cabrera Law Offices. She has been engaged in the general practice of law for the past thirty-three (33) years, specializing in corporate law practice as counsel for various companies. Among others, she is the Corporate Secretary of Lufthansa Technik Philippines, Inc. and the Assistant Corporate Secretary of MacroAsia Corporation. She obtained her Bachelor of Arts degree in Political Science from the Ateneo de Manila University in 1988. She obtained her Juris Doctor degree from the Ateneo de Manila University School of Law in 1992. She was admitted to the Philippine Bar in 1993.

Ms. Marinela C. Santos is currently the Treasurer and the Head of Administration and Human Resource Department of Filsyn Corporation. She graduated from the College of the Holy Spirit in April 1972 with the degree of Bachelor of Science in Commerce, Major in Accounting.

Atty. Le Iris T. Lucido is currently the interim Compliance Officer of Filsyn Corporation. Atty. Lucido is a Senior Associate of Herrera Teehankee & Cabrera Law Offices. She graduated from the Ateneo de Manila University School of Law in 2024, from the Ateneo de Manila University with a degree of Master of Arts in Economics – Specialization in Money and Banking in 2010, and from the University of the Philippines –Los Baños in 2006 with a degree in Bachelor of Science in Economics – Major in Development Economics (*cum laude*).

There are no family relationships among the directors and executive officers of the Corporation.

There is no director or officer who is connected with any government agencies or its instrumentalities.

RECOMMENDED DIRECTORS AND OFFICERS FOR 2026-2027

A. Directors

The following individuals were nominated by the Nomination Committee for election as directors at the Annual Stockholders' Meeting of the Corporation:

Name	Age	Citizenship	Incumbent Director	Nominee for Director
Florentino M. Herrera III	74	Filipino	✓	✓
David Wang	70	Chinese	✓	✓
Alan Tsai	60	Chinese	✓	✓
Amy Huang	50	Chinese	✓	✓
Evelyn L. Forbes	74	Filipino	✓	✓
Ma. Belina B. Mariano	64	Filipino	✓	✓

Marialen C. Corpuz	74	Filipino	✓	✓
Samuel V. Torres (*Independent Director*)	60	Filipino	✓	✓
Edmundo A. Ong (*Independent Director*)	63	Filipino	✓	✓
Tieng-Jwei Chang (*Independent Director*)	67	Chinese		✓

In accordance with the Corporate Governance Manual of the Corporation and the Securities Regulation Code ("SRC") Rule 38, the nominees for directors were pre-screened by the Nomination Committee.

There are ten (10) nominees for directors of the Corporation.

A brief summary of the background and qualifications of the nominees may be found in the above section on "Incumbent Directors and Executive Officers". A brief summary of the background and qualifications of Mr. Tieng-Jwei Chang is summarized below.

Mr. Tieng-Jwei Chang, aka T.J. Chang, is a nominee for Independent Director. He is a Licensed Architect in both New York State and Taipei City with over thirty-five (35) years of experience in corporate governance and strategic development. Mr. Chang has held senior leadership roles, including General Manager and Managing Director, overseeing multi-national operations and iconic global projects such as Taipei 101, the Citicorp Headquarters in New York, and major high-tech facilities for TSMC. He holds a Bachelor of Architecture from Chung Yuan Christian University and received his Master of Architecture from the Advanced Building Technology Program at the State University of New York at Buffalo.

Atty. Samuel V. Torres, Mr. Edmundo A. Ong, and Mr. Tieng-Jwei Chang possess the qualifications and none of the disqualifications of an independent director. The Certificate(s) of Atty. Torres, Mr. Ong and Mr. Chang are attached hereto as **Annexes "B-1"**, **"B-2"**, and **"B-3"**, respectively.

B. Officers

The procedures for nomination and election of independent directors under SRC Rule 38 have been complied with.

The nominees of the Corporation for the election of officers for 2026 - 2027 are as follows:

Position	**Name**	**Age**	**Citizenship**
Chairman / President	Florentino M. Herrera III	74	Filipino
Executive Vice President and Chief Financial Officer	Apolinario L. Posio	73	Filipino

Treasurer	Marinela C. Santos	74	Filipino
Corporate Secretary	Mary Rogelyn T. Cabrera	58	Filipino
Asst. Corp. Secretary	Ma. Belina B. Mariano	64	Filipino
Compliance Officer (interim)	Le Iris T. Lucido	40	Filipino

No employee who is not an executive officer of the Corporation is expected to make a significant contribution to the business of the Corporation.

Except for those listed as **Annex "C"** (List of Pending Cases), the Corporation has no claims or lawsuits now pending or in process or which have been settled as of 31 March 2026 involving damages or other claims, materially affecting the Corporation nor is there any liability in connection therewith.

The Corporation has not had any transaction or any proposed transaction in which any director, executive officer, nominee or stockholder had a direct or indirect interest.

LEGAL PROCEEDINGS

As of 31 March 2026, except as those listed in **Annex "C"** (List of Pending Cases), there are no material pending legal proceedings before any court or agency to which the Corporation or any of its subsidiaries is a party.

FAMILY RELATIONSHIPS

There are no family relationships among the directors, executive officers or persons nominated.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Corporation retains the law firms of Quisumbing Torres and Herrera Teehankee & Cabrera Law Offices and is paying them legal fees which the Corporation believes to be reasonable for the services rendered.

The Corporation has existing loans with its major stockholders which are being utilized for working capital requirements.

INDEPENDENT DIRECTORS

Atty. Florentino M. Herrera III, the Corporation's stockholder, nominated through the Nomination Committee, Atty. Samuel V. Torres, Mr. Eduardo Ong, and Mr. Tieng-Jwei Chang as independent directors in the Annual Stockholders' Meeting to be held on 26 May 2026. The Corporation has complied with SEC Circular No. 16 Series of 2002 (Guidelines on the Nomination and Election of Independent Directors). The Directors of the Corporation are

elected at the Annual Stockholders' Meeting to hold office until the next succeeding annual meeting and until their respective successors have been elected and qualified.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

The aggregate compensation paid to directors and principal officers is as follows:

YEAR	SALARY	BONUS	OTHERS	TOTAL
2025	Php4,562,985.09	N/A	N/A	Php4,562,985.09
2024	Php1,220,000	N/A	N/A	Php1,220,000
2023	Php925,000	N/A	N/A	Php925,000
2022	Php892,820	N/A	N/A	Php892,820

Director's per diem is Php24,000.00 per director for every annual stockholders' meeting and Php5,000.00 for every regular/special Board meeting. Directors' bonus may be declared during years when the Corporation reflects an income.

As of 31 March 2026, there were no bonuses and any other compensation received by the Directors and Executive Officers other than their regular compensation.

There is no employment contract or any compensatory plan or arrangement between the Corporation and a named executive officer wherein such plan or arrangement results or will result from resignation, retirement or any other termination of such executive officer's employment with the Corporation or from a change-in-control of the Corporation or a change in the name executive officer's responsibilities following a change-in-control.

There is no outstanding warrant or options held by the Corporation's chief executive officer, executive officer, and all officers and directors as a group.

APPOINTMENT OF EXTERNAL AUDITOR

The auditing firm of SyCip, Gorres, Velayo & Co. ("SGV") is being recommended for election as external auditor for the year 2026 – 2027. Representatives of SGV are expected to be present at the Annual Stockholders' Meeting and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

In compliance with SRC Rule 68, (3)(b)(ix) changes were made in the assignment of SGV's engagement partner for the Corporation during the five (5) year period. Mr. Marco Rene A. Barredo is SGV's current engagement partner for the Corporation. He replaced Ms. Editha V. Estacio.

The Audit Committee of the Corporation reviewed, evaluated and approved the policies and procedures for the professional services rendered by SGV. The Corporation's Audit Committee is composed of the following:

Atty. Samuel V. Torres - Chairman
Ms. Consolacion A. Sanchez - Member
Mr. Edmundo A. Ong - Member

INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS

Except for the audit of the Corporation's financial statements, no other professional fees are rendered to the Corporation by the external auditor. The total audit fee for each of the last two (2) years amounted to Php1,820,000.00 in 2025 and Php1,760,000.00 in 2024.

The Audit Committee of the Corporation evaluates and reviews the services and the corresponding audit fees to be charged by the external auditor. Upon approval, the Audit Committee recommends to the Board of Directors the services and corresponding audit fees of the external auditor. The Board of Directors then confirms, approves and ratifies the recommendation of the audit committee.

The Corporation had no material disagreements relating with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedures with SGV.

COMPENSATION PLANS

The Corporation will not take any action with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed, with respect to any stock options, warrants or rights or to any other type of compensation plan.

ISSUANCE AND EXCHANGE OF SECURITIES

This is not applicable.

ACTION WITH RESPECT TO REPORTS

The following matters shall be submitted for approval during the Annual Stockholders' Meeting:

a. Minutes of the Annual Meeting of the Stockholders held on 18 September 2025. The salient points of the said minutes are as follows:

    1. Consideration and approval of the Minutes of the Annual Stockholders' Meeting held on 19 September 2024
    2. Consideration of the Management Report for 2024
    3. Review and approval of the Annual Report/Audited Financial Statements for the year ended 31 December 2024
    4. Ratification and confirmation of corporate acts, resolutions and proceedings of the Board of Directors and of Management from 19 September 2024 to 18 September 2025
    5. Election of Directors for 2025-2026
    6. Appointment of External Auditor for the term 2025-2026

    A copy of the said Minutes is attached as Annex "**D**".

b. Management Report for the year ended 31 December 2025.

c. Audited financial statements for the year ended 31 December 2025.

d. General ratification of the acts of the Board of Directors and Management from the date of the last Annual Stockholders' meeting up to the date of this meeting.

It is to be noted that above items a, b, c, and d are all part of the agenda of the Annual Stockholders' Meeting of the Corporation to be held on 26 May 2026.

The Minutes of the Annual Stockholders' Meeting held on 18 September 2025 refer to the matters taken up in the said meeting including the certification of notice and quorum for the transaction of business. The audited financial statements refer to financial operations, balance sheet and income statement of the Corporation.

The general ratification of the acts of the board of directors and management from the date of the last stockholders' meeting up to the date of this meeting refers to the approval by the stockholders of all actions and matters taken up and approved by the board of directors and management. Ratification is being sought in the interest of transparency and as a matter of customary practice or procedure.

Below is a summary of the board resolutions approved during the period 18 September 2025 up to the date of this Information Statement:

A. Regular Meeting of the Board of Directors on 18 September 2025

1. Approval of the Minutes of the following previous meetings of the Board of Directors for year 2024 to 2025:

    a) Special Meeting of the Board of Directors on 19 September 2024;
    b) Organizational Meeting of the Board of Directors on 19 September 2024;
    c) Special Meeting of the Board of Directors on 28 November 2024;
    d) Special Meeting of the Board of Directors on 29 April 2025; and
    e) Special Meeting of the Board of Directors on 14 August 2025.

2. Discussion on management report for year 2024;
3. Approval of lease management and common area maintenance agreement with Univation Motor Philippines Inc.;
4. Update on case against Noli Madrid;
5. Update on the Tax Case;
6. Appointment of Mr. David Wang as the proxy of the Corporation for the 2025 Annual Stockholders of FYN Green PET Corporation; and
7. Appointment of Mr. Apolinario L. Posio as the Proxy of the Corporation for the 2025 Annual Stockholders' Meeting of Island King Aquaventures Corporation and any and all stockholders' meetings of Island King Aquaventures Corporation.

B. Organizational Meeting of the Board of Directors on 18 September 2025 (immediately after the Annual Stockholders' Meeting on the same date)

1. Certification of Election of Directors for the Year 2025-2026;
2. Election of Corporate Officers;
3. Election of Members of the Various Committees;
4. Restatement of the appointment of BDO Unibank, Inc. Trust and Investments Group-Securities Services (Stock Transfer) as the Corporation's Stock and Transfer Agent and designation of authorized signatories; and
5. Filing of the General Information Sheet for the Year 2025.

C. Special Meeting of the Board of Directors on 24 February 2026

1. Approval of the Minutes of the Regular Board Meeting held on 18 September 2025 and the Minutes of the Organizational Board Meeting held on 18 September 2025;
2. Amendments to the Articles of Incorporation
   A. Second Article (Change in the Primary Purpose)
   B. Sixth Article (Reduction in the Number of Directors)
   C. Seventh Article (Declassification of Common Shares)
3. Amendment to Article IV, Section 2 of the By-Laws;
4. Approval of the Schedule of the 2026 Annual Stockholders' Meeting and the Record Date;
5. Authorization (i) for the conduct of the 2026 Annual Stockholders' Meeting through remote communication; and (ii) for the Stockholders to vote on matters stated in the agenda through remote communication; and
6. Amount of the Bond in case of Lost Stock Certificates.

D. Special Meeting of the Board of Directors on 1 April 2026

1. Postponement of 2026 Annual Stockholders' Meeting

E. Special Meeting of the Board of Directors on 13 April 2026

1. Approval of the Minutes of the Special Board Meeting dated 24 February 2026; and the Minutes of the Special Board Meeting dated 1 April 2026;
2. Approval of the Audited Financial Statements for the year ended 31 December 2025;
3. Approval of the Annual Report and the Sustainability Report;
4. Appointment of External Auditor;
5. Ratification of the Letter of Financial Support issued by the Corporation in favor of Island King Aquaventures Corp.; and
6. Designation of Mr. Apolinario L. Posio as the Corporation's Authorized Signatory for documents to be executed with Manila Electric Company in relation to the Upgrading of Transformers at the Filsyn Compound and Relocation of Service Entrance by Tending Construction Corp.

SUMMARY OF THE ACTS AND RESOLUTIONS OF THE BOARD TO BE PRESENTED FOR RATIFICATION BY THE STOCKHOLDERS:

I. The general ratification of the acts of the Board of Directors and Management from the date of the last Annual Stockholders' Meeting up to the date of this meeting refer to the approval by the stockholders of all actions and matters taken up and approved by the Board of Directors and Management such as matters related to the Corporation's operations (e.g. opening of bank accounts and signatories to the said bank accounts, sale/lease of properties, etc.).

The procedure for each of the above item is as follows:

1. The Chairman of the meeting announces that the particular item (e.g. ratification of the Board of directors and Management) is subject to motion for approval by the stockholders;

2. A stockholder moves for the approval of the particular item;

3. Another stockholder seconds the motion; and

4. The Chairman of the meeting states that the motion is carried.

MATTERS NOT REQUIRED TO BE SUBMITTED

No action is to be taken with respect to any matter that does not require the submission to a vote of security holders, subject to the note above on the ratification.

AMENDMENTS OF CHARTER, BY-LAWS & OTHER DOCUMENTS

The Board of Directors, during its meeting held on 25 July 2023, and the Stockholders, during its meeting held on 6 October 2023, representing at least majority of the outstanding capital stock, approved the amendment to Article III, Section 2 of the By-Laws of the Corporation to Change the Date of the Annual Stockholders' Meeting from "on such date within four (4) months after the end of the fiscal year of the Corporation as the Board of Directors may determine" to "Third Thursday of September of each year". The application for the amendment of Article III, Section 2 of the Corporation's By-Laws will be filed by the Corporation via the SEC's new eAMEND Portal.

The Board of Directors, during its meeting held on 24 February 2026, approved the following amendments to the Articles of Incorporation and the By-Laws:

1. Amendments to the Articles of Incorporation
   A. Second Article (Change in the Primary Purpose)
   B. Sixth Article (Reduction in the Number of Directors)
   C. Seventh Article (Declassification of Shares)

2. Amendment to Article IV, Section 2 of the By-Laws;

The amendment of the primary purpose of the Corporation stems from the strategic shift from polyester manufacturing to real estate related activities. The Corporation will focus on the development of its real estate properties in order to unlock their property values. The amendment to the Second Article of the Articles of Incorporation (Change in the Primary Purpose) will affect the business and operations of the Corporation since it will now be engaged in real estate related activities instead of polyester manufacturing. This will not affect the capital structure of the Corporation.

The reduction in the number of directors will enhance Board efficiency and ensure swift and cohesive decision-making. The amendment to the Sixth Article of the Articles of Incorporation (Reduction in the Number of Directors) will not affect the business, operations and/or capital structure of the Corporation.

The reason for the declassification of Common "A" and Common "B" shares is to promote market efficiency, transparency, and equitable shareholder treatment within publicly listed companies as mandated by the relevant issuances of the Securities and Exchange Commission and The Philippine Stock Exchange, Inc. The amendment to the Seventh Article of the Articles of Incorporation (Declassification of Common Shares) will not affect the business and operations of the Corporation. With respect to the capital structure of the Corporation, Common Class "A" and Common Class "B" shares of the Corporation will now be referred to as Common Shares.

The reason for the amendment to Article IV, Section 2 of the By-Laws is to align with the amendment to the Sixth Article of the Articles of Incorporation reducing the number of directors from thirteen (13) to ten (10). The amendment to Article IV, Section 2 of the By-Laws will not affect the business, operations and/or capital structure of the Corporation.

The Corporation shall present for the approval of the stockholders during the Annual Stockholders' Meeting the following amendments to the Articles of Incorporation:

Article and Section Nos.	**Current Provision**	**Proposed Amendments**
Second Article, AOI	SECOND. That the purposes for which the Corporation is formed are: PRIMARY PURPOSE To carry on the business of making, manufacturing, preparing, dyeing, processing, treating, finishing, and converting all kinds of fibers, filaments, and materials, whether natural, synthetic, or artificial, including but not limited to polyester, nylon, acrylic, rayon, cotton, wool, silk, hemp, flex and jute, and to make, manufacture, produce, raise, prepare, process, purchase, or otherwise acquire, and to hold, own, use, sell at wholesale, import, export, dispose of or otherwise trade or deal in and with, such fibers, filaments and materials, any and all kinds of yarns, threads, textiles, fabrics, cloth, and other goods and	SECOND. That the purposes for which the Corporation is formed are: PRIMARY PURPOSE To deal and engage in land or real estate business in all its branches and ramifications, to own, hold, develop, manage, administer, sell, assign, convey, exchange, encumber, purchase, acquire, for consideration or by donation, lease, rent, or otherwise deal in and dispose of, for itself or for others, for investments, profit and advantage, real properties, including but not limited to, all kinds of housing projects, commercial, industrial,

Article and Section Nos.	Current Provision	Proposed Amendments
	components spun, woven, knit or made in whole or in part of such fibers, filaments, or materials, or any of them, and all other articles, products, chemicals and substances related thereto or of a like or similar nature or which may enter into the manufacture of any of the foregoing or which may be used in connection therewith.	urban or other kinds of property and real estate, improved or unimproved, together with their appurtenances, with or to such persons and entities and under such terms and conditions as may be permitted by law; to acquire, purchase, hold, manage, develop, improve, lease, subdivide, exchange, and sell subdivision lots, with or without buildings or improvements, for such consideration and in such manner or form as the corporation may determine, or as the law permits; and to erect, construct, alter, manage, operate, lease, develop, in whole or in part, buildings and tenements of the Corporation or of other persons; and to exercise or undertake such powers and purposes as may be required and necessarily implied from the purposes herein mentioned. Provided, that the corporation shall not solicit, accept or take investments/placements from the public nor shall it issue investment contracts.
	SECONDARY PURPOSES (a) To conduct, engage in, maintain and carry on the business of manufacturing, buying, wholesaling, exporting, importing, and otherwise dealing in and with all kinds of goods, articles and merchandise which are the lawful objects of commerce; (b) To act as manufacturers' representatives or agents, commission merchants, merchandise brokers, factors, agents upon consignment or indent orders, or to act in any other representative capacity for natural and juridical persons and other entities, either domestic or foreign; (c) To offer, undertake and implement management, professional, consultancy and any kind of services not prohibited by law to any individual or entities;	SECONDARY PURPOSES [No Changes]

Article and Section Nos.	Current Provision	Proposed Amendments
	(d) To engage in agricultural and aquacultural activities including but not limited to production, processing, growing, marketing, selling and trading of agricultural and aquacultural products; (e) To acquire by purchase or lease, or otherwise, lands and interest in lands and buildings; to own, hold, improve, develop and manage any real estate so acquired and to erect or cause to be erected buildings or other structures with their appurtenances on any lands owned, held or occupied by the corporation; to rebuild, enlarge, alter or improve any buildings or other structures now or hereafter erected on any lands so owned, held or occupied; to mortgage, sell, lease, or otherwise dispose of any lands or interest in lands and in buildings, or in any stores, shops, suites, rooms or part of any buildings or other structures, at any time owned or held by the corporation; (f) To carry on the business as producers, manufacturers and/or processors of food items of every description to be sold at wholesale or otherwise deal in or dispose of such products and in this connection, to operate, offer catering and/or related services, permissible by law; (g) To engage in the manufacture, processing, importation or purchase of drugs, patent medicines, chemicals and their derivatives and to sell, distribute the same at wholesale; (h) To operate motor vehicles for the transportation of passengers and their baggage as well as the transportation of commodities and all kinds of property, over the highways or streets of various provinces, towns or cities in the Philippines, and to charge and receiver compensation for such services; and, in furtherance thereof, to purchase buses, automobiles, trucks or other equipment, tools, materials, supplies or parts and do such acts as may be necessary for the operation, upkeep and repair of such motor vehicles; AND IN FURTHERANCE OF THE PURPOSES AFORESAID, the Corporation shall have the following incidental powers: (a) To acquire by purchase, lease, contract, concession or otherwise, any and all real estate, lands, land patents, options, grants, concessions,	[No Changes]

Article and Section Nos.	Current Provision	Proposed Amendments
	franchises, water and timber rights, privileges, easements, estates, interests and properties of every kind and description whatsoever which the Corporation may deem necessary or appropriate in connection with the conduct of any business in which the Corporation may lawfully engage, and to own, hold, operate, improve, develop, manage, grant, lease, sell, exchange or otherwise dispose of the whole or any part thereof; (b) To manufacture, purchase or otherwise acquire, and to hold, own, trade and deal in, mortgage, pledge, assign, sell, exchange, transfer or otherwise dispose of, goods, wares, merchandise and personal property of every class and description and to transport the same in any manner; (c) To construct, build, assemble, install, purchase, acquire, charter, hold, own, equip, manage, operate, maintain, control, improve, develop, pledge, mortgage, or create liens upon, turn to account, lease, sell, convey, or otherwise dispose of, any and all buildings, or constructions of any nature, factories, facilities, installations, plants, mills, foundries, machinery, equipment, implements, works, docks, piers, wharves, drydocks, bulkheads, construction and repair shops and plants, elevators, terminals, warehouses, storage plants, markets, outlets for the use of the Corporation; (d) To apply for, obtain, register, purchase, lease or otherwise acquire, and to hold, own, use, exercise, develop, operate and introduce, and to sell, assign, grant licenses or territorial rights in respect of, or otherwise to turn to account or dispose of, any copyrights, trade marks, tradenames, brands, labels, patents or inventions, design patents, improvements or processes used in connection with or secured under letters patent of any country, government or authority, or otherwise, in relation to any of the purposes herein stated; and to acquire, use, exercise or otherwise turn or gain licenses or rights in respect of any such copyrights, trade marks, tradenames, brands, labels, patents, design patents, inventions, improvements, processes and the like; (e) To borrow or raise money for any of the purposes of the Corporation, and from time to time without limit as to amount, to draw, make, accept, endorse, transfer, assign, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds,	[No Changes]

Article and Section Nos.	Current Provision	Proposed Amendments
	debentures and other negotiable and transferable instruments and other evidence of indebtedness, and, for the purpose of securing any of its obligations or contracts, to convey, transfer, assign, deliver, mortgage, and/or pledge all or any part of the property or assets at any time held or owned by the Corporation on such terms and conditions as the Board of Directors of the Corporation or its duly authorized officers or agents shall determine and as may be permitted by law; (f) Insofar as may be permitted by law, to purchase, invest in, or otherwise acquire the stocks, bonds, and other securities or evidences of indebtedness of any other corporation, association, firm or entity, domestic or foreign, and to issue in exchange therefor its own stocks, bonds, or other obligations or to pay therefor in cash, or otherwise; to hold for investment or otherwise own, use, sell, deal in, dispose of, and turn to account any such stocks, bonds or other securities, and while the owner or holder thereof to exercise all the rights and powers of ownership, including the right to vote thereon for any purpose; to do acts or things necessary or proper for the protection or development of any such corporation, association, firm or entity, or for the preservation, improvement or enlargement of the value of any such stocks, bonds, or other securities, or any acts or things designed for any such purpose, including but not limited to all kinds of financial assistance by loan, guaranty, association, firm or entity; and to control and manage the affairs and take over and carry on all or any part of the business or property of any such corporation, association, firm or entity, provided that they are such as may be lawfully acquired and conducted by a corporation organized or authorized to do business under the laws of the Republic of the Philippines; (g) To purchase, hold, cancel, re-issue, sell, exchange, transfer or otherwise deal in shares of its own capital stock, bonds, or other obligations from time to time to such an extent and in such manner and upon such terms as its Board of Directors shall determine; provided that the Corporation shall not use its funds or property for the purchase of its own shares of capital stock when such use would result in impairment of any of its capital stock, except to the extent permitted by law;	[No Changes]

Article and Section Nos.	Current Provision	Proposed Amendments
	(h) To merge, consolidate, combine or amalgamate with any corporation, firm, association or entity heretofore or hereafter created in such manner as may be permitted by law; (i) To acquire, take over, hold and control all or any part of the business, goodwill, property and other assets, and to assume or undertake the whole or any part of the liabilities and obligations of any person, firm, association or corporation, whether domestic or foreign, and whether a going concern or not, engaging in or previously engaged in a business which the Corporation is or may become authorized to carry on or which may be appropriate or suitable for the purpose of the Corporation, and to pay for the same in cash or in stocks, bonds or securities of the Corporation or otherwise, and to hold, manage, operate, conduct and dispose of, in any manner, the whole or party of any such acquisitions, and to exercise all the powers necessary or convenient for the conduct and management thereof; (j) To organize or cause to be organized under the laws of the Republic of the Philippines or any other state, territory, nation, colony, province or government, a corporation or corporations, associations, firms or entities for the purpose of accomplishing any or all of the objects for which the Corporation is organized, and to dissolve, wind-up, liquidate, merge, consolidate, combine or amalgamate any such corporation or corporations, associations, firms or entities, or to cause the same to be dissolved, wound up, liquidated, merged, consolidated, combined or amalgamated; (k) To carry out all or any part of the foregoing purposes as principal, agent, factor, trustee, licensee concessionaire, contractor or otherwise, either alone or in conjunction with any other persons, firm, association, corporation or entity, whether government or private; (l) To enter into contracts and arrangements of every kind and description for any lawful purpose with any person, firm, association, corporation, municipality, body politic, country, territory, province, state, government or colony or dependency thereof; to obtain from any government or authority any rights, privileges, contracts and concessions which the Corporation may deem desirable to obtain, and to carry out, perform or comply with such contracts or	[No Changes]

<table>
<tr><th>Article and Section Nos.</th><th>Current Provision</th><th>Proposed Amendments</th></tr>
<tr><td></td><td>arrangements and exercise any such rights, privileges and concessions; and

(m) To do and perform all acts and things necessary, suitable or proper for the accomplishment of any of the purposes hereinabove enumerated or which shall at any time appear conducive to the protection or benefit of the Corporation, including the exercise of the powers, authorities and attributes conferred upon corporations organized under the laws of the Philippines in general and upon domestic corporations of like nature in particular.</td><td></td></tr>
<tr><td>Sixth Article, AOI</td><td>SIXTH. That the number of directors of the Corporation shall be thirteen (13), and that the names, citizenships and addresses of the directors of the Corporation who are to serve until their successors are elected and qualified as provided by the By-Laws are as follows:

<table><tr><th>NAME</th><th>CITIZENSHIP</th><th>RESIDENCE</th></tr><tr><td>JESUS Y. YUJUICO</td><td>Filipino</td><td>16 Victoria Avenue Quezon City</td></tr><tr><td>CARLOS PALANCA, JR.</td><td>Filipino</td><td>2674 Taft Avenue Manila</td></tr><tr><td>PATRICIO L. LIM</td><td>Filipino</td><td>840 Harvard Street Mandaluyong, Metro Manila</td></tr><tr><td>ANG BENG UH</td><td>Filipino</td><td>735 Harvard Street Mandaluyong, Metro Manila</td></tr><tr><td>RAMON A. YULO</td><td>Filipino</td><td>61 Kawayan Road Forbes Park, Makati Metro Manila</td></tr></table></td><td>SIXTH. That the number of directors of the Corporation shall be ten (10), and that the names, citizenships and addresses of the directors of the Corporation who are to serve until their successors are elected and qualified as provided by the By-Laws are as follows:

[No Changes]</td></tr>
</table>

Article and Section Nos.	Current Provision	Proposed Amendments
	HONORIO POBLADOR, JR — Filipino — 477 F. Ortigas St., Mand. Metro Manila CIPRIANO AZADA — Filipino — 27 Lipa Road, Quezon City MANUEL TOMACRUZ — Filipino — 951 L. Mencias St., Makati Metro Manila ISMAEL MANINGAS — Filipino — 2367 Antipolo St., Makati Metro Manila BENIGNO ZIALCITA, JR. — Filipino — 677 Lee Street, Mandaluyong Metro Manila Of the ten (10) directors elected at the first meeting of stockholders and thereafter, six (6) who must be citizens of the Philippines and duly registered holders of Class A Common Stock, while the remaining four (4) directors, who must be duly registered holders of Class B Common Stock, who shall be elected exclusively by holder of Class A Common Stock, while the remaining four (4) directors, who must be duly registered holder of Class B Common Stock, shall be elected exclusively by holders of Class B Common Stock.	[No Changes] [Deleted]
Seventh Article, AOI	SEVENTH. That the authorized capital stock of the Corporation shall be SIX HUNDRED FORTY SEVEN MILLION THREE HUNDRED SIX THOUSAND FOUR HUNDRED SEVENTY SEVEN AND SEVENTY TWO CENTAVOS (P647,306,477.72), Philippine currency, consisting of: i. TWO HUNDRED TWENTY MILLION ONE HUNDRED FOURTEEN THOUSAND NINE HUNDRED SIX PESOS (PHP 220,114,906.00), divided into FOUR HUNDRED FORTY MILLION TWO HUNDRED TWENTY NINE THOUSAND EIGHT HUNDRED TWELVE (440,229,812) shares of Class "A" Common Stock of the par value of FIFTY CENTAVOS (P0.50) per share; and	SEVENTH. That the authorized capital stock of the Corporation shall be SIX HUNDRED FORTY SEVEN MILLION THREE HUNDRED SIX THOUSAND FOUR HUNDRED SEVENTY SEVEN AND SEVENTY TWO CENTAVOS (PHP647,306,477.72), Philippine currency, consisting of: i. THREE HUNDRED SIXTY SIX MILLION EIGHT HUNDRED FIFTY EIGHT THOUSAND ONE HUNDRED FIFTY NINE PESOS AND FIFTY CENTAVOS PESOS (PHP 366,858,159.50), divided into SEVEN HUNDRED THIRTY THREE MILLION SEVEN HUNDRED SIXTEEN THOUSAND THREE HUNDRED NINETEEN

Article and Section Nos.	Current Provision	Proposed Amendments
		(733,716,319) Common Shares of the par value of FIFTY CENTAVOS (PHP0.50) per share; and
	ii. ONE HUNDRED FORTY SIX MILLION SEVEN HUNDRED FORTY THREE THOUSAND TWO HUNDRED FIFTY THREE AND FIFTY CENTAVOS (PHP 146,743,253.50), divided into TWO HUNDRED NINETY THREE MILLION FOUR HUNDRED EIGHTY SIX THOUSAND FIVE HUNDRED SEVEN (293,486,507) shares of Class "B" Common Stock of the par value of FIFTY CENTAVOS (P0.50) per share; and	[Deleted]
	iii. TWO HUNDRED EIGHTY MILLION FOUR HUNDRED FORTY EIGHT THOUSAND THREE HUNDRED EIGHTEEN PESOS AND TWENTY TWO CENTAVOS (PHP 280,448,318.22), divided into THIRTY THREE MILLION FOUR HUNDRED TWENTY SIX THOUSAND FOUR HUNDRED NINETY EIGHT (33,426,498) Preferred Shares of the par value of EIGHT PESOS AND THIRTY NINE CENTAVOS (PHP8.39) per share.	ii. TWO HUNDRED EIGHTY MILLION FOUR HUNDRED FORTY EIGHT THOUSAND THREE HUNDRED EIGHTEEN PESOS AND TWENTY TWO CENTAVOS (PHP280,448,318.22), divided into THIRTY THREE MILLION FOUR HUNDRED TWENTY SIX THOUSAND FOUR HUNDRED NINETY EIGHT (33,426,498) Preferred Shares of the par value of EIGHT PESOS AND THIRTY NINE CENTAVOS (PHP8.39) per share.
	Out of the total number of Class B Common Stock, 33,426,498 were converted to preferred shares. All shares of Common Stock of the Corporation whether Class A or Class B, shall enjoy the same rights and privileges, except as herein otherwise specified. (1) Shares of Class A Common Stock shall be issued subject to the following limitations, which shall be printed on the stock certificates for such shares: Only Philippine Nationals, as hereinbelow defined, shall be qualified to acquire, own or hold shares of Class A Common Stock of the Corporation and no such shares may be issued, sold or transferred except to such qualified persons or firms. Any issuance, sale or transfer of shares of Class A Common Stock, whether voluntary or by operation of law, made in violation of the foregoing condition shall be null and void and shall not be registrable in the books of the Corporation. For the purposes of this f, a "Philippine National" shall mean a citizen of the Philippines; or	[Deleted]

Article and Section Nos.	Current Provision	Proposed Amendments
	a partnership or association wholly-owned by citizens of the Philippines; or a corporation organized under the laws of the Philippines of which at least sixty percent (60%) of the members of the Board of Directors and at least sixty percent of the capital stock outstanding (which percentage shall not be less than sixty percent (60%) of the capital stock outstanding and entitled to vote) is owned and held by citizens of the Philippines; or a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine National and at least sixty percent (60%) of the fund will accrue to the benefit of Philippine Nationals. In the event the Corporation shall find that a holder of Class A Common Stock is not qualified or has in any manner lost his/its qualification to own shares of such stock in the Corporation, then the Corporation, either by itself or through any other qualified and willing stockholder is designated by its Board of Directors, shall have the right to forthwith purchase the shares of Class A Common Stock of the disqualified stockholder at the book value of such shares, computed on the basis of the latest available audited financial statements of the Corporation, of or if the shares be listed on any stock exchange, at the market value thereof at the time of purchase. Upon payment or tender of payment of the book value or the market value of the shares, as the case may be, of the disqualified stockholder, the Secretary of the Corporation shall have full authority, as the attorney-in-fact of the disqualified stockholder, to transfer the said stockholder's shares in favor of the Corporation or the transferee stockholder(s) designated by the Board of Directors of the Corporation which transfer may be made without need of any further authorization from the disqualified stockholder, who upon demand shall be bound to surrender to the Secretary for cancellation the corresponding stock certificate(s) duly endorsed by such stockholder. The failure of such disqualified stockholder to surrender his/its stock certificates as aforesaid shall not however prevent the aforementioned transfer from being registered in the books of the Corporation and from being otherwise effective. (2) Share of Class B Common Stock shall be issued subject, to the following limitations, which shall be printed on the stock certificates for such shares: The total number of shares of Class B Common Stock which shall at any time be subscribed, issued or	[Deleted]

Article and Section Nos.	Current Provision	Proposed Amendments
	outstanding shall in no case exceed four-sixths (4/6) of the total number of shares of Class A Common Stock then subscribed, issued or outstanding. Any issuance of or subscription to any shares of Class B Common Stock in violation of this condition shall be deemed null and void.	
	(3) Share of Preferred Stock shall have the following features:	Preferred Shares shall have the following features:
	a. Preemptive Right - The Preferred Shareholders shall have preemptive rights to subscribe to new shares in proportion to their respective shareholding ratios; provided that the names and addresses of such shareholders shall be registered accordingly as of the date designated by the Company in the public notice made two (2) weeks prior thereto;	a. Preemptive Right - The Preferred Shareholders shall have preemptive rights to subscribe to new shares in proportion to their respective shareholding ratios; provided that the names and addresses of such shareholders shall be registered accordingly as of the date designated by the Corporation in the public notice made two (2) weeks prior thereto;
	b. Dividends –The Preferred Shareholders shall bear preferential dividends at the rate of 5% per annum of total debt converted in the amount of PHP1,389,961,828.00. Dividends in respect of the common shares shall not be paid, declared, set apart for payment, or distributed unless cash dividends shall have been declared and paid in full to all holders of the preferred shares.	[No Changes]
	The preferential dividends declared shall be payable annually in cash. The dividends on the preferred shares shall be cumulative from and after the issue date of the preferred shares, whether or not in any period the amount thereof is covered by available unrestricted retained earnings, so long as at the time of payment the Company has sufficient retained earnings.	The preferential dividends declared shall be payable annually in cash. The dividends on the preferred shares shall be cumulative from and after the issue date of the preferred shares, whether or not in any period the amount thereof is covered by available unrestricted retained earnings, so long as at the time of payment the Corporation has sufficient retained earnings.
	The Preferred Shareholder shall be entitled to participate and share in the retained earnings remaining after payment of the preferential dividends;	[No Changes]
	c. Exercise of Voting Right - The Preferred Shareholders shall not have a right to vote, except on matters specified in Section 6 of the Revised Corporation Code of the Philippines and those	[No Changes]

Article and Section Nos.	Current Provision	Proposed Amendments
	relative to the development of the Sta. Rosa Property; and	
	d. Convertibility – The Preferred Shareholders shall, at their option, have the right to convert their preferred shares to common shares using 16.78:1 conversion ratio at PHP0.50 per share. The Preferred Shareholders are thus entitled to subscribe to a total of 560,896,636 Common Stock upon conversion.	[No Changes]
	The Preferred Shareholder shall have the right to assign its right of conversion to its nominee or qualified transferee, to allow the latter to subscribe to such number of common shares as is allowed by Philippine laws.	[No Changes]
	Upon the conversion of THREE MILLION FOUR HUNDRED TWENTY SIX THOUSAND FOUR HUNDRED NINETY EIGHT (33,426,498) Preferred Shares to Common Stock, the Corporation shall issue 733,716,319 Common Stock, broken down as follows: (1) 440,229,812 Class "A" Common Stock, with a par value of PhP 0.50 per share; and (2) 293,486,507 Class "B" Common Stock, with a par value of PhP 0.50 per share.	Upon the conversion of THIRTY THREE MILLION FOUR HUNDRED TWENTY SIX THOUSAND FOUR HUNDRED NINETY EIGHT (33,426,498) Preferred Shares to Common Shares, the Corporation shall issue 733,716,319 Common Shares with a par value of PhP0.50 per share.
	No issuance, conversion or transfer of shares of stock of the Corporation which would reduce the stock ownership of Filipino citizens to less than the percentage of the outstanding capital stock required by law to be owned by Filipino citizens, shall be allowed or permitted to be recorded in the books of the Corporation. This restriction shall be printed or indicated in all the certificates of stock to be issued by the Corporation.	[No Changes]

The Corporation shall also present for the approval of the stockholders during the Annual Stockholders' Meeting the following amendment to the By-Laws:

Article and Section No.	Current Provision	Proposed Amendment
Article IV, Section 2, By-Laws	Section 2. Number, Qualifications and Term of Office. The number of directors shall be thirteen (13). Each director shall own in his own right at least one (1) share of the capital stock of the Corporation. The directors shall be elected annually in the manner provided in these Bylaws and each director shall	Section 2. Number, Qualifications and Term of Office. The number of directors shall be ten (10). Each director shall own in his own right at least one (1) share of the capital stock of the Corporation. The directors shall

Article and Section No.	Current Provision	Proposed Amendment
	hold office until the annual meeting held next after his election and until his successor shall have been elected and shall have qualified, or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.	be elected annually in the manner provided in these Bylaws and each director shall hold office until the annual meeting held next after his election and until his successor shall have been elected and shall have qualified, or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.
	The directors named in the Articles of Incorporation of the Corporation and their successors in accordance with these By-Laws shall hold office until the first annual meeting of the stockholders for the election of directors and until their successors shall have been elected and shall have qualified.	[Deleted]

VOTING PROCEDURES

Vote required for approval:

At the Annual Stockholders' Meeting to be held on 26 May 2026, there must be present, either in person or by representative authorized to act by written proxy, the owners of the majority of the outstanding capital stock as of 30 April 2026.

Proxies shall be submitted before the Annual Stockholders' Meeting. Attached as **Annex "E"** is the sample proxy forms which must be submitted before the Annual Stockholders' Meeting on 26 May 2026.

Pursuant to Section 23 of the Revised Corporation Code of the Philippines, candidates receiving the highest number of votes shall be declared elected as directors of the Corporation.

Pursuant to Section 15 of the Revised Corporation Code of the Philippines, the affirmative vote of stockholders representing at least two-thirds (2/3) of the outstanding capital stock shall be required in respect of any amendments to the Articles of Incorporation.

Pursuant to Section 47 of the Revised Corporation Code of the Philippines, the affirmative vote of stockholders representing at least majority of the outstanding capital stock shall be required in respect of any amendment to the By-Laws.

Unless the Revised Corporation Code of the Philippines or the By-Laws provides otherwise, the vote required for other matters in the agenda for this Annual Stockholders' Meeting is the vote of the owners of the majority of the outstanding capital stock. Please refer to page 4 on the topic on voting securities.

The procedure for each of the item that is subject to approval by the stockholders is as follows:

1. The chairman of the meeting announces that the particular item (e.g. ratification of the board of directors and management) is subject to motion for approval by the stockholders;

2. A stockholder moves for the approval of the particular item;

3. Another stockholder seconds the motion; and

4. The chairman of the meeting states that the motion is carried.

Method by which votes will be counted:

All matters subject to vote except in cases where the law provided otherwise, shall be decided by the plurality vote of stockholders present in person or by proxy and entitled to vote thereat, a quorum being present.

A verified stockholder may cast his vote on each of the agenda items. The Office of the Corporate Secretary shall then tabulate all votes, including those votes cast by proxy, to be assisted by the Corporation's stock transfer agent, Banco de Oro Unibank, Inc. - Trust and Investments Group. The Corporate Secretary shall report the results of voting during the meeting. Please refer to page 4 on the topic on voting securities.

Due to logistical limitations of the meeting conducted virtually, voting and open forum/discussion will not be possible during the virtual meeting. However, a stockholder, once verified/ registered, will be given an opportunity to raise any relevant questions or express an appropriate comment limited to the agenda items by sending an email to a designated email address not later than 19 May 2026 to be properly noted and addressed accordingly. Any relevant questions or comments received by the Office of the Corporate Secretary via email within the prescribed period given by registered stockholders shall be properly acknowledged, noted and addressed accordingly. Questions and comments not taken up during the meeting shall be addressed directly via email by the Corporation.

OTHER PROPOSED ACTION

The following are the other matters for action of the stockholders:

a. Election of directors for the current year 2026-2027. Please see pages 10 and 11 for the names of the individuals nominated for the position of directors of the Corporation.

b. Appointment of SGV & Co. as External Auditor for the year 2026-2027.

There is no action to be taken with respect to any matter not specifically referred to above.

INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON

There is no substantial interest, direct or indirect, by security holdings to or otherwise, of each person who has been a director or officer of the Corporation at any time since the beginning of the last fiscal year, of each nominee for election as a director of the Corporation or of each associate of any of the foregoing persons.

Appraisal and Performance Reports

The criteria and procedure for the assessment of the directors of the Corporation shall be outsourced to a third party provider. The evaluation of the performance of the directors is not a pressing need at this time, considering the status of the Corporation's operations. The Board and Management believe in the assessment report as a constructive process for improvement. It will be implemented once the Corporation's operations become fully operational.

UNDERTAKING TO PROVIDE ANNUAL REPORT (SEC FORM 17-A)

THE CORPORATION UNDERTAKES TO FURNISH WITHOUT CHARGE UPON THE WRITTEN REQUEST OF ANY SECURITY HOLDER A COPY OF THE CORPORATION'S ANNUAL REPORT OR SEC FORM 17-A. THE REQUEST SHOULD BE ADDRESSED TO MR. APOLINARIO L. POSIO AT UNIT 8 5B PEARLBANK CENTRE, 146 VALERO STREET, SALCEDO VILLAGE, MAKATI CITY.

SIGNATURE PAGE

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereof duly authorized, in the City of Makati.

FILSYN CORPORATION
Issuer

[redacted]
Apolinario L. Posio
Executive Vice President / Chief Financial Officer

[redacted]
Mary Rogelyn T. Cabrera
Corporate Secretary

ANNUAL REPORT

FINANCIAL STATEMENTS

Filsyn Corporation's (the "Corporation") consolidated financial statements for the year ended 31 December 2025 are attached hereto as Annex "**F**".

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

Filsyn Corporation continued to generate income mainly from warehouse rentals which was sufficient to cover all expenses, hence, there was no need for any outside financing to sustain its operations.

Despite incurring a net loss in 2024, the Corporation maintained its operational continuity and remained resilient in the face of prior year challenges. This stability in core revenue streams enabled the Corporation to recover in 2025, ultimately achieving a turnaround in performance. Consequently, the Corporation successfully rebounded and recorded a net income of PhP 54.6 million for the year ended 2025, reflecting improved operational efficiency and sustained demand for its leasing activities.

There can be no comparable discussions to assess material changes during the last three (3) years because of the non-commercial operations of the Corporation.

There were no events during the last three (3) years that will trigger direct or contingent financial obligation that was material to the Corporation. There were for the last three (3) years no material, off-balance sheet, transactions, arrangements, obligations (including contingent obligations) nor any other relationships with unconsolidated entities or other persons. There were no material commitments for capital expenditures.

The Corporation can satisfy its cash requirement for the next twelve (12) months.

The Corporation has no product research and developments for the term of the plan.

The Corporation will not purchase any plant or equipment within the next twelve (12) months.

The Corporation does not expect any significant changes in the number of employees.

There are no seasonal aspects that have material effect to the financial statements.

The Corporation's financial condition, changes in financial condition and results of operations for full fiscal year 2025, 2024, and 2023 are set forth below:

Financial Performance
In Thousand Pesos

Key Financial Indicators	December 2025 (Audited)	December 2024 (Audited)	December 2023 (Audited)
Gross Revenues	905,407	689,083	626,742
Cost and Expenses	814,289	641,210	585,686
Net Income (Loss)	91,119	47,873	41,056
Current Assets	258,812	183,989	118,721
Total Assets	2,057,832	1,974,740	1,909,090
Current Liabilities	415,124	366,218	978,667
Total Liabilities	1,095,940	1,106,091	1,345,900
Total Equity	961,892	868,649	563,190
Current Ratio	0.62	0.50	0.12
Debt to Equity	1.14	1.27	2.39
Gross Profit Ratio	10.06%	6.95%	6.55%

Sta. Rosa Property

The Corporation owns a parcel of land located at Sta. Rosa, Laguna with a total area of 300,018 square meters which was mortgaged in 1982 to secure an interest bearing loan. In 1998, the same property was mortgaged in favor of various creditors to restructure its overdue and outstanding unsecured obligations amounting to Php988 Million that included interests accrued up to 30 April 1998.

On 10 December 2009, the Board of Directors of the Corporation approved to offer the property in Sta. Rosa, Laguna as *dacion* in payment of the entire obligation to Chinatrust, and in case of the latter's acceptance, to offer to manage the property in trust, in consideration of management fees and trustee fees, until such time as may be agreed by the parties.

On 2 November 2010, Chinatrust accepted the proposal of the Corporation to fully settle its outstanding loan obligation amounting to Php1.3 Billion through the Sta. Rosa property as dacion in payment. Chinatrust agreed that the Corporation shall not be liable for any deficiency between the amount of the outstanding loan obligation and the value of the Sta. Rosa property. The "Dacion en Pago" did not materialize and the ownership of the loan was transferred to another creditor.

The "Dacion En Pago" did not materialize and the ownership of the loan was transferred to Chuan Yuan Limited, a company incorporated in Cayman Islands. Chuang Yuan Limited became the creditor of the first and second MTI. Chuang Yuan Limited later sold the loan to Malaysia Garment Manufacturers (Pte) Ltd. ("Malaysia Garment"), a company incorporated in Singapore, a related party.

On 24 October 2016, the PSE issued a letter to the Corporation on the subject: *Negative Stockholders' Equity and SEC Order of Revocation* requesting for update on the following items:

- Settlement of outstanding loan obligations amounting to Php1.2 Billion through the Sta. Rosa property as *dacion*;

- Discussions/negotiations with real estate companies for potential joint venture over the property to develop the 30 hectares (ha.) property located at Sta. Rosa, Laguna;

- Discussions/negotiations regarding the sale of the property located in Gen. Malvar Alvarez, Cavite City; and

- SEC Order of Revocation dated 26 August 2002.

On 12 December 2016, the Corporation responded to the PSE that discussions are ongoing on the first three (3) items above with the appropriate parties. Should the ongoing discussions on the abovementioned items be not fruitful, the Corporation will invite an investor to join them in developing the Sta. Rosa property. Management believes that the development of the land will increase its value and bring the Corporation's equity from negative to positive.

At the Special Meeting of the Board of Directors and in the Annual Stockholders' Meeting of Filsyn Corporation both held on 21 September 2017, at least a majority of the directors and stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Corporation approved the Business Plan to address the corporation's existing capital deficiency. The Business Plan consists of three (3) phases including:

1. Financial restructuring subject to SEC approval;
2. Development of a property located at Sta. Rosa, Laguna; and
3. A new business activity for recycled Polyethylene Terephthalate (PET) to be registered with the Philippine Economic Zone Authority (PEZA)

Financial Restructuring and Amended Registration Statement

In 2002, the SEC issued an Order of Revocation of the Corporation's Registration of Securities and Permit to Sell Securities to the public. On February 2005, the SEC acknowledged the Corporation's full payment of the penalties for the reportorial violations.

On 18 February 2018, the Commission en Banc resolved to lift the Order of Revocation. The lifting of the Order of Revocation directed the Corporation to amend its Registration Statement to reflect any prior changes prior to restatement of its registration statement and permit to sell securities.

At the Special Meeting of the Board of Directors and in the Annual Stockholders' meeting of the Corporation both held on 20 September 2018, at least majority of the directors and stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Corporation decided the following:

1. Approved the Amended Registration Statement and designated the officers authorized to sign the Amended Registration Statement, namely: Mr. Jaime M. Sto. Domingo, President, Mr. David Wang, Executive Vice President & Chief Finance Officer, Mr. Emmanuel C. Paras, Corporate Secretary and Mr. Apolinario L. Posio, Senior Vice-President-Accounting and Auditor and Compliance Officer;

2. Authorized the filing of the Amended Registration Statement of the Corporation with the Securities and Exchange Commission ("SEC");

3. Approved the Amendment of Seventh Article of the Articles of Incorporation of the Corporation to reflect the following:

    i. Reduction of par value from Php5.00 per share to Php2.50 per share;

    ii. Creation of Preferred Shares with the following features:

    - Pre-Emptive Right – Right to subscribe to the same proportion of shares in case of issuance of new shares;
    - Preference in Distribution of Dividends – Right to receive fixed dividends (5%of total debt converted, namely Php1,318,316,337.00), cumulative dividends and right to receive profit-participating stocks;
    - Veto Right – Right to veto the development of Sta. Rosa Property such that thedevelopment project of said land must be approved by Preferred shareholders;
    - Exercise of Voting Right – The Preferred Shareholders shall not have a right to vote, except on matters specified in Section 6 of the Corporation Code of the Philippines and those relative to the development of the Sta. Rosa Property; and
    - Convertible to Common Shares – Right to convert preferred shares to common Class B shares using 16.78:1 conversion ratio; and

    iii. Reclassification of 33,426,498 Common (Class B) to Preferred shares

4. Approved the Conversion of Debt to Additional Paid-In Capital which will be reserved for the Conversion of Preferred shares to Common shares;

5. Authorized the filing of the Amended Articles of Incorporation of the Corporation and other documentary requirements with the SEC; and

6. Approved the incorporation of a wholly-owned subsidiary of the Corporation for its PET Recycling plant project in a Philippine Economic Zone Authority ("PEZA") location.

The Corporation received from SEC, the Certificate of Incorporation of FYN Green PET Corporation dated as of 6 June 2019, which was incorporated for the PET Recycling Plant Project.

In preparation for FYGP's registration with the PEZA, on 21 February 2020, a Memorandum of Understanding and a Contract to Sell between J.Y. and Sons Realty Co., Inc. and FYGP were executed regarding sale of a parcel of land with building and improvements, located at First Cavite Industrial Estate (FCIE), Dasmariñas City, Cavite which is a PEZA registered location. On 25 November 2020, the sale was finalized and the property was physically turned over to FYGP on 1 February 2021.

Furthermore, at the Board Meeting of PEZA, held on 21 May 2020, the Board approved the application for registration of FYGP as an Export Ecozone Enterprise.

On 11 November 2021, Management filed the final restructuring project to SEC. Prior to submission of the project, Management has already agreed the conversion of debt with its creditors and legal counsel. Management is securing all the necessary documents such as Deed of Assignment to creditor and Director's Certificate to support the final restructuring by SEC.

On 30 May 2022, a Deed of Assignment relating to the loan was entered into between Malaysia Garment and the Corporation in which the former unconditionally and irrevocably assigned, ceded, transferred and conveyed unto the Corporation all of its title, right and interests to receive the payment for the debt as payment for the subscription price, thereby converting the debt into equity.

In addition, the related parties, Malaysia Garment and Trans-Pacific Oriental Holding Company, Inc. (Trans-Pacific), have undertaken to support the Corporation financially by not demanding payment of loans due to the former.

On 29 March 2023, Management completed all the aforementioned documents required by the SEC. On 4 April 2023, the Corporation was notified by the SEC that it is ready to issue its assessment on the planned restructuring project upon issuance of the SEC-Markets and Securities Regulation Department (MSRD) clearance. Thereafter, a Payment Request Form will then be issued to the Corporation, which will signify acceptance of the SEC on the application to proceed with filing.

On 26 June 2023, the SEC approved simultaneously the Corporation's amendments to the Articles of Incorporation, decrease/ increase in authorized capital stock and equity restructuring. With the SEC approval, the Corporation can now focus on the operations and expansion of its subsidiary, FYGP, and the development of its 30-hectare property located in Sta. Rosa City, Laguna.

On 19 June 2024, the Corporation received an Order from the SEC lifting the Order of Revocation of the Effectivity of the Corporation's Registration of Securities and Permit to Sell Securities to the Public issued by the SEC on 26 August 2002 ("Order of Revocation").

Real Estate Related Activities

Following the liberalization of synthetic fiber imports in the Philippines in 1995, compounded by domestic overcapacity and the Corporation's decline in cost competitiveness, the Corporation suspended its manufacturing operations in 1996. Consequently, no manufacturing-related profit or loss has been recognized since that time. Over the past decades, the Corporation has sustained its operations primarily through the short-term leasing of its Sta. Rosa property, utilizing the generated rental income to fund working capital requirements. Concurrently, the Corporation actively executed a financial restructuring plan, culminating in its successful relisting on the stock exchange in December 2024. As the comprehensive development of the 30-hectare Sta. Rosa site will take time, leasing the property will remain the Corporation's primary source of operating revenue in the interim. To this end, the Corporation has engaged a professional property management firm to assist with tenant management and to optimize rental yields. Once the strategic partners and the master development plan are finalized, the Corporation will execute the project in phases, thereby progressively recognizing development profits.

In 2026, the Corporation aims to secure the approval of the Board and the stockholders on the amendment to the Second Article of the Articles of Incorporation (Change in the Primary Purpose) to engage in real estate related activities instead of polyester manufacturing. Once the Corporation has obtained the SEC approval of the amendment to the Articles of Incorporation, the Corporation will implement the following action items:

1. formulate and present comprehensive development alternatives for internal strategic review;
2. engage with potential land development candidates to explore collaborative development concepts;
3. finalize the selection of co-development partner(s), finalize the master development plan, and secure funding sources;
4. execute agreements with the chosen co-development partner(s);
5. conduct a comprehensive, formal project feasibility study;
6. secure all requisite permits, licenses, and clearances from relevant government agencies to commence construction; and
7. complete the Phase 1 real estate development.

The transition from polyester manufacturing to real estate related activities will result to a significant shift in the Corporation's financial structure and operating model. This change is expected to enhance the Corporation's long-term profitability and overall financial position, driven by the higher margin potential inherent in real estate development projects.

While the financial benefits may not be immediately evident during the initial year of implementation – given the transition phase, upfront capital requirements, and the time needed to establish operations – the impact is anticipated to become more pronounced over time. As development projects progress and reach completion or sale stages, revenue recognition and returns are expected to improve substantially.

Moreover, this strategic shift allows the Corporation to realign its asset base toward higher-value real estate holdings and capitalize on market opportunities, ultimately strengthening its long-term growth prospects despite the initial adjustment period.

Notice of Involuntary Delisting

On 3 February 2023, the Corporation received a Notice of Involuntary Delisting from the Philippine Stock Exchange ("PSE or the Exchange").

On 3 April 2023, representatives of the Corporation participated in a hearing conducted by the PSE relating to the involuntary delisting proceedings involving the Corporation. The Corporation then requested the PSE that the involuntary delisting proceedings be suspended; and it be allowed to complete the requirements for its amended registration statement and application for the financial restructuring plan with the Securities and Exchange Commission until the end of 2023.

The grounds for the initiation of involuntary delisting proceedings involving Corporation are due to the (a) revocation of its registration of securities and permit to sell securities; and (b) negative stockholders' equity.

In the said hearing, the Corporation raised the following arguments:

a. There was no obstinate refusal on the part of the Corporation to comply with the directives of the Exchange and the SEC.
b. The Corporation, in utmost good faith, exerted serious efforts to comply with the SEC directives. All the corporate actions of Corporation on the matter were timely and promptly disclosed to the Exchange.
c. The SEC-Markets and Securities Regulation Department ("MSRD") will only act on the Corporation's amended registration statement after the approval of the Corporation's financial restructuring plan being reviewed by the SEC-Financial Analysis and Audit Division ("FAAD").
d. The Corporation will file its amended registration statement after it secures the SEC's approval of its financial restructuring plan. Thereafter, the Corporation will request SEC-MSRD to issue the corresponding Order Lifting the Order of Revocation dated August 26, 2002 against the Corporation.
e. The conversion of the Corporation's obligation to one of the Corporation/s major creditors, Malaysia Garment Manufacturers Pte. Ltd, amounting to One Billion Three Hundred Eighty-Nine Million Nine Hundred Sixty-One Thousand Eight Hundred Twenty-Eight Pesos (Php1,389,961,828.00) into equity has effectively wiped-out the deficit amounting to Six Hundred Eighty-Nine Million Thirty-One Thousand One Hundred Forty-Six Pesos (Php689,031,146.00). The debt-to-equity conversion is part of the financial restructuring plan being carried out by the Corporation. The deficit would have been wiped-out had the SEC-FAAD approved the Corporation's financial restructuring plan.
f. The involuntary delisting will be prejudicial to the Corporation's stockholders who have been expecting that the trading suspension will be lifted soon and the financial restructuring plan approved in light of the actions being actively undertaken by the Corporation.

g. In 2019, parallel to its efforts to solve its capital deficiency, the Corporation incorporated FYGP, a 100% wholly owned subsidiary, to provide cash flow and steady stream of revenues. FYGP will commence its commercial operations in May 2023.

The Corporation requested for an extension from the PSE for its 29 December 2023 deadline to complete the SEC requirements relating to the Corporation's application for the approval of its Amended Registration Statement.

The PSE, in its Letter dated 31 January 2024, granted the Corporation's request for a six (6)-month non-extendible extension or until 26 June 2024 to complete the requirements of the SEC and obtain an effective registration of securities and permit to sell securities with the SEC; and (ii) to maintain the suspension of the involuntary delisting proceedings against the Corporation until the issuance of SEC's decision on the Corporation's application for the approval of its Amended Registration Statement or until 26 June 2024 whichever is earlier.

On 29 July 2024, the Corporation received a letter from the PSE dated 23 July 2024 terminating the PSE's involuntary delisting proceedings against the Corporation.

On 4 December 2024, the PSE issued Notice No. DN00170-2024 announcing the lifting of the Corporation's trading suspension effective on 6 December 2024 at 9:00 am.

There is no other information about parties that fall outside the definition of "related parties" under SFAS/IAS No. 24.

BRIEF DESCRIPTION OF THE GENERAL NATURE AND SCOPE OF THE REGISTRANT'S BUSINESS

Filsyn Corporation, established in 1968, was the sole polyester fiber manufacturer in the country. It was primarily established to promote and support the polyester fiber requirements of the country's textile industry. At the height of its production capacity, the Corporation produced 37,000 MT per year of polyester Staple Fiber (SF), Pre-Oriented Yarn (POY), Filament Yarn (FY), Drawtextured Yarn (DTY), Polyethylene Terapthalate (PET) Resin, and PET Bottles utilizing a 30-hectare plant in Sta. Rosa, Laguna and a 20-hectare plant in Gen. Mariano Alvarez in Cavite.

On 4 December 1996, the Corporation was forced to cease its manufacturing operations in view of a crippling labor strike. Even after the settlement of the strike in September 1997, production has not resumed.

At present, the Corporation's sources of funds still consist mainly of warehouse rental lease income.

SRTC Development Corporation, one of the subsidiaries, was registered with the Securities and Exchange Commission on 30 April 1992 primarily to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease and hold for investment or otherwise, real estate of all kinds, and to improve, manage or otherwise dispose of buildings, houses, apartments and other structures of whatever kind, together with their appurtenances. SRTC Development Corporation has never started commercial operations. On 22 November 2001, the stockholders approved the amendment of the subsidiary's Articles of Incorporation to shorten its life until 31 December 2001. As a result, SRTC Development Corporation changed its basis of accounting from the going concern basis to the liquidation basis.

Island King Aquaventures Corp., one of the subsidiaries, was registered with the Commission on 15 September 1986 primarily to engage in the business of aquaculture and undertake any and all related activities necessary, incidental, and related thereto. Beginning 2001, IKAC ceased its normal operations and started to rent out its investment property.

FYN Green PET Corporation ("FYGP") was registered with the SEC on 6 June 2019 primarily for recycling of waste Polyethylene Terephthalate (PET) bottles into resin to be used as feedstock for manufacture of Filament and Food Grade Chip. These filament and food grade chips can be used in the manufacturing of clothing and footwear, among others. On 4 November 2020, FYGP was registered with the Philippine Economic Zone Authority as an Ecozone Export Enterprise.

FYGP's plant, with land size of 20,714 square meters, is located at the First Cavite Industrial Estate, Dasmariñas City, Cavite. In May 2023, FYGP started its commercial operations. In 2025, FYGP produced approximately 11,000 metric tons of products, which were sold at prices ranging from USD1,200 to USD1,400 per metric ton. This production level

resulted in total sales of approximately USD14 Million and net income of approximately USD450,000. Based on FYGP's current market outlook, FYGP projects that annual output will increase to approximately 16,800 metric tons in the coming periods. At the current projected selling price range, this is expected to generate total sales of approximately USD18 Million to USD20 Million, with projected net income of approximately USD1,000,000.

DETAILS OF THE SUBSIDIARIES AS OF 31 DECEMBER 2025 ARE AS FOLLOWS:

NAME	PLACE OF INCORPORATION		FULLY PAID-UP COMMON SHARE CAPITAL	PERCENTAGE OF EQUITY OWNERSHIP OF FILSYN CORP.	PRINCIPAL ACTIVITIES
SRTC DEV. CORP.	Philippines	P	14,679,742	57%	Development and management of real estate and appurtenant structures. This company is "in the process of liquidation".
ISLAND KING AQUAVENTURES CORP.	Philippines	P	62,574,260	77%	Nature of the business is leasing because IKAC rents out its investment property. It ceased its normal business operations in 2001.
FYN GREEN PET CORPORATION	Philippines	P	25,000,000	97.80%	Production of high-quality filament grade recycled PET chips (R-Chips) and the importation of raw materials, machinery, equipment, tools, goods, wares, articles, or merchandise

OFFICERS AND DIRECTORS

Refer to pages 7 to 12 of the Information Statement

MARKET PRICE AND DIVIDENDS OF THE REGISTRANT'S COMMON EQUITY

The Corporation has not declared any dividends for the past 10 years. Based on Agreements covering the debts secured by the first and second MTI, one of the restrictions is payment of cash dividends.

Stock Prices:

Only Available Movements:	High	Low
April 15, 2025	P2.90/share	closing prices

SRC Rule 17(A)-1 paragraph (C)(2)(G) does not apply because the Corporation is not soliciting proxy.

As of 31 March 2026, the total number common and preferred shares of the Corporation are as follows:

Class A Common	123,747,707
Class B Common	49,071,976
Preferred*	33,426,498

**On 26 June 2023, the Securities and Exchange Commission approved the (i) decrease in Authorized Common B Shares by 33,426,498 and establishment of 33,426,498 Authorized Preferred Shares resulting to reclassification of 33,426,498 issued Common B Shares to Preferred Shares; and (ii) increase of the Corporation's authorized capital stock from P120,000,000.00 to P647,306,477.72.*

There were no unregistered securities sold during the last three (3) years.

MARKET INFORMATION

For the last five (5) years, the Corporation's common equity has not been actively traded.

The list of the Top 20 shareholders of the Corporation is set forth below. The total number of shares held is 206,246,181.

List of Top 20 Stockholders
As of 31 March 2026
(Class A Common)

STOCKHOLDER'S NAME	Outstanding and Issued Shares	Percentage To Total
Trans-Pacific Oriental Holding Co., Inc.	63,578,181	30.80
Development Bank of the Philippines	10,256,409	5.00
PCD Nominee Corporations (Filipino)	9,100,829	4.40
National Development Company	6,814,453	3.30
Equitable Banking Corporation	6,564,103	3.20
Security Bank & Trust Company	4,648,924	2.30
Lepanto Consolidated Mining Co., Inc.	4,081,651	2.00
PLLIM Investments, Inc.	2,894,000	1.40
Pan Malayan Mgt. & Investments Corp.	2,393,658	1.20
Phil. Carpet Manufacturing Corp.	2,063,581	1.00
Abundance Providers & Entrepreneurs Corp.	1,600,807	0.80
Equitable Development Corporation	772,305	0.40
Equitable Leasing Corporation	772,305	0.40
Laguna Estates Development Corp.	626,190	0.30
Rexlon Industrial Corporation	589,492	0.30
C.J. Yulo & Sons, Inc.	574,950	0.28
Capital Garment Corp.	484,398	0.23
La Tondena Incorporation	477,058	0.23
Lepanto Investments & Dev. Corp.	463,382	0.22
Palanca Investment & Trading Group Inc.	429,360	0.21
TOTAL	**119,186,036**	
Total Issued & Outstanding Common A Shares:	123,747,707	

List of Top 20 Stockholders
As of 31 March 2026
(Class B Common)

STOCKHOLDER'S NAME	Outstanding and Issued Shares	Percentage To Total
Far Eastern Investment Holding Limited	45,065,670	21.85
Toyo Menka Kaisha Ltd	1,844,568	0.89
Tomen Corporation	1,161,737	0.56
Hsu Shu Tong (Douglas Hsu)	450,000	0.22
Shih Jar Yi (Johnny Shih)	200,000	0.10
Lih The Chang	50,000	0.02
Chen Yu Cheng	50,000	0.02
Ting Chan Chen	50,000	0.02
Alan Tsai	49,998	0.02
Amy Huang	49,999	0.02
Yu Hsien Tseng	50,000	0.02
Cheng Lung Hu	49,999	0.02
David Wang	1	0.00
Donald K. Kwok	1	0.00
Consolacion Sanchez	1	0.00
Bing-Chiou Chang	1	0.00
Edmundo A. Ong	1	0.00
Total	**49,071,976**	

Total Issued & Outstanding Common B Shares: 49,071,976

List of Stockholders
As of 31 March 2026
(Preferred Shares)

STOCKHOLDER'S NAME	Outstanding and Issued Shares (Fully Paid	Percentage To Total
Malaysia Garment Manufacturers (Pte) Ltd.	33,426,498	16.21
TOTAL	**33,426,498**	
Total Issued & Outstanding Preferred Shares:	33,426,498	

DISCUSSION ON COMPLIANCE WITH LEADING PRACTICES ON CORPORATE GOVERNANCE

a. To measure and determine the level of compliance of the Board of Directors and top-level Management with its Manual of Corporate Governance, the Corporation has adopted and established the SELF-RATING SYSTEM ON CORPORATE GOVERNANCE introduced by the Securities and Exchange Commission.

b. The following measures are being undertaken by the Corporation to fully comply with leading practices on good corporate governance.

- Full compliance with SEC Memo Circular No. 2, Series of 2002 as well as all other relevant circulars on corporate governance;
- Implementation of the roles and tasks of the committees on Audit, Nomination, Compensation, Board Risk Oversight, Corporate Governance and Related Party Transaction; and
- Dissemination to members of the Board of Directors and corporate officers of the contents of the Manual of Corporate Governance.

c. There is no deviation from the Corporation's Manual of Corporate Governance.

d. In compliance with SEC Memorandum Circular No. 19, Series of 2016 dated 22 November 2016 on the subject Code of Corporate Governance for Publicly Listed companies, Filsyn Corporation submitted to SEC a new Manual on Corporate Governance on May 19, 2017.

To date, the Corporation has complied with the Corporation's Manual on Corporate Governance.

On 30 May 2025, the Corporation submitted to the SEC and the PSE the Integrated Annual Corporate Governance Report ("I-ACGR") for the year ended 31 December 2024. The 2024 IACGR is posted in the Corporation's Official Website, https://filsyncorp.com. This is in compliance with the SEC Memorandum Circular No. 15 dated 15 December 2017 directing all publicly-listed companies to submit the I-ACGR to the SEC and to the PSE.

The Corporation's directors and officers, in compliance with SEC Memorandum Circular No. 20, Series of 2013, attended corporate governance seminars in 2025 conducted by SEC-accredited training providers.

INTERIM FINANCIAL STATEMENTS

Please see attached **Annex "G"** on the Corporation's SEC Form 17-Q for the period ended 31 March 2026 (with comparative figures for the year ended 31 December2025).

DIRECTORS' ATTENDANCE REPORT

Dates of Meetings	Directors										
	Florentino M. Herrera III	**David Wang**	**Amy Huang**	**Alan Tsai**	**Bing-Chiou Chang**	**Ma. Belina B. Mariano**	**Evelyn L. Forbes**	**Marialen C. Corpuz**	**Consolacion A. Sanchez**	**Samuel V. Torres**	**Edmundo A. Ong**
Special Board Meeting (29 April 2025)	✓	✓	✓	X	✓	✓	✓	✓	X	✓	✓
Special Board Meeting (14 August 2025)	✓	X	X	X	X	✓	✓	✓	✓	✓	✓
Regular Board Meeting (18 September 2025)	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓
Organizational Board Meeting (18 September 2025)	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	X
No. of Attendance	4/4	3/4	3/4	2/4	3/4	4/4	2/4	4/4	3/4	4/4	3/4
% of Attendance	100%	75%	75%	50%	75%	100%	50%	100%	75%	100%	75%

ANNEX "A"

ANNEX "B-1"

CERTIFICATE OF INDEPENDENT DIRECTOR

I, **SAMUEL V. TORRES**, Filipino, of legal age and with office address at the [redacted] after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of **FILSYN CORPORATION** for the year 2026-2027 and have been its independent director since 2018.

2. I possess all the qualities and none of the disqualifications to serve as an Independent Director of **FILSYN CORPORATION**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other Securities and Exchange Commission ("SEC") issuances.

3. I am not related to nor a nominee or representative of any director/officer/substantial shareholder of **FILSYN CORPORATION** and its subsidiaries and affiliates.

4. To the best of my knowledge, I am not subject of any pending criminal or administrative case before any court or tribunal.

5. I am not in government service nor affiliated with a government agency or government owned and controlled corporation.

6. 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 other SEC issuances.

7. I shall inform the Corporate Secretary of **FILSYN CORPORATION** of any changes in the abovementioned information within five (5) days from its occurrence.

IN WITNESS WHEREOF, this Certificate has been signed on this 6th day of March 2026 at Makati City.

[redacted]

SAMUEL V. TORRES
Affiant

REPUBLIC OF THE PHILIPPINES
MAKATI CITY) **S.S.**

SUBSCRIBED AND SWORN, to before me this 6th day of March 2026 at Makati City, affiant exhibiting to me his Passport No. [redacted] issued by [redacted] and valid until [redacted]

MAR 09 2026

[redacted]

Doc. No. 113;
Page No. 24;
Book No. 21;
Series of 2026.

ATTY. ADONAI IAN R. ASLARONA
Notary Public
Until December 31, 2026
IBP O.R No. 501537/01-07-2026/Pampanga
Appointment No. M-38 (2025-2026)
Roll of Attorney No. 84603
MCLE Compliance No. VIII-0033436
PTR No. 10769157/1-06-2026/ Makati City
Unit 10-9 Philippine AXA Life Centre, Sen. Gil Puyat Avenue Corner, Tindalo Street, Makati City 1286

ANNEX "B-2"

CERTIFICATE OF INDEPENDENT DIRECTOR

I, **EDMUNDO A. ONG**, Filipino, of legal age and with office address at [redacted] after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of **FILSYN CORPORATION** for the year 2026-2027 and have been its Independent Director since 2024.

2. I possess all the qualities and none of the disqualifications to serve as an Independent Director of **FILSYN CORPORATION**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other Securities and Exchange Commission ("SEC") issuances.

3. I am not related to nor a nominee or representative of any director/officer/substantial shareholder of **FILSYN CORPORATION** and its subsidiaries and affiliates.

4. To the best of my knowledge, I am not subject of any pending criminal or administrative case before any court or tribunal.

5. I am not in government service nor affiliated with a government agency or government-owned and controlled corporation.

6. 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 other SEC issuances.

7. I shall inform the Corporate Secretary of **FILSYN CORPORATION** of any changes in the abovementioned information within five (5) days from its occurrence.

IN WITNESS WHEREOF, this Certificate has been signed on this 9th day of March 2026 at Makati City.

[redacted]

EDMUNDO A. ONG
Affiant

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

SUBSCRIBED AND SWORN, to before me this 9th day of March 2026 at Makati City, affiant exhibiting to me his Republic of the Philippines Passport No. [redacted] issued on [redacted]

Doc. No. 250;
Page No. 51;
Book No. I;
Series of 2026.

BUWIS DST 2025 09776442

ATTY. VINCE ALVIN L. MONTEALTO ★ NOTARY PUBLIC ROLL NO. 73406 ★ MAKATI CITY, PHILIPPINES

[redacted]

VINCE ALVIN L. MONTEALTO
Notary Public for Makati City
Appointment No. M-238
Until 31 December 2026
SGV II Building, 6758 Ayala Avenue, Makati City
Roll of Attorneys No. 73406
PTR No. 10767048 / Makati / 05 January 2026
IBP No. 588085 / Makati / 05 January 2026
MCLE Compliance No. VIII-0038701 /
Pasig City/ 18 June 2025

MECO FORM NO. CON-10
ED: 01 March 2008

MANILA ECONOMIC AND CULTURAL OFFICE
Taipei, Taiwan

CERTIFICATE OF AUTHENTICATION

TO ALL WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, **VERONICA MAE C. YAN** Signing Officer of the Manila Economic and Cultural Office **upon request and authority of the Department of Foreign Affairs, Republic of the Philippines**, do hereby CERTIFY that

TSENG, CHUN-HAO

before whom the annexed instrument was executed to wit:

Certificate of Independent Director dated 09 March 2026 executed by TIENG JWEI CHANG

was, at the time he signed the same a

Notary Public at the Taipei District Court, Taiwan

as certified to by

Tsao, Yu-Fen, Senior Officer,
Bureau of Consular Affairs, Ministry of Foreign Affairs, Taiwan

and I verily believe that his signature affixed thereto is genuine.

For the contents of the annexed document(s), the Manila Economic and Cultural Office assumes no responsibility.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Manila Economic and Cultural Office in Taipei, Taiwan this 10th day of March 20 26

[redacted]

VERONICA MAE C. YAN
Authorized Officer

Upon request and authority of the Department of Foreign Affairs Republic of the Philippines

Doc. No. 005254

Series of 20 26

中華民國文件證明專用
REPUBLIC OF CHINA(TAIWAN)
DOCUMENT LEGALIZATION

中華民國文件證明書 DOCUMENT AUTHENTICATION

1.國家／地區： Country:	中華民國（臺灣） Republic of China（Taiwan）
	此公文書 This public document
2.簽署人 has been signed	曾君豪 Tseng, Chun-Hao
3.簽署人職務 acting in the capacity	民間公證人 Notary public
4.用印人／單位 bears the seal/stamp of	臺北地方法院 Taipei District Court
	茲證明 Certified
5.地點 at	臺北 Taipei
6.日期 the	March 10, 2026
7.由 by	外交部 Ministry of Foreign Affairs
8.案號 Number	115200022505-002
9.章戳 Seal/stamp:	10.簽署 Signature: Tsao, Yu-Fen Tsao Yu Fen Senior Officer, Bureau of Consular Affairs For The Minister of Foreign Affairs
11.附註： remarks:	

本文件證明僅證明所附文書內之簽章屬實，至文書所載內容不在證明之列。
This document authentication only certifies the authenticity of the signature, seal or stamp and the capacity of the person who has signed the attached document. It does not validate the contents of the document for which it was issued.

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U048374

ANNEX "B-3"

CERTIFICATE OF INDEPENDENT DIRECTOR

I, TIENG JWEI CHANG, Taiwanese, of legal age and with residential address at [redacted], after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of **FILSYN CORPORATION** for the year 2026-2027.

2. I possess all the qualities and none of the disqualifications to serve as an Independent Director of **FILSYN CORPORATION**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other Securities and Exchange Commission ("SEC") issuances.

3. I am not related to nor a nominee or representative of any director/officer/substantial shareholder of **FILSYN CORPORATION** and its subsidiaries and affiliates.

4. To the best of my knowledge, I am not subject of any pending criminal or administrative case before any court or tribunal.

5. I am not in government service nor affiliated with a government agency or government-owned and controlled corporation.

6. 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 other SEC issuances.

7. I shall inform the Corporate Secretary of **FILSYN CORPORATION** of any changes in the abovementioned information within five (5) days from its occurrence.

IN WITNESS WHEREOF, this Certificate has been signed on this 9th day of March 2026 at Taipei City, Taiwan.

[redacted]

MARCH 9, 2026

TIENG JWEI CHANG
Affiant

115年度

案 號：北院民認豪字 00018 號 日期：MAR 09 2026
Case No.: Date:
本文件之簽名或蓋章，於臺灣臺北地方法院所屬民間公證人重慶聯合事務所認證。 公證人 曾 君 豪
Attested at the Chung Ching United Notary Public Office of Taiwan Taipei District Court, R.O.C. that the signature(s)/seal(s) in this document is/are authentic.
TSENG, CHUN-HAO [redacted]
Notary Public
7F-1, No. 121, Sec. 1, Chungching S. Rd., Taipei, Taiwan 100, R.O.C.

ANNEX "C"

FILSYN CORPORATION
List of Pending Cases

Criminal Case No. OMB-C-04-0423-I
Office of the Ombudsman
"Special Presidential Task Force 156 vs. Antonio P. Belicena, et al."
Date Filed – 28 June 2004

Nature: Case brought by Special Presidential Task Force 156 against former and some of the present Board of Directors and some officers of Filsyn Corporation for preliminary investigation of charge of Estafa through Falsification of Public Documents and violation of Section 3(e) of Republic Act No. 3019, as amended, arising out of the transfer of Tax Credit Certificates amounting to about Php8,954,242.00 to Integrated Multi Cotton Mills, Inc.

Status:
- "Counter-Affidavit" filed on 9 November 2004 for each respondent.
- The dismissal of case was sought by the respondents.
- The case has been submitted for resolution.
- Investigating Prosecutor has not yet resolved the matter.

Court of Tax Appeals ("CTA") Case No. 11789
Filsyn Corporation vs. Commissioner of Internal Revenue of the Bureau of Internal Revenue (BIR)

Nature: On 26 September 2024, Management of Filsyn Corporation ("Corporation") notified its Board of Directors that it had received from the BIR a Final Assessment Notice / Formal Letter of Demand (FAN/FLD) dated 17 September 2024 for calendar year 2022 on 25 September 2024.

The Corporation, through its legal counsel, filed the Corporation's Protest with Request for Reconsideration and/or Reinvestigation with the BIR Revenue Region 8A on 28 October 2024 ("Protest"). On 27 December 2024, the Corporation filed its Submission with the BIR.

On 6 February 2025, the Corporation received the Final Decision on Disputed Assessment from the BIR. The BIR assessed deficiency taxes, interests, surcharges, and penalties ("Tax Deficiencies") against the Corporation in the total amount of PhP 289,076,761.43, broken down as follows:

1. Final Withholding Tax (FWT) – PhP 183,913,157.91
2. Final Withholding Value Added Tax (FWVAT) – PhP 88,683,608.94
3. Documentary Stamp Tax (DST) – PhP 16,345,994.59
4. Compromise Penalties – PhP 134,000.00

On 7 March 2025, the Corporation filed its Petition for Review (the "**Petition**") with the Court of Tax Appeals ("**CTA**") to appeal the Final Decision on Disputed Assessment ("**FDDA**"). The Petition was docketed as ***CTA Case No. 11789***.

Status:

- The Second Division of the Court of Tax Appeals ("**CTA**") issued a Minute Resolution directing the parties to attend the Preliminary Mediation Conference on 14 July 2025 at the Philippine Mediation Center (**PMC**) and undergo mediation proceedings in accordance with Supreme Court A.M. No. 11-1-5-SC-PHILJA.
- The parties failed to reach a settlement agreement before the PMC.
- The Pre-Trial for this case was set on 16 October 2025.
- Subsequently, on 15 October 2025, the Second Division of the CTA issued a Notice resetting the Pre-Trial to 12 February 2026.
- However, recent vacancies within the CTA caused an internal reorganization within the various Divisions. As a result, the Corporation's judicial appeal, docketed as CTA Case No. 11789, was transferred from the Second Division to the Third Division.
- Upon transfer of the case, the Third Division ordered the cancellation of the Pre-Trial until further notice.
- The Third Division of the CTA issued a *Minute Resolution* setting the date of the Pre-Trial on 14 May 2026.

Criminal Case No. 24-6871-SRCL
Regional Trial Court of Sta. Rosa, Branch 101
"People of the Philippines v. Noli B. Madrid"
Date Filed – 6 November 2024

Nature: Criminal case filed by Filsyn Corporation against Noli Madrid for Estafa through Falsification of Public Document by a Private Individual. Noli Madrid entered into a Contract of Lease with Power Serve, Inc. for the property owned by Filsyn Corporation located at Sta. Rosa, Laguna, without any authority from Filsyn Corporation. As a result, PSI occupied the property of Filsyn from 6 May 2020 to 23 June 2023 and PSI paid Noli Madrid the total amount of PHP56,783,380.00 as rental payment. Noli Madrid received these payments but did not remit the same to Filsyn.

Status:

- The Office of the City Prosecutor of Sta. Rosa, Laguna issued a Resolution dated 6 November 2024 finding probable cause against Noli B. Madrid.
- The Criminal Information was filed on 6 November 2024.
- The next setting for the Pre-Trial of the case was on 25 September 2025.
- The Pre-Trial was reset on 13 November 2025.
- The parties attended a mediation conference on 21 November 2025 before the Philippine Mediation Center but failed to reach an agreement. Mediation conferences were set for 1 December 2025 and 19 December 2025.
- Since the parties failed to reach an agreement, the mediation conference has been terminated.
- The Corporation presented its first witness during the hearing of the case on 26 March 2026.
- The next hearing of the case has been scheduled on 28 May 2026.

ANNEX "D"

MINUTES OF THE ANNUAL MEETING
OF THE STOCKHOLDERS OF
FILSYN CORPORATION
18 September 2025

The stockholders of Filsyn Corporation (**"Corporation"**), a corporation organized and existing under the laws of the Republic of the Philippines, held their annual meeting of the stockholders on **18 September 2025** at 4:15 p.m. (Manila time) at the Unit 8, 5B Pearlbank Centre, 146 Valero Street, Makati City and simultaneously via remote communication through Zoom.

PRESENT:

[Please see attached Summary of Attendance, Annex "A"]

1. Call to Order

The Chairman, Mr. Florentino M. Herrera III, called the meeting to order and presided over the same.

The Assistant Corporate Secretary informed everyone in attendance that the meeting is to be electronically recorded in accordance with Section 14 of the Securities and Exchange Commission ("**SEC**") Memorandum Circular No. 6 Series of 2020 which provides in part, "In case the election or meeting was conducted through teleconferencing or any other similar means, a visual and audio recording of the election or meeting should be secured." The Assistant Corporate Secretary, Ms. Ma. Belina B. Mariano, recorded the minutes of the proceedings.

2. Proof of sending of due notice of meeting and determination of quorum

The Assistant Corporate Secretary certified that notices of the meeting were sent to all stockholders of record by publication and that the Definitive Information Statement was disclosed to the SEC and the Philippine Stock Exchange Inc. ("**PSE**").

The Assistant Corporate Secretary also confirmed that, on the basis of the examination of the record of attendance of the stockholders' present in person and by proxy and certification by the Stock and Transfer Agent, BDO Stock and Transfer service, a quorum was present for the transaction of business by the stockholders, there being present 66.12% of the total outstanding capital stock, either in person or represented by proxy (*see* Summary of Attendance, **Annex "A"**).

3. Voting Procedures

The Assistant Corporate Secretary explained the voting and vote tabulation procedures. She highlighted that:

a. Proposed resolution for each agenda item was to be presented to the stockholders.
b. Votes cast for each proposed resolution and results to be announced during the meeting.
c. Present in person and represented in proxy are 114,274,422 shares or 66.12% of the total issued and outstanding capital stock of 172,819,683 shares of the Corporation; and

d. A detailed result of the tabulation of the votes cast indicating the affirmative votes, negative votes and abstentions will be reflected in the Minutes of this meeting.

4. Consideration and approval of the Minutes of the Annual Stockholders' Meeting held on 19 September 2024

The Assistant Corporate Secretary confirmed to the Chairman that copies of the Minutes of the Annual Meeting of the Stockholders held on 19 September 2024 were distributed and made available to the stockholders present. The Chairman asked if there were any comments or questions on the minutes of the previous meeting. There being none, upon motion made and duly seconded, the following resolution was adopted and approved:

> RESOLVED, that the Minutes of the Annual Stockholders' Meeting held on 19 September 2024 be as it is hereby approved.

As tabulated, the votes for the adoption of the foregoing resolution providing for the approval of the Minutes of the Annual Stockholders' Meeting held on 19 September 2024 are as follows:

Number of Voted Shares	For	Against	Abstain
114,274,422	114,274,422	0	0

5. Consideration of the Management Report for the year ended 2024

The Chairman directed the Executive Vice President and Chief Financial Officer ("**CFO**"), Mr. Apolinario L. Posio, to render the Management Report for the year ended 2024. Mr. Posio stated, for the record, that copies of the report were distributed and made available to the stockholders present and that the management report formed part of the Definitive Information Statement submitted to the SEC and PSE.

After the presentation of the Management Report for the year ended 2024, the Chairman solicited comments and questions from the stockholders. There being none, upon motion made and duly seconded, the following resolution was adopted and approved by the stockholders:

> RESOLVED, that the Management Report of the Corporation for the year ended 2024 as presented to the stockholders at the Annual Stockholders' Meeting held on 18 September 2025 be as it is hereby noted.

As tabulated, the votes for the adoption of the foregoing resolution are as follows:

Number of Voted Shares	For	Against	Abstain
114,274,422	114,274,422	0	0

For the record, a copy of the Management Report for the year 2024 is hereto attached as **Annex "B"**.

6. Consideration and approval of the Annual Report/Audited Financial Statements for the year ended 31 December 2024

The Chairman requested the Executive Vice President and CFO, Mr. Apolinario L. Posio, to discuss the Annual Report and Audited Financial Statements of the Corporation for the year ended 31 December 2024. Mr. Posio stated that copies of the Annual Report and Audited Financial Statements of the Corporation for the year ended 31 December 2024 were distributed and made available to the stockholders present and that the same formed part of the Definitive Information Statement submitted to the SEC and PSE.

After the presentation of Mr. Posio, the Chairman solicited comments and questions from the stockholders. There being none, upon motion made and duly seconded, the following resolution was adopted and approved by the stockholders:

> RESOLVED, that the Annual Report and Audited Financial Statements of the Corporation for year ended 31 December 2024 be as it is hereby approved.

As tabulated, the votes for the adoption of the foregoing resolution are as follows:

Number of Voted Shares	For	Against	Abstain
114,274,422	114,274,422	0	0

7. Ratification and Confirmation of Corporate Acts, Resolutions and Proceedings of the Board of Directors and of Management from 19 September 2024 to 18 September 2025

As requested by the Chairman, Ms. Lesley Anne C. Mondez of Quisumbing Torres Law Firm gave a rundown of the resolutions, corporate acts and proceedings adopted or taken by the Board and management from 19 September 2024 to 18 September 2025 for ratification. A copy of the summary is provided in **Annex "C"** of these Minutes.

The Chairman solicited comments and questions from the stockholders. There being none, upon motion made and duly seconded, the following resolution was adopted and approved by the stockholders:

> RESOLVED, that the corporate acts, resolutions, and proceedings taken by the Board of Directors and Management, as recorded in the books and corporate records from the date of the last annual stockholders' meeting (19 September 2024) up to the date of the present meeting (18 September 2025) are hereby approved, confirmed, and ratified.

As tabulated, the votes for the adoption of the foregoing resolution are as follows:

Number of Voted Shares	For	Against	Abstain
114,274,422	114,274,422	0	0

8. Election of Directors for 2025-2026

The Chairman declared the table open for nominations for the election of the members of the Board of Directors of the Corporation for the term 2025-2026.

The following persons were nominated:

1. FLORENTINO M. HERRERA III
2. DAVID WANG
3. ALAN TSAI
4. MA. BELINA B. MARIANO
5. BING CHANG
6. EVELYN LIM FORBES
7. AMY HUANG
8. MARIALEN C. CORPUZ
9. CONSOLACION A. SANCHEZ (INDEPENDENT DIRECTOR)
10. SAMUEL V. TORRES (INDEPENDENT DIRECTOR)
11. EDMUNDO A. ONG (INDEPENDENT DIRECTOR)

There being no other nominees, the Chairman directed the Assistant Corporate Secretary to cast all votes in favor of the nominees. For the record, the votes cast were as follows:

Nominee	Votes
Florentino M. Herrera III	114,274,422
David Wang	114,274,422
Alan Tsai	114,274,422
Ma. Belina B. Mariano	114,274,422
Bing Chang	114,274,422
Evelyn Lim Forbes	114,274,422
Amy Huang	114,274,422
Marialen C. Corpuz	114,274,422
Consolacion A. Sanchez (Independent Director)	114,274,422
Samuel V. Torres (Independent Director)	114,274,422
Edmundo A. Ong (Independent Director)	114,274,422

Thereafter, the following stockholders were declared as directors of the Corporation for the ensuing year and until their successors shall have been duly elected and qualified:

1. FLORENTINO M. HERRERA III
2. DAVID WANG
3. ALAN TSAI
4. MA. BELINA B. MARIANO
5. BING CHANG
6. EVELYN LIM FORBES
7. AMY HUANG
8. MARIALEN C. CORPUZ
9. CONSOLACION A. SANCHEZ (INDEPENDENT DIRECTOR)
10. SAMUEL V. TORRES (INDEPENDENT DIRECTOR)
11. EDMUNDO A. ONG (INDEPENDENT DIRECTOR)

9. Appointment of External Auditor for the year 2025-2026

The Chairman informed of the need to re-appoint the present external auditor of the Corporation, SyCip Gorres Velayo & Co. ("**SGV**"). There being no objection, upon motion made and seconded, the following resolution was adopted and approved by the stockholders:

> RESOLVED, that SyCip Gorres Velayo & Co. (SGV) is hereby re-appointed as external auditor of the Corporation for the term 2025 to 2026.

As tabulated, the votes for the adoption of the foregoing resolution are as follows:

Number of Voted Shares	For	Against	Abstain
114,274,422	114,274,422	0	0

9. Ratification of approval of retention of Ms. Consolacion Sanchez as an independent director

The Chairman proceeded to the next item in the agenda which is the ratification of the approval to extend the term of Ms. Consolacion A. Sanchez as independent director. The Chairman explained to the stockholders that the retention of Ms. Sanchez as an independent director was endorsed by the Nomination Committee in a meeting held on 14 August 2025 and approved by the Board of Directors in a meeting held on the same date, subject to ratification by the stockholders. The Nomination Committee and the Board of Directors justified the retention of Ms. Sanchez as independent director given her leadership, expertise and knowledge of the business operations of the Corporation.

The Chairman solicited comments from the stockholders There being none, upon motion made and duly seconded, the following resolution was adopted and approved by the stockholders:

> RESOLVED, that the stockholders of the Corporation hereby approve, ratify, and confirm the retention of Ms. Consolacion A. Sanchez as independent director for the term 2025 to 2026 in light of her leadership, expertise and knowledge of the business operations of the Corporation.

As tabulated, the votes for the adoption of the foregoing resolution are as follows:

Number of Voted Shares	For	Against	Abstain
114,274,422	114,274,422	0	0

10. Opportunity Given to Stockholders to Ask Questions

The Chairman asked the stockholders if there were any questions regarding the matters discussed. However, there were no questions or inquiries from the stockholders.

11. Adjournment

The Chairman inquired if there were other matters that the stockholders would like to be taken up. There being none, upon motion made and duly seconded, the meeting was thereupon adjourned.

ATTEST:

[redacted]

FLORENTINO M. HERRERA III
Chairman of the Board

MA. BELINA B. MARIANO
Assistant Corporate Secretary

ANNEX "A"

FILSYN CORPORATION
ANNUAL STOCKHOLDERS' MEETING
18 September 2025

SUMMARY OF ATTENDANCE

PRESENT

	STOCKHOLDER	NO. OF SHARES
(a)	In person, via remote communication (Zoom application) or by proxy	114,274,422 (66.12%)
(b)	Total no. of shares issued and outstanding	172,819,683

NO.	STOCKHOLDERS' NAME	NO. OF SHARES	%	Named Proxy
1	TRANS-PACIFIC ORIENTAL HOLDINGS CO., INC.	63,578,181	36.79%	David Wang
2	FAR EASTERN INVESTMENT HOLDING LIMITED	45,065,670	26.08%	David Wang
3	MALAYSIA GARMENT MANUFACTURERS (PTE) LTD.	33,426,498[1]	N/A[2]	David Wang
4	CAPITAL STORAGE FACILITIES CORPORATION (FORMERLY: CAPITAL GARMENT CORPORATION)	484,398	0.28%	Joanna Q. Wu
5	PLLIM INVESTMENTS, INC.	2,894,000	1.67%	Joanna Q. Wu
6	PHIL. CARPET MANUFACTURING CORPORATION	2,063,581	1.19%	Joanna Q. Wu
7	LIPAVE MANAGEMENT CORPORATION	86,953	0.05%	Joanna Q. Wu
8	FLORENTINO M. HERRERA III	1,000	0.00%	--

[1] The 33,426,498 preferred shares of Malaysia Garment Manufacturers (Pte) Ltd. which are non-voting are not computed for purposes of determining quorum, which is limited only to voting shares.

[2] See footnote 1.

9	DAVID WANG	1	0.00%	--
10	AMY HUANG	49,999	0.03%	--
11	ALAN TSAI	50,000	0.03%	--
12	BING CHANG[3]	0	0.00%	--
13	EDMUNDO ONG[4]	0	0.00%	--
14	SAMUEL V. TORRES	1	0.00%	--
15	MARIALEN CORPUZ	636	0.00%	--
16	MA. BELINA B. MARIANO	1	0.00%	--
17	DAVID EDUARDO TY LIM	1	0.00%	Joanna Q. Wu
	TOTAL	**114,274,422[5]**	**66.12%**	

DIRECTORS

1. Florentino M. Herrera III (Chairman/President)
2. David Wang
3. Alan Tsai
4. Ma. Belina B. Mariano
5. Bing Chang
6. Amy Huang
7. Marialen C. Corpuz
8. Consolacion A. Sanchez (Independent Director)
9. Samuel V. Torres (Independent Director)
10. Edmundo A. Ong (Independent Director)

OFFICERS

1. Apolinario L. Posio – Executive Vice President-Chief Financial Officer
2. Ma. Belina B. Mariano – Assistant Corporate Secretary
3. Le Iris T. Lucido – Interim Compliance Officer

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[3] The transfer of Mr. Chang's one (1) qualifying share from Alan Tsai is being processed.
[4] The transfer of Mr. Ong's one (1) qualifying share from Alan Tsai is being processed.
[5] Excludes 33,426,498 preferred shares of Malaysia Garment Manufacturers (Pte) Ltd. which are non-voting.

ANNEX "B"

FILSYN CORPORATION
MANAGEMENT REPORT FOR THE YEAR 2024

Filsyn Corporation ("Corporation") continues to derive its income mainly from leasing warehouses and commercial spaces. The Corporation continues to derive from its leasing operation, sufficient income to cover all of the Corporation's operating and miscellaneous expenses.

The Sta. Rosa property, which is the biggest asset of the Corporation, has a fair market value ("FMV") of Php11,500.00 per square meter, as determined by an independent appraiser for the period ended December 31, 2024. Compared to last year's FMV of Php10,800.00 per square meter, there was an increase of Php700.00 per square meter. The property has now a FMV of about Php3,450.21 million, more or less.

The General Mariano Alvarez ("GMA") property's FMV likewise increased, although slightly, to Php4,200.00 per square meter from Php3,700.00 per square meter last year as determined by the same independent appraiser for the period ended December 31, 2024. The total FMV of the property is now about Php683.41 million, more or less.

Based on the Corporation's Audited Consolidated Financial Statements for the year ended December 31, 2024, Total Assets amounted to Php1,974.74 million while Total Current Liabilities amounted to Php1,106.09 million.

On June 19, 2024, the Corporation received an Order from the Securities and Exchange Commission ("SEC") lifting the Order of Revocation of the Effectivity of the Corporation's Registration of Securities and Permit to Sell Securities to the Public issued by the SEC on August 26, 2002.

The Corporation received The Philippine Stock Exchange, Inc.'s ("PSE") Notice dated December 4, 2024, regarding the lifting of the trading suspension effective December 6, 2024 at 9:00 a.m., following the SEC's Order lifting the Suspension Order, the Corporation's submission of its Comprehensive Corporate Disclosure and its compliance with the requirements under the PSE's rules.

The Corporation can now focus on the (i) real estate development of its Sta. Rosa property located in Sta. Rosa City, Laguna and its GMA property located in Cavite; and (ii) operations and expansion of its subsidiary, FYN Green PET Corporation ("FYGP"). FYGP was incorporated on 6 June 2019 to engage in the business of recycling of waste Polyethylene Terephthalate (PET) bottles into resin to be used as feedstock for manufacture of filament and food grade chip. FYGP, registered with Philippine Economic Zone Authority as an Export Ecozone Enterprises, commenced its commercial operations in May 2023.

ANNEX "C"

Ratification and Confirmation of Corporate Acts, Resolutions and Proceedings of the Board of Directors and of Management from 19 September 2024 to 18 September 2025

A. Special Meeting of the Board of Directors on 19 September 2024

1. Approval of the Minutes of the Special and Organizational Meetings of the Board of Directors from 6 October 2023 to 12 July 2024;
2. Discussion on management report for year 2023;
3. Approval of the Corporation's dividend policy;
4. Approval of the Corporation's mission and vision, and core values;
5. Update on Corporation's relisting with the Philippine Stock Exchange, Inc. ("PSE");
6. Update on cases against Noli Madrid and Ontop Realty Development Corporation;
7. Update on the Corporation's Bureau of Internal Revenue ("BIR") tax case / audit;
8. Approval to retain Ms. Consolacion Sanchez as independent director for year 2024 to 2025;
9. Authority of the Corporation to enter into lease contracts and designation of Apolinario L. Posio as authorized signatory;
10. Approval of the schedule of the 2025 annual stockholders' meeting and conduct of annual stockholders' meeting via remote communication;
11. Appointment of Mr. David Wang as the proxy of the Corporation for the 2024 Annual Stockholders of FYN Green PET Corporation; and
12. Approval of the authorization of proxy of Island King Aquaventures Corp. with the President as the signatory.

B. Organizational Meeting of the Board of Directors on 19 September 2024

1. Certification of Election of Directors for the Year 2024-2025;
2. Election of Corporate Officers;
3. Election of Members of the Various Committees; and
4. Filing of the General Information Sheet for the Year 2024.

C. Special Meeting of the Board of Directors on 28 November 2024

1. Approval of the Minutes of the Special Meeting of the Board of Directors held 19 September 2024 and the Minutes of Organizational Meeting of the Board of Directors held on 19 September 2024; and
2. Approval of engagement of SyCip Gorres & Velayo to assist the Corporation in handling its audit investigation by the Bureau of Internal Revenue ("BIR") for all internal revenue taxes for the period starting 1 January 2022 to 31 December 2022.

D. Special Meeting of the Board of Directors on 29 April 2025

1. Approval of the Minutes of the Special Meeting of the Board of Directors held 28 November 2024;
2. Approval of 2024 Audited Financial Statements of the Corporation;
3. Approval of the 2024 Annual Report of the Corporation;

ANNEX "E"

PROXY

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, a stockholder of **FILSYN CORPORATION** (the "Corporation")hereby constitutes and appoints _____ or in his/her absence, the Chairman of the meeting, with power of substitution, to be his/her/its true and lawful Attorney, agent, and proxy to attend and represent the undersigned and to vote all shares registered in his/her/its name on the books of the Corporation or owned by the undersigned, at the Annual Stockholders' Meeting of the Corporation on Tuesday, 26 May 2026, at 4:00 P.M. through remote communication via Zoom, and any adjournments thereof for the purpose of acting on the following matters:

Matters		Votes Taken		
		For	Against	Abstain
1.	Consideration and approval of the Minutes of the Annual Stockholders' Meeting held on 18 September 2025			
2.	Consideration of the Management Report for the year ended 2025			
3.	Consideration and approval of the Annual Report/Audited Financial Statements for the year ended 31 December 2025			
4.	Amendments to the Articles of Incorporation a) Second Article (Change in the Primary Purpose to Real Estate Related Activities) b) Sixth Article (Reduction in the Number of Directors from thirteen (13) to ten (10)) c) Seventh Article (Declassification of Common Shares)			
5.	Amendment to Article IV, Section 2 of the By-Laws (Reduction in the Number of Directors from thirteen (13) to ten (10))			
6.	Ratification and Confirmation of Corporate Acts, Resolutions and Proceedings of the Board of Directors and of Management from 18 September 2025 to 26 May 2026			

Matters		Votes Taken		
		For	Against	Abstain
7.	Election of Directors			
	a. Florentino M. Herrera III			
	b. David Wang			
	c. Alan Tsai			
	d. Amy Huang			
	e. Evelyn L. Forbes			
	f. Ma. Belina B. Mariano			
	g. Marialen C. Corpuz			
	h. Samuel V. Torres (*Independent Director*)			
	i. Edmundo A. Ong (*Independent Director*) j. Tieng Jwei Chang (*Independent Director*)			
8.	Appointment of Sycip Gorres Velayo & Co. as External Auditor for 2026 – 2027			

At their discretion, the proxies named above are authorized to vote upon such other matters as may properly come before the meeting.

_____ _____

Date *Printed Name of Stockholder*

_____

Signature of Stockholder/ Authorized Signatory

This proxy should be received by the Corporate Secretary **on or before 19 May 2026**, the deadline for submission of proxies.

This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted "for" the election of all nominees and for the approval of the matters stated in the Agenda and for such other matters as may properly come before the meeting in the manner described in the information statement and/or as recommended by the Board of Directors or Management.

A proxy submitted by a corporation should be accompanied by a Corporate Secretary's Certificate quoting the board resolution designating a corporate officer to execute the proxy. Proxies executed by brokers must be accompanied by a certification under oath stating that the broker has obtained the written consent of the account holder.

A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the stockholder attends the meeting in person and expresses his intention to vote in person.

WE ARE NOT SOLICITING YOUR PROXY

COVER SHEET

MA-045

	3	5	8	4	1

SEC Registration Number

F	I	L	S	Y	N			C	O	R	P	O	R	A	T	I	O	N		A	N	D			
	S	U	B	S	I	D	I	A	R	I	E	S														

(Companyt's Full Name)

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1	4	6		V	A	L	E	R	O		S	T	.		M	A	K	A	T	I		C	I	T	Y	

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

Mr. Apolinario L. Posio

Contact Person

(02) 8652-5167

Company Telephone Number

SEC FORM 17-A
DECEMBER 31, 2025

1	2

Month

3	1

Day

Fiscal Year

Month

Day

Annual Meeting

Not Applicable

Secondary License Type, if Applicable

Dept. Requiring this Doc.

Not Applicable

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = please Use Black Ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended : **December 31, 2025**

2. SEC Identification Number : **35841**

3. BIR Tax Identification No. : **000-158-664-000**

4. Exact name of issuer as specified in its charter : **FILSYN CORPORATION**

5. **Makati City, Philippines** 6. [ ] (SEC Use Only)
Province, Country or other jurisdiction of incorporation or organization
Industry Classification Code:

7. **Unit 8 5B/F Pearlbank Center, 146 Valero Stree, Salcedo Village, Makati City**
Address of principal office

1227
Postal Code

8. **(+632) 8652-5167**
Issuer's telephone number, including area code

9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common and Preferred Stock Outstanding and Amount of Debt Outstanding
CLASS A COMMON	123,747,707
CLASS B COMMON	49,071,976
PREFERRED	33,426,498

11. Are any or all of these securities listed on a Stock Exchange.

Yes [/] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:
PHILIPPINE STOCK EXCHANGE - Common A and Common B

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [/] No [ ]

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

Yes [/] No [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B"). – **N/A**

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes [/] No [ ]

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

(a) Any annual report to security holders; **N/A**

(b) Any information statement filed pursuant to SRC Rule 20; **N/A**

(c) Any prospectus filed pursuant to SRC Rule 8.1. **N/A**

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

(a) Business Development

Filsyn Corporation ("Corporation") was organized in 1968 as Filipinas Synthetic Fiber Corporation to promote and support the polyester fiber and yarn requirements of the country's textile industry. It was registered with the Board of Investments in 1969 with a preferred and pioneer status. It went full-scale commercial operation in November 1971.

The Corporation changed its name to Filsyn Corporation in 1987 to reflect its wider range of activities. To date, it has investments in FYN Green PET Corporation, a manufacturing company, Island King Aquaventures Corporation, an aquaculture company, and SRTC Development Corporation, as real estate company.

In August 1989, the Corporation concluded an Investment Agreement with Far Eastern Textile Ltd. ("FETL"), a leading polyester manufacturer in Taiwan. The Agreement was not only limited to equity investment but also covered technical assistance, cooperation and marketing support.

The Corporation undertook various modernization programs and product development over the years. However, development related to domestic textile industry was not encouraging. Since the implementation of the import liberalization program of the government in 1995, the textile industry experienced excess capacity coupled with high production costs and financing costs. The Corporation suffered great financial turmoil aggravated by a labor strike in October 1996. Even after the settlement of the strike in September 1997, production has not resumed. The Corporation 's operations since then, were limited to the disposal of old inventories, machineries and equipment, as well as sale of scrap materials and parts, plus acting as sales agent for FETL and other entities in the support of textiles in the Philippines. At present, the Corporation's sources of funds consist mainly of proceeds from warehouse rental lease income.

On December 14, 1998, the Corporation entered into an agreement with its various bank creditors and a supplier/shareholder to restructure its overdue and outstanding unsecured obligations amounting to PhP988 Million that included interests accrued up to April 30, 1998. Under the agreement, the Corporation agreed to give a second mortgage over some of the properties covered by the first Mortgaged Trust Indenture ("MTI") to secure the payment of the said restructured obligations in exchange for the cessation of accrued interest after April 30, 1998. Negotiations are on-going with the MTI creditors in efforts to either finally settle the Corporation's debt or to have the MTI extended for a renewed term. The first alternative will see the Corporation paying off the loans with an amount significantly lower than the total outstanding obligation, but acceptable to all parties concerned as the final payments. Should negotiations in this direction fail, management intends to pursue its request for extension of the MTI to stave off foreclosure of the mortgage. The Corporation's MTI agreement remains in effect in the absence of formal termination notice from the creditors which was supposed to be expired in December 2003.

On December 10, 2009, the Board of Directors ("BOD") of the Corporation approved to offer the Corporation's property in Sta. Rosa, Laguna as dacion in payment of the entire obligation to CTBC Bank Phils. Corp. ("Chinatrust"), and in case of the latter's acceptance, to offer to manage the property in trust, in consideration of management fees and trustee fees, until such time as may be agreed by the parties.

On November 2, 2010, Chinatrust accepted the proposal of the Corporation to fully settle its outstanding loan obligation to P1.2 billion through the Sta. Rosa property as dacion in payment. Chinatrust agreed that the Corporation shall not be liable for any deficiency between the amount of the outstanding loan obligation and the value of the Sta. Rosa property. The parties have not yet formally executed the "Dacion En Pago" arrangement.

In 2002, the Securities and Exchange Commission ("SEC") has issued an Order of Revocation of the Corporation's Registration of Securities and Permit to sell Securities to the public. On February 2005, the SEC acknowledged the Corporation's full payment of the penalties for the reportorial violations.

On October 24, 2016 , the PSE has issued a letter to the Corporation on the subject: Negative Stockholders' Equity and SEC Order of Revocation requesting for update on the following items:

- Settlement of outstanding loan obligations amounting toP1.2 billion through the Sta. Rosa property as dacion;
- Discussions/negotiations with real estate companies for potential joint venture arrangement over the property to develop the 30 hectares (ha.) property located at Sta. Rosa, Laguna;
- Discussions/negotiations regarding the sale of the property located in Gen. Malvar Alvarez, Cavite City; and
- SEC Order of Revocation dated August 26, 2002.

On December 12, 2016, the Corporation responded to the PSE that discussions are ongoing on the first three (3) items above with the appropriate parties. Should the ongoing discussions on the abovementioned items be not fruitful, the Corporation will invite an investor to join them in developing the Sta. Rosa property. Management believes that the development of the land will increase its value and bring the Corporation's equity from negative to positive.

In September 2017, the BOD and stockholders of the Corporation approved a business plan, which consists of the following phases:

- Financial restructuring subject to Philippine SEC approval;
- Development of the Sta. Rosa property; and
- A new business activity of recycling Polyethylene Terephthalate (PET) to be registered with the Philippine Economic Zone Authority

On February 18, 2018, the Commission en Banc has resolved to lift the Order of Revocation. The lifting of the Order of Revocation directed the Corporation to amend its Registration Statement to reflect any prior changes prior to restatement of its registration statement and permit to sell securities.

At the special meeting of the BOD and in the Annual Stockholders' meeting of Filsyn Corporation both held on September 20, 2018 at least majority of the directors and stockholders of the Corporation decided the following:

1. Approved the Amended Registration Statement and designated the officers authorized to sign the Amended RegistrationStatement, namely: Mr. Jaime M. Sto. Domingo, President, Mr. David Wang, Executive Vice President & Chief Finance Officer, Mr. Emmanuel C. Paras, Corporate Secretary and Mr. Apolinario L. Posio, Senior Vice President – Accounting and Auditor and Compliance Officer;

2. Authorized the filing of the Amended Registration Statement of the Company with the SEC

3. Approved the Amendment of Seventh Article of the AOI of the Company to reflect the following:

   i. Reduction of par value from PhP5.00 per share toPhP2.50 per share;

   ii. Creation of Preferred Shares with the following features:

   - Pre-Emptive Right – Right to subscribe to the same proportion of shares in case of issuance ofnew shares;

   - Preference in Distribution of Dividends – Right to receive fixed dividends (5% of total debt converted, namely PhP1,318,316,337.00), cumulative dividends and right to receive profit-participating stocks

   - Veto Right - Right to veto the development of Sta. Rosa Property such that the development project of said land must be approved by Preferred shareholders;

   - Exercise of Voting Right - The Preferred Shareholders shall not have a right to vote, except on matters specified in Section 6 of the Corporation Code of the Philippines and those relative to the development of the Sta. Rosa Property; and

   - Convertible to Common Shares - Right to convert preferred shares to common Class B shares using 16.78:1 conversion ratio; and

   iii. Reclassification of 33,426,498 Common (Class B) to Preferred shares

4. Approved the Conversion of Debt to Additional Paid-In Capital which will be reserved for the Conversion of Preferred shares to Common shares;

5. Authorized the filing of the Amended Articles of Incorporation of the Company and other documentary requirements with the SEC; and

6. Approved the incorporation of a wholly-owned subsidiary of the Company for its PET Recycling plant Project in a Philippine Economic Zone Authority ("PEZA") location.

On July 23, 2019, the Corporation filed its application for amendment of AOI with the SEC. On September 25, 2019, The SEC provided their initial comments on the application for amendment of AOI.

On November 11, 2021, the BOD approved the further amendments in the Seventh Article of the AOI which revoked and superseded September 21, 2018 resolutions approving the amendments to the Seventh Article of the AOI. The BOD approved the following:

1. Decrease in Authorized Capital Stock and Reclassification or Conversion of 33,426,498 Class B Shares into 33,426,498 Preferred Shares

   This includes the following approvals of the BOD:
   a. Reduction in the par value of all common shares from P5.00 per share to P0.50 per share,
   b. Decrease in the authorized capital stock from P1,200,000,000 to P120,000,000, and
   c. Classification of capital contributed in excess of the reduced par value as additional paid in capital
   d. Reclassification of the 33,426,498 Class B common shares held by Malaysia Garment Manufacturers (Pte) Ltd. (Malaysia Garments), a company incorporated in Singapore and a related party, into 33,426,498 Preferred Shares with the following features:
      i. Preemptive Right – The Preferred Shareholders shall have preemptive rights to subscribe to new shares in proportion to their respective shareholding ratios
      ii. Dividends – The Preferred Shareholders shall bear preferential dividends at the rate of 5% per annum of total debt converted in the amount of P1,389,961,828.
      iii. Exercise of Voting Right – The Preferred Shareholders shall not have a right to vote, except on matters specified in Section 6 of the Revised Corporation Code of the Philippines and those relative to the development of the Sta. Rosa Property; and
      iv. Convertibility – The Preferred Shareholders shall, at their option, have the right to convert their preferred shares to common shares using 16.78:1 conversion ratio at P0.50 per share.

2. Increase in Capital Stock

   The BOD approved the increase of the Corporation's authorized capital stock from P120,000,000 to P647,306,477 which consists of:
   a. 440,229,812 Class "A" common shares with par value of P0.50 per share, or an aggregate par value of P220,114,906;
   b. 293,486,507 Class "B" common shares with a par value of P0.50 per share, or an aggregate par value of P146,743,253.50; and
   c. 33,426,498 Preferred Shares, with a par value of P8.39 per share (increased from P0.50), or an aggregate par value of P280,448,318, with Malaysian Garments subscribing to the increase in the par value of the 33,426,498 Preferred Shares amounting to P263,735,069 by way of converting debt owed to it by the Corporation as of December 31, 2020 amounting to P1,389,961,828 to equity, with the excess of the debt over the par value of preferred shares recorded as Additional Paid In Capital

The BOD also approved the subscription by Malaysia Garments Manufacturer Pte. Ltd. ("Malaysian Garments") to the increase in the par value of the 33,426,498 Preferred Shares, and the conversion of debt owed to it by the Corporation as of December 31, 2020 amounting to P1,389,961,828 to equity as payment for the aforesaid 33,426,498 Preferred Shares with the excess of the debt over the par value of preferred shares recorded as Additional Paid In Capital.

3. Use of Additional Paid in Capital to Wipe Out Deficit

   The BOD approved the use of the Additional Paid-In Capital resulting from: (a) the existing Additional Paid in Capital; (b) the decrease of capital through the reduction of par value; and (c) the conversion of the existing liability to Malaysian Garments to wipe out all the accumulated deficit of the Company.

On November 11, 2021, management filed the final restructuring project to SEC. Prior to submission of the project, management has already agreed the conversion of debt with its creditors and legal counsel. Management is securing all the necessary documents such as Deed of assignment to creditor and Director's certificate to support the final restructuring by SEC.

On May 30, 2022, a deed of assignment on the loan was entered between Malaysia Garment and the Corporation in which the former unconditionally and irrevocably assigns, cedes, transfers and conveys unto Corporation all of its title, right and interests to receive the payment for the debt as payment for the subscription price, thereby converting the debt into equity.

In addition, the related parties, Malaysia Garments and Trans-Pacific Oriental Holding Company, Inc. (Trans-Pacific), have undertaken to support the Corporation financially by not demanding payment of loans due to the former. Accordingly, the financial statements have been prepared on a going concern basis.

On March 29, 2023, management completed all the aforementioned documents required by the SEC.

On April 4, 2023, the Corporation was notified by the SEC that it is ready to issue its assessment on the planned restructuring project upon issuance of the SEC-Markets and Securities Regulation Department (MSRD) clearance. Thereafter, a Payment Request Form will then be issued to the Company, which will signify acceptance of the SEC on the application to proceed with filing.

On June 26, 2023, the SEC approved simultaneously the Corporation's amendments to the Articles of Incorporation, decrease/increase in authorized capital stock and equity restructuring. With the SEC approval, the Parent Company can now focus on the operations and expansion of its subsidiary, FYN Green PET Corporation (FYGP), and the development of its thirty (30)-hectare property located in Sta. Rosa City, Laguna.

On June 19, 2024, the Corporation received an Order from the SEC lifting the Order of Revocation of the Effectivity of the Corporation's Registration of Securities and Permit to Sell Securities to the Public issued by the SEC on August 26, 2002.

Notice of Involuntary Delisting

On February 3, 2023, the Corporation received a Notice of Involuntary Delisting from the Philippine Stock Exchange (PSE).

On April 3, 2023, representatives of the Corporation participated in a hearing conducted by the Exchange relating to the involuntary delisting proceedings involving the Corporation. The Corporation then requested the Exchange that the involuntary delisting proceedings be suspended; and it be allowed to complete the requirements for its amended registration statement and application for the financial restructuring plan with the Securities and Exchange Commission until the end of 2023.

The grounds for the initiation of involuntary delisting proceedings involving Corporation are due to the (a) revocation of its registration of securities and permit to sell securities; and (b) negative stockholders' equity.

In the said hearing, the Corporation raised the following arguments:

a. There was no obstinate refusal on the part of the Corporation to comply with the directives of the Exchange and the Securities and Exchange Commission ("SEC").
b. The Company, in utmost good faith, exerted serious efforts to comply with the SEC directives. All the corporate actions of Company on the matter were timely and promptly disclosed to the Exchange.
c. The SEC-Markets and Securities Regulation Department ("MSRD") will only act on the Corporation's amended registration statement after the approval of the Corporation's financial restructuring plan being reviewed by the SEC-Financial Analysis and Audit Division ("FAAD").
d. The Corporation will file its amended registration statement after it secures the SEC's approval of its financial restructuring plan. Thereafter, the Corporation will request SEC-MSRD to issue the corresponding Order Lifting the Order of Revocation dated August 26, 2002 against the Corporation.
e. The conversion of the Corporation's obligation to one of the Corporation's major creditors, Malaysia Garment Manufacturers Pte. Ltd, amounting to One Billion Three Hundred Eighty-Nine Million Nine Hundred Sixty-One Thousand Eight Hundred Twenty-Eight Pesos (P1,389,961,828.00) into equity has effectively wiped-out the deficit amounting to Six Hundred Eighty-Nine Million Thirty-One Thousand One Hundred Forty-Six Pesos (P89,031,146.00). The debt-to-equity conversion is part of the financial restructuring plan being carried out by the Corporation. The deficit would have been wiped-out had the SEC-FAAD approved the Corporation's financial restructuring plan.
f. The involuntary delisting will be prejudicial to the Corporation's stockholders who have been expecting that the trading suspension will be lifted soon and the financial restructuring plan approved in light of the actions being actively undertaken by the Corporation.
g. In 2019, parallel to its efforts to solve its capital deficiency, the Corporation incorporated FYN Green PET Corporation ("FYGP"), a 100% wholly owned subsidiary, to provide cash flow and steady stream of revenues. FYGP will commence its commercial operations in May 2023.

The Corporation therefore requested the Exchange that the involuntary delisting proceedings be suspended; and it be allowed to complete the requirements for its amended registration statement and application for the financial restructuring plan with the Securities and Exchange Commission until the end of 2023.

On May 2, 2023, the Corporation received the PSE's *Letter-Decision* dated April 28, 2023 granting the Corporation's request to:

(1) Suspend the involuntary delisting proceedings against the Corporation; and

(2) Allow the Corporation until December 29, 2023 to complete the requirements of the SEC to amend its registration statement and its application for its financial restructuring plan, thereby obtaining (a) an effective registration of securities and permit to sell securities with the SEC and (b) attaining a positive stockholders' equity.

The Corporation requested for an extension from the PSE for its December 29, 2023 deadline to complete the SEC requirements relating to the Corporation's application for the approval of its Amended Registration Statement.

The PSE, in its Letter dated January 31, 2024, granted the Corporation's request for a six (6)-month non-extendible extension or until June 26, 2024 to complete the requirements of the SEC and obtain an effective registration of securities and permit to sell securities with the SEC; and (ii) to maintain the suspension of the involuntary delisting proceedings against the Corporation until the issuance of SEC's decision on the Corporation's application for the approval of its Amended Registration Statement or until June 26, 2024 whichever is earlier.

The Corporation received a Notice from PSE dated December 4, 2024, announcing the lifting of the trading suspension effective December 6, 2024. Considering that the trading of the Corporation's shares was suspended since September 25, 2002, the static threshold for the Corporation was lifted upon the resumption of the trading of the Corporation's shares.

(b) Business of Issuer

Filsyn's operations evolved from purely polyester manufacturing into being involved in various activities that include trading of polyester products.

Products

The Company under normal operations sells the following products:

Product Type	End Use
Polyester Draw Textured Yarn (DTY)	Knitting
Air-Mingled Yarn (AMY)	Weaving Knitting
Staple Fiber (SF)	Cotton/Rayon Blending
Pre-Oriented Yarn (POY)	Texturizing

Polyester Fiber and yarn are sold to domestic end-users as well as to the export market. PET Bottles and Pre-form are sold in the domestic market.

Filsyn's raw material inputs are mainly imported.

On 4 December 1996, the Corporation was forced to cease its manufacturing operations in view of a crippling labor strike. Even after the settlement of the strike in September 1997, production has not resumed.

At present, the Corporation's sources of funds still consist mainly of rental income.

Item 2. Properties

Filsyn manufacturing plant then is located on a 30-hectare in site in Sta. Rosa City, Laguna. The nearby areas are being developed into prime industrial estates. Foremost among them is the Ayala-Mitsubishi project, the Laguna Techno-park.

Among the companies that has located their operations in the area are Coca-Cola Far East, Toyota, Mitsushita, Fujitsu, and United Laboratories. Residential subdivisions are also being developed in the area such as Ayala's Sta. Rosa and SanJose Villages, Sta. Rosa Estate and Laguna Bel-Air.

The Corporation also owns a 16.3-hectare land in Gen. Mariano Alvarez(GMA), Carmona, Cavite. The area is likewise part of the proposed Cavite-Laguna-Batangas-Rizal-Quezon (CALABARZON) area, which will be developed for industrial and industrial support user. Residential subdivisions as well as golf courses such as Southwoods is adjacent to the property.

Another subsidiary, Island King Aquaventures Corporations owns a 150-hectare real estate property in Pontevedra, Capiz.

Item 3. Legal Proceedings

The Corporation has a pending Petition for Review relating to the claims of the Bureau of Internal Revenue for deficiency taxes which was filed by the Corporation with the Court of Tax Appeals on March 7, 2025. The Third Division of the Court of Tax Appeals (CTA) set the Pre-Trial of the Corporation's CTA Case No. 11789 on 14 May 2026, at 9:00 a.m. Considering that the BIR did not accept the offer of compromise, the Corporation will proceed to litigate the matter on its merits.

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

There following matters were submitted during the year to the security holders for a vote:

a. Consideration and approval of the Minutes of the Annual Stockholders' Meeting held on 19 September 2024;
b. Consideration of the Management Report for the year ended 2024;
c. Consideration and approval of the Annual Report/Audited Financial Statements for the year ended December 31, 2024;
d. Ratification and Confirmation of Corporate Acts, Resolutions and Proceedings of the Board of Directors and of Management from 19 September 2024 to 18 September 2025;
e. Election of Directors for 2025 – 2026;
f. Appointment of External Auditor for the year 2025 – 2026; and
g. Ratification of approval of retention of Ms. Consolacion Sanchez as an independent director;

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrant's Common Equity and Related Stockholder Matter

(a) Market Price of and Dividends on Registrant's Common Equity andRelated Stockholder Matters.

(1) Market Information

FILSYN is registered with the Philippine Stock Exchange (PSE).

Common shares outstanding which is listed with the PSE as of December 31, 2025 is 172,819,683.

(2) Holders

The Corporation's total number of shareholders as of December 31, 2025 is 516.

The top 20 common (A and B) and preferred shareholders and their number of shares held are as follows:

TOP 20 SHAREHOLDERS

Class A Common Shares
As of December 31, 2025

STOCKHOLDER'S NAME	Outstanding and Issued Shares (Fully Paid	Percentage To Total
Trans-Pacific Oriental Holding Co., Inc.	63,578,181	36.79
Development Bank of the Philippines	10,256,409	5.94
PCD Nominee Corporations (Filipino)	9,100,829	5.27
National Development Company	6,814,453	3.94
Equitable Banking Corporation	6,564,103	3.80
Security Bank & Trust Company	4,648,924	2.70
Lepanto Consolidated Mining Co., Inc.	4,081,651	2.36
PLLim Investments, Inc.	2,894,000	1.68
Pan Malayan Mgt. & Investments Corp.	2,393,658	1.39
Phil. Carpet Manufacturing Corp.	2,063,581	1.19
Abundance Providers & Entrepreneurs Corp.	1,600,807	0.93
Equitable Development Corporation	772,305	0.45
Equitable Leasing Corporation	772,305	0.45
Laguna Estates Development Corp.	626,190	0.36
Rexlon Industrial Corporation	589,492	0.34
C.J. Yulo & Sons, Inc.	574,950	0.33
Capital Garment Corp.	484,398	0.28
La Tondena Incorporation	477,058	0.28
Lepanto Investments & Dev. Corp.	463,382	0.27

Palanca Investment & Trading Group Inc.	429,360	0.25
TOTAL	**119,186,036**	
Total Issued & Outstanding Common A Shares:	123,747,707	

Class B Common Shares
As of December 31, 2025

STOCKHOLDER'S NAME	Outstanding and Issued Shares (Fully Paid)	Percentage To Total
Far Eastern Investment Holding Limited	45,065,670	26.08
Toyo Menka Kaisha Ltd	1,844,568	1.07
Tomen Corporation	1,161,737	0.67
Hsu Shu Tong (Douglas Hsu)	450,000	0.26
Shih Jar Yi (Johnny Shih)	200,000	0.12
Lih The Chang	50,000	0.029
Chen Yu Cheng	50,000	0.029
Ting Chan Chen	50,000	0.029
Yu Hsien Tseng	50,000	0.029
Amy Huang	49,999	0.029
Cheng Lung Hu	49,999	0.029
Alan Tsai	49,998	0.029
David Wang	1	0.00
Donald K. Kwok	1	0.00
Consolacion Sanchez	1	0.00
Bing Chiou Chang	1	0.00
Total	**49,071,976**	

Total Issued & Outstanding Common B Shares:	49,071,976

Preferred Shares
As of December 31, 2025

STOCKHOLDER'S NAME	Outstanding and Issued Shares (Fully Paid	Percentage To Total
Malaysia Garment Manufacturers (Pte) Ltd.*	33,426,498	100
TOTAL	**33,426,498**	
Total Issued & Outstanding Preferred Shares:	33,426,498	

**Based on the approval of the SEC on 26 June 2023*

(3) Dividends

There was no dividend declaration during the last three (3) years.

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

This is contained in the attached Management Report.

Item 7. Financial Statements

The financial statements and schedules required are filed as part of this Form 17-A (Refer to the accompanying Index to Financial Statement and Supplementary Schedule).

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

There are no changes in and disagreements with accountant on accounting and financial disclosure.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

NAME	POSITION	NATIONALITY
FLORENTINO HERRERA III	Director	Filipino
DAVID WANG	Director	Chinese
SAMUEL V. TORRES	Independent Director	Filipino
EVELYN LIM-FORBES	Director	Filipino
MARIALEN C. CORPUZ	Director	Filipino
EDMUNDO ONG	Independent Director	Filipino
BING CHANG	Director	Chinese
ALAN TSAI	Director	Chinese
AMY HUANG	Director	Chinese
MA. BELINA B. MARIANO	Director	Filipino
CONSOLACION A. SANCHEZ	Independent Director	Filipino

CORPORATE OFFICERS

NAME	POSITION
FLORENTINO M. HERRERA III	Chairman and President
APOLINARIO L. POSIO	Executive Vice President / Chief Financial Officer
MARINELA C. SANTOS	Treasurer
MARY ROGELYN T. CABRERA	Corporate Secretary
MA. BELINA B. MARIANO	Asst. Corporate Secretary
LE IRIS T. LUCIDO	Compliance Officer (interim)

Atty. Florentino M. Herrera III is the Chairman and President of Filsyn Corporation. He is the founding partner of Herrera Teehankee & Cabrera Law Offices (established in 1986). He was formerly a Partner of one of the largest law offices in the Philippines. He has been engaged in the general practice of law for the past forty-nine (49) years specializing in corporate law practice as counsel for various companies. Among others, he is the Chairman of FYN Green PET Corporation and Chairman/President of Arpeggio International Resources Corporation. Atty. Herrera holds a Bachelor of Arts in Political Science degree and a Bachelor of Laws degree (Cum Laude, Salutatorian) both from the University of the Philippines.

Ms. Consolacion A. Sanchez is a Certified Public Accountant by profession. She graduated from the University of the East in November 1969 with the degree of Bachelor of Science in Business Administration Major in Accounting. She is at present a Director of Far Eastern International Garments, Inc. and Cemtex Apparel, Inc.

Ms. Marialen C. Corpuz is the current President and a Director of FYN Green PET Corporation and a former Vice President for Finance of Filsyn Corporation (1992 – 1997). She graduated from the University of the Philippines with the degree of Bachelor of Science in Business Administration, Major in Financial Management. She received her Master's Degree in Business Administration from the University of the Philippines in 1979**.**

Mr. Chien-Cheng Wang aka David Wang is the Chief Financial Officer of Far Eastern New Century Corporation. Mr. Wang received a Master's Degree in Business Administration from Mississippi State University. He is a director of Filsyn Corporation, Trans Pacific Oriental Holding Company, Inc. and FYN Green PET Corporation.

Atty. Samuel V. Torres is presently an Independent Director of Filsyn Corporation. He is presently the General Counsel of Pan Malayan Management & Investment Corporation of the Yuchengco Group of Companies. He also serves as the Corporate Secretary of various companies, i.e., House of Investments, Inc., iPeople, iNC., PetroEnergy Resources Corporation, Seafront Resources Corporation, Malayan Insurance Company, Inc., RCBC Bankard Services Corporation, RCBC Capital Corporation, RCBC Forex Brokers Corporation, RCBC Securities, Inc., Sun Life Grepa Financial, Inc. A. T. Yuchengco, Inc., A Y Foundation, Inc., Luisita Industrial Park Corp., Enrique T. Yuchengco, Inc. Investment Managers, Inc., Grepaland, Inc., Grepa Realty Holdings Corporation, GPL Cebu Tower Office Condominium Corp., Hexagon Integrated Financial & Insurance Agency, Inc., Hexagon Lounge, Inc., RCBC Land, Inc., RCBC Realty Corp., Malayan High School of Science, Inc., Malayan Education System, Inc., Malayan Colleges Mindanao (A Mapua School), Inc. (Operating as Mapua Malayan Colleges Mindanao), Malayan Colleges Foundation, Inc., Malayan Information Technology Center, Inc., Malayan Colleges Laguna, Inc A Mapua School operating under the name of Mapua Malayan Colleges Laguna (Formerly: Malayan Colleges Laguna, Inc., A Mapua School), Linc Institute, Inc., University of Nueva Caceres, Inc., National Teachers College, GPL Holdings, Inc., HI Cars, Inc., Hi-Eisai Pharmaceutical, Inc., La Funeraria Paz Sucat, Inc., Landev Corp., Pan Malayan Express, Inc., Pan Malayan Realty Corp., Philippine Advertising Agency, Inc., First Nationwide Assurance Corp., Malayan Insurance Co., Inc., MICO Equities, Inc., RCBC Trust Corporation, Tarlac Terra Ventures, Inc., and ATYC, Inc. He graduated from the University of the Philippines School of Economics with a degree in Bachelor of Science in Business Economics and took up Bachelor of Laws in the Ateneo de Manila University School of Law.

Mrs. Evelyn Lim-Forbes is currently the Executive Vice President & General Manager of Capital Storage Facilities Corporation; Vice-President of PLLIM Investments, Inc. and Director of Lipave Management Corporation. She attended - Asian Institute of Management (1974-1976); Georgetown University (1972-1974); New York University (Summer 1970); Bennet College Millbrook, New York (1968-1970); Assumption Convent, SLV (1956-1968).

Atty. Ma. Belina B. Mariano is presently a Director and the Assistant Corporate Secretary of Filsyn Corporation. She is also the Chairperson/President of Trans-Pacific Oriental Holding Company, Inc. since September 2017. She is a graduate of the Ateneo Law School and holds a Bachelor of Science degree Major in Mathematics and Physics from De La Salle University.

Mr. Min-Hsiung Tsai aka Alan Tsai is the Chief Administrative Officer of Far Eastern New Century Corporation. He is also a Director of Trans-Pacific Oriental Holding Company, Inc. Mr. Tsai received a Master's Degree in Operation Management and Laws Program for Executives from National Cheng Chi University in Taiwan.

Ms. Pei Tien Huang aka Amy Huang is presently a Senior In-House Counsel of Far Eastern Group's Legal Department. Ms. Huang received her double degree in Law and Business from Queensland University of Technology and was admitted as a member of Queensland Law Society in 2000. Before joining Far Eastern Group, Ms. Huang worked as a practicing lawyer in Australia.

Mr. Bing-Chiou Chang aka Bing Chang is the Executive Director of Intelligent Transformation, Far Eastern New Century Corporation. Mr. Chang received a Master's Degree in Industry Engineering from Yuan Ze University in Taiwan.

Mr. Edmundo A. Ong is presently an Independent Director of Filsyn Corporation. He is presently a Taiwan Desk Manager of Deloitte Taiwan and former of KPMG Taiwan. He was previously a Sales Manager at MJW Enterprise Co. Ltd., a Senior Manager at Gregorio Trading, a Country Global Account Manager at DHL Express (Taiwan) Corporation, and a Regional Business Development Manager at DHL International (HK) Ltd.. He graduated from De La Salle University with a degree in Bachelor of Science in Commerce, Major in Management of Financial Institutions.

Mr. Apolinario L. Posio is the Executive Vice President and Chief Finance Officer of Filsyn Corporation. He was formerly the Vice President-Finance & Accounting & Compliance Officer of Filsyn Corporation. He is also a Director/Treasurer of FYN Green PET Corporation, Chairman/President of Island King Aquaventures Corporation, Vice-Chairman/Director of Total Dev Multi-Purpose Cooperative, and Treasurer of Arpeggio International Resources Corporation. He is a Certified Public Accountant by profession. He graduated from the University of Santo Tomas with a degree of Bachelor of Science in Commerce Major in Accounting.

Atty. Mary Rogelyn T. Cabrera is the Corporate Secretary of Filsyn Corporation. Atty. Cabrera is a Senior Partner of Herrera Teehankee & Cabrera Law Offices. She has been engaged in the general practice of law for the past thirty-three (33) years, specializing in corporate law practice as counsel for various companies. Among others, she is the Corporate Secretary of Lufthansa Technik Philippines, Inc. and the Assistant Corporate Secretary of MacroAsia Corporation. She obtained her Bachelor of Arts degree in Political Science from the Ateneo de Manila University in 1988. She obtained her Juris Doctor degree from the Ateneo de Manila University School of Law in 1992. She was admitted to the Philippine Bar in 1993.

Ms. Marinela C. Santos is currently the Treasurer and the Head of Administration and Human Resource Department of Filsyn Corporation. She graduated from the College of the Holy Spirit in April 1972 with the degree of Bachelor of Science in Commerce, Major in Accounting.

Atty. Le Iris T. Lucido is currently the interim Compliance Officer of Filsyn Corporation. Atty. Lucido is a Senior Associate of Herrera Teehankee & Cabrera Law Offices. She graduated from the Ateneo de Manila University School of Law in 2024, from the Ateneo de Manila University with a degree of Master of Arts in Economics – Specialization in Money and Banking in 2010, and from the University of the Philippines –Los Baños in 2006 with a degree in Bachelor of Science in Economics – Major in Development Economics (*cum laude*).

There are no family relationships among the directors and executive officers of the Corporation.

The business experiences stated therein for each of the directors and officers were for the last five (5) years or so.

There is no director or officer who is connected with any government agencies or its instrumentalities.

Item 10. Executive Compensation

(1) Executives

Gross compensation to Executives is as follows:

(In Million	Pesos)
2022	0.9
2023	0.9
2024	1.2
2025	4.6

(2) Director's per diem is Php 24,000.00 per director for every annual stockholders' meeting and Php5,000.00 for every regular/special Board meeting. Directors' bonus may be declared during years when the Corporation reflects an income.

As of 31 December 2025, there were no bonuses and any other compensation received by the Directors and Executive Officers other than their regular compensation.

Item 11. Security Ownership of Certain Beneficial Owners and Management

1. Security Ownership of Certain Record and Beneficial Ownership as of December 31, 2025

Title of Class	Name and Address of Record/Beneficial Owner and Relationship with Issuer	Citizenship/ Place of Incorporation	Number of Shares Held	Percent of Class
Common	Trans-Pacific Oriental Holding Company, Inc. Unit 8, 5B Pearlbank Centre, 146 Valero Street, Salcedo Village, Makati City	Filipino	63,578,181	36.79%
Common	Far Eastern Investment Holding, Limited Claredon House 2. Church Street, Hamilton, HM11, Bermuda	Others	45,065,670	26.08%

The Corporation has no parent company which holds at least 51% of the total outstanding capital.

Trans-Pacific Oriental Holding Company, Inc. and Far Eastern Investment Holding, Limited are the record and beneficial owners of their respective shares of stock.

The persons who have the right to vote are Atty. Ma. Belina B. Mariano for Trans-Pacific Oriental Holding Company, Inc. and Mr. David Wang for Far Eastern Investment Holding Limited.

2. Security Ownership of Directors and Management as of December 31, 2025

Title of Class	Name of Beneficial Owner	Number of Shares	Position	Citizenship	Percent of Class
Common	Florentino M. Herrera III	1,000	Director/ Chairman & President	Filipino	0.00%
Common	Amy Huang	49,999	Director	Chinese	0.03%
Common	Marialen C. Corpuz	636	Director	Filipino	0.00%
Common	Alan Tsai	49,998	Director	Chinese	0.03%
Common	Evelyn Lim Forbes	113,233	Director	Filipino	0.07%
Common	Ma. Belina B. Mariano	1	Director & Assistant Corporate Secretary	Filipino	0.00%
Common	David Wang	1	Director	Chinese	0.00%
Common	Bing-Chiou Chang	1	Director	Chinese	0.00%
Common	Consolacion A. Sanchez	1	Independent Director	Filipino	0.00%
Common	Samuel V. Torres	1	Independent Director	Filipino	0.00%
Common	Edmundo Ong	1	Independent Director	Filipino	0.00%
Common	Apolinario L. Posio	0	Executive Vice President-Chief Financial Officer	Filipino	0.00%
Common	Mary Rogelyn T. Cabrera	1	Corporate Secretary	Filipino	0.00%
Common	Marinela C. Santos	0	Treasurer	Filipino	0.00%
Common	Le Iris T. Lucido	0	Interim Compliance Officer	Filipino	0.00%

The directors and executive officers as a group hold 0.13% of the total outstanding capital.

Item 12. Certain Relationships and Related Transactions

The Corporation retains the law firms of Quisumbing Torres and Herrera Teehankee & Cabrera Law Offices and pays them legal fees which the Corporation believes to be reasonable for the services rendered.

The Corporation has existing loans with its major stockholders which are being utilized for working capital requirements.

PART IV - EXHIBITS AND SCHEDULES

Item 13. Exhibits and Reports on SEC Form 17-C

(a) Exhibits - See accompanying Index to Exhibits

The following exhibit is filed as a separate section of this report:

- Subsidiaries of the registrant
- The other exhibits, as indicated in the Index to Exhibits are either not Applicable to the Corporation or require no answer.

(b) Reports on SEC Form 17-C

Reports on Form 17-C (Current Report) have been filed in 2025.

MANAGEMENT DISCUSSION & ANALYSIS OF OPERATION

Filsyn Corporation continued to generate income mainly from warehouse rentals which was sufficient to cover all expenses, hence, there was no need for any outside financing to sustain its operations.

Despite incurring a net loss in 2024, the Corporation maintained its operational continuity and remained resilient in the face of prior year challenges. This stability in core revenue streams enabled the Corporation to recover in 2025, ultimately achieving a turnaround in performance. Consequently, the Corporation successfully rebounded and recorded a net income of PhP 54.6 million for the year ended 2025, reflecting improved operational efficiency and sustained demand for its leasing activities.

There can be no comparable discussions to assess material changes during the last three (3) years because of the non-commercial operations of the Corporation.

There were no events during the last three (3) years that will trigger direct or contingent financial obligation that was material to the Corporation. There were for the last three (3) years no material, off-balance sheet, transactions, arrangements, obligations (including contingent obligations) nor any other relationships with unconsolidated entities or other persons. There were no material commitments for capital expenditures.

The Corporation can satisfy its cash requirement for the next twelve (12) months.

The Corporation will not raise additional funds in the next twelve (12) months.

The Corporation has no product research and developments for the term of the plan.

The Corporation will not purchase any plant or equipment within the next twelve (12) months.

The Corporation does not expect any significant changes in the number of employees.

There are no seasonal aspects that have material effect to the financialstatements.

The main concern of the Corporation up to now is how to settle the debt issue.

On December 10, 2009, the BOD of the Corporation approved to offer the property in Sta. Rosa, Laguna as dacion in payment of the entire obligation to Chinatrust, and in case of the latter's acceptance, to offer to manage the property in trust, in consideration of management feesand trustee fees, until such time as may be agreed by the parties.

On November 2, 2010, Chinatrust accepted the proposal of the Corporation to fully settle its outstanding loan obligation amounting to PhP1.2 billion through the Sta. Rosa property as dacion in payment. Chinatrust agreed that the Corporation shall not be liable for any deficiency between the amount of the outstanding loan obligation and the value of the Sta. Rosa property.

. The "Dacion En Pago" did not materialize and the ownership of the loan was transferred to Chuan Yuan Limited, a company incorporated in Taiwan. Chuang Yuan Limited became the creditor of the first and second MTI. Chuang Yuan Limited later sold the loan to Malaysia Garment Manufacturers (Pte) Ltd. (Malaysia Garments), a company incorporated in Singapore, a related party.

On October 24, 2016, the PSE has issued a letter to the Corporation on the subject: *Negative Stockholders' Equity and SEC Order of Revocation* requesting for update on the following items:

- Settlement of outstanding loan obligations amounting to P1.2 billion through the Sta. Rosa property as dacion;
- Discussions/negotiations with real estate companies for potential joint venture arrangement over the property to develop the 30 hectares (ha.) property located at Sta. Rosa, Laguna;
- Discussions/negotiations regarding the sale of the property located in Gen,Malvar Alvarez, Cavite City; and
- SEC Order of Revocation dated August 26, 2002.

On December 12, 2016 the Corporation responded to the PSE that discussions are ongoing on the first three (3) items above with the appropriate parties. Should the ongoing discussions on the abovementioned items be not fruitful, the Group will invite an investor to join them in developing the Sta. Rosa Property. Management believes that the development of the land will increase its value and bring the Group's equity from negative to positive.

At the special meeting of the board of directors and in the annual stockholders' meeting of the Corporation both held on September 21, 2017, at least a majority of the directors and stockholders of the Corporation approved a Business Plan to address the corporation's extisting capital deficiency. The Business Plan consists of three (3) phases including:

1. Financial restructuring subject to SEC approval;
2. Development of a property located at Sta. Rosa, Laguna; and
3. A new business activity for recycled Polyethylene Terephthalate (PET) to beregistered with the Philippine Economic Zone Authority (PEZA)

In 2002, the SEC has issued Order of Revocation of the Corporation's Registration of Securities and Permit to Sell Securities to the public. On February 2005, the SEC acknowledged the Company's full payment of the penalties for the reportorial violations.

On February 18, 2018, the Commission en Banc has resolved to lift the Order of Revocation. The lifting of the Order of Revocation directed the Corporation to amend its Registration Statement to reflect any prior changes prior to restatement of its registration statement and permit to sell securities.

At the special meeting of the Board of Directors and in the Annual Stockholders' meeting of the Corporation both held on September 20, 2018 at least majority of the directors and stockholders of the Corporation decided the following:

1. Approved the Amended Registration Statement and designated the officers authorized to sign the Amended Registration Statement, namely: Mr. Jaime M. Sto. Domingo, President, Mr. David Wang, Executive Vice President & Chief Finance Officer, Mr. Emmanuel C.

Paras, Corporate Secretary and Mr. Apolinario L. Posio, Senior Vice-President-Accounting and Auditor and Compliance Officer;

2. Authorized the filing of the Amended Registration Statement of the Corporation with the Securities and Exchange Commission ("SEC")

3. Approved the Amendment of Seventh Article of the Articles of Incorporation of the Company toreflect the following;

   i. Reduction of par value from PhP5.00 per share to PhP2.5 per share;

   ii. Creation of Preferred Shares with the following features:

   - Pre-Emptive Right – Right to subscribe to the same proportion of shares in case of issuance of new shares;
   - Preference in Distribution of Dividends – Right to receive fixed dividends (5% of total debt converted, namely P1,318,316,337.00), cumulative dividends and right to receive profit-participating stocks;
   - Veto Right – Right to veto the development of Sta. Rosa Property such that thedevelopment project of said land must be approved by Preferred shareholders;
   - Exercise of Voting Right – The Preferred Shareholders shall not have a right tovote, except on matters specified in Section 6 of the Corporate Code of the Philippines and those relative to the development of the Sta. Rosa Property; and
   - Convertible to Common Shares – Right to convert preferred shares to common Class B shares using 16.78:1 conversion ratio; and

   iii. Reclassification of 33,426,498 Common (Class B) to Preferred shares

4. Approved the Conversion of Debt to Additional Paid-In Capital which will be reserved for the Conversion of Preferred shares to Common shares;

5. Authorized the filing of the Amended Articles of Incorporation of the Company and other documentary requirements with the SEC; and

6. Approved the incorporation of a wholly-owned subsidiary of the Company for its PET Recycling plant project in a Philippine Economic Zone Authority ("PEZA") location.

The Corporation received from SEC, Certificate of Incorporation of FYN Green PET Corporation, a wholly-owned subsidiary dated 6 June 2019. This is for the Company's PET Recycling Plant Project.

In preparation for FYGP's registration with the PEZA, on 21 February 2020, a Memorandum of Understanding and a Contract to Sell between J.Y.. and Sons Realty Co., Inc. and FYGP were executed regarding sale of a parcel of land with building and improvements, located at First Cavite Industrial Estate (FCIE), Dasmariñas City, Cavite. Which is a PEZA registered location. Finally, on 25 November 2020, the sale was finalized and the property was physically turned over on 1 February 2021.

Furthermore, at the Board Meeting of PEZA, held on 21 May 2020, the Board approved the application for registration of FYGP as an Export Ecozone Enterprise.

On November 11, 2021, management filed the final restructuring project to SEC. Prior to submission of the project, management has already agreed the conversion of debt with its creditors and legal counsel. Management is securing all the necessary documents such as Deed of assignment to creditor and Director's certificate to support the final restructuring by SEC.

On 30 May 2022, a deed of assignment on the loan was entered between Malaysia Garment and the Corporation in which the former unconditionally and irrevocably assigns, cedes, transfers and conveys unto the Company all of its title, right and interests to receive the payment for the debt as payment for the subscription price, thereby converting the debt into equity.

In addition, the related parties, Malaysia Garments and Trans-Pacific Oriental Holding Company, Inc. (Trans-Pacific), have undertaken to support the Company financially by not demanding payment of loans due to the former.

On 29 March 2023, management completed all the aforementioned documents required by the SEC.

On 4 April 2023, the Corporation was notified by the SEC that it is ready to issue its assessment on the planned restructuring project upon issuance of the SEC-Markets and Securities Regulation Department (MSRD) clearance. Thereafter, a Payment Request Form will then be issued to the Corporation, which will signify acceptance of the SEC on the application to proceed with filing.

On 26 June 2023, the SEC approved simultaneously the Corporation's amendments to the Articles of Incorporation, decrease/ increase in authorized capital stock and equity restructuring. With the SEC approval, the Corporation can now focus on the operations and expansion of its subsidiary, FYN Green PET Corporation (FYGP), and the development of its 30 - hectare property located in Sta. Rosa City, Laguna.

On June 19, 2024, the Corporation received an Order from the SEC lifting the Order of Revocation of the Effectivity of the Corporation's Registration of Securities and Permit to Sell Securities to the Public issued by the SEC on August 26, 2002 ("Order of Revocation").

Notice of Involuntary Delisting

On February 3, 2023, the Corporation received a Notice of Involuntary Delisting from the Philippine Stock Exchange (PSE).

On April 3, 2023, representatives of the Corporation participated in a hearing conducted by the Exchange relating to the involuntary delisting proceedings involving the Corporation. The Corporation then requested the Exchange that the involuntary delisting proceedings be suspended; and it be allowed to complete the requirements for its amended registration statement and application for the financial restructuring plan with the Securities and Exchange Commission until the end of 2023.

The grounds for the initiation of involuntary delisting proceedings involving Corporation are due to the (a) revocation of its registration of securities and permit to sell securities; and (b) negative stockholders' equity.

In the said hearing, the Corporation raised the following arguments:

a. There was no obstinate refusal on the part of the Corporation to comply with the directives of the Exchange and the Securities and Exchange Commission ("SEC").

b. The Corporation, in utmost good faith, exerted serious efforts to comply with the SEC directives. All the corporate actions of Corporation on the matter were timely and promptly disclosed to the Exchange.
c. The SEC-Markets and Securities Regulation Department ("MSRD") will only act on the Corporation's amended registration statement after the approval of the Corporation's financial restructuring plan being reviewed by the SEC- Financial Analysis and Audit Division ("FAAD").
d. The Corporation will file its amended registration statement after it secures the SEC's approval of its financial restructuring plan. Thereafter, the Corporation will request SEC-MSRD to issue the corresponding Order Lifting the Order of Revocation dated August 26, 2002 against the Corporation.
e. The conversion of the Corporation's obligation to one of the Corporation's major creditors, Malaysia Garment Manufacturers Pte. Ltd, amounting to One Billion Three Hundred Eighty-Nine Million Nine Hundred Sixty-One Thousand Eight Hundred Twenty-Eight Pesos (P1,389,961,828.00) into equity has effectively wiped-out the deficit amounting to Six Hundred Eighty-Nine Million Thirty-One Thousand One Hundred Forty-Six Pesos (P89,031,146.00). The debt-to-equity conversion is part of the financial restructuring plan being carried out by the Corporation. The deficit would have been wiped-out had the SEC-FAAD approved the Corporation's financial restructuring plan.
f. The involuntary delisting will be prejudicial to the Corporation's stockholders who have been expecting that the trading suspension will be lifted soon and the financial restructuring plan approved in light of the actions being actively undertaken by the Corporation.
g. In 2019, parallel to its efforts to solve its capital deficiency, the Corporation incorporated FYN Green PET Corporation ("FYGP"), a 100% wholly owned subsidiary, to provide cash flow and steady stream of revenues. FYGP will commence its commercial operations in May 2023.

The Corporation therefore requested the Exchange that the involuntary delisting proceedings be suspended; and it be allowed to complete the requirements for its amended registration statement and application for the financial restructuring plan with the Securities and Exchange Commission until the end of 2023.

On May 2, 2023, the Corporation received the PSE's *Letter-Decision* dated April 28, 2023 granting the Corporation's request to:
(3) Suspend the involuntary delisting proceedings against the Corporation; and

(4) Allow the Corporation until December 29, 2023 to complete the requirements of the SEC to amend its registration statement and its application for its financial restructuring plan, thereby obtaining (a) an effective registration of securities and permit to sell securities with the SEC and (b) attaining a positive stockholders' equity.

The Corporation requested for an extension from the PSE for its December 29, 2023 deadline to complete the SEC requirements relating to the Corporation's application for the approval of its Amended Registration Statement.

The PSE, in its Letter dated January 31, 2024, granted the Corporation's request for a six (6)-month non-extendible extension or until June 26, 2024 to complete the requirements of the SEC and obtain an effective registration of securities and permit to sell securities with the SEC; and (ii) to maintain the suspension of the involuntary delisting proceedings against the Corporation until the issuance of SEC's decision on the Corporation's application for the approval of its Amended Registration Statement or until June 26, 2024 whichever is earlier.

The Corporation received a Notice from PSE dated December 4, 2024, announcing the lift of the trading suspension effective December 6, 2024. Considering that the trading of the Corporation's shares was suspended since September 25, 2002, the static threshold for the Corporation was lifted upon the resumption of the trading of the Corporation 's shares.

Final Assessment Notice from Bureau of Internal Revenue ("BIR")

On September 26, 2024, Management of the Corporation notified its Board of Directors that it had received from the BIR a Final Assessment Notice / Formal Letter of Demand (FAN/FLD) dated September 17, 2024 for calendar year 2022 on September 22, 2024. The FAN/FLD reflected a total assessment amount of PhP289 million.

On February 6, 2025, the Corporation received the Final Decision on Disputed Assessment (FDDA) dated February 5, 2026. The BIR assessed deficiency taxes, interests, surcharges, and penalties (Tax Deficiencies) against the Corporation in the total amount of PhP289 million, broken down as follows:

1. Final Withholding Tax (FWT) – Php183.9 million
2. Final Withholding Value Added Tax (FWVAT) – Php88.7million
3. Documentary Stamp Tax (DST) –Php16.3 million
4. Compromise Penalties – Php0.1 million

As background, to wipe out the Corporation's deficit, the Corporation restructured its capital accounts and converted its liabilities into equity (Equity Restructuring). Particularly, the Corporation increased its authorized capital stock from Php120.0 million to Php647.3 million. Pursuant to the increase in the Corporation's authorized capital stock, Malaysia Garment Manufacturers (Pte) Ltd (MG) subscribed to 33,426,498 preferred shares of stock in exchange for the conversion of the Corporation's outstanding loan (principal and interest) amounting to Php1,419.3 million (Subject Loan) to equity as payment for the subscription, with the excess recorded as Additional Paid in Capital (APIC) to wipe out the Corporation's accumulated deficit (Debt-to-Equity Conversion).

The BIR alleges that the Deed of Assignment for the Debt-to-Equity Conversion resulted in a constructive receipt of income on the part of MG, which should be subject to final withholding tax.

The Corporation's legal counsel, filed the Corporation 's Protest with Request for Reconsideration and/or Reinvestigation with the BIR Revenue Region 8A on October 28, 2024 (Protest).

In its Protest, the Corporation argues that the assignment of the Subject Loan in exchange for shares is part of the Debt to Equity Conversion - a capital transaction outside the ordinary course of business that does not result in taxable income, VAT, or DST for the Corporation or MG.

On the same date that legal counsel filed the Corporation 's Protest, the Corporation's tax advisor also submitted a letter to the BIR to signify its alignment and conformity to the factual and legal arguments of the Protest filed by the Corporation through its legal counsel.

The Protest also included the Corporation 's request for reinvestigation and to submit additional documents in support of the reinvestigation of the findings of the BIR.

On November 11, 2024, the Corporation received the BIR's letter granting the Corporation 's request for reinvestigation. The reinvestigation will require the BIR to reassess its

initial findings on the Corporation 's Tax Deficiencies and re-examine the strong legal position of the Corporation's legal counsel and tax advisor on the matter. The Corporation has 60 days from the date of filing of its Protest, or until December 27, 2024, within which to submit additional documents in support of the reinvestigation.

On December 27, 2024, the Corporation submitted all its relevant supporting documents in support of its Protest.

Under the Court of Tax Appeals ("CTA") Rules, Section 228 of the Tax Code, relevant BIR issuances, prevailing jurisprudence, a petitioner may appeal the denial of its protest to the CTA within thirty (30) days from the receipt of the said denial, or in the Corporation's case until March 8, 2025.

On March 7, 2025, the Corporation filed its Petition for Review with the CTA.

On June 5, 2025, the Commissioner of Internal Revenue ("CIR") filed his answer to the Petition docketed as CTA Case No. 11789 with the CTA Second Division. The case was then referred to mediation on June 17, 2025 but the parties did not reach a settlement.

The Pre-Trial was initially set by CTA Second Division on October 16, 2025 but was reset to February 12, 2026.

On January 23, 2026, the Pre-Trial on CTA Second Division was cancelled and transferred to the CTA Third Division.

In a Resolution dated February 19, 2026, the CTA Third Division set the Pre-Trial for this case on May 14, 2026.

The Corporation is of the position that the Equity Restructuring and Deed of Assignment are separate events, and both are not subject to income tax, VAT, and DST.

The Corporation, through its legal counsel, is taking the appropriate legal steps to assail the assessment on the grounds of lack of factual and legal basis.

A. FINANCIAL DATA

	Dec. 2025	Dec. 2024
• Balance Sheet	(In Million Pesos)	
Total Assets	P 2,057.8	1,974.7
Total Liabilities	1,095.9	1,106.0
Retained Earnings (Deficit)	68.3	(21.9)
P & L		
Revenues	905.4	689.1
Less:		
Cost and Operating Expense.	790.5	583.5
Other Income and Expenses	7.8	55.7
Provision for Income Tax	16.0	2.0
Net Income	91.1	47.9

B. FINANCIAL ANALYSIS

- Assets - The increase in assets as of the end of December 31, 2025 compared to year 2024 represents increase in cash and receivables due to increase in sales and rental income.
- Liabilities - The net decrease is mainly due to the reclassification of the Deposit from Future Subscription from Liabilities to Equity.
- Cash Flow - The sources of funds consist of warehouse rental lease income of the parent company and its subsidiary in Roxas, Capiz and revenue from sales of the subsidiary in Dasmariñas, Cavite. These were utilized to finance the regular operating and administrative expenses of the Group.

The financial statements have been prepared in conformity with generally accepted accounting principles. Management maintains system of accounting and reporting which provides for the necessary internal controls. There were no significant deficiencies and weaknesses on internal control and fraud committed by employees. There were no changes in estimates without proper disclosure which have the impact of improving results of operations and non-application or misapplication of accounting principles and standards, misstatements and omissions. There were no advances from Directors, officers, employees and principal stockholders and related parties of the company or its related parties for the year ended December 31, 2025.

Independent external auditor, Sycip, Gorres, Velayo & Co. was appointed by the Stockholders.

<signature follows>

SIGNATURES

Pursuant to the requirement of Section 17 of the SRC Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati City on APR 15 2026 day of _____ 2026.

[redacted]

APOLINARIO L. POSIO
Executive Vice President / Chief Financial Officer

MAKATI CITY

SUBSCRIBED AND SWORN to before me this APR 15 2026 affiant exhibiting to me his Government Issued ID, as follows:

Name	Passport ID #	Date Issued	Expiry Date
Apolinario L. Posio	[redacted]		

[redacted]

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2026
IBP No.656155 Lifetime Member
MCLE Compliance No. VIII-0040999
Appointment No. M-007(2025-2026)
PTR No.10765528 Jan. 3, 2025
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg
Brgy. Pio Del Pilar, Makati City

Doc. No. 290;
Page No. 59;
Book No. X;
Series of 2026.

FILSYN CORPORATION
MANAGEMENT REPORT FOR THE YEAR 2025

Filsyn Corporation (the "Corporation") continues to derive its income mainly from leasing warehouses and commercial spaces. The Corporation is fortunate to continue to derive from its operation, sufficient income to cover all of the Corporation's operating and miscellaneous expenses.

The Sta. Rosa property, which is the biggest asset of the Corporation, has a fair market value (FMV) of Php11,800.00 per square meter, as determined by an independent appraiser for the year ended December 31, 2025. Compared to last year's FMV of Php11,500.00 per square meter, there was a slight increase of Php300.00 per square meter. The property has now a FMV of about Php3,540.21 million, more or less.

The General Mariano Alvarez ("GMA") property's FMV likewise increased to Php4,500.00 per square meter for the year ended December 31, 2025 from Php4,200.00 per square meter last year as determined by the same independent appraiser for the year ended December 31, 2024. The total FMV of the property is now about Php732.22 million, more or less.

Based on the Corporation's Audited Consolidated Financial Statements for the year ended December 31, 2025, Total Assets amounted to Php2,057.83 million while Total Liabilities amounted to Php1,095.94 million. Total Equity increased from Php868.65 million for the year ended December 31, 2024 to Php961.89 million for the year ended December

Despite incurring a net loss in 2024, the Corporation maintained its operational continuity and remained resilient in the face of prior year challenges. This stability in core revenue streams enabled the Corporation to recover in 2025, ultimately achieving a turnaround in performance. Consequently, the Corporation successfully rebounded and recorded a net income of PhP54.6 million for the year ended 2025, reflecting improved operational efficiency and sustained demand for its leasing activities.

On June 19, 2024, the Securities and Exchange Commission ("SEC") lifted the Order of Revocation of the Effectivity of the Corporation's Registration of Securities and Permit to Sell Securities to the Public issued by the SEC on August 26, 2002.

The Corporation received The Philippine Stock Exchange, Inc.'s ("PSE") Notice dated December 4, 2024, regarding the lifting of the trading suspension effective December 6, 2024 at 9:00 a.m., following the SEC's Order lifting the Suspension Order, the Corporation's submission of its Comprehensive Corporate Disclosure and its compliance with the requirements under the PSE's rules.

The Corporation will focus on the (i) real estate development of its Sta. Rosa property located in Sta. Rosa City, Laguna and its GMA property located in Cavite; and (ii) operations and expansion of its subsidiary, FYN Green PET Corporation ("FYGP"). FYGP is engaged in the business of recycling of waste Polyethylene Terephthalate (PET) bottles into resin to be used as feedstock for manufacture of filament and food grade chip. FYGP, registered with Philippine Economic Zone Authority as an Export Ecozone Enterprises, commenced its commercial operations in May 2023.

ANNEX "F"

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0	0	0	0	3	5	8	4	1		

COMPANY NAME

FILSYN CORPORATION AND SUBSIDIARIES

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

Unit 8, 5B The Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-A	CRM	N/A

COMPANY INFORMATION

Group's Email Address	Group's Telephone Number	Mobile Number
info@filsyncorp.com	N/A	09673155296

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
515	September 15	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mr. Apolinario L. Posio	info@filsyncorp.com	N/A	09673155296

CONTACT PERSON's ADDRESS

Unit 8, 5B The Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City

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

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

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1226 Makati City
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INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Filsyn Corporation
Unit 8, 5B The Pearlbank Centre
146 Valero St., Salcedo Village, Makati City

Opinion

We have audited the consolidated financial statements of Filsyn Corporation and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2025, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our 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. We have also 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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 Consolidated 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 consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Fair Value of Investment Properties

The Group is primarily focused on leasing its investment properties. Investment properties of the Group consist of land in Laguna and Cavite which are being leased to third parties. The Group accounts for its investment properties using the cost model and discloses the fair value as required under PAS 40, *Investment Property*. As at December 31, 2025, the carrying value and fair value of the investment properties amounted to ₱918.2 million and ₱4,344.2.4 million, respectively. Management determines the fair value of the investment properties based on the valuations carried out by an external appraiser using Market Data Approach.

We identified the disclosure on the fair value of the Group's investment properties as a key audit matter because it is a significant disclosure given that the determination of the fair value of these properties involves significant management judgment and estimations. The valuation also requires the assistance of external appraiser whose calculations also depend on certain assumptions, such as sales and listings of comparable properties and adjustments to sales price, which are influenced by the prevailing market rates, comparable market transactions and are subject to higher level of estimation uncertainty due to the current economic conditions.

The Group's disclosures on these matters are included in Notes 3, 11 and 26 to the consolidated financial statements.

Audit Response

We evaluated the competence, capabilities and qualifications of the external appraiser by considering their qualifications, experience and reporting responsibilities. We assessed the methodology adopted by referencing common valuation models and inspected the relevant information supporting the sales and listings of comparable properties. We also inquired from the external appraiser the basis of adjustments made to the sales price.

Assessment of Provision for Tax Assessments

The Parent Company has been assessed by the Bureau of Internal Revenue (BIR) tax deficiencies amounting to ₱289.1 million from the executed equity restructuring by the Parent Company last 2023. Management strongly believes that the transaction, being a capital transaction outside the ordinary course of business does not result in taxable income, value-added and documentary stamp taxes. This matter is significant to our audit because the determination of whether any provision should be recognized and the estimation of the potential liability resulting from this tax assessment requires significant judgment by management. The inherent uncertainty over the outcome of this tax assessment is brought about by the differences in the interpretation and implementation of the relevant laws and tax rulings.

The Group's disclosures on these matters are included in Notes 1 and 3 to the consolidated financial statements.

Audit Response

We discussed with management the status and merits of the case and obtained the opinion of the Group's external legal counsel. We evaluated the tax position of the Group by considering the relevant tax laws, rulings and jurisprudence. We involved our internal specialist in the evaluation of management's assessments on whether any provision for tax contingencies should be recognized, and the estimation of such amount.

We assessed whether provisions are needed to be recorded in compliance with PAS 37, *Provision, Contingent Liabilities and Contingent Assets.*

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Sheet), SEC Form 17-A and Annual Report for the year ended December 31, 2025 but does not include the consolidated 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 consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Marco Rene A. Barredo.

SYCIP GORRES VELAYO & CO.

[redacted]

Marco Rene A. Barredo
Partner
CPA Certificate No. 116783
Tax Identification No. 214-999-478
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 116783-SEC (Group A)
Valid to cover audit of 2025 to 2029 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-160-2025, December 18, 2024, valid until December 17, 2027
PTR No. 10765015, January 2, 2026, Makati City

April 13, 2026

FILSYN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱105,574,743**	₱42,362,801
Trade receivables (Note 5)	**22,344,383**	56,938,386
Inventories (Note 6)	**80,959,441**	50,753,243
Prepayments and other current assets - net (Note 7)	**9,933,413**	13,934,133
Current financial asset (Note 4)	**40,000,000**	20,000,000
Total Current Assets	**258,811,980**	183,988,563
Noncurrent Assets		
Investment properties (Note 11)	**918,167,147**	918,167,147
Property and equipment - net (Note 10)	**847,088,732**	822,789,322
Retirement plan assets - net (Note 21)	**25,254,030**	24,180,246
Investments in associates (Note 8)	**1**	1
Other noncurrent assets (Note 9)	**8,510,410**	25,615,229
Total Noncurrent Assets	**1,799,020,320**	1,790,751,945
TOTAL ASSETS	**₱2,057,832,300**	₱1,974,740,508
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Note 12)	**₱169,090,350**	₱124,123,326
Current portion of long-term debt (Note 13)	**69,449,019**	68,241,551
Loans payable to a stockholder (Notes 13 and 20)	**176,370,000**	173,535,000
Dividends payable (Note 14)	**156,087**	156,087
Income tax payable	**58,346**	162,170
Total Current Liabilities	**415,123,802**	366,218,134
Noncurrent Liabilities		
Noncurrent portion of long-term debt (Note 13)	**561,773,087**	621,098,045
Deferred tax liabilities (Note 19)	**119,043,517**	118,775,070
Total Noncurrent Liabilities	**680,816,604**	739,873,115
Total Liabilities	**1,095,940,406**	1,106,091,249
Equity Attributable to Equity Holders of the Parent		
Capital stock (Note 14)	**366,858,160**	366,858,160
Additional paid-in capital (Notes 13 and 14)	**335,372,611**	335,372,611
Equity reserve (Note 14)	**219,498,778**	–
Remeasurement loss on retirement plan assets - net (Note 21)	**(4,873,459)**	(4,732,146)
Cumulative translation adjustments (Note 14)	**(12,842,139)**	(51,303,544)
Retained earnings (Deficit)	**68,254,971**	(21,881,162)
	972,268,922	624,313,919
Deposit for future stock subscription (Note 14)	–	260,302,500
Non-controlling Interests (Note 22)	**(10,377,028)**	(15,967,160)
Total Equity	**961,891,894**	868,649,259
TOTAL LIABILITIES AND EQUITY	**₱2,057,832,300**	₱1,974,740,508

See accompanying Notes to Consolidated Financial Statements.



FILSYN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2025	2024	2023
REVENUES			
Sales	**₱825,562,112**	₱634,175,616	₱574,067,827
Rental (Note 11)	**79,845,510**	54,907,810	49,199,912
	905,407,622	689,083,426	623,267,739
COSTS AND OPERATING EXPENSES			
Cost of sales (Note 17)	**(730,015,993)**	(513,781,025)	(474,037,600)
Operating expenses (Note 17)	**(60,515,570)**	(69,721,345)	(62,855,467)
	(790,531,563)	(583,502,370)	(536,893,067)
OPERATING INCOME	**114,876,059**	105,581,056	86,374,672
OTHER INCOME (EXPENSES) - net			
Interest expense and bank charges (Notes 13 and 18)	**(37,867,959)**	(54,272,033)	(47,570,468)
Interest income (Note 4)	**5,924,036**	3,660,549	1,225,226
Others - net (Note 18)	**24,190,025**	(5,078,009)	2,249,003
	(7,753,898)	(55,689,493)	(44,096,239)
INCOME BEFORE INCOME TAX	**107,122,161**	49,891,563	42,278,433
PROVISION FOR INCOME TAX (Note 19)	**(16,003,334)**	(2,018,039)	(1,222,379)
NET INCOME	**91,118,827**	47,873,524	41,056,054
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Movements in cumulative translation adjustment (Note 14)	**38,461,405**	(4,034,546)	89,069
Remeasurement gain (loss) on retirement plan assets (Note 21)	**(188,418)**	1,756,867	(6,016,011)
Income tax effect	**47,105**	(439,216)	1,504,003
	(141,313)	1,317,651	(4,512,008)
Other comprehensive loss, net of tax	**38,320,092**	(2,716,895)	(4,422,939)
TOTAL COMPREHENSIVE INCOME, NET OF TAX	**₱129,438,919**	₱45,156,629	₱36,633,115
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the parent	**₱91,029,917**	₱47,738,035	₱41,019,754
Non-controlling interests (Note 22)	**88,910**	135,489	36,300
	₱91,118,827	₱47,873,524	₱41,056,054
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the parent	**₱129,350,009**	₱45,021,140	₱36,596,815
Non-controlling interests (Note 22)	**88,910**	135,489	36,300
	₱129,438,919	₱45,156,629	₱36,633,115
INCOME (LOSS) PER SHARE (Note 15)			
Basic net income (loss) attributable to equity holders of the Parent Company	**(₱0.0765)**	(₱0.1259)	₱0.0363
Diluted net income attributable to equity holders of the Parent Company	**₱0.1241**	₱0.0651	₱0.0559

See accompanying Notes to Consolidated Financial Statements.

FILSYN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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

	Equity attributable to equity holders of the parent									
	Capital Stock (Note 14)	Additional Paid-in Capital (APIC)	Equity Reserve (Note 14)	Remeasurement Gain (Loss) on Retirement Plan Assets (Note 21)	Cumulative Translation Adjustment (Note 14)	Deficit (Note 14)	Total	Deposit for Future Stock Subscription (Note 14)	Non-controlling Interest (Note 22)	Total Equity
Balances at January 1, 2023	₱1,031,230,905	₱143,589,745	₱–	(₱1,537,789)	(₱47,358,067)	(₱1,973,190,658)	(₱847,265,864)	₱–	(₱16,138,949)	(₱863,404,813)
Net income	–	–	–	–	–	41,019,754	41,019,754	–	36,300	41,056,054
Cumulative translation adjustment	–	–	–	–	89,069	–	89,069	–	–	89,069
Remeasurement loss on retirement plan assets, net of tax (Note 21)	–	–	–	(4,512,008)	–	–	(4,512,008)	–	–	(4,512,008)
Total comprehensive income (loss)	–	–	–	(4,512,008)	89,069	41,019,754	36,596,815	–	36,300	36,633,115
Equity Restructuring (Note 14)										
Reduction in par value of common stock	(928,107,815)	928,107,815	–	–	–	–	–	–	–	–
Debt-to-equity conversion	263,735,070	1,126,226,758	–	–	–	–	1,389,961,828	–	–	1,389,961,828
Application of APIC to deficit	–	(1,862,551,707)	–	–	–	1,862,551,707	–	–	–	–
Net effect of Equity Restructuring	(664,372,745)	191,782,866	–	–	–	1,862,551,707	1,389,961,828	–	–	1,389,961,828
Balances as at December 31, 2023	₱366,858,160	₱335,372,611	₱–	(₱6,049,797)	(₱47,268,998)	(₱69,619,197)	₱579,292,779	₱–	(₱16,102,649)	₱563,190,130
Reclassification of deposit for future stock subscription to to equity (Note 14)	–	–	–	–	–	–	–	260,302,500	–	260,302,500
Net income	–	–	–	–	–	47,738,035	47,738,035	–	135,489	47,873,524
Cumulative translation adjustment	–	–	–	–	(4,034,546)	–	(4,034,546)	–	–	(4,034,546)
Remeasurement gain on retirement plan assets, net of tax (Note 21)	–	–	–	1,317,651	–	–	1,317,651	–	–	1,317,651
Total comprehensive income (loss)	–	–	–	1,317,651	(4,034,546)	47,738,035	45,021,140	–	135,489	45,156,629
Balance as at December 31, 2024	₱366,858,160	₱335,372,611	₱–	(₱4,732,146)	(₱51,303,544)	(₱21,881,162)	₱624,313,919	₱260,302,500	(₱15,967,160)	₱868,649,259
Net income	–	–	–	–	–	91,029,917	91,029,917	–	88,910	91,118,827
Cumulative translation adjustment	–	–	–	–	38,461,405	–	38,461,405	–	–	38,461,405
Remeasurement loss on retirement plan assets, net of tax (Note 21)	–	–	–	(141,313)	–	–	(141,313)	–	–	(141,313)
Total comprehensive income (loss)	–	–	–	(141,313)	38,461,405	91,029,917	129,350,009	–	88,910	129,438,919
Effect of change in ownership interest over a subsidiary	–	–	219,498,778	–	–	(893,784)	218,604,993	(260,302,500)	5,501,222	(36,196,284)
Balances at December 31, 2025	**₱366,858,160**	**₱335,372,611**	**₱219,498,778**	**(₱4,873,459)**	**(₱12,842,139)**	**₱68,254,971**	**₱972,268,922**	**₱–**	**(₱10,377,028)**	**₱961,891,894**

See accompanying Notes to Consolidated Financial Statements.

FILSYN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱107,122,162**	₱49,891,563	₱42,278,433
Adjustments for:			
Interest expense (Note 18)	**37,770,291**	51,353,331	43,002,531
Depreciation expense (Note 10)	**39,806,337**	40,836,245	31,789,963
Unrealized foreign exchange (gains) losses - net	**2,375,415**	7,425,000	(1,155,000)
Interest income (Notes 4 and 18)	**(5,924,037)**	(3,660,549)	(1,225,226)
Retirement income (Note 21)	**(1,262,202)**	(1,070,494)	(851,093)
Changes in working capital:			
Decrease (increase) in:			
Trade receivables	**34,594,003**	(31,313,625)	(19,867,165)
Inventories	**(30,206,198)**	(8,256,994)	66,932,628
Prepayments and other current assets	**4,000,720**	(1,184,751)	5,657,030
Increase (decrease) in accounts and other payables	**47,001,099**	13,073,643	(185,471,722)
Net cash generated from (used in) operations	**235,277,590**	117,093,369	(18,909,621)
Interest received	**5,924,036**	2,820,737	746,804
Income taxes paid	**(15,791,607)**	(1,633,100)	(2,295,265)
Net cash flows from (used in) operating activities	**225,410,019**	118,281,006	(20,458,082)
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in property, plant and equipment (Note 10)	**(51,707,311)**	(2,732,309)	(33,792,043)
Increase in current financial asset (Note 4)	**(20,000,000)**	–	(2,069,617)
Increase (decrease) in other noncurrent assets	**17,104,819**	(18,784,499)	(13,002,679)
Net cash flows used in investing activities	**(54,602,492)**	(21,516,808)	(48,864,339)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of loans payable (Note 13)	**(69,008,993)**	(730,755,165)	–
Proceeds from loans payable (Note 13)	**–**	694,140,000	60,907,000
Interest paid	**(38,152,393)**	(55,050,658)	(37,673,632)
Payment of stock issuance cost (Note 14)	**(893,784)**	–	–
Decrease in due to a related party	–	(1,000,000)	(5,000,000)
Net cash flows from (used in) financing activities	**(108,055,170)**	(92,665,823)	18,233,368
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**62,752,357**	4,098,375	(51,089,053)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH	**459,585**	–	2,251
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**42,362,801**	38,264,426	89,351,228
CASH AND CASH EQUIVALENTS AT END OF YEAR	**₱105,574,743**	₱42,362,801	₱38,264,426

See accompanying Notes to Consolidated Financial Statements.

FILSYN CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information and Status of Operations

Corporate Information

Filsyn Corporation (the Parent Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on July 22, 1968 and is domiciled in the Republic of the Philippines.

Following the Parent Company's amendments to its Articles of Incorporation, as approved in a special board meeting on February 24, 2026, its primary purpose now is to deal and engage in land or real estate business in all its branches and ramifications, to own, hold, develop, manage, administer, sell, assign, convey, exchange, encumber, purchase, acquire, for consideration or by donation, lease, rent, or otherwise deal in and dispose of, for itself or for others, for investments, profit and advantage, real properties, including but not limited to, all kinds of housing projects, commercial, industrial, urban or other kinds of property and real estate, improved or unimproved, together with their appurtenances, with or to such persons and entities and under such terms and conditions as may be permitted by law; to acquire, purchase, hold, manage, develop, improve, lease, subdivide, exchange, and sell subdivision lots, with or without buildings or improvements, for such consideration and in such manner or form as the Parent Company may determine, or as the law permits; and to erect, construct, alter, manage, operate, lease, develop, in whole or in part, buildings and tenements of the Parent Company or of other persons; and to exercise or undertake such powers and purposes as may be required and necessarily implied from the purposes herein mentioned. Provided, that the Parent Company shall not solicit, accept or take investments/placements from the public nor shall it issue investment contracts. It has also the purpose to purchase, lease, or otherwise, lands and interest in lands and buildings; to own, hold, improve, develop, and manage any real estate so acquired and to erect or cause to be erected buildings or other structures with their appurtenances on any lands owned, held or occupied by the Parent Company; to rebuild, enlarge, alter or improve any buildings or other structures now or hereafter erected on any lands so owned, held or occupied; to mortgage, sell, lease or otherwise dispose of any lands or interest in lands and in buildings, or in any stores, shops, suites, rooms or any part of any buildings or other structures, at any time owned or held by the Parent Company.

The registered office address of the Parent Company is Unit 8, 5B The Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City.

The following are the subsidiaries of the Parent Company which were all incorporated in the Philippines:

Subsidiaries	Nature of Business	Percentage of Ownership
FYN Green PET Corporation (FYGP)	Manufacturing	98%
Island King Aquaventures Corporation (IKAC)	Leasing	77%
SRTC Development Corporation (SRTC)	Under liquidation	57%

FYGP was organized under Philippine Laws and was registered with the SEC on June 6, 2019. FYGP is primarily involved in recycling of waste Polyethylene Terephthalate (PET) bottles into resin to be used as feedstock for manufacture of Filament and Food Grade Chip. The registered office address of the Company is First Cavite Industrial Estate, Lot 2, Block 1, Phase 3, Langkaan II Dasmarinas City, Cavite. FYGP started commercial operations on May 5, 2023.

IKAC was registered with the Philippine SEC on September 15, 1986 primarily to engage in the business of aquaculture and related activities. IKAC ceased its normal operations as a producer of prawns and bangus and started renting out its investment property in 2012. The registered office address of the Company is Unit 8, 5B The Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City.

SRTC was registered with the Philippine SEC on April 30, 1992 primarily to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease and hold for investment or otherwise, real estate of all kinds, and to improve, manage or otherwise dispose of buildings, houses, apartments and other structures of whatever kind, together with their appurtenances. The registered office address of the Company is Unit 8, 5B Floor, Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City. SRCT has never started commercial operations. On September 25, 2014, the stockholders approved the amendment of SRTC's AOI to shorten its life until December 31, 2014. Final liquidation will take place after approval of SRTC's liquidation application with the Philippine SEC. As at April 13, 2026, SRTC is in the process of accomplishing requirements needed for the cancellation of its registration with Bureau of Internal Revenue and Philippine SEC.

The Parent Company and subsidiaries are collectively referred to as "the Group".

Status of Operations

In 2002, the SEC issued Order of Revocation of the Parent Company's Registration of Securities and Permit to Sell Securities to the public.

Following the cessation of its operation in 2005, the operations of the Company is now primarily focused on leasing of its investment properties.

The Group's current liabilities exceeded its current assets by ₱156.3 million and ₱182.2 million as of December 31, 2025 and 2024, respectively.

On April 13, 2026, the Parent Company received a letter from its shareholder, Trans-Pacific Oriental Holding Company, Inc. (TPO), confirming that they do not expect collection of loans payable amounting to ₱176.4 million at least during the next 12 months from December 31, 2025. The shareholder remains fully committed to support the Group's operation. Additionally, FYGP has an existing credit line amounting to US$3.0 million (₱173.5 million) to finance its working capital requirement. The credit line is valid until June 30, 2025 and was subsequently renewed, extending its validity until June 30, 2026.

Equity Restructuring

On October 24, 2016, the PSE issued a letter to the Company on the subject: *Negative Stockholders' Equity and SEC Order of Revocation* requesting for update on the following items:

- Settlement of outstanding loan obligations amounting to ₱1.2 billion through the Sta. Rosa property as dacion;
- Discussions/negotiations with real estate companies for potential joint venture arrangement over the property to develop the 30 hectares (ha.) property located at Sta. Rosa, Laguna;
- Discussions/negotiations regarding the sale of the property located in Gen. Malvar Alvarez, Cavite City; and
- SEC Order of Revocation dated August 26, 2002

On December 12, 2016, the Parent Company responded to the PSE that discussions are ongoing on the first three items above with the appropriate parties. Management believes that the development of

the land in Sta. Rosa Laguna will increase its value and bring the Parent Company's equity from negative to positive.

In September 2017, the Board of Directors (BOD) and stockholders of the Parent Company approved a business plan, which consists of the following phases:

- Financial restructuring subject to Philippine SEC approval;
- Development of the Sta. Rosa property; and
- A new business activity of recycling Polyethylene Terephthalate (PET) to be registered with the Philippine Economic Zone Authority

In relation to the financial restructuring, in September 2018, the BOD approved the following:

A. Amendment of the Seventh Article of the Parent Company's AOI to reflect the following:

   1. Reduction of par value from ₱5.00 per share to ₱2.50 per share
   2. Creation of Preferred Shares
   3. Reclassification of 33,426,498 Common Shares (Class B) to Preferred Shares

B. Conversion of debt to equity

   On February 18, 2018, the Commission en Banc resolved to lift the Order of Revocation. The lifting of the Order of the Revocation directed the Parent Company to amend its Registration Statement to reflect any prior changes prior to restatement of its registration statement and permit to sell securities.

   On September 20, 2018, the BOD formally authorized the filing of the Amended Registration Statement with the SEC which was filed on October 30, 2018.

   On July 23, 2019, the Parent Company filed its application for amendment of AOI with the SEC. On September 25, 2019, The SEC provided their initial comments on the application for amendment of AOI.

   On November 11, 2021, the BOD approved the further amendments in the Seventh Article of the AOI which revoked and superseded September 21, 2018 resolutions approving the amendments to the Seventh Article of the AOI. The BOD approved the following:

   1. Decrease in Authorized Capital Stock and Reclassification or Conversion of 33,426,498 Class B Shares into 33,426,498 Preferred Shares

      This include the following approvals of the BOD:
      a. Reduction in the par value of all common shares from ₱5.00 per share to ₱0.50 per share,
      b. Decrease in the authorized capital stock from ₱1,200,000,000 to ₱120,000,000, and
      c. Classification of capital contributed in excess of the reduced par value as additional paid in capital
      d. Reclassification of the 33,426,498 Class B common shares held by Malaysia Garment Manufacturers (Pte) Ltd. (MG), a company incorporated in Singapore and a related party, into 33,426,498 Preferred Shares with the following features:

         i. Preemptive Right - The Preferred Shareholders shall have preemptive rights to subscribe to new shares in proportion to their respective shareholding ratios
         ii. Dividends - The Preferred Shareholders shall bear preferential dividends at the rate of 5% per annum of total debt converted in the amount of ₱1,389,961,828.

iii. Exercise of Voting Right - The Preferred Shareholders shall not have a right to vote, except on matters specified in Section 6 of the Revised Corporation Code of the Philippines and those relative to the development of the Sta. Rosa Property; and
iv. Convertibility - The Preferred Shareholders shall, at their option, have the right to convert their preferred shares to common shares using 16.78:1 conversion ratio at ₱0.50 per share.

2. Increase in Capital Stock

The BOD approved the increase of the Parent Company's authorized capital stock from ₱120,000,000 to ₱647,306,477 which consists of:

a. 440,229,812 Class "A" common shares with par value of ₱0.50 per share, or an aggregate par value of ₱220,114,906;
b. 293,486,507 Class "B" common shares with a par value of ₱0.50 per share, or an aggregate par value of ₱146,743,253.50; and
c. 33,426,498 Preferred Shares, with a par value of ₱8.39 per share (increased from ₱0.50), or an aggregate par value of ₱280,448,318, with MG subscribing to the increase in the par value of the 33,426,498 Preferred Shares amounting to ₱263,735,069 by way of converting debt owed to it by the Corporation as of December 31, 2020 amounting to ₱1,389,961,828 to equity, with the excess of the debt over the par value of preferred shares recorded as Additional Paid In Capital

The BOD also approved the subscription by MG to the increase in the par value of the 33,426,498 Preferred Shares, and the conversion of debt owed to it by the Parent Company as of December 31, 2020 amounting to ₱1,389,961,828 to equity as payment for the aforesaid 33,426,498 Preferred Shares with the excess of the debt over the par value of preferred shares recorded as Additional Paid In Capital.

3. Use of Additional Paid in Capital to Wipe Out Deficit

The BOD approved the use of the Additional Paid In Capital resulting from: (a) the existing Additional Paid in Capital; (b) the decrease of capital through the reduction of par value; and (c) the conversion of the existing liability to MG to wipe out all the accumulated deficit of the Parent Company.

On November 11, 2021, management filed the final restructuring project to SEC. Prior to submission of the project, management has already agreed to the conversion of debt with its creditors and legal counsel.

On May 30, 2022, a Deed of Assignment on the loan was entered between MG and the Parent Company in which the former unconditionally and irrevocably assigns, cedes, transfers and conveys unto the Parent Company all of its title, right and interests to receive the payment for the debt as payment for the subscription price, thereby converting the debt into equity.

In addition, the related parties, MG and TPO, have undertaken to support the Parent Company financially by not demanding payment of loans due to the former. Accordingly, the financial statements have been prepared on a going concern basis.

On March 29, 2023, management completed all the aforementioned documents required by the SEC.

On April 4, 2023, the Parent Company was notified by the SEC that it is ready to issue its assessment on the planned restructuring project upon issuance of the SEC-Markets and Securities Regulation Department (MSRD) clearance. Thereafter, a Payment Request Form was issued to the Parent Company, which signified the acceptance of the SEC on the application to proceed with filing.

On June 26, 2023, the SEC approved simultaneously the Parent Company's amendments to the Articles of Incorporation, decrease/ increase in authorized capital stock and equity restructuring (see Note 14). With the SEC approval, the Parent Company can now focus on the operations and expansion of its subsidiary, FYGP, and the development of its 30 - hectare property located in Sta. Rosa City, Laguna.

On June 19, 2024, the Parent Company received an Order from the SEC lifting the Order of Revocation of the Effectivity of the Parent Company's Registration of Securities and Permit to Sell Securities to the Public issued by the SEC on August 26, 2002.

Notice of Involuntary Delisting

On February 3, 2023, the Parent Company received a Notice of Involuntary Delisting from the PSE.

On April 3, 2023, representatives of the Parent Company participated in a hearing conducted by the Exchange relating to the involuntary delisting proceedings involving the Parent Company. The Parent Company then requested the Exchange that the involuntary delisting proceedings be suspended; and it be allowed to complete the requirements for its amended registration statement and application for the financial restructuring plan with the Securities and Exchange Commission until the end of 2023.

The grounds for the initiation of involuntary delisting proceedings involving Parent Company are due to the (a) revocation of its registration of securities and permit to sell securities; and (b) negative stockholders' equity.

In the said hearing, the Parent Company raised the following arguments:

a. There was no obstinate refusal on the part of the Parent Company to comply with the directives of the Exchange and the Securities and Exchange Commission (SEC).
b. The Parent Company, in utmost good faith, exerted serious efforts to comply with the SEC directives. All the corporate actions of Parent Company on the matter were timely and promptly disclosed to the Exchange.
c. The SEC-Markets and Securities Regulation Department (MSRD) will only act on the Parent Company's amended registration statement after the approval of the Parent Company's financial restructuring plan being reviewed by the SEC- Financial Analysis and Audit Division (FAAD).
d. The Parent Company will file its amended registration statement after it secures the SEC's approval of its financial restructuring plan. Thereafter, the Parent Company will request SEC-MSRD to issue the corresponding Order Lifting the Order of Revocation dated August 26, 2002 against the Parent Company.
e. The conversion of the Parent Company's obligation to one of the Corporation's major creditors, Malaysia Garment Manufacturers Pte. Ltd, amounting to ₱1,390.0 million into equity has effectively wiped-out the deficit amounting to ₱689.0 million. The debt-to-equity conversion is part of the financial restructuring plan being carried out by the Parent Company. The deficit would have been wiped-out had the SEC-FAAD approved the Parent Company's financial restructuring plan.

f. The involuntary delisting will be prejudicial to the Parent Company's stockholders who have been expecting that the trading suspension will be lifted soon and the financial restructuring plan approved in light of the actions being actively undertaken by the Parent Company.
g. In 2019, parallel to its efforts to solve its capital deficiency, the Parent Company incorporated FYGP, a 100% wholly owned subsidiary, to provide cash flow and steady stream of revenues. FYGP will commence its commercial operations in May 2023.

The Parent Company therefore requested the Exchange that the involuntary delisting proceedings be suspended; and it be allowed to complete the requirements for its amended registration statement and application for the financial restructuring plan with the Securities and Exchange Commission until June 26, 2024.

The PSE, in its Letter dated 31 January 2024, granted the Parent Company's request for a six (6)-month non-extendible extension or until 26 June 2024 to complete the requirements of the SEC and obtain an effective registration of securities and permit to sell securities with the SEC; and (ii) to maintain the suspension of the involuntary delisting proceedings against the Parent Company until the issuance of SEC's decision on the Parent Company's application for the approval of its Amended Registration Statement or until 26 June 2024 whichever is earlier.

The Parent Company received a Notice from PSE dated December 4, 2024, announcing the lifting of the trading suspension effective December 6, 2024. Considering that the trading of the Parent Company's shares was suspended since September 25, 2002, the static threshold for the Parent Company will be lifted upon the resumption of the Parent Company's shares.

Final Assessment Notice from Bureau of Internal Revenue (BIR)

On September 26, 2024, Management of the Parent Company notified its BOD that it had received from the BIR a Final Assessment Notice / Formal Letter of Demand (FAN/FLD) dated September 17, 2024 for calendar year 2022 on September 22, 2024. The FAN/FLD reflected a total assessment amount of ₱289.1 million.

On February 6, 2025, the Parent Company received the Final Decision on Disputed Assessment (FDDA) dated February 5, 2025. The BIR assessed deficiency taxes, interests, surcharges, and penalties (Tax Deficiencies) against the Parent Company in the total amount of ₱289.1 million, broken down as follows:

1. Final Withholding Tax (FWT) - ₱183.9 million
2. Final Withholding Value Added Tax (FWVAT) - ₱88.7 million
3. Documentary Stamp Tax (DST) - ₱16.3 million
4. Compromise Penalties - ₱0.1 million

As background, to wipe out the Parent Company's deficit, the Parent Company restructured its capital accounts and converted its liabilities into equity (Equity Restructuring). Particularly, the Corporation increased its authorized capital stock from ₱120.0 million to ₱647.3 million. Pursuant to the increase in the Parent Company's authorized capital stock, Malaysia Garment Manufacturers (Pte) Ltd (MG) subscribed to 33,426,498 preferred shares of stock in exchange for the conversion of the Corporation's outstanding loan (principal and interest) amounting to ₱1,419.3 million (Subject Loan) to equity as payment for the subscription, with the excess recorded as Additional Paid in Capital (APIC) to wipe out the Parent Company's accumulated deficit (Debt-to-Equity Conversion).

The BIR alleges that the Deed of Assignment for the Debt-to-Equity Conversion resulted in a constructive receipt of income on the part of MG, which should be subject to final withholding tax.

The Parent Company’s legal counsel, filed the Parent Company's Protest with Request for Reconsideration and/or Reinvestigation with the BIR Revenue Region 8A on October 28, 2024 (Protest).

In its Protest, the Parent Company argues that the assignment of the Subject Loan in exchange for shares is part of the Debt to Equity Conversion - a capital transaction outside the ordinary course of business that does not result in taxable income, VAT, or DST for the Parent Company or MG.

On the same date that legal counsel filed the Parent Company's Protest, the Parent Company’s tax advisor also submitted a letter to the BIR to signify its alignment and conformity to the factual and legal arguments of the Protest filed by the Parent Company through its legal counsel.

The Protest also included the Parent Company's request for reinvestigation and to submit additional documents in support of the reinvestigation of the findings of the BIR.

On November 11, 2024, the Parent Company received the BIR's letter granting the Parent Company's request for reinvestigation. The reinvestigation will require the BIR to reassess its initial findings on the Parent Company's Tax Deficiencies and re-examine the strong legal position of the Parent Company’s legal counsel and tax advisor on the matter. The Parent Company has 60 days from the date of filing of its Protest, or until December 27, 2024, within which to submit additional documents in support of the reinvestigation.

On December 27, 2024, the Parent Company submitted all its relevant supporting documents in support of its Protest.

On February 6, 2025, the Parent Company received the Final Decision on Disputed Assessments (FDDA) from the BIR denying the Parent Company’s Protest.

Under the Court of Tax Appeals (CTA) Rules, Section 228 of the Tax Code, relevant BIR issuances, prevailing jurisprudence, a petitioner may appeal the denial of its protest to the CTA within thirty (30) days from the receipt of the said denial, or in the Parent Company’s case until March 8, 2025.

On March 7, 2025, the Parent Company filed its Petition for Review with the CTA.

On June 5, 2025, the Commissioner of Internal Revenue (CIR) filed his answer to the Petition docketed as CTA Case No. 11789 with the CTA Second Division. The case was then referred to mediation on June 17, 2025 but the parties did not reach a settlement.

The Pre-Trial was initially set by CTA Second Division on October 16, 2025 but has been reset to February 12, 2026.

On January 23, 2026, the Pre-Trial on CTA Second Division was cancelled and transferred to the CTA Third Division.

In a Resolution dated February 19, 2026, the CTA Third Division set the Pre-Trial for this case on May 14, 2026.

The Parent Company is of the position that the Equity Restructuring and Deed of Assignment are separate events, and both are not subject to income tax, VAT, and DST.

The Parent Company, through its legal counsel, is taking the appropriate legal steps to assail the assessment on the grounds of lack of factual and legal basis.

Amendments to Articles of Incorporation

In a Special Board Meeting, the BOD approved the following amendments to the AOI:

1. Change in primary purpose
2. Reduction in the number of directors
3. Declassification of common shares

The amendment of the primary purpose stems from the strategic shift from polyester manufacturing to real estate related activities. The reduction in the number of directors will enhance board efficiency and ensure swift and cohesive decision-making. The declassification of Common "A" and Common "B" shares is to promote market efficiency, transparency, and equitable shareholder treatment within publicly listed companies as mandated by the relevant issuances of the SEC and the PSE.

Authorization for Issuance of the Consolidated Financial Statements
The financial statements of the Group as at and for the years ended December 31, 2025 and 2024 were authorized for issuance by the Group's BOD on April 13, 2026.

2. Basis of Preparation and Consolidation and Summary of Material Accounting Policies

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

The consolidated financial statements have been prepared on a historical cost basis and are presented in Philippine peso, the Group's functional and presentation currency. All values are rounded to the nearest peso except when otherwise indicated.

New Standards, Interpretations and Amendments
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of Amendments to PAS 21, Lack of exchangeability, which became effective on January 1, 2025. 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 adoption of the amendments did not have an impact on the financial statements of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Standards and Interpretations Issued but not yet Effective
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group 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*

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to PFRS Accounting Standards—Volume 11
    - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
    - Amendments to PFRS 7, *Gain or Loss on Derecognition*
    - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
    - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
    - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*

  Based on the Group's initial assessment, the impact is expected to be limited to presentation and disclosure changes, including the reclassification of income and expenses into operating, investing, and financing categories and the reclassification of dividends received from joint ventures and associates to cash flows from investing activities. PFRS 18 does not affect recognition and measurement.

  PFRS 18 will apply retrospectively. The Group will be conducting an impact assessment of PFRS 18 and is set to apply any changes to the accounting system to be able to comply with PFRS 18 once the standard takes effect.

- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

Deferred effectivity

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

The Group applied the materiality guidance in its 2025 accounting policy disclosures.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as at December 31 of each year. Control is achieved when the Group is 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. Specifically, the Group controls an investee if and only if the Group has all of the following:

- Power over the investee (i.e., existing rights that give the ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee

- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests (NCI), even if this results in the NCI having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, NCI and other components of equity while resulting gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Financial Instruments

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

a. Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its 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 for which the Group has applied the practical expedient are measured at the transaction price as determined under PFRS 15, *Revenue from Contracts with Customers*.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of 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. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group'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. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value

through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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

The Group's financial assets include cash and cash equivalents, trade receivables, refundable deposits under 'Prepayments and other current assets', advances to subsidiaries and long term time deposits under 'Current financial assets' which are classified as financial assets at amortized cost.

Subsequent Measurement
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.

Impairment
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group 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. 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 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 the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

For cash, the Group 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. The Group recognizes an allowance based on 12-month ECLs. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.



b. 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 recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities are in the nature of payables which are classified as financial liabilities at amortized cost (loans and borrowings).

Subsequent Measurement
After initial recognition, payables 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 comprehensive income.

Inventories
Inventories are valued at the lower of cost and net realizable value (NRV). NRV for finished goods are the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. NRV for raw materials, spare parts and other inventories is the current replacement cost of the assets.

Costs incurred in bringing each product to its intended location and condition are accounted for as follows:

- Finished goods: Cost is determined using the moving average method. Cost includes direct materials, direct labor and proportion of manufacturing overhead costs based on normal operating capacity.
- Raw materials, spare parts and other inventories: Purchase cost is determined using the moving average method.

Investment in Associates
The Group's investment in associate is accounted for using the equity method.

The statement of comprehensive income reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income of associate is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of comprehensive income outside operating profit and represents profit or loss after tax and noncontrolling interests in the subsidiaries of the associate.

Investment Properties
Investment properties consist of land which are measured at deemed cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated impairment in value.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties are recognized in the consolidated statement of comprehensive income in the year of retirement or disposal.

The Group's investment property consists of land held to earn rentals and for capital appreciation.

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and amortization and any accumulated impairment in value.

The initial cost of an item of property and equipment consists of its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to expense in the period 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 land and building beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Construction in progress is stated at cost, net of accumulated impairment losses, if any. This includes cost of construction and other direct costs. Construction in progress is not depreciated until such time the relevant assets are completed and are available for use.

Depreciation, which commence when the assets are available for their intended use, are computed using the straight-line method over the following estimated useful lives of the assets:

	Number of Years
Building	20
Machinery and plant equipment (long life)	15
Furniture and fixtures	7
Office equipment	5
Transportation equipment	5
Machinery and plant equipment (short life)	3 - 5

Depreciation begins when the item of property, plant and equipment becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with *PFRS 5, Noncurrent Assets Held for Sale and Discontinued Operations*, and the date the item is derecognized.

The assets' estimated residual values, if any, estimated useful lives and depreciation and amortization methods are reviewed periodically at each end of the reporting period to ensure that these are consistent with the expected pattern of economic benefits from the items of property, plant and equipment. A change in the useful lives or expected pattern of consumption of the future economic benefits embodied in property, plant and equipment is accounted for as a change in accounting estimates and thus, shall be recognized prospectively in accordance with PAS 8, *Accounting Policies, Changes in Estimates and Errors.*

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the year the item is derecognized.

When assets are retired or otherwise disposed of, their cost, accumulated depreciation and amortization and any allowance for impairment loss are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of comprehensive income.

Fully depreciated assets are retained in the accounts until these are no longer in use and no further depreciation is charged to current operations.

Impairment of Non-financial Assets

The Group assesses at each reporting date whether there is indication that a non-financial asset or cash-generating unit (CGU) may be impaired. If any indication exists, the Group makes an estimate of their recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use, and is determined for an individual item, unless such item does not generate cash inflows that are largely independent of those from other assets or group of assets or CGUs. When the carrying amount exceeds its recoverable amount, such item is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows to be generated by such items are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset or CGU. Impairment losses of continuing operations are recognized in the parent company statement of income in the expense categories consistent with the function of the impaired asset.

An assessment is made at least on each reporting date as to whether there is indication that previously recognized impairment losses may no longer exist or may have decreased. If any indication exists, the recoverable amount is estimated and a previously recognized impairment loss is reversed only if there has been a change in the estimate in the assets or CGU's recoverable amount since the last impairment loss was recognized. If so, the carrying amount of the item is increased to its new recoverable amount which cannot exceed the impairment loss recognized in prior years. Such reversal is recognized in the parent company statement of income unless the asset or CGU is carried at its revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount on a systematic basis over its remaining estimated useful life.

Deposit for Future Stock Subscriptions

An entity shall classify a contract to deliver its own equity instruments under equity as a separate account (e.g., Deposit for Stock Subscription) from "Outstanding Capital Stock" if and only if, all of the following requirements are present as of the end of the reporting period:

- The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;



- There is BOD's approval on the proposed increase in authorized capital stock (for which a deposit was received by the corporation);
- There is stockholders' approval of said proposed increase; and
- The application for the approval of the proposed increase has been presented for filing or has been filed with the Commission

Capital Stock
The Group has issued common issued common and preferred shares that are classified as equity. Common shares are classified as equity and are measured at par value for all shares issued and outstanding. Preferred shares are classified as equity if it is non-redeemable, or redeemable only at the Parent Company's option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity. Preferred shares are classified as a liability if they are redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in the consolidated statement of income as accrued.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from proceeds. The excess of proceeds from issuance of shares over the par value of shares are credited to "Additional paid-in capital".

Equity Reserve
Equity reserve represents the difference between the Parent Company's share in the fair value of the consideration received from other stockholders and the corresponding adjustment to non-controlling interest arising from the deemed disposal of a portion of the Parent Company's ownership interest. This is derecognized when the subsidiaries are deconsolidated, which is the date on which control ceases.

An increase or decrease in the Parent Company's ownership interest that does not result in a loss of control of a subsidiary is accounted for as an equity transaction, i.e., a transaction with owners in their capacity as owners. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary in this account.

Deficit
Deficit represent the cumulative balance of periodic net income or loss, dividend contributions, prior period adjustments, effect of changes in accounting policies and other capital adjustments.

Revenue Recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The Group has concluded that it is the principal in all of its revenue arrangements. Revenue is measured at fair value of the consideration received or receivable, taking into account contractually deferred terms of payment and excluding taxes or duty.

Sale of Goods
Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The Group 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 Group considers the effects of variable consideration and consideration payable to the customer. The normal credit term is 30 days upon delivery. There is no further disaggregation on the Group's revenue from sale of goods

Rental Income
Revenue from rental of leased property is recognized in the Group's consolidated statement of comprehensive income on a straight-line basis over the term of the lease agreement as the Group substantially retains all the risks and benefits of the ownership of the asset.

Interest Income
Interest income from bank deposits is recognized on a time proportion basis on the principal outstanding and at the rate applicable. Revenue is recognized as the interest accrues taking into account the effective yield of the asset.

Other Income
Other income arising from Common Area Maintenance (CAM) are presented net of cost as 'other income' as it is not the main source of the Parent Company's revenue and is not material to the financial statements.

Costs and Expenses
Costs and expenses are decreases in economic benefits during the reporting date in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Costs and expenses are generally recognized in the consolidated statement of comprehensive income in the period these are incurred.

Income Taxes
Current Income Tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the country where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in consolidated statement of comprehensive income.

Deferred Tax
Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

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

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



Retirement Plan Assets

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting date reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of 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 plans is actuarially determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning the employees' projected salaries.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- 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. 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 amount of service costs and net interest on the net defined benefit liability or asset is recognized as 'Interest expense' or 'Interest income' in the parent company statement of comprehensive income.

Remeasurements comprising actuarial gains and losses, 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.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

The Group has a defined benefit retirement plan which requires contributions to be made to trustee-administered funds. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. All actuarial gains and losses are recognized in the OCI under remeasurement loss on retirement plan assets.

Foreign currencies

The Group's consolidated financial statements are presented in Philippine peso, which is also the Parent Company's functional and presentation currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and Balances. Transactions in foreign currencies are initially recorded in the functional currency rate prevailing on the period of the transaction. Monetary assets and liabilities denominated in foreign currency are re-translated at the functional currency spot rate of exchange prevailing at the financial reporting date.



All differences are recognized in the consolidated statement of income. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Group Companies. The Philippine peso is the currency of the primary economic environment in which the parent Company and all other subsidiaries operate, except for FYGP.

The financial statements of the consolidated subsidiary with functional currency other than the Philippine peso are translated to Philippine peso as follows:

- Assets and liabilities using the closing rate of exchange prevailing at the financial reporting date;
- Components of equity using historical exchange rates; and
- Income and expenses using the weighted average exchange rate for the year.

The exchange differences arising on the translation are recognized as other comprehensive income (loss) under "Cumulative translation adjustments" account. Upon disposal of any of these subsidiaries and associates, the deferred cumulative amount recognized in "Cumulative translation adjustments" relating to that particular subsidiary or associate will be recognized in the consolidated statement of income.

Operating Segment Information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

The Group's operating business are organized and managed separately according to the nature of the product sold, with each segment representing a strategic business unit that offers a different product. The major operating segments of the Group are as follows:

- Leasing - following the cessation of its operation, the Parent Company and IKAC is now primarily focused on leasing of the investment properties
- Manufacturing - FYGP is primarily involved in the production of high-quality filament grade recycled PET chips (rPET) and the importation of raw materials, machinery, equipment, tools, goods, wares, articles, or merchandise directly used in its registered operations

Basic/Diluted Loss Per Share

Earnings (loss) per share is computed by dividing the net income (loss) for the year, attributable to the equity holders of the Parent Company, by the weighted average number of common shares issued and outstanding during the year. The weighted average number of common shares issued and outstanding during the period and for all years presented are adjusted for events, other than the conversion of potential common shares, that have changed the number of common shares outstanding, without a corresponding change in resources.

Diluted earnings (loss) per share is calculated by dividing the profit (loss) attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.



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

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

3. Summary of Material Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in compliance with PFRS Accounting Standards require the management to make judgments, estimates and assumptions that affect amounts reported of assets, liabilities and disclosures of contingent assets and liabilities at the date of financial information and the reported amounts of income and expenses during the year. The judgments, estimates and assumptions used in the financial statements are based upon management evaluation of relevant facts and circumstances as of the date of the Group's financial statements. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as these become reasonably determinable.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and Assumptions
The key estimates and assumptions concerning future and key sources of estimation uncertainty as at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Fair value of Investment Properties
The Group is required to disclose for each class of investment properties the fair value of that class of assets in a way that permits it to be compared with the corresponding carrying amount in the consolidated statements of financial position, which requires the use of accounting judgment and estimates. While significant components of fair value measurement are determined using verifiable objective evidence (i.e., interest rates), the timing and amount of changes in fair value would differ with the valuation methodology used. Any change in the fair value of these investment properties would affect the disclosures made by management.

The fair values of the Group's investment properties are set out in Note 26.

Provisions and Contingencies
The Group is currently involved in a tax assessment. The determination of whether any provision should be recognized and the estimation of the potential liability resulting from this assessment require significant judgment and estimate by management. The inherent uncertainty over the outcome of these matters is brought about by the differences in the interpretation and implementation of laws and regulations. The Group currently does not believe these tax assessments and claims could materially reduce its profitability. It is possible, however, that future financial performance could be materially affected by the changes in judgment and estimate relating to this tax assessment.

Information about the Group's tax assessment is in Note 1.

Assessment of Realizability of Deferred Tax Assets
The Group reviews the carrying amounts of deferred taxes at each end of the reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Significant judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future planning strategies.

Information on the Group's deferred assets is in Note 19.

4. Financial Assets

Cash and Cash Equivalents

	2025	2024
Cash on hand	**₱120,582**	₱120,582
Cash in banks	**71,171,390**	33,771,185
Short-term investments	**34,282,771**	8,471,034
	₱105,574,743	₱42,362,801

Cash in banks earns interest at current bank deposit rates. Short-term investments are made for varying periods up to three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Interest income earned from cash in banks and short-term investments amounted to ₱5.9 million, ₱3.6 million and ₱0.7 million in 2025, 2024 and 2023, respectively.

Current financial assets
The Parent Company has time deposits amounting to ₱40.0 million and ₱20.0 million as at December 31, 2025 and December 31, 2024, respectively. Interest income from the time deposits amounted to ₱1.0 million, ₱0.8 million and ₱0.5 million in 2025, 2024 and 2023, respectively.

5. Trade and Other Receivables

	2025	2024
Rent receivable	**₱4,222,446**	₱2,593,896
Trade receivable:		
Third party	**1,422,758**	–
Related-party (Note 20)	–	53,023,735
Non-trade receivables	**17,833,885**	2,174,633
Accrued interest receivables	**1,299,179**	1,320,755
	₱24,778,268	₱59,113,019
Less allowance for impairment losses (Note 17)	**2,433,885**	2,174,633
	₱22,344,383	₱56,938,386

Rent receivables are rentals in arrears that are collected within the next 12 months.

Non-trade receivables include amounts agreed extra-judicially as compensation arising from a dispute with a lessee amounting to ₱15.4 million. The amounts are covered by a settlement plan and is expected to be collected in the next 12 months.

Accrued interest receivables pertains to the interest earned on the deposit with CTBC Bank (Philippines) Corporation (see Note 4).

The Group has provided impairment loss on its non-trade receivables amounting to ₱0.3 million in 2025.

Movements in allowance for impairment losses on its non-trade receivables are as follows:

	2025	2024
Beginning balances	**₱2,174,633**	₱–
Provision for impairment loss (Note 17)	**259,252**	2,174,633
	₱2,433,885	₱2,174,633

6. **Inventories -** at cost

	2025	2024
Raw materials	**₱59,399,251**	₱22,662,562
Finished goods	**4,751,608**	17,548,810
Spare parts and other inventories	**16,808,582**	10,541,871
	₱80,959,441	₱50,753,243

Inventories, which are carried at cost, consist of raw materials and other inventories. Total cost of inventories charged to cost of sales amounted to ₱606.3 million and ₱412.7 million in 2025 and 2024, respectively (see Note 17).

7. **Prepayments and Other Current Assets**

	2025	2024
Prepaid expense	**₱4,029,181**	₱7,256,362
Input VAT	**3,027,915**	3,774,617
Prepaid rent	**1,931,008**	1,910,128
Advances to officers and employees	**855,516**	853,996
Refundable deposits	**303,316**	298,096
Others	**185,773**	182,224
	10,332,709	14,275,423
Less allowance for impairment losses	**399,296**	341,290
	₱9,933,413	₱13,934,133

Prepaid expense mainly refers to prepayments made for its utilities and insurances.

Input VAT pertains to the VAT on domestic purchases of the Group.

Advances to officers and employees pertain to noninterest-bearing cash advances which are subject to liquidation.

Refundable deposits pertain to miscellaneous deposits related to rent such as office and parking spaces.

Others refers to advance payments made by the Group in its suppliers of inventories to be used in production.

Movements in allowance for impairment losses on prepayments and other current assets are as follows:

	2025	2024
Beginning balances	**₱341,290**	₱284,684
Provision for impairment loss (Note 17)	**58,006**	56,606
	₱399,296	₱341,290

8. Investments in Associates

	2025	2024
Filsyn International Corporation	**₱2,067,500**	₱2,067,500
Lefilton Trading	**200,000**	200,000
Lakeview Industrial Corporation	**1**	1
	2,267,501	2,267,501
Less: Allowance for impairment losses	**2,267,500**	2,267,500
	₱1	₱1

Investments in associates are investees that are dormant and non-operating. As at December 31, 2025 and 2024, the Group's investments in associates have been impaired.

9. Other Noncurrent Assets

	2025	2024
Creditable withholding taxes (CWTs)	**₱50,835,477**	₱61,464,943
Advances to contractors (Note 10)	**8,510,410**	22,504,146
	₱59,345,887	₱83,969,089
Less allowance for impairment losses on CWTs	**50,835,477**	58,353,860
	₱8,510,410	₱25,615,229

CWT pertains to unapplied certificates which can be used to pay for future income tax payments.

Movements in allowance for impairment losses on CWTs are as follows:

	2025	2024
Beginning balances	**₱58,353,860**	₱58,353,860
Reversal of allowance for impairment loss (Note 17)	**(7,518,383)**	–
	₱50,835,477	₱58,353,860

Reversal pertains to previously impaired CWTs that were subsequently utilized to settle the Parent Company’s tax liability during the year.

10. **Property and equipment - net**

	2025							
	Land	**Building**	**Machinery and Plant Equipment**	**Furniture and Fixtures**	**Office Equipment**	**Transportation Equipment**	**Construction In-progress**	**Total**
Cost:								
Balances at beginning of year	**₱235,603,550**	**₱262,359,398**	**₱305,166,621**	**₱5,487,601**	**₱1,567,796**	**₱2,492,962**	**₱4,170,512**	**₱816,848,440**
Additions	**–**	**–**	**4,607,878**	**–**	**–**	**–**	**47,099,433**	**51,707,311**
Transfer	**–**	**–**	**-**	**–**	**–**	**–**	**–**	**-**
Balance at end of the year	**235,603,550**	**262,359,398**	**309,774,499**	**5,487,601**	**1,567,796**	**2,492,962**	**51,269,945**	**868,555,751**
Accumulated depreciation:								
Balances at beginning of year	**–**	**(56,705,398)**	**(39,510,655)**	**(1,356,385)**	**(827,042)**	**(2,168,742)**	**–**	**(100,568,222)**
Depreciation (Note 17)	**–**	**(15,678,887)**	**(22,959,313)**	**(612,019)**	**(218,057)**	**(338,061)**	**–**	**(39,806,337)**
Balance at end of the year	**–**	**(72,384,285)**	**(62,469,968)**	**(1,968,404)**	**(1,045,099)**	**(2,506,803)**	**–**	**(140,374,559)**
Cumulative translation adjustments	**50,656,239**	**52,905,018**	**15,494,140**	**(207,426)**	**45,728**	**13,841**	**–**	**118,907,540**
Net Book Values	**₱286,259,789**	**₱242,880,131**	**₱262,798,671**	**₱3,311,771**	**₱568,425**	**₱–**	**₱51,269,945**	**₱847,088,732**

	2024							
	Land	Building	Machinery and Plant Equipment	Furniture and Fixtures	Office Equipment	Transportation Equipment	Construction In-progress	Total
Cost:								
Balances at beginning of year	₱235,603,550	₱262,359,398	₱305,166,621	₱5,487,601	₱1,567,796	₱2,492,962	₱1,438,203	₱814,116,131
Additions	–	–	–	–	–	–	2,732,309	2,732,309
Balance at end of the year	235,603,550	262,359,398	305,166,621	5,487,601	1,567,796	2,492,962	4,170,512	816,848,440
Accumulated depreciation:								
Balances at beginning of year	–	(41,088,770)	(15,630,056)	(746,761)	(609,839)	(1,656,551)	–	(59,731,977)
Depreciation (Note 17)	–	(15,616,628)	(23,880,599)	(609,624)	(217,203)	(512,191)	–	(40,836,245)
Balance at end of the year	–	(56,705,398)	(39,510,655)	(1,356,385)	(827,042)	(2,168,742)	–	(100,568,222)
Cumulative translation adjustments	46,054,853	49,092,940	11,478,683	312,967	37,870	15,816	(484,025)	106,509,104
Net Book Values	₱281,658,403	₱254,746,940	₱277,134,649	₱4,444,183	₱778,624	₱340,036	₱3,686,487	₱822,789,322

Construction in-progress refers to machinery and plant equipment that are not yet installed and available for intended use. There are no significant additional costs expected to be incurred in relation to these machinery and plant equipment. It is expected that this will be completed by first quarter of 2026.

Advances to contractors pertaining to advance payments made to machinery and plant equipment suppliers during the year amounted to ₱8.5 million and ₱22.5 million in 2025 and 2024, respectively (see Note 9).

Land amounting to ₱286.3 million as at December 31, 2025 is pledged as collateral on a loan agreement with Chinatrust Banking Corporation (CTBC) Bank (Philippines) Corp. (see Note 13).

11. **Investment Properties**

	2025	2024
Parent Company	**₱898,657,147**	₱898,657,147
IKAC	**19,510,000**	19,510,000
	₱918,167,147	₱918,167,147

Parent Company

Investment properties of the Parent Company consist of land in Laguna and Cavite which are being leased to third parties, as follows:

a. Parcel of land located in Sta. Rosa, Laguna with a total land area of 300,018 square meters (sqm). This investment property is mortgaged in connection with the MTI discussed in Note 11.

b. Parcel of land located in Gen. Mariano Alvarez, Cavite with a total land area of 162,716 sqm.

Based on the latest valuation report from Asian Appraisal, the fair value of parcels of lands as at December 15, 2025 are as follows:

Location	Cost	Fair Value	Observable Input	Total Land Area	Estimated Fair Value per sqm
Laguna	₱750,045,000	₱3,540,212,000	Price per sqm	300,018 sqm	₱11,800
Cavite	148,612,147	732,222,000	Price per sqm	162,716 sqm	4,500
	₱898,657,147	₱4,272,434,000			

The investment properties are categorized under the Level 2 of the fair value hierarchy and the valuation method used was Market Data Approach. In this approach, the value of the land is based on sales and listings of comparable property registered within the vicinity. This approach requires establishing a comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as basis of comparison are situated within the immediate vicinity of the subject property.

The Parent Company has assessed that the highest and best use for its land in Sta. Rosa, Laguna is for light industrial development since it would be too large for a commercial development and a residential subdivision development will not yield a maximum return. The Parent Company has assessed that the highest and best use of the idle investment property in Gen. Mariano Alvarez, Cavite is to develop the land into a self-contained residential subdivision project offering mainly and in combination of vacant residential house and lots and house and lot package complemented with some commercial and institutional usage. For strategic purposes, the property is currently not being used in this manner.

IKAC

The investment property consists of three sites, referred as Sites I, II and III, all located in Barangays Cabugao and Gabuc, Pontevedra, Capiz, with a total land area of 137.87 hectares (ha.). The land is being leased out to various lessees to earn rentals.

Based on the latest valuation report from Asian Appraisal as of December 15, 2025, the details of the fair value of investment properties as at are as follows:

Location	Deemed Cost	Fair Value
Fishponds in Site 1, 2 and 3 (107.6131 ha. with a fair value of ₱520,000 per hectare)	₱17,392,000	₱58,111,000
Coconut land in Site 1 (22.26 ha. with a fair value of ₱420,000 per hectare)	1,558,000	10,017,000
Mangrove in Site 1 (8 ha. with a fair value of ₱420,000 per hectare)	560,000	3,600,000
	₱19,510,000	₱71,728,000

The valuation method used was Market Data Approach. In this approach, the value of the land is based on sales and listings of comparable property registered within the vicinity. This approach requires establishing a comparable property by reducing reasonable comparative sales and listings to a common denominator and adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as basis of comparison are situated within the immediate vicinity of the subject property. Key inputs and assumptions used in adjusting the differences of the subject properties and those actual sales and listings regarded as comparable include location, size, utility and potential use of the property.

The fair value hierarchy of investment property is classified under Level 2.

The Group has assessed that the highest and best use for its land in Pontevedra, Capiz is for mixed use of agro-industrial and agricultural purposes such as but not limited to a combination of prawn farm, cultivation of coconut and other fruit bearing trees (for non-submerged areas) and mangroves (for submerged areas), which is the existing land use of the property.

Rental income and direct operating expenses pertaining to the lease properties are as follows:

	2025	2024	2023
Rental income	**₱79,845,510**	₱54,907,810	₱49,199,912
Real property taxes	**₱4,931,171**	₱4,931,376	₱4,931,376
Repairs and maintenance	**3,559,713**	3,089,717	214,083
Direct operating expenses	**₱8,490,884**	₱8,021,093	₱5,145,459

12. **Accounts and Other Payables**

	2025	2024
Accounts payable	**₱53,889,951**	₱55,650,213
Advances from customer (Note 20)	**47,044,757**	–
Accrued interest:		
Related-party (Note 20)	**26,563,972**	27,563,972
Third party (Note 13)	**2,265,242**	2,790,823
Refundable customers' deposits	**15,835,942**	11,503,054
Nontrade payables	**12,225,655**	12,225,655
Accrued expenses	**4,712,340**	5,048,502
Government payables	**4,045,361**	2,688,080
Others	**2,507,130**	6,653,027
	₱169,090,350	₱124,123,326

Accounts payable represent obligations of the Group which are generally non-interest bearing and are settled on 30 to 90 days' terms.

Advances from customer pertains to advance payment from FE New Century Industry (Singapore) Pte. Ltd. (FNIS) for the monthly commitment with FYGP to deliver R-Chips. The subsequent offset of accounts receivable against the advances from customer is performed every 10th of the following month.

Accrued interest pertains to interest payable of the Parent Company from its outstanding loans to MG and TPO and are payable on demand (see Note 17). Accrued interest on these loans amounted to ₱26.6 million and ₱27.6 million as at December 31, 2025 and 2024, respectively.

Refundable customers' deposits pertain to rental deposits from the lessees to the Group which will be refunded upon expiration of the lease term.

Nontrade payables are noninterest bearing payable to various sources and are normally settled on 30 days' term.

Accrued expenses pertain to liabilities incurred but billings are not yet received. These are the accruals, made for consultancy fees, legal fees and audit fees normally settled within 12 months from the end of the financial reporting period.

Government payables include obligations to the government for income tax due and other taxes.

Others pertains to accruals made for expenses incurred but billings are not yet received. These are normally settled within 12 months from the end of the financial reporting period.

There are no accounts and other payables eliminated during consolidation.

13. Long-term Debt and Loans Payable

Long-term debt
FYGP has loan payables with Chinatrust Banking Corporation (CTBC) Bank as follows:

	2025	2024
Balance at year-end	**₱634,932,000**	₱694,140,000
Unamortized debt issue costs	**(3,709,894)**	(4,800,404)
Amortized costs	**631,222,106**	689,339,596
Less current portion	**69,449,019**	68,241,551
Noncurrent portion	**₱561,773,087**	₱621,098,045

In 2024, FYGP entered into a credit agreement with CTBC Bank (Philippines) Corp. to provide credit line amounting to US$3.0 million (₱173.5 million) to finance its working capital requirement. The credit line is valid until June 30, 2025 and was subsequently renewed, extending its validity until June 30, 2026.

On October 22, 2024, the same bank granted FYGP, loan amounting to US$12.0 million (₱694.1 million) payable within five (5) years with interest rate subject to repricing every month based on the prevailing lending rate as determined by the bank. The interest rates for the loan payable range from 5.25% to 5.87% in 2025. The loan will mature on November 6, 2029. The proceeds from the loan were exclusively used by FYGP for the repayment of the loan with CTBC Bank Taiwan.

The loan facility and long-term debt are secured by properties located at Dasmariñas City owned by FYGP and Las Piñas City owned by Arpeggio International Resources Corporation, a related party under common control.

Covenants
As at December 31, 2025 and 2024, FYGP is in compliance with all the loan covenants required for its long-term debt.

Interest expense incurred on the loans amounted to ₱37.8 million, ₱51.4 million, and ₱43.0 million in 2025, 2024, and 2023 respectively. Bank service charges incurred amounted to ₱0.1 million, ₱2.9 million, and ₱4.6 million in 2025, 2024, and 2023, respectively (see Note 18). Accrued interest payable related to loans amounted to 2.3 million and 2.8 million as at December 31, 2025 and December 31, 2024, respectively.

Loans payable to a stockholder
Loan payable to a stockholder amounted to ₱176.4 million and ₱173.5 million as at December 31, 2025 and December 31, 2024, respectively (see Note 20).

14. **Capital Stock**

Shown below is the Parent Company's capital stock as at December 31, 2025 and 2024:

	No. of shares	Amount
Common stock		
Class A:		
Par value	₱0.50	
Authorized shares	440,229,812	
Issued shares	123,747,707	₱61,873,964
Class B:		
Par value	₱0.50	
Authorized shares	293,486,507	
Issued shares	49,071,976	24,535,878
		₱86,409,842
Preferred stock		
Par value	₱8.39	
Preferred shares	33,426,498	
Issued shares	33,426,498	₱280,448,318
		₱366,858,160

All shares of common stock have the same rights and privileges, except that Class A common stock can be issued only to Filipino citizens or entities. The total number of issued Class B shares should not exceed 2/3 of the total number of issued Class A shares. All shares of preferred stock shall have preemptive rights to subscribe to new shares in proportion to their respective shareholding ratios and bears preferential dividends of 5% per annum of the total debt converted, payable annually in cash, cumulative and convertible to common stocks. Preferred shareholders are also entitled to participate and share in the retained earnings after payment of preferential dividends.

The following summarizes the information on the Parent Company's registration of securities under the Securities Regulation Code:

Date of SEC Approval	Authorized Shares	Number of Shares Issued	Issue/ Offer Price
July 22, 1968	100,000,000	94,964,130	₱7.80
September 22, 1989	100,000,000	94,964,130	5.00
July 18, 1991	160,000,000	154,964,130	5.00
1991 - 2002	240,000,000	206,246,181	5.00

Equity Restructuring

As mentioned in Note 1, on June 26, 2023, the SEC approved simultaneously the Parent Company's amendment in its Articles of Incorporation, increase/decrease in authorized capital stock and equity restructuring. The approval then resulted to the following:

- Decrease in authorized capital stock of the Parent Company, with par value of the common shares being reduced from ₱5.00 to ₱0.50, with a portion of the Class B common shares reclassified to preferred shares, resulting to 144,000,000 Class A common shares, 62,573,502 Class B common shares and 32,426,498 preferred shares with par value of ₱0.50. The excess amounting to ₱928,107,814 as a result of the reduction in the par value were carried over as APIC.

- Increase in authorized capital stock making the Parent Company's authorized shares to 440,229,812 Class A common share, 293,486,507 Class B common shares with par values of P0.50 and 33,426,498 preferred shares with par value from ₱0.50 to ₱8.39 The increase in par value of the preferred shares were paid by the conversion to equity of debt owed to MG amounting to ₱1,389,961,828. The excess from the debt-to-equity conversion amounting to ₱1,126,226,759 was then carried over as APIC.

- Parent Company's recorded deficit as of December 31, 2021 amounting to ₱1,862,551,707 was eliminated against the APIC from the reduction in par values and debt-to-equity conversion. The net movement in the APIC after application amounted to ₱191,782,866

On October 18, 2024, the Parent Company's amended General Information Sheet was approved by the SEC, reflecting the changes in the authorized capital stock and the equity restructuring as approved by the SEC on June 26, 2023.

Cumulative Translation Adjustment

In the consolidated financial statements, the assets and liabilities of FYGP are translated using the prevailing closing rate at report date, while components of equity and profit or loss are translated using historical exchange rates and weighted average exchange rates, respectively, for the year.

CTA amounted to ₱12.8 million and ₱51.3 million as at December 31, 2025 and 2024, respectively.

Dividends Payable

In 2011, the SRTC's trustee returned an amount of ₱0.16 million which pertains to unclaimed dividends declared in 2002. These will be paid upon approval of SRTC's dissolution.

Deposit for future stock subscription

In March 2022, FYGP received deposit for future stock subscription amounting to US$4.5 million (₱250.9 million), from FNIS, a subsidiary of Far Eastern Investment Holding Ltd., which owns the Parent Company by 22%. FNIS will also be the sole customer for the materials to be produced by FYGP. FYGP shall be applying for an increase in authorized capital stock, which shall result to a 2.2% ownership of FNIS over FYGP, with the remaining 97.8% to be owned by the Parent Company.

In 2023, subject to the approval of the SEC, FYGP applied for the amendment of its Articles of Incorporation ("AOI") to increase its authorized capital stock from ₱100,000,000 divided into 1,000,000 common shares with a par value of ₱100 per share to ₱325,000,000 divided into (i) 1,000,000 common shares with a par value of ₱100 per share or an aggregate par value of ₱100,000,000 and (ii) 22,500 preferred shares, with a par value of ₱10,000 per share, or an aggregate par value of ₱225,000,000. In 2024, FYGP has submitted all the required documents to the SEC.



On December 20, 2024, FYGP received from the SEC the payment assessment form for its application for amendment of AOI which was paid the Company on January 23, 2025. Upon filing with the SEC in 2024, FYGP reclassified the Deposit for future stock subscription from liability to equity in accordance with SEC FRB No. 6-2012, *Deposits for Future Subscriptions.*

On December 10, 2025, FYGP received approval from the SEC for its increase in authorized capital stock, resulting in the recognition of the preferred shares subscribed by FNIS. Stock issuance cost incurred, including documentary stamp tax, in relation to the issuance of preferred shares amounted to ₱0.9 million.

Equity Reserve

As a result of the issuance of the preferred shares of FYGP, the Parent Company's ownership interest in FYGP decreased from 100.0% to 97.8%, while FNIS acquired a 2.2% non-controlling interest.

The resulting equity reserve represents the difference between the Parent Company's share in the fair value of the consideration received from FNIS and the corresponding adjustment to non-controlling interest arising from the deemed disposal of a portion of the Parent Company's ownership interest.

The amount recognized as equity reserve, cumulative translation adjustment and the related non-controlling interest as a result of the transaction amounted to ₱219.5 million, ₱35.3 million and ₱5.5 million, respectively, as at December 31, 2025.

15. Income (Loss) per share

	2025	2024	2023
Net income	**₱91,029,917**	₱47,738,035	₱41,019,754
Preference dividends	**104,247,137**	69,498,091	34,749,046
Profit (loss) attributable to the ordinary equity holders of the Parent Company for basic EPS	**(₱13,217,219)**	(₱21,760,056)	₱6,270,708

	2025	2024	2023
Weighted average number of common shares issued and outstanding during the year	**172,819,683**	172,819,683	172,819,683
Effect of dilution from convertible preference share	**560,896,636**	560,896,636	560,896,636
Weighted average number of common shares issued and outstanding during the year	**733,716,319**	733,716,319	733,716,319

	2025	2024	2023
Basic / Diluted EPS (LPS)	**₱0.0765**	(₱0.1259)	₱0.0363

The preference shareholders have a right to participate in the retained earnings after payment of preferential dividends of 5% per annum of the total debt converted to equity. These shares are also convertible to common shares using a 16.78:1 conversion ratio at ₱0.50 per share.

The diluted EPS did not consider the effect of convertible preference shares outstanding since these were anti-dilutive.

16. Lease Agreements

Group as Lessor

The Group has existing short-term lease agreements with various third parties (lessees) covering the Group's investment property located in Sta. Rosa, Laguna and Pontevedra, Capiz. The term of the lease are generally renewable every six months to one year or at the option of both parties under the terms and stipulations mutually agreed upon, unless sooner terminated due to breach of agreement.

Rental income earned from the lease agreements of the investment property amounted to ₱79.8 million, ₱54.9 million and ₱49.2 million in 2025, 2024 and 2023, respectively (see Note 11). Total outstanding trade receivable from these agreements amounted to ₱19.6 million and ₱2.6 million as at December 31, 2025 and 2024, respectively (see Note 5).

Group as Lessee

The Group entered into a lease contract wherein the Group leased the lessor's commercial space located at The Pearlbank Centre, Salcedo Village, Makati City for a period of five years commencing on January 1, 2015 to December 31, 2019 with no rent escalation for the first three years, 5% escalation on the 4th year, and another 5% escalation on the 5th year. In previous years, the contract was renewed for a period of one year with no rent escalation. In December 2025, the contract was renewed for another year with no rent escalation.

Total rental expense amounted to ₱1.2 million, ₱1.2 million and ₱2.3 million in 2025, 2024 and 2023, respectively (see Note 17). Prepaid rent amounted to ₱1.9 million as at December 31, 2025 and 2024 (see Note 7).

17. Cost and Operating Expenses

Cost of Goods Sold

	2025	2024	2023
Direct materials (Note 6)	**₱606,343,405**	₱412,685,298	₱385,068,695
Direct labor	**14,489,099**	5,028,676	10,683,819
Manufacturing overhead:			
Utilities	**42,049,766**	30,499,106	31,477,486
Depreciation (Note 10)	**39,403,387**	40,434,894	30,050,398
Repairs and maintenance	**6,312,946**	9,826,269	7,056,211
Insurance	**2,845,475**	3,221,623	2,434,854
Others	**5,774,713**	15,877,477	21,087,691
Total manufacturing cost	**717,218,791**	517,573,343	487,859,154
Movements in finished goods	**12,797,202**	(3,792,318)	(13,821,554)
	₱730,015,993	₱513,781,025	₱474,037,600

Operating Expenses

	2025	2024	2023
Professional fees	**₱21,664,943**	₱25,350,276	₱25,342,860
Marketing and selling expense	**17,092,974**	10,680,204	10,601,812
Salaries and wages	**8,721,895**	6,650,129	5,140,307
Gain on reversal of allowance for impairment loss (Note 9)	**(7,518,383)**	–	–
Taxes and licenses	**6,272,132**	8,036,656	9,405,255
Security services	**4,957,673**	5,370,813	4,747,631
Repairs and maintenance	**3,559,712**	3,264,733	549,418
Employee benefits	**2,261,753**	1,918,491	1,739,565
Utilities	**1,797,050**	1,092,725	782,705
Retirement income (Note 21)	**(1,262,202)**	(1,070,494)	(851,093)
Rental (Note 16)	**1,150,429**	1,187,298	2,259,950
Depreciation expense (Note 10)	**402,950**	401,351	312,477
Transportation and travel	**354,906**	788,684	659,100
Subscriptions, dues and donations	**349,808**	485,799	624,062
Provision for expected credit loss (Note 5)	**259,252**	2,174,633	–
Office supplies	**121,255**	160,669	303,752
Insurance expense	**38,193**	417,555	206,416
Provision for impairment losses on prepayments and other current assets (Note 7)	**58,006**	56,606	34,198
Others	**233,224**	2,755,217	997,052
	₱60,515,570	₱69,721,345	₱62,855,467

Other cost and operating expenses comprise of miscellaneous expenses, association fees and other minimal expenses.

Personnel Costs

	2025	2024	2023
Salaries and wages	**₱8,721,895**	₱6,650,129	₱5,140,307
Employee benefits	**2,261,753**	1,918,491	1,739,565
Retirement income (Note 21)	**(1,262,202)**	(1,070,494)	(851,093)
	₱9,721,446	₱7,498,126	₱6,028,779

18. Other Income (Expenses) - net

Interest Expense and Bank Charges

Interest expense and bank charges is comprised of the following:

	2025	2024	2023
Interest expense (Note 13)	**(₱37,770,291)**	(₱51,353,331)	(₱43,002,522)
Bank charges (Note 13)	**(97,668)**	(2,918,702)	(4,567,946)
	(₱37,867,959)	(₱54,272,033)	(₱47,570,468)

Interest Income
Interest income is comprised of interest earned from cash in banks, short-term investments and long-term time deposit amounted to ₱5.9 million, ₱3.6 million and ₱1.2 million in 2025, 2024 and 2023, respectively (see Note 4).

Other Income (Expense) - net
Other income (expense) is comprised of the following:

	2025	2024	2023
Foreign exchange gains (losses) - net	**(₱2,829,954)**	(₱7,952,287)	₱1,851,040
Common area maintenance	**3,853,626**	2,539,681	378,124
Other income	**23,166,353**	334,597	19,839
	₱24,190,025	(₱5,078,009)	₱2,249,003

Foreign exchange gain (loss) arise primarily from loans to a related party amounting to USD3.0 million (₱176.4 million) and USD3.0 million (₱173.5 million) as at December 31, 2025 and 2024, respectively.

Common area maintenance pertains to revenues collected from tenants alongside rent for the upkeep of shared areas. The amounts above are presented net of cost.

Other income includes amounts agreed extra-judicially as compensation arising from a dispute with a lessee.

19. Income Taxes and PEZA Registration

Current Income tax
The provision for current income tax represents regular corporate income tax in 2025 and 2024.

The reconciliation of income tax computed at the statutory income tax rate to provision for current income tax as shown in the Parent Company statements of comprehensive income follows:

	2025	2024	2023
Tax at statutory income tax rates at 20%-25% in 2025 and 2024, and 25% in 2023	**₱17,702,342**	(₱143,525)	₱10,762,501
Add (deduct) tax effects of:			
Movement in unrecognized deferred tax assets	**(1,094,432)**	2,411,228	(244,995)
Nondeductible expenses	**16,700**	293,600	87,583
Interest income subjected to final tax	**(621,276)**	(275,640)	(143,907)
Movement in deferred tax liability	**–**	(267,624)	–
Tax under income tax holiday	**–**	–	(9,245,643)
Others	**–**	–	6,840
	₱16,003,334	₱2,018,039	₱1,222,379

Deferred Income Tax

The Group has temporary differences, unused NOLCO and excess MCIT over RCIT for which no deferred tax assets were recognized since management believes that it is not probable that sufficient future taxable profit will be available against which the benefits of the deferred tax assets can be utilized.

The components of the Group's unrecognized temporary differences are as follows:

	2025	2024
Unrealized foreign exchange losses	**₱115,296,858**	₱97,611,858
Accrued interest (Note 12)	**26,563,972**	27,563,972
Allowance for impairment losses on:		
Provision for doubtful accounts receivable (Note 5)	**2,433,885**	2,174,633
Prepayments and other current assets (Note 7)	**79,859**	68,258
Other noncurrent assets (Note 9)	**50,835,477**	58,353,860
Total	**₱195,210,051**	₱185,772,581

The Group has deferred tax liabilities pertaining to the following:

	2025	2024
Investment properties	**₱112,730,009**	₱112,730,009
Retirement plan assets	**6,313,508**	6,045,061
	₱119,043,517	₱118,775,070

PEZA Registration

FYGP is a PEZA registered Economic Zone Facility Enterprise and is entitled to the following:

a. Corporate ITH for four (4) years for original project effective on the committed date of start of commercial operations, or the actual date of start of commercial operations, whichever is earlier; ITH entitlement for the original project can also be extended for another three (3) years provided that specific criteria are met for each additional year and prior PEZA approval is obtained; duly approved and registered "Expansion" and "New" projects are entitled to a three-year, and four-year ITH, respectively.

b. Tax and duty free importation of merchandise which includes raw materials, capital equipment, machineries and spare parts;

c. Exemption from wharfage dues and export tax, impost and fees;

d. Value-added tax (VAT) zero rating of local purchases subject to compliance with the Bureau of Internal Revenue (BIR) and PEZA requirements; and

e. Exemption from payment of any and all local government imposts, fees, licenses or taxes except real estate tax; however, machineries installed and operated in the ecozone for manufacturing, processing or for industrial purposes shall not be subjected to payment of real estate taxes for the first three (3) years of operation of such machineries; production equipment not attached to real estate shall be exempted from real property taxes.

After the lapse of ITH, the following incentives shall apply:

a. Exemption from national and local taxes; in lieu thereof payment of (5%) final tax on gross taxable income as provided in section 24 of RA 7916 and Rule XX of the Rules and Regulations to implement RA 7916; and

b. Additional deduction for training expenses (1/2 of value) against the (5%) tax on gross income earned, but not to exceed 3% subject to guidelines to be formulated by PEZA in coordination with the Department of Labor and Employment and the Department of Finance (Section 42 of RA 7916).

On May 5, 2023, FYGP obtained approval on the date of Start of Commercial Operations (SCO) and was granted an ITH entitlement period from March 2023 to February 2027, after which the Company will be subject to 5% gross income tax on its registered activities. Activities outside the PEZA registration is subject to 25% regular corporate income tax or MCIT starting on the fourth year following the year of the commencement of its business operations. The period of reckoning which is the start of its business operations in the year when the corporation was registered with the BIR.

20. Related Party Disclosures

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by or under common control with the Group, including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group, close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

Transactions with related parties comprise of the following:

	Amount/ Volume	Outstanding balance	Terms	Conditions
Under common control				
FNIS				
Trade receivable (Note 5)				
2025	**₱–**	**₱–**	To be settled in cash, non-	
2024	₱634,175,616	₱53,023,735	interest bearing and collectible on demand	Unsecured, not impaired
Advances to customers (Note 12)				
2025	**₱**1,293,380,000	**₱47,044,757**	Non-interest bearing,	
2024	₱811,302,000	₱–	payable on demand; to be settled in cash	Unsecured and unguaranteed
Deposit for future stock subscription				
2025	**₱–**	**₱–**	Non-interest bearing,	
2024	₱–	₱260,302,500	payable on demand; to be settled in cash	Unsecured and unguaranteed
Stockholder				
TPO				
Loans payable to a stockholder (Note 13)*				
2025	**₱–**	**₱176,370,000**	Non-interest bearing,	
2024	₱–	₱173,535,000	payable on demand; to be settled in cash	Unsecured and unguaranteed
Accrued interest payable (Note 12)				
2025	**₱–**	**₱1,955,755**	Portion was subjected to	
2024	₱–	₱2,958,562	financial restructuring; payable in cash	Unsecured and unguaranteed
Stockholder				
Malaysia Garment Manufacturers (Pte) Ltd. (MG)				
Accrued interest payable (Note 12)				
2025	**₱–**	**₱24,608,217**	Portion was subjected to	
2024	₱–	₱24,605,410	financial restructuring; payable in cash	Unsecured and unguaranteed

**Movement in 2025 and 2024 refers to foreign exchange translation.*

The Parent Company availed of working capital US$-denominated loan in 1993 amounting to $3.0 million (₱83,097,000) from TPO, a major stockholder, with fixed interest rate. In 2001, the loan payable was modified to cease the accrual of the interest. The loan payable amounting to ₱176.4 million as at December 31, 2025 remains to be outstanding.

Total intercompany advances eliminated upon consolidation amounted to ₱99.0 million and ₱97.3 million as at December 31, 2025 and 2024, respectively.

Compensation of Key Management Personnel of the Group
The Group considered all employees holding managerial positions up to president as key management personnel. Compensation of key management personnel, which consist of short-term and employee benefits, amounted to ₱4.5 million and ₱1.2 million in 2025 and 2024, respectively.

21. **Retirement Plan**

The Parent Company has a funded, noncontributory defined benefit retirement plan covering substantially all of its regular employees. Benefits are dependent on the years of service and the respective employee's compensation. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. There was no planned termination, curtailment or settlement for the years ended December 31, 2025 and 2024.

Under the existing regulatory framework, RA 7641, otherwise known as the "Retirement Pay Law", requires a provision for retirement pay to qualified private sector employees in the absence of any retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law.

The Parent Company's plan is a noncontributory defined benefit plan covering all regular and permanent employees. Benefits are based on the employee's final plan salary and years of service.

The fund is administered by a trustee bank under the supervision of the Retirement Committee of the plan. The Committee is responsible for the investment strategy of the plan.

The following table summarizes the details in the Actuarial Valuation Report as at December 31, 2025 and 2024.

	2025									
		Net Benefit Cost in Profit or Loss				Remeasurements in Other Comprehensive Income				
	January 1, 2025	**Current Service Cost**	**Net Interest Cost**	**Subtotal**	**Benefits Paid**	**Return on plan assets**	**Actuarial Gains on Defined Benefit Obligation**	**Actuarial Changes Arising from Changes in Experience Adjustments**	**Subtotal**	**December 31, 2025**
Present value of defined benefit obligation	**(₱3,338,499)**	**(₱104,285)**	**(₱86,064)**	**(₱190,349)**	**₱–**	**₱–**	**(₱34,261)**	**₱82,945**	**₱48,684**	**(₱3,480,164)**
Fair value of plan asset	**27,518,745**	**–**	**1,452,551**	**1,452,551**	**–**	**(237,102)**	**–**	**–**	**(237,102)**	**28,734,194**
Net plan assets	**₱24,180,246**	**(₱104,285)**	**₱1,366,487**	**₱1,262,202**	**₱–**	**(₱237,102)**	**(₱34,261)**	**₱82,945**	**(₱188,418)**	**₱25,254,030**

	2024									
		Net Benefit Cost in Profit or Loss				Remeasurements in Other Comprehensive Income				
	January 1, 2024	Current Service Cost	Net Interest Cost	Subtotal	Benefits Paid	Return on plan assets	Actuarial Gains on Defined Benefit Obligation	Actuarial Changes Arising from Changes in Experience Adjustments	Subtotal	December 31, 2024
Present value of defined benefit obligation	(₱2,451,028)	(₱79,113)	(₱60,318)	(₱139,431)	₱–	₱–	₱8,873	(₱756,913)	(₱748,040)	(₱3,338,499)
Fair value of plan asset	23,803,913	–	1,209,925	1,209,925	–	2,504,907	–	–	2,504,907	27,518,745
Net plan assets	₱21,352,885	(₱79,113)	₱1,149,607	₱1,070,494	₱–	₱2,504,907	₱8,873	(₱756,913)	₱1,756,867	₱24,180,246

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions. The trustee has no specific matching strategy between the plan assets and the retirement obligation. The Parent Company is not required to pre-fund the defined benefit obligation before they become due. The amount and timing of contributions to the retirement fund are at the Parent Company's discretion.

The carrying value and fair value of plan assets by each class as at the end of the reporting period are as follow:

	2025	2024
Cash	**₱1,807,565**	₱475,369
Government securities	**26,670,264**	26,853,794
Accrued income receivable	**300,726**	233,207
Trust fee payable	**(44,361)**	(42,625)
	₱28,734,194	₱27,519,745

The plan assets have diverse investments in equity and debt securities, and do not have any concentration risk.

The costs of defined benefit plan as well as the present value of the defined benefit obligations are actuarially determined using projected unit credit method. The actuarial valuation involves making various assumptions. The principal assumptions used in determining defined benefit obligations for the defined benefit plans are shown below:

	2025	2024
Discount rate	**5.04%**	6.18%
Salary increase rate	**1.00%**	1.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming if all other assumptions were held constant:

	Increase (decrease)	**2025**	2024
Discount rates	+1%	**₱3,450,067**	₱3,309,935
	-1%	**₱3,510,814**	₱3,367,583
Salary increase rate	+1%	**₱3,514,621**	₱3,371,553
	-1%	**₱3,445,707**	₱3,305,444

Shown below is the maturity analysis of the undiscounted benefit payments:

	2025	2024
Less than one year	**₱3,658,457**	₱3,528,848

Retirement fund

The Parent Company entered into a Trust Agreement with BPI Asset Management for the latter to serve as a trustee for the Parent Company's retirement fund. The carrying amount equals the fair value of the retirement fund amounting to ₱28.7 million and ₱27.5 million as at December 31, 2025 and 2024, respectively. There were no any other transactions between the Parent Company and the retirement fund trustee.

22. Non-Controlling Interests

Proportion of equity interest held by NCIs:

		Percentage of Ownership	
	Principal Place of Business	**2025**	2024
IKAC	Philippines	22.9%	22.9%
SRTC	Philippines	43.0%	43.0%
FYGP	Philippines	2.2%	–

Equity attributable to NCI:

	2025	2024
IKAC	**(₱16,082,229)**	(₱16,125,238)
SRTC	**158,078**	158,078
FYGP	**5,501,222**	–
Total	**(₱10,422,929)**	(₱15,967,160)

Net income attributable to material NCI:

	2025	2024	2023
IKAC	**₱43,009**	₱135,489	₱36,300
SRTC	**–**	**–**	–
FYGP	**45,901**	**–**	–
	₱88,910	₱135,489	₱36,300

Summarized statements of financial position, statements of comprehensive income and cash flow information for all the years ended December 31 of IKAC and FYGP, a subsidiary with material NCI, are as follows. This information is based on amounts before inter-Group eliminations.

IKAC	**2025**	2024
Current assets	**₱3,279,698**	₱3,058,225
Noncurrent assets	**19,510,000**	19,510,000
Current liabilities	**(90,867,923)**	(90,834,089)
Noncurrent liabilities	**(2,085,511)**	(2,085,511)
Total capital deficiency	**(70,163,736)**	(70,351,374)
Attributable to equity holders of parent	**(54,081,507)**	(54,226,136)
NCI	**(₱16,082,229)**	(₱16,125,238)

IKAC	**2025**	2024	2023
Revenues	**₱1,104,610**	₱1,655,814	₱1,074,740
Cost of services	**(280,673)**	(287,576)	(132,000)
Operating expenses	**(590,211)**	(626,993)	(752,663)
Interest income	**12,258**	12,037	13,149
Income before income tax	**245,984**	753,282	203,226
Provision for income tax	**(58,346)**	(162,170)	(44,855)
Net income	**187,638**	591,112	158,371
OCI	**–**	–	–
Total comprehensive income	**₱187,638**	₱591,112	₱158,371

IKAC	**2025**	2024	2023
Attributable to NCI	**₱43,009**	₱135,489	₱36,300
Net increase in cash from operating activities	**₱21,976**	₱214,551	₱542,551

FYGP	**2025**	2024
Current assets	**₱129,787,331**	₱136,805,188
Noncurrent assets	**852,798,652**	824,547,472
Current liabilities	**(3,012,036)**	(2,334,653)
Noncurrent liabilities	**(9,555,589)**	(10,737,281)
Total capital deficiency	**4,148,509**	3,547,525
Attributable to equity holders of parent	**(1,352,713)**	1,891,711
NCI	**₱5,501,222**	₱1,655,814

FYGP	**2025**	2024	2023
Revenues	**₱825,562,112**	₱634,175,617	₱574,067,826
Cost of services	**(730,015,993)**	(513,781,025)	(474,037,600)
Operating expenses	**(28,038,156)**	(18,572,130)	(18,092,576)
Other income	**36,263,599**	50,315,005	51,507,456
Income (loss) before income tax	**103,771,562**	152,137,467	(50,315,005)
Benefit from income tax	**–**	–	–
Net income (loss)	**103,771,562**	152,137,467	(50,315,005)
OCI	**–**	–	–
Total comprehensive income (loss)	**₱103,771,562**	₱152,137,467	(₱50,315,005)
Attributable to NCI	**₱45,901**	₱–	₱–
Net increase (decrease) in cash from operating activities	**₱179,323,433**	₱112,600,614	(₱26,726,767)

23. Operating Segment Information

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group derives revenue from its leasing and manufacturing activities. The Group operates in one geographical segment which is the Philippines.

The Pant Company's Executive Committee, the chief operating decision maker of the Group, monitors the operating results of its business units.

The following tables present certain information regarding the Group's operating business segments (amounts in thousands):

	2025				
	Leasing	**Manufacturing**	**Total**	**Eliminations**	**Consolidated**
Revenue	**79,845**	**₱825,562**	**₱905,407**	**₱–**	**₱905,407**
Cost of goods sold	**–**	**(730,016)**	**(730,016)**	**–**	**(730,016)**
Operating expenses	**(32,477)**	**(28,038)**	**(60,515)**	**–**	**(60,515)**
Financial charges - net	**2,486**	**(34,431)**	**(31,945)**	**–**	**(31,945)**
Other charges - net	**21,004**	**3,186**	**24,190**	**–**	**24,190**
Loss before income tax	**70,858**	**36,263**	**107,121**	**–**	**107,121**
Provision for income tax	**(16,003)**	**–**	**(16,003)**	**–**	**(16,003)**
Net income	**54,855**	**36,263**	**91,118**	**–**	**91,118**
Other comprehensive income (loss) - net of tax	**(141)**	**38,461**	**38,320**	**–**	**38,320**
Total comprehensive income	**₱54,714**	**74,724**	**129,438**	**₱–**	**129,438**
OTHER INFORMATION					
Segment assets	**₱1,113,197**	**₱982,586**	**₱2,095,783**	**(₱37,951)**	**₱2,057,832**
Segment liabilities	**443,903**	**738,851**	**1,182,754**	**(86,814)**	**1,095,940**
Capital expenditures	**–**	**51,707**	**51,707**	**–**	**51,707**

	2024				
	Leasing	Manufacturing	Total	Eliminations	Consolidated
Revenue	₱54,908	₱634,175	₱689,083	₱–	₱689,083
Cost of goods sold	–	(513,781)	(513,781)	–	(513,781)
Operating expenses	(51,149)	(18,572)	(69,721)	–	(69,721)
Financial charges - net	703	(51,314)	(50,611)	–	(50,611)
Other charges - net	(4,885)	(193)	(5,078)	–	(5,078)
Income before income tax	(423)	50,315	49,892	–	49,892
Provision for income tax	(2,018)	–	(2,018)	–	(2,018)
Net income	(2,441)	50,315	47,874	–	47,874
Other comprehensive loss - net of tax	1,317	(4,034)	(2,717)	–	(2,717)
Total comprehensive income	(₱1,124)	₱46,281	₱45,157	₱–	₱45,157
OTHER INFORMATION					
Segment assets	₱1,049,638	₱961,353	₱2,010,991	(₱36,250)	₱1,974,741
Segment liabilities	435,058	756,146	1,191,205	(85,113)	1,106,091
Capital expenditures	–	2,732	2,732	–	2,732

	2023				
	Leasing	Others	Total	Eliminations	Consolidated
Revenue	₱49,200	₱574,068	₱623,268	₱–	₱623,268
Cost of goods sold	–	(474,038)	(474,038)	–	(474,038)
Operating expenses	(44,938)	(18,093)	(63,031)	(175)	(62,856)
Financial charges - net	313	(46,658)	(46,345)	–	(46,345)
Other charges - net	1,533	716	2,249	–	2,249
Income before income tax	6,108	35,995	42,103	(175)	42,278
Provision for income tax	(1,222)	–	(1,222)	–	(1,222)
Net income	4,886	35,995	40,881	(175)	41,056
Other comprehensive loss - net of tax	(4,512)	(89)	(4,423)	–	(4,423)
Total comprehensive income	₱374	₱36,084	₱36,458	(₱175)	₱36,633
OTHER INFORMATION					
Segment assets	₱1,042,343	₱901,796	₱1,944,139	(₱35,049)	₱1,909,090
Segment liabilities	426,640	1,003,173	1,429,813	(83,912)	1,345,901
Capital expenditures	–	33,792	33,792	–	33,792

Majority of the revenue of the Group, through the Parent Company and IKAC, are from various tenants renting investment properties covered by lease agreements (see Note 11).

The geographical information of the Group are as follows:

Rental revenue from external customers:

	2025	2024	2023
Sta. Rosa, Laguna	**₱78,740,900**	₱53,251,996	₱48,125,172
Pontevedra, Capiz	**1,104,610**	1,655,814	1,074,740
	79,845,510	₱54,907,810	₱49,199,912

The revenue information above is based on the locations of the customers. Revenue from one customer amounted to ₱18.0 million and nil in 2025 and 2024 respectively, arising from the leasing segment.

The Group's sales amounting to ₱825.6 million, ₱634.2 million and ₱574.1 in 2025, 2024 and 2023, respectively, relates to sales to FNIS, a related party, and FENC, which are located in Singapore and Taiwan, respectively.

Non-current operating assets:

	2025	2024
Sta. Rosa, Laguna	**₱750,045,000**	₱750,045,000
Gen. Mariano Alvarez, Cavite	**148,612,147**	148,612,147
Pontevedra, Capiz	**19,510,000**	19,510,000
	₱918,167,147	₱918,167,147

Noncurrent assets for this purpose consist of investment properties.

24. Financial Risk Management Objectives and Policies and Capital Management

Financial Risk Management Objectives and Policies

The Group's principal financial instruments consist of cash and cash equivalents, time deposit and loans payable to a stockholder. The main purpose of these financial instruments is to raise funds for the Group's operations. The Group has various other financial instruments such as long term time deposits and accounts and other payables, excluding government payables, which arise directly from its operations.

The main risks arising from the financial instruments of the Group are credit risk, liquidity risk and market risk. The BOD reviews and agrees policies for managing these risks.

Credit Risk

Credit risk arises from the possibility that the Group may incur financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk principally from its cash in banks and cash equivalents and refundable deposits. In addition, the balances of cash in banks and cash equivalents and refundable deposits are monitored on an ongoing basis so that the Group's exposure to impairment losses is not significant. There is no significant concentration of credit risk in the Group.

The Group has four types of financial assets that are subject to the expected credit loss model which is cash and cash equivalents, receivables, amounts owed by related parties and long-term time deposit.

Generally, receivables and amounts by related parties are written off if it can no longer be recovered and are not subject to enforcement activity. As of December 31, 2025 and 2024, the maximum exposure to credit risk is the carrying value of each class of financial assets.

While cash and cash equivalents are also subject to the impairment requirements of PFRS 9, the identified impairment loss was immaterial.

The table below shows the maximum exposure to credit risk for the Group's financial assets, without taking into account any collateral and other credit enhancements as at December 31, 2025 and 2024.

	2025	2024
Cash and cash equivalents:		
Cash in banks	**₱71,171,390**	₱33,771,185
Cash equivalents	**34,282,771**	8,471,034
Trade and other receivables	**22,344,383**	56,938,386
Refundable deposits (shown as part of Prepayments)	**303,316**	298,096
Current/Noncurrent financial asset	**40,000,000**	20,000,000
	₱168,101,860	₱119,478,701

Credit risk under general and simplified approach
Set out below is the credit risk of the financial assets under General approach.

	2025				
	General Approach			**Simplified**	
	Stage 1	**Stage 2**	**Stage 3**	**Approach**	**Total**
Cash in banks	**₱71,171,389**	**₱–**	**₱–**	**₱–**	**₱71,171,389**
Cash equivalents	**34,282,771**	**–**	**–**	**–**	**34,282,771**
Trade and other receivables	**1,299,179**	**–**	**2,433,885**	**21,045,204**	**24,778,268**
Refundable deposits	**303,316**	**–**	**–**	**–**	**303,316**
Current financial asset	**40,000,000**	**–**	**–**	**–**	**40,000,000**
	₱147,056,655	**₱–**	**₱2,433,885**	**₱21,045,205**	**₱170,535,745**

	2024				
	General Approach			Simplified	
	Stage 1	Stage 2	Stage 3	Approach	Total
Cash in banks	₱33,771,185	₱–	₱–	₱–	₱33,771,185
Cash equivalents	8,471,034	–	–	–	8,471,034
Trade and other receivables	1,320,755	–	2,174,633	55,617,631	59,113,019
Refundable deposits	298,096	–	–	–	298,096
Long term time deposits	20,000,000	–	–	–	20,000,000
	₱63,861,070	₱–	₱2,174,633	₱55,617,631	₱121,653,334

General approach
Individually impaired financial assets that were specifically determined by the Company under Stage 3 are fully provided with ECL.

Financial assets are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with negative impact on the estimated future cash flows of a financial instrument or portfolio of financial instruments. The ECL model requires that lifetime ECL to be recognized for impaired financial instruments, which is similar to the requirements under PAS 39 for impaired financial instruments.

Simplified approach
Set out below is the information about the credit risk exposure on the Group's trade and other receivables using simplified approach (provision matrix) in 2025 and 2024:

	2025				
		Days Past Due			
	Current	**30-120 days**	**>120 days**	**ECL**	**Total**
Expected credit loss rate	**0%**	**0%**	**0%**	**0%**	
Estimated total gross carrying amount at default	**₱21,045,204**	**₱–**	**₱–**	**₱–**	**₱21,045,204**
Expected credit loss	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**

	2024				
		Days Past Due			
	Current	30-120 days	>120 days	ECL	Total
Expected credit loss rate	0%	0%	0%	0%	
Estimated total gross carrying amount at default	₱56,938,386	₱–	₱–	₱–	₱56,938,386
Expected credit loss	₱–	₱–	₱–	₱–	₱–

Liquidity Risk
Liquidity risk is the potential of not meeting obligations as they become due because of an inability to liquidate assets or obtain adequate funding.

The Group seeks to manage its liquid funds through cash planning on a monthly basis. The Group uses historical figures and experiences and forecasts from its collection and disbursement.

The amounts disclosed in the table below are the contractual undiscounted cash flows as at December 31, 2025 and 2024 which are all due and demandable:

2025	**On Demand**	**Within one Year**	**Over one Year**	**Total**
Financial liabilities				
Accounts and other payables*	**₱165,044,989**	**₱–**	**₱–**	**₱165,044,989**
Loans payable to a stockholder	**176,370,000**	**–**	**–**	**176,370,000**
Long-term debt**	**–**	**72,487,413**	**576,357,379**	**648,844,792**
	₱341,414,989	**₱72,487,413**	**₱576,357,379**	**₱990,259,781**

**Excluding government payables*
***Includes future interest to maturity*

2024	On Demand	Within one Year	Over one Year	Total
Financial liabilities				
Accounts and other payables*	₱121,435,246	₱–	₱–	₱121,435,246
Loans payable to a stockholder	173,535,000	–	–	173,535,000
Long-term debt**	–	103,282,980	789,296,905	892,579,885
	₱294,970,246	₱103,282,980	₱789,296,905	₱1,187,550,131
Financial liabilities				

**Excluding government payables*
***Includes future interest to maturity*

Market Risk
Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity prices and other market changes.

Interest Rate Risk

The Group's exposure to the risk for changes in the market interest rate relates primarily to its interest-bearing loans, which is to subject to reprising based on the prevailing market rate plus premium.

The table below summarizes the impact on income before tax or reasonably possible changes in interest rates:

	Change in basis points	Effect on Statement of Comprehensive Income
2025	**+25**	**(₱1,552,703)**
	-25	**₱1,552,703**
2024	+25	(₱1,718,379)
	-25	₱1,718,379

Foreign Currency Risk

Foreign currency risk is the risk to earnings or capital arising from changes in foreign exchange rates. The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial and cash flows.

The Group's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines. The Group believes that its profile of foreign currency exposure on its assets and liabilities is within conservative limits for an institution engaged in the type of business in which the Group is engaged.

The Group's foreign currency-denominated financial asset and liability as at December 31, 2025 and 2024 are as follows:

	2025		2024	
	USD	**Peso Equivalent**	USD	Peso Equivalent
Financial Asset				
Cash in bank	**$324,597**	**₱14,747,563**	$36,745	₱2,125,512
Financial Liability				
Loans payable to a stockholder	**(3,000,000)**	**(176,370,000)**	(3,000,000)	(173,535,000)
Net financial liability	**($2,675,403)**	**(₱161,622,437)**	($2,963,255)	(₱171,409,488)

As at December 31, 2025 and 2024, the exchange rates of the Philippine peso to the US$ are ₱58.79 and ₱57.85 to US$1.00 respectively.

The sensitivity to a reasonably possible change in the USD exchange rate, with all other variables held constant, of the Group's income before tax as at December 31, 2025 and 2024 is as follows:

	Change in foreign exchange rate	Effect in loss before income tax
2025	**+1.07%**	**₱2,862,681**
	-0.73%	**1,953,044**
2024	+1.09%	₱3,229,948
	-1.16%	₱3,437,376

Capital Management

The primary objective of the Group's capital management is to ensure its ability to continue as a going concern.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may obtain additional advances from stockholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended December 31, 2025 and 2024. The Group has no externally imposed capital requirements.

As at July 1, 2022, the BOD agreed to maintain the Group's operations at status quo, i.e., continue with the asset disposal programs and lease out the Group's warehouse in Sta. Rosa, Laguna and to look for a potential partner for a joint venture agreement.

25. Supplementary Disclosure to Statement of Cash Flows

The following tables summarize the changes in liabilities arising from financing activities for the period ended December 31, 2025 and 2024, respectively:

	2025			
	January 1	**Cash flows**	**Others***	**December 31**
Long-term debt and loans payable	**₱862,874,596**	**(₱69,008,993)**	**₱13,726,503**	**₱807,592,106**
Deposit for future stock subscription	**260,302,500**	**–**	**(260,302,500)**	**–**
Accrued interest payable	**30,354,795**	**–**	**(1,525,581)**	**28,829,214**
	₱1,153,531,891	**(₱69,008,993)**	**(₱248,101,578)**	**₱836,421,320**

**Others pertain to foreign exchange differences, issuance and interest expense.*

	2024			
	January 1	Cash flows	Others*	December 31
Long-term debt and loans payable	₱861,003,500	(₱36,615,165)	₱38,486,261	₱862,874,596
Deposit for future stock subscription	249,165,000	–	11,137,500	260,302,500
Accrued interest payable	34,052,122	(55,050,658)	51,353,331	30,354,795
Due to a related party	1,000,000	(1,000,000)	–	–
	₱1,149,760,397	(₱92,665,823)	₱100,977,092	₱1,158,580,393

**Others pertain to foreign exchange differences and interest expense.*

The principal noncash investing and financing activities are as follows:

	2025	2024	2023
Financing Activities:			
Amortization of debt issue costs (Note 13)	**₱1,090,510**	₱–	₱–
Conversion of DDFS to equity (Note 14)*	–	(249,165,000)	–
Investing Activities:			
Conversion of DDFS to equity (Note 14)*	–	260,302,500	–
	₱1,090,510	₱11,137,500	₱–

**Difference pertains to foreign exchange gain or loss.*

26. Fair Value Measurement

Fair Values of Financial Assets and Financial Liabilities

The following method and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such values as at December 31, 2025 and 2024 are set out below:

Cash and Cash Equivalents, Other Receivables and Accounts and Other Payables

The carrying values of these financial instruments approximate their fair values due to the short-term nature of these accounts.

Refundable Deposits

The carrying values of other noncurrent assets approximate their fair values based on the market value of similar lease agreements.

Loans Payable to Bank

The carrying values of the loans payable to approximate its fair value due to its short-term nature and the interest rate approximates the market rate.

Loan Payable to a Stockholder

The carrying values of the loans payable to a stockholder approximate its fair value as the loan is already due and demandable and the effect of discounting the instrument is not material.

Current/Noncurrent Financial Asset

The carrying amount of this deposit represents its fair value because the interest rate it carries approximates the interest rate for comparable instrument in the market.

Fair Value of Investment Properties

The following table provides the fair value measurement hierarchy of the Group's investment properties as at December 31:

	2025			
		Fair value using		
	Total	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Asset for which fair value is disclosed:				
Parent Company	**₱4,272,434,000**	**₱–**	**₱4,272,434,000**	**₱–**
IKAC	**₱71,728,000**	**₱–**	**₱71,728,000**	**₱–**

	2024			
		Fair value using		
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset for which fair value is disclosed:				
Parent Company	₱4,133,614,000	₱–	₱4,133,614,000	₱–
IKAC	₱68,668,000	₱–	₱68,668,000	₱–

The fair value, which was determined through the use of market data (sales comparison) approach, is based on the assumption that no prudent purchaser will buy more than what it will cost him to acquire an equally desirable substitute parcel or site. This approach is primarily based on sales and listings, which are adjusted for time of sale, location, and general characteristics of comparable properties in the neighborhood where the subject property is situated.

The description of valuation techniques used and key inputs to the valuation of land are shown below:

Filsyn Corporation

Location	Valuation technique	Significant observable input	Valuation Date	Land Area	Fair Value
Sta. Rosa, Laguna					
Land in Barangays Malitlit, Macabling and Macabling, Santa Rosa City, Province of Laguna	Market data approach	Net price per square meter	2025: December 15, 2025 2024*:* January 21, 2025	55,894 square meters in aggregate	2025: ₱9,720 to ₱15,390 per square meter 2024: ₱10,421 to ₱ 13,500 per square meter
Gen. Mariano Alvarez, Cavite					
Land in Barangays Pasong Saging, Pasong Saging and a land along the road Mayor's Drive Barangay Olaes, Province of Cavite	Market data approach	Net price per square meter	2025: December 16, 2025 2024*:* January 21, 2025	8,086 square meters in aggregate	2025: ₱4,388 to ₱4,860 per square meter 2024: ₱4,095 to ₱4,455 per square meter

IKAC

Location	Valuation technique	Significant observable input	Valuation Date	Land Area	Fair Value
Pontevedra, Capiz					
Land in Barangay Solo, Hipona and Agbanog, within the Municipality of Pontevedra, Province of Capiz	Market data approach	Net price per square meter	2025: December 15, 2025 2024*:* January 24, 2025	435,000 square meters in aggregate	2025: ₱45 to ₱66 per square meter 2024: ₱45 to ₱66 per square meter

The highest and best use of the properties as at appraisal date is a mix of agro-industrial and agricultural purposes such as but not limited to a combination of prawn farm, cultivation of coconut and other fruit bearing trees and for non-submerged areas and mangroves for submerged areas which is the existing land use of the property.

Management believes that there are no events or changes in circumstances indicating a significant change in the fair value of the investment properties between the appraisal date and reporting date.

SGV
Building a better working world

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Philippines

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sgv.ph

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
Filsyn Corporation
Unit 8, 5B The Pearlbank Centre
146 Valero St., Salcedo Village, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Filsyn Corporation and Subsidiaries (the Group), as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated April 13, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group'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 consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Marco Rene A. Barredo
Partner
CPA Certificate No. 116783
Tax Identification No. 214-999-478
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 116783-SEC (Group A)
Valid to cover audit of 2025 to 2029 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-160-2025, December 18, 2024, valid until December 17, 2027
PTR No. 10765015, January 2, 2026, Makati City

April 13, 2026

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INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
Filsyn Corporation
Unit 8, 5B The Pearlbank Centre
146 Valero St., Salcedo Village, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Filsyn Corporation and Subsidiaries (the Group) as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated April 13, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025, 2024 and 2023 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

[redacted]

Marco Rene A. Barredo
Partner
CPA Certificate No. 116783
Tax Identification No. 214-999-478
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 116783-SEC (Group A)
Valid to cover audit of 2025 to 2029 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-160-2025, December 18, 2024, valid until December 17, 2027
PTR No. 10765015, January 2, 2026, Makati City

April 13, 2026

FILSYN CORPORATION AND SUBSIDIARIES

INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

DECEMBER 31, 2025
(Amounts in Thousands, Except Number of Shares, Par Value per Share and Unless Otherwise Specified)

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CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 and 2023

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Report of Independent Auditor's on Supplementary Schedules

I. Reconciliation of Retained Earnings Available for Dividend Declaration

II. Map of the relationships of the Companies within the Group

III. Supplementary Schedules Required by Annex 68-J

- A. Financial Assets
- B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
- C. Amounts Receivable from Related Parties which are eliminated during consolidation
- D. Long-term Debt
- E. Indebtedness to Related Parties (Long-term Loans from Related Companies)
- F. Guaranties of Securities of Other Issuers
- G. Capital Stock

Annex "A"

Reconciliation of Retained Earnings for Dividend Declaration
For the reporting period ended December 31, 2025

Filsyn Corporation
Unit 8, 5B The Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City

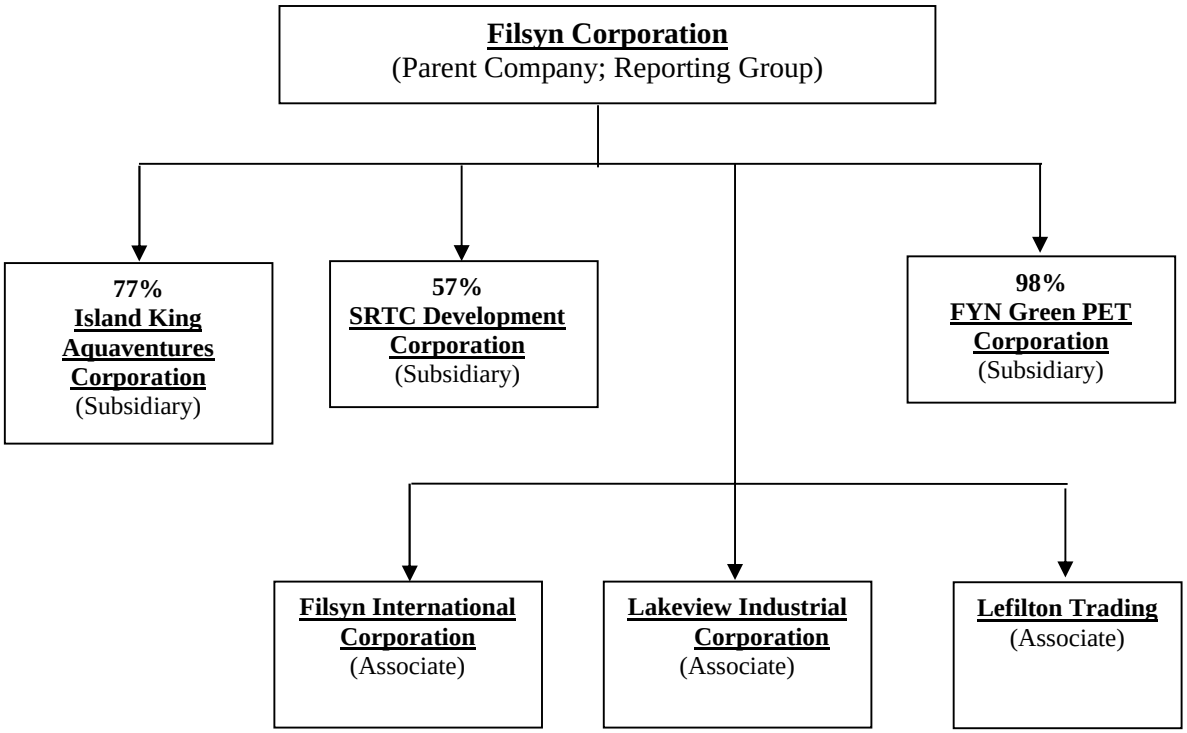
Deficit, beginning of reporting period	**(₱12,935,199)**
Add: Category A: Items that are directly credited to unappropriated retained earnings	–
Less: Category B: Items that are directly debited to unappropriated retained earnings	
Dividend declaration during the accounting period	–
Deficit, as adjusted	**(12,935,199)**
Net income for the current year	**54,667,591**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	–
Movements in deferred tax assets	–
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in current reporting period (net of tax)	–
Add: Category C.3: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in current reporting period (net of tax)	–
Adjusted net income	**54,667,591**
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	–
Add/Less: Category E: Adjustments related to relief granted by SEC and BSP	–
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	–
Total Retained Earnings, end of reporting period	**₱41,732,391**

FILSYN CORPORATION AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS AT DECEMBER 31, 2025, 2024 and 2023

Financial Ratios	Formula	2025	2024	2023
Current ratio	Current assets / Current liabilities	0.62	0.50	0.12
Acid test ratio	Cash and cash equivalents + Current receivables + Current financial assets / Current liabilities	0.40	0.33	0.61
Solvency ratio	Net loss + Depreciation and Amortization + Impairment Loss / Total Liabilities	0.06	0.08	0.05
Debt-to-equity ratio	Total liabilities (current + noncurrent) / Total Equity	1.14	1.27	2.39
Asset-to-equity ratio	Total Assets / Total Equity	2.14	2.27	3.39
Interest rate coverage ratio	Earnings/ Losses Before Interest and Taxes (EBIT) / Finance Costs	3.54	0.99	1.96
Return on equity	Net income (Net Loss) / Total Equity (average)	9.47%	5.51%	(8.05%)
Return on assets	Net Income (Net Loss) / Total Assets (average)	4.43%	2.42%	(2.48%)
Net Sales Growth	Current Period Net Sales – Prior Period Net Sales / Prior Period Net Sales	31.39%	10.56%	1033.16 %
Gross Margin	Gross Profit / Net Sales	19.37%	25.44%	23.94%
Net Profit Margin	Net Income (Net Loss) / Net Sales	10.06%	6.95%	6.59%

FILSYN CORPORATION
MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP
AS AT DECEMBER 31, 2024



FILSYN CORPORATION AND SUBSIDIARIES
SCHEDULE A – FINANCIAL ASSETS
DECEMBER 31, 2025

Name of issuing entity and association of each issue	Number of shares or principal amounts of bonds and notes	Amount shown in the Statement of Financial	Value based on Market Quotation at end of reporting period	Income received and accrued
Cash and cash equivalents	N/A	₱105,574,743	₱105,574,473	₱4,959,674
Trade and other receivables	N/A	22,344,383	22,344,383	–
Refundable deposits	N/A	303,316	303,316	–
Long term time deposits	N/A	40,000,000	40,000,000	964,363
		₱168,222,442	₱168,222,442	₱5,924,037

FILSYN CORPORATION AND SUBSIDIARIES
SCHEDULE B – AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2025

Name and Designation of Debtor	Balance at Beginning period	Additions	Amounts Collected	Amounts Written off	Current	Not Current	Balance at end period

NOT APPLICABLE

FILSYN CORPORATION AND SUBSIDIARIES
SCHEDULE C – AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2025

Name and Designation of Debtor	Balance at Beginning period	Additions	Amounts Collected	Amounts Written off	Current	Not Current	Balance at end period
IKAC	₱86,007,818	₱500	₱–	₱–	₱-	₱–	₱86,008,318
FYGP	11,250,192	1,700,000	–	–	-	–	12,950,192
SRTC	81,000	–	–	–	-	–	81,000
	₱97,339,010	₱1,700,500	₱–	₱–	₱-	₱–	₱99,039,510

FILSYN CORPORATION AND SUBSIDIARIES
SCHEDULE D – LONG-TERM DEBT
DECEMBER 31, 2025

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under Caption "Current Portion of Long-term debt" in related Statement of Financial Position	Amount shown under caption "Long-term debt" in related of Financial Position
CTBC Bank (Philippines) Corp.	631,222,106	69,449,019	561,773,087
Total	₱631,222,106	₱69,449,019	₱561,773,087

FILSYN CORPORATION AND SUBSIDIARIES
SCHEDULE E – INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2025

Name of Related Party	Balance at beginning of period	Balance at end of period
Trans-Pacific Oriental Holding Group, Inc.*	₱173,535,000	₱176,370,000
Total	₱173,535,000	₱176,370,000

**Movement refers to foreign exchange translation.*

FILSYN CORPORATION AND SUBSIDIARIES
SCHEDULE F – GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2025

Name of issuing entity of securities guaranteed by the Group for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owed by person for which statement is filed	Nature of guarantee
- NONE TO REPORT-				

FILSYN CORPORATION AND SUBSIDIARIES
SCHEDULE G – CAPITAL STOCK
DECEMBER 31, 2025

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding Shown under related Statement of Financial Position Caption	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By		
				Related Parties	Directors, Officers and Employees	Others
COMMON STOCK						
Class A	440,229,812	123,747,707	–	63,578,181	133,879	60,035,647
Class B	293,486,507	49,071,976	–	45,065,670	100,000	3,906,306
PREFERRED STOCK	33,426,498	33,426,498	–	33,426,498	–	–
	767,142,817	206,246,181	–	142,070,349	233,879	63,941,953

FILSYN CORPORATION AND SUBSIDIARIES
Supplementary Schedule of External Auditor Fee-Related Information
As of December 31, 2025

	2025	2024
Total Audit Fees	**₱3,500,000**	**₱**2,990,000
Non-audit services fees:		
Other assurance services	–	–
Tax services	–	500,000
All other services	**2,581,605**	2,581,605
Total Non-audit Fees	**2,581,605**	3,081,605
Total Fees	**₱6,0081,605**	**₱**6,071,605

For the years ended December 31, 2025 and 2024, the total non-audit fees received by SGV & Co. from FILSYN Corporation represent more than 15% of the total received fees by SGV & Co. The fees under all other services pertain to an engagement that started in 2016. A pre-issuance review, consistent with the objective of an engagement quality review, performed by a professional accountant expressing the auditors' opinion on the financial statements, was performed prior to the issuance of the auditor's opinion.

SUSTAINABILITY REPORT

Following the cessation of its manufacturing operation in 1996, FILSYN CORPORATION (the "Company") primarily focuses on leasing its real estate properties as disclosed in the financial statements as of December 31, 2025.

The Company was able to improve its financial status through the implementation of financial restructuring. This resulted in the elimination of its long-term obligations and to focus on the development its real estate properties, which are located in Sta. Rosa City, Laguna and General Mariano Alvarez, Cavite. This will boost the capability of the Company in relation to its sustainability efforts that focused on the well-being of its employees and involvement in environmental and social advocacies. This is part of the corporate core values of the Company as it moves forward in achieving its goal.

Company Details	
Name of Organization	*FILSYN Corporation ("FYN")*
Location of Headquarters	*Unit 8, 5B Floor, The Pearlbank Centre, 146 Valero Street, Salcedo Village, Makati City*
Location of Operations	*Makati City and Sta. Rosa, Laguna*
Report Boundary	*FYN only*
Business Model, including Primary Activities, Brands, Products, and Services	*Leasing of Real Estate Properties*
Reporting Period	*2025*
Highest Ranking Person responsible for this report	*Apolinario L. Posio – Executive Vice President-Chief Financial Officer*

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	78,740,900	PhP
Direct economic value distributed:		
a. Operating costs	31,606,530	PhP
b. Employee wages and benefits	6,801,218	PhP
c. Payments to suppliers, other operating costs	1,046,260	Php
d. Dividends given to stockholders and interest payments to loan providers	None	PhP
e. Taxes given to government	5,268,989	PhP
f. Investments to community (e.g., donations, CSR)	None	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Improvements of service to the location	*Clients, Community*	*Management underscores bringing good service to its clients by ensuring that the Company's real estate properties are in good condition.*
Increase in payment of local taxes	*Government*	*Management ensures that the Company is complying with its obligation to the local government units.*
What are the Risk/sIdentified?	**Which stakeholders are affected?**	**Management Approach**
Risk on the impact of the occurrence of economic downturn that may result from events	*Employees, Stockholders, Community, Government*	*Management ensures that safeguards are in place and adheres to the practices and pronouncement issued by the government.*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Increase in demand in the leasing industry	*Employees, Community, Stockholders*	*Management monitors economic conditions, updates and events, which may create opportunities that will benefit not only the Company but also its employees, its stockholders and the community.*

Climate-related risks and opportunities

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities.	*Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material*	*Disclose how the organization identifies, assesses, and manages climate-related risks.*	*Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.*
Management, with the broader guidance from the Board of Directors, is aware of climate-related risks and ensures that it will comply with the necessary actions and identify opportunities to help in addressing the risks. These may include adopting the practices set by the government and other entities that positively contribute to the environment.	*Climate-related risks may arise from day-to-day operation of the Company such as consumption of energy and commercial products that may unknowingly be harmful to the environment.*	*The Company's process for identifying risk includes leveraging on multiple perspectives of the members of the Board of Directors and on news and updates of different government bodies. These will be consolidated to identify risks as well as the proper actions to mitigate those risks.*	*Ensure risks are addressed with consideration to fully comply with all applicable laws, industry standards and other legal requirements.* *Metrics: Compliance Rate*

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Augmentation of local economy by creating value in the community	*Local suppliers* *Service Providers* *Community*	*The Company ultimately prefers to acquire services of local suppliers and service providers.*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Other suppliers may not comply with the requirements of the Company	*Local suppliers* *Service Providers*	*Management ensures that all services acquired by the Company passed at the very least the average standard.*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Establishment of good business relationship with local suppliers and services providers.	*Local suppliers* *Service Providers*	*Management ensures solid communication with local suppliers and service providers.*

Anti Corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	None	%
Percentage of employees that have received anti-corruption training	None	%

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

The Company ensures the communication of code of conduct to the employees.

ENVIRONMENT

Resource Management

Energy Consumption within the Organization

Disclosure	Quantity (Ave./mo.)	Units
Energy consumption (renewable sources)	*N/A*	*GJ*
Energy consumption (gasoline)	*N/A*	*GJ*
Energy consumption (LPG)	*N/A*	*GJ*
Energy consumption (diesel)	*N/A*	*GJ*
Energy consumption (electricity)	*25,757*	*kWh*

Reduction of Energy Consumption

Disclosure	Quantity (Ave./mo.)	Units
Energy reduction (gasoline)	*N/A*	*GJ*
Energy reduction (LPG)	*N/A*	*GJ*
Energy reduction (diesel)	*N/A*	*GJ*
Energy reduction (electricity)	*N/A*	*kWh*

Water Consumption within the Organization

Disclosure	Quantity (monthly)	Units
Water withdrawal	*N/A*	*Cubic meters*
Water consumption	*N/A*	*Cubic meters*
Water recycled and reused	*N/A*	*Cubic meters*

What is the impact and wheredoes it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company's energy consumption and water consumption have no material impact to the environment. These are consumed responsibly during the day-to-day operations of the Company.	*N/A*	*N/A*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
No risk was identified as the operation of the Company does not rely on energy and water.	*N/A*	*N/A*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
N/A	*N/A*	*N/A*

Materials Used by the Organization

Disclosure	Quantity (monthly)	Units
Materials used by weight or volume		
Renewable	*N/A*	*Kg/liters*
Non-renewable	*N/A*	*Kg/liters*
Percentage of recycled input materials used to manufacture the organization's primary products and service	*N/A*	*Kg/liters*

The Company's focus is on leasing its real estate properties, which do not involve the use of either renewable or non-renewable materials.

What is the impact and wheredoes it occur? What is the organization's involvement in the impact?	**Which stakeholders areaffected?**	**Management Approach**
N/A	*N/A*	*N/A*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
N/A	*N/A*	*N/A*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
N/A	*N/A*	*N/A*

Ecosystems and Biodiversity

The Company's real estate properties are not located in, or adjacent to protected areas, or areas of high biodiversity value outside of protected areas.

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	*None*	*has*
Habitats protected or restored	*None*	*has.*
IUCN17 Red List species and national conservation list species with habitats in areas affected by operations	*None*	*none*

What is the impact and wheredoes it occur? What is the organization's involvement in the impact?	**Which stakeholders areaffected?**	**Management Approach**
N/A	*N/A*	*N/A*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
N/A	*N/A*	*N/A*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
N/A	*N/A*	*N/A*

Environmental Impact Management

Air Emissions

GHG

Disclosure	Quantity (Monthly)	Units
Direct (Scope 1) GHG Emissions	*None*	*Tonnes CO_2e*
Energy indirect (Scope 2) GHG Emissions	*None*	*Tonnes CO_2e*
Emissions of ozone-depleting substances (ODS)	*None*	*Tonnes*

What is the impact and wheredoes it occur? What is the organization's involvement in the impact?	Which stakeholders areaffected?	Management Approach
There is no identified impact on air emissions as the Company is not engaged in heavy industrial activities.	*N/A*	*N/A*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
There is no identified significant risk.	*N/A*	*N/A*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The Company is not engaged in activities that may result in harmful air emissions.	*Community*	*Management will thoroughly review business opportunities that will not have a negative impact on the environment.*

Air Pollutants

Disclosure	Quantity (ave./week)	Units
NOx	*None*	*Kg*
Sox	*None*	*Kg*
Persistent organic pollutants (POPs)	*None*	*Kg*
Volatile organic compounds (VOCs)	*None*	*Kg*
Hazardous air pollutants (HAPs)	*None*	*Kg*
Particular Matter (PM)	*None*	*kg*

Solid and Hazardous Wastes

Solid Waste

The Company has yet to accurately measure the quantity of solid waste generated, or determined the breakdown of that sum into reusable, recyclable, composted, incinerated, and landfilled component parts. The Company is not engaged in any activity commonly known to produce high levels of solid waste.

What is the impact and wheredoes it occur? What is the organization's involvement inthe impact?	Which stakeholders are affected?	Management Approach
Best practices on the solid waste management may bring improvement not only in the environment but also in the economy.	*Community*	*Management will ensure that good practices are being adopted in relation to the Company's operations and compliance with environmental laws and regulations.*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Failure to implement good solid waste management may compromise effort for gaining positive impact in the environment	*Community*	*Same with Above*
What are the Opportunity/ies Identified	**Which stakeholders are affected?**	**Management Approach**
Contribute to the community in maintaining good environment thru simple and consistent good practices in managing solid wastes	*Community*	*Same with above*

Hazardous Waste

The Company has not recorded any material incidence of hazardous waste generation. The Company is not engaged in any activity commonly known to produce material levels of hazardous waste, such as health care, heavy industrial processing, chemical manufacturing.

Disclosure	Quantity (ave. monthly)	Units
Total weight of hazardous waste generated	*None*	*Kg*
Total weight of hazardous waste transported	*None*	*Kg*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A	*N/A*	*N/A*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
N/A	*N/A*	*N/A*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
N/A	*N/A*	*N/A*

Effluents

Disclosure	Quantity (ave. daily)	Units
Total volume of water discharges *(AMD from discharges of old mine pits.)*	*None*	*Cubic meters*
Percent of wastewater recycled	*None*	*N/A*

What is the impact and wheredoes it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A	*N/A*	*N/A*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
N/A	*N/A*	*N/A*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
N/A	*N/A*	*N/A*

Environmental Compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	*None*	*PhP*
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	*None*	*PhP*
No. of cases resolved through dispute resolution Mechanism	*None*	*PhP*

SOCIAL

As of 2025, the Company has (a) eight (8) regular employees; (b) one (1) contractual employee; and (c) two (2) former regular employees who was rehired by the Company to assist in monitoring and maintaining its real estate properties in Sta City. Rosa, Laguna.

Employee Management
Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees		
a. Number of female employees	*4*	*Pax*
b. Number of male employees	*7*	*Pax*
Attrition rate	*0%*	*%*
Ratio of lowest paid employee against minimum Wage	*N/A*	*ratio*

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	*Y*	*75%*	*0%*
PhilHealth	*Y*	*75%*	*0%*
Pag-ibig	*Y*	*0%*	*0%*
Parental leaves	*N*	*N/A*	*N/A*
Vacation leaves	*Y*	*100%*	*29%*
Sick leaves	*Y*	*100%*	*29%*
Medical benefits (aside from PhilHealth)	*Y*	*50%*	*14%*
Housing assistance (aside from Pag-ibig)	*N*	*N/A*	*N/A*
Retirement fund (aside from SSS)	*N*	*N/A*	*N/A*
Further education support	*N*	*N/A*	*N/A*
Company stock options	*N*	*N/A*	*N/A*
Telecommuting	*N*	*N/A*	*N/A*
Flexible-working Hours	*N*	*N/A*	*N/A*
(Others)		*N/A*	*N/A*

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	*36*	*%*
% of male workers in the workforce	*64*	*%*
Number of employees from indigenous communities and/or vulnerable sector*	*N/A*	*#*

Vulnerable sector includes, elderly, person with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Motivation, performance and well-being of employees	*Management ensures that employees are aware of their benefits and are informed of any updates or changes.*
What are the Risk/s Identified?	**Management Approach**
There was no material risk identified due to small number of employees.	*Management will ensure compliance with relevant labor rules, regulations and standards, and conduct dialogue with employees.*
What are the Opportunity/ies Identified?	**Management Approach**
Employment for community members	*Management will ensure compliance with labor rules, regulations and standards.*

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	*None*	*hours*
b. Male employees	*None*	*hours*
Average training hours provided to employees		
a. Female employees	*0*	*hours/employee*
b. Male employees	*0*	*hours/employee*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Performance improvement of employees	*Management is aware that trainings are necessary for the growth of its employees. It is open in sending employees to trainings.*
What are the Risk/s Identified?	**Management Approach**
Risk that employees who were given training opportunities will leave the Company for better opportunities	*Management formed safeguards for the risk by establishing agreement(s) with the employees with regard to retention upon acceptance of training.*
What are the Opportunity/ies Identified?	**Management Approach**
Additional skills for employees	*Management will continue the training for the development of employees*

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered by Collective Bargaining Agreements	*None*	*%*
Number of consultations conducted with employees concerning employee-related policies	*None*	*#*

Workplace Conditions, Labor Standards and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-hours	N/A	
No. of work-related injuries	*None*	*#*
No. of work-related fatalities	*None*	*#*
No. of work-related ill-health	*None*	*#*
No. of safety drills	*None*	*#*

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
This will have impact on the employees' well-being.	*Management will ensure the implementation of safety and health policies.*
What are the Risk/s Identified?	**Management Approach**
This may result to accidents if not properly observed.	*Management will conduct safety inspection.*
What are the Opportunity/ies Identified?	**Management Approach**
Training of employees for preparedness	*Strict implementation of safety and health policies*

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	*None*	*#*

Do you have policies that explicitly disallow violations of labor laws and human rights (e.g.harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	*N*	*The Company is currently updating its policy manual and will ensure the inclusion of violations related to forced and child labor and human rights.*
Child labor	*N*	
Human Rights	*N*	

Supply Chain Management

Do you have supplier accreditation policy? If yes, please attach the policy or link to the policy: - ***None***

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the company policy
Environmental performance	*N/A*	*N/A*
Forced labor		
Child labor		
Human Rights		
Bribery and corruption		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
N/A	*N/A*
What are the Risk/s Identified?	**Management Approach**
N/A	*N/A*
What are the Opportunity/ies Identified?	**Management Approach**
N/A	*N/A*

Relationship with Community

Significant Impacts on Local Communities

Business Operations with Significant Impact	Location	Vulnerable Groups Impacted	Impact on Indigenous People	Community Rights of Particular Concern	Mitigation (of Negative) and Enhancement (of Positive) Impacts
Land Property	*Sta. Rosa City, Laguna*	*All residents of host community*	*No material impact due to location*	*Ecological and environmental concern*	*Proper Compliance with local government policies and regulations*

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third-party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	*N/A*	*N*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company considers customer satisfaction as imperative in its operations and has positive impact in the entire organization. This reflects the overall experience of the customer from the services provided by the Company.	*The Company gives customers the best services and treat them equally in accordance with the Company's core values.*
What are the Risk/s Identified?	**Management Approach**
Company dissatisfaction	*Same as above*
What are the Opportunity/ies Identified?	**Management Approach**
Build good relationship with customers	*Same as above*

Health and Hazard

Disclosure	Quantity	Units
No. of substantiated complains on product or service health and safety*	*None*	*#*
No. of complains addressed	*None*	*#*

**Substantiated complains include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
One of the Company's top priorities is the customers/clients' health and safety.	*The Company gives customers the best services and treat them equally in accordance with the Company's core values.*
What are the Risk/s Identified?	**Management Approach**
No material risk identified	*Same as above*

What are the Opportunity/ies Identified?	Management Approach
The Company will continue the improvement in areas of health and safety of customers.	*Management accepts feedback from customers with regard to the services being performed.*

Marketing and labelling

The Company has no implemented marketing practices.

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	None	#
No. of complains addressed	None	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
N/A	*N/A*
What are the Risk/s Identified?	**Management Approach**
N/A	*N/A*
What are the Opportunity/ies Identified?	**Management Approach**
N/A	*N/A*

Customer Privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	*None*	*#*
No. of complains addressed	*None*	*#*
No. of customers, users, and account holders whose information is used for secondary purposes	*None*	*#*

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	*None*	*#*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The documents from customers are in safe places. These documents can only be accessed by authorized personnel of the Company.	*Management conducts orientation of employees with regard to data security for proper implementation*
What are the Risk/s Identified?	**Management Approach**
Exposure of confidential information	*Same as above*
What are the Opportunity/ies Identified?	**Management Approach**
Enhancement of data protection measures *Instill discipline and responsible use of information among employees*	*Follow-up and continuous improvement*

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

The management of **Filsyn 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.

[redacted]

FLORENTINO M. HERRERA III
Chairman and President

[redacted]

APOLINARIO L. POSIO
Executive Vice President and
Chief Financial Officer

[redacted]

MARINELA C. SANTOS
Treasurer

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S

SUBSCRIBED AND SWORN to before me this MAKATI CITY APR 16 2026 day of _____ 2026, affiants exhibiting to me their competent evidence of identity to be the same persons, as follows:

Name	Passport ID No..
Florentino M. Herrera III	[redacted]
Apolinario L. Posio	
Marinela Santos	

[redacted]

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2026
IBP No.686155 Lifetime Member
MCLE Compliance No. VIII-0040999
Appointment No. M-007(2025-2026)
PTR No.10765528 Jan. 3, 2025
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy.Pio Del Pilar, Makati City

Doc No. 357;
Page No. 72;
Book No. X;
Series of 2026.

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

3	5	8	4	1						

COMPANY NAME

F	I	L	S	Y	N		C	O	R	P	O	R	A	T	I	O	N													

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

U	n	i	t		8	,		5	B		T	h	e		P	e	a	r	l	b	a	n	k		C	e	n	t	r
e	,		1	4	6		V	a	l	e	r	o		S	t	.	,		S	a	l	c	e	d	o		V	i	l
l	a	g	e	,		M	a	k	a	t	i		C	i	t	y														

Form Type	Department requiring the report	Secondary License Type, If Applicable
A P F S	C R M D	N / A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
info@filsyncorp.com	N/A	09282797576

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
515	September 19	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mr. Apolinario L. Posio	info@filsyncorp.com	N/A	09282797576

CONTACT PERSON's ADDRESS

Unit 8, 5B The Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City

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

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

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Filsyn Corporation
Unit 8, 5B The Pearlbank Centre, 146 Valero St.
Salcedo Village, Makati City

Report on the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of Filsyn Corporation (the Parent Company), which comprise the parent company statements of financial position as at December 31, 2025 and 2024, and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Parent Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended 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 Parent Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (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. We have also 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.

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

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

In preparing the parent company financial statements, management is responsible for assessing the Parent 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 Parent Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company 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 parent company 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 parent company 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 Parent 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 Parent 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 parent company 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 Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company 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.

Report on the Supplementary Information Required Under Revenue Regulation 15-2010

Our audits were conducted for the purpose of forming an opinion on the parent company financial statements taken as a whole. The supplementary information required under Revenue Regulation 15-2010 in Note 21 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the parent company financial statements. Such information is the responsibility of the management of Filsyn Corporation. The information has been subjected to the auditing procedures applied in our audit of the parent company financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the parent company financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

[redacted]

Marco Rene A. Barredo
Partner
CPA Certificate No. 116783
Tax Identification No. 214-999-478
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 116783-SEC (Group A)
Valid to cover audit of 2025 to 2029 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-160-2025, December 18, 2024, valid until December 17, 2027
PTR No. 10765015, January 2, 2026, Makati City

April 13, 2026

FILSYN CORPORATION
PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱63,163,687**	₱36,023,464
Trade and other receivables (Note 5)	**19,770,106**	2,962,628
Prepayments and other current assets (Note 6)	**3,364,428**	5,277,516
Current financial asset (Note 4)	**40,000,000**	20,000,000
Total Current Assets	**126,298,221**	64,263,608
Noncurrent Assets		
Investment properties (Note 9)	**898,657,147**	898,657,147
Investments in and advances to subsidiaries and associates - net (Note 7)	**37,950,692**	36,250,192
Retirement plan assets - net (Note 17)	**25,254,030**	24,180,246
Other noncurrent assets (Note 8)	**1,639,680**	3,111,083
Total Noncurrent Assets	**963,501,549**	962,198,668
TOTAL ASSETS	**₱1,089,799,770**	₱1,026,462,276
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Note 10)	**₱57,382,061**	₱51,674,292
Loans payable to a stockholder (Note 16)	**176,370,000**	173,535,000
Total Current Liabilities	**233,752,061**	225,209,292
Noncurrent Liability		
Deferred tax liabilities (Note 15)	**116,958,006**	116,689,558
Total Liabilities	**350,710,067**	341,898,850
Equity		
Capital stock (Note 11)	**366,858,160**	366,858,160
Additional paid-in capital (Note 11)	**335,372,611**	335,372,611
Accumulated remeasurement loss on retirement plan assets (Note 17)	**(4,873,459)**	(4,732,146)
Retained Earnings (Deficit)	**41,732,391**	(12,935,199)
Total Equity	**739,089,703**	684,563,426
TOTAL LIABILITIES AND EQUITY	**₱1,089,799,770**	₱1,026,462,276

See accompanying Notes to Parent Company Financial Statements.

FILSYN CORPORATION
PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2025	2024
RENTAL INCOME (Notes 9 and 13)	**₱78,740,900**	₱53,251,996
COSTS AND EXPENSES (Note 14)	**31,606,530**	50,234,645
OTHER INCOME (CHARGES)		
Foreign exchange losses - net (Note 16)	**(2,835,000)**	(7,425,000)
Interest income (Note 4)	**2,475,295**	1,092,931
Bank charges	**(630)**	(401,684)
Other income (Note 5)	**23,838,543**	2,539,680
	23,478,208	(4,194,073)
INCOME (LOSS) BEFORE INCOME TAX	**70,612,578**	(1,176,722)
PROVISION FOR INCOME TAX (Note 15)		
Current	**15,629,437**	1,588,244
Deferred	**315,551**	267,624
	15,944,988	1,855,868
NET INCOME (LOSS)	**54,667,590**	(3,032,590)
OTHER COMPREHENSIVE INCOME (LOSS)		
Other comprehensive gain (loss) not to be reclassified to profit or loss in subsequent periods:		
Remeasurement gain (loss) on retirement plan assets (Note 17)	**(188,418)**	1,756,867
Income tax effect	**47,105**	(439,216)
	(141,313)	1,317,651
TOTAL COMPREHENSIVE INCOME (LOSS)	**₱54,526,277**	(₱1,714,939)
BASIC/DILUTED LOSS PER SHARE (Note 12)	**(₱0.2869)**	(₱0.2186)

See accompanying Notes to Parent Company Financial Statements.

FILSYN CORPORATION

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Capital Stock (Note 11)	Additional Paid-in Capital (Note 11)	Remeasurement Gain (Loss) on Retirement Plan Assets (Note 17)	Retained Earnings (Deficit) (Note 1)	Total
Balances at December 31, 2023	₱366,858,160	₱335,372,611	(₱6,049,797)	(₱9,902,609)	₱686,278,365
Net loss	–	–	–	(3,032,590)	(3,032,590)
Remeasurement gain on retirement plan assets, net of tax	–	–	1,317,651	–	1,317,651
Total comprehensive income	–	–	1,317,651	(3,032,590)	(1,714,939)
Balances at December 31, 2024	366,858,160	335,372,611	(4,732,146)	(12,935,199)	684,563,426
Net income	–	–	–	54,667,590	54,667,590
Remeasurement loss on retirement plan assets, net of tax	–	–	(141,313)	–	(141,313)
Total comprehensive income	–	–	(141,313)	54,667,590	54,526,277
Balances at December 31, 2025	**₱366,858,160**	**₱335,372,611**	**(₱4,873,459)**	**₱41,732,391**	**₱739,089,703**

See accompanying Notes to Parent Company Financial Statements.

FILSYN CORPORATION
PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2025	2024
CASH FLOWS USED IN OPERATING ACTIVITIES		
Income (loss) before income tax	**₱70,612,578**	(₱1,176,722)
Adjustments for:		
Unrealized foreign exchange losses - net (Note 16)	**2,835,000**	7,425,000
Interest income (Note 4)	**(2,475,295)**	(1,092,931)
Retirement income (Notes 16 and 17)	**(1,262,202)**	(1,070,494)
Provision for expected credit loss (Note 5)	**259,252**	2,174,633
Working capital changes:		
Decrease (increase) in		
Trade and other receivables	**(17,066,730)**	2,467,794
Prepayments and other current assets	**(18,086,912)**	(156,446)
Increase in accounts and other payables	**6,707,771**	2,147,745
Net cash generated from operations	**41,523,462**	10,718,579
Interest received	**2,475,295**	253,121
Income tax paid	**(15,629,437)**	(1,588,244)
Net cash flows generated from operating activities	**28,369,320**	9,383,456
CASH FLOWS USED IN INVESTING ACTIVITIES		
Increase in investments in and advances to subsidiaries - net (Notes 7 and 16)	**(1,700,500)**	(1,200,942)
Increase (decrease) in noncurrent assets	**1,471,403**	(1,041,466)
Net cash flows used in investing activities	**(229,097)**	(2,242,408)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Interest paid (Note 16)	**(1,000,000)**	(1,100,000)
Movement in due to a related party (Note 16)	**–**	(1,000,000)
Net cash flows used in financing activities	**(1,000,000)**	(2,100,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**27,140,223**	5,041,048
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**36,023,464**	30,982,416
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱63,163,687**	₱36,023,464

See accompanying Notes to Parent Company Financial Statements.

FILSYN CORPORATION
NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information and Status of Operations

Corporate Information

Filsyn Corporation (the Parent Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on July 22, 1968 and is domiciled in the Republic of the Philippines.

Following the Parent Company's amendments to its Articles of Incorporation, as approved in a special board meeting on February 24, 2026, its primary purpose now is to deal and engage in land or real estate business in all its branches and ramifications, to own, hold, develop, manage, administer, sell, assign, convey, exchange, encumber, purchase, acquire, for consideration or by donation, lease, rent, or otherwise deal in and dispose of, for itself or for others, for investments, profit and advantage, real properties, including but not limited to, all kinds of housing projects, commercial, industrial, urban or other kinds of property and real estate, improved or unimproved, together with their appurtenances, with or to such persons and entities and under such terms and conditions as may be permitted by law; to acquire, purchase, hold, manage, develop, improve, lease, subdivide, exchange, and sell subdivision lots, with or without buildings or improvements, for such consideration and in such manner or form as the Parent Company may determine, or as the law permits; and to erect, construct, alter, manage, operate, lease, develop, in whole or in part, buildings and tenements of the Parent Company or of other persons; and to exercise or undertake such powers and purposes as may be required and necessarily implied from the purposes herein mentioned. Provided, that the Parent Company shall not solicit, accept or take investments/placements from the public nor shall it issue investment contracts. It has also the purpose to purchase, lease, or otherwise, lands and interest in lands and buildings; to own, hold, improve, develop, and manage any real estate so acquired and to erect or cause to be erected buildings or other structures with their appurtenances on any lands owned, held or occupied by the Parent Company; to rebuild, enlarge, alter or improve any buildings or other structures now or hereafter erected on any lands so owned, held or occupied; to mortgage, sell, lease or otherwise dispose of any lands or interest in lands and in buildings, or in any stores, shops, suites, rooms or any part of any buildings or other structures, at any time owned or held by the Parent Company.

The registered office address of the Parent Company is Unit 8, 5B The Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City.

Status of Operations

In 2002, the SEC issued Order of Revocation of the Parent Company's Registration of Securities and Permit to Sell Securities to the public.

Following the cessation of its operation in 2005, the operations of the Company is now primarily focused on leasing of its investment properties.

The Parent Company's current liabilities exceeded its current assets by ₱107.5 million and ₱160.9 million as of December 31, 2025 and 2024, respectively.

On April 13, 2026, the Parent Company received a letter from its shareholder, Trans-Pacific Oriental Holding Company, Inc. (TPO), confirming that they do not expect collection of loans payable amounting to ₱176.4 million at least during the next 12 months from December 31, 2025. The shareholder remains fully committed to support the Parent Company's operation.

Equity Restructuring

On October 24, 2016, the PSE issued a letter to the Company on the subject: *Negative Stockholders' Equity and SEC Order of Revocation* requesting for update on the following items:

- Settlement of outstanding loan obligations amounting to ₱1.2 billion through the Sta. Rosa property as dacion;
- Discussions/negotiations with real estate companies for potential joint venture arrangement over the property to develop the 30 hectares (ha.) property located at Sta. Rosa, Laguna;
- Discussions/negotiations regarding the sale of the property located in Gen. Malvar Alvarez, Cavite City; and
- SEC Order of Revocation dated August 26, 2002

On December 12, 2016, the Parent Company responded to the PSE that discussions are ongoing on the first three items above with the appropriate parties. Management believes that the development of the land in Sta. Rosa Laguna will increase its value and bring the Parent Company's equity from negative to positive.

In September 2017, the Board of Directors (BOD) and stockholders of the Parent Company approved a business plan, which consists of the following phases:

- Financial restructuring subject to Philippine SEC approval;
- Development of the Sta. Rosa property; and
- A new business activity of recycling Polyethylene Terephthalate (PET) to be registered with the Philippine Economic Zone Authority

In relation to the financial restructuring, in September 2018, the BOD approved the following:

A. Amendment of the Seventh Article of the Parent Company's AOI to reflect the following:

    1. Reduction of par value from ₱5.00 per share to ₱2.50 per share
    2. Creation of Preferred Shares
    3. Reclassification of 33,426,498 Common Shares (Class B) to Preferred Shares

B. Conversion of debt to equity

    On February 18, 2018, the Commission en Banc resolved to lift the Order of Revocation. The lifting of the Order of the Revocation directed the Parent Company to amend its Registration Statement to reflect any prior changes prior to restatement of its registration statement and permit to sell securities.

    On September 20, 2018, the BOD formally authorized the filing of the Amended Registration Statement with the SEC which was filed on October 30, 2018.

    On July 23, 2019, the Parent Company filed its application for amendment of AOI with the SEC. On September 25, 2019, The SEC provided their initial comments on the application for amendment of AOI.

On November 11, 2021, the BOD approved the further amendments in the Seventh Article of the AOI which revoked and superseded September 21, 2018 resolutions approving the amendments to the Seventh Article of the AOI. The BOD approved the following:

1. Decrease in Authorized Capital Stock and Reclassification or Conversion of 33,426,498 Class B Shares into 33,426,498 Preferred Shares

   This include the following approvals of the BOD:
   a. Reduction in the par value of all common shares from ₱5.00 per share to ₱0.50 per share,
   b. Decrease in the authorized capital stock from ₱1,200,000,000 to ₱120,000,000, and
   c. Classification of capital contributed in excess of the reduced par value as additional paid in capital
   d. Reclassification of the 33,426,498 Class B common shares held by Malaysia Garment Manufacturers (Pte) Ltd. (MG), a company incorporated in Singapore and a related party, into 33,426,498 Preferred Shares with the following features:

      i. Preemptive Right - The Preferred Shareholders shall have preemptive rights to subscribe to new shares in proportion to their respective shareholding ratios
      ii. Dividends - The Preferred Shareholders shall bear preferential dividends at the rate of 5% per annum of total debt converted in the amount of ₱1,389,961,828.
      iii. Exercise of Voting Right - The Preferred Shareholders shall not have a right to vote, except on matters specified in Section 6 of the Revised Corporation Code of the Philippines and those relative to the development of the Sta. Rosa Property; and
      iv. Convertibility - The Preferred Shareholders shall, at their option, have the right to convert their preferred shares to common shares using 16.78:1 conversion ratio at ₱0.50 per share.

2. Increase in Capital Stock

   The BOD approved the increase of the Parent Company's authorized capital stock from ₱120,000,000 to ₱647,306,477 which consists of:

   a. 440,229,812 Class "A" common shares with par value of ₱0.50 per share, or an aggregate par value of ₱220,114,906;
   b. 293,486,507 Class "B" common shares with a par value of ₱0.50 per share, or an aggregate par value of ₱146,743,253.50; and
   c. 33,426,498 Preferred Shares, with a par value of ₱8.39 per share (increased from ₱0.50), or an aggregate par value of ₱280,448,318, with MG subscribing to the increase in the par value of the 33,426,498 Preferred Shares amounting to ₱263,735,069 by way of converting debt owed to it by the Corporation as of December 31, 2020 amounting to ₱1,389,961,828 to equity, with the excess of the debt over the par value of preferred shares recorded as Additional Paid In Capital

   The BOD also approved the subscription by MG to the increase in the par value of the 33,426,498 Preferred Shares, and the conversion of debt owed to it by the Parent Company as of December 31, 2020 amounting to ₱1,389,961,828 to equity as payment for the aforesaid 33,426,498 Preferred Shares with the excess of the debt over the par value of preferred shares recorded as Additional Paid In Capital.

3. Use of Additional Paid in Capital to Wipe Out Deficit

   The BOD approved the use of the Additional Paid In Capital resulting from: (a) the existing Additional Paid in Capital; (b) the decrease of capital through the reduction of par value; and (c) the conversion of the existing liability to MG to wipe out all the accumulated deficit of the Parent Company.

On November 11, 2021, management filed the final restructuring project to SEC. Prior to submission of the project, management has already agreed to the conversion of debt with its creditors and legal counsel.

On May 30, 2022, a Deed of Assignment on the loan was entered between MG and the Parent Company in which the former unconditionally and irrevocably assigns, cedes, transfers and conveys unto the Parent Company all of its title, right and interests to receive the payment for the debt as payment for the subscription price, thereby converting the debt into equity.

In addition, the related parties, MG and TPO, have undertaken to support the Parent Company financially by not demanding payment of loans due to the former. Accordingly, the financial statements have been prepared on a going concern basis.

On March 29, 2023, management completed all the aforementioned documents required by the SEC.

On April 4, 2023, the Parent Company was notified by the SEC that it is ready to issue its assessment on the planned restructuring project upon issuance of the SEC-Markets and Securities Regulation Department (MSRD) clearance. Thereafter, a Payment Request Form was issued to the Parent Company, which signified the acceptance of the SEC on the application to proceed with filing.

On June 26, 2023, the SEC approved simultaneously the Parent Company's amendments to the Articles of Incorporation, decrease/ increase in authorized capital stock and equity restructuring (see Note 14). With the SEC approval, the Parent Company can now focus on the operations and expansion of its subsidiary, FYN Green PET Corporation (FYGP), and the development of its 30 - hectare property located in Sta. Rosa City, Laguna.

On June 19, 2024, the Parent Company received an Order from the SEC lifting the Order of Revocation of the Effectivity of the Parent Company's Registration of Securities and Permit to Sell Securities to the Public issued by the SEC on August 26, 2002.

Notice of Involuntary Delisting

On February 3, 2023, the Parent Company received a Notice of Involuntary Delisting from the PSE.

On April 3, 2023, representatives of the Parent Company participated in a hearing conducted by the Exchange relating to the involuntary delisting proceedings involving the Parent Company. The Parent Company then requested the Exchange that the involuntary delisting proceedings be suspended; and it be allowed to complete the requirements for its amended registration statement and application for the financial restructuring plan with the Securities and Exchange Commission until the end of 2023.

The grounds for the initiation of involuntary delisting proceedings involving Parent Company are due to the (a) revocation of its registration of securities and permit to sell securities; and (b) negative stockholders' equity.

In the said hearing, the Parent Company raised the following arguments:

a. There was no obstinate refusal on the part of the Parent Company to comply with the directives of the Exchange and the Securities and Exchange Commission (SEC).
b. The Parent Company, in utmost good faith, exerted serious efforts to comply with the SEC directives. All the corporate actions of Parent Company on the matter were timely and promptly disclosed to the Exchange.
c. The SEC-Markets and Securities Regulation Department (MSRD) will only act on the Parent Company's amended registration statement after the approval of the Parent Company's financial restructuring plan being reviewed by the SEC- Financial Analysis and Audit Division (FAAD).
d. The Parent Company will file its amended registration statement after it secures the SEC's approval of its financial restructuring plan. Thereafter, the Parent Company will request SEC-MSRD to issue the corresponding Order Lifting the Order of Revocation dated August 26, 2002 against the Parent Company.
e. The conversion of the Parent Company's obligation to one of the Corporation's major creditors, Malaysia Garment Manufacturers Pte. Ltd, amounting to ₱1,390.0 million into equity has effectively wiped-out the deficit amounting to ₱689.0 million. The debt-to-equity conversion is part of the financial restructuring plan being carried out by the Parent Company. The deficit would have been wiped-out had the SEC-FAAD approved the Parent Company's financial restructuring plan.
f. The involuntary delisting will be prejudicial to the Parent Company's stockholders who have been expecting that the trading suspension will be lifted soon and the financial restructuring plan approved in light of the actions being actively undertaken by the Parent Company.
g. In 2019, parallel to its efforts to solve its capital deficiency, the Parent Company incorporated FYGP, a 100% wholly owned subsidiary, to provide cash flow and steady stream of revenues. FYGP will commence its commercial operations in May 2023.

The Parent Company therefore requested the Exchange that the involuntary delisting proceedings be suspended; and it be allowed to complete the requirements for its amended registration statement and application for the financial restructuring plan with the Securities and Exchange Commission until June 26, 2024.

The PSE, in its Letter dated January 31, 2024, granted the Parent Company's request for a six (6)-month non-extendible extension or until June 26, 2024 to complete the requirements of the SEC and obtain an effective registration of securities and permit to sell securities with the SEC; and (ii) to maintain the suspension of the involuntary delisting proceedings against the Parent Company until the issuance of SEC's decision on the Parent Company's application for the approval of its Amended Registration Statement or until June 26, 2024 whichever is earlier.

The Parent Company received a Notice from PSE dated December 4, 2024, announcing the lifting of the trading suspension effective December 6, 2024. Considering that the trading of the Parent Company's shares was suspended since September 25, 2002, the static threshold for the Parent Company will be lifted upon the resumption of the Parent Company's shares.



Final Assessment Notice from Bureau of Internal Revenue (BIR)

On September 26, 2024, Management of the Parent Company notified its BOD that it had received from the BIR a Final Assessment Notice / Formal Letter of Demand (FAN/FLD) dated September 17, 2024 for calendar year 2022 on September 22, 2024. The FAN/FLD reflected a total assessment amount of ₱289.1 million.

On February 6, 2025, the Parent Company received the Final Decision on Disputed Assessment (FDDA) dated February 5, 2025. The BIR assessed deficiency taxes, interests, surcharges, and penalties (Tax Deficiencies) against the Parent Company in the total amount of ₱289.1 million, broken down as follows:

1. Final Withholding Tax (FWT) - ₱183.9 million
2. Final Withholding Value Added Tax (FWVAT) - ₱88.7 million
3. Documentary Stamp Tax (DST) - ₱16.4 million
4. Compromise Penalties - ₱0.1 million

As background, to wipe out the Parent Company's deficit, the Parent Company restructured its capital accounts and converted its liabilities into equity (Equity Restructuring). Particularly, the Corporation increased its authorized capital stock from ₱120.0 million to ₱647.3 million. Pursuant to the increase in the Parent Company's authorized capital stock, Malaysia Garment Manufacturers (Pte) Ltd (MG) subscribed to 33,426,498 preferred shares of stock in exchange for the conversion of the Corporation's outstanding loan (principal and interest) amounting to ₱1,419.3 million (Subject Loan) to equity as payment for the subscription, with the excess recorded as Additional Paid in Capital (APIC) to wipe out the Parent Company's accumulated deficit (Debt-to-Equity Conversion).

The BIR alleges that the Deed of Assignment for the Debt-to-Equity Conversion resulted in a constructive receipt of income on the part of MG, which should be subject to final withholding tax.

The Parent Company's legal counsel, filed the Parent Company's Protest with Request for Reconsideration and/or Reinvestigation with the BIR Revenue Region 8A on October 28, 2024 (Protest).

In its Protest, the Parent Company argues that the assignment of the Subject Loan in exchange for shares is part of the Debt to Equity Conversion - a capital transaction outside the ordinary course of business that does not result in taxable income, VAT, or DST for the Parent Company or MG.

On the same date that legal counsel filed the Parent Company's Protest, the Parent Company's tax advisor also submitted a letter to the BIR to signify its alignment and conformity to the factual and legal arguments of the Protest filed by the Parent Company through its legal counsel.

The Protest also included the Parent Company's request for reinvestigation and to submit additional documents in support of the reinvestigation of the findings of the BIR.

On November 11, 2024, the Parent Company received the BIR's letter granting the Parent Company's request for reinvestigation. The reinvestigation will require the BIR to reassess its initial findings on the Parent Company's Tax Deficiencies and re-examine the strong legal position of the Parent Company's legal counsel and tax advisor on the matter. The Parent Company has 60 days from the date of filing of its Protest, or until December 27, 2024, within which to submit additional documents in support of the reinvestigation.



On December 27, 2024, the Parent Company submitted all its relevant supporting documents in support of its Protest.

On February 6, 2025, the Parent Company received the Final Decision on Disputed Assessments (FDDA) from the BIR denying the Parent Company's Protest.

Under the Court of Tax Appeals (CTA) Rules, Section 228 of the Tax Code, relevant BIR issuances, prevailing jurisprudence, a petitioner may appeal the denial of its protest to the CTA within thirty (30) days from the receipt of the said denial, or in the Parent Company's case until March 8, 2025.

On March 7, 2025, the Parent Company filed its Petition for Review with the CTA.

On June 5, 2025, the Commissioner of Internal Revenue (CIR) filed his answer to the Petition docketed as CTA Case No. 11789 with the CTA Second Division. The case was then referred to mediation on June 17, 2025 but the parties did not reach a settlement.

The Pre-Trial was initially set by CTA Second Division on October 16, 2025 but has been reset to February 12, 2026.

On January 23, 2026, the Pre-Trial on CTA Second Division was cancelled and transferred to the CTA Third Division.

In a Resolution dated February 19, 2026, the CTA Third Division set the Pre-Trial for this case on May 14, 2026.

The Parent Company is of the position that the Equity Restructuring and Deed of Assignment are separate events, and both are not subject to income tax, VAT, and DST.

The Parent Company, through its legal counsel, is taking the appropriate legal steps to assail the assessment on the grounds of lack of factual and legal basis.

Amendments to Articles of Incorporation

In a Special Board Meeting, the BOD approved the following amendments to the AOI:

1. Change in primary purpose
2. Reduction in the number of directors
3. Declassification of common shares

The amendment of the primary purpose stems from the strategic shift from polyester manufacturing to real estate related activities. The reduction in the number of directors will enhance board efficiency and ensure swift and cohesive decision-making. The declassification of Common "A" and Common "B" shares is to promote market efficiency, transparency, and equitable shareholder treatment within publicly listed companies as mandated by the relevant issuances of the SEC and the PSE.

Authorization for Issuance of the Parent Company Financial Statements

The financial statements of the Parent Company as at and for the years ended December 31, 2025 and 2024 were authorized for issuance by the Parent Company's BOD on April 13, 2026.

2. Basis of Preparation and Summary of Material Accounting Policies

Basis of Preparation

The parent company financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

The parent company financial statements have been prepared using the historical cost basis and are presented in Philippine peso which is the Parent Company's functional and presentation currency. All values are rounded to the nearest peso except when otherwise indicated.

The Parent Company prepares and issues consolidated financial statements for the same period as the parent company financial statements and are presented in accordance with PFRS Accounting Standards. The consolidated financial statements of the Parent Company are filed and may be obtained from the SEC.

The Parent Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of Amendments to PAS 21*, Lack of exchangeability*, which became effective on January 1, 2025. 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 adoption of the amendments did not have an impact on the financial statements of the Parent Company.

The Parent Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Standards and Interpretations Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Parent Company intends to adopt the following pronouncements when they become effective. Unless otherwise indicated, adoption of these pronouncements is not expected to have a significant impact on the parent company financial statements.

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*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to PFRS Accounting Standards—Volume 11
    - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
    - Amendments to PFRS 7, *Gain or Loss on Derecognition*
    - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities* and *Transaction Price*
    - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
    - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statement*

Based on the Parent Company's initial assessment, the impact is expected to be limited to presentation and disclosure changes, including the reclassification of income and expenses into operating, investing, and financing categories and the reclassification of dividends received from joint ventures and associates to cash flows from investing activities. PFRS 18 does not affect recognition and measurement.

PFRS 18 will apply retrospectively. The Parent Company will be conducting an impact assessment of PFRS 18 and is set to apply any changes to the accounting system to be able to comply with PFRS 18 once the standard takes effect.

- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

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

The Parent Company applied materiality guidance in its 2025 accounting policy disclosures.

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

a. Financial Assets

Initial Recognition and Measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Parent Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Parent Company has applied the practical expedient, the Parent Company initially measures a financial asset at its 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 for which the Company has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers.*

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of 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. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Parent 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. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.



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 Parent Company commits to purchase or sell the asset.

The Parent Company's financial assets include cash and cash equivalents, short-term investments, refundable deposits under 'Prepayments and other current assets', trade and other receivables, advances to subsidiaries and long term time deposits under 'Noncurrent financial assets' which are classified as financial assets at amortized cost.

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

Impairment
The Parent Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Parent 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. For credit exposures for which there has not been a significant increase in credit risk (SICR) since initial recognition and that are not credit-impaired upon origination, ECLs are provided for 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 on an individual or collective basis but are not credit-impaired, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

For cash, the Parent 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. The Parent Company recognizes an allowance based on 12-month ECLs. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL.

The Parent Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Parent Company may also consider a financial asset to be in default when internal or external information indicates that the Parent Company is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Parent Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.



b. 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 recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Parent Company's financial liabilities are in the nature of payables which are classified as financial liabilities at amortized cost (loans and borrowings).

Subsequent Measurement
After initial recognition, payables 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 comprehensive income.

Investments in Subsidiaries and Associates
Investments in Subsidiaries
A subsidiary is an entity over which the Parent Company has control. Control is achieved when the Parent Company is 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. Specifically, the Parent Company controls an investee if, and only if, the Parent Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The Parent Company's investment in subsidiaries is accounted for under the cost method of accounting. Under the cost method, investment is recognized at cost less impairment loss, if any. Income from the investment is recognized only to the extent that the investor receives distributions from accumulated profits of the subsidiary arising after the date of acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as a reduction of the cost of investment.

The Parent Company provides advances to its subsidiaries for working capital requirements. Such advances recorded in the books of the Parent Company are deemed as part of the investment in subsidiaries.

Investments in Associates
The Parent Company's investment in associate is accounted for using the equity method.

The statement of comprehensive income reflects the Parent Company's share of the results of operations of the associate. Any change in other comprehensive income of associate is presented as part of the Parent Company's other comprehensive income. In addition, when there has been a change recognized directly in the equity of the associate, the Parent Company recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting



from transactions between the Parent Company and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Parent Company's share of profit or loss of an associate is shown on the face of the statement of comprehensive income outside operating profit and represents profit or loss after tax and noncontrolling interests in the subsidiaries of the associate.

Investment Properties
Investment properties consist of land which are measured at deemed cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated impairment in value.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties are recognized in the parent company statement of comprehensive income in the year of retirement or disposal.

The Parent Company's investment property consists of land held to earn rentals and for capital appreciation.

Impairment of Non-financial Assets
The Parent Company assesses at each reporting date whether there is indication that a non-financial asset or cash-generating unit (CGU) may be impaired. If any indication exists, the Parent Company makes an estimate of their recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use, and is determined for an individual item, unless such item does not generate cash inflows that are largely independent of those from other assets or group of assets or CGUs. When the carrying amount exceeds its recoverable amount, such item is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows to be generated by such items are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset or CGU. Impairment losses of continuing operations are recognized in the parent company statement of income in the expense categories consistent with the function of the impaired asset.

An assessment is made at least on each reporting date as to whether there is indication that previously recognized impairment losses may no longer exist or may have decreased. If any indication exists, the recoverable amount is estimated and a previously recognized impairment loss is reversed only if there has been a change in the estimate in the assets or CGU's recoverable amount since the last impairment loss was recognized. If so, the carrying amount of the item is increased to its new recoverable amount which cannot exceed the impairment loss recognized in prior years. Such reversal is recognized in the parent company statement of income unless the asset or CGU is carried at its revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount on a systematic basis over its remaining estimated useful life.

Capital Stock
The Parent Company has issued common and preferred shares that are classified as equity.

The preference shares carry a dividend yield of 5% per annum from the converted debt, payable annually. The dividend rights are cumulative. The preference shares rank ahead of the ordinary shares in the event of a liquidation.

Retained Earnings (Deficit)
Retained Earnings (Deficit) represent the cumulative balance of periodic net income or loss, dividend contributions, prior period adjustments, effect of changes in accounting policies and other capital adjustments.

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

Rental Income
Revenue from rental of leased property is recognized in the parent company statement of comprehensive income on a straight-line basis over the term of the lease agreement as the parent company substantially retains all the risks and benefits of the ownership of the asset.

Interest Income
Interest income from bank deposits is recognized on a time proportion basis on the principal outstanding and at the rate applicable. Revenue is recognized as the interest accrues taking into account the effective yield of the asset.

Other Income
Other income arising from Common Area Maintenance (CAM) are presented net of cost as 'other income' as it is not the main source of the Parent Company's revenue and is not material to the financial statements.

Costs and Expenses
Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are generally recognized in the statements of comprehensive income when these are incurred.

Income Taxes
Current Income Tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the country where the Parent Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in parent company statement of comprehensive income.

Deferred Tax
Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.



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

Retirement Plan Assets
The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting date reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of 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 plans is actuarially determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning the employees' projected salaries.

Defined benefit costs comprise the following:
- Service cost
- Net interest on the net defined benefit liability or asset
- 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. 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 amount of service costs and net interest on the net defined benefit liability or asset is recognized as 'Interest expense' or 'Interest income' in the parent company statement of comprehensive income.

Remeasurements comprising actuarial gains and losses, 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.

The Parent Company's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

The Parent Company has a defined benefit retirement plan which requires contributions to be made to trustee-administered funds. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. All actuarial gains and losses are recognized in the OCI under remeasurement loss on retirement plan assets.

Basic/ Diluted Loss Per Share
Earnings (loss) per share is computed by dividing the net income (loss) for the year, attributable to the equity holders of the Parent Company, by the weighted average number of common shares issued and outstanding during the year. The weighted average number of common shares issued and outstanding during the period and for all years presented are adjusted for events, other than the conversion of

potential common shares, that have changed the number of common shares outstanding, without a corresponding change in resources.

Diluted earnings (loss) per share is calculated by dividing the profit (loss) attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3. Summary of Material Accounting Judgments, Estimates and Assumptions

The preparation of the Parent Company's financial statements in compliance with PFRS Accounting Standards requires the management to make judgments, estimates and assumptions that affect amounts reported of assets, liabilities and disclosures of contingent assets and liabilities at the date of financial information and the reported amounts of income and expenses during the year. The judgments, estimates and assumptions used in the financial statements are based upon management evaluation of relevant facts and circumstances as of the date of the Company's financial statements. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as these become reasonably determinable.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcome can differ from these estimates.

Estimates and Assumptions

The key estimates and assumptions concerning future and key sources of estimation uncertainty as at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimation of Allowance for Impairment Losses on Investments in and Advances to Subsidiaries

The Parent Company assesses whether there are any indicators of impairment for investments in and advances to subsidiaries and investments in associates at each end of reporting date. These assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the asset is written down to its recoverable amount.

Further details on the investments in and advances to subsidiaries is provided in Note 7.

Fair value of Investment Properties

The Parent Company is required to disclose for each class of investment properties the fair value of that class of assets in a way that permits it to be compared with the corresponding carrying amount in the consolidated statements of financial position, which requires the use of accounting judgment and estimates. While significant components of fair value measurement are determined using verifiable objective evidence (i.e., foreign exchange rates and interest rates), the timing and amount of changes in fair value would differ with the valuation methodology used. Any change in the fair value of these investment properties would affect the disclosures made by management.

The fair values of the Parent Company's investment properties are set out in Note 9.



Assessment of Realizability of Deferred Tax Assets
The Parent Company reviews the carrying amounts of deferred taxes at each end of the reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Significant judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future planning strategies.

Information on the Parent Company's deferred assets is in Note 15.

4. Financial Assets

Cash and Cash Equivalents

	2025	2024
Cash on hand	**₱35,000**	₱35,000
Cash in banks	**28,845,916**	27,517,430
Short-term investments	**34,282,771**	8,471,034
	₱63,163,687	₱36,023,464

Cash in banks earns interest at current bank deposit rates. Short-term investments are made for varying periods up to three months, depending on the immediate cash requirements of the Parent Company, and earn interest at the respective short-term deposit rates.

Interest income earned from cash in banks and short-term investments amounted to ₱1.5 million and ₱0.3 million in 2025 and 2024, respectively.

Current financial assets
The Parent Company has time deposits amounting to ₱40.0 million and ₱20.0 million as at December 31, 2025 and 2024, respectively. Interest income from the time deposits amounted to ₱1.0 million and ₱0.8 million in 2025 and 2024, respectively.

5. Trade and Other Receivables

	2025	2024
Trade receivables	**₱3,070,927**	₱1,641,875
Non-trade receivables	**17,833,885**	2,174,633
Accrued interest receivables	**1,299,179**	1,320,753
	22,203,991	5,137,261
Less allowance for expected credit losses	**2,433,885**	2,174,633
	₱19,770,106	₱2,962,628

Trade receivables are rentals in arrears that are collected within the next 12 months.

Non-trade receivables include amounts agreed extra-judicially as compensation arising from a dispute with a lessee amounting to ₱15.4 million. The amounts are covered by a settlement plan and is expected to be collected in the next 12 months. This was included under "Other income" in the Parent Company Statements of Comprehensive Income.



Accrued interest receivables pertains to the interest earned on the short-term deposit with CTBC Bank (Philippines) Corporation. (Note 4)

The Parent Company has provided impairment loss on its non-trade receivables amounting to ₱0.3 million and ₱2.2 million in 2025 and 2024, respectively.

Movements in allowance for impairment losses on its non-trade receivables are as follows:

	2025	2024
Beginning balances	**₱2,174,633**	₱–
Provision for expected credit losses (Note 14)	**259,252**	2,174,633
	₱2,433,885	₱2,174,633

6. Prepayments and other current assets

	2025	2024
Prepaid rent (Note 13)	**₱1,931,008**	₱1,910,128
Input VAT	**274,588**	2,215,296
Advances to officers and employees	**855,516**	853,996
Refundable deposits	**303,316**	298,096
	₱3,364,428	₱5,277,516

Input VAT pertains to the VAT on domestic purchases of the Parent Company.

Advances to officers and employees pertain to noninterest-bearing cash advances which are subject to liquidation.

Refundable deposits pertain to miscellaneous deposits related to rent such as office and parking spaces.

7. Investments in and Advances to Subsidiaries and Associates - net

Subsidiaries

	2025	2024
Acquisition costs:		
Island King Aquaventures Corporation (IKAC)	**₱48,243,130**	₱48,243,130
FYGP	**25,000,000**	25,000,000
SRTC Development Corporation (SRTC)	**19,247,202**	19,247,202
	92,490,332	92,490,332
Advances to subsidiaries (Note 16)	**99,039,510**	97,339,010
	191,529,842	189,829,342
Less: Allowance for impairment losses on:		
Advances to subsidiaries	**86,088,819**	86,088,819
Investment in subsidiaries	**67,490,332**	67,490,332
	₱37,950,691	₱36,250,191

As at December 31, 2025 and 2024 the parent company's subsidiaries are as follows:

Subsidiaries	Nature of Business	Percentage of Ownership
FYGP	Manufacturing	98.00% (100% in 2024)
IKAC	Leasing	77.08%
SRTC	Under liquidation	56.98%

FYGP was registered with the Philippine SEC on June 6, 2019 and is primarily engaged in recycling of waste Polyethylene Terephthalate (PET) bottles into resin to be used as feedstock for manufacture of Filament and Food Grade Chip. The registered office address of the Company is First Cavite Industrial Estate, Lot 2, Block 1, Phase 2, Langkaan II Dasmarinas City, Cavite. On June 6, 2019, the SEC issued the certificate of incorporation of the FYGP. On May 5, 2023, FYGP commenced its operations, supplying recycled PET chips to FE New Century Industry (Singapore) (FNIS).

Advances to subsidiaries amounted to ₱13.0 million and ₱11.3 million as at December 31, 2025 and 2024, respectively (see Note 16).

IKAC was registered with the Philippine SEC on September 15, 1986 primarily to engage in the business of aquaculture and undertake any and all related activities necessary, incidental and related thereto. The registered office address of IKAC is Unit 8, 5B The Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City.

SRTC was registered with the Philippine SEC on April 30, 1992 primarily to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease and hold for investment or otherwise, real estate of all kinds, and to improve, manage or otherwise dispose of buildings, houses, apartments and other structures of whatever kind, together with their appurtenances. The registered office address of SRTC is Unit 8, 5B Floor, Pearl Bank Centre, 146 Valero St., Salcedo Village, Makati City.

On November 22, 2001, the BOD and stockholders of SRTC approved the amendment of SRTC's Articles of Incorporation to shorten its life until December 31, 2001. Subsequently, SRTC declared advance liquidating dividends to its stockholders. Advance liquidating dividends received from SRTC were recognized by the Parent Company as a reduction in its investment in SRTC. On September 25, 2014, the BOD and stockholders of SRTC approved the amendment of the Parent Company's Articles of Incorporation to shorten its life until December 31, 2014. This approval superseded the approval made in 2001. SRTC has yet to complete the requirements for its liquidation.

An allowance for impairment losses on investments in and advances to subsidiaries was provided because these investees, IKAC and SRTC, have negative net worth and have suspended their operations.

Associates

	2025	2024
Investments in Associates:		
Filsyn International Corporation	**₱2,067,500**	₱2,067,500
Lefilton Trading	**200,000**	200,000
Lakeview Industrial Corporation	**1**	1
	2,267,501	2,267,501
Less: Allowance for impairment losses	**2,267,500**	2,267,500
	₱1	₱1

Investments in associates are investees that are dormant and non-operating. As at December 31, 2025 and 2024, the Parent Company's investments in associates have been impaired.

8. Other Noncurrent Assets

	2025	2024
Creditable withholding tax (CWTs)	**₱52,475,157**	₱61,464,943
Less allowance for impairment losses	**50,835,477**	58,353,860
	₱1,639,680	₱3,111,083

CWT pertains to unapplied certificates which can be used to pay for future income tax payments. The Parent Company recognized gain from reversal of allowance for impairment losses amounting to ₱7.5 million in 2025 (see Note 14).

9. Investment Properties

Investment properties of the Parent Company consist of land in Laguna and Cavite which are being leased to third parties, as follows:

a. Parcel of land located in Sta. Rosa, Laguna with a total land area of 300,018 square meters (sqm). This investment property is mortgaged in connection with the MTI discussed in Note 11.
b. Parcel of land located in Gen. Mariano Alvarez, Cavite with a total land area of 162,716 sqm.

Based on the latest valuation report from Asian Appraisal, the fair value of parcels of lands as at December 31, 2025, are as follows:

Location	Deemed Cost	Fair Value	Observable Input	Total Land Area	Estimated Fair Value per sqm
Laguna	₱750,045,000	₱3,540,212,000	Price per sqm	300,018 sqm	₱11,800
Cavite	148,612,147	732,222,000	Price per sqm	162,716 sqm	4,500
	₱898,657,147	₱4,272,434,000			

The investment properties are categorized under the Level 2 of the fair value hierarchy and the valuation method used was Market Data Approach. In this approach, the value of the land is based on sales and listings of comparable property registered within the vicinity. This approach requires establishing a comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and

those actual sales and listings regarded as comparable. The properties used as basis of comparison are situated within the immediate vicinity of the subject property.

The Parent Company has assessed that the highest and best use for its land in Sta. Rosa, Laguna is for light industrial development since it would be too large for a commercial development and a residential subdivision development will not yield a maximum return. The Parent Company has assessed that the highest and best use of the idle investment property in Gen. Mariano Alvarez, Cavite is to develop the land into a self-contained residential subdivision project offering mainly and in combination of vacant residential house and lots and house and lot package complemented with some commercial and institutional usage. For strategic purposes, the property is currently not being used in this manner.

Rental income and direct operating expense pertaining to the lease properties are as follows:

	2025	2024
Sta. Rosa, Laguna		
Rental income	**₱78,740,900**	₱53,251,996
Real property taxes	**₱3,791,018**	₱3,791,018
Repairs and maintenance	**3,559,712**	3,261,732

	2025	2024
Gen. Mariano Alvarez, Cavite		
Real property taxes	**₱1,041,382**	₱1,041,382

10. Accounts and Other Payables

	2025	2024
Accounts payable	**₱10,778,613**	₱9,710,079
Accrued interest - related party (Note 16)	**26,563,972**	27,563,972
Customer's deposits	**15,835,942**	11,503,054
Nontrade payables	**4,076,586**	2,443,641
Government payables	**32,948**	30,719
Others	**94,000**	422,827
	₱57,382,061	₱51,674,292

Accounts payables represent obligations of the Parent Company which are generally non-interest bearing and are settled on 30 to 90 days' terms.

Accrued interest pertains to interest payable of the Parent Company from its outstanding loans to MG and TPO and are payable on demand (see Note 16).

Refundable customers' deposits pertain to rental deposits from the lessees to the Parent Company which will be refunded upon expiration of the lease term.

Nontrade payables are noninterest bearing payable to various sources and are normally settled on a 30 days' term.

Government payables include obligations to the government for income tax due and other taxes.

Others pertains to accruals made for expenses incurred but billings are not yet received. These are normally settled within 12 months from the end of the financial reporting period.

11. Capital Stock

Shown below is the Parent Company's capital stock before and after equity restructuring:

	No. of shares	Amount
Common stock		
Class A:		
Par value	₱0.50	
Authorized shares	440,229,812	
Issued shares	123,747,707	₱61,873,854
Class B:		
Par value	₱0.50	
Authorized shares	293,486,507	
Issued shares	49,071,976	24,535,988
		₱86,409,842
Preferred stock		
Par value	₱8.39	
Preferred shares	33,426,498	
Issued shares	33,426,498	₱280,448,318
		₱366,858,160

All shares of common stock have the same rights and privileges, except that Class A common stock can be issued only to Filipino citizens or entities. The total number of issued Class B shares should not exceed 2/3 of the total number of issued Class A shares. All shares of preferred stock shall have preemptive rights to subscribe to new shares in proportion to their respective shareholding ratios and bears preferential dividends of 5% per annum of the total debt converted, payable annually in cash, cumulative and convertible to common stocks. Preferred shareholders are also entitled to participate and share in the retained earnings after payment of preferential dividends.

The following summarizes the information on the Parent Company's registration of securities under the Securities Regulation Code:

Date of SEC Approval	Authorized Shares	Number of Shares Issued	Issue/ Offer Price
July 22, 1968	100,000,000	94,964,130	₱7.80
September 22, 1989	100,000,000	94,964,130	5.00
July 18, 1991	160,000,000	154,964,130	5.00
1991 - 2002	240,000,000	206,246,181	5.00

Equity Restructuring

As mentioned in Note 1, on June 26, 2023, the SEC approved simultaneously the Parent Company's amendment in its Articles of Incorporation, increase/decrease in authorized capital stock and equity restructuring. The approval then resulted to the following:

- Decrease in authorized capital stock of the Parent Company, with par value of the common shares being reduced from ₱5.00 to ₱0.50, with a portion of the Class B common shares reclassified to preferred shares, resulting to 144,000,000 Class A common shares, 62,573,502 Class B common shares and 32,426,498 preferred shares with par value of ₱0.50. The excess amounting to ₱928,107,814 as a result of the reduction in the par value were carried over as APIC.

- Increase in authorized capital stock making the Parent Company's authorized shares to 440,229,812 Class A common share, 293,486,507 Class B common shares with par values of ₱0.50 and 33,426,498 preferred shares with par value from ₱0.50 to ₱8.39 The increase in par value of the preferred shares were paid by the conversion to equity of debt owed to MG amounting to ₱1,389,961,828. The excess from the debt-to-equity conversion amounting to ₱1,126,226,759 was then carried over as APIC.

- Parent Company's recorded deficit as of December 31, 2021 amounting to ₱1,862,551,707 was eliminated against the APIC from the reduction in par values and debt-to-equity conversion. The net movement in the APIC after application amounted to ₱191,782,866.

On October 18, 2024, the Parent Company's amended General Information Sheet was approved by the SEC, reflecting the changes in the authorized capital stock and the equity restructuring as approved by the SEC on June 26, 2023.

12. Loss per Share

Basic and Diluted EPS

	2025	2024
Net income (loss)	**₱54,667,590**	(₱3,032,590)
Preferred dividends	**104,247,137**	69,498,091
	(49,579,547)	(72,530,681)
Weighted average number of common shares issued and outstanding during the year	**172,819,683**	172,819,683
Basic/diluted loss per share	**(₱0.2869)**	(₱0.2186)

The preferred shareholders have a right to participate in the retained earnings after payment of preferential dividends of 5% per annum of the total debt converted to equity. These shares are also convertible to common shares using a 16.78:1 conversion ratio at ₱0.50 per share.

In 2025 and 2024, the diluted EPS did not consider the effect of convertible shares outstanding since these were anti-dilutive.

13. Lease Agreements

Parent Company as a lessor

The Parent Company has existing short-term lease agreements with various third parties (lessees) covering the Parent Company's investment property located in Sta. Rosa, Laguna. The term of the lease are generally renewable every six months to one year or at the option of both parties under the terms and stipulations mutually agreed upon, unless sooner terminated due to breach of agreement.

Rental income earned amounted to ₱78.7 million and ₱53.3 million in 2025 and 2024, respectively.

Parent Company as a lessee

The Parent Company entered into a lease contract wherein the Parent Company leased the lessor's commercial space located at The Pearlbank Centre, Salcedo Village, Makati City for a period of five (5) years commencing on January 1, 2015 to December 31, 2019. In previous years, the contract was renewed for a period of one (1) year with no rent escalation. In December 2024, the contract was renewed for another year with no rent escalation.

Total rental expense amounted to ₱1.2 million and ₱1.0 million in 2025 and 2024, respectively (see Note 14). Prepaid rent amounted to ₱1.9 million as at December 31, 2025 and 2024 (see Note 6).

14. Costs and Expenses

	2025	2024
Professional fees	**₱15,310,972**	₱22,004,203
Gain on reversal of allowance for impairment loss (Note 8)	**(7,518,383)**	–
Salaries and wages	**5,324,934**	4,026,560
Taxes and licenses	**5,268,989**	5,312,689
Security services	**4,957,673**	5,370,813
Repairs and maintenance	**3,559,712**	3,261,731
Utilities	**1,592,802**	912,501
Employee benefits	**1,566,284**	1,736,771
Retirement income (Note 17)	**(1,262,202)**	(1,070,494)
Rentals	**1,150,429**	1,049,112
Subscriptions, dues and donations	**349,808**	1,578,408
Provision for expected credit loss (Note 5)	**259,252**	2,174,633
Transportation and travel	**193,276**	241,027
Office supplies	**74,822**	153,726
Others	**778,162**	3,482,965
	₱31,606,530	₱50,234,645

Other expenses comprise of miscellaneous expenses, insurance expenses and other minimal expenses.

Personnel Costs

	2025	2024
Salaries and wages	**₱5,324,934**	₱4,026,560
Employee benefits	**1,566,284**	1,736,771
Retirement income	**(1,262,202)**	(1,070,494)
	₱5,629,016	₱4,692,837

15. **Income Taxes**

Current income tax
The provision for current income tax represents regular corporate income tax in 2025 and 2024.

The reconciliation of income tax computed at the statutory income tax rate to provision for current income tax as shown in the Parent Company statements of comprehensive income follows

	2025	2024
Provision for (benefit from) income tax at statutory income tax rate	**₱17,653,145**	(₱294,181)
Add (deduct) tax effects of:		
Movement in unrecognized deferred tax assets	**(1,106,033)**	2,399,906
Interest income already subjected to final tax	**(618,824)**	(273,233)
Nondeductible penalties	**16,700**	291,000
Movement in deferred tax liabilities	**–**	(267,624)
	₱15,944,988	₱1,855,868

Deferred income tax
The Parent Company has temporary differences for which no deferred tax assets were recognized as it is not probable that sufficient future taxable income will be available against which the benefits of the deferred tax assets can be utilized.

	2025	2024
Unrealized foreign exchange losses	**₱115,296,858**	₱112,461,858
Allowance for impairment losses on advances to subsidiaries (Notes 7 and 16)	**86,088,819**	86,088,819
Allowance for impairment losses on non-current assets (Note 8)	**50,835,477**	58,353,860
Accrued interest	**26,563,972**	27,563,972
Provision for expected credit losses (Note 5)	**2,433,885**	2,174,633

The components of recognized deferred tax liabilities as at December 31, 2025 and 2024 are as follows:

	2025	2024
Investment properties	**₱110,644,498**	₱110,644,498
Retirement plan assets	**6,313,508**	6,045,060
	₱116,958,006	₱116,689,558

16. **Related Party Disclosures**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by or under common control with the Parent Company, including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Parent Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Parent Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Parent Company, close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

In the normal course of business, transactions with related parties consist mainly of unsecured non-interest bearing, short-term cash advances for working capital requirements of the Parent Company, which are due upon demand.

Category	Amount/ Volume	Outstanding Balance	Terms	Conditions
Stockholder				
Trans-Pacific Oriental Holding Company, Inc. (TPO)				
Loan payable*				
2025	**₱–**	**₱176,370,000**	Non-interest bearing until 2019, payable on demand; to be settled in cash	Unsecured and unguaranteed
2024	₱–	₱173,535,000		
Accrued interest payable (Note 10)				
2025	**–**	**1,955,755**		
2024	–	2,958,562	Portion was subjected to financial restructuring; payable in cash	Unsecured and unguaranteed
Malaysia Garment Manufacturers (Pte) Ltd. (MG)				
Accrued interest payable (Note 10)				
2025	**–**	**24,608,217**	Portion was subjected to financial restructuring; payable in cash	Unsecured and unguaranteed
2024	–	24,605,410		
Subsidiaries **-** Advances to subsidiaries (Note 7)				
IKAC				
2025	**500**	**86,008,318**	Interest bearing	Unsecured and unguaranteed; Impaired
2024	–	86,007,818		
FYGP				
2025	**1,700,000**	**12,950,192**	Non-interest bearing, collectible on demand, to be collected in cash	Unsecured and unguaranteed
2024	1,200,943	11,250,192		
SRTC				
2025	**–**	**81,000**	Non-interest bearing, collectible on demand, to be collected in cash	Unsecured and unguaranteed
2024	–	81,000		
2025		**₱99,039,510**		
2024		₱97,339,010		
Less allowance for impairment losses (Note 7)				
2025		**₱86,088,819**		
2024		₱86,088,819		
Total				
2025		**₱12,950,691**		
2024		₱11,250,191		

**Movement in 2025 and 2024 refers to foreign exchange translation.*

The Parent Company availed of working capital US$-denominated loan in 1993 amounting to US$3 million (₱83,097,000) from TPO, a major stockholder, with fixed interest rate. In 2001, the loan payable was modified to cease the accrual of the interest. The loan payable amounting to ₱173.5 million remains to be outstanding as at December 31, 2024. Interest paid in relation to the loan amounted to ₱1.0 million and ₱1.1 million in 2025 and 2024, respectively. Unrealized foreign exchange gain (loss) was recognized from the loan amounting to ₱2.8 million and ₱7.4 million in 2025 and 2024, respectively.

Compensation of Key Management Personnel

The Parent Company considered all employees holding managerial positions up to president as key management personnel. Compensation of key management personnel, which consist of short-term and employee benefits, amounted to ₱4.6 million in ₱1.2 million and 2025 and 2024, respectively.

17. Retirement Plan

The Parent Company has a funded, noncontributory defined benefit retirement plan covering substantially all of its regular employees. Benefits are dependent on the years of service and the respective employee's compensation. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. There was no planned termination, curtailment or settlement for the years ended December 31, 2025 and 2024.

Under the existing regulatory framework, RA 7641, otherwise known as the "Retirement Pay Law", requires a provision for retirement pay to qualified private sector employees in the absence of any retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law.

The Parent Company's plan is a noncontributory defined benefit plan covering all regular and permanent employees. Benefits are based on the employee's final plan salary and years of service.

The fund is administered by a trustee bank under the supervision of the Retirement Committee of the plan. The Committee is responsible for the investment strategy of the plan.

The following table summarizes the details in the Actuarial Valuation Report as at December 31, 2025 and 2024.

	2025									
		Net Benefit Cost in Profit or Loss				Remeasurements in Other Comprehensive Income				
	January 1, 2025	**Current Service Cost**	**Net Interest Cost**	**Subtotal**	**Benefits Paid**	**Return on plan assets**	**Actuarial Gains on Defined Benefit Obligation**	**Actuarial Changes Arising from Changes in Experience Adjustments**	**Subtotal**	**December 31, 2025**
Present value of defined benefit obligation	**(₱3,338,499)**	**(₱104,285)**	**(₱86,064)**	**(₱190,349)**	**₱–**	**₱–**	**(₱34,261)**	**₱82,945**	**₱48,684**	**(₱3,480,164)**
Fair value of plan asset	**27,518,745**	**–**	**1,452,551**	**1,452,551**	**–**	**(237,102)**	**–**	**–**	**(237,102)**	**28,734,194**
Net plan assets	**₱24,180,246**	**(₱104,285)**	**₱1,366,487**	**₱1,262,202**	**₱–**	**(₱237,102)**	**(₱34,261)**	**₱82,945**	**(₱188,418)**	**₱25,254,030**

	2024									
		Net Benefit Cost in Profit or Loss				Remeasurements in Other Comprehensive Income				
	January 1, 2024	Current Service Cost	Net Interest Cost	Subtotal	Benefits Paid	Return on plan assets	Actuarial Gains on Defined Benefit Obligation	Actuarial Changes Arising from Changes in Experience Adjustments	Subtotal	December 31, 2024
Present value of defined benefit obligation	(₱2,451,028)	(₱79,113)	(₱60,318)	(₱139,431)	₱–	₱–	₱8,873	(₱756,913)	(₱748,040)	(₱3,338,499)
Fair value of plan asset	23,803,913	–	1,209,925	1,209,925	–	2,504,907	–	–	2,504,907	27,518,745
Net plan assets	₱21,352,885	(₱79,113)	₱1,149,607	₱1,070,494	₱–	₱2,504,907	₱8,873	(₱756,913)	₱1,756,867	₱24,180,246

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions. The trustee has no specific matching strategy between the plan assets and the retirement obligation. The Parent Company is not required to pre-fund the defined benefit obligation before they become due. The amount and timing of contributions to the retirement fund are at the Parent Company's discretion.

The carrying value and fair value of plan assets by each class as at the end of the reporting period are as follow:

	2025	2024
Cash	**₱1,807,565**	₱475,369
Government securities	**26,670,264**	26,853,794
Accrued income receivable	**300,726**	233,207
Trust fee payable	**(44,361)**	(42,625)
	₱28,734,194	₱27,519,745

The plan assets have diverse investments in equity and debt securities, and do not have any concentration risk.

The costs of defined benefit plan as well as the present value of the defined benefit obligations are actuarially determined using projected unit credit method. The actuarial valuation involves making various assumptions. The principal assumptions used in determining defined benefit obligations for the defined benefit plans are shown below:

	2025	2024
Discount rate	**5.04%**	6.18%
Salary increase rate	**1.00%**	1.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming if all other assumptions were held constant:

	Increase (decrease)	**2025**	2024
Discount rates	+1%	**₱3,450,067**	₱3,309,935
	-1%	**₱3,510,814**	₱3,367,583
Salary increase rate	+1%	**₱3,514,621**	₱3,371,553
	-1%	**₱3,445,707**	₱3,305,444

Shown below is the maturity analysis of the undiscounted benefit payments:

	2025	2024
Less than one year	**₱3,658,457**	₱3,528,848

Retirement fund

The Parent Company entered into a Trust Agreement with BPI Asset Management for the latter to serve as a trustee for the Parent Company's retirement fund. The carrying amount equals the fair value of the retirement fund amounting to ₱28.7 million and to ₱27.5 million as at December 31, 2025 and 2024, respectively. There were no any other transactions between the Parent Company and the retirement fund trustee.

18. Financial Risk Management Objectives and Policies and Capital Management

Financial Risk Management Objectives and Policies

The Parent Company's principal financial instruments consist of cash and cash equivalents, noncurrent financial assets, restructured loans and loans payable to a stockholder. The main purpose of these financial instruments is to raise funds for the Parent Company's operations. The Parent Company has various other financial instruments such as long term time deposit and accounts and other payables, excluding government payables, which arise directly from its operations.

The main risks arising from the financial instruments of the Parent Company are credit risk, liquidity risk and market risk. The BOD reviews and agrees policies for managing these risks.

Credit Risk

Credit risk arises from the possibility that the Parent Company may incur financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Parent Company is exposed to credit risk principally from its cash in banks and cash equivalents and refundable deposits. In addition, the balances of cash in banks and cash equivalents and refundable deposits are monitored on an ongoing basis so that the Parent Company's exposure to impairment losses is not significant. There is no significant concentration of credit risk in the Parent Company.

The Parent Company has four types of financial assets that are subject to the expected credit loss model which is cash and cash equivalents, receivables, amounts owed by related parties and long term time deposits.

Generally, receivables and amounts by related parties are written off if it can no longer be recovered and are not subject to enforcement activity. As of December 31, 2025, the maximum exposure to credit risk is the carrying value of each class of financial assets.

While cash and cash equivalents are also subject to the impairment requirements of PFRS 9, the identified impairment loss were immaterial.

The table below shows the maximum exposure to credit risk for the Parent Company's financial assets, without taking into account any collateral and other credit enhancements as at December 31, 2025 and 2024.

	2025	2024
Financial assets at amortized cost		
Cash and cash equivalents		
Cash in banks	**₱28,845,916**	₱27,517,430
Short-term investments	**34,282,771**	8,471,034
Refundable deposits	**303,316**	298,096
Trade and other receivables	**19,770,106**	2,962,628
Investment in and advances to subsidiaries and associate	**12,950,192**	11,250,192
Current financial asset	**40,000,000**	20,000,000
	₱136,152,301	₱70,499,380

The Company has no significant concentration of credit risk in relation to its financial assets. All financial assets with no ECL are currently current with no days past due.

Credit risk under general and simplified approach
Set out below is the credit risk of the financial assets under General approach:

	2025				
	General Approach			Simplified	
	Stage 1	**Stage 2**	**Stage 3**	**Approach**	**Total**
Cash in bank	**₱28,845,916**	**₱–**	**₱–**	**₱–**	**₱28,845,916**
Short-term cash investment	**34,282,771**	**–**	**–**	**–**	**34,282,771**
Current financial asset	**40,000,000**	**–**	**–**	**–**	**40,000,000**
Trade and other receivables	**1,299,179**	**–**	**2,433,885**	**18,470,927**	**22,203,991**
Refundable deposits	**303,316**	**–**	**–**	**–**	**303,316**
Advances to subsidiaries	**12,950,192**	**–**	**86,088,819**	**–**	**99,039,011**
	₱117,681,374	**₱–**	**₱88,522,704**	**₱18,470,927**	**₱224,675,005**

	2024				
	General Approach			Simplified	
	Stage 1	Stage 2	Stage 3	Approach	Total
Cash in bank	₱27,517,430	₱–	₱–	₱–	₱27,517,430
Short term investments	8,471,034	–	–	–	8,471,034
Refundable deposits	298,096	–	–	–	298,096
Trade and other receivables	1,320,753	–	2,174,633	1,641,875	5,137,261
Advances to subsidiaries	11,250,192	–	86,088,819	–	97,339,011
Noncurrent financial asset	20,000,000	–	–	–	20,000,000
	₱68,857,505	₱–	₱88,263,452	₱1,641,875	₱158,762,832

General approach
Individually impaired financial assets that were specifically determined by the Company under Stage 3 are fully provided with ECL.

Financial assets are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with negative impact on the estimated future cash flows of a financial instrument or portfolio of financial instruments. The ECL model requires that lifetime ECL to be recognized for impaired financial instruments, which is similar to the requirements under PAS 39 for impaired financial instruments.

Simplified approach
There were no significant concentrations of credit risk using simplified approach within the Parent Company

Liquidity Risk
Liquidity risk is the potential of not meeting obligations as they become due because of an inability to liquidate assets or obtain adequate funding.

The Parent Company seeks to manage its liquid funds through cash planning on a monthly basis. The Parent Company uses historical figures and experiences and forecasts from its collection and disbursement.

The amounts disclosed in the table below are the contractual undiscounted cash flows as at December 31, 2025 and 2024 which are all due and demandable:

2025	**On Demand**	**Within one Year**	**Over one Year**	**Total**
Financial liabilities				
Accounts and other payables*	**₱57,349,113**	**₱–**	**₱–**	**₱57,349,113**
Loans payable to a stockholder	**176,370,000**	**–**	**–**	**176,370,000**
	₱233,719,113	**₱–**	**₱–**	**₱233,719,113**

**Excluding government payables amounting to ₱32,948*

2024	On Demand	Within one Year	Over one Year	Total
Financial liabilities				
Accounts and other payables*	₱51,643,573	₱–	₱–	₱51,643,573
Loans payable to a stockholder	173,535,000	–	–	173,535,000
	₱225,178,573	₱–	₱–	₱225,178,573

**Excluding government payables amounting to ₱30,719*

Market Risk

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity prices and other market changes.

Foreign Currency Risk

Foreign currency risk is the risk to earnings or capital arising from changes in foreign exchange rates. The Parent Company takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial and cash flows.

The Parent Company's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines. The Parent Company believes that its profile of foreign currency exposure on its assets and liabilities is within conservative limits for an institution engaged in the type of business in which the Parent Company is engaged.

The Parent Company's foreign currency-denominated financial asset and liability as at December 31, 2025 and 2024 are as follows:

	2025		2024	
	USD	**Peso Equivalent**	USD	Peso Equivalent
Financial Liability				
Loans payable to a stockholders	**($3,000,000)**	**(₱176,370,000)**	($3,000,000)	(₱173,535,000)

As at December 31, 2025 and 2024, the exchange rates of the Philippine peso to the US$ are ₱58.79 and ₱57.85 to US$1.00 respectively. Unrealized foreign exchange gain (loss) amounted to ₱2.4 million and ₱7.4 million in 2025 and 2024, respectively.

The sensitivity to a reasonably possible change in the USD exchange rate, with all other variables held constant, of the Parent Company's income before tax as at December 31, 2025 and 2024 is as follows:

	Change in foreign exchange rate	Effect in loss before income tax
2025	**+1.07**	**₱3,210,000**
	-0.73	**(2,190,000)**
2024	+1.09	(₱3,270,000)
	-1.16	3,480,000

Capital Management

The primary objective of the Parent Company's capital management is to ensure its ability to continue as a going concern.

The Parent 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 Parent Company may obtain additional advances from stockholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended December 31, 2025 and 2024. The Parent Company has no to externally imposed capital requirement

As at July 1, 2022, the BOD agreed to maintain the Parent Company's operations at status quo; i.e., continue with the asset disposal programs and lease out the Parent Company's warehouse in Sta. Rosa, Laguna and to look for a potential partner for a joint venture agreement.

The following table summarizes the total capital considered by the Parent Company:

	2025	2024
Capital stock	**₱366,858,160**	₱366,858,160
Additional paid-in capital	**335,372,611**	335,372,611
Remeasurement loss on retirement plan assets	**(4,873,459)**	(4,732,146)
Retained earnings (Deficit)	**41,732,391**	(12,935,199)
	₱739,089,703	₱684,563,426

19. Fair Value Measurement

Fair Values of Financial Assets and Financial Liabilities

The following method and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such values as at December 31, 2025 and 2024 are set out below:

Cash and Cash Equivalents, Other Receivables and Accounts and Other Payables

The carrying values of these financial instruments approximate their fair values due to the short-term nature of these accounts.

Refundable Deposits
The carrying values of other noncurrent assets approximate their fair values based on the market value of similar lease agreements.

Loan Payable to a Stockholder
The carrying values of the loans payable to a stockholder approximate its fair value as the loan is already due and demandable and the effect of discounting the instrument is not material.

Current/Noncurrent Financial Asset
The carrying amount of this deposit represents its fair value because the interest rate it carries approximates the interest rate for comparable instruments in the market.

Fair Value of Investment Properties
The following table provides the fair value measurement hierarchy of the Parent Company's investment properties as at December 31:

	2025			
		Fair value using		
	Total	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Asset for which fair value is disclosed:				
Investment Properties	**₱4,272,434,000**	**₱–**	**₱4,272,434,000**	**₱–**

	2024			
		Fair value using		
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset for which fair value is disclosed:				
Investment Properties	₱4,133,614,000	₱–	₱4,133,614,000	₱–

The fair value, which was determined through the use of market data (sales comparison) approach, is based on the assumption that no prudent purchaser will buy more than what it will cost him to acquire an equally desirable substitute parcel or site. This approach is primarily based on sales and listings, which are adjusted for time of sale, location, and general characteristics of comparable properties in the neighborhood where the subject property is situated.

The description of valuation techniques used and key inputs to the valuation of land are shown below:

Location	Valuation technique	Significant observable input	Valuation Date	Land Area	Fair Value
Sta. Rosa, Laguna					
Land in Barangays Malitlit, Macabling and Macabling, Santa Rosa City, Province of Laguna	Market data approach	Net price per square meter	2025: December 15, 2025 2024: January 21, 2025	55,894 square meters in aggregate	2025: ₱9,720 to ₱15,390 per square meter 2024: ₱10,421 to ₱13,500 per square meter
Gen. Mariano Alvarez, Cavite					
Land in Barangays Pasong Saging, Pasong Saging and a land along the road Mayor's Drive Barangay Olaes, Province of Cavite	Market data approach	Net price per square meter	2025: December 16, 2025 2024: January 21, 2025	8,086 square meters in aggregate	2025: ₱4,388 to ₱4,860 per square meter 2024: ₱4,095 to ₱4,455 per square meter

The highest and best use of the properties as at appraisal date is a mix of light industrial development and commercial utilities. However, due to strategic reasons of management, the properties are not currently being used in this manner as the properties are currently idle.

Management believes that there are no events or changes in circumstances indicating a significant change in the fair value of the investment properties between the appraisal date and reporting date.

20. Supplementary Disclosure to Statement of Cash Flows

The following tables summarize the changes in liabilities arising from financing activities for the period ended December 31, 2025 and 2024, respectively:

	2025		
	January 1	**Cash Flow**	**December 31**
Accrued interest payable	**₱27,563,972**	**(₱1,000,000)**	**₱26,563,972**

	2024		
	January 1	Cash Flow	December 31
Accrued interest payable	₱28,663,972	(₱1,100,000)	₱27,563,972
Due to a related party	1,000,000	(1,000,000)	–
	₱29,663,972	(₱2,100,000)	₱27,563,972

21. **Supplementary Information Required Under Revenue Regulations (RR) No. 15-2010**

The Parent Company reported and/or paid the following types of taxes in 2025:

a. VAT

The Parent Company is a VAT-registered company with output VAT declaration of ₱9.5 million in 2025. The amount of Input VAT claimed broken down into:

Beginning balance	₱2,215,296
Current year's domestic purchases or payments	6,758,429
Application	(2,784,357)
Ending balance	₱6,189,368

b. Taxes and licenses

Real property taxes	₱3,791,018
License and permit fees	401,238
Others	35,350
	₱4,227,606

c. Withholding taxes

Expanded	₱281,944
Compensation	196,376
	₱478,320

d. Others

The Parent Company has no locally produced or imported excisable item, landed cost of imports, custom duties, tariff fees and documentary stamp tax paid or accrued as at December 31, 2025.

There were no deficiency tax assessments, tax cases under preliminary investigation, litigation and or prosecution in courts or bodies outside the BIR.

SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

The Stockholders and the Board of Directors
Filsyn Corporation
Unit 8, 5B The Pearlbank Centre, 146 Valero St.
Salcedo Village, Makati City

We have audited in accordance with Philippine Standards on Auditing, the parent company financial statements of Filsyn Corporation (the Parent Company) as at and for the years ended December 31, 2025 and 2024, and have issued our report thereon dated April 13, 2026. Our audits were made for the purpose of forming an opinion on the parent company financial statements taken as a whole. The Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Parent Company's management. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not part of the parent company financial statements. This has been subjected to the auditing procedures applied in the audit of the parent company 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 parent company financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Marco Rene A. Barredo
Partner
CPA Certificate No. 116783
Tax Identification No. 214-999-478
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 116783-SEC (Group A)
Valid to cover audit of 2025 to 2029 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-160-2025, December 18, 2024, valid until December 17, 2027
PTR No. 10765015, January 2, 2026, Makati City

April 13, 2026

Annex "A"

Reconciliation of Retained Earnings for Dividend Declaration
For the reporting period ended December 31, 2025

Filsyn Corporation
Unit 8, 5B The Pearlbank Centre, 146 Valero St., Salcedo Village, Makati City

Deficit, beginning of reporting period	**(₱12,935,199)**
Add: Category A: Items that are directly credited to unappropriated retained earnings	–
Less: Category B: Items that are directly debited to unappropriated retained earnings	
Dividend declaration during the accounting period	–
Deficit, as adjusted	**(12,935,199)**
Net income for the current year	**54,667,590**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	–
Movements in deferred tax assets	–
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in current reporting period (net of tax)	–
Add: Category C.3: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in current reporting period (net of tax)	–
Adjusted net income/loss	**54,667,590**
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	–
Add/Less: Category E: Adjustments related to relief granted by SEC and BSP	–
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	–
Total Retained Earnings, end of reporting period	**₱41,732,391**

ANNEX "G"

COVER SHEET

	3	5	8	4	1

SEC Registration Number

F	I	L	S	Y	N			C	O	R	P	O	R	A	T	I	O	N		A	N	D					
S	U	B	S	I	D	I	A	R	I	E	S																

(Company's Full Name)

U	N	I	T		8		5	B		P	E	A	R	L	B	A	N	K		C	E	N	T	R	E		
1	4	6		V	A	L	E	R	O		S	T	.		M	A	K	A	T	I		C	I	T	Y		

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

Mr. Apolinario L. Posio	(+632) 8652-5167
Contact Person	Company Telephone Number

SEC FORM 17-Q
March 31, 2026

1 2	3 1		
Month	Day	Month	Day
Fiscal Year		Annual Meeting	

Not Applicable
Secondary License Type, if Applicable

	Not Applicable
Dept. Requiring this Doc.	Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number	LCU
Document I.D.	Cashier

STAMPS

Remarks = please Use Black Ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17 -Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SRC AND SRC RULE 17 (2) (B) THEREUNDER

1.	For the quarterly period ended	March 31, 2026
2.	Commission identification number	35841
3.	BIR Tax Identification No.	000-158-664-000
4.	Exact name of registrant as specified in its charter	FILSYN CORPORATION
5.	Province, country or other jurisdiction of incorporation or organization	Makati City, Philippines
6.	Industry Classification Code	(SEC Use Only)
7.	Address of registrant's principal office	Unit 8 5B Pearlbank Centre 146 Valero St., Salcedo Village, Makati City 1227
8.	Registrant's telephone number, including area code	(+632) 8652-5167
9.	Securities registered pursuant to Sections 8 and 12 of the SRC	

Title of each Class	Number of shares stock outstanding
Class A Common	123,747,707 shares fully paid
Class B Common	49,071,976 shares fully paid
Preferred	33,426,498 shares fully paid

10.	Securities listed in the PSE	172,819,683 shares

FINANCIAL INFORMATION

Please see attached Financial and Management Reports.

FILSYN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(IN P000)		(Unaudited) March 31, 2026		Audited December 31 2025
ASSETS				
Current Assets				
Cash and cash equivalents	**P**	**292,302**	P	105,575
Trade receivables		**71,536**		22,345
Inventories		**54,100**		80,959
Prepayments and other current assets – net		**36,644**		9,933
Current financial asset		**40,000**		40,000
Total Current Assets		**494,582**		258,812
Noncurrent Assets				
Investment properties - at deemed cost		**918,167**		918,167
Property and equipment, net		**806,845**		847,089
Construction in Progress		**60,495**		–
Retirement plan assets		**25,631**		25,254
Other noncurrent assets		**10,584**		8,510
Total Noncurrent Assets		**1,821,722**		1,799,020
TOTAL ASSETS	**P**	**2,316,304**	P	2,057,832
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	**P**	**112,675**	P	169,090
Loans payable		**176,120**		176,370
Current portion of long-term debt		**–**		69,449
Dividends payable		**156**		156
Income tax payable		**–**		58
Total Current Liabilities		**288,951**		415,123
Noncurrent Liability				
Noncurrent portion of long-term debt		**633,313**		561,773
Deferred tax liabilities		**118,103**		119,044
Total Noncurrent Liabilities		**751,416**		680,817
Total Liabilities		**1,040,367**		1,095,940
Equity Attributable to Equity Holders of the Parent				
Capital stock				
Preferred Stock		**280,448**		280,448
Common Stock		**86,410**		86,410
Additional paid-in capital		**335,373**		335,373
Equity Reserve		**–**		219,498
Remeasurement loss on retirement plan assets – net		**(4,590)**		(4,873)
Cumulative translation adjustment		**227,695**		(12,842)
Retained Earnings		**93,443**		68,255
		1,018,779		972,269
Deposit for future stock subscription		**273,051**		**–**
Non-controlling Interests		**(15,893)**		(10,377)
Total Equity		**1,275,937**		961,892
TOTAL LIABILITIES AND EQUITY	**P**	**2,316,304**	P	2,057,832

FILSYN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2026 AND 2025

(P000)

		2026 (Unaudited)			2025 (Unaudited)	
		This Quarter	Year-to-Date		This Quarter	Year-to-Date
REVENUES	**P**	**173,376**	**173,376**	**P**	**214,791**	**214,791**
COST AND EXPENSES:						
OPERATING EXPENSES		**143,439**	**143,439**		**189,816**	**189,816**
FINANCIAL CHARGES - Net		**4,774**	**4,774**		**6,610**	**6,610**
		148,213	**148,213**		**196,426**	**196,426**
NET INCOME	**P**	**25,163**	**25,163**	**P**	**18,364**	**18,364**
NET INCOME ATTRIBUTABLE TO PARENT EQUITY HOLDER	**P**	**25,188**	**25,188**	**P**	**18,354**	**18,354**
TOTAL NUMBER OF COMMON SHARES ISSUED & OUTSTANDING		**172,820**	**172,820**		**172,820**	**172,820**
INCOME PER SHARE	**P**	**0.1456**	**0.1456**	**P**	**0.10626**	**0.10626**

FILSYN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2026 and 2025
(P000)

		2026 (Unaudited)		2025 (Unaudited)
CAPITAL STOCK				
Preferred (P8.39 par value)				
Authorized - **33,426,498 shares**				
Issued[1] - **33,426,498 shares**	**P**	**280,448**	**P**	**280,448**
Class A Common (P0.50 par value)				
Authorized - **440,229,812 shares**				
Issued - **123,747,707 shares**		**61,874**		**61,874**
Class B Common (P0.50 par value)				
Authorized - **293,486,507 shares**				
Issued[1] - **49,071,976 shares**		**24,536**		**24,536**
		366,858		**366,858**
ADDITIONAL PAID-IN CAPITAL (APIC)		**335,373**		**335,373**
Remeasurement loss on retirement plan asset		**(4,590)**		**(4,732)**
Cumulative translation adjustment		**227,695**		**(50,782)**
RETAINED EARNINGS (DEFICIT)				
Balance, beginning		**68,255**		**(21,881)**
Net income loss for the period – attributable to parent		**25,188**		**18,354**
		93,443		**(3,527)**
Deposit for future stock subscription		**273,051**		**257,760**
NON-CONTROLLING INTEREST		**(15,893)**		**(15,977)**
TOTAL EQUITY	**P**	**1,275,937**	**P**	**884,973**

[1] On 26 June 2023, the Securities and Exchange Commission approved the (i) decrease in Authorized Common B Shares by 33,426,498 and establishment of 33,426,498 Authorized Preferred Shares resulting to reclassification of 33,426,498 issued Common B Shares to Preferred Shares; and (ii) increase of the Corporation's authorized capital stock from P120,000,000.00 to P647,306,477.72.

FILSYN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE PERIOD ENDED MARCH 31, 2026 AND 2025
(P000)

		2026 (Unaudited)		2025 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	**P**	**25,163**	**P**	**18,364**
Decrease (Increase) in:				
Prepayments and other current assets		**26,709**		**(32,792)**
Other assets		**20,290**		**974**
Increase (Decrease) in:				
Trade and other payables		**(34,071)**		**164,827**
Income tax payable		**58**		**–**
Net cash flows from operating activities		**38,149**		**148,830**
CASH FLOWS FROM INVESTING ACTIVITY				
Acquisition of property, plant and equipment		**–**		**–**
Retirement Plan Assets		**377**		**–**
		377		
CASH FLOWS FROM FINANCING ACTIVITY				
Payment of Loans from Bank		**(38,749)**		**(22,757)**
Proceeds from loan from bank		**–**		**–**
Proceeds from deposit for future stock subscriptions		**–**		**–**
		(38,749)		**(22,757)**
EFFECT OF EXCHANGE RATE CHANGES		**187,704**		**10,436**
NET INCREASE IN CASH		**186,727**		**136,509**
CASH AT BEGINNING OF THE PERIOD		**105,575**		**42,363**
CASH AT END OF THE PERIOD	**P**	**292,302**	**P**	**178,872**

FILSYN CORPORATION
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2026

CORPORATE INFORMATION

FILSYN Corporation (the "Corporation") was incorporated and registered with the Philippine Securities and Exchange Commission ("SEC") on July 22, 1968 and is domiciled in the Republic of the Philippines. The Corporation's shares are publicly listed with the Philippine Stock Exchange ("PSE") but trading of which have been suspended. The Corporation's primary purpose is to carry on the business of making, manufacturing, preparing, dyeing, processing, treating, finishing, and converting all kinds of fibers, filaments, and materials, whether polyester, nylon, acrylic, rayon, cotton, wool, silk, hemp, flex and jute, and to make, manufacture, produce, raise, prepare, process, purchase, or otherwise acquire, and to hold, own, use, sell at wholesale, import, export, dispose of or otherwise trade or deal in with, such fibers, filaments and materials, any and all kinds of yarns, threads, textiles, fabrics, cloth, and other goods and components spun, woven, knit or made in whole or in part of such fibers, filaments, or materials, or any of them, and all other articles, products, chemicals and substances related thereto or of a like or similar nature or which may enter into manufacture of any of the foregoing or which may be used in connection therewith.

The Board of Directors, during the Special Board Meeting held on 24 February 2026, approved the amendment to the Second Article of the Articles of Incorporation to change the Corporation's primary purpose to "to deal and engage in land or real estate business in all its branches and ramifications, to own, hold, develop, manage, administer, sell, assign, convey, exchange, encumber, purchase, acquire, for consideration or by donation, lease, rent, or otherwise deal in and dispose of, for itself or for others, for investments, profit and advantage, real properties, including but not limited to, all kinds of housing projects, commercial, industrial, urban or other kinds of property and real estate, improved or unimproved, together with their appurtenances, with or to such persons and entities and under such terms and conditions as may be permitted by law; to acquire, purchase, hold, manage, develop, improve, lease, subdivide, exchange, and sell subdivision lots, with or without buildings or improvements, for such consideration and in such manner or form as the corporation may determine, or as the law permits; and to erect, construct, alter, manage, operate, lease, develop, in whole or in part, buildings and tenements of the Corporation or of other persons; and to exercise or undertake such powers and purposes as may be required and necessarily implied from the purposes herein mentioned. Provided, that the corporation shall not solicit, accept or take investments/placements from the public nor shall it issue investment contracts."

The Board of Directors, during the Special Board Meeting held on 24 February 2026, likewise approved the amendments to the Seventh Article of the Articles of Incorporation to declassify Common "A" and Common "B" shares as mandated by the SEC and The Philippine Stock Exchange, Inc

The aforesaid amendments to the Second Article (change in the primary purpose) and the Seventh Article (Declassification of Common Shares) of the Articles of Incorporation of the Corporation will be presented for stockholders' approval during the Annual Stockholders' Meeting to be held on 26 May 2026. Thereafter the application for the amendments to the Articles of Incorporation will be submitted for the approval of the SEC.

On October 28, 2016, the SEC approved the Amended Articles of Incorporation of the Corporation amending the Fourth Article by extending its corporate term for fifty (50) years from and after July 22, 2018 or up to July 21, 2068.

On June 26, 2023, the SEC approved the Corporation's Decrease/Increase in Authorized Capital Stock, Amendments to the Articles of Incorporation, and Equity Restructuring.

The registered office address of the Corporation is Unit 8, 5B The Pearlbank Centre, 146 Valero Street, Salcedo Village, Makati City.

The consolidated financial statements include the following subsidiaries of the Corporation which are all incorporated in the Philippines.

Subsidiaries	Nature of Business
FYN Green PET Corporation	Manufacturing
Island King Aquaventures Corporation	Leasing
SRTC Development Corporation	Under liquidation

IKAC was registered with the Philippine SEC on September 15, 1986 primarily to engage in the business of aquaculture and undertake any and all related activities necessary, incidental and related thereto. The registered office address of the company is Unit 8, 5B The Pearlbank Centre, 146 Valero Street, Salcedo Village, Makati City.

SRTC was registered with the Philippine SEC on April 30, 1992 primarily to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease and hold for investment or otherwise, real estate of all kinds, and to improve, manage or otherwise dispose of buildings, houses, apartments and other structures of whatever kind, together with their appurtenances. The registered office address of the company is Unit 8, 5B Floor, Pearl Bank Centre, 146 Valero Street, Salcedo Village, Makati City.

FYN Green was registered with the Philippine SEC on June 6, 2019 primarily in recycling of waste Polyethylene Terephthalate (PET) bottles into resin to be used as feedstock for manufacture of Filament and Food Grade Chip. The registered office address of FYN Green is at First Cavite Industrial Estate, Lot 2, Block 1, Phase 2, Langkaan II, Dasmarinas City, Cavite .

The foregoing companies are collectively referred to as the “Group”.

BASIS OF PREPARATIONS AND STATEMENT OF COMPLIANCE

Basis of Preparation

The accompanying interim financial statements as of March 31, 2026 have been prepared under the historical cost basis. These statements are presented in Philippine peso which is the Corporation's functional and presentation currency under the Philippine Financial Reporting Standard (PFRS). All values are in (P000).

Statement of Compliance

- The accompanying interim financial statements are presented in compliance with PFRS.
- The accounting policies and methods adopted in said interim financial statements are the same as those in the annual financial statements for the year ended December 31, 2025.
- The adoption of PAS 34 in the interim financial statements did not have any material impact on the financial position or performance of the Corporation.
- That the Corporation is still not in commercial operation.
- There were no transactions unusual in nature, size or incidents during the period that will have a material effect in the interim financial statements.
- There were no issuances, repurchases, and repayment of debts and equity securities.
- There were no dividends declared/paid during the period.
- There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.
- There were no changes in the composition of the issuer during the interim period.
- There were no changes in contingent liabilities and contingent assets since December 31, 2025.
- There were no material contingencies and any other credits or transactions existing that will materially affect the interim financial statements for the period ended March 31, 2026.
- The main sources of funds consist mainly of rental income.

MANAGEMENT DISCUSSION & ANALYSIS OF OPERATION

Filsyn Corporation continued to generate income mainly from rentals which was sufficient to cover all expenses, hence, there was no need for any outside financing to sustain its operations.

Despite incurring a net loss in 2024, the Corporation maintained its operational continuity and remained resilient in the face of prior year challenges. This stability in core revenue streams enabled the Corporation to recover in 2025, ultimately achieving a turnaround in performance. Consequently, the Corporation successfully rebounded and recorded a net income of PhP 54.6 million for the year ended 2025, reflecting improved operational efficiency and sustained demand for its leasing activities.

There can be no comparable discussions to assess material changes during the last three (3) years because of the non-commercial operations of the Corporation.

There were no events during the last three (3) years that will trigger direct or contingent financial obligation that was material to the Corporation. There were for the last three (3) yeas no material, off- balance sheet, transactions, arrangements, obligations (including contingent obligations) nor any otherrelationships with unconsolidated entities or other persons. There were no material commitments for capital expenditures.

The Corporation can satisfy its cash requirement for the next 12 months.

The Corporation will not raise additional funds in the next 12 months.

The Corporation has no product research and developments for the term of the plan.

The Corporation will not purchase any plant or equipment within the next 12 months.

The Corporation does not expect any significant changes in the number of employees.

There are no seasonal aspects that have material effect to the financial statements.

The main concern of the Corporation up to now is how to settle the debt issue.

On December 10, 2009, the Board of Directors of the Corporation approved to offer the property in Sta. Rosa, Laguna as dacion in payment of the entire obligation to Chinatrust, and in case of the latter's acceptance, to offer to manage the property in trust, in consideration of management fees and trustee fees, until such time as maybe agreed by the parties.

On November 2, 2010, Chinatrust accepted the proposal of the Corporation to fully settle its outstandingloan obligation amounting to P1.2 Billion through the Sta. Rosa property as dacion in payment. Chinatrust agreed that the Corporation shall not be liable for any deficiency between the amount of theoutstanding loan obligation and the value of the Sta. Rosa property.

The "Dacion En Pago" did not materialize and the ownership of the loan was transferred to Chuan YuanLimited, a company incorporated in Cayman Islands. Chuang Yuan Limited became the creditor of the first andsecond MTI. Chuang Yuan Limited later transferred the loan to Malaysia Garment Manufacturers (Pte) Ltd., a company incorporated in Singapore and a related party.

On October 24, 2016, the PSE issued a letter to the Corporation on the subject: Negative Stockholders'Equity and SEC Order of Revocation requesting for update on the following items:

- Settlement of outstanding loan obligations amounting to P1.2 Billion through the Sta. Rosaproperty as dacion;
- Discussions/negotiations with real estate companies for potential joint venture arrangementover the property to develop the 30 hectares property located at Sta. Rosa, Laguna;
- Discussions/negotiations regarding the sale of the property located in Gen. Malvar Alvarez, Cavite City; and
- SEC Order of Revocation dated August 26, 2002.

On December 12, 2016, the Corporation responded to the PSE that discussions are ongoing on the first three items above with the appropriate parties. Should the ongoing discussions on the abovementioned items be not fruitful, the Group will invite an investor to jointhem in developing the Sta. Rosa Property. Management believes that the development of the land in Sta. Rosa Laguna will increase its value and bring the Corporation's equity from negative to positive.

At the special meeting of the board of directors and in the annual stockholders' meeting of the Corporation both held on September 21, 2017, at least a majority of the directors and stockholders of the Corporation approved a Business Plan to address the corporation's existing capital deficiency. The Business Plan consists of three (3) phases including:

1. Financial restructuring subject to SEC approval;
2. Development of a property located at Sta. Rosa, Laguna; and
3. A new business activity for recycled Polyethylene Terephthalate (PET) to be registered with the Philippine Economic Zone Authority (PEZA)

In 2002, the SEC has issued Order of Revocation of the Corporation's Registration of Securities and Permit to Sell Securities to the public. On February 2005, the SEC acknowledged the Corporation's full payment of the penalties for the reportorial violations.

On February 18, 2018, the Commission en Banc has resolved to lift the Order of Revocation. The lifting of the Order of Revocation directed the Corporation to amend its Registration Statement to reflect any prior changes prior to restatement of its registration statement and permit to sell securities.

At the special meeting of the Board of Directors and in the Annual Stockholders' meeting of the Corporation both held on September 20, 2018 at least majority of the directors and stockholders of the Corporation decided the following:

1. Approved the Amended Registration Statement and designated the officers authorized to sign the Amended Registration Statement, namely: Mr. Jaime M. Sto. Domingo, President, Mr. David Wang, Executive Vice President & Chief Finance Officer, Mr. Emmanuel C. Paras, Corporate Secretary and Mr. Apolinario L. Posio, Senior Vice-President-Accounting and Auditor and Compliance Officer;

2. Authorized the filing of the Amended Registration Statement of the Corporation with the Securities and Exchange Commission ("SEC")

3. Approved the Amendment of Seventh Article of the Articles of Incorporation of the Corporation to reflect the following;

    i. Reduction of par value from PhP5.00 per share to PhP2.5 per share;

ii. Creation of Preferred Shares with the following features:

- Pre-Emptive Right – Right to subscribe to the same proportion of shares in case of issuance of new shares;
- Preference in Distribution of Dividends – Right to receive fixed dividends (5% of total debt converted, namely P1,318,316,337.00), cumulative dividends and right to receive profit-participating stocks;
- Veto Right – Right to veto the development of Sta. Rosa Property such that thedevelopment project of said land must be approved by Preferred shareholders;
- Exercise of Voting Right – The Preferred Shareholders shall not have a right tovote, except on matters specified in Section 6 of the Corporate Code of the Philippines and those relative to the development of the Sta. Rosa Property; and
- Convertible to Common Shares – Right to convert preferred shares to common Class B shares using 16.78:1 conversion ratio; and

iii. Reclassification of 33,426,498 Common (Class B) to Preferred shares

4. Approved the Conversion of Debt to Additional Paid-In Capital which will be reserved for the Conversion of Preferred shares to Common shares;

5. Authorized the filing of the Amended Articles of Incorporation of the Corporation and other documentary requirements with the SEC; and

6. Approved the incorporation of a wholly-owned subsidiary of the Corporation for its PET Recycling plant project in a Philippine Economic Zone Authority ("PEZA") location.

The Corporation received from SEC, Certificate of Incorporation of FYN Green PET Corporation, a wholly-owned subsidiary dated 6 June 2019. This is for the Corporation's PET Recycling Plant Project.

In preparation for FYGP's registration with the PEZA, on 21 February 2020, a Memorandum of Understanding and a Contract to Sell between J.Y. and Sons Realty Co., Inc. and FYGP were executed regarding sale of a parcel of land with building and improvements, located at First Cavite Industrial Estate (FCIE), Dasmariñas City, Cavite. Which is a PEZA registered location. Finally, on 25 November 2020, the sale was finalized and the property was physically turned over on 1 February 2021.

Furthermore, at the Board Meeting of PEZA, held on 21 May 2020, the Board approved the application for registration of FYGP as an Export Ecozone Enterprise.

On November 11, 2021, Management filed the financial restructuring project to SEC. Prior to submission of the financial restructuring project with the SEC, Management had already agreed to the conversion of debt with its creditors and legal counsel. Management is securing all the necessary documents such as Deed of Assignment to creditor and Director's Certificate to support the approval of the financial restructuring by the SEC.

On May 30, 2022, a Deed of Assignment of the loan was entered between Malaysia Garment Manufacturers (Pte) Ltd. and the Corporation in which the former unconditionally and irrevocably assigns, cedes, transfers and conveys unto the Corporation all of its title, right and interests to receive the payment for the debt as payment for the subscription price, thereby converting the debt into equity.

In addition, the related parties, Malaysia Garment Manufacturers (Pte) Ltd. and Trans-Pacific Oriental Holding Company, Inc., have undertaken to support the Corporation financially by not demanding payment of loans due to the former.

On March 29, 2023, Management completed all the aforementioned documents required by the SEC.

On April 4, 2023, the Corporation was notified by the SEC that it is ready to issue its assessment on the planned restructuring project upon issuance of the SEC-Markets and Securities Regulation Department (MSRD) clearance, subject to the submission of remaining requested document. Thereafter, a Payment Request Form will then be issued to the Corporation, which will signify acceptance by the SEC of the application to proceed with filing.

On June 26, 2023, the SEC approved simultaneously the Corporation's amendments to the Articles of Incorporation, decrease/ increase in authorized capital stock and equity restructuring. With the SEC approval, the Corporation can now focus on the operations and expansion of its subsidiary, FYN Green PET Corporation (FYGP), and the development of its 30-hectare property located in Sta. Rosa City, Laguna.

On June 19, 2024, the Corporation received an Order from the SEC lifting the Order of Revocation of the Effectivity of the Corporation's Registration of Securities and Permit to Sell Securities to the Public issued by the SEC on August 26, 2002 ("Order of Revocation").

Notice of Involuntary Delisting

On February 3, 2023, the Corporation received a Notice of Involuntary Delisting from the Philippine Stock Exchange (PSE).

On April 3, 2023, representatives of the Corporation participated in a hearing conducted by the Exchange relating to the involuntary delisting proceedings involving the Corporation. The Corporation then requested the PSE that the involuntary delisting proceedings be suspended; and it be allowed to complete the requirements for its amended registration statement and application for the financial restructuring plan with the Securities and Exchange Commission until the end of 2023.

The grounds for the initiation of involuntary delisting proceedings involving Corporation are due to the (a) revocation of its registration of securities and permit to sell securities; and (b) negative stockholders' equity.

In the said hearing, the Corporation raised the following arguments:

a. There was no obstinate refusal on the part of the Corporation to comply with the directives of the Exchange and the Securities and Exchange Commission ("SEC").
b. The Corporation, in utmost good faith, exerted serious efforts to comply with the SEC directives. All the corporate actions of Corporation on the matter were timely and promptly disclosed to the PSE.
c. The SEC-Markets and Securities Regulation Department ("MSRD") will only act on the Corporation's amended registration statement after the approval of the Corporation's financial restructuring plan being reviewed by the SEC- Financial Analysis and Audit Division ("FAAD").
d. The Corporation will file its amended registration statement after it secures the SEC's approval of its financial restructuring plan. Thereafter, the Corporation will request SEC-MSRD to issue the corresponding Order Lifting the Order of Revocation dated August 26, 2002 against the Corporation.

e. The conversion of the Corporation's obligation to one of its major creditors, Malaysia Garment Manufacturers Pte. Ltd, amounting to One Billion Three Hundred Eighty-Nine Million Nine Hundred Sixty-One Thousand Eight Hundred Twenty-Eight Pesos (P1,389,961,828.00) into equity has effectively wiped-out the deficit amounting to Six Hundred Eighty-Nine Million Thirty-One Thousand One Hundred Forty-Six Pesos (P689,031,146.00). The debt-to-equity conversion is part of the financial restructuring plan being carried out by the Corporation. The deficit would have been wiped-out had the SEC-FAAD approved the Corporation's financial restructuring plan.
f. The involuntary delisting will be prejudicial to the Corporation's stockholders who have been expecting that the trading suspension will be lifted soon and the financial restructuring plan approved in light of the actions being actively undertaken by the Corporation.
g. In 2019, parallel to its efforts to solve its capital deficiency, the Corporation incorporated FYN Green PET Corporation ("FYGP"), a 100% wholly owned subsidiary, to provide cash flow and steady stream of revenues. FYGP will commence its commercial operations in May 2023.

The Corporation therefore requested the PSE that the involuntary delisting proceedings be suspended; and it be allowed to complete the requirements for its amended registration statement and application for the financial restructuring plan with the Securities and Exchange Commission until the end of 2023.

On May 2, 2023, the Corporation received the PSE's Letter-Decision dated April 28, 2023 granting the Corporation's request to:

a. Suspend the involuntary delisting against the Corporation; and

b. Allow the Corporation until December 29, 2023 to complete the requirements of the SEC to amend its registration statement and its application for its financial restructuring plan, thereby obtaining (a) an effective registration of securities and permit to sell securities with the SEC and (b) attaining a positive stockholders' equity.

The Corporation requested for an extension from the PSE for its December 29, 2023 deadline to complete the SEC requirements relating to the Corporation's application for the approval of its Amended Registration Statement.

The PSE, in its Letter dated January 31, 2024, granted the Corporation's request for a six (6)-month non-extendible extension or until June 26, 2024 to complete the requirements of the SEC and obtain an effective registration of securities and permit to sell securities with the SEC; and (ii) to maintain the suspension of the involuntary delisting proceedings against the Corporation until the issuance of SEC's decision on the Corporation's application for the approval of its Amended Registration Statement or until June 26, 2024 whichever is earlier.

The Corporation received a Notice from the PSE dated December 4, 2024, announcing the lift of the trading suspension effective December 6, 2024. Considering that the trading of the Corporation's shares was suspended since September 25, 2002, the static threshold for the Corporation was lifted upon the resumption of the trading of the Corporation's shares.

Final Assessment Notice from Bureau of Internal Revenue (BIR)

On September 26, 2024, Management of the Corporation notified its Board of Directors that it had received from the BIR a Final Assessment Notice / Formal Letter of Demand (FAN/FLD) dated

September 17, 2024 for calendar year 2022 on September 22, 2024. The FAN/FLD reflected a total assessment amount of PhP289 million.

On February 6, 2025, the Corporation received the Final Decision on Disputed Assessment (FDDA) dated February 5, 2026. The BIR assessed deficiency taxes, interests, surcharges, and penalties (Tax Deficiencies) against the Corporation in the total amount of PhP289 million, broken down as follows:

1. Final Withholding Tax (FWT) – Php183.9 million
2. Final Withholding Value Added Tax (FWVAT) – Php88.7million
3. Documentary Stamp Tax (DST) Php16.3 million
4. Compromise Penalties – Php0.1 million

As background, to wipe out the Corporation's deficit, the Corporation restructured its capital accounts and converted its liabilities into equity (Equity Restructuring). Particularly, the Corporation increased its authorized capital stock from PhP120.0 million to PhP647.3 million. Pursuant to the increase in the Corporation's authorized capital stock, Malaysia Garment Manufacturer's Pte. Ltd. (MG) subscribed to 33,426,498 preferred shares of stock in exchange for the conversion of the Corporation's outstanding loan (principal and interest) amounting to PhP 1,419.3 million (Subject Loan) to equity as payment for the subscription, with the excess recorded as Additional Paid in Capital (APIC) to wipe out the Corporation's accumulated deficit (Debt-to-Equity Conversion).

The BIR alleges that the Deed of Assignment for the Debt-to-Equity Conversion resulted in a constructive receipt of income on the part of MG, which should be subject to final withholding tax.

The Corporation's legal counsel, filed the Corporation's Protest with Request for Reconsideration and/or Reinvestigation with the BIR Revenue Region 8A on October 28, 2024 ("Protest").

In its Protest, the Corporation argues that the assignment of the Subject Loan in exchange for shares is part of the Debt to Equity Conversion - a capital transaction outside the ordinary course of business that does not result in taxable income, VAT, or DST for the Corporation or MG.

On the same date that legal counsel filed the Corporation's Protest, the Corporation's tax advisor also submitted a letter to the BIR to signify its alignment and conformity to the factual and legal arguments of the Protest filed by the Corporation through its legal counsel.

The Protest also included the Corporation's request for reinvestigation and to submit additional documents in support of the reinvestigation of the findings of the BIR.

On November 11, 2024, the Corporation received the BIR's letter granting the Corporation's request for reinvestigation. The reinvestigation will require the BIR to reassess its initial findings on the Corporation's Tax Deficiencies and re-examine the strong legal position of the Parent

The Corporation's legal counsel and tax advisor on the matter. The Corporation has 60 days from the date of filing of its Protest, or until December 27, 2024, within which to submit additional documents in support of the reinvestigation.

On December 27, 2024, the Corporation submitted all its relevant supporting documents in support of its Protest.

On February 6, 2025, the Corporation received the Final Decision on Disputed Assessments (FDDA) from the BIR denying the Corporation's Protest.

Under the Court of Tax Appeals (CTA) Rules, Section 228 of the Tax Code, relevant BIR issuances, prevailing jurisprudence, a petitioner may appeal the denial of its protest to the CTA within thirty (30) days from the receipt of the said denial, or in the Corporation's case until March 8, 2025.

On March 7, 2025, the Corporation filed its Petition for Review with the CTA.

On June 5, 2025, the Commissioner of Internal Revenue ("CIR") filed his answer to the Petition docketed as CTA Case No. 11789 with the CTA Second Division. The case was then referred to mediation on June 17, 2025 but the parties did not reach a settlement.

The Pre-Trial was initially set by CTA Second Division on October 16, 2025 but was reset to February 12, 2026.

On January 23, 2026, the Pre-Trial on CTA Second Division was cancelled and transferred to the CTA Third Division.

In a Resolution dated February 19, 2026, the CTA Third Division set the Pre-Trial for this case on May 14, 2026.

The Corporation is of the position that the Equity Restructuring and Deed of Assignment are separate events, and both are not subject to income tax, VAT, and DST.

The Corporation, through its legal counsel, is taking the appropriate legal steps to assail the assessment on the grounds of lack of factual and legal basis.

Subsidiaries

Beginning 2012, IKAC ceased its normal operations as a producer of prawns and bangus and started renting out its investment property. The AOI of IKAC states that IKAC may purchase or lease, or otherwise, lands and interest in lands and building; own, hold, improve, develop and manage any real estate so acquired and erect or cause to be erected buildings or other structures with their appurtenances on any lands owned, held or occupied by the corporation; rebuild, enlarge, alter or improve any buildings or other structures now or hereafter erected on any lands so owned, held or occupied; mortgage, sell, lease, or otherwise dispose in any stores, shops, suites, rooms or part of any buildings, or other structures, at any time owned or held by the corporation as one of its secondary purposes.

SRTC never commenced commercial operations. In April 2000, SRTC sold its primary asset, a 40 hectare property in Sta. Rosa, Laguna, to Greenfield Development Corporation. SRTC used the proceeds of the said sale to settle its bank loans, pay substantially all its other liabilities and distribute advance liquidating dividends. On September 25, 2014, the stockholders approved the amendment of SRTC's AOI to shorten its life until December 31, 2014. Final liquidation will take place after approval of SRTC's liquidation application with the Philippine SEC. As at April 28, 2023, SRTC is in the process of accomplishing requirements needed for the cancellation of its registration with Bureau of Internal Revenue and Philippine SEC.

On June 6, 2019 and May 21, 2020, FYGP was registered with the SEC and PEZA as Ecozone Enterprise, respectively.

In 2020, FYGP acquired land and building to be used in its future operations. On March 14, 2023, FYGP submitted to PEZA its Certification for the Start of Commercial Operations (SCO) which was approved on May 5, 2023. FYGP started commercial operations on May 5, 2023.

<signature follows>

SIGNATURES

Pursuant to the requirement of Section 17 of the SRC Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati City on 20 April 2026.

[redacted]

APOLINARIO L. POSIO
Executive Vice President / Chief Financial Officer

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

MAKATI CITY APR 20 2026

SUBSCRIBED AND SWORN to before me this 20th day of April 2026 at Makati City affiant exhibiting to me his Government Issued ID, as follows;

Name	ID	Date Issued	Expiry Date
Apolinario L. Posio	Passport ID No. [redacted]		

[redacted]

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2026
IBP No.556155 Lifetime Member
MCLE Compliance No. VIII-0040999
Appointment No. M-007(2025-2026)
PTR No.10765528 Jan. 3, 2026
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg
Brgy.Pio Del Pilar, Makati City

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Book No. X
Series of 2026.

FILSYN CORPORATION AND SUBSIDIARIES
Aging of Receivables
In Thousands of PHP

	March 31, 2026						
	Current	**1-30 days**	**31-60 days**	**61-90 days**	**Over 90 days**	**Expecte Credit Loss**	**Total**
Trade Receivables	70,584	-	-	-	952	-	71,536

	December 31, 2024						
	Current	**1-30 days**	**31-60 days**	**61-90 days**	**Over 90 days**	**Expecte Credit Loss**	**Total**
Trade Receivables	56,938	-	-	-	-	-	56,938