

Creating Long-term Value in **Asia**



First Pacific Company Limited

Stock Code: 00142

Annual Report 2025

FIRST PACIFIC

FIRST PACIFIC is a Hong Kong-based investment holding company with investments located in Asia-Pacific. The Company's principal investments are in **consumer food products**, **telecommunications**, **infrastructure**, and **natural resources**.

Mission

- Delivering dividend/distribution returns to shareholders
- Delivering share price/value appreciation of First Pacific
- Making further investments in value-enhancing businesses, taking into consideration all relevant criteria, including Environmental, Social and Governance ("ESG") factors to better manage risk and generate sustainable long-term returns

Investment Criteria

- Investments must be located in or trading with the fast-growing economies of emerging Asia
- They must be related to our four industry sectors (consumer food products, telecommunications, infrastructure and natural resources)
- Companies invested in must have a strong or dominant market position in their respective sectors
- They must possess the potential for substantial cash flows

Strategies

- Identify undervalued or underperforming assets with strong growth potential and possible synergies
- Help our investments set strategic direction, develop business plans, and define targets
- Raise reporting and ESG standards to world-class levels at First Pacific and its investments

First Pacific's investment portfolio is centered on our core industries and markets in PT Indofood Sukses Makmur Tbk ("Indofood"), PLDT Inc. ("PLDT"), and Metro Pacific Investments Corporation ("MPIC"). Indofood is the largest vertically integrated food company in Indonesia and producer of the global instant noodle brand *Indomie* while PLDT is the dominant integrated telecommunications and digital services provider in the Philippines with the largest fixed broadband network and the largest and most modern wireless network in the country. MPIC is a leading infrastructure investment and management company in the Philippines, with holdings in the country's largest electricity distributor, power generator, toll road operator, water distributor, and healthcare group. MPIC also holds investment in real estate, light rail, and agribusiness.

First Pacific also holds investments in PacificLight Power Pte. Ltd. ("PLP"), Philex Mining Corporation ("Philex"), and PXP Energy Corporation ("PXP"). PLP operates one of Singapore's most efficient gas-fired power plants. Philex is one of the largest metal mining companies in the Philippines, producing gold and copper, and PXP is an upstream oil and gas company with a number of service contracts in the Philippines.

Listed in Hong Kong, First Pacific's shares are also available for trading in the United States through American Depositary Receipts.

As at 30 March 2026, First Pacific's economic interest in Indofood is 50.1%, in PLDT 25.6%, in MPIC 49.9%, in FPM Power Holdings Limited ("FPM Power") 69.5%⁽¹⁾, in Philex 31.2%⁽²⁾, and in PXP 29.3%⁽²⁾⁽³⁾.

(1) Includes a 9.5% effective economic interest in FPM Power held through First Pacific's indirect interests in Manila Electric Company ("Meralco").

(2) Two Rivers Pacific Holdings Corporation ("Two Rivers"), a Philippine affiliate of First Pacific, holds additional 15.0% and 5.5% economic interests in Philex and PXP, respectively.

(3) Includes a 11.5% effective economic interest in PXP held through First Pacific's indirect interests in Philex.

Contents

Inside

Front	Corporate Profile
2	Ten-year Statistical Summary
4	Financial Highlights
6	Chairman's Letter
8	Managing Director and Chief Executive Officer's Letter
10	Review of Operations
10	First Pacific
13	Indofood
18	PLDT
23	MPIC
29	FPM Power/PLP
32	Philex
36	Board of Directors and Senior Executives
44	Corporate Governance Report
44	Governance Framework
60	Shareholders Engagement
62	Connected Transactions and Continuing Connected Transactions
73	Risk Management and Internal Control
79	Remuneration Policy
80	Financial Review
80	Financial Performance and Position
82	Liquidity and Financial Resources
86	Financial Risk Management
89	Adjusted NAV Per Share
90	Statutory Reports, Consolidated Financial Statements and Notes to the Consolidated Financial Statements
213	Glossary of Terms
216	Information for Investors
217	Summary of Principal Investments
Inside	
Back	Corporate Structure

Ten-year Statistical Summary

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Results (US\$ millions)										
Turnover	10,232.5	10,057.2	10,510.7	10,304.9	9,103.2	7,130.5	7,585.0	7,233.3	7,037.9	6,779.0
Profit for the year	1,780.9	1,603.3	1,341.4	1,049.6	895.7	667.6	121.1	608.7	561.3	517.8
Profit/(loss) attributable to owners of the parent	661.0	600.3	501.2	391.6	333.3	201.6	(253.9)	131.8	120.9	103.2
Contribution from operations	837.9	776.5	701.5	593.3	506.4	409.7	395.6	393.9	420.5	400.2
Recurring profit	740.0	672.5	603.8	508.8	426.5	321.2	290.0	289.5	300.0	264.9
Ordinary share distributions	153.9	138.8	124.7	119.1	104.2	81.0	75.2	74.8	74.7	74.5
Per Ordinary Share Data (U.S. cents)										
Basic earnings/(loss)	15.53	14.15	11.82	9.20	7.72	4.65	(5.85)	3.04	2.80	2.42
Basic recurring earnings	17.39	15.85	14.24	11.96	9.88	7.40	6.68	6.68	6.96	6.21
Distributions	3.61	3.27	2.95	2.82	2.43	1.86	1.73	1.73	1.73	1.73
Equity attributable to owners of the parent	102.97	92.27	86.93	77.72	77.09	72.27	67.41	71.02	74.32	72.68
Total assets	719.07	673.95	644.87	600.98	620.85	620.12	503.64	481.38	471.08	402.07
Tangible assets	446.08	414.27	390.13	366.95	379.22	383.21	372.50	359.45	361.58	300.82
Net cash flows from operating activities	41.05	41.13	40.79	33.42	28.82	23.86	33.51	16.91	17.96	17.11
Financial Ratios										
Gross margin (%)	36.45	36.34	32.11	29.66	31.07	32.37	30.11	28.02	29.34	29.57
Recurring return on average net assets (%)	15.16	14.91	13.95	11.90	10.62	8.99	10.47	9.00	9.47	9.23
Recurring return on average equity attributable to owners of the parent (%)	17.80	17.66	17.29	15.43	13.25	10.59	9.65	9.17	9.47	8.57
Distribution payout ratio (%)	20.80	20.64	20.65	23.40	24.43	25.22	25.93	25.84	25.03	28.12
Distribution cover (times)	4.81	4.85	4.84	4.27	4.09	3.97	3.86	3.87	4.02	3.56
Distribution yield (%)	4.73	5.65	7.40	9.44	6.62	5.87	5.09	4.45	2.53	2.50
Interest cover (times)	5.14	5.85	5.37	4.98	4.33	3.99	4.24	4.06	4.31	4.18
Current ratio (times)	1.44	1.35	1.32	1.26	1.26	1.24	1.12	1.03	1.32	1.24
Gearing ratio (times)										
– Consolidated	0.67	0.76	0.73	0.82	0.74	0.77	0.68	0.78	0.66	0.54
– Company	1.41	1.58	1.43	1.20	0.99	0.81	0.76	0.76	0.83	0.75

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Consolidated Statement of Financial Position Data (US\$ millions)										
Total assets	30,647.6	28,677.9	27,357.5	25,491.8	26,566.7	26,943.6	21,882.5	20,901.5	20,454.5	17,215.4
Net debt	8,737.7	9,098.5	8,450.3	8,493.2	7,865.5	8,205.6	5,978.4	6,783.9	5,731.4	4,338.0
Total liabilities	17,524.0	16,747.7	15,790.6	15,126.0	15,953.6	16,315.1	13,124.5	12,191.1	11,712.0	9,181.1
Net current assets	2,360.2	1,743.0	1,465.4	1,075.9	1,182.4	1,147.7	525.3	120.2	1,041.0	646.9
Total assets less current liabilities	25,309.3	23,684.9	22,764.9	21,383.2	21,941.9	22,112.8	17,385.2	16,761.2	17,198.5	14,493.6
Equity attributable to owners of the parent	4,388.8	3,926.2	3,688.0	3,296.5	3,298.6	3,140.0	2,928.7	3,083.6	3,227.1	3,112.0
Total equity	13,123.6	11,930.2	11,566.9	10,365.8	10,613.1	10,628.5	8,758.0	8,710.4	8,742.5	8,034.3
Consolidated Statement of Cash Flows Data (US\$ millions)										
Net cash flows from operating activities	1,748.3	1,746.5	1,730.1	1,424.0	1,245.9	1,036.6	1,455.5	734.1	776.1	731.4
Capital expenditure	1,407.1	1,358.4	1,203.5	1,093.2	1,104.3	1,065.6	1,376.5	1,236.0	1,063.0	696.7
Other Information (at 31 December)										
Head Office net debt (US\$ millions)	1,315.8	1,337.4	1,395.9	1,362.4	1,322.2	1,319.5	1,330.6	1,550.2	1,521.8	1,511.3
Number of shares in issue (millions)	4,262.1	4,255.2	4,242.3	4,241.7	4,279.1	4,344.9	4,344.9	4,342.0	4,342.0	4,281.7
Weighted average number of shares in issue during the year (millions)	4,258.8	4,246.5	4,241.8	4,261.3	4,323.6	4,344.9	4,344.1	4,342.0	4,320.2	4,275.8
Share price (HK\$)	5.96	4.51	3.11	2.33	2.87	2.47	2.65	3.02	5.30	5.42
Adjusted NAV per share (HK\$)	7.20	7.30	6.98	5.79	7.34	7.23	6.30	7.26	10.26	10.45
Share price discount to adjusted NAV per share (%)	17.2	38.2	55.4	59.8	60.9	65.8	57.9	58.4	48.3	48.1
Market capitalization (US\$ millions)	3,256.7	2,460.4	1,691.5	1,267.1	1,574.5	1,375.9	1,476.2	1,681.1	2,950.3	2,975.2
Number of shareholders	4,359	4,389	4,417	4,434	4,452	4,478	4,494	4,500	4,530	4,760
Number of employees	108,154	105,570	101,469	101,203	100,120	103,127	101,836	110,394	102,530	94,189

See pages 213 to 215 for a glossary of terms

Note: In December 2020 the Group classified Global Business Power Corporation ("GBPC") as held for sale as a discontinued operation. As a result, the comparative amounts of (i) turnover and (ii) gross margin for 2017 to 2019 have been restated to reflect this change as the Group had consolidated GBPC since June 2017.

Financial Highlights

Turnover ▲2%

US\$10.2b

Recurring profit ▲10%

US\$740.0m

Reported profit ▲10%

US\$661.0m

Equity attributable to owners of the parent ▲12%

US\$4.4b

Total assets ▲7%

US\$30.6b

Market capitalization ▲32%

US\$3.3b

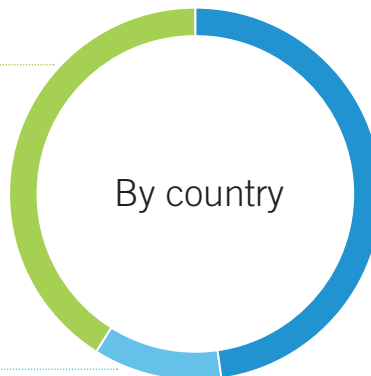
Profit Contribution from Operations ▲8% to US\$837.9m

Indonesia **41%**

▲3% to US\$342.2m

Singapore **11%**

▲4% to US\$92.6m

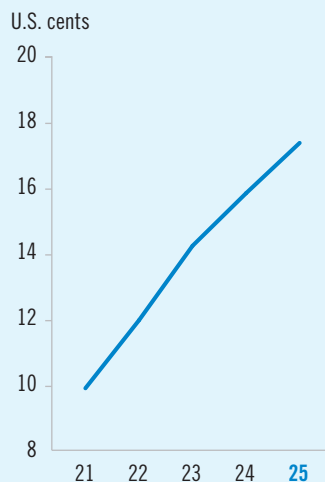


Philippines **48%**

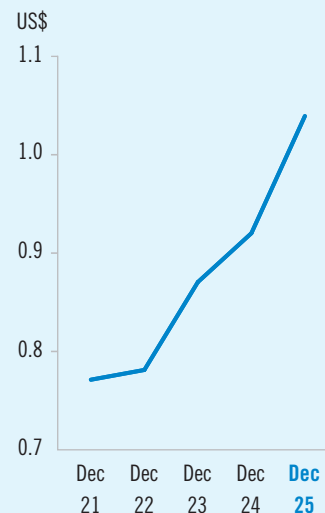
▲16% to US\$403.1m

Five-year Data (per share)

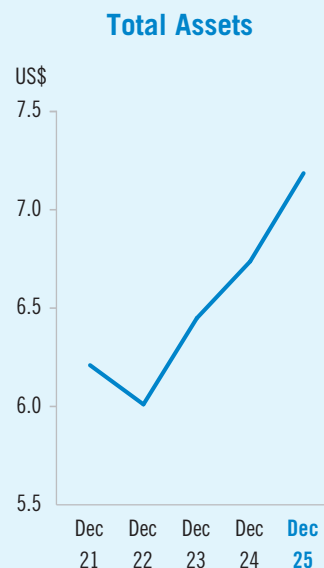
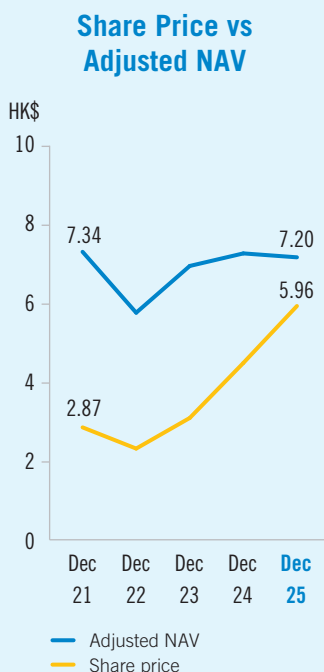
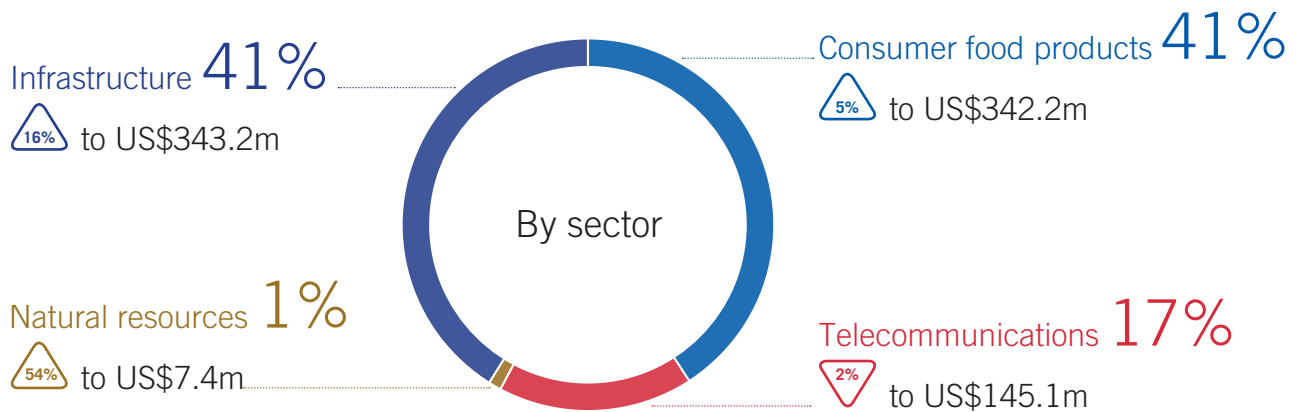
Basic Recurring Earnings



Equity Attributable to Owners of the Parent



- Regular distribution at U.S. 3.46 cents per share
- Regular distribution payout at US\$147.6 million
- Special distribution at U.S. 0.15 cent per share
- Head Office dividend and fee income from operating companies at US\$310.9 million
- Head Office net debt at approximately US\$1.3 billion
- Head Office cash interest cover at approximately 4.5 times



Chairman's Letter

“Our Group has consistently shown its strength in both financial and operating matters; we look ahead with guarded and positive optimism.”



Dear Fellow Shareholders

2025 saw First Pacific raise its returns to shareholders to new record levels. Contribution and recurring earnings rose again to record highs; we saw First Pacific deliver a record high in recurring profit to shareholders, accompanied by historic level of distribution to shareholders. Notwithstanding turbulent geopolitical and geoeconomic headwinds, we remain firmly committed to delivering continuing strong results in 2026 and further ahead.

Cash flows remained strong in 2025 with dividend income of more than US\$300 million for the third year in a row. Our Company's progressive dividend policy ensured that the per-share distribution rose to its second record high in a row, at 27 HK cents a share. The total distribution also included an option to receive shares in our Philippine water company, Maynilad or the Hong Kong dollar equivalent, bringing total payout to 28.15 HK cents a share, representing a total payout ratio of 21% of recurring profit.

For many of our shareholders, First Pacific is a mature market-listed holding company delivering strong and stable returns which can be expected from defensive investments in the fast-growing countries of Southeast Asia. This has resulted in seven years in a row of successively higher earnings – with the last five being successive record highs.

Notwithstanding economic headwinds borne by uncertainties beyond our markets, we remain confident that the expectations of strong, medium-term economic growth in our markets form a strong basis for a positive outlook for First Pacific. Our Group has consistently shown its strength in both financial and operating matters; we look ahead with guarded and positive optimism.

Yours sincerely

Anthoni Salim
Chairman

30 March 2026

Managing Director and Chief Executive Officer's Letter

“The overall operational outlook is promising, and we are optimistic about continuing earnings growth in the years ahead.”



To Our Dear Shareholders

In our financial year 2025, First Pacific recorded its sixth year in a row of double-digit growth in recurring profit and a succession of record highs in profits and dividends. Successive and increasing contributions from the Company's core holdings drove this growth, led in particular by MPIC and Indofood.

Indofood, one of the world's largest producers of instant noodles, saw its growth in 2025 led this time by its Plantation business, driven by higher prices and volumes.

MPIC benefited from new power generation plants at Meralco, higher tariffs at its water unit Maynilad, and higher traffic and tolls at its toll roads business, MPTC. Maynilad itself was listed on the Philippine Stock Exchange in November 2025, becoming the second-biggest listing in that market's history and a great IPO success. Maynilad's share price rose by one-third or more in the months following its listing.

PLDT benefited from increased service revenues at its Home business and a turnaround at its fintech investment, offset in part by higher financing costs and depreciation. Looking ahead, we are keenly interested in the prospects for Maya in a market that is deeply unbanked, and ready for the financial services that Maya delivers.

In Singapore, PacificLight Power, or PLP, saw its contribution decline slightly owing to a lower blended non-fuel margin. During the course of the year, PLP delivered a new 100MW fast-start powerplant on time and on budget; during the year, PLP awarded contracts for a new S\$1.2 billion 670MW H-class CCGT powerplant, scheduled to come online in 2029.

Back to the Philippines, Philex is putting the finishing touches on a new mine, Silangan, in Mindanao in the south of the country. This project with rich reserves of gold and copper is expected to be ready for operations within 2026. In addition to benefitting the local economy, we expect Silangan to start contributing profit to First Pacific starting 2026.

Taken in the round, our Group of companies continue to evolve with targeted new investments as well as with organic growth. The overall operational outlook is promising, and we are optimistic about continuing earnings growth in the years ahead.

Yours cordially

Manuel V Pangilinan

Managing Director and Chief Executive Officer

30 March 2026

Review of Operations

**FIRST
PACIFIC**

Contribution and Profit Summary

For the year ended 31 December US\$ millions	Turnover		Contribution to Group profit ⁽ⁱ⁾	
	2025	2024	2025	2024
Indofood	7,484.0	7,290.4	342.2	333.3
PLDT ⁽ⁱⁱ⁾	–	–	145.1	148.5
MPIC	1,446.5	1,274.0	250.6	199.4
FPM Power	1,302.0	1,492.8	92.6	96.9
Philex ⁽ⁱⁱ⁾	–	–	7.4	4.8
FP Natural Resources	–	–	–	(6.4)
Contribution from Operations⁽ⁱⁱⁱ⁾	10,232.5	10,057.2	837.9	776.5
Head Office items:				
– Corporate overhead			(20.8)	(20.1)
– Net interest expense			(68.3)	(76.9)
– Other expenses			(8.8)	(7.0)
Recurring Profit^(iv)			740.0	672.5
Foreign exchange and derivative losses, net ^(v)			(19.7)	(40.2)
Non-recurring items ^(vi)			(59.3)	(32.0)
Profit Attributable to Owners of the Parent			661.0	600.3

(i) After taxation and non-controlling interests, where appropriate.

(ii) Associated companies.

(iii) Contribution from operations represents the recurring profit contributed to the Group by its operating companies.

(iv) Recurring profit represents the profit attributable to owners of the parent excluding the effects of foreign exchange and derivative losses/gains, and non-recurring items.

(v) Foreign exchange and derivative losses, net principally represent the net losses on foreign exchange translation differences on the Group's unhedged foreign currency denominated net liabilities and the changes in the fair value of derivatives.

(vi) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 2025's non-recurring losses of US\$59.3 million mainly represent the Group's accrual of non-recurring provisions and impairment of assets (US\$22.7 million) and manpower reduction costs (US\$6.2 million), and PLDT's accelerated depreciation for network assets (US\$22.5 million). 2024's non-recurring losses of US\$32.0 million mainly represent the Group's impairment provision for its investment (US\$39.3 million), PLDT's accelerated depreciation for network assets (US\$19.0 million) and manpower reduction costs (US\$5.6 million), partly offset by MPIC's gains on control of Costa De Madera Corporation ("CDMC") (US\$20.8 million) and reversal of impairment provision for investment in Philippine Coastal Storage & Pipeline Corporation ("PCSPC") (US\$13.1 million), and PLDT's gains on tower sales (US\$3.2 million).

First Pacific's strong growth momentum continued in 2025, delivering record highs for contribution, recurring profit, net profit and distribution to shareholders on the strength of record-setting performances at key core holdings. The Company achieved a fifth year in a row of successive record highs for recurring profit, demonstrating that First Pacific can deliver steady and growing earnings despite geopolitical uncertainties and a challenging business environment.

<p>Turnover up 2% to US\$10.2 billion from US\$10.1 billion</p>	<ul style="list-style-type: none"> ■ reflecting higher revenues at Indofood resulting from higher sales volumes of noodles and CPO, and higher CPO prices ■ higher revenues at MPIC, contributed by higher toll rates and traffic volume in the Philippines from Metro Pacific Tollways Corporation ("MPTC"), and higher average billed water tariff at Maynilad Water Services, Inc. ("Maynilad") ■ partly offset by lower revenues at PLP due to lower average selling prices aligned with lower fuel costs in 2025
<p>Recurring profit up 10% to US\$740.0 million from US\$672.5 million</p>	<ul style="list-style-type: none"> ■ reflecting higher profit contributions mainly from MPIC and Indofood ■ lower Head Office net interest expenses resulting from a lower average interest rate
<p>Reported profit up 10% to US\$661.0 million from US\$600.3 million</p>	<ul style="list-style-type: none"> ■ reflecting higher recurring profit ■ a substantially lower non-cash foreign exchange loss mostly associated with PT Indofood CBP Sukses Makmur Tbk's ("ICBP") U.S. dollar denominated bonds facing a lesser depreciation of the rupiah than a year earlier ■ partly offset by higher non-recurring losses

The Group's operating results are denominated in local currencies, principally the rupiah, the peso and the Singapore dollar (S\$), which are translated and consolidated to provide the Group's results in U.S. dollar. The changes of these currencies against the U.S. dollar are summarized below.

Closing exchange rates against the U.S. dollar

At 31 December	2025	2024	One year change
Rupiah	16,782	16,162	-3.7%
Peso	58.79	57.85	-1.6%
S\$	1.285	1.366	+6.3%

Average exchange rates against the U.S. dollar

For the year ended 31 December	2025	2024	One year change
Rupiah	16,501	15,882	-3.8%
Peso	57.62	57.39	-0.4%
S\$	1.306	1.338	+2.5%

During 2025, the Group recorded net foreign exchange and derivative losses of US\$19.7 million (2024: US\$40.2 million), which can be further analyzed as follows:

US\$ millions	2025	2024
Head Office	(3.3)	(6.0)
Indofood	(18.8)	(46.5)
PLDT	4.1	14.1
MPIC	0.1	(1.6)
FPM Power	(0.7)	0.4
Philex	(1.1)	(0.6)
Total	(19.7)	(40.2)

Distributions

First Pacific's Board of Directors declared a final distribution of HK 14.0 cents (U.S. 1.79 cents) (2024: HK 13.5 cents (U.S. 1.73 cents)) per share. Together with an interim distribution of HK 13.0 cents (U.S. 1.67 cents) per share paid on 30 September 2025, the total distribution for 2025 rose 6% to a record high HK 27.0 cents (U.S. 3.46 cents) per share from HK 25.5 cents (U.S. 3.27 cents) per share in 2024.

First Pacific also participated in the initial public offering of Maynilad in November 2025 as required under Practice Note 15 of the Hong Kong Listing Rules, subscribing and distributing Maynilad shares to First Pacific shareholders in specie or in the form of cash at a rate of HK 1.15 cents (U.S. 0.15 cent) per share. This brings 2025 total payout to shareholders to HK 28.15 cents (U.S. 3.61 cents) per share.

Credit Ratings

As at 30 March 2026, First Pacific's investment grade credit ratings remained at Baa3 with Stable outlook from Moody's Investors Service ("Moody's") and BBB- with Stable outlook from Standard & Poor's Global Ratings ("S&P").

Debt Profile

As at 31 December 2025, Head Office gross debt remained at approximately US\$1.5 billion, comprised of the Company's only outstanding bond, a US\$350.0 million seven-year unsecured issuance with a 4.375% coupon maturing on 11 September 2027, and approximately US\$1.1 billion of bank loans. Approximately 54% of Head Office borrowings were at fixed rates (including interest rate swaps) while floating rate bank loans comprised the remainder. The blended average interest rate declined to approximately 4.6% from 5.2%, with an average maturity of 3.2 years. All Head Office borrowings are unsecured.

Following the refinancing of a US\$200 million bank loan in January 2026 with a lower interest rate, the maturities of debt ranging from 2027 to 2034.

There is no Head Office recourse for the borrowings of subsidiary or associated companies.

Operating Cashflow and Interest Cover

For 2025, Head Office operating cash inflow before interest expense and tax increased approximately 2% to US\$291.7 million (2024: US\$286.7 million), reflecting steady dividends contribution from core businesses.

Net cash interest expense was reduced by 9% to US\$65.3 million from US\$72.1 million, reflecting a lower average interest rate when compared with 2024. For the 12 months ended 31 December 2025, the Head Office cash interest cover remained healthy at approximately 4.5 times (2024: 4.0 times).

Foreign Currency Hedging

The Company actively reviews the potential benefits of hedging based on forecast dividend income and enters into hedging arrangements for managing its foreign currency risk exposure in dividend income and payments in foreign currencies.

Outlook

With most of the Company's core holdings benefiting from strong momentum in earnings growth in recent years, the management is confident that, over the medium term, First Pacific will continue to perform well. However, with an uncertain geopolitical outlook compounded by tensions in the Middle East, it is very likely that input costs for First Pacific's various businesses will be higher in 2026 than a year earlier.

Indofood

THE SYMBOL OF QUALITY FOODS



Review of Operations

Notwithstanding ongoing geopolitical and geoeconomic headwinds and a challenging macroeconomic environment leading to softer consumer confidence, Indofood delivered growth and continuing market leadership in 2025, led by higher prices and sales volumes at the Plantations business of the Agribusiness group, while the Noodles division of the Consumer Branded Products (“CBP”) group remained the largest profit contributor.

Indofood’s contribution to the Group rose 3% to US\$342.2 million (2024: US\$333.3 million) principally reflecting higher core profit.

Core profit up 1% to 11.4 trillion rupiah (US\$690.5 million) from 11.3 trillion rupiah (US\$713.8 million)

- reflecting higher operating profit at Agribusiness, Bogasari and Distribution groups
- partly offset by lower operating profit at CBP group

Net income up 24% to 10.7 trillion rupiah (US\$647.5 million) from 8.6 trillion rupiah (US\$544.1 million)

- reflecting a substantially lower net foreign exchange loss of 1.0 trillion rupiah (US\$57.8 million) (2024: 2.3 trillion rupiah (US\$144.0 million)) mostly associated with unrealized losses on ICBP’s U.S. denominated bonds due to a smaller depreciation of the rupiah closing exchange rate against the U.S. dollar
- higher core profit

Consolidated net sales up 7% to 123.5 trillion rupiah (US\$7.5 billion) from 115.8 trillion rupiah (US\$7.3 billion)

- mainly reflecting higher sales at Agribusiness and CBP groups
- higher palm product prices, favorable to Agribusiness group

Gross profit margin to 33.4% from 34.7%

- reflecting higher raw material costs

Consolidated operating expenses down 2% to 16.6 trillion rupiah (US\$1.0 billion) from 17.0 trillion rupiah (US\$1.1 billion)

- reflecting higher operational foreign exchange gain
- partly offset by higher selling and general and administrative expenses

EBIT margin flat at 19.9%

Debt Profile

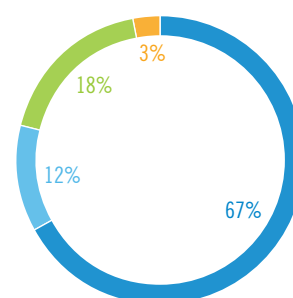
As at 31 December 2025, Indofood’s gross debt increased 5% to 74.6 trillion rupiah (US\$4.4 billion) while it was 70.8 trillion rupiah (US\$4.4 billion) as at 31 December 2024. Of this total, 34% matures in the next 12 months and the remainder matures between 2027 and 2052, while 28% was denominated in rupiah and the remaining 72% in foreign currencies. For the 12 months ended 31 December 2025, Indofood’s interest coverage ratio was approximately 7.1 times.

On 6 February 2026, Moody’s reaffirmed its credit rating on ICBP at Baa2 with outlook revised to negative from stable; on 10 March 2026, Fitch Ratings Inc. reaffirmed ICBP’s rating to BBB and revised the outlook to negative from stable. The change in outlook of ICBP’s rating followed a revision in the outlook for the Government of Indonesia’s rating to negative from stable.

Dividend

On 20 June 2025, Indofood’s Board of Directors declared an annual cash dividend for 2024 of 280 rupiah (U.S. 1.7 cents) (2023: 267 rupiah (U.S. 1.6 cents)) per share to shareholders on record as of 3 July 2025. The dividend was paid on 23 July 2025.

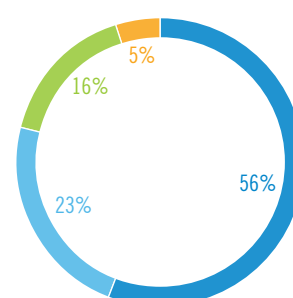
Operating Profit 2025*



	US\$ millions
Consumer Branded Products	954.9
Bogasari	171.6
Agribusiness	250.2
Distribution	38.0
Total	1,414.7

* Before inter-segment elimination and unallocated expenses

Turnover 2025*



	US\$ millions
Consumer Branded Products	4,590.2
Bogasari	1,885.2
Agribusiness	1,274.9
Distribution	450.0
Total	8,200.3

* Before inter-segment elimination

Additional Investment

In 2025, Indofood acquired an additional approximately 9.5 million shares of Indofood Agri Resources Ltd. (“IndoAgri”) from the open market for a total consideration of approximately S\$3.0 million (US\$2.3 million), increasing Indofood’s effective interest in IndoAgri to approximately 74.3% from 73.7% at year-end 2024.

Consumer Branded Products

The CBP group produces and markets a wide range of consumer branded products, offering everyday solutions to consumers of all ages across different market segments. This business group comprises the Noodles, Dairy, Snack Foods, Food Seasonings, Nutrition & Special Foods, and Beverages divisions. Its business operations are supported by more than 60 plants located in key regions across Indonesia. The CBP group also owns more than 20 manufacturing facilities in Malaysia, Africa, the Middle East, and South-eastern Europe serving overseas markets. In addition, the CBP group also exports its products from Indonesia, making its products available in over 100 countries globally.



Indofood’s Noodles division is one of the world’s largest producers of instant noodles and is the market leader in its key markets, serving a population of over a billion consumers in its major markets. With the installation of new high-speed machines in several factories domestically and internationally, the annual production capacity increased 3% to approximately 39 billion packs in 2025. The construction of a new noodles factory in Java in Indonesia was completed toward the end of 2025 which will further raise the production capacity by approximately 4% in 2026.

The Dairy division has an annual production capacity of over 900,000 tonnes and is one of the largest dairy manufacturers in Indonesia. It produces and markets UHT milk, sterilized bottled milk, sterilized canned milk, sweetened condensed creamer, evaporated milk, pasteurized liquid milk, milk-flavored drinks, powdered milk, ice cream, and butter.

The Snack Foods division has an annual production capacity of more than 75,000 tonnes, producing modern-style and contemporized traditional snacks, as well as extruded snacks, making it the market leader in the modern snack category in Indonesia.



The Food Seasonings division has an annual production capacity of approximately 280,000 tonnes, manufacturing and marketing a wide range of culinary products, including recipe mixes, seasoning flour, soy sauces, chili sauces, tomato sauces, stock soup and single-spice offerings, as well as syrups and ready-to-eat sausage.

Indofood’s Nutrition & Special Foods division is a leading producer in Indonesia’s baby food industry. This division has an annual production capacity of approximately 25,000 tonnes, producing baby cereals, baby snacks such as rice puffs, crunchies, crackers and biscuits, pudding, noodle and pasta for infants and toddlers, cereal-based snacks for children, and cereal powdered drinks for the whole family, as well as milk products for expectant and lactating mothers.



The Beverages division offers a wide range of ready-to-drink teas, packaged water, and fruit-flavored drinks which are produced in 17 factories across Indonesia with a combined annual production capacity of approximately three billion litres.

CBP reported sales growth of 3% to 75.7 trillion rupiah (US\$4.6 billion), mainly driven by higher sales volumes of domestic and international operations. CBP’s EBIT margin declined to 20.8% from 21.9% mainly due to higher raw material costs, primarily crude palm oil.

Amidst rapidly shifting economic and business landscapes, CBP remains committed to building a dynamic, adaptable foundation. To reinforce its market leadership and drive sustainable growth across all product categories, CBP is focusing on accelerating distribution in existing markets while expanding its international footprint. It will further optimize high-potential products, fostering creative collaborations, enhance operational excellence, and strengthen its supply chain.



Bogasari

Bogasari is the largest integrated flour miller in Indonesia, operating five flour mills with total combined annual production capacity of approximately 4.4 million tonnes. Bogasari produces a wide range of wheat flour products and pasta for the domestic and international markets.

Its sales increased 2% to 31.1 trillion rupiah (US\$1.9 billion), mainly reflecting an increase in sales volume. Profitability remained healthy with EBIT margin improving to 9.1% from 8.4%.

Two Ultramax vessels will replace old ones in Bogasari’s maritime fleet and will further strengthen its wheat sourcing and logistics capability. Bogasari will continue its marketing campaigns for engaging and educating customers, particularly the younger generations, to drive demand growth for wheat flour-based foods such as bread, pizza, and pasta.



Agribusiness

The diversified and vertically integrated Agribusiness group is a producer of palm oil and branded edible oils and fats in Indonesia. Its two divisions, Plantations and Edible Oil and Fats (“EOF”), operate through IndoAgri and its main operating subsidiaries, PT Salim Ivomas Pratama Tbk and PT Perusahaan Perkebunan London Sumatra Indonesia Tbk in Indonesia.

In Brazil, IndoAgri has 36.2% equity investments in sugar and bioethanol operations in Companhia Mineira de Açúcar e Álcool Participações (“CMAA”) and agricultural land in Bússola Empreendimentos e Participações S.A.

Sales of the Agribusiness group rose 32% to 21.0 trillion rupiah (US\$1.3 billion), reflecting higher average selling prices and sales volume of palm products and EOF products. The EBIT margin declined to 19.6% from 23.0% reflecting higher palm production costs.

Plantations

In Indonesia, the total planted area was 280,975 hectares, of which oil palm accounted for 85%, while rubber, sugar cane, and other crops accounted for the remaining 15%. This division has a total annual processing capacity of 7.2 million tonnes of fresh fruit bunches (“FFB”).

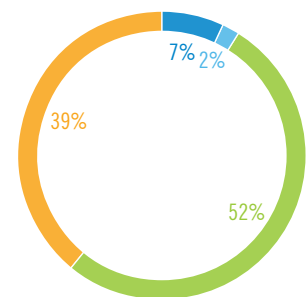
The Plantations division recorded a 21% increase in sales to 14.5 trillion rupiah (US\$876.3 million) reflecting higher average selling prices and sales volume of palm products. Sales volume of CPO and palm kernel-related products increased 5% and 7%, respectively, owing to higher production.

At the Plantations division, FFB nucleus production declined 2% to 2,714,000 tonnes, while CPO production increased 4% to 733,000 tonnes driven mainly by higher FFB purchases from external parties.

The Plantations division will continue to focus on improving operational efficiency, strengthening cost controls, driving innovation for elevating plantation productivity, and prioritizing capital investments in critical areas.

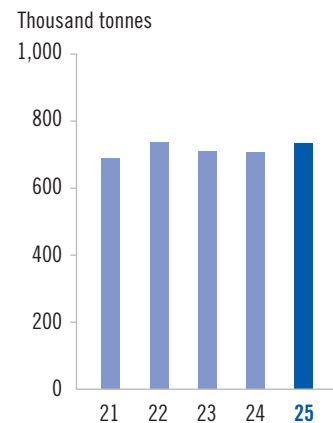
In Brazil, the total planted area for sugar cane increased 3% to 133,141 hectares from year-end 2024, of which 57% was owned by CMAA, while contracted third-party farmers accounted for the remainder.

Age Profile of Oil Palm Plantations



	Hectares
■ Immature areas	15,978
■ 4 - 6 years	4,851
■ 7 - 20 years	123,137
■ Above 20 years	93,471
Total	237,437

CPO Production



EOF

This division manufactures cooking oils, margarines, and shortenings. The EOF division expanded the Tanjung Priok refinery by adding a third production line with an annual capacity of 450,000 tonnes. Following the completion of the expansion in the fourth quarter of 2025, total annual CPO processing capacity was 1.9 million tonnes.

In 2025, this division recorded a 22% increase in sales to 15.0 trillion rupiah (US\$908.8 million) as a result of higher selling prices and sales volume of EOF products.

Leveraging on the expanded refining capacity and facilities equipped with advanced technologies, EOF division plans to drive sales volume growth through competitive pricing strategies, strengthen distribution networks, as well as to ensure product availability to the growing consumer and industrial markets in Indonesia.

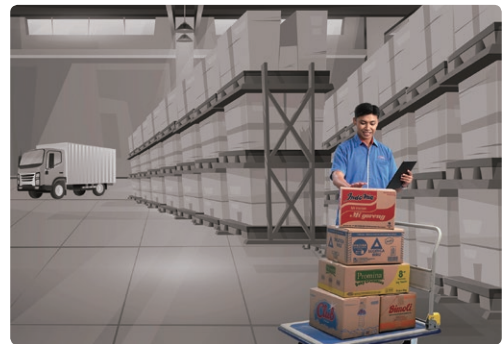


Distribution

The Distribution group is a strategic component of Indofood's Total Food Solutions network of vertically integrated operations as it has one of the most extensive nationwide distribution networks in Indonesia, covering all densely populated areas. It is well connected to both traditional and modern grocery outlets to ensure the ready availability of Indofood products to consumers across Indonesia.

The Distribution group's sales grew 6% to 7.4 trillion rupiah (US\$450.0 million). The EBIT margin improved to 8.4% from 7.0%.

The Distribution group's investments in network digitalization and distribution channel expansion have strengthened its operational efficiency and further elevated customer conveniences. Strategy for sustainable growth remains on leveraging its competitive edge in the market and ongoing initiatives on deepening market penetration, particularly in rural areas.



Outlook

Indonesia is expecting stable economic growth in 2026 despite geopolitical and economic uncertainties. Indofood will continue its focus on driving organic growth in both domestic and overseas markets, balancing its market share with profitability, as well as maintain a healthy balance sheet.



PLDT demonstrated resilience across its core business segments of Wireless Consumer, Home, Enterprise, and Digital Finance in 2025 despite competitive pressures and broader macroeconomic challenges. Fintech unit Maya reported its first full year of profit. With disciplined and focused investments, accelerating the adoption of new technologies and innovation across its businesses, positive free cash flow was achieved earlier than the original target of 2026.

PLDT's contribution to the Group decreased 2% to US\$145.1 million (2024: US\$148.5 million).



Telco core net income down 3% to 33.9 billion pesos (US\$588.8 million) from 35.1 billion pesos (US\$612.3 million)	<ul style="list-style-type: none"> ■ reflecting higher depreciation and amortization, and higher financing costs ■ partly offset by higher EBITDA
Consolidated core net income up 1% to 34.6 billion pesos (US\$601.1 million) from 34.2 billion pesos (US\$596.5 million)	<ul style="list-style-type: none"> ■ supported by Maya Innovations Holdings Pte. Ltd.'s ("Maya") first full year of profit contribution ■ partly offset by a lower telco core net income
Reported net income down 7% to 30.0 billion pesos (US\$520.8 million) from 32.3 billion pesos (US\$562.9 million)	<ul style="list-style-type: none"> ■ reflecting impacts from non-core items ■ lower gains on forex and derivative instruments ■ higher accelerated depreciation and amortization related to network assets ■ offset by lower manpower rightsizing expenses
Consolidated service revenues (net of interconnection costs) up 1% to 196.2 billion pesos (US\$3.4 billion) from 194.7 billion pesos (US\$3.4 billion)	<ul style="list-style-type: none"> ■ achieved record high with Home and Enterprise posting all-time-high service revenues ■ growth in wireless data, home fiber, and corporate data and ICT more than offset the decline in legacy services ■ sustained growth in wireless consumer data service revenues was offset by lower SMS and voice revenues ■ PLDT Home maintained leadership in fiber broadband services continue to lead the market with fiber revenues up 6% while total Home service revenues rose 3% ■ Enterprise's corporate data and ICT businesses recorded 3% growth, while total Enterprise service revenues were up 1% ■ Wireless Consumer, Home and Enterprise service revenues accounted for 43%, 31% and 25% of consolidated service revenues, respectively ■ excluding legacy services, net services revenues rose by 3%, representing 90% (2024: 88%) of consolidated service revenues
EBITDA* up 3% to 111.2 billion pesos (US\$1.9 billion) from 108.5 billion pesos (US\$1.9 billion)	<ul style="list-style-type: none"> ■ achieved record high ■ reflecting disciplined cost management and operating synergy
EBITDA* margin steady at 52%	<ul style="list-style-type: none"> ■ reflecting effective cost management ■ EBITDA* margin of wireless improved to 59% from 57%, while fixed line remained stable at 49%

* EBITDA excludes manpower rightsizing program costs

Capital Expenditures

In 2025, capital expenditures continued their downward trend and further declined 23% to 60.3 billion pesos (US\$1.0 billion), reflecting continued spending discipline and favorable negotiated prices and terms with vendors. The ratio of capital expenditure to gross service revenues decreased to 28% from 38% in 2024, allowing PLDT to achieve its goal of positive free cash flow in 2025, ahead of its 2026 target.

During 2025, PLDT continued investing in its network, enhancing connectivity and service quality for growth. This included adding new cell sites and home fiber ports, increased focus on artificial intelligence (“AI”) adoption in operations, AI-ready data center business, submarine cable systems, network upgrades and modernization, as well as employing information technology to improve quality of service.

PLDT’s fiber footprint extended to approximately 1.3 million cable kilometers of domestic and international fiber. For innovative connectivity pilots, Smart Communications, Inc.’s (“Smart”) partnered with Lynk Global for satellite-powered mobile connection; PLDT is exploring Radisys broadband wireless access technology as a potential solution for fixed broadband rollout in hard-to-reach areas, and Google’s Taara air laser technology for delivering fiber-like speeds instead of using traditional undersea or underground cables.

Smart combined 5G and 4G network coverage reached approximately 97% of the country’s population.

Capital expenditure guidance for 2026 is further lowered to mid-50 billion pesos range, maintain positive free cash flow in 2026 and work towards net debt to EBITDA ratio of 2.0 times.

Debt Profile

As at 31 December 2025, PLDT’s consolidated net debt increased to 284.7 billion pesos (US\$4.8 billion) from 273.0 billion pesos (US\$4.7 billion) at year-end 2024, with net debt to EBITDA ratio at 2.56 times. Total gross debt rose to 296.9 billion pesos (US\$5.1 billion) from 283.6 billion pesos (US\$4.9 billion), with an average maturity at 6.5 years. 13% of gross debt was denominated in U.S. dollars, with only 5% of total debt unhedged after taking into account available currency hedges and U.S. dollar cash allocated for debt service. Debt maturities are well distributed with 49% of total debt due to mature beyond 2031. 33% of the total are fixed-rate loans.

PLDT’s credit ratings remained at investment grade at Moody’s (Baa2, stable) and S&P (BBB, stable) as of 24 February 2026.

Dividends

On 26 February 2026, the PLDT Board of Directors declared a final regular cash dividend of 46 pesos (US\$0.78) (2024: 47 pesos (US\$0.81)) per share payable on 16 April 2026 to shareholders on record as of 26 March 2026.

Together with an interim regular cash dividend of 48 pesos (US\$0.82) per share paid on 10 September 2025, total dividends for 2025 amounted to 94 pesos (US\$1.60) per share, representing a 60% payout of its 2025 telco core net income, in line with PLDT’s dividend policy.

Service Revenues by Business Segment

Demand for data and broadband services remained strong, accounting for 85% of net service revenues. Wireless Consumer data revenues (including fixed wireless access) increased 1% to 77.2 billion pesos (US\$1.3 billion), Home fiber revenues rose 6% to 59.4 billion pesos (US\$1.0 billion), while corporate data and ICT revenues were up 3% to 36.3 billion pesos (US\$630.0 million).

In 2025, **Wireless Consumer** service revenues remained flat at 85.0 billion pesos (US\$1.5 billion) reflecting resilience despite competition. The sustained performance supported by effective pricing strategy and customer management, investments in network quality and capacity, and the acceleration of 5G adoption for servicing higher value offers. Smart’s subscribers with 5G devices recorded 35% growth to 11.2 million, accounting for 19% of total handsets on the network. While 5G data traffic was up 88%, leading to 7% growth in mobile data traffic to 5,914 petabytes.



Mobile data revenues increased 1% to 75.3 billion pesos (US\$1.3 billion) which accounted for 89% (2024: 88%) of this segment's total service revenues. The total number of active data users increased to 43.2 million as at 31 December 2025.

As at the end of December 2025, the PLDT group registered a 2% increase in the number of mobile subscribers to 59.9 million. Among wireless subscribers, prepaid customers remained high at approximately 96% of the total.

Smart's network modernization and optimization program is key for improving customer analytics, developing personalized offers, and the stability of average revenue per user ("ARPU").

Home segment continued its strong performance in the fixed broadband market, reflecting sustained fiber expansion and continued shift to a fiber-led broadband business, and strong subscriber momentum. Service revenues increased 3% to record high of 61.0 billion pesos (US\$1.1 billion). Fiber-only revenues grew 6% to 59.4 billion pesos (US\$1.0 billion), accounting for 98% (2024: 95%) of total Home service revenues.



PLDT Home's ARPU remained the highest in the industry in the Philippines, stable at 1,447 pesos (US\$25.1) and supported by high demand for higher speed plans and bundling options. The downward trend in churn continued with full-year 2025 churn rate down to 1.8%, demonstrating customers' satisfaction with service improvements and the value of bundling offers.

As at the end of December 2025, PLDT Home's fiber subscribers increased to over 3.7 million with most new home fiber customers choosing higher-value broadband plans reflecting households' preference for premium connectivity and services. The higher speed postpaid plans bundled with entertainment, including Netflix, Signal, HBO Max and gaming have seen strong demand since launching.

PLDT's whole-home strategy aims to drive monetization, accelerate adoption and increase share of wallet over time.

PLDT **Enterprise** service revenues increased 1%, reaching a record high of 48.4 billion pesos (US\$840.0 million), reflecting strong demand for connectivity and integrated ICT services. 75% (2024: 72%) of this segment's service revenues were from corporate data and ICT businesses, amounting to 36.3 billion pesos (US\$630.0 million) and reflecting ongoing shift toward digital infrastructure and solutions. Managed SD-WAN lines and fiber internet lines registered 14% and 10% growth, respectively, demonstrating strong demand for core connectivity and ICT services. ICT revenues rose 25%, with managed IT services, data center collocation and cybersecurity services rising 211%, 15% and 4%, respectively.



Driven by strong demand across data center collocation, multi-cloud, managed IT services, and cybersecurity solutions, revenues from ePLDT and VITRO Inc. increased 22% to 6.5 billion pesos (US\$112.8 million).

In April 2025, VITRO Inc. launched VITRO Santa Rosa, the Philippines' first AI-ready hyperscale data center. Higher demand from large enterprise clients and hyperscalers contributed to a 17% increase in VITRO data centers' collocation revenues. Supported by fiber/mobile and business partnerships, revenues from small and medium enterprises grew 3%.

To address common barriers to AI adoption, ePLDT launched the country's first sovereign AI solutions stack Pilipinas AI for enterprises. It is designed to help key industries, such as banking, financial services, insurance, business process outsourcing, healthcare, public services, and academia to advance smarter and more efficient by employing AI technology, while sensitive data and workloads remain within Philippine jurisdiction.

PLDT Enterprise continues investments in AI-enabled digital infrastructure, cloud, and cybersecurity with the aim of enhancing operational and scale efficiency for enterprises of all sizes.

Digital Finance – Maya

Maya is the Philippines' leading digital financial services platform, integrating digital banking, payments, savings, and credit services across consumer and enterprise client relationships. With strong network effects from PLDT and its comprehensive ecosystem, Maya has been recognized as the best digital bank in the Philippines for three consecutive years.

Maya's technology-driven and AI-capable platform supported the acceleration of its credit expansion with the launch of Maya Black credit card, Easy Credit, personal loans, and deposit products with attractive interest rates continuing to power consumers' financial independence.

As at 31 December 2025, Maya's bank customers were up 98% year-on-year to 10.7 million, with total deposit balance and borrowers rising 72% to 68.0 billion pesos (US\$1.2 billion) and 95% to 3.0 million, respectively, while cumulative life-to-date disbursed loans reached 256.0 billion pesos (US\$4.4 billion). Maya's non-performing loan ratio of 6.1% remains lower than industry averages. Net interest margin expanded further to 20.0%.

Driven by strong execution and effective cost management, Maya achieved its first full year of profitability in 2025. PLDT's share in Maya's core income amounted to 716 million pesos (US\$12.4 million).

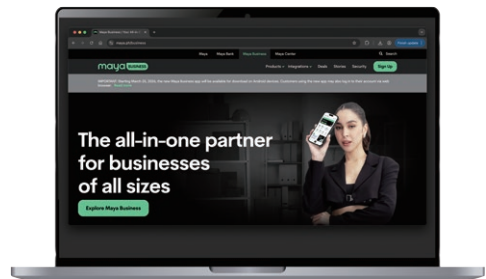
To further leverage its digital banking infrastructure and product offering, Maya further expanded its strategic partnerships in 2025. In the private sector, it collaborated with Cebuana Lhuillier to serve new-to-credit consumers; with Pepsi-Cola Products Philippines, Inc. and Ultra Mega to provide financing for micro businesses; with Philippine Airlines to seamlessly integrate airline miles rewards into the Maya app. In the public sector, Maya expanded collaborations with the Department of Education, the Philippine Sports Commission, and the National Power Corporation to facilitate financial services accessibility for citizens.

Maya's revolution of finance in the Philippines powered its customers with flexibility and choices.



Outlook

PLDT will continue disciplined investment for building a healthier business for the long term, steady strengthening and expanding the growth potential of its digital platforms, bundled services, and nationwide connectivity innovations, and the ICT and data center businesses. It also expects to sustain positive free cash flow and maintain a policy of 60% dividend payout.



METRO PACIFIC

INVESTMENTS



Review of Operations

MPIC's performance in 2025 reflected the growing demand for its infrastructure services. Its sustained strong growth demonstrating the resilience of core businesses across the portfolio. Earnings were driven by the strong power generation business at Meralco which remained the largest growth contributor, higher water tariffs at Maynilad, and higher patient numbers across the Metro Pacific hospital network.

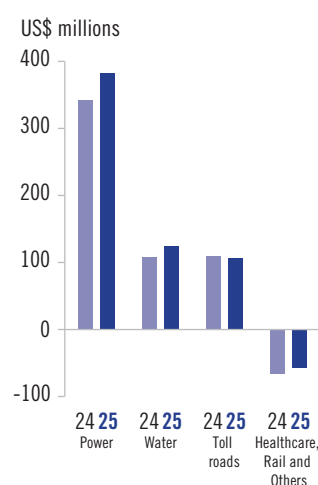
MPIC's contribution to the Group rose 26% to a record high US\$250.6 million (2024: US\$199.4 million), reflecting higher consolidated core net income and First Pacific's greater economic interest in MPIC.



Consolidated core net income up 15% to 27.1 billion pesos (US\$471.2 million) from 23.6 billion pesos (US\$411.4 million)

- reflecting a 13% growth in contribution from operations to 32.1 billion pesos (US\$556.8 million), mainly driven by higher contributions from power, water, and healthcare segments
- a 12% rise in contribution from the power business to 22.1 billion pesos (US\$383.0 million) driven by an improved performance of the power generation business, and acquisition of Chromite Gas Holdings, Inc. ("Chromite Gas")
- a 16% growth in contribution from the water business to 7.2 billion pesos (US\$124.7 million) reflecting higher effective tariffs starting 1 January 2025
- a 38% growth in contribution from healthcare business to 774 million pesos (US\$13.4 million) reflecting growth in census and addition of newly acquired hospitals
- a 1% growth in contribution from the toll roads business to 6.1 billion pesos (US\$106.6 million) reflecting higher tolls and traffic volumes, partly offset by a 6.6% dilution of MPIC's shareholding in MPTC following Mit-Pacific Infrastructure Holdings Corporation's ("Mit-Pacific") acquisition of MPTC's exchangeable bond convertible into MPTC shares
- partly offset by a lower contribution from the light rail business due to the start of amortization of service concession assets and cessation of borrowing cost capitalization for the LRT-1 Extension

Contribution from Operations 2025



Consolidated reported net income up 5% to 29.7 billion pesos (US\$515.4 million) from 28.2 billion pesos (US\$490.7 million)

- reflecting higher consolidated core net income
- a non-recurring gain from the disposal of MPIC's entire 50% interest in PCSPC

Consolidated revenues up 14% to 83.3 billion pesos (US\$1.4 billion) from 73.1 billion pesos (US\$1.3 billion)

- reflecting higher revenues across all core businesses

Debt Profile

As at 31 December 2025, MPIC's consolidated debt increased 7% to 400.1 billion pesos (US\$6.8 billion) from year-end 2024, while net debt rose 3% to 340.4 billion pesos (US\$5.8 billion). 92% of borrowings were denominated in pesos and fixed-rate borrowings accounted for 88% of the total. The average interest rate was stable at 6.30% for 2025 while it was 6.31% for 2024. Debt maturities ranged from 2026 to 2037, of which 53% of total debt is due to mature after 2030.

MPIC head office gross debt declined 17% to 60.4 billion pesos (US\$1.0 billion) and net debt decreased 15% to 52.5 billion pesos (US\$893.0 million), all of which are denominated in pesos and at fixed rates. The average interest rate increased to 6.08% for 2025 (2024: 5.41%) reflecting the repricing of loans during the year.

There is no recourse to MPIC parent company level for the borrowings of its subsidiary or associated companies.

Dividends

On 11 March 2026, MPIC's Board of Directors declared a final dividend of 63.46 pesos (US\$1.1) per share payable on 11 May 2026 to shareholders on record of 16 April 2026.

Together with the interim dividend of 64.10 pesos (US\$1.1) per share paid on 29 September 2025, total dividends for 2025 amounted to 127.56 pesos (US\$2.2) per share, representing a dividend payout ratio of approximately 27.5% (2024: 25%) of core net income.

Additional Investments/Asset Divestment

On 17 January 2025, MPIC completed the repurchase of approximately 7.3% of its outstanding common shares from Mit-Pacific for a consideration of approximately 11.9 billion pesos (US\$206.6 million) via an issuance of an MPTC exchangeable bond with the same value to Mit-Pacific. With the repurchased shares placed into MPIC's treasury, First Pacific's economic interest in MPIC increased to 49.9% from 46.3%, while Mit-Pacific's interest in MPIC declined to 7.8% from 14.5%. As a result of the MPTC exchangeable bond, MPIC's economic interest in MPTC was reduced to 93.3% from 99.9%.

On 27 January 2025, Meralco's wholly-owned subsidiary Meralco PowerGen Corporation ("MGen") and Aboitiz Power Corporation ("AP"), through a 60%:40% joint venture Chromite Gas, completed the joint acquisition of 67% of two gas-fired power plants of San Miguel Global Power Holdings Corp. ("SMGP") comprising an operational capacity of 1,200 megawatts ("MW") in the Ilijan power plant and a new 1,275 MW combined cycle power facility which commenced production in three phases between December 2024 and April 2025. MGen, AP and SMGP also completed the acquisition of approximately 100% of a liquefied natural gas ("LNG") import and regasification terminal. The collaboration among the parties is valued at approximately US\$3.3 billion enterprise value, with MGen's equity contribution at approximately US\$1.3 billion.

On 14 March 2025, MPTC completed the acquisition of 55.4% interest in Egis Investment Partners Philippines, Inc. ("EIPPI") from Egis Projects SAS for a total consideration of 5.5 billion pesos (US\$95.5 million). EIPPI is a holding company owning approximately 10.5% of NLEX Corporation. Post the transaction, EIPPI became a wholly-owned subsidiary of MPTC which effectively increased its interest in NLEX Corporation to 83.8% from 78.0%.

On 14 March 2025, MPTC completed the acquisition of 34% interest in Easytrip Services Corporation ("ESC") from Egis Easytrip Services SAS for a consideration of 1.7 billion pesos (US\$29.9 million). Following the transaction, ESC became a wholly-owned subsidiary of MPTC. ESC is primarily engaged in the business of providing services related to electronic toll collection systems in the Philippines, account management, and funding and management of all electronic passes issued.

On 20 March 2025, MPIC completed the disposal of its entire 50% interest in PCSPC to an affiliate of global infrastructure investor I Squared Capital.

On 15 April 2025, Metro Pacific Health Tech Corporation ("mWell") completed the acquisition of 100% interest in Global Telehealth, Inc. and its subsidiaries, which owns KonsultaMD, for a consideration of 379 million pesos (US\$6.6 million). KonsultaMD is a health application offering primary health care solutions through 24/7 online doctor consultations, medicine delivery, diagnostics, and home care to Philippine customers.

On 20 June 2025, MPTC, through its wholly-owned subsidiary Metro Pacific Tollways Vizmin Corporation, completed the acquisition of 100% interest in LLEX Corp. for a consideration of 1.0 billion pesos (US\$18.0 million). The construction of the 12-kilometer Lapu-Lapu expressway ("LLEX") in the Philippines will be conducted in four segments. LLEX will be connected with the Cebu-Cordova Link Expressway ("CCLEX") and aims to ease congestion in Lapu-Lapu City, benefiting key areas including the Mactan-Cebu International Airport and Mactan Economic Zones.

Review of Operations

On 21 July 2025, Metro Pacific Ventures, Inc. executed share purchase and subscription agreements to secure a 15% interest in Eight-8-Ate Holdings Inc. for a consideration of approximately 1.2 billion pesos (US\$20.3 million). Eight-8-Ate Holdings Inc. is a food and restaurant operator which owns Conti's, a premium casual dining restaurant, and Wendy's, a quick service/fastfood restaurant, in the Philippines.

On 22 September 2025, Metro Pacific Health Corporation ("MPHC") completed the acquisition of an 87.7% stake in Metro Antipolo Hospital and Medical Center, Inc. ("MAH"). MAH has been in operations since 2016 and is a 109-bed level 2 hospital at Antipolo City, the Philippines.

On 22 October 2025, MPHC completed the acquisition of a 92% interest in Tanza Specialists Medical Center Inc. ("TSMC"). TSMC is a 100-bed level 2 hospital located in Tanza, Cavite, the Philippines.

On 25 November 2025, Metro Pacific Coconut Holdings Corporation ("MPCHC"), an indirect wholly-owned subsidiary of MPIC, completed an investment of 40% effective interest in Franklin Baker Company for a consideration of 1.4 billion pesos (US\$24.3 million). The transaction forms part of a strategic expansion by Metro Pacific's agribusiness into the agri-food and coconut-based products value chain in the Philippines.

Power

Meralco is the largest electricity distributor in the Philippines, delivering power to users accounting for over half of the country's gross domestic product. It is also a major power generator with a net saleable capacity of 5,070 MW. To meet its low carbon commitments, Meralco plans to contract 1,500 MW of renewable energy supply while MGen is building a renewable portfolio exceeding 1,500 MW of capacity, and is expected to be achieved ahead of its original 2030 target.

In 2025, Meralco renewed its franchise for 25 years beginning July 2028.

In the year, Meralco's performance was driven by its distribution business, strong growth of the power generation business, and disciplined financial management. Revenues rose 6% to 497.3 billion pesos (US\$8.6 billion) driven by higher pass-through electricity generation charges, higher retail electricity sales, and higher power generation revenues of MGen from the reserve market resulting from enhanced plant availability. Generation and other pass-through charges, distribution, energy fee, and non-electric revenues accounted for 78%, 15%, 5%, and 2%, respectively, of total revenues in 2025.

The volume of electricity sold declined 1% to 53,997 gigawatt hours as the high base in 2024 resulted from the impact of El Nino on power demand. The higher contribution from a 2% increase of customer count to 8.2 million was offset by the impact of extreme weather patterns. The residential, commercial, and industrial sectors accounted for 35%, 38% and 27%, respectively, of total sales volume in 2025.

Capital expenditures increased 1.4 times to 108.9 billion pesos (US\$1.9 billion) of which approximately 74% was spent on the development of the MTerra Solar project and other renewable energy plants, while the remainder was for distribution network projects involving new connections, asset renewals, capacity expansion, and pole relocation works.

On 21 July 2025, Standard & Poor's Global Ratings affirmed Meralco's BBB credit ratings with outlook upgraded to positive, citing Meralco's renewed 25-year distribution franchise, strong market position as an integrated utility with improving scale, and profitability in its power generation diversification.



Power Generation

MGen's power generation portfolio includes its wholly-owned subsidiaries Global Business Power Corporation ("MThermal") and MGen Renewable Energy, Inc. ("MGreen"), 51% of San Buenaventura Power Limited in the Philippines, and 58% effective interest in PLP in Singapore.

MGen, backed by the strength of its local liquefied natural gas assets and solar energy portfolio, reported strong growth in 2025. As at the end of December 2025, MGen's total net generation capacity increased 2.1 times to 5,070 MW in the Philippines and Singapore. MGen's revenues rose 9% to 26.8 billion pesos (US\$465.1 million), while its consolidated core net income rose 52% to 16.8 billion pesos (US\$291.6 million), reflecting higher revenues from its participation in the reserve market, new contribution from Chromite Gas, commissioning of a new 100 MW fast start ancillary power service plant at PLP in Singapore, and higher plant availability across its power generation portfolio.

MGen delivered a total of 27,289 gigawatt hours ("GWh") of energy, 78% higher than the previous year, largely due to the acquisition of Chromite Gas. 97% of the total was contributed by Chromite Gas, PLP and MThermal.

MTerra Solar project

The project spans 3,500 hectares across six towns in Nueva Ecija and Bulacan in the Philippines. Upon completion in 2027, its 3,500 megawatts peak ("MWp") of solar photovoltaic ("PV") capacity and complemented by 4,500 megawatt-hours ("MWh") of battery energy storage facility is expected to become the world's largest integrated solar PV and battery energy storage facility on a single site. It will provide clean energy to approximately 2.4 million households and avoid up to 4.3 million tons of carbon emissions annually.

The MTerra Solar project plays a key role in supporting the Philippines' goal of achieving a 35% renewable energy share in the power generation mix by 2030 and 50% by 2040.

On 14 March 2026, just 16 months from groundbreaking, MTerra Solar delivered its first energy to the national grid. MGen affiliate Terra Solar Philippines Inc. has completed approximately 75% in the construction of phase 1 of the MTerra Solar project, with 1,288 MW of solar PV panels installed on-site. It is the largest solar project by installed capacity in the Philippines.

Meralco will continue a balanced mix of regulated and unregulated businesses, as well as investing in the capacity and quality of its power distribution network and power generation, particularly renewable energy businesses, and feasibility studies on nuclear energy to drive further growth and profitability through offering more secure, reliable, and affordable energy to customers in the long-term.

Water

Maynilad is the Philippines' largest water utility in terms of customer numbers, operating a concession for water distribution and sewerage and sanitation services for the West Zone of Metro Manila. MetroPac Water Investments Corporation ("MPW") is MPIC's investment vehicle for water investments outside Metro Manila.

Maynilad completed the listing on the Philippine Stock Exchange ("the PSE")

Maynilad completed its listing on the PSE on 7 November 2025 with a stock code of MYNLD, filling its franchise requirement of offering at least 30% of its shares to the public before 21 January 2027.

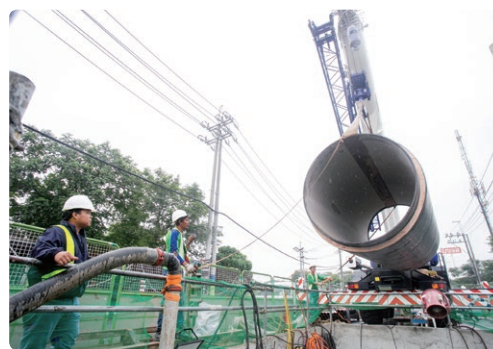
Maynilad's initial public offering ("IPO") involved 1,789,976,100 primary common shares and 354,704,200 secondary common shares. Its IPO attracted 12 foreign and local cornerstone investors. The proceeds raised from the IPO will substantially be used to fund Maynilad's government-approved capital expenditures requirements and for general corporate purposes.

In 2025, Maynilad's revenues rose 9% to 36.6 billion pesos (US\$636.0 million) as a result of the implementation of the 8.05% basic tariff increases and the adjustment of the environmental charges from 20% to 25% starting 1 January 2025.



Review of Operations

Capital expenditures increased 4% to 26.9 billion pesos (US\$466.5 million), spent primarily on water supply facilities, network upgrades, sewerage programs and further reduction of non-revenue water which has fallen to 30.7% as at the end of 2025. During 2025, Maynilad continued its multi-prong approach for its non-revenue water reduction program. It employed technology-enabled solutions Infracore (AI-assisted leak localization) and Geo-AI Leak Locator for leak repairs, meter replacement, and pipeline rehabilitation. It repaired over 70,000 leaks, replaced 82 kilometres of old pipelines and achieving daily recovery of 256 million litres of water, enough for the daily needs of over 1.5 million people living in the concession area. 275,000 old customer meters were replaced as well.



In 2025, Maynilad had over 1.5 million active water service connections covering 95% of the West Zone concession area and serving approximately 10.5 million people.

Sewerage and Sanitation Services

Maynilad has invested over 55 billion pesos (US\$954.5 million) in building and improving wastewater infrastructure in its concession area since 2007. It currently operates 22 sewage treatment plants, two sewage and septage treatment plants, and one septage treatment plant, with a combined treatment capacity of approximately 789.5 million liters per day (“MLD”).

With a broader mission of improving sanitation conditions and promoting environmental protection across the concession area, Maynilad has been proactively building future-proof, resilient and sustainable wastewater treatment capacity and infrastructure facilities beyond the concession’s requirements. In September 2025, it completed the upgrade of the Cupang Water Reclamation Facility in Muntinlupa City with capacity significantly increased to 46 MLD, treating wastewater from Barangays Alabang, Cupang, and Bayanan.

Toll Roads

MPTC operates the North Luzon Expressway (“NLEX”), the Manila-Cavite Toll Expressway (“CAVITEX”), the Subic Clark Tarlac Expressway (“SCTEX”), CCLEX, and the Cavite-Laguna Expressway (“CALAX”) in the Philippines. It is the majority shareholder in PT Nusantara Infrastructure Tbk in Indonesia and is a significant minority shareholder of PT Jasamarga Transjawa Tol in Indonesia and in CII Bridges and Roads Investment Joint Stock Company in Vietnam.



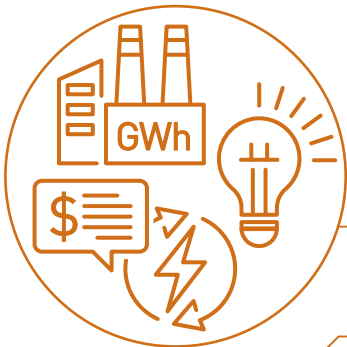
MPTC’s toll revenues rose 17% in 2025 to 36.9 billion pesos (US\$640.5 million), reflecting higher tolls and traffic growth in the Philippines, and the positive impact of toll collection from CAVITEX-C5 South Link Segment 2 in the Philippines. Average daily vehicle entries on MPTC’s toll roads increased 1% to over 2.4 million. In the Philippines, average daily vehicle entries rose 2% to 719,396. In Indonesia, average daily vehicle entries increased 1% to 1,654,095, while it declined 7% to 70,850 in Vietnam.

Capital expenditures decreased 18% to 14.9 billion pesos (US\$258.5 million) mainly to finance construction of the CAVITEX-C5 South Link, CALAX and the NLEX Segment 8.2, with expected completion in 2026.

Outlook

With an uncertain global environment, ongoing geopolitical conflict in the Middle East, and other external pressures affecting energy markets and investor sentiment, MPIC remains focused on its disciplined balance sheet management, enhancing operational efficiency on essential services – power, water, mobility and healthcare, and investing in infrastructure where necessary.

FPM Power / PacificLight



Review of Operations

PLP's 830-megawatt ("MW") Jurong Island Power Generation Facility remains one of the most efficient combined cycle gas turbine ("CCGT") power plants operating in Singapore following the launch of commercial operations in 2014.

In May 2025, PLP completed the construction and commissioning of Singapore's first 100 MW fast start ancillary service facility under a 25-year ancillary service agreement with accelerated timeline. This facility provides critical support during unplanned outages or system disturbances, playing a vital role in the stability of electricity supply and demand.

In October 2025 at the 2025 Asian Power Awards, PLP was awarded *Fast Track Power Plant of the Year*, and *Power Plant Upgrade of the Year* in recognition of the completion of the 100 MW fast start ancillary service facility in less than 12 months and of the successful upgrade of its existing CCGT facility to further enhance operational efficiency and performance.

In 2025, PLP's contribution to the Group decreased 4% to US\$92.6 million (2024: US\$96.9 million) mainly reflecting lower core net profit, and partly offset by a 3% appreciation of the average Singapore dollar exchange rate against the U.S. dollar.

During the year, average plant availability improved to 96.0% (2024: 92.5%) as a system upgrade for expanding Unit 10's capacity and improving system efficiency took place in the first half of 2024. The heat rate remained low and the plant is reliable.

The volume of electricity sold in 2025 was 5,689 gigawatt hours ("GWh") (2024: 5,820 GWh) due to competition in the retail market, of which 96% (2024: 95%) was for contracted sales and vesting contracts, and the remaining 4% (2024: 5%) was sold in the pool market. PLP's generation market share for the period was approximately 9.6% (2024: 9.7%).



Core net profit down 6% to S\$281.5 million (US\$215.5 million) from S\$300.0 million (US\$224.2 million)	<ul style="list-style-type: none"> ■ reflecting lower non-fuel margin for electricity sold under renewed retail contracts ■ partly offset by maiden income from fast start ancillary service from May 2025 and lower finance costs
Net profit down 7% to S\$280.0 million (US\$214.4 million) from S\$301.6 million (US\$225.4 million)	<ul style="list-style-type: none"> ■ reflecting lower core net profit
Revenues down 15% to S\$1.7 billion (US\$1.3 billion) from S\$2.0 billion (US\$1.5 billion)	<ul style="list-style-type: none"> ■ reflecting lower average selling price aligned with lower fuel cost
Net operating expenses down 3% to S\$34.7 million (US\$26.6 million) from S\$35.9 million (US\$26.8 million)	<ul style="list-style-type: none"> ■ reflecting government grant for employee skill development ■ lower marketing and distribution expenses ■ partly offset by higher professional fees
EBITDA down 5% to S\$390.0 million (US\$298.6 million) from S\$412.4 million (US\$308.2 million)	<ul style="list-style-type: none"> ■ reflecting lower non-fuel margin ■ partly offset by maiden income from fast start ancillary service

Debt Profile

As at 31 December 2025, FPM Power is in a net cash position of US\$45.3 million. Gross debt stood at US\$230.0 million of which approximately 25% due to mature in the next 12 months, with the remainder well spread between 2027 to 2032. All of the borrowings were floating-rate bank loans.

Dividends

In 2025, PLP distributed total dividends of S\$280.0 million (US\$214.4 million) (2024: S\$264.5 million (US\$197.7 million)) to its shareholders.

Expansion Initiatives

Hydrogen-Ready 670 MW CCGT Plant

On 3 January 2025, the EMA of Singapore awarded PLP the right to build, own, and operate a hydrogen-ready CCGT facility with capacity of at least 600 MW on Jurong Island.

On 18 September 2025, PLP signed an agreement with a consortium, comprising Mitsubishi Power Asia Pacific Pte. Ltd. and Jurong Engineering Limited, for a project equivalent to approximately US\$564.1 million involving design, engineering, supply, procurement, construction, installation, testing, and commissioning of 670 MW CCGT plant. PLP has the right to purchase additional equipment at an amount up to approximately US\$51.8 million.

Built on a greenfield site on Jurong Island, the new plant will include a large-scale Battery Energy Storage System (“BESS”) – the first-ever CCGT unit integrated with BESS in Singapore and will be the largest single advanced H-class CCGT plant and the most efficient of its kind in the country. It will be capable of using at least 30% hydrogen from inception and will have the ability to burn 100% hydrogen in the future depending on market and regulatory demands. The site will be able to accommodate a second CCGT unit as well as potential future integration of Carbon Capture, Utilisation, and Storage technology, reinforcing PLP’s dedication to long-term decarbonisation strategies. It is scheduled to commence operation in the second quarter of 2029.

Singapore’s Pioneer Offshore Solar Import Project

Since 2021, the Group has been working with a consortium comprising Medco Power Global Pte. Ltd., a subsidiary of PT Medco Power Indonesia, a leading Indonesian independent power producer, and Gallant Venture Ltd., a Salim Group company, to develop a project to import solar energy from Bulan Island in Indonesia to Singapore.

In September 2023, the project company, Pacific Medco Solar Energy Pte. Ltd., was granted conditional approval by the EMA of Singapore to import up to 600 MW of solar power, and a Letter of Conditional License was issued by the EMA in September 2024. The renewable electricity will be supplied to Singapore via a dedicated high voltage subsea cable connection from a solar farm at Bulan Island directly to the Singapore power grid. Applications for the requisite permits in both Singapore and Indonesia, as well as detailed engineering studies, are currently in progress. The project is in line with the Singapore Green Plan 2030 and Singapore’s goal to import up to 6.0 GW of renewable electricity by 2035.

Integrating Technology and Innovation in Sustainability

PLP announced on 29 July 2024 that its wholly-owned subsidiary, PacificLight Energy Pte. Ltd. (“PLE”), has entered into a 10-year renewable energy supply contract with Google and Rexus Bioenergy Pte. Ltd. (“REXus”). PLE will offtake 8.6 MW of carbon-free renewable energy generated at REXus’s highly efficient waste wood-to-energy plant for Google’s data center and operations in Singapore.

REXus’s 13.2 MW waste wood-to-energy plant is the first of its kind, designed with circular synergy and with best-in-class technologies including a pilot-scale carbon capture facility to take up its emissions. Energy generated from the plant will be certified with the International Renewable Energy Certificate standard. The integration of sustainable biomass into Singapore’s energy mix will provide a reliable and sustainable energy solution and will set a new sustainability standard for the Singapore power industry.

The plant is developed by Sobono Bioenergy Pte. Ltd. (“Sobono Bioenergy”) and V8 Environmental Pte. Ltd. through a 50:50 joint venture. As of the end of December 2025, the development of the plant reached 73% completion and is on track for commercial operation in early 2027. PLP has 30% interest in Sobono Bioenergy.

Outlook

Singapore’s GDP is forecast to grow 2.0% to 4.0% in 2026 with moderate increase in electricity demand.

In addition to the ongoing renewable energy initiatives, PLP continues the exploration of green energy solutions. It underscores PLP’s commitment to cutting-edge solutions that further improve generation capacity and system stability, while reducing operating costs and accelerating its path to a low-carbon energy company. It also enhances PLP’s competitiveness and growth trajectory, providing maximum operational flexibility for servicing customers.





**PHILEX MINING
CORPORATION**



The improved performance of the Padcal mine in 2025 was contributed from favorable gold prices, notwithstanding declines in gold and copper grades. The Silangan Project is on progressing for its first metal production following pre-development works that commenced in 2023. It is located in Surigao del Norte, Mindanao, and is one of the biggest gold and copper mining projects in the Philippines.

In 2025, Philex's contribution to the Group increased 53% to US\$7.4 million (2024: US\$4.8 million), reflecting higher core net income.

During 2025, the average realized gold price increased 51% to US\$3,280 per ounce, while the average realized copper price rose 2% to US\$4.56 per pound. However, Padcal's metal output was held back by power interruptions and operational challenges associated with mechanical issues of old mine equipment. Total ore milled at the Padcal mine declined 1% to 6.8 million tonnes, while average ore grades declined by 17% and 7% for gold and copper, respectively, resulting in a decline in gold production of 21% to 24,358 ounces and in copper down 8% to 18.2 million pounds.



In early 2026, Padcal's production was affected by a structural failure of the steel supports of the ore bins at the secondary and tertiary crushing sections of the mill plant. Recovery is underway with the construction of a by-pass crushing line to support minimum sustainable milling, with a target of steadily increasing daily tonnage within 2026.

Core net income up 44% to 1.1 billion pesos (US\$18.6 million) from 746 million pesos (US\$13.0 million)	<ul style="list-style-type: none"> ■ reflecting higher revenue
Net income up 15% to 930 million pesos (US\$16.1 million) from 810 million pesos (US\$14.1 million)	<ul style="list-style-type: none"> ■ reflecting higher core net income ■ partly offset by a foreign exchange loss from U.S. dollar denominated bank loans resulting from a 2% depreciation of the peso closing exchange rate against the U.S. dollar
Revenue up 8% to 8.9 billion pesos (US\$153.7 million) from 8.2 billion pesos (US\$142.6 million)	<ul style="list-style-type: none"> ■ reflecting higher gold and copper prices ■ favorable exchange rates ■ partly offset by lower metal output from lower gold and copper grades ■ revenues from copper and gold contributed 51% and 49% of the total, respectively
EBITDA up 27% to 2.5 billion pesos (US\$43.7 million) from 2.0 billion pesos (US\$34.5 million)	<ul style="list-style-type: none"> ■ reflecting higher revenue
Operating cost per tonne of ore milled down 4% to 1,086 pesos (US\$18.8) from 1,127 pesos (US\$19.6)	<ul style="list-style-type: none"> ■ mainly reflecting lower smelting charges and costs for materials and supplies
Capital expenditure (including exploration costs) up 52% to 8.1 billion pesos (US\$139.8 million) from 5.3 billion pesos (US\$92.4 million)	<ul style="list-style-type: none"> ■ mainly reflecting increased capital expenditure for the development of the Silangan Project

The mine life of Philex's major operating mining asset, Padcal mine, is up to December 2028.

Debt Profile

As at 31 December 2025, Philex had 20.9 billion pesos (US\$354.8 million) of borrowings, comprising 6.7 billion pesos (US\$114.3 million) of bonds with a 1.5% coupon, and US\$176.9 million of U.S. dollar denominated and 3.7 billion pesos (US\$63.6 million) peso denominated bank loans. The increase in debt level is attributable to the development in Silangan Project. The average interest cost for the year was approximately 7.9%.

Dividend

In view of the performance in 2025, Philex's Board of Directors declared a cash dividend of 0.04 peso (U.S. 0.068 cent) per share payable on 25 March 2026 to shareholders on record as at 10 March 2026, representing a payout ratio of 22% of core net income.

Silangan Project

The development of the Silangan Project is at its final stage. Driving of the underground production line is progressing as planned with ore stockpiled for first delivery to the processing plant following its commissioning. Major sections of the processing plant are individually tested while the tailings storage facility is ready to receive tailings from the initial commissioning and commercial operation of the project.

The leaching facilities at Silangan Project will produce gold dore and copper cathode as end products, while Padical mine is producing copper concentrates. Silangan Mindanao Mining Co., Inc., the project company of Silangan project, is the first mining company in the Philippines to employ copper leaching technology to produce copper cathode and has been awarded a six-year tax holiday on earnings from its copper cathode refining process.



According to the In-Phase Mine Plan feasibility study for the Sta Barbara I (formerly called Boyongan) deposit (Phase 1 of the Silangan Project) completed in January 2022, the mine life and operation for the Sta Barbara I deposit is 28 years. Mineral resources are estimated at 279 million tonnes with gold grade of 0.70 gram per tonne and copper grade of 0.52%. Mineable reserves are estimated at 81 million tonnes with gold grade of 1.13 grams per tonne and copper grade of 0.67%, and recoverable gold and copper of 2.8 million ounces and 993 million pounds, respectively. Initial daily ore production capacity is estimated at 2,000 tonnes and ramping up to 12,000 tonnes by the twelfth year of operation.

Once the project is in place for commercial production, management plans to ramp up the daily production capacity to take advantage of high gold and copper prices.

PXP

In 2025, petroleum revenue from Service Contract ("SC") 88 (formerly 14C-1) Galoc oil field decreased 26% to 50 million pesos (US\$0.9 million) (2024: 67 million pesos (US\$1.2 million)) resulting from a 17% decline in total volume lifted of 414,124 barrels from 498,168 barrels in 2024, and a 12% decline in average crude oil sale prices.

Costs and expenses up 3% to 95 million pesos (US\$1.6 million) (2024: 92 million pesos (US\$1.6 million)), reflecting higher operating costs and overhead.

PXP's core net loss increased 51% to 50 million pesos (US\$0.9 million) from 33 million pesos (US\$0.6 million), reflecting lower petroleum revenue and higher costs and expenses.



SC 80 and SC 81

On 24 September 2025, SC 80 and SC 81 were awarded by the Philippine Department of Energy ("DOE"), and Triangle Energy (Global) Limited ("TEGL") of Australia was appointed as the operator for both blocks. PXP holds a 12.5% interest in each service contract.

SC 80 block is located in the southwestern part of the Sulu Sea Basin, about 200 kilometres from the coast of Borneo, and covers an area of 7,800 square kilometres. Its previous operations had discovered gas from two deep water drillings.

SC 81 block is located south of the Sulu Sea and adjacent to SC 80, and covers an area of 5,321 square kilometers. Its previous operations found indications of hydrocarbons from drilling seven wells, and both 2D and 3D seismic data were recorded.

Under the first sub-phase of the service contracts, TEGL has 24 months to conduct geological and geophysical studies, including the reprocessing of existing 3D seismic data for SC 80, and 2D and 3D seismic data for SC 81 using the pre-stack depth migration method.



SC 72 and SC 75

Forum Energy Limited (“FEL”), a 98.1%-owned subsidiary of PXP, holds a 70% interest in SC 72 Recto Bank through its wholly-owned subsidiary, Forum (GSEC 101) Limited. The block covers an area of 8,800 square kilometers located offshore Northwest Palawan, Philippines. PXP holds a 50% interest in SC 75 Northwest Palawan Block, Philippines.

The exploration activities of SC 72 and SC 75 have been suspended for most of the time since 2014 and 2015, respectively, due to Force Majeure declared by the DOE. The Force Majeure was lifted by the DOE for both service contracts from 14 October 2020 to 5 April 2022. Exploration activities were then suspended again from 6 April 2022 when FEL and PXP received a directive from the DOE to suspend such work. On 11 April 2022, FEL and PXP terminated all the related exploration work and declared Force Majeure for both service contracts.

On 31 July 2025, PXP increased its economic interest in FEL to 98.1% from 97.9% through subscription of new ordinary shares of FEC Resources, Inc.

FEL and PXP will continue to coordinate with the Philippine Government on any possible activities in SC 72 and SC 75.

SC 40

The Dalingding prospect under SC 40 is located onshore in northern Cebu. PXP continues to evaluate options for advancing the block, including farm-in opportunities, conditional on the finalization of commercial and financial terms.

Outlook

Philex starts a new journey in 2026 – the first metal production at Silangan Project signals the beginning of commercial of a major new mine. Philex management will continue addressing the persistent operational challenges at the Padcal mine, aiming to return production to normal levels, as well as exploring potential prospects near Padcal with the prospect of further extending its mine life.

Board of Directors and Senior Executives

Board of Directors



Anthoni Salim
Chairman

Age 76, Mr. Salim graduated from Ewell County Technical College in Surrey, England. He is the President Director and CEO of PT Indofood Sukses Makmur Tbk and PT Indofood CBP Sukses Makmur Tbk, and holds positions as Commissioner and Director in various companies.

He is a member of the Asia Business Council since 2004.

Mr. Salim has served as a Director of First Pacific since 1981 and assumed the role of Chairman in June 2003. He is the father of Mr. Axton Salim.



Manuel V. Pangilinan
Managing Director and Chief Executive Officer

Age 79, Mr. Pangilinan graduated cum laude from the Ateneo de Manila University, with a Bachelor of Arts degree in Economics. He received his MBA degree from the Wharton School at the University of Pennsylvania. In Manila, he worked for Philippine Investment Management Consultants Inc. (PHINMA) in the Philippines, and in Hong Kong with Bancom International Limited and American Express Bank. Thereafter he founded First Pacific in May 1981.

Mr. Pangilinan served as Managing Director of First Pacific since its founding in 1981 until 1999. He was appointed Executive Chairman until June 2003, after which he was named Managing Director and Chief Executive Officer. Mr. Pangilinan holds the positions of President Commissioner of PT Indofood Sukses Makmur Tbk, and PT Nusantara Infrastructure Tbk in Indonesia. In the Philippines, Mr. Pangilinan was once again appointed as President and Chief Executive Officer of PLDT, Inc. and Smart Communications, Inc. in January 2024. He also became the President and Chief Executive Officer of Manila Electric Company (Meralco) effective 1 June 2023. He is the Chairman, President and Chief Executive Officer of Metro Pacific Investments Corporation, PLDT Communications and Energy Ventures, Inc., Chairman of Global Business Power Corporation (GBP), Terra Solar Philippines, Inc. (TSPI), SP New Energy Corporation (SPNEC), Maynilad Water Services, Inc., Metro Pacific Tollways Corporation, NLEX Corporation, Philex Mining Corporation, PXP Energy Corporation, Landco Pacific Corporation, Metro Pacific Health Corporation, Mediaquest Holdings, Inc. and Associated Broadcasting Corporation (TV 5), the Vice Chairman of Roxas Holdings, Inc., and a Director of ePLDT, Inc. and Axelum Resources Corp.



Christopher H. Young

Executive Director

In recognition of Mr. Pangilinan's contributions to the country, the Philippine Air Force awarded him the rank of Lieutenant Colonel (Res) in a promotion list approved by the Philippine President in July 2021. In 2010, the Office of the President of the Philippines awarded Mr. Pangilinan the Order of Lakandula with the rank of Bayani. Mr. Pangilinan was awarded the First Honorary Doctorate Degree in Management by the Asian Institute of Management in 2016, Honorary Doctorate in Science by Far Eastern University in 2010, in Humanities by Holy Angel University in 2008, by Xavier University in 2007 and by San Beda College in 2002 in the Philippines. He was formerly Chairman of the Board of Trustees of the Ateneo de Manila University and was a member of the Board of Overseers of the Wharton School.

In civic duties, Mr. Pangilinan sits as Chairman of the Philippine Business for Social Progress (PBSP), PLDT-Smart Foundation Inc., One Meralco Foundation Inc., Metro Pacific Foundation Inc, and Co-Chairman of the Philippine Disaster Resilience Foundation (PDRF), and is a Director of the Philippine Business for Education (PBED). He is Chairman of the Board of Trustees of San Beda College and Co-Chairperson of the Board of Trustees of Stratbase Albert del Rosario Institute and the U.S.– Philippine Society.

In sports, Mr. Pangilinan is Chairman of the MVP Sports Foundation, Inc. and Chairman Emeritus of the Samahang Basketbol ng Pilipinas.

Age 68, Mr. Young graduated from Waid Academy in Fife, Scotland and received a Master of Arts (Honors) degree in Economics from St. Andrews University.

He is currently a Director of PacificLight Power Pte. Ltd., and Roxas Holdings, Inc., a member of the Advisory Board of PLDT Inc. and the Council of Board Advisors of Metro Pacific Investments Corporation, and a Commissioner of PT Indofood Sukses Makmur Tbk. Mr. Young is also a Director of The China Club (China Investment Incorporations) Limited.

Mr. Young worked for PricewaterhouseCoopers in London and Hong Kong from 1979 until 1987, at which time he joined First Pacific in Hong Kong as Group Financial Controller. He joined Metro Pacific Corporation in 1995 as Finance Director, a position he held until he joined PLDT as its Chief Financial Advisor in November 1998. Mr. Young returned to First Pacific in 2015 and served as Chief Financial Officer until he retired from the position in July 2022. He joined the First Pacific Board in August 2017.



Professor Edward K.Y. Chen

GBS, CBE, JP

Independent Non-executive Director

Age 80, educated at the University of Hong Kong and Oxford University, Professor Chen is an Independent Non-executive Director of Wharf Holdings Limited. He has served as President of Lingnan University; Professor and Director of the Centre of Asian Studies of the University of Hong Kong; Chairman of Hong Kong's Consumer Council; as an Executive Councillor of the Hong Kong Government; and as a Legislative Councillor.

He was the Chairman of the HKU SPACE Board of Directors and is currently an Honorary Professor of the HKU Business School, and a Board Director of the Hong Kong Institute for Monetary Research of the Hong Kong Monetary Authority. Professor Chen joined First Pacific's Board in 1993.



Philip Y.H. Fan

Independent Non-executive Director

Age 76, Mr. Fan holds a Bachelor's Degree in Industrial Engineering, a Master's Degree in Operations Research from Stanford University and a Master's Degree in Management Science from Massachusetts Institute of Technology.

Mr. Fan had been an Executive Director of CITIC Pacific Limited in charge of industrial projects in China. Prior to his retirement as the Executive Director and

General Manager of China Everbright International Limited, he made significant contributions to the company's leadership position in the Chinese Waste-to-energy industry.

Mr. Fan had received appointments as Independent Board Director from multiple listed companies since retirement from his senior executive position. He was an Independent Director of Goodman Group which is one of world's largest industrial properties groups.

Mr. Fan is also an Independent Non-executive Director of China Everbright Environment Group Limited (formerly China Everbright International Limited), and Sumida Corporation. He joined First Pacific's Board in December 2012.



Madeleine Lee Suh Shin

Independent Non-executive Director

Age 63, Ms. Lee graduated with a Bachelor of Arts Honours in Economics and Accounting from the University of Leeds, UK and holds a Master of Business Administration from the University of Bradford, UK. She obtained her Chartered Financial Analyst qualification in 1989 and was made Fellow of Eisenhower Exchange Fellowship in 2002.

Ms. Lee has spent 40 years in investment management. She worked with the Government of Singapore Investment Corporation, Chase Manhattan, Morgan Grenfell, and was Managing Director at Commerzbank Asset Management Asia. From 2005 to 2007, Ms. Lee was the Deputy Chief Investment Officer of the Endowment Investment Office of the National University of Singapore. In 2008, she founded Athenaeum Limited, a boutique investment manager of Asian Pacific funds. The funds business was sold to Azimut Group in 2016. Since 2018, Athenaeum has focused

on investment advisory & consultancy partnerships, Family Offices and Endowment Funds.

Ms. Lee has served on the board of directors of Mapletree Investments Pte Ltd, Aetos Security Pte Ltd, and ECICS Holdings of the Temasek Holdings stable of companies. She was on the Monetary Authority of Singapore's Financial Sector Review Committee on the Liberalisation of the Stockbroking Industry and the Business Development Review Group for the Merged Exchange.

Ms. Lee is currently an Independent Non-executive Director of Guocoland Limited and Greenphyto Limited, and a Senior Accredited Director at the Singapore Institute of Directors. She joined First Pacific's Board in September 2015.



Margaret Leung Ko May Yee

SBS, JP

Independent Non-executive Director

Age 73, Mrs. Leung holds a Bachelor's Degree in Economics, Accounting and Business Administration from the University of Hong Kong. She was the Vice-Chairman and CEO of Hang Seng Bank Limited and Managing Director and CEO of Chong Hing Bank Limited. She was also an Independent Non-executive Director of Hong Kong listed Swire Pacific Limited, Hutchison Whampoa Limited, China Construction Bank Limited, Hong Kong Exchanges and Clearing Limited, and Li & Fung Limited. Mrs. Leung was the Chairman of the Board of Governors of Hang Seng Management College and Hang Seng School of Commerce, and a Member of the Advisory Board and Chairman of the Investment Committee of the Hong Kong Export Credit Insurance Corporation.

Mrs. Leung is a non-official member of the Executive Council of the Hong Kong SAR, a non-ex officio member of the Law Reform Commission, a member of the Culture Commission, the Chairman of the Advisory Committee on Arts Development, and a Council member and Treasurer of the University of Hong Kong. She is an Independent Non-executive Director of Sun Hung Kai Properties Limited, China Mobile Limited and Bank of China Limited. Mrs. Leung serves as the consultant of The Glorious Sun Holdings Ltd. from January 2026. She joined First Pacific's Board in December 2012.



Blair C. Pickerell
Independent Non-executive Director

Age 69, Mr. Pickerell holds a BA degree in Political Science and an MA degree in East Asian Studies from Stanford University and an MBA degree from Harvard Business School.

Mr. Pickerell joined Jardine Matheson Holdings Group in 1984 and held various positions at Jardine Matheson Holdings Group and at Jardine Fleming Holdings, including as Managing Director of Jardine Pacific Limited. In 2003, he joined HSBC Investments (Hong Kong) Limited as the Chief Executive, Asia Pacific. From 2007 to 2010, he served as Managing Director and Chief Executive Officer, Asia of Morgan Stanley Investment Management. Mr. Pickerell joined Nikko Asset Management Group in 2010 as Head of Asia and subsequently served as Chairman, Asia until July 2015.

He is currently an Independent Director of Principal Financial Group, Inc. and an Independent Non-executive Director of Dah Sing Banking Group Limited, and Dah Sing Bank, Limited.

Mr. Pickerell is also a member of the Supervisory Committee of Tracker Fund of Hong Kong and a member of the International Advisory Council of the Faculty of Business and Economics of The University of Hong Kong.

Mr. Pickerell joined First Pacific's Board in March 2020.



Axton Salim
Non-executive Director

Age 46, Mr. Salim obtained a Bachelor of Science degree in Business Administration from the University of Colorado, USA.

Mr. Salim has had wide exposure across various industries and extensive experience in managing companies in the fast-moving consumer goods sector. He has served in various senior positions since joining the Indofood Group in 2004. Mr. Salim heads the Dairy Division of PT Indofood Sukses Makmur Tbk ("Indofood") and is concurrently a Director of Indofood, PT Indofood CBP Sukses Makmur Tbk., Metro Pacific Investments Corporation and PacificLight Power Pte. Ltd., a Non-executive Director of Indofood Agri Resources Ltd. and Gallant Venture Ltd., as well as a Commissioner of PT Perusahaan Perkebunan London Sumatra Indonesia Tbk and PT Salim Ivomas Pratama Tbk.

Mr. Salim is a Co-Chair of the United Nations Scaling Up Nutrition (SUN) Movement Business Network Advisory Group, a Coordinator of SUN Business Network Indonesia since 2014, an Advisory Board Member of Nanyang Business School since 2020, and Head of Sustainable Development of the Employer's Association of Indonesia since 2024.

Mr. Salim is the son of Mr. Anthoni Salim. He joined First Pacific's Board in March 2020.



Benny S. Santoso
Non-executive Director

Age 67, Mr. Santoso graduated from Ngee Ann College in Singapore. He serves as a Commissioner of PT Indofood Sukses Makmur Tbk, a President Commissioner of PT Nippon Indosari Corpindo Tbk, a Commissioner of PT Fast Food Indonesia Tbk, a Director of PT Indocement Tunggul Prakarsa Tbk and PT Nusantara Infrastructure, Tbk, and as a member of the Advisory Board of PLDT Inc. He joined First Pacific's Board in 2003.

Senior Executives



Joseph H.P. Ng Chief Financial Officer and Associate Director

Age 63, Mr. Ng received an MBA and a Professional Diploma in Accountancy from Hong Kong Polytechnic University. He is a member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Institute of Chartered Accountants in England and Wales. Mr. Ng is a Commissioner of PT Indofood Sukses Makmur Tbk, a Non-executive Director of Philex Mining Corporation and PXP Energy Corporation, and a Director of PacificLight Power Pte. Ltd., which are First Pacific Group subsidiary and associates.

He joined First Pacific in 1988 from PriceWaterhouse's audit and business advisory department in Hong Kong. Mr. Ng was appointed as Chief Financial Officer in August 2022 and has been an Associate Director since April 2019. Previously he was Executive Vice President of Group Finance and served in several senior finance positions within the Group, including as the Group Treasurer, the Head of Finance of the Group's regional telecom division, and as a director of a number of the Group's telecom joint ventures in India, Indonesia, and China.



Marilyn A. Victorio-Aquino Associate Director

Age 70, Ms. Aquino was educated at the University of Santo Tomas (A.B.) and University of the Philippines (LL. B., cum laude) and qualified as a barrister in the Philippines in 1981. She joined Sycip Salazar Hernandez and Gatmaitan Law Offices in the Philippines in 1980 where she became a partner in 1989. Ms. Aquino's practice focused on banking, finance and securities, construction and infrastructure, investments, mergers and acquisitions, and mining and natural resources.

Ms. Aquino is a Director of PLDT Inc., Philex Mining Corporation, Philex Gold Philippines, Inc., PXP Energy Corporation, Silangan Mindanao Mining Company Inc., Lepanto Consolidated Mining Company, and Philippine Stock Exchange Inc. She was appointed Chief Legal Counsel and Senior Vice President of PLDT in January 2019, was elected Corporate Secretary in January 2022 and appointed Senior Legal Advisor to the Chairman after stepping down as Chief Legal Counsel in January 2025. Ms. Aquino joined First Pacific in 2012.



Ray C. Espinosa Associate Director

Age 69, Mr. Espinosa has a Master of Laws degree from the University of Michigan Law School and is a member of the Integrated Bar of the Philippines. He was a partner of SyCip Salazar Hernandez & Gatmaitan from 1982 to 2000, a foreign associate at Covington and Burling (Washington, D.C., USA) from 1987 to 1988, and a law lecturer at the Ateneo de Manila School of Law from 1983 to 1985 and 1989.

Mr. Espinosa served as President and Chief Executive Officer of Manila Electric Company (Meralco) from May 2019 until May 2023, and General Counsel of Meralco from December 2009 until May 2019.

He is a Director of Meralco, PLDT Inc. (PLDT), Smart Communications, Inc., Maya Bank Inc., Metro Pacific Investments Corporation (MPIC), Meralco PowerGen Corporation, Chromite Gas Holdings Inc. (CGHI), PacificLight Power Pte. Ltd., and PXP Energy Corporation. He also serves as an Independent Director of Lepanto Consolidated Mining Company (LCMC), Concreat Holdings Philippines, Inc. (CHPI), and EEI Corporation (EEI). He is Chairman of the Board of Directors of CGHI, Chairman of the Audit Committee and Nomination Committee of LCMC, member of the Technology Strategy Committee and Data Privacy and Information Security Committee of PLDT, Chairman of the Risk, Cybersecurity and Data Privacy Committee of MPIC, Chairman of the Risk Oversight Committee and member of the Executive Committee of EEI, and Chairman of the Nominations Committee and member of the Audit Committee of CHPI.

Mr. Espinosa is also a trustee of the Beneficial Trust Fund of PLDT. Mr. Espinosa joined First Pacific in 2013. He is First Pacific Group's Head of Government and Regulatory Affairs and Head of Communications Bureau for the Philippines.



John W. Ryan
Associate Director and Chief Sustainability Officer

Age 60, Mr. Ryan received a Bachelor of Arts degree from the University of Connecticut and completed a Master of Philosophy course on Slavonic and East European Studies at St. Antony's College, Oxford University. He spent several years as a financial journalist, opening and leading Bloomberg's Moscow bureau for five years in the early 1990s and later joining Dow Jones as Bureau Chief over the period 1998–2004 in Moscow and Hong Kong. Mr. Ryan subsequently served as Head of Corporate Communications, Asia Pacific for HSBC's wholesale bank. He joined First Pacific in 2010. Prior to his appointment as Associate Director in April 2019, Mr. Ryan was Executive Vice President of Group Corporate Communications. He is currently a Commissioner of PT Indofood Sukses Makmur Tbk as well as Group Chief Sustainability Officer and Group Chief Investor Relations Officer. He holds an Elite Diploma in Corporate Governance & Sustainability Directorship from the Hong Kong Institute of Directors.



Victorico P. Vargas
Associate Director

Age 73, Mr. Vargas was educated at Ateneo de Manila and University of Santo Tomas.

Prior to his appointment as Associate Director of First Pacific, Mr. Vargas was the President and Chief Executive Officer at Maynilad Water Services, Inc. He joined PLDT in 2000 as its Human Resources Group Head and through his stay at PLDT got involved in managing the PLDT Business Transformation Office, Asset Protection and Management Group, and the PLDT International Carrier Business.

Mr. Vargas is currently the PLDT Senior Consultant & Leadership Transition Officer, Office of the Chairman, Chairman of Kayana Solutions, Inc. (Digico, formerly Limitless Growth Venture, Inc.) and Officer in Charge of MediaQuest Holdings, Inc., and its affiliated companies.

He has worked in senior roles at Union Carbide, Pepsico, Colgate Palmolive and Citigroup. He is a Director of Metro Pacific Investments Corporation, Meralco, Metro Pacific Tollways Corp., MGen Global Business Power, Smart Communications Inc., PLDT Global Corp., PLDT Subic Telecom, Inc., PLDT Clark Telecom, Inc., Beacon Electric Asset Holdings, Inc., Beacon PowerGen Holdings, Inc., MQuest Ventures, Inc., Signal TV, Inc., TV5 Network, Inc., Media5 Marketing Corporation, and CIS Bayad Center, Inc. Chairman of Hastings Holdings Inc., Philstar Global, Inc., Pilipino Star Ngayon, Inc., Pilipino Star Printing, and Philstar Daily, Inc. President and CEO of Talas Data Intelligence, Inc., President and member of the Board of Trustees of the First Pacific Leadership Academy, Trustee of the MVP Sports Foundation, PLDT-Smart Foundation, Inc. and Ideaspace Foundation and President of the PhilPop Music Fest Foundation. Mr. Vargas is also an executive board member of Asian Boxing, and chef de mission of Olympics 2028.

He joined First Pacific in January 2016, overseeing First Pacific Group businesses operating in the Philippines and its regions, particularly focused on leading the business transformation of PLDT.



Stanley H. Yang
Associate Director

Age 49, Mr. Yang graduated from the Wharton School of the University of Pennsylvania with a Bachelor of Science degree in Economics. Since joining First Pacific in 2013, he has been leading the company's investment activities including mergers and acquisitions, joint ventures, strategic partnerships, and other business development initiatives across the group.

Mr. Yang is concurrently serving as an Executive Director of Metro Pacific Investments Corporation, where he joined in 2022 as Senior Advisor. He is also a Director of PacificLight Power Pte. Ltd., Philippine Coastal Storage & Pipeline Corporation and mWell, and a Trustee of IdeaSpace Foundation, Inc.

Prior to First Pacific, Mr. Yang was a senior investment banker at Deutsche Bank where he led industrials sector coverage for the Asia region. He previously acted as a director of Deutsche Bank's mergers and acquisitions department based in Asia and earlier in the United States, where he advised multinational and regional companies including corporates, private equity and sovereign wealth funds on their acquisitions, divestments, mergers, and leveraged transactions.

Mr. Yang began his career in New York in 1998, gaining experience in principal investments and corporate finance at major financial institutions until his transfer to Hong Kong in 2007.



Richard P.C. Chan
Executive Vice President
Group Financial Controller

Age 56, Mr. Chan received a BBA (Hons) degree from Hong Kong Baptist University and an MBA from the Chinese University of Hong Kong. He is a Certified Public Accountant (Practising), a CFA charterholder, and a Fellow of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He has experience in auditing, accounting, finance and management spanning a diverse range of business activities. He has served as a Non-executive Director of Philex Mining Corporation since January 2019, which is a First Pacific Group associate.

Mr. Chan joined First Pacific in 1996 from KPMG. Prior to his appointment as Executive Vice President, Group Financial Controller in April 2019, Mr. Chan was Vice President, Group Financial Controller.



Fiona W.M. Chiu
Executive Vice President
General Counsel and
Company Secretary

Age 44, Ms. Chiu received a Bachelor of Laws (LL.B (Hons.)) from the University of Sheffield, United Kingdom, and a Postgraduate Certificate in Laws from the City University of Hong Kong. Ms. Chiu is a qualified lawyer. She spent 19 years undertaking roles across legal, governance and compliance in Hong Kong. Ms. Chiu has been a Solicitor of the High Court of Hong Kong SAR since December 2006.

She joined First Pacific in May 2022 from Goldman Sachs, where she was an Executive Director in the Compliance Department overseeing their Investment Banking Division's mergers and acquisitions and equity/debt capital markets businesses in Asia Ex-Japan. Prior to that, Ms. Chiu also held senior leadership roles in investment banking and corporate banking compliance at both JP Morgan and HSBC. In particular, Ms. Chiu built the compliance program for JP Morgan's Asia Pacific Global Corporate Banking business from ground up, she also pioneered a number of compliance initiatives amongst peer financial institutions.

Ms. Chiu was a seasoned corporate finance lawyer in private practice prior to becoming a financial services compliance professional.

Ms. Chiu was a council member of the Asia Chief Legal Officers' Council, organized by The Conference Board. She has been appointed as a director on the board of the Hong Kong Chapter of the Association of Corporate Counsel since June 2023.

Ms. Chiu also Co-chairs the membership engagement committee and sits on the sponsorship committee of the same organisation. She volunteers as a mentor on The Women's Foundation Mentoring Programme in Hong Kong. Ms. Chiu is a leading in-house counsel listed on the Legal 500 GC Powerlist in 2025.



Peter T.H. Lin
Executive Vice President
Group Treasury and Tax, and
Group Human Resources

Age 56, Mr. Lin received a MSc in Management Sciences from the University of Southampton and a BSc in Economics and Statistics from Coventry University. He is a Fellow of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. Mr. Lin joined First Pacific in 1998 from KPMG where he was a Tax Manager. Mr. Lin has been Executive Vice President, Group Treasury and Tax since 2018 and took on added responsibility for Group Human Resources in 2022.



Sara S.K. Cheung
Senior Vice President
Group Corporate Communications

Age 62, Ms. Cheung received a BA in Business Economics from the University of California, Los Angeles, MBA from Southern Illinois University, Carbondale, and Master of Buddhist Studies from the University of Hong Kong. She has over 30 years experiences in a wide range of listed company activities and corporate events. Concurrently, Ms. Cheung is responsible for the Office Administration Department.

Ms. Cheung joined First Pacific in 1997 from the Public Affairs department of Wharf Limited and Wheelock and Company.



Yvonne W.Y. Lau
Vice President
Company Secretariat

Aged 59, Ms. Lau received a Bachelor of Arts (Hons) degree in Accountancy from City University of Hong Kong. She is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. Ms. Lau joined First Pacific in 1989.



Eliza Y. Wang
Vice President
Group Finance and
Corporate Development

Age 36, Ms. Wang has worked in Corporate Development overseeing investments and other strategic initiatives of First Pacific since joining in 2015, and has increased her treasury responsibilities in Group Finance since 2022.

She received her Bachelor of Commerce with High Distinction co-majoring in Accounting and Finance and was placed on the Dean's List from the Australian School of Business. She graduated from the University of New South Wales where she also received merit scholarships to undertake business studies exchange at the Wharton School of the University of Pennsylvania and social sciences studies exchange at the University of Hong Kong.

Prior to joining First Pacific, Ms. Wang came from Deutsche Bank where she worked in the Investment Banking Division covering Consumer, Industrials and Healthcare sectors. She started her career in Sydney with Macquarie Bank as a sponsored Co-op Scholar, in their tollroads infrastructure fund. Ms. Wang is a CFA charterholder.

Corporate Governance Report

Governance Framework

First Pacific is committed to maintaining and upholding high standards of corporate governance with a view to safeguarding the interests of our shareholders, employees and other relevant stakeholders. The Company's Corporate Governance Committee, comprising mainly of Independent Non-executive Directors ("INEDs") and chaired by an INED, is delegated with the responsibility to supervise the Company's corporate governance functions.

The Corporate Governance Committee reviews the Company's corporate governance practices to ensure its compliance with the Listing Rules, including overseeing Environmental, Social and Governance ("ESG") reporting. As recommended by the Corporate Governance Committee, the Board approves the Company's ESG report for publication on the websites of The Stock Exchange of the Hong Kong Limited (the "SEHK") and of the Company.

The Company has adopted its own Code on Corporate Governance Practices (the "First Pacific Code"), which incorporates the principles and requirements set out in the Corporate Governance Code contained in Appendix C1 of the Listing Rules (the "CG Code"). Throughout the year ended 31 December 2025, First Pacific has applied the principles and complied with applicable provisions of the CG Code, save and except for the following:

Code Provision E.1.5: Issuers should disclose, amongst others, details of any remuneration payable to members of senior management by band in their annual reports.

The Company does not disclose details of any remuneration payable to members of senior management by band due to competitive concerns. As a large number of the senior executives employed by the Group are employed in jurisdictions that do not require disclosure of such information, it would create inequality across the Group if only the remuneration of the senior executives at the Head Office were disclosed.

Code Provision D.2.2 (formerly Code Provision D.2.5 prior to 1 July 2025): The issuer should have an internal audit function. Issuers without an internal audit function should review the need for one on an annual basis and should disclose the reasons for the absence of such a function in the Corporate Governance Report.

As an investment holding company, the Company does not have a separate internal audit department but has a Risk Assessment Committee, consisting of one Executive Director and senior executives, which oversees risk management at the Head Office. Also, each of the Group's major investee companies is required to have their own internal audit and risk management functions responsible for the implementation and monitoring of effective internal control systems for operational, financial and regulatory compliance, and risk management. The Company obtains, as part of its regular internal reporting processes, written reports and confirmations from its major investee companies' audit and/or risk management committees regarding the work they undertake and any significant matters arising therefrom. The reports and confirmations received from the individual audit and/or risk management committees are collated by the Company's Risk Assessment Committee and presented to and discussed with the Company's Audit and Risk Management Committee semi-annually. In addition, the Company's management also attends and participates directly in a number of the major investee companies' audit and/or risk management committees. Accordingly, the Company relies on a combination of its regular internal reporting processes and Group resources to fulfill internal audit and risk management functions and, therefore, does not consider it necessary to maintain a separate internal audit function. The Company will review this need annually.

Corporate Culture

The Board, together with senior management, set the tone of First Pacific's corporate culture and strategic direction. The Corporate Governance Committee is especially tasked with setting the Company's corporate governance and environmental and social responsibility vision, strategy, framework, principles and policies. The Company's corporate culture is thus manifested through framework and policies which have been put in place.

First Pacific strives to create an environment that encourages collaboration, diversity, respect and open communication. We believe that a strong corporate culture is essential to our success in creating value-enhancement for our shareholders and long-term sustainable performance. First Pacific is committed to creating a workplace that is safe, healthy and productive for our employees.

Building a culture is, however, a process that evolves over time and requires constant evaluation. The Company promotes and maintains its culture through regular training, internal corporate governance practice steering group, employee engagement, thematic compliance monitoring, policy reviews, robust financial reporting, whistleblowing channels, stakeholder engagement exercises and an annual board evaluation process.

Taking into account the corporate culture in a range of contexts, the Board considers that the culture, purpose, values and strategy of the Group are significantly aligned.

First Pacific's purpose, values and strategy can be found in its mission, investment criteria and strategy statements on the inside front cover of this Annual Report.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted its own Model Code for Securities Transactions by Directors (the "Model Code") on terms no less exacting than the required standards of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules. All Directors have confirmed, following specific enquiries by the Company, that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2025.

Directors' interest in securities of the Company and its associated corporations as at 31 December 2025 are set out in the Report of the Directors on pages 93 and 94 of this Annual Report.

Whistleblowing Policy

To promote good governance, the Company has put in place a Whistleblowing Policy, which is intended to assist employees and those who deal with the Group to disclose information relevant to any suspected misconduct, malpractice or irregularity which he/she has become aware of or genuinely suspects that the Group has been or may become involved in. Any suspected cases can be reported through a confidential reporting channel directed to the Chair of the Audit and Risk Management Committee. The policy is regularly reviewed to ensure its effectiveness and is posted on the Company's website (www.firstpacific.com). In 2025, the Company did not receive any disclosure or report under the Whistleblowing Policy.

Anti-Bribery and Corruption Policy

The Company has put in place an Anti-bribery and Corruption Policy, which has been adopted by the Board, assisting staff in identifying circumstances which may lead to or give the appearance of corrupt or unethical business conduct, so as to avoid such conduct which is clearly prohibited. Prompt report of any actual or suspected incident of bribery, corruption, extortion, fraud or similar offences to the Chair of the Audit and Risk Management Committee is required in accordance with procedures set forth in the Whistleblowing Policy for investigation and follow-up. The policy is regularly reviewed to ensure its effectiveness and is posted on the Company's website (www.firstpacific.com).

Board of Directors

As at the date of this Annual Report, the Board comprised ten Directors, of whom two are Executive Directors, three are Non-executive Directors (“NEDs”) and five are INEDs. Since five out of our current ten-member Board are INEDs, the Company exceeds the Listing Rule requirements that INEDs shall represent at least one-third of the Board. The current Board composition and the Directors’ respective period of appointment and length of tenure as of 31 December 2025 are as follows:

Name	Date of First Appointment	Length of tenure on FPC Board (Approximate years)	Date of Last Re-election
Non-executive Chairman			
Anthoni Salim	25 May 1988	37 years	14 June 2024
Executive Directors			
Manuel V. Pangilinan, <i>Managing Director and Chief Executive Officer</i>	25 May 1988	37 years	18 June 2025
Christopher H. Young	30 August 2017	8 years	18 June 2025 ⁽¹⁾⁽²⁾
Non-Executive Directors			
Benny S. Santoso	2 June 2003	22 years	16 June 2023 ⁽²⁾
Axton Salim	25 March 2020	5 years	16 June 2023 ⁽²⁾
Independent Non-executive Directors			
Prof. Edward K.Y. Chen, <i>GBS, CBE, JP</i>	7 September 1993	32 years	18 June 2025
Margaret Leung Ko May Yee, <i>SBS, JP</i>	21 December 2012	13 years	18 June 2025
Philip Fan Yan Hok	21 December 2012	13 years	14 June 2024
Madeleine Lee Suh Shin	2 September 2015	10 years	14 June 2024
Blair Chilton Pickerell	25 March 2020	5 years	16 June 2023 ⁽²⁾

Notes:

- (1) In order to stagger the list of Directors retiring at the AGMs, Mr. Christopher H. Young is offering himself for re-election at the 2026 AGM for a term of one-year until 2027.
- (2) These Directors will stand for re-election at the 2026 AGM.

Board Process

The Board meets at least five times a year to review operational performance and financial plans, discuss and monitor the implementation of strategy and any other significant matters that affect the operations of the Group, and approve matters specifically reserved to the Board for decision. Management regularly attends Board and Board Committee meetings to deliberate on proposals and present updates on operations. Any Director, external advisors and consultants could be invited to participate in specific relevant topics at Board and/or Board Committee meetings, as and when appropriate.

The schedule for Board and Board Committee meetings as well as general meetings is made available to all Directors prior to the end of the preceding year (and updated throughout the year). In addition, notice of at least 14 days will be given for regular Board meetings or Board Committee meetings. For ad-hoc meetings, reasonable notice will be given. Telephone and/or video conference participation can be arranged for any Director who is unable to attend a meeting in person.

Meeting agendas for regular Board meetings are set after consultation with the Chairman and the Executive Directors. All Directors are given an opportunity to include matters in the agenda and have access to the advice and services of the Company Secretary to ensure that Board procedures and all applicable rules and regulations are followed. Adequate and appropriate information in the form of agendas, Board papers and related materials, are provided to the Directors at least three days prior to the scheduled date for regular meetings and at a time agreed for ad-hoc meetings. Chairs of the Board Committees report to the Board following each Board Committee meeting, drawing the Board’s attention to issues or matters of which the Board should be made aware of, identifying any matters of significance requiring action or improvement, and making relevant recommendations.

Agendas and meeting papers are circulated largely through an electronic platform to ensure a timely and secure dissemination of information to the Directors while reducing paper usage.

The Company Secretary or her delegate attends all Board and Board Committee meetings. Draft minutes, which recorded those matters considered, decisions reached, concerns raised and dissenting views expressed (if any) at the meetings, are circulated for review and comment as soon as practicable post meeting. Final versions of the minutes are sent to the Board and Board Committee members for records. All signed minutes of the Board and Board Committee meetings are kept by the Company and are open for inspection by any Director.

In addition to the regular financial performance reports that are presented at the regular Board meetings, the Directors are provided with monthly financial and business updates to keep them abreast of the Group's latest performance, financial position and prospects. Prior to the publication of the Company's announcements on the websites of the SEHK and the Company, the Company Secretary seeks the Board's approval and following publication, notifies the Board to keep the Directors apprised of the Group's development.

The Board conducts evaluation on its performance and effectiveness annually with a view to identifying areas for improvement and further enhancement. A meeting between the INEDs and the Chairman in the absence of Executive Directors, NEDs and management was held in June 2025.

Under the Bye-laws of the Company, a Director should not vote or be counted in the quorum in respect of any contract, arrangement, transaction or other proposal in which he/she or his/her close associate(s) is/are materially interested.

Board Evaluation

The Company believes that good corporate governance involves a strong and effective Board, one that understands its role and responsibilities, provides leadership and strategic guidance for the Company, establishes effective controls, oversees management and sets the Company's culture, values and standards. In this respect, it is essential to conduct regular evaluation of the performance and effectiveness of the Board. These evaluations are overseen by the Nomination Committee and the results are presented to the Board.

As with the previous year, the Company conducted an internal Board evaluation for 2025 (the "2025 Board Evaluation") in the form of a questionnaire to assess the performance and effectiveness of the Board as a whole and each of its committees, including open-ended questions intended to solicit individual Director's views on relevant issues. Based on feedback received, on the whole, the respondents responded positively to questions regarding (i) the roles and functions of the Board and their responsibilities as Directors; (ii) the alignment of the Company's culture with its purpose, values and strategy; (iii) having sufficient opportunity to oversee performance of the Company; (iv) the Company's internal controls and risk management systems; (v) current Board composition; Board meeting arrangements; (vi) training and support received; and (vii) working with each other and with management. These results largely align with positive Board evaluation results of previous years.

Based on the findings of the 2025 Board Evaluation, the Nomination Committee and the Board considered that the Board performed effectively during the year ended 31 December 2025.

Directors' Attendance

The Board held five regular meetings during the year. The attendance records of the Board and Board Committee meetings as well as the AGM and SGM held in 2025 are shown in the following table, noting that there was no meeting held by the Ad Hoc Selection Committee during the year. The overall attendance rate of Directors at Board and Board Committee meetings was approximately 97%. The high attendance record at the Board and Board Committee meetings in 2025 demonstrates our Directors' strong commitment to the Company.

	Meetings held in 2025 (Number of meetings attended/eligible to attend)								2025 AGM ⁽²⁾	SGM ⁽⁴⁾
	Audit and Risk Management Committee ⁽²⁾		Nomination Committee	Remuneration Committee	Corporate Governance Committee		Independent Board Committee			
	Board									
Total number of meetings held	5 ⁽¹⁾	4	2	2	3	2	2	1	2	
Non-executive Chairman										
Anthoni Salim	4/5	–	1/2	0/2 ⁽³⁾	–	–	–	1/1	2/2	
Executive Directors										
Manuel V. Pangilinan, <i>Managing Director and Chief Executive Officer</i>	5/5	–	2/2	–	–	2/2	–	1/1	2/2	
Christopher H. Young	5/5	–	–	–	–	–	–	1/1	2/2	
Non-executive Directors										
Benny S. Santoso	5/5	–	–	–	–	–	–	1/1	2/2	
Axton Salim	5/5	–	–	–	3/3	2/2	–	1/1	2/2	
Independent Non-executive Directors										
Prof. Edward K.Y. Chen, <i>GBS, CBE, JP</i>	5/5	4/4	2/2	2/2	–	2/2	2/2	1/1	2/2	
Margaret Leung Ko May Yee, <i>SBS, JP</i>	5/5	4/4	–	–	3/3	2/2	2/2	1/1	2/2	
Philip Fan Yan Hok	5/5	–	2/2	2/2	3/3	2/2	2/2	1/1	2/2	
Madeleine Lee Suh Shin	5/5	4/4	2/2	–	3/3	2/2	2/2	1/1	2/2	
Blair Chilton Pickerell	5/5	–	–	–	3/3	2/2	2/2	1/1	2/2	
Average attendance rate	98%	100%	90%	67%	100%	100%	100%	100%	100%	

Notes:

- (1) Included a combined Board meeting and Board strategic session held during the year.
- (2) Representatives of the independent auditor attended certain Audit and Risk Management Committee meetings and the 2025 AGM held during the year.
- (3) Due to other engagements, Mr. Anthoni Salim appointed Mr. Christopher H. Young, an Executive Director, to act as his alternate to attend the Remuneration Committee meetings held during the year.
- (4) Representatives of the independent financial advisers attended the SGMs held during the year.

Board Diversity

The Directors are collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. The Board has a balance of skills and experience appropriate to oversee the Group's businesses.

Members of the Board come from different backgrounds, with a diverse range of academic, business and professional expertise. Brief biographical information of each of our Directors is set out in the section "Board of Directors and Senior Executives" on pages 36 to 39 of this Annual Report.

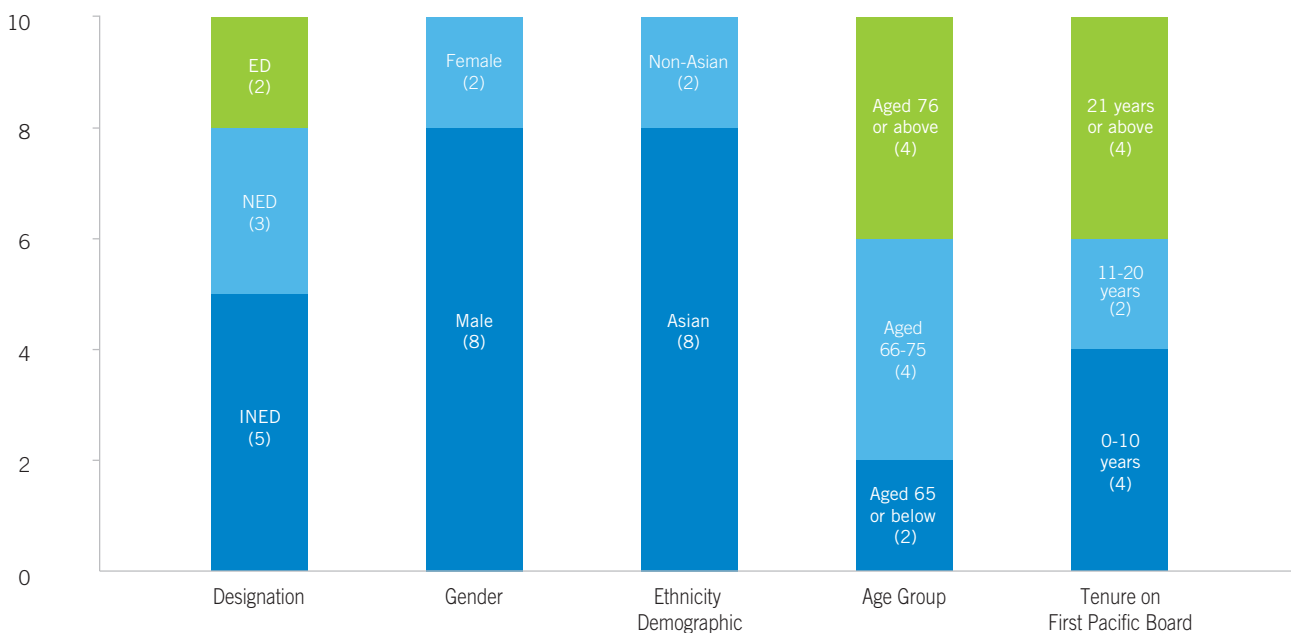
The Board considers that its diversity is a vital asset to its businesses. The Board has adopted a Board Diversity Policy (the "Board Diversity Policy"), which is available on the Company's website (www.firstpacific.com). Board appointments are based on merit and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board, including but not limited to gender, age, cultural and educational backgrounds, ethnicity, professional experience, skills, knowledge and length of service. The Company is committed to maintaining a minimum representation of 20% of either gender at Board level. Currently, 20% of the Directors are female and 80% are male. The Company will review from time to time the diversity target of the Board to ensure it has an appropriate mix of diversity and has a number of initiatives in place to meet its strategic imperative of ensuring it has a diverse Board. Structured recruitment, selection and training program at various levels within the Group will also continue to be conducted to develop a broader pool of skilled and experienced potential Board members.

Assisted by the Nomination Committee, the Board reviews the Board Diversity Policy annually. During the year, the Board, through the Nomination Committee, reviewed and considered that the Board Diversity Policy is effective, taking into account the heterogeneity of the Board in terms of gender, age, ethnicity, professional experience and competencies, and other factors that the Nomination Committee may consider relevant from time to time towards achieving a diversified Board.

The Company remains committed to meritocracy in the boardroom, which requires a diverse and inclusive culture where Directors believe that their views are heard, their concerns are attended to and they serve in an environment where bias, discrimination and harassment are not tolerated. While building a company's culture is a process that evolves over time, the Directors have regular reflection on the Company's culture and evaluate whether it aligns with the purpose, values and strategy of the Company in the ever-changing environment. The Board also embeds a robust culture of compliance to ensure rule and regulatory compliance.

The Board's diversity profile is set out in the following chart:

Number of Directors



Skills and Experience

The table below lists the particular skills that each Director possesses in relation to the skills that the Board as a whole should possess, and with which First Pacific believes the Board as a whole has the necessary skills.

Name	Skills					
	Management, strategy and identification of investments	Core industry knowledge and operational experience acquired not from First Pacific	Finance and accounting knowledge	Risk management and internal controls	Regulatory compliance, corporate governance and ESG	Digital, technology, artificial intelligence*
Non-executive Chairman						
Anthoni Salim	✓	✓	✓	✓	✓	✓
Executive Directors						
Manuel V. Pangilinan, <i>Managing Director and Chief Executive Officer</i>	✓	✓	✓	✓	✓	✓
Christopher H. Young	✓	✓	✓	✓	✓	✓
Non-executive Directors						
Benny S. Santoso	✓	✓	✓	✓	✓	✓
Axton Salim	✓	✓	✓	✓	✓	✓
Independent Non-executive Directors						
Prof. Edward K.Y. Chen, <i>GBS, CBE, JP</i>	✓	✓	✓	✓	✓	✓
Margaret Leung Ko May Yee, <i>SBS, JP</i>	✓	✓	✓	✓	✓	✓
Philip Fan Yan Hok	✓	✓	✓	✓	✓	✓
Madeleine Lee Suh Shin	✓	✓	✓	✓	✓	✓
Blair Chilton Pickerell	✓	✓	✓	✓	✓	✓

* Obtained through training organized by the Company

The Board collectively brings a balanced mix of strategic planning, finance and accounting, industry knowledge, risk management and internal controls, corporate governance/ESG expertise, which underpins the Company's purpose as a leading Asian investment holding company focused on creating long-term stakeholder value through its principal investments in consumer food products, telecommunications, infrastructure and natural resources. The combination of long-tenured leaders with deep regional and sector experience and Directors with international, governance and sustainability backgrounds enables robust challenge and support for management in formulating and executing the Group's values-driven strategy, including its commitments to integrity, innovation and sustainable growth. In addition, the diversity of the Board in terms of gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge, and length of service broadens perspectives in the boardroom and strengthens oversight of the Company's desired culture of acting lawfully, ethically and responsibly, as articulated in its corporate governance framework and diversity policies. This blend of skills, experience and diversity enhances the Board's effectiveness in monitoring culture, setting the "tone from the top" and ensuring that purpose, values, strategy and culture remain aligned across the Group's operations.

Workforce Diversity

First Pacific is committed to upholding, protecting and embracing staff members with diverse backgrounds, culture and gender. The Company maintains a highly diverse workforce. In order to attract and retain candidates from the widest possible pool of available talent, the Diversity and Equal Opportunity Policy will be applied in the recruitment and promotion processes of the Group. The Company has also implemented programs that assist staff members in their personal growth and skills to prepare them for potential promotions to senior management positions.

As at 31 December 2025, the female ratio on senior management of the Company was approximately 36% and that on the workforce at the Head Office level (excluding senior management) was approximately 63%. More details of the Group's employee diversity are set out in the 2025 ESG report.

Chairman and Chief Executive Officer

The roles of the Chairman and Chief Executive Officer of the Company are separate and performed by different individuals, with a clear division of responsibilities.

Currently, Mr. Anthoni Salim, a NED, is the Chairman of the Company and Mr. Manuel V. Pangilinan, an Executive Director, is the Managing Director and Chief Executive Officer of the Company. The division of responsibilities between the Chairman and the Chief Executive Officer of the Company (who is also the Managing Director) are set out in the First Pacific Code.

Responsibilities of Directors

The Board is responsible for the success of the Company by directing and supervising its affairs in a responsible and effective manner. Each Director has a duty to act in good faith and in the best interests of the Company. Directors are expected to devote sufficient time and attention to performing their duties and responsibilities. The Directors are aware of their collective and individual responsibilities to all shareholders for the manner in which the affairs of the Company are managed, controlled and operated. The functions performed by the Board include, but are not limited to, formulating the overall corporate strategy and direction, deciding all significant financial (including major investment decisions) and operational issues, and all other functions reserved to the Board set out in the First Pacific Code and the Company's constitutional documents.

Management is responsible for the day-to-day management of the Company's operations, execution of business plans, strategies and policies formulated and adopted by the Board under the leadership of the Managing Director and Chief Executive Officer. The Board may from time-to-time delegate certain functions to management, if and when considered appropriate. In addition, there are regular meetings with the senior management of subsidiaries and associated companies at which operating strategies and policies are formulated, discussed and settled.

The Company has adopted and implemented the following mechanisms to ensure independent views and input are available to the Board, the implementation and effectiveness of which are reviewed by the Board on an annual basis:

- having half of the Board seats represented by INEDs with a broad range of skills, experience, backgrounds and knowledge, and having INEDs share their valuable insight with the Board for promoting the best interests of the Company and its shareholders;
- having appropriate Board and Board Committee structure and composition in place;
- holding annual meeting between the Chairman and all INEDs without the presence of other Directors or senior management provides an effective platform for the Chairman to listen to independent views on various issues concerning the Group;
- having the Nomination Committee to review the independence of all INEDs;
- arranging separate independent professional advice to Directors, upon reasonable request, to assist them to discharge their duties; and
- holding annual evaluation of the Board's effectiveness.

The Company has arranged appropriate Directors' and officers' liability insurance coverage to protect Directors and officers of the Group against potential personal legal liabilities.

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board, which the Board has determined to be material, the matter should be dealt with by a physical Board meeting rather than a written resolution. INEDs who, and whose close associates, have no material interest in the transaction should be present at that Board meeting.

Appointment and Re-election of Directors

The Company uses a formal, considered and transparent procedure for the appointment of new Directors. Before a prospective Director's name is formally proposed, opinions of the existing Directors (including the NEDs and INEDs) will be solicited. The proposed appointment will first be reviewed by the Nomination Committee, taking into account the balance of skills, knowledge, experience and diversity of the Board. Upon recommendation by the Nomination Committee, the proposed appointment will then be reviewed and, if thought fit, approved by the Board after due deliberation.

In accordance with the Company's Bye-laws and the First Pacific Code, every Director, including NEDs and INEDs and those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. A retiring Director is eligible for re-election at the AGM. Mr. Benny S. Santoso, Mr. Axton Salim, Mr. Blair Chilton Pickerell and Mr. Christopher H. Young will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming AGM.

Each year, the Nomination Committee receives an annual confirmation of each INED's independence. The independence of the INEDs has been assessed in accordance with the guidelines set out in Rule 3.13 of the Listing Rules. As a standard corporate governance practice, each Nomination Committee member, who is an INED, abstains from assessing his/her own independence.

In 2025, the Nomination Committee affirmed and the Board concurred, that all the INEDs continued to demonstrate strong independence in judgment, free from any business or other relationship which could interfere with their ability to discharge their duties effectively, and are therefore considered independent. As part of the on-going independence assessment process, each INED is required to inform the Company as soon as practicable if there is any change in circumstances affecting his/her independence. No such notification was received during 2025.

The Nomination Committee also reviewed and assessed the time commitment and contribution to the Board by each Director. The assessment considered each Director's ability to discharge their responsibilities, referencing factors such as participation in Board and Board committee meetings, existing listed directorships, other significant external time commitments, CPD training undertaken and the results of the performance evaluation for the Board and Board committees. The Nomination Committee is satisfied that each Director can discharge their responsibilities effectively.

Other than Mr. Anthoni Salim, who is the father of Mr. Axton Salim, none of the Directors have any financial, business, family, or other material/relevant relationship with each other. NEDs (including INEDs) have the same duties of care and skill and fiduciary duties as Executive Directors. The biographies of Directors are set out in the section "Board of Directors and Senior Executives" on pages 36 to 39 of this Annual Report.

Succession Planning

The Board recognizes the importance of having continuity in the senior management (including Directors), maintaining leaders with appropriate skills and experience to support the delivery of the Group's strategic initiative and priorities. In order to mitigate the succession planning risk, the Company has made it a regular Board agenda item and to review progress on an annual basis. The Group has also continued the search process to identify potential talents from within and outside the Group for succession planning across the Group.

In December 2024, the SEHK announced to impose a hard cap of INEDs' tenure for nine years, after which they are no longer considered independent. An INED with a maximum tenure of nine years may re-serve as an INED of the same issuer after a three-year cooling-off period. As the SEHK allows listed issuers to comply with the new rule by phased implementation over a transition period of six years after the implementation date on 1 July 2025, the Company's Ad Hoc Selection Committee, the Nomination Committee and the Board are committed to working on the retirement arrangements and succession plan of the Company's long-serving INEDs to ensure smooth implementation of the new rule and smooth transition of the Company's INEDs.
















Directors' Continuous Professional Development ("CPD") Training








































Directors undertake CPD training to ensure that they have a proper understanding of the Group's operations and business and are fully aware of their responsibilities under applicable laws, rules and regulations.

During 2025, briefing sessions on latest regulatory developments of corporate governance and ESG reporting were arranged to keep Directors and management abreast of evolving requirements, market practices and ESG-related risks and opportunities. In addition, a training in artificial intelligence was arranged, at the Company's expense, for Directors and management to enhance their understanding of related risks and opportunities. The Directors also received from the Company Secretary periodic updates on applicable key legal and regulatory developments.

The Directors are required to provide the Company with details of CPD training undertaken by them from time to time. The CPD training records are maintained by the Company Secretary and are made available for regular review by the Corporate Governance Committee.

During 2025, all Directors completed the mandatory CPD training requirements under the Listing Rules. CPD training undertaken by Directors included a combination of (i) attending external and internal seminars, briefings and workshops; and (ii) self-study of publications and materials issued by regulators and professional bodies. A summary of CPD training undertaken by each Director during the year, including the format/mode of CPD training, topics covered and total number of CPD training hours completed, is set out in the table below:

Name	Format/mode of CPD training			Total number of CPD training hours completed in 2025
	Internal training provided by the Company ⁽¹⁾	External training undertaken by the Director ⁽²⁾	Self-study ⁽³⁾	
Non-executive Chairman				
Anthoni Salim	<ul style="list-style-type: none"> • CPD hours completed: 1 hour • Topics covered:  	<ul style="list-style-type: none"> • CPD hours completed: 17 hours • Topics covered:  	<ul style="list-style-type: none"> • CPD hours completed: 2 hours • Topics covered:  	>10 hours
Executive Directors				
Manuel V. Pangilinan, <i>Managing Director and Chief Executive Officer</i>	<ul style="list-style-type: none"> • CPD hours completed: 1 hour • Topics covered:  	<ul style="list-style-type: none"> • CPD hours completed: 4 hours • Topics covered:  	<ul style="list-style-type: none"> • CPD hours completed: 8 hours • Topics covered:  	>10 hours
Christopher H. Young	<ul style="list-style-type: none"> • CPD hours completed: 18.45 hours • Topics covered:  	<ul style="list-style-type: none"> • CPD hours completed: 5 hours • Topics covered:  	<ul style="list-style-type: none"> • CPD hours completed: 2 hours • Topics covered:  	>10 hours
Non-executive Directors				
Benny S. Santoso	<ul style="list-style-type: none"> • CPD hours completed: 1 hour • Topics covered:  	<ul style="list-style-type: none"> • CPD hours completed: 2.5 hours • Topics covered:  	<ul style="list-style-type: none"> • CPD hours completed: 8 hours • Topics covered:  	>10 hours
Axton Salim	<ul style="list-style-type: none"> • CPD hours completed: 6.45 hours • Topics covered:  	<ul style="list-style-type: none"> • CPD hours completed: 12.5 hours • Topics covered:  	<ul style="list-style-type: none"> • CPD hours completed: 2 hours • Topics covered:  	>10 hours

Name	Format/mode of CPD training			Total number of CPD training hours completed in 2025
	Internal training provided by the Company ⁽¹⁾	External training undertaken by the Director ⁽²⁾	Self-study ⁽³⁾	
Independent Non-executive Directors				
Prof. Edward K.Y. Chen, <i>GBS, CBE, JP</i>	<ul style="list-style-type: none"> • CPD hours completed: 16 hour • Topics covered:   	<ul style="list-style-type: none"> • CPD hours completed: 4.5 hours • Topics covered:  	<ul style="list-style-type: none"> • CPD hours completed: 6 hours • Topics covered:      	>10 hours
Margaret Leung Ko May Yee, <i>SBS, JP</i>	<ul style="list-style-type: none"> • CPD hours completed: 18.45 hours • Topics covered:     	<ul style="list-style-type: none"> • CPD hours completed: 58.5 hours • Topics covered:    	<ul style="list-style-type: none"> • CPD hours completed: 2 hours • Topics covered:    	>10 hours
Philip Fan Yan Hok	<ul style="list-style-type: none"> • CPD hours completed: 18.45 hours • Topics covered:     	<ul style="list-style-type: none"> • CPD hours completed: 7.75 hours • Topics covered:     	<ul style="list-style-type: none"> • CPD hours completed: 2 hours • Topics covered:    	>10 hours
Madeleine Lee Suh Shin	<ul style="list-style-type: none"> • CPD hours completed: 18.45 hours • Topics covered:     	<ul style="list-style-type: none"> • CPD hours completed: 18.5 hours • Topics covered:     	<ul style="list-style-type: none"> • CPD hours completed: 27 hours • Topics covered:     	>10 hours
Blair Chilton Pickerell	<ul style="list-style-type: none"> • CPD hours completed: 18.45 hours • Topics covered:     	<ul style="list-style-type: none"> • CPD hours completed: 27 hours • Topics covered:     	<ul style="list-style-type: none"> • CPD hours completed: 2 hours • Topics covered:    	>10 hours



Roles, functions and responsibilities of the board, its committees and its directors, and board effectiveness



Issuers' obligations and directors' duties, key legal and regulatory developments



CG and ESG matters (including developments on sustainability or climate-related risk and opportunities relevant to the Company and its business)



Risk management and internal controls



Updates on industry-specific developments, business trends and strategies relevant to the Company

Notes:

- (1) Includes attending the Company's internal training and sharing sessions provided by external consultants or legal advisors, and site visit.
- (2) Includes attending as participant, speaker or panelist at expert briefings, workshops, seminars and conferences organized by professional, industry, business or other external bodies, institutions or entities.
- (3) Includes undertaking self-study or research (e.g. reading periodicals, training materials, and other self-learning materials).

Board Committees

The Board has six Board Committees, namely the Audit and Risk Management Committee, Nomination Committee, Remuneration Committee, Corporate Governance Committee, Finance Committee and Ad Hoc Selection Committee, in order to assist the Board in carrying out its responsibilities. The current composition of these Board Committees is set out as follows:

Name	Audit and Risk Management Committee	Nomination Committee	Remuneration Committee	Corporate Governance Committee	Finance Committee	Ad Hoc Selection Committee
Non-executive Chairman						
Anthoni Salim		✓	✓			✓
Executive Directors						
Manuel V. Pangilinan, <i>Managing Director and Chief Executive Officer</i>		✓			✓	
Christopher H. Young						✓
Non-executive Directors						
Benny S. Santoso						
Axton Salim				✓	✓	
Independent Non-executive Directors						
Prof. Edward K.Y. Chen, <i>GBS, CBE, JP</i>	✓	✓	✓ ^(C)		✓	✓
Margaret Leung Ko May Yee, <i>SBS, JP</i>	✓			✓ ^(C)	✓ ^(C)	✓
Philip Fan Yan Hok		✓ ^(C)	✓	✓	✓	✓ ^(C)
Madeleine Lee Suh Shin	✓ ^(C)	✓		✓	✓	✓
Blair Chilton Pickerell				✓	✓	✓

(C) = Chairman of the Board Committee

✓ = member of the Board Committee

Each of these Board Committees has specific terms of reference, which set out in detail their respective authorities and duties. Each Board Committee regularly reviews its terms of reference and effectiveness. The latest terms of reference of the Board Committees are available on the websites of the SEHK (www.hkexnews.hk) and of the Company (www.firstpacific.com).

All Board Committees are comprised of a majority of INEDs and chaired by an INED. The Board Committees report to the Board following each committee meeting, drawing the Board's attention to significant issues or matters of which the Board should be aware of, identifying any matters in respect of which it considers requiring action or improvement, and making relevant recommendations. Board Committees may invite any Director, senior executive, consultant or other relevant party to provide advice in this respect, if necessary.

Audit and Risk Management Committee

Reporting to the Board, the Audit and Risk Management Committee holds regular meetings to assist the Board in discharging its responsibilities for effective financial reporting controls, risk management and internal control. The committee monitors the integrity of the Company's financial statements, financial reports and accounts and reviews significant financial reporting judgements contained therein. It reviews, makes recommendations and reports to the Board on findings relating to financial statements, reports and accounts, risk management and internal control systems. The committee also oversees the Company's relationship with the independent auditor and makes recommendations to the Board on the appointment and re-appointment of independent auditor. It is empowered to review and monitor the independent auditor's independence and objectivity and the effectiveness of the audit process. The Audit and Risk Management Committee, through its oversight over the audit and/or risk management committees of the Company's major investee companies, monitors risk management and internal control matters of such companies.

The Audit and Risk Management Committee meets at least four times a year and is provided with sufficient resources enabling it to discharge its duties. It meets with the Company's independent auditor at least twice a year and holds a separate session in the absence of management.

The Audit and Risk Management Committee, which is chaired by an INED, comprises three members, all of whom are INEDs. The composition of the committee is set out in the section headed "Board Committees" on page 55 of this Annual Report.

During the year, the Audit and Risk Management Committee held four meetings. The attendance record of each committee member is shown in the section headed "Directors' Attendance" on page 48 of this Annual Report. Major work performed by the Audit and Risk Management Committee during the year was as follows:

- reviewed and recommended for approval by the Board the Company's annual results and consolidated financial statements for the year ended 31 December 2024 and the related documents, financial reporting and audit issues noted by the Company's independent auditor;
- reviewed and recommended for approval by the Board the Company's interim results and condensed consolidated financial statements for the six months ended 30 June 2025 and the related documents, financial reporting and accounting issues noted by the Company's independent auditor;
- reviewed the report from the Risk Assessment Committee on First Pacific's Head Office risk matrix on a semi-annual basis; considered and discussed ESG risks;
- regularly reviewed the Group's continuing connected transactions and usage of annual caps; conducted annual review pursuant to Rule 14A.55 of the Listing Rules;
- considered the 2025 audit plan for the First Pacific Group and approved the audit fee for 2025;
- reviewed the engagement of the Company's independent auditor, its independence and objectivity, and the effectiveness of the audit process;
- recommended the re-appointment of independent auditor for shareholders' approval at the 2025 AGM;
- reviewed new and revised accounting standards and the impact on the Group's financial statements;
- reviewed the need for an internal audit function;
- reviewed the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting functions, and their training programs and budgets; and
- exercised oversight over (i) the Group's financial reporting, risk management and internal control systems; and (ii) the audit and/or risk management committees of the Company's major investee companies.

Nomination Committee

The Nomination Committee assists the Board in discharging its responsibility of reviewing the structure, size and composition of the Board with reference to the Company's Board Diversity Policy and the CG Code, and in maintaining a board skill matrix. The committee makes recommendations on any proposed changes to the Board to complement the Company's strategy. It also makes recommendations to the Board on the selection of individuals nominated for directorships, the appointment or re-appointment of Directors and succession planning for Directors and senior management. The committee's duties also include supporting the regular evaluation of the Board's performance (previously oversight by the Corporate Governance Committee), regularly reviewing the time required from a Director to perform his/her responsibilities, assessing the independence of INEDs and reviewing their annual confirmations on independence, and reviewing the implementation and effectiveness of Company's mechanisms to ensure independent views and input are available to the Board on an annual basis.

The Nomination Committee, which is chaired by an INED, comprises five members with the INEDs constituting the majority of the committee. The composition of the committee is set out in the section headed “Board Committees” on page 55 of this Annual Report.

During the year, the Nomination Committee held two meetings. The attendance record of each committee member is shown in the section headed “Directors’ Attendance” on page 48 of this Annual Report. Major work performed by the Nomination Committee during the year was as follows:

- reviewed the composition, size and structure of the Board and Board Committees, having regard to (i) the expertise, time commitment, skills and experience of the members; (ii) the Board Diversity Policy; (iii) the CG Code; and (iv) the First Pacific Code;
- reviewed the Board Diversity Policy and its implementation and effectiveness;
- reviewed the mechanisms put in place to ensure independent views and input are available to the Board;
- assessed the independence of each of the INEDs;
- discussed the implementation of corporate governance reform initiatives by the SEHK;
- endorsed to the Board for its approval the nomination of Mr. Benny S. Santoso, Mr. Axton Salim, Mr. Blair Chilton Pickerell and Mr. Christopher H. Young for re-election as Directors at the 2026 AGM, having considered their respective contributions, skills, experience and expertise, as well as assessing their independence (for INEDs);
- reviewed the plan for INED succession and considered succession planning arrangements for the Board and senior management;
- discussed and recommended for approval by the Board the appointment of Mr. Blair Chilton Pickerell and Mr. Christopher H. Young as new members of the Ad Hoc Selection Committee; and
- reviewed and recommended for approval by the Board the amendments to the Terms of Reference of the Nomination Committee.

Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board on the Company’s policy and structure for all Directors and senior management’s remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy. The committee reviews and approves, with delegated responsibility, the remuneration packages of individual Executive Directors and senior management and makes recommendations to the Board relating to the remuneration of the NEDs (including the INEDs). It also oversees matters relating to the Company’s share schemes under Chapter 17 of the Listing Rules.

In determining the Company’s remuneration policy, the Remuneration Committee takes into account the Company’s business objectives, people strategy, short-term and long-term performance, business and economic conditions, market practices and benchmarks, and compliance and risk controls to ensure remuneration aligns with business and individual performance, promotes effective risk management and facilitates retention of quality personnel by providing remuneration packages that remain competitive within respective markets and are commensurate with respective roles and responsibilities.

The Remuneration Committee, which is chaired by an INED, comprises three members with the INEDs constituting the majority of the committee. The composition of the committee is set out in the section headed “Board Committees” on page 55 of this Annual Report.

During the year, the Remuneration Committee held two meetings. The attendance record of each committee member is shown in the section headed “Directors’ Attendance” on page 48 of this Annual Report. Major work performed by the Remuneration Committee during the year was as follows:

- made recommendations to the Board on the Company’s policy and structure for Directors’ and management’s remuneration; assessed the performance of Executive Directors and reviewed performances of senior executives;
- reviewed and approved Executive Director’s and senior management’s remuneration proposals with reference to the Board’s corporate goals and objectives; determined, with delegated responsibility, the remuneration of individual Executive Directors and management members;
- reviewed and endorsed the 2026 salary budget and 2025 discretionary bonus proposals for approval by the Board. No Director was involved in deciding his own remuneration at the meeting of the Remuneration Committee; and
- reviewed and approved the grant of share awards under the Company’s share award scheme, having regard to the performance and contributions of the relevant Directors and management members. The Remuneration Committee was of the view that the said grant would be an appropriate incentive to motivate the Directors and management for a long/medium term commitment to the Company, as well as to provide them with an opportunity to acquire proprietary interests in the Company and to encourage them to work towards enhancing the value of the Company.

Corporate Governance Committee

The Corporate Governance Committee is responsible for developing and reviewing the Company's policies and practices on corporate governance and makes recommendations to the Board, reviewing and monitoring the training and continuous professional development of Directors and senior management, and reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements. The committee also develops, reviews and monitors the Company's Code of Conduct applicable to Directors and employees and reviews the Company's compliance with the CG Code and the First Pacific Code and disclosure requirements for the corporate governance report. It also oversees matters relating to sustainability and ESG strategy, policies, practices and reporting.

The Corporate Governance Committee, which is chaired by an INED, comprises five members with the INEDs constituting the majority of the committee. The composition of the committee is set out in the section headed "Board Committees" on page 55 of this Annual Report.

During the year, the Corporate Governance Committee held three meetings. The attendance record of each committee member is shown in the section headed "Directors' Attendance" on page 48 of this Annual Report. Major work performed by the Corporate Governance Committee during the year was as follows:

- reviewed the Company's compliance with the CG Code and the First Pacific Code;
- reviewed and recommended for approval by the Board the publication of the 2024 Corporate Governance Report;
- discussed the implementation of corporate governance reform initiatives by the SEHK;
- reviewed and recommended for approval by the Board the publication of the 2024 ESG report, reviewed the proposed plan for 2025 ESG reporting, monitored and discussed the latest regulatory developments in ESG and guidance for the Company's 2025 ESG reporting, and considered the ESG roadmap;
- considered and approved the three-year consulting contract with Ernst & Young for ESG matters;
- reviewed the results of the Board evaluation exercise for 2024;
- reviewed and discussed ESG risks as identified by the Audit and Risk Management Committee;
- reviewed the implementation and effectiveness of the Company's Shareholders' Communication Policy;
- regularly reviewed the latest regulatory developments in corporate governance and ESG; and
- reviewed and recommended for approval by the Board the amendments to the Terms of Reference of the Corporate Governance Committee and the First Pacific Code.

Finance Committee

The Finance Committee assists the Board in reviewing the Company's investment strategies, key financial operations and decisions, as well as capital raising and liability management plans.

The Finance Committee, which is chaired by an INED, comprises seven members with the INEDs constituting the majority of the committee. The composition of the committee is set out in the section headed "Board Committees" on page 55 of this Annual Report.

During the year, the Finance Committee held two meetings. The attendance record of each committee member is shown in the section headed "Directors' Attendance" on page 48 of this Annual Report. Major work performed by the Finance Committee during the year was as follows:

- reviewed and monitored the Group's major investments;
- reviewed the long-term business plans and key strategic priorities of the Company and its major investee companies;
- reviewed and considered the Group's M&A and strategic initiatives;
- reviewed the Company's 2024 financial results and regularly monitored the Company's 2025 financial performance and forecasts; and
- reviewed and discussed the Company's 2026 budget and its 2026 financial and cash flow forecasts.

Ad Hoc Selection Committee

The Ad Hoc Selection Committee reports to the Board and the Nomination Committee, and is responsible for identifying and making recommendations to the Nomination Committee and the Board on suitable candidates for any appointment as additional INEDs of the Company.

The Ad Hoc Selection Committee comprises a majority of INEDs, and is chaired by an INED. The composition of the committee is set out in the section headed "Board Committees" on page 55 of this Annual Report. The committee meets on an ad hoc basis, at such times as may be required for the performance of its responsibilities. During the year, there was no meeting for the Ad Hoc Selection Committee.

Directors' Service Contracts

No Director has an unexpired service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Disclosure of Inside Information

The Company has put in place a policy for the disclosure of inside information in compliance with the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), which has been uploaded to the website of the Company (www.firstpacific.com). The policy sets out the procedures for the handling and dissemination of inside information in a timely manner so as to allow shareholders, staff and other stakeholders to understand major developments within the Company and its major investee companies. The framework and its effectiveness are subject to review on a regular basis in accordance with established procedures.

Distribution Policy

First Pacific strives to deliver a progressive distribution policy over time. The aim of this policy is to steadily increase or at least maintain the Hong Kong dollar value of distributions per share annually. Prospective distributions, however, remain dependent on the financial performance and funding needs of the Company.

The distributions are paid to our shareholders twice a year through one interim distribution in respect of the six months ended 30 June and a final distribution in respect of the full year ended 31 December. Details of the distribution payment in respect of the current financial year, including the distribution payment date, can also be found on the Company's website (www.firstpacific.com).

During the year ended 31 December 2025, all decisions of the Board regarding the declaration and payment of distributions (including interim and financial distributions) were made in accordance with the Company's distribution policy. The Board confirms that, in determining each distribution it had due regard to the principles and factors set forth in the distribution policy, including the financial performance and funding needs of the Company and the objective of delivering progressive distributions to shareholders.

Financial Reporting

In order to enable the Directors to present a balanced, clear and comprehensive assessment of the Company's performance, financial position and prospects to its shareholders, financial reports with adequate information and explanations are prepared by the Company's management and sent to the Board on a timely and regular basis.

Directors' Responsibility for the Financial Statements

The Companies Ordinance (Chapter 622 of the Laws of Hong Kong) requires the Directors to prepare financial statements for each financial year that give a true and fair view of the Company's state of affairs as at the end of the financial year and of its results and cash flows for the year then ended. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and apply them on a consistent basis, making judgments and estimates that are prudent, fair and reasonable;
- state the reasons for any significant departure from relevant accounting standards; and
- prepare the financial statements on a going concern basis, unless it is not appropriate to presume that the Company will continue in business for the foreseeable future.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Company and for taking reasonable steps to prevent and detect fraud and other irregularities.

Auditor's Remuneration

An analysis of auditor's remuneration in respect of audit and non-audit services is as follows:

US\$ millions	2025	2024
Auditor's remuneration		
– Audit services	5.5	4.6
– Non-audit services ⁽ⁱ⁾	1.3	1.1
Total	6.8	5.7

(i) Pertained to review of continuing connected transactions, ESG advisory service, and other transactions relating to the Group's business development.

Company Secretary

All Directors have access to the advice and services of the Company Secretary, who is an employee of the Company and reports to the Executive Directors on Board governance matters. The Company Secretary is also responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with, facilitating communications among Directors as well as with shareholders and management and induction of new Directors and Directors' professional training.

The Company Secretary's biography is set out on page 42 of this Annual Report. The Company Secretary has confirmed that she has fulfilled all the required qualifications, experience and training requirements under the Listing Rules as at 31 December 2025.

Constitutional Documents

No changes have been made to the Company's memorandum of association and Bye-laws during the year ended 31 December 2025 and thereafter until the date of this Annual Report. The latest memorandum of association and Bye-laws of the Company are available on the websites of the SEHK (www.hkexnews.hk) and of the Company (www.firstpacific.com).

Shareholders Engagement

Effective Communication

First Pacific encourages an active and open dialogue with all of its shareholders, private and institutional, large and small. The Board acknowledges that its role is to represent and promote the interests of the Company as a whole and that its members are accountable to shareholders for the performance and activities of the Company. First Pacific is always responsive to the views and requests of its shareholders.

The formal channels of communicating with shareholders are the annual and interim reports, published announcements, shareholders' circulars, shareholder meetings and press releases. The annual and interim reports seek to communicate developments in the Company's businesses to shareholders and the wider investor community. All of these initiatives are designed to better inform shareholders and potential investors about the Company's activities and strategic direction. In order to promote effective communication, the Company also maintains a website (www.firstpacific.com) which includes information relating to the Group and its businesses.

The AGM is the principal forum for formal dialogue with shareholders. The Company's Chairman, Executive Directors, chairs of Board Committees or other Directors, are present at the AGM either in person, by teleconference or video conference, in order to answer questions from shareholders about specific resolutions proposed at the meeting and also about the Group in general.

Other than the 2025 AGM, the Company convened two SGMs during the year. At the SGM held on 18 June 2025, shareholders of the Company approved the spin-off of Maynilad, a Philippine affiliate of the Company, and a separate listing of the shares of Maynilad on the PSE and the transactions contemplated thereunder (including, among other things, the distribution in specie). At the SGM held on 12 December 2025, independent shareholders of the Company approved the renewal of continuing connected transactions relating to the Indofood Group's distribution and plantations businesses and their respective new annual caps for 2026, 2027 and 2028.

During the year ended 31 December 2025, the Company engaged with shareholders and investors through the following channels:

- 2025 AGM and two SGMs, attended by the Chairman of the Company, relevant Board Committee chairs and management, with opportunities for shareholders to raise questions directly to the Board;
- one-on-one and group meetings with institutional investors and analysts, led by the Group Chief Sustainability Officer and Group Head of Investor Relations and arranged by the Group Corporate Communications Department following results announcements and upon investor request (approximately 104 such meetings held during the year); and
- interim and annual results presentation, webcast live with Q&A sessions hosted by the Company's Managing Director and CEO, the Chief Financial Officer, the Group Chief Sustainability Officer and Group Head of Investor Relations, and other senior executives.

Management will review and report engagement feedback to the Board at the next Board or Board committee meeting and incorporates material points into strategic planning, policy updates, or future agendas as appropriate.

Voting by Poll

All voting at general meetings is conducted by poll. At the 2025 AGM and SGMs, all resolutions tabled at the respective meeting were voted on and approved by poll. Computershare Hong Kong Investor Services Limited, the Company's branch share registrar in Hong Kong, was engaged as scrutineer to ensure the votes were properly counted.

Shareholders' Communication Policy

The Company places considerable importance in ensuring reliable, effective and timely communications with shareholders and other stakeholders of the Company. The Company has put in place a Shareholders' Communication Policy (the "Shareholders' Communication Policy") which sets out the Company's principle of maintaining an effective ongoing dialogue with shareholders and different means of two-way communication between the Company and shareholders. The policy is reviewed by the Board on an annual basis to ensure its effective implementation and is available on the Company's website (www.firstpacific.com).

During the year, the Board undertook review on the Shareholders' Communication Policy and its effectiveness was confirmed, considering multiple channels were in place and adopted to reflect the current best practice in communications and engagement with shareholders and other stakeholders.

Calling a Special General Meeting

Shareholders holding, at the date of the deposit of the requisition, not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, shall at all times have the right, by written requisition to the Company, to require a SGM to be called by the Board for the transaction of any business specified in such requisition.

The requisition:

- must be in writing and state the purposes of the meeting;
- must be signed by all the shareholders concerned;
- may consist of several documents in like form each signed by one or more shareholders concerned; and
- may either be deposited at the principal office of the Company at 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong in hard copy form or sent by email to companysecretary@firstpacific.com.

Details of the abovementioned procedures are set out in a document titled "Rights and Procedures for Shareholders to Convene Meetings/Put Forward Proposals" available on the Company's website (www.firstpacific.com).

Putting Forward Proposals at General Meetings

Shareholders can request to circulate a resolution at a general meeting or circulate a statement (of not more than one thousand words) in connection with a proposed resolution or the business to be dealt with at a general meeting; the number of shareholders necessary for such requisition shall be:

- (a) shareholders representing not less than one-twentieth of the total voting rights of all shareholders having, at the date of the requisition a right to vote at the meeting to which the requisition relates; or
- (b) not less than one hundred shareholders of the Company.

A copy or copies of requisition signed by all requisitionists shall be deposited, with a sum reasonably sufficient to meet the Company's expenses in giving notice of the proposed resolution or circulating any necessary statement, either at the principal office of the Company at 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong in hard copy form or sent by email to companysecretary@firstpacific.com in the case of:

- (a) a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
- (b) any other requisition, not less than one week before the meeting.

Details of the abovementioned procedures are set out in a document titled "Rights and Procedures for Shareholders to Convene Meetings/Put Forward Proposals" available on the website of the Company (www.firstpacific.com).

Further, a shareholder may propose a person other than a Director of the Company for election as a Director of the Company at a general meeting at which elections to the office of directors are to be considered. For such purpose, the shareholder must send to the Company's principal office (for the attention of the Company Secretary) (i) a written notice of intention to propose a resolution at the general meeting; and (ii) a notice signed by the proposed candidate of his/her willingness to be elected, together with that candidate's information as required to be disclosed under the Listing Rules and such other information as required by the Company, and the candidate's written consent to the publication of personal data. Such notice must be sent within a period of not less than seven days before the date of the general meeting. Procedures for shareholders to propose a person for election as a Director of the Company are also available on the website of the Company (www.firstpacific.com).

Putting Enquiries to the Board

Shareholders may send enquiries requiring the Board's attention to the Company Secretary at the Company's principal office located at 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong in hard copy form or by email to companysecretary@firstpacific.com. Questions concerning the procedures for convening or putting forward proposals at an AGM or SGM may also be put to the Company Secretary in the same manner.

Connected Transactions and Continuing Connected Transactions

There were no connected transactions announced by the Company during the year ended 31 December 2025.

The following transactions constituted continuing connected transactions of the Group under the Listing Rules during the year ended 31 December 2025:

(a) Continuing connected transactions relating to various businesses of the Indofood Group

On 14 October 2022, the Company announced, among other things, the renewal of certain existing continuing connected transactions in respect of various businesses of the Indofood Group, immediately following the expiry on 31 December 2022, for a term of three years from 1 January 2023 to 31 December 2025, and new continuing connected transactions relating to certain businesses of the Indofood Group.

On 25 August 2023, the Company announced (i) the revised annual caps for 2023, 2024 and 2025 in respect of certain of the Indofood Group's previously announced transactions relating to its beverages, dairy and property businesses; (ii) a new continuing connected transaction relating to the Indofood Group's property business and its annual caps for 2024 and 2025; and (iii) the existing continuing connected transactions relating to the Indofood Group's sauce business and their respective annual caps for 2023, 2024 and 2025.

The annual caps for the continuing connected transactions relating to various businesses of the Indofood Group for 2023, 2024 and 2025 were disclosed in the Company's announcements dated 14 October 2022 and 25 August 2023 and the Company's circular dated 24 November 2022.

The Indofood Group and the Company believe that the continuing connected transactions, which are in the ordinary and usual course of business and on commercial terms, are beneficial to the Indofood Group and the Company for the continuing expansion of the Indofood Group's business operations, revenue and operational profitability, the maximization of the production capacities of the distribution network and the increase of worldwide brand awareness of the Indofood Group.

Please refer to the Company's announcements dated 14 October 2022 and 25 August 2023 and the Company's circular dated 24 November 2022 for details.

On 17 October 2025, the Company announced, among other things, the renewal of certain existing continuing connected transactions in respect of various businesses of the Indofood Group, immediately following the expiry on 31 December 2025, for a term of three years from 1 January 2026 to 31 December 2028, and the revised annual cap for 2025 for a previously announced transaction in respect of the Indofood Group's noodles business.

On 12 December 2025, independent shareholders of the Company approved the renewal of the continuing connected transactions relating to the distribution business and plantation business of the Indofood Group and the related new annual caps for each of the years ending 31 December 2026, 2027 and 2028.

Please refer to the Company's announcements dated 17 October 2025 and the Company's circular dated 19 November 2025 for details.

Applicable particulars of the continuing connected transactions relating to various businesses of the Indofood Group for the year ended 31 December 2025 are set out in Tables A to N below.

A. Transactions relating to the Plantations Business of the Indofood Group

Name of entity of the group	Parties to the agreement/arrangement		Period covered by the agreement/arrangement		Transaction amount for the year ended 31 December 2025 (US\$ million)
	Name of connected party and relationship between the parties	Nature of agreement/arrangement	From	To	
PT Salim Ivomas Pratama Tbk ("SIMP") and/or its subsidiaries	PT Sarana Tempa Perkasa ("STP"), an associate of Mr. Anthoni Salim ("Mr. Salim")	STP provides pumping services to SIMP and/or its subsidiaries to load crude palm oil and other derivative products to vessels	1 January 2023	31 December 2025	0.7
SIMP and/or its subsidiaries	PT Cipta Subur Nusa Jaya ("CSNJ"), an associate of Mr. Salim	SIMP and/or its subsidiaries rents infrastructure from CSNJ, and vice versa	1 January 2023	31 December 2025	0.0
SIMP and/or its subsidiaries	PT Rimba Mutiara Kusuma ("RMK"), an associate of Mr. Salim	SIMP and/or its subsidiaries lease heavy equipment and buy building materials and rent office space, trucks and tug boats from RMK; use transportation services from RMK; and purchase road reinforcement services from RMK	1 January 2023	31 December 2025	0.8
SIMP and/or its subsidiaries	IndoInternational Green Energy Resources Pte. Ltd. ("IGER") and its subsidiaries, an associate of Mr. Salim	SIMP and/or its subsidiaries provide operational services; sell seedlings, fertilizer products and lease office space to IGER and/or its subsidiaries. SIMP and/or its subsidiaries also buy fresh fruit bunches, palm oil and its derivatives from IGER and/or its subsidiaries, and vice versa	1 January 2023	31 December 2025	52.2
Indofood and/or its subsidiaries	PT Indomobil Sukses Internasional Tbk ("Indomobil") and/or its subsidiaries, an associate of Mr. Salim	Indomobil and/or its subsidiaries sell/rent vehicles, sell spare parts and provide vehicle services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	9.4
SIMP	Shanghai Resources International Trading Co. Ltd. ("Shanghai Resources"), an associate of Mr. Salim	SIMP sells palm oil and its derivative products to Shanghai Resources	1 January 2023	31 December 2025	4.9
SIMP	PT Nippon Indosari Corpindo Tbk ("NIC"), an associate of Mr. Salim	SIMP sells palm oil and derivatives to NIC	1 January 2023	31 December 2025	2.9
Indofood	PT Lajuperdana Indah ("LPI"), an associate of Mr. Salim	Indofood grants an exclusive license of its "Indosugar" trademark relating to sugar to LPI	1 January 2023	31 December 2025	0.7

A. Transactions relating to the Plantations Business of the Indofood Group (Continued)

Parties to the agreement/arrangement			Period covered by the agreement/arrangement		Transaction amount for the year ended 31 December 2025 (US\$ million)
Name of entity of the group	Name of connected party and relationship between the parties	Nature of agreement/arrangement	From	To	
PT Inti Abadi Kemasindo ("IAK")	LPI, an associate of Mr. Salim	IAK sells packaging materials to LPI	1 January 2023	31 December 2025	0.5
SIMP and/or its subsidiaries	PT Indomarco Primatama ("Indomaret") and/or its subsidiaries, an associate of Mr. Salim	SIMP and/or its subsidiaries sell cooking oil and margarine to Indomaret and/or its subsidiaries	1 January 2023	31 December 2025	121.6
SIMP and/or its subsidiaries	PT IDmarco Perkasa Indonesia ("IDP"), an associate of Mr. Salim	SIMP and/or its subsidiaries sell cooking oil and margarine to IDP	1 January 2023	31 December 2025	0.0
Aggregated amount:					193.7

B. Transactions relating to the Distribution Business of the Indofood Group

Parties to the agreement/arrangement			Period covered by the agreement/arrangement		Transaction amount for the year ended 31 December 2025 (US\$ million)
Name of entity of the group	Name of connected party and relationship between the parties	Nature of agreement/arrangement	From	To	
PT Indomarco Adi Prima ("IAP")	Indomaret and/or its subsidiaries, an associate of Mr. Salim	IAP sells noodles, seasoning, sauce, snack, milk, baby food, special food, flour, cooking oil, margarine and other third-party products; distributes various consumer products to Indomaret and/or its subsidiaries	1 January 2023	31 December 2025	373.2
IAP	PT Fast Food Indonesia Tbk ("FFI"), an associate of Mr. Salim	IAP sells chili and tomato sauces, seasonings and dairy products to FFI	1 January 2023	31 December 2025	0.9
PT Putri Daya Usahatama ("PDU")	Indomaret and/or its subsidiaries, an associate of Mr. Salim	PDU sells noodles, seasoning, sauce, snack, milk, baby food, special food, flour, cooking oil, margarine and other third-party products; distributes various consumer products to Indomaret and/or its subsidiaries	1 January 2023	31 December 2025	18.0
Indofood and/or its subsidiaries	Indomobil and/or its subsidiaries, an associate of Mr. Salim	Indomobil and/or its subsidiaries sell/rent vehicles, sell spare parts and provide vehicle services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	6.2

B. Transactions relating to the Distribution Business of the Indofood Group (Continued)

Parties to the agreement/arrangement			Period covered by the agreement/arrangement		Transaction amount for the year ended 31 December 2025 (US\$ million)
Name of entity of the group	Name of connected party and relationship between the parties	Nature of agreement/arrangement	From	To	
Indofood and/or its subsidiaries	PT Sumberdaya Dian Mandiri ("SDM") and/or its subsidiaries, an associate of Mr. Salim	Indofood and/or its subsidiaries use human resources outsourcing services from SDM and/or its subsidiaries	1 January 2023	31 December 2025	18.4
IAP	Indomaret and/or its subsidiaries, an associate of Mr. Salim	Indomaret and/or its subsidiaries rent warehouses/building space from IAP	1 January 2023	31 December 2025	0.6
IAP	PT Indolife Pensiontama ("Indolife"), an associate of Mr. Salim	IAP's pension plan assets are managed by Indolife	1 January 2023	31 December 2025	0.1
IAP	LPI, an associate of Mr. Salim	IAP buys sugar from LPI	1 January 2023	31 December 2025	-
IAP	IDP, an associate of Mr. Salim	IAP sells noodles, seasoning, sauce, snack, milk, baby food, special food, flour, cooking oil, margarine and other third-party products to IDP. IAP pays commission fee to IDP	1 January 2023	31 December 2025	0.9
Aggregated amount:					418.3

C. Transactions relating to the Flour Business of the Indofood Group

Parties to the agreement/arrangement			Period covered by the agreement/arrangement		Transaction amount for the year ended 31 December 2025 (US\$ million)
Name of entity of the group	Name of connected party and relationship between the parties	Nature of agreement/arrangement	From	To	
Bogasari	NIC, an associate of Mr. Salim	Bogasari sells flour to NIC	1 January 2023	31 December 2025	9.0
Bogasari	FFI, an associate of Mr. Salim	Bogasari sells flour and spaghetti to FFI	1 January 2023	31 December 2025	0.6
Indofood and/or its subsidiaries	PT Indotek Konsultan Utama ("IKU"), an associate of Mr. Salim	IKU provides consulting services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	0.0
Indofood and/or its subsidiaries	Indomobil and/or its subsidiaries, an associate of Mr. Salim	Indomobil and/or its subsidiaries sell/rent vehicles, sell spare parts and provide vehicle services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	7.8
Indofood and/or its subsidiaries	SDM and/or its subsidiaries, an associate of Mr. Salim	Indofood and/or its subsidiaries use human resources outsourcing services from SDM and/or its subsidiaries	1 January 2023	31 December 2025	9.8

C. Transactions relating to the Flour Business of the Indofood Group (Continued)

Parties to the agreement/arrangement			Period covered by the agreement/arrangement		Transaction amount for the year ended 31 December 2025 (US\$ million)
Name of entity of the group	Name of connected party and relationship between the parties	Nature of agreement/arrangement	From	To	
Bogasari	Indomaret and/or its subsidiaries, an associate of Mr. Salim	Bogasari sells flour products to Indomaret and/or its subsidiaries	1 January 2023	31 December 2025	26.7
Indofood and/or its subsidiaries	Interflour Group Pte. Ltd. ("Interflour") and/or its subsidiaries, an associate of Mr. Salim	Interflour and/or its subsidiaries provide manufacturing services to Indofood and/or its subsidiaries. Indofood and/or its subsidiaries sell flour goods to Interflour and/or its subsidiaries	1 January 2023	31 December 2025	0.4
Indofood and/or its subsidiaries	IDP, an associate of Mr. Salim	Indofood and/or its subsidiaries sell flour goods to IDP	1 January 2023	31 December 2025	0.3
Bogasari	PT Tarumatex, an associate of Mr. Salim	Bogasari rents warehouse from PT Tarumatex	1 January 2023	31 December 2025	-
Aggregated amount:					54.6

D. Transactions relating to the Noodles Business of the Indofood Group

Parties to the agreement/arrangement			Period covered by the agreement/arrangement		Transaction amount for the year ended 31 December 2025 (US\$ million)
Name of entity of the group	Name of connected party and relationship between the parties	Nature of agreement/arrangement	From	To	
Indofood/PT Indofood CBP Sukses Makmur Tbk ("ICBP")	Golden Coast Group Limited ("Golden Coast"), an associate of Mr. Salim	Indofood/ICBP (1) grants a non-exclusive licence in respect of the "Indomie" trademark in certain countries in the Middle East and Africa; (2) provides technical services in connection with instant noodle manufacturing operations in certain countries in the Middle East and Africa; and (3) sells and supplies ingredients, noodle seasonings and packaging used for instant noodle products to Golden Coast	1 January 2023	31 December 2025	16.3
Indofood and/or its subsidiaries	Indomobil and/or its subsidiaries, an associate of Mr. Salim	Indomobil and/or its subsidiaries sell/rent vehicles, sell spare parts and provide vehicle services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	2.1
Indofood and/or its subsidiaries	Shanghai Resources, an associate of Mr. Salim	Indofood and/or its subsidiaries sell noodles products to Shanghai Resources	1 January 2023	31 December 2025	17.6
Aggregated amount:					36.0

E. Transactions relating to the Insurance Policies of the Indofood Group

Parties to the agreement/arrangement			Period covered by the agreement/arrangement		Transaction amount for the year ended 31 December 2025 (US\$ million)
Name of entity of the group	Name of connected party and relationship between the parties	Nature of agreement/arrangement	From	To	
Indofood and/or its subsidiaries	PT Asuransi Central, Asia ("ACA"), an associate of Mr. Salim	ACA provides vehicle, property and other assets insurance services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	6.0
Indofood and/or its subsidiaries	PT A. J. Central Asia Raya ("CAR"), an associate of Mr. Salim	CAR provides insurance services for personal accident and health to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	4.3
Indofood and/or its subsidiaries	PT Indosurance Broker Utama ("IBU"), an associate of Mr. Salim	IBU provides insurance services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	0.3
Aggregated amount:					10.6

F. Transactions relating to the Beverages Business of the Indofood Group

Parties to the agreement/arrangement			Period covered by the agreement/arrangement		Transaction amount for the year ended 31 December 2025 (US\$ million)
Name of entity of the group	Name of connected party and relationship between the parties	Nature of agreement/arrangement	From	To	
PT Anugerah Indofood Barokah Makmur ("AIBM")	SDM and/or its subsidiaries, an associate of Mr. Salim	AIBM uses human resources outsourcing services from SDM and/or its subsidiaries	1 January 2023	31 December 2025	1.5
AIBM	Indomobil and/or its subsidiaries, an associate of Mr. Salim	Indomobil and/or its subsidiaries sell/rent vehicles, sell spare parts and provide vehicle services to AIBM	1 January 2023	31 December 2025	0.4
Aggregated amount:					1.9

G. Transactions relating to the Dairy Business of the Indofood Group

Parties to the agreement/arrangement			Period covered by the agreement/arrangement		Transaction amount for the year ended 31 December 2025 (US\$ million)
Name of entity of the group	Name of connected party and relationship between the parties	Nature of agreement/arrangement	From	To	
Indofood and/or its subsidiaries	Indomobil and/or its subsidiaries, an associate of Mr. Salim	Indomobil and/or its subsidiaries sell/rent vehicles, sell spare parts and provide vehicle services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	1.3
Indofood and/or its subsidiaries	SDM and/or its subsidiaries, an associate of Mr. Salim	Indofood and/or its subsidiaries use human resources outsourcing services from SDM and/or its subsidiaries	1 January 2023	31 December 2025	0.9
PT Indolakto ("Indolakto")	Indomaret and/or its subsidiaries, an associate of Mr. Salim	Indolakto sells finished goods to Indomaret and/or its subsidiaries	1 January 2023	31 December 2025	2.1
Indolakto	NIC, an associate of Mr. Salim	Indolakto sells finished goods to NIC	1 January 2023	31 December 2025	0.1
Indolakto	IKU, an associate of Mr. Salim	IKU provides consulting services to Indolakto	1 January 2023	31 December 2025	-
Aggregated amount:					4.4

H. Transactions relating to the Revolving Loan Facility of the Indofood Group

Parties to the agreement/arrangement			Period covered by the agreement/arrangement		Transaction amount for the year ended 31 December 2025 (US\$ million)
Name of entity of the group	Name of connected party and relationship between the parties	Nature of agreement/arrangement	From	To	
SIMP	IGER and/or its subsidiaries, an associate of Mr. Salim	SIMP provides a revolving loan facility to IGER and/or its subsidiaries	1 January 2023	31 December 2025	33.8
Aggregated amount:					33.8

I. Transactions relating to the Customer Relationship Management of the Indofood Group

Parties to the agreement/arrangement					
Name of entity of the group	Name of connected party and relationship between the parties	Nature of agreement/arrangement	Period covered by the agreement/arrangement		Transaction amount for the year ended 31 December 2025 (US\$ million)
			From	To	
Indofood and/or its subsidiaries	PT Transcosmos Indonesia, an associate of Mr. Salim	PT Transcosmos Indonesia provides call center services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	0.3
Indofood and/or its subsidiaries	PT Data Arts Xperience, an associate of Mr. Salim	Indofood and/or its subsidiaries use digital media buying services from PT Data Arts Xperience	1 January 2023	31 December 2025	0.8
Indofood and/or its subsidiaries	PT PopBox Asia Services ("PopBox Asia"), an associate of Mr. Salim	Indofood and/or its subsidiaries brand on PopBox Asia's lockers	1 January 2023	31 December 2025	0.2
Aggregated amount:					1.3

J. Transactions relating to the Packaging Business of the Indofood Group

Parties to the agreement/arrangement					
Name of entity of the group	Name of connected party and relationship between the parties	Nature of agreement/arrangement	Period covered by the agreement/arrangement		Transaction amount for the year ended 31 December 2025 (US\$ million)
			From	To	
Indofood and/or its subsidiaries	Indomobil and/or its subsidiaries, an associate of Mr. Salim	Indomobil and/or its subsidiaries sell/rent vehicle, sell spare parts and provide vehicle services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	0.9
Indofood and/or its subsidiaries	SDM and/or its subsidiaries, an associate of Mr. Salim	Indofood and/or its subsidiaries use human resources outsourcing services from SDM and/or its subsidiaries	1 January 2023	31 December 2025	0.8
ICBP – Packaging	NIC, an associate of Mr. Salim	ICBP – Packaging sells packaging materials to NIC	1 January 2023	31 December 2025	–
ICBP – Packaging	Indomaret and/or its subsidiaries, an associate of Mr. Salim	ICBP – Packaging sells packaging materials to Indomaret and/or its subsidiaries	1 January 2023	31 December 2025	–
ICBP – Packaging	LPI, an associate of Mr. Salim	ICBP – Packaging sells packaging materials to LPI	1 January 2023	31 December 2025	0.1
Aggregated amount:					1.8

K. Transactions relating to the Property Business of the Indofood Group

Parties to the agreement/arrangement			Period covered by the agreement/arrangement		Transaction amount for the year ended 31 December 2025 (US\$ million)
Name of entity of the group	Name of connected party and relationship between the parties	Nature of agreement/arrangement	From	To	
PT Aston Inti Makmur ("AIM")	Indomaret and/or its subsidiaries, an associate of Mr. Salim	Indomaret and/or its subsidiaries rents space from AIM	1 January 2023	31 December 2025	0.0
AIM	IDP, an associate of Mr. Salim	IDP rents space from AIM	1 January 2023	31 December 2025	-
AIM	PT Ciptabuana Sukses Lestari, an associate of Mr. Salim	PT Ciptabuana Sukses Lestari rents space from AIM	1 January 2023	31 December 2025	0.3
AIM	Bank INA Perdana, an associate of Mr. Salim	Bank INA Perdana rents space from AIM	1 January 2023	31 December 2025	1.1
AIM	PT Datacenter Indonesia Sukses Perkasa, an associate of Mr. Salim	PT Datacenter Indonesia Sukses Perkasa rents space from AIM	1 January 2024	31 December 2025	0.5
Aggregated amount:					1.9

L. Transactions relating to the Snack Foods Business of the Indofood Group

Parties to the agreement/arrangement			Period covered by the agreement/arrangement		Transaction amount for the year ended 31 December 2025 (US\$ million)
Name of entity of the group	Name of connected party and relationship between the parties	Nature of agreement/arrangement	From	To	
Indofood and/or its subsidiaries	Indomobil and/or its subsidiaries, an associate of Mr. Salim	Indomobil and/or its subsidiaries sell/rent vehicles, sell spare parts and provide vehicle services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	1.4
Aggregated amount:					1.4

M. Transactions relating to the Sauce Business of the Indofood Group

Parties to the agreement/arrangement			Period covered by the agreement/arrangement		Transaction amount for the year ended 31 December 2025 (US\$ million)
Name of entity of the group	Name of connected party and relationship between the parties	Nature of agreement/arrangement	From	To	
Indofood and/or its subsidiaries	Indomobil and/or its subsidiaries, an associate of Mr. Salim	Indomobil and/or its subsidiaries sell/rent vehicles, sell spare parts and provide vehicle services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	0.4
Indofood and/or its subsidiaries	SDM and/or its subsidiaries, an associate of Mr. Salim	Indofood and/or its subsidiaries use human resources services from SDM and/or its subsidiaries	1 January 2023	31 December 2025	0.5
Aggregated amount:					0.9

N. Transactions relating to the Distribution Business with Substantial Shareholders of the Indofood Group

Name of entity of the group	Parties to the agreement/arrangement		Period covered by the agreement/arrangement		Transaction amount for the year ended 31 December 2025 (US\$ million)
	Name of connected party and relationship between the parties	Nature of agreement/arrangement	From	To	
ICBP	Said Bawazir Trading Corp ("SBTC"), a substantial shareholder of a subsidiary of the Indofood Group	ICBP sells noodles products to SBTC as distributor	1 January 2023	31 December 2025	278.2
ICBP	Tasali Jordan Trading Institute ("TJTI"), a substantial shareholder of a subsidiary of the Indofood Group	ICBP sells noodles products to TJTI as distributor	1 January 2023	31 December 2025	35.5
Aggregated amount:					313.7

(b) Framework Agreement between Maynilad and D.M. Consunji, Inc. ("DMCI")

On 29 December 2023, Maynilad entered into the third renewal agreement (the "Third Renewal Agreement") with DMCI in relation to the framework agreement dated 13 January 2015 in relation to the provision of engineering, procurement and/ or construction services (the "Services") provided by DMCI (the "Framework Agreement"), pursuant to which DMCI and Maynilad agreed to further renew the Framework Agreement for a term of three years from 1 January 2024 to 31 December 2026 in order to continue performance of the Services and allow DMCI to continue to submit proposals for business put out to competitive tender by Maynilad. Save for the revised term and new annual caps set for the three years ending 31 December 2024, 2025 and 2026, all other terms and conditions of the Framework Agreement remain in full force and effect.

The annual caps in respect of the Framework Agreement (as renewed by the Third Renewal Agreement) set for the three years ending 31 December 2024, 2025 and 2026 are US\$281 million, US\$332 million and US\$78 million, respectively.

The Group has an approximately 51.3% interest in Maynilad Water Holding Company, Inc. ("MWHC"), the holding company of Maynilad. DMCI Holdings, Inc. ("DMCI Holdings"), being the 27.2% shareholder of MWHC, is a connected person of the Company. DMCI is a subsidiary of DMCI Holdings and is, therefore, a connected person of the Company. Accordingly, the execution of the Third Renewal Agreement constituted a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

Please refer to the Company's announcement dated 29 December 2023 for details.

Applicable particulars of the transaction amount in respect of the transactions under the Framework Agreement for the year ended 31 December 2025 are set out in the table below.

Name of entity of the group	Parties to the agreement/arrangement		Period covered by the agreement/arrangement		Transaction amount for the year ended 31 December 2025 (US\$ million)
	Name of connected party and relationship between the parties	Nature of agreement/arrangement	From	To	
Maynilad	DMCI, a subsidiary of DMCI Holdings	2024 Partial Pipe Replacement of Existing 900mm Steel Pipe ("SP") to 1400mm Water Main ("WM") Along West Service Road, 1200mm WM along Moonwalk Access Road with 300mm Secondary Line along West Service Road for High Speed ("HS") West Service Road ("WSR") North, in Pasay City, under Parañaque, Pasay, Makati ("PPM") Business Area	11 July 2025	12 December 2027	15.3
Maynilad	DMCI, a subsidiary of DMCI Holdings	2025 Partial Pipe Replacement of Existing 900mm SP to 1200mm WM Along E. Rodriguez Ave., and Doña Soledad Avenue with 300mm Secondary Line Along WSR for HS WSR North, Parañaque City, under PPM Business Area	7 November 2025	26 December 2027	17.2
Aggregated amount:					32.5

In respect of the financial year ended 31 December 2025, each of the continuing connected transactions has been subject to annual review by the INEDs of the Company pursuant to Rule 14A.55 of the Listing Rules and confirmation of the auditor of the Company pursuant to Rule 14A.56 of the Listing Rules.

The INEDs of the Company have concluded that each continuing connected transaction has been entered into:

- in the ordinary and usual course of business of the Company;
- either on normal commercial terms or, in those instances where there are no sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favorable to the Indofood Group or to Maynilad than terms available to or from (as appropriate) independent third parties;
- in accordance with the relevant agreements governing them, or the relevant written memorandum recording their terms; and
- on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Ernst & Young, the Company's independent auditor, was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Ernst & Young have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with Rule 14A.56 of the Listing Rules.

Risk Management and Internal Control

First Pacific is a Hong Kong-based investment holding company with investments located in Asia-Pacific and is exposed to different risks in a dynamic environment. Effective risk management is therefore essential to the Group's businesses and achieving long-term growth and sustainability. The Board acknowledges its responsibility for overseeing and monitoring proper and effective risk management and internal controls systems and reviewing their effectiveness on an ongoing basis.

As an investment holding company, the Company does not have a separate internal audit department but has a Risk Assessment Committee consisting of one Executive Director and senior executives which oversees risk management at the Head Office. Also, each of the Group's major investee companies are required to have their own internal audit and risk management functions responsible for the implementation and monitoring of effective internal control systems for operational, financial and regulatory compliance, and risk management. Their effectiveness is continuously evaluated and enhanced by the respective investee companies' audit committees and/or risk committees, which are reviewed by the Company's Risk Assessment Committee and Audit and Risk Management Committee on a semi-annual basis.

As a decentralized organization in which local management have substantial autonomy to run and develop their respective company business, the Group views well developed reporting systems and internal controls as essential. The Board is responsible for maintaining an adequate system of risk management and internal controls in the Group and plays a key role in the implementation and monitoring of internal controls. Their responsibilities include:

- conducting regular board meetings to focus on business strategy, operational issues and financial performance;
- active participation on the boards of subsidiaries and associated companies;
- participating in the approval of annual budgets for each investee company covering strategy, financial and business performance, key risks and opportunities;
- monitoring the compliance with applicable laws and regulations, and also with the First Pacific Code;
- monitoring the quality, timeliness, and content of internal and external reporting; and
- monitoring risks and the effectiveness of internal controls.

In respect of the financial year ended 31 December 2025, the Board confirmed that it has received confirmations from the investee companies' audit committees, risk committees and/or internal auditors/chief risk officers on the effectiveness of their risk management and internal control systems and that there was no significant area of concern to be disclosed.

The key controls and risk management measures undertaken by the Head Office and investee companies for the year ended 31 December 2025 are summarized below:

Operational Controls

- The Directors and senior executives of the Company actively participate in various Boards of Directors of the investee companies (which includes attending Board Meetings) and such Boards oversee investee companies' investments and financial activities, approve annual budgets, monitor compliance with applicable laws and regulations and the quality of internal and external reporting.
- Prior to investments in new businesses, extensive due diligence regarding the operational, financial, regulatory and ESG aspects and risk management of the concerned businesses are conducted. Risks to investment returns are calibrated and specific measures to manage these risks are also determined.
- Quality and timely monthly management reports and regular Board papers and financial packages, with appropriate analysis of actual operational and financial performance against budgets, forecasts and prior periods, are prepared by the investee companies' management and submitted to their directors for review.
- The management teams of the investee companies continuously evaluate the performances of their businesses and provide periodic operational and financial reforecasts to the Executive Directors and senior executives of the Company for their review.
- The Executive Directors and senior executives of the Company review monthly management reports and conduct regular meetings with the management teams of the investee companies to understand their businesses' actual operational and financial performances against budgets and forecasts, and business risks and strategies.
- To promote good governance, whistleblowing policies and procedures are in place in certain investee companies, which provide stakeholders with clearly defined processes to report concerns to their audit committees about any suspected misconduct, malpractice or irregularity which he/she has become aware of or genuinely suspects that investee companies may have been involved in.

Financial Controls

- The management of each of the investee companies ensures that an efficient capital structure is maintained. Information about the Group's capital management is set out in Note 39 to the Consolidated Financial Statements.
- The finance and treasury teams in each of the investee companies undertake the management of the financial risks relating to foreign exchange, interest rates, liquidity and commodities. Information about the Group's management of its financial risks is set out in the section headed "Financial Review – Financial Risk Management" and Note 39 to the Consolidated Financial Statements.

Compliance Controls

- The Company Secretary and the legal teams in the investee companies undertake the monitoring of compliance with relevant laws, rules and regulations. In some of the regulated businesses, specific regulatory management groups are established to mitigate risks arising from potential differences with regulators in the interpretation of relevant laws, rules and regulations.
- The financial reporting teams and audit committees in the investee companies ensure that the financial statements of their companies comply with relevant regulatory requirements, financial reporting and accounting standards, and that they are based on suitable accounting policies as well as prudent and reasonable judgments and estimates.
- The treasury teams in the investee companies undertake the monitoring of compliance with relevant covenants for their borrowings.

Risk Management

Risk management is an integral part of the day-to-day operations and management of the Group and is a continuous process carried out at all levels of the Group.

At the Head Office level, a dedicated Risk Assessment Committee, comprising one Executive Director and senior executives of the Company, is responsible for the oversight of the Head Office risk management. The Risk Assessment Committee maintains a risk matrix with reference to the probability and potential consequences of major risks identified at the Head Office. Relevant risk information including key mitigation measures and plans are recorded to facilitate the ongoing review and tracking of progress. The risk matrix is reviewed by the Audit and Risk Management Committee and the Board on a semi-annual basis.

At investee companies level, to ensure effective implementation of risk management and internal control systems, risk management processes are conducted according to the investee companies' prescribed risk management policies and procedures, based on a risk management framework carefully defined for the effective management of risks at all levels across all operating and functional units in the investee companies. Risk assessments are conducted regularly by each investee company's management team and reported to its audit and/or risk committee and its board of directors. The audit and/or risk committees of the investee companies meet with internal and external auditors as well as the investee companies' management teams regularly to communicate on issues regarding the investee companies' risks to ensure accuracy of risk assessment reports and proper implementation of the reported risk mitigation strategies and controls.

The investee companies' risk management policies and procedures are summarized as follows:

- Telecommunications – PLDT has a Group Enterprise Risk Management Department ("GRMD") tasked to review and manage risk across PLDT's functions and units. The GRMD Head supervises the enterprise risk management ("ERM") processes and spearheads the development, implementation, and improvement of ERM processes and documentation, and communicates the top risks and status of implementation of risk management strategies and action plans to the Management Committee, the Risk Committee and its board.
- Consumer food products – Indofood's ERM is undertaken through a top-down approach that involves the Indofood Board in the evaluation of high-level risks and a bottom-up approach where subsidiaries and business units assess risks specific to their operations. The Corporate ERM team consolidates the key risks to get a holistic view of Indofood's risks, and reports to the Indofood Board and the Audit Committee periodically.

- Infrastructure – MPIC, through its Risk Management Committee (“RMC”), oversees and monitors MPIC Management’s adoption of a risk management system. MPIC’s RMC has conducted a review of the effectiveness of the MPIC Group’s (including its subsidiaries, major associated companies and joint ventures) ERM systems for 2025, covering all material strategic, financial operational and compliance risks.
- Electricity generation – PLP’s Audit and Risk Committee (“ARC”) oversees the adequacy of its internal controls and risk management. The ARC comprises three members of the Board of Directors and meets at least twice a year. The Head of Risk Management (“HRM”) reports to the ARC and manages PLP’s risk management process, which includes oversight of the risk register and risk map, audit of internal controls and the whistle-blowing process. To further strengthen independence in the audit of internal controls, an external auditor has been appointed to audit the internal controls established by PLP, who will report its findings to the HRM and the ARC regularly.
- Natural resources – Philex has undertaken a risk management program for physical, social, ecological and economic risks inherent in its mining business, thereby ensuring a productive and efficient operation. It employs a comprehensive, integrated risk management program, effected across all levels of the organization, with the goal of identifying, analyzing and managing risks to an acceptable level, so as to increase productivity, enhance opportunities, reduce threats, and thus sustain competitive advantage.

Assessment Scope and Methodology with respect to the Investee Companies’ Risks

For the 2025 full year assessment, the risk review has been streamlined to focus on five core Group companies: Indofood, PLDT, MPIC, PLP and Philex. Meralco, MPTC, Maynilad and PXP have been excluded to avoid risk duplication. Risk scores are calculated using a two-step weighting approach: (i) risk ranking within each company; and (ii) company significance based on contribution to Group value.

Top Risks for the FPC Group Companies

Furthermore, an overall consolidated risk analysis applying the same methodology as the investee companies level risk assessment was also performed for the FPC Group as a whole, combining Head Office and investee companies risk matrix. Risk weighting is assigned by reference to company significance from a top-down perspective. The top risks for 2025 full year based on that analysis are:

Risk	Description	Mitigants
Macroeconomic, geopolitical and country risk	<p>Adverse macroeconomic and geopolitical developments (including regional conflicts, great-power rivalry, sanctions, protectionism and domestic political changes) that can drive higher commodity prices, inflation, disrupt supply chains, delay projects and affect funding conditions and investor sentiment.</p> <p>Country and political risks in key markets such as Indonesia and the Philippines, including regulatory changes, domestic political developments, territorial disputes and policy shifts, which can affect operating conditions, regulatory frameworks, project development and investor perception.</p>	<ul style="list-style-type: none"> • Regular monitoring of macroeconomic and geopolitical developments and assessment of their impact on operations, supply chains, funding and investment decisions; monitoring of country-level political, regulatory and legal developments and their potential impact on investee businesses • Diversification of suppliers, markets and production bases to reduce concentration on any single country or route • Scenario planning, contingency plans and stress testing for adverse macro/geopolitical scenarios and country-specific risk, including sudden regulatory changes or trade disruptions • Active engagement with local stakeholders, local regulators, policymakers, industry bodies and authorities to enhance resilience and adaptability • Strengthening compliance programs and governance to meet evolving local requirements

Risk	Description	Mitigants
System, information and cybersecurity risk	Increasing frequency and sophistication of cyber threats, potential system failures and data breaches across the consumer food, telco, infrastructure, utilities and power generation businesses and Head Office functions, leading to service disruption, data loss, regulatory penalties and reputational damage.	<ul style="list-style-type: none"> • Deployment of advanced security platforms, automated controls and regular cybersecurity upgrades • Group-wide IT security policies, multi-factor authentication and regular penetration testing • Disaster recovery and business continuity arrangements for critical systems • Formal incident management processes, ongoing employee training and, where relevant, alignment with published standards
Regulatory risk	Heightened regulatory scrutiny, evolving laws and supervisory expectations, and potential adverse decisions affecting tariffs, franchises, licences and competition frameworks across the telco, tollroads, Philippines power, Singapore power, water and mining businesses and the Hong Kong-listed Head Office.	<ul style="list-style-type: none"> • Ongoing engagement with regulators, legislators and stock exchanges to provide necessary justifications and comply with evolving requirements • Strengthening of compliance management frameworks and unified regulatory approaches across businesses • Monitoring and implementation of Listing Rule changes and other corporate governance regulations at Head Office
Sustainability-related risk	Exposure to ESG/climate regulation and disclosure requirements, climate-related physical risks (extreme weather, flooding, drought) and rising stakeholder expectations, affecting the consumer food, telco, infrastructure, power and mining operations, as well as group-level ESG profile and investor perceptions.	<ul style="list-style-type: none"> • Climate-resilient operating practices, including stockpiling of critical inputs, supplier diversification and disaster contingency planning • Sustainability roadmaps and materiality assessments, aligned with global best practices and embedded ESG metrics in key performance indicators • Business continuity plans and physical infrastructure hardening for key transport and utility assets; insurance cover for natural catastrophes • Development of green and transition energy solutions, including local solar projects, biomethane pilots and green-brown bundled electricity offers
Financial and liquidity risk	Risk that high debt levels, refinancing needs and foreign exchange/interest-rate volatility in the telco, infrastructure and utility businesses and at Head Office, may lead to debt-servicing pressures, covenant breaches, rating pressure or reduced financial flexibility.	<ul style="list-style-type: none"> • Active debt management, including refinancing, restructuring and selective equity raising where appropriate • Use of hedging strategies for foreign exchange and interest-rate exposures • Enhanced oversight of tax positions and payment terms • Prudent working-capital and cash management • Continuous monitoring of liquidity, covenant headroom and credit-rating metrics

Risk	Description	Mitigants
Talent and people risk	Risk that ineffective talent development, succession planning and workforce management across the telco, tollroads, Philippines power, Singapore power, consumer food and mining operations and Head Office may lead to loss of key personnel, operational disruption or reduced employee engagement.	<ul style="list-style-type: none"> • Talent strategies aligned with business needs, including upskilling, reskilling and internal mobility programs • Succession planning for critical and senior roles; management trainee schemes and leadership development programs • Use of retention tools such as targeted incentives and cross-training; partnerships with educational institutions for skills development • Business continuity planning for labor-related disruptions and proactive labor relations management
Operational risk	Risks arising from internal processes, people and systems, and certain external events, including food safety issues in the consumer food business, vendor dependency and data governance in the telco business, and volume/traffic underperformance in tollroads and water utilities.	<ul style="list-style-type: none"> • Robust quality and safety controls in production, aligned with international food safety and quality standards and certifications • End-to-end asset lifecycle management and improved data governance, including comprehensive asset registers and AI-enabled process improvements • Marketing, product and service initiatives to support traffic and volume recovery in transport and utility assets; reduction of non-revenue water and enhancement of metering and billing practices • Diversification and strengthening of vendor pools and insourcing of certain activities to reduce dependency risks
Competition risk	Intensifying competition in the telco, consumer food and power markets, including new entrants, changing customer behavior and pricing pressure, which may erode market share, margins and growth prospects.	<ul style="list-style-type: none"> • Customer lifecycle management and retention programs, with a focus on higher-value segments • Product and service innovation in the consumer food and telco businesses, supported by targeted marketing and channel strategies • Differentiation in the Singapore power business through contract portfolio management, including peaky-load customers and green energy offerings
Major project execution risk	Risk of delays, cost overruns or under-performance in large capital projects and transformation programs across tollroads, utilities, telco infrastructure and power generation, affecting timing and delivery of expected benefits.	<ul style="list-style-type: none"> • Rigorous project governance, including contractor pre-qualification, clear milestones and regular progress reviews • Use of engineering, procurement and construction contracts with defined technical specifications, performance guarantees, delay damages and buy-out clauses in the power generation business • Catch-up plans and targeted interventions for delayed projects in transport and utility assets; structured oversight of digital and network-related programs

Risk	Description	Mitigants
Raw material risk (availability and quality)	Exposure to price volatility, supply disruption and quality issues in key inputs and commodities used by the consumer food, infrastructure and power businesses (including fuel and other raw materials).	<ul style="list-style-type: none"> • Diversification of suppliers and sourcing locations; maintaining buffer inventories where appropriate • Long-term supply contracts and strategic partnerships with key suppliers • Efficiency and cost-reduction programs to mitigate input cost pressures; optimization of fuel mix and reserve participation in power generation
Investment/capital expenditure (“capex”) risk – lower than expected returns	Risk that sustained capex in telco networks, power generation and infrastructure assets does not generate expected returns, due to over-investment, delays, under-performance or changing market and regulatory conditions, leading to lower group value creation.	<ul style="list-style-type: none"> • Disciplined capital allocation and governance, with emphasis on return-driven projects and post-investment reviews • Enhanced monitoring of utilization and performance of new networks and assets; strategic partnerships in new growth areas (e.g. greenfields for fixed broadband, renewable energy projects) • Use of stringent technical specifications and performance-linked contract terms in power and infrastructure projects to protect output and efficiency • Regular Head Office review of portfolio performance, potential impairments and reinvestment of capital from non-core disposals

In light of recent conflicts in the Middle East region, the Group is closely monitoring its operational and financial impact on the Group’s businesses as part of its risk management process.

The Group’s businesses, financial conditions, results of operations and growth prospects may be affected by risks and uncertainties directly or indirectly pertaining to the Group’s businesses. The risk factors set out above are those that could result in the Group’s businesses, financial conditions, results of operations or growth prospects differing materially from expected or historical results. Such factors are by no means exhaustive or comprehensive, and there may be other risks in addition to those shown above which are not known to the Group or which may not be material now but could turn out to be material in the future.

Effectiveness of Risk Management and Internal Control Systems

The Board, through the Audit and Risk Management Committee, has conducted a review of the effectiveness of the risk management and internal control systems of the Group function for the year ended 31 December 2025 covering all material controls, including financial, operational and compliance controls, and considered that such systems remain appropriate and effective for the purposes set out in Principle D2 of the CG Code. Neither significant changes in the risk profile of the Group nor significant areas of concern which might affect shareholders were identified. In addition, the Board, through the Audit and Risk Management Committee, has reviewed and is satisfied with the adequacy of resources, staff qualifications and experience, training programs and budget of the Group’s accounting, financial reporting, sustainability performance and reporting functions.

Remuneration Policy

Details of Directors' remuneration for the year are set out in Note 36(A) to the Consolidated Financial Statements. The remuneration of senior executives, including Directors, consists of the following:

Salary and Benefits

Salary reflects an executive's experience, responsibility and market competition for talent. Salary adjustments are based on effective management of the Company and on increased responsibility, with consideration of expected economic conditions, cost of living and pay expectations in the market. Benefits principally comprise housing allowance, professional educational support and health care, and are consistent with those provided by comparable companies.

Bonus and Long-term Incentives

Bonuses are based on the achievement of performance targets, and largely correlate with annual recurring profit achievements. Individual staff performance and ESG factors are also taken into account. Long-term incentives comprise monetary payments, share options, and/or share awards that link reward to the achievement of predetermined objectives such as retention of key employees for the Group's operations and future development, and achievement of recurring profit targets. The value of the long-term incentive offered to each executive is related to job grade and contribution to the management of the business.

Fees

It is the Company's policy that it does not pay any fees to the Company's Executive Directors for attending Board or Board Committee meetings, and general meetings of shareholders. As for the Company's NEDs (including the INEDs), they are paid the sum of US\$7,000 for each meeting of the Board and each general meeting of shareholders (which he or she shall attend in person or by telephone or video conference call); and the sum of US\$6,000 for each meeting of Board Committees (which he or she shall attend in person or by telephone or video conference call).

Pension Contributions

The Company operates defined contribution schemes, in respect of which contributions are determined on the basis of basic salary and length of service.

Financial Performance and Position

Analysis of Consolidated Income Statement

Analysis of the Group's 2025 reported results and comparison with 2024.

For the year ended 31 December US\$ millions	2025	2024	% change
Turnover	10,232.5	10,057.2	+1.7
Gross profit	3,729.9	3,654.3	+2.1
Operating expenses	(1,422.0)	(1,418.4)	+0.3
Other operating income and expenses	(2.8)	(277.1)	-99.0
Net finance costs	(576.3)	(455.1)	+26.6
Share of profits less losses of associated companies and joint ventures	523.2	523.4	-0.0
Taxation	(471.1)	(423.8)	+11.2
Non-controlling interests	(1,119.9)	(1,003.0)	+11.7
Profit attributable to owners of the parent	661.0	600.3	+10.1
Recurring profit	740.0	672.5	+10.0

Changes in the consolidated income statement items are explained as follows:

Turnover – increased by 1.7%, mainly reflecting higher revenues at Indofood (increased by 6.7% in rupiah terms) and MPIC (increased by 14.0% in peso terms), partly offset by the lower revenue at PLP (decreased by 14.9% in S\$ terms) and the impact of the depreciation in the average rupiah and peso exchange rates against the U.S. dollar of 3.8% and 0.4%, respectively. The increase in Indofood's revenue mainly reflects strong sales growth at the CBP and Agribusiness groups. The increase in MPIC's revenue mainly reflects tariff increase from its Water business, higher traffic volumes and toll rate increases from its Toll Roads business, and higher ridership and fare increase from its Rail business. The decrease in PLP's revenue mainly reflecting lower average selling prices.

Gross profit – increased by 2.1%, mainly reflecting the increase in gross profits at Indofood and MPIC. The increase in gross profit margin (2025: 36.5% vs 2024: 36.3%) mainly reflects tariff increase at MPIC's Water business, and higher traffic volumes and toll rate increases from its Toll Roads business, partly offset by lower gross profit margin at Indofood due to higher raw material costs.

Operating expenses – increased by 0.3%, mainly reflecting the increases in administrative expenses at Indofood and MPIC, partly offset by the impact of the depreciation in the average rupiah and peso exchange rates against the U.S. dollar.

Other operating income and expenses – decreased by 99.0%, mainly reflecting lower foreign exchange and derivative losses due to lesser depreciation of the closing exchange rates of the rupiah and the peso against the U.S. dollar of 3.7% and 1.6%, respectively in 2025 (the "retranslation effect") (2024: 4.6% and 4.3%, respectively) and the absence of impairment losses for an associated company and other intangible assets.

Net finance costs – increased by 26.6%, mainly reflecting higher finance costs at MPIC on higher average debt balance for capital expenditure and investments.

Share of profits less losses of associated companies and joint ventures – mainly reflecting lower profit contribution from PLDT, offset by higher profit contribution from Meralco and full year profit contribution from PT Jasamarga Transjawa Tol ("JTT").

Taxation – increased by 11.2%, mainly reflecting higher operating profits at MPIC and Indofood.

Non-controlling interests – increased by 11.7%, mainly attributable to higher profits at Indofood and MPIC shared by its non-controlling shareholders.

Profit attributable to owners of the parent – increased by 10.1%, mainly reflecting a higher recurring profit.

Recurring profit – increased by 10.0%, mainly reflecting higher recurring profit contributions from MPIC, Indofood and Philex, and lower Head Office net interest expenses, partly offset by lower recurring profit contributions from PLP and PLDT.

Analysis of Consolidated Statement of Financial Position

Analysis of the Group's consolidated statement of financial position at 31 December 2025 compared with 31 December 2024's follows.

At 31 December US\$ millions	2025	2024	% change
Property, plant and equipment	3,814.1	3,634.8	+4.9
Associated companies and joint ventures	5,921.9	5,867.3	+0.9
Goodwill	3,655.2	3,784.7	-3.4
Other intangible assets	7,979.9	7,265.0	+9.8
Cash and cash equivalents ⁽ⁱ⁾	4,276.4	3,437.8	+24.4
Other assets	5,000.1	4,688.3	+6.7
Total Assets	30,647.6	28,677.9	+6.9
Borrowings	13,014.1	12,536.3	+3.8
Other liabilities	4,509.9	4,211.4	+7.1
Total Liabilities	17,524.0	16,747.7	+4.6
Net Assets	13,123.6	11,930.2	+10.0
Equity attributable to owners of the parent	4,388.8	3,926.2	+11.8
Non-controlling interests	8,734.8	8,004.0	+9.1
Total Equity	13,123.6	11,930.2	+10.0

(i) Includes short-term deposits and restricted cash

Changes in the consolidated statement of financial position items (other than the retranslation effect) are explained as follows:

Property, plant and equipment – increased by 4.9%, mainly reflecting capital expenditures incurred by Indofood, PLP and MPIC, partly offset by depreciation expense during the year.

Associated companies and joint ventures – increased by 0.9%, mainly reflecting the Group's share of net profits from Meralco, PLDT and Philex, partly offset by dividends declared by associated companies, and MPIC's disposal of PCSPC.

Other intangible assets – increased by 9.8%, mainly reflecting MPIC's capital expenditure for its water distribution and toll roads concession assets, partly offset by amortization expense during the year.

Cash and cash equivalents – increased by 24.4%, mainly reflecting operating cash inflows at Indofood, MPIC, and PLP, net proceeds from Maynilad's IPO and dividends received from associated companies, partly offset by the Group's payments for capital expenditure, investments, and dividends to non-controlling shareholders of subsidiary companies, and the Company's payments for distributions to shareholders.

Other assets – comprising accounts receivable, other receivables and prepayments, inventories, other non-current assets, financial assets at fair value, deferred tax assets, biological assets, investment properties, and assets classified as held for sale, increased by 6.7%, mainly reflecting Indofood's investments in debt instruments and the increase in the Group's receivable balances.

Borrowings – increased by 3.8%, mainly reflecting MPIC's net new borrowings for financing its capital expenditure and investments.

Other liabilities – comprising accounts payable, other payables and accruals, deferred liabilities, provisions and payables, deferred tax liabilities and provision for taxation, increased by 7.1%, mainly reflecting the increase in accrued construction costs on higher capital expenditure on service concession assets at MPIC.

Equity attributable to owners of the parent – increased by 11.8%, mainly reflecting the Group's net profit for 2025 (US\$661.0 million), partly offset by the Company's payments for 2024 final distribution (US\$73.5 million), 2025 interim distribution (US\$71.1 million), and declaration of 2025 special distribution (US\$6.3 million).

Non-controlling interests – increased by 9.1%, mainly reflecting share of profits by non-controlling shareholders (US\$1,119.9 million), the Group's dilution of effective interest in Maynilad to 38.6% from 53.7% upon IPO, partly offset by the dividends declared to non-controlling shareholders by the Group's subsidiary companies and the Group's increase in MPIC's effective interest to 49.9% from 46.3%.

Liquidity and Financial Resources

Analysis of Consolidated Statement of Cash Flows

Analysis of the Group's 2025 consolidated statement of cash flows compared with 2024's follows.

For the year ended 31 December US\$ millions	2025	2024	% change
Operating Activities			
Net cash flows from operating activities	1,748.3	1,746.5	+0.1
Investing Activities			
Dividends received	369.7	328.6	+12.5
Net capital expenditure	(1,403.9)	(1,354.7)	+3.6
Acquisitions, investments and disposals	(62.8)	(606.9)	-89.7
Financing Activities			
Net new borrowings	642.8	1,226.0	-47.6
Distributions/dividends paid	(650.8)	(603.0)	+7.9
Other financing cash flows	283.1	(156.1)	–
Net Increase in Cash and Cash Equivalents	926.4	580.4	+59.6
Cash and cash equivalents at 1 January ⁽ⁱ⁾	3,287.0	2,814.3	+16.8
Exchange translation	(64.0)	(107.7)	-40.6
Cash and Cash Equivalents at 31 December⁽ⁱ⁾	4,149.4	3,287.0	+26.2

(i) Includes short-term deposits, but excludes short-term deposits with original maturity of more than three months

Changes in the consolidated statement of cash flows items are explained as follows:

Net cash flows from operating activities – increased by 0.1%, mainly reflecting an increase in operating cash inflow at Indofood from higher operating profits in local currencies, partly offset by a decrease in operating cash inflow at MPIC from higher interest expenses paid.

Dividends received – increased by 12.5%, mainly reflecting higher dividend income from Meralco.

Net capital expenditure – increased by 4.1%, mainly reflecting higher capital expenditures at PLP and MPIC.

Acquisitions, investments and disposals – decreased by 89.7%. 2025's net cash outflow principally relates to the Indofood's investments in debt instruments (US\$121.2 million) and MPIC's acquisition of a 40% interest in Franklin Baker Company (US\$25.1 million), partly offset by proceeds from MPIC's disposal of PCSPC (US\$113.1 million). 2024's net cash outflow principally related to MPTC's investment in JTT (US\$686.8 million).

Net new borrowings – decreased by 47.6%. 2025's net cash inflow principally relates to net proceeds from borrowings at MPIC (US\$463.6 million), Indofood (US\$107.9 million) and PLP (US\$73.2 million). 2024's net cash inflow principally related to net proceeds from borrowings at MPIC (US\$1,014.0 million) (mainly for MPTC's investment in JTT) and Indofood (US\$241.3 million), partly offset by net repayment of borrowings at PLP (US\$15.0 million) and Head Office (US\$14.3 million).

Distributions/dividends paid – increased by 7.9%. 2025's cash outflow represents the payments of 2024 final and 2025 interim distributions by the Company to its shareholders and the payments of dividends by the Group's subsidiary companies to their non-controlling shareholders. The increase principally reflects increases in distributions paid by the Company, and dividends paid by the Group's subsidiary companies in 2025.

Other financing cash flows – 2025's net cash outflow mainly relates to net proceeds from Maynilad's IPO (US\$522.6 million), partly offset by MPTC's increased investment in NLEX Corporation (US\$100.5 million), and MPTC's and Maynilad's payments of concession fees payable (US\$94.9 million) and the Group's settlement of principal element of lease payments (US\$46.1 million). 2024's net cash outflow mainly related to MPTC's increased investments in PT Nusantara Infrastructure Tbk ("PT Nusantara") (US\$59.0 million) and NLEX Corporation (US\$46.2 million), the Group's settlement of principal element of lease payments (US\$31.0 million) and MPTC's and Maynilad's payments of concession fees payable (US\$23.3 million).

Net Debt and Gearing

(A) Head Office Net Debt

The decrease in net debt is mainly due to a higher cash and cash equivalents balance, reflecting continued net operating cash inflows. As at 31 December 2025, Head Office borrowings consisted of US\$349.4 million of bonds (face value US\$350.0 million) maturing in September 2027, and US\$1,113.5 million of bank loans (principal amount US\$1,120.0 million) with maturities ranging from January 2026 to August 2034. The bank loan that matured in January 2026 was fully refinanced by drawing committed banking facilities. Following this refinancing, there are no debt maturities until September 2027.

Changes in Head Office Net Debt

US\$ millions	Borrowings	Cash and cash equivalents	Net debt
At 1 January 2025	1,457.9	(120.5)	1,337.4
Net changes	5.0	(26.6)	(21.6)
At 31 December 2025	1,462.9	(147.1)	1,315.8

Head Office Cash Flow

For the year ended 31 December	2025	2024
US\$ millions		
Dividend and fee income	310.9	305.3
Head Office overhead expense	(19.2)	(18.6)
Net cash interest expense	(65.3)	(72.1)
Tax paid	(0.7)	(0.7)
Net Cash Inflow from Operating Activities	225.7	213.9
Net investments ⁽ⁱ⁾	(46.4)	(17.8)
Financing activities		
– Distributions paid	(144.6)	(133.2)
– Repayment of borrowings, net	(2.0)	(14.3)
– Others ⁽ⁱⁱ⁾	(6.1)	1.0
Net Increase in Cash and Cash Equivalents	26.6	49.6
Cash and cash equivalents at 1 January	120.5	70.9
Cash and Cash Equivalents at 31 December	147.1	120.5

(i) 2025 net investments include an additional investment in FPM Power, subscription of IPO shares in Maynilad for distribution in specie to the Company's shareholders, and funding to the trustee in respect of investments for the long service payment and long-term incentive plan. 2024 net investments include an additional investment in Maya Innovations Holdings Pte. Ltd ("Maya"), an associated company of PLDT, an investment for a renewable energy project in Singapore, and funding to the trustee in respect of investments for the long service payment and long-term incentive plan.

(ii) Mainly due to payments for lease liabilities and to the trustee for share purchase scheme, partly offset by the proceeds from issuance of new shares upon the exercise of share options.

(B) Group Net Debt and Gearing

An analysis of net debt and gearing for principal consolidated and associated companies follows.

Consolidated

US\$ millions	Net debt/ (cash) ⁽ⁱ⁾ 2025	Total equity/ (deficit) 2025	Gearing (times) 2025	Net debt/ (cash) ⁽ⁱ⁾ 2024	Total equity/ (deficit) 2024	Gearing (times) 2024
Head Office	1,315.8	931.8	1.41x	1,337.4	847.8	1.58x
Indofood	1,614.1	6,959.3	0.23x	1,985.5	6,556.8	0.30x
MPIC	5,785.1	5,931.9	0.98x	5,726.1	5,163.1	1.11x
FPM Power	(45.3)	406.3	–	(22.4)	343.8	–
FP Natural Resources	68.0	(124.0)	–	71.9	(70.9)	–
Group consolidation adjustments	–	(981.7)	–	–	(910.4)	–
Total	8,737.7	13,123.6	0.67x	9,098.5	11,930.2	0.76x

Associated Companies

US\$ millions	Net debt ⁽ⁱ⁾ 2025	Total equity 2025	Gearing (times) 2025	Net debt ⁽ⁱ⁾ 2024	Total equity 2024	Gearing (times) 2024
PLDT	4,816.8	2,178.7	2.21x	4,694.5	2,017.9	2.33x
Philex	279.8	565.1	0.50x	197.4	563.3	0.35x

(i) Includes short-term deposits and restricted cash.

Head Office's gearing decreased because of an increase in the Company's equity as a result of profit during the year, partly offset by the payment/declaration of distributions to shareholders.

Indofood's gearing decreased because of a decrease in its net debt as a result of its operating cash inflow, net of its payments for capital expenditures and investment, coupled with an increase in its equity as a result of profit less dividend paid during the year.

MPIC's gearing decreased because of an increase in its equity as a result of profit less dividend paid during the year, partly offset by an increase its net debt as a result of its payments for capital expenditures, investments and concession fees, net of its operating cash inflow and net proceeds from the IPO of Maynilad.

FPM Power's net cash increased reflects PLP's operating cash inflow. The increase in its equity reflects capital injections from shareholders for the development of the new 670MW CCGT facility.

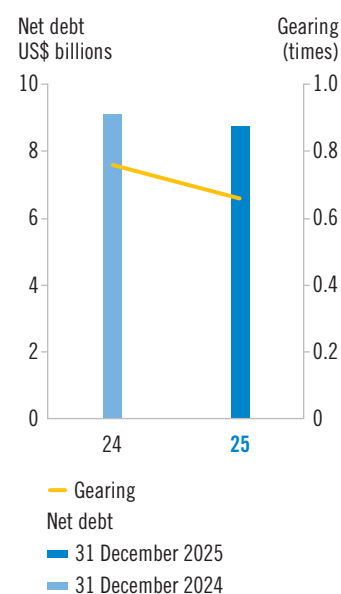
FP Natural Resources' net debt decreased reflects net proceeds from divestment of assets. The increase in its deficit reflects loss recorded during the year.

The Group's gearing decreased to 0.67 times because of a lower net debt level mainly as a result of operating cash inflow and net proceeds from the IPO of Maynilad, net of the Group's payments for capital expenditures and investments, coupled with an increase in the Group's equity reflecting the Group's profit less distributions/dividends paid during the year.

PLDT's gearing decreased mainly because of an increase in its equity reflecting its profit less dividend paid during the year.

Philex's gearing increased mainly because of an increase in its net debt to fund the capital expenditures for the development of the Silangan project.

Net Debt and Gearing



Maturity Profile

The maturity profile of debt of consolidated and associated companies follows.

Consolidated

US\$ millions	Carrying amounts		Nominal values	
	2025	2024	2025	2024
Within one year	2,526.5	2,548.7	2,534.6	2,564.2
One to two years	895.2	795.2	899.2	801.4
Two to five years	2,977.0	3,136.8	2,998.1	3,157.3
Over five years	6,615.4	6,055.6	6,645.8	6,101.9
Total	13,014.1	12,536.3	13,077.7	12,624.8

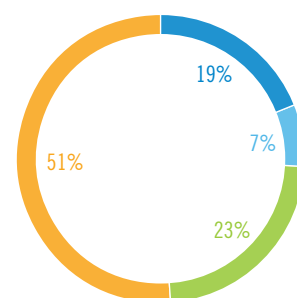
The change in the Group's debt maturity profile from 31 December 2024 to 31 December 2025 mainly reflects a shift in long-term borrowings among the different maturity periods for Indofood and MPIC, Head Office's refinancing of loans totalling US\$330.0 million with new long-term borrowings in August and December 2025, MPTC's issuance of bonds in December 2025 of Pesos 6.7 billion (US\$113.4 million) due 2028, Pesos 6.7 billion (US\$113.4 million) due 2030 and Pesos 6.7 billion (US\$113.4 million) due 2035, and the Group's net new borrowings. Roxas Holdings, Inc. ("RHI")'s borrowings of Pesos 4.3 billion (US\$73.2 million) were classified as current liabilities at 31 December 2025 and 2024 due to certain covenant compliance issues.

Associated Companies

US\$ millions	PLDT				Philex			
	Carrying amounts		Nominal values		Carrying amounts		Nominal values	
	2025	2024	2025	2024	2025	2024	2025	2024
Within one year	275.2	403.5	281.7	409.7	57.0	50.0	57.0	50.0
One to two years	469.5	269.5	474.2	274.6	152.1	119.7	159.1	125.9
Two to five years	1,237.3	1,285.3	1,247.6	1,297.6	97.0	47.1	98.9	48.2
Over five years	3,036.7	2,909.2	3,047.3	2,920.0	48.7	50.8	49.9	51.8
Total	5,018.7	4,867.5	5,050.8	4,901.9	354.8	267.6	364.9	275.9

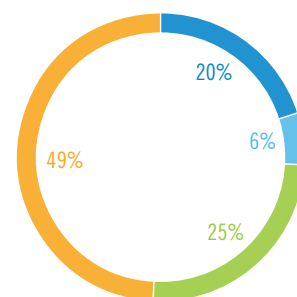
The change in PLDT's debt maturity profile from 31 December 2024 to 31 December 2025 mainly reflects new borrowings arranged to finance capital expenditure and/or refinance its loan obligations which were utilized for service improvements and expansion programs. The increase in Philex's debt reflects new borrowings drawn to finance the development of the Silangan project.

Maturity Profile of Consolidated Debt 2025



	US\$ millions
■ Within one year	2,526.5
■ One to two years	895.2
■ Two to five years	2,977.0
■ Over five years	6,615.4
Total	13,014.1

Maturity Profile of Consolidated Debt 2024



	US\$ millions
■ Within one year	2,548.7
■ One to two years	795.2
■ Two to five years	3,136.8
■ Over five years	6,055.6
Total	12,536.3

Financial Risk Management

Foreign Currency Risk

(A) Company Risk

As the Head Office debts are currently denominated in U.S. dollars, foreign currency risk relates mainly to the receipt of cash dividends.

The Company actively reviews the potential benefits of hedging based on forecast dividend flows and enters into hedging arrangements (including the use of forward exchange contracts) for managing its foreign currency exposure in respect of dividend income and payments in foreign currencies on a transactional basis.

(B) Group Risk

The results of the Group's subsidiary and associated companies are denominated in local currencies, principally the rupiah, peso and S\$, which are translated and consolidated to give the Group's results in U.S. dollars. The Group is also exposed to foreign currency risk in relation to the translation of non-U.S. dollar denominated investments in subsidiary and associated companies. However, the Group does not actively seek to hedge risks arising from the translation of foreign currency denominated investments due to (i) the non-cash nature of such exposure until the values of the investments are realized, and (ii) the high costs associated with such hedging.

The principal components of the Group's NAV mainly relate to investments denominated in the rupiah and peso. Accordingly, any change in these currencies, against their respective 31 December 2025 exchange rates, would have an effect on the Group's NAV in U.S. dollar terms.

The following table illustrates the estimated effect on the Group's adjusted NAV for a one per cent change of the rupiah and peso exchange rates against the U.S. dollar.

Company	Basis	Effect on adjusted NAV US\$ millions	Effect on adjusted NAV per share HK cents
Indofood	(i)	17.7	3.25
PLDT	(i)	11.8	2.17
MPIC	(ii)	12.9	2.36
Philex	(i)	4.5	0.82
PXP	(i)	0.2	0.04
Head Office – Other assets	(iii)	1.1	0.20
Total		48.2	8.84

(i) Based on quoted share prices at 31 December 2025 applied to the Group's economic interests.

(ii) Based on the tender offer price for MPIC delisting of Pesos 5.2 per share in 2023 (or Pesos 2,600 per share after 500:1 reverse stock split in September 2024).

(iii) Mainly represents Silangan Mindanao Exploration Co., Inc. ("SMECI")'s convertible notes.

Net Debt by Currency

It is often necessary for subsidiary and associated companies to borrow in U.S. dollars, which results in the risk of a translation impact on local currency results. A summary of consolidated and associated companies' net debt by currency follows.

Consolidated

US\$ millions	US\$	Rupiah	Peso	S\$	Others	Total
Total borrowings	4,673.1	1,700.7	6,315.2	230.0	95.1	13,014.1
Cash and cash equivalents ⁽ⁱ⁾	(1,020.4)	(1,878.6)	(997.0)	(280.1)	(100.3)	(4,276.4)
Net Debt/(Cash)	3,652.7	(177.9)	5,318.2	(50.1)	(5.2)	8,737.7
Representing:						
Head Office	1,325.9	–	(9.3)	–	(0.8)	1,315.8
Indofood	2,331.3	(612.8)	–	(7.1)	(97.3)	1,614.1
MPIC	(1.5)	434.9	5,258.8	–	92.9	5,785.1
FPM Power	(2.3)	–	–	(43.0)	–	(45.3)
FP Natural Resources	(0.7)	–	68.7	–	–	68.0
Net Debt/(Cash)	3,652.7	(177.9)	5,318.2	(50.1)	(5.2)	8,737.7

Associated Companies

US\$ millions	US\$	Peso	Total
Net Debt			
PLDT	598.3	4,218.5	4,816.8
Philex	145.5	134.3	279.8

(i) Includes short-term deposits and restricted cash.

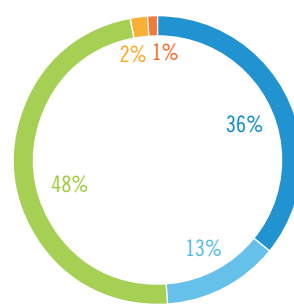
Details of changes in Head Office net debt are set out on page 83.

As a result of unhedged U.S. dollar net debt, the Group's results are sensitive to fluctuations in U.S. dollar exchange rates. The following table illustrates the estimated effect on the Group's reported profitability for a one per cent change in the principal operating currencies of subsidiary and associated companies. This does not reflect the indirect effect of fluctuating exchange rates on revenues and input costs at respective company levels.

US\$ millions	Total US\$ exposure	Hedged amount	Unhedged amount	Profit effect of 1% change in currency	Group net profit effect
Head Office ⁽ⁱ⁾	1,325.9	–	1,325.9	–	–
Indofood	2,331.3	–	2,331.3	23.3	9.1
MPIC	(1.5)	–	(1.5)	(0.0)	(0.0)
FPM Power	(2.3)	–	(2.3)	(0.0)	(0.0)
FP Natural Resources	(0.7)	–	(0.7)	(0.0)	(0.0)
PLDT	598.3	(342.2)	256.1	2.6	0.5
Philex	145.5	–	145.5	1.5	0.5
Total	4,396.5	(342.2)	4,054.3	27.4	10.1

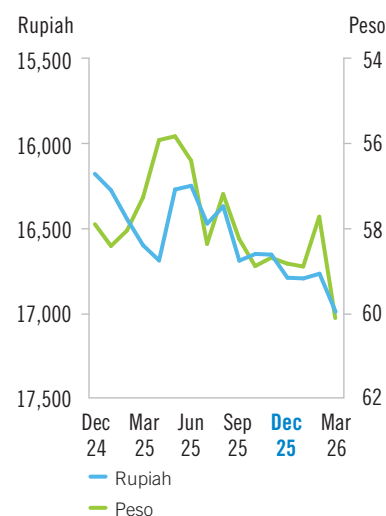
(i) As the Group reports its results in U.S. dollars, unhedged U.S. dollar net debt at Head Office does not give rise to any exchange exposure.

Analysis of Total Borrowings by Currency

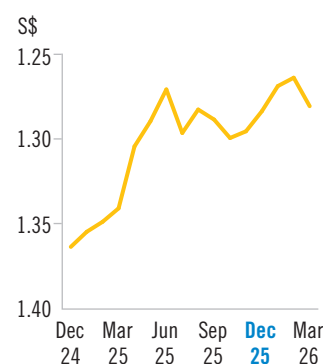


	US\$ millions
US\$	4,673.1
Rupiah	1,700.7
Peso	6,315.2
S\$	230.0
Others	95.1
Total Borrowings	13,014.1

Rupiah and Peso Closing Rates Against the U.S. Dollars



Singapore Dollars Closing Rates Against the U.S. Dollars



Equity Market Risk

As the majority of the Company's investments are listed, the Company is exposed to fluctuations in the equity market values of such investments. In addition, the value of the Company's investments may be impacted by market sentiment towards specific countries.

First Pacific's listed investments are located in Indonesia, the Philippines and Singapore. Accordingly, in addition to operating factors within the Company's control, the Company also has an equity market risk in respect of general investor sentiment towards these countries. Changes in the stock market indices of Indonesia, the Philippines and Singapore are summarized as follows:

	Jakarta Composite Index	Philippine Composite Index	Singapore Straits Times Index
At 31 December 2024	7,080	6,529	3,788
At 31 December 2025	8,647	6,053	4,646
Change during 2025	+22.1%	-7.3%	+22.7%
At 30 March 2026	7,092	5,869	4,897
Change during 1 January 2026 to 30 March 2026	-18.0%	-3.0%	+5.4%

Interest Rate Risk

The Company and its subsidiary and associated companies are exposed to changes in interest rates to the extent that they impact the cost of variable interest rate borrowings. An analysis of this for consolidated and associated companies follows.

Consolidated

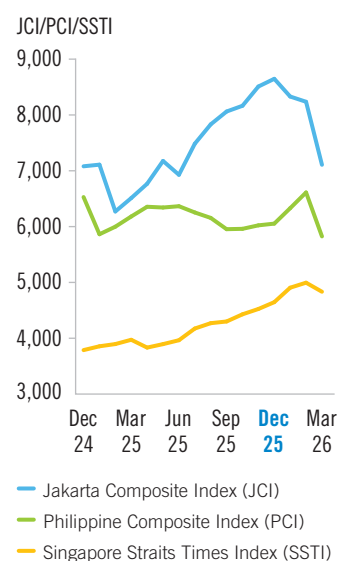
US\$ millions	Fixed interest rate borrowings ⁽ⁱ⁾	Variable interest rate borrowings ⁽ⁱ⁾	Cash and cash equivalents ⁽ⁱⁱ⁾	Net debt/ (cash)
Head Office	796.7	666.2	(147.1)	1,315.8
Indofood	2,737.2	1,705.6	(2,828.7)	1,614.1
MPIC	5,974.9	830.3	(1,020.1)	5,785.1
FPM Power	–	230.0	(275.3)	(45.3)
FP Natural Resources	22.3	50.9	(5.2)	68.0
Total	9,531.1	3,483.0	(4,276.4)	8,737.7

Associated Companies

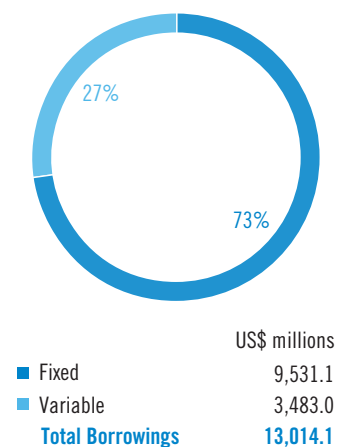
US\$ millions	Fixed interest rate borrowings ⁽ⁱ⁾	Variable interest rate borrowings ⁽ⁱ⁾	Cash and cash equivalents ⁽ⁱⁱ⁾	Net debt
PLDT	1,644.9	3,373.8	(201.9)	4,816.8
Philex	177.9	176.9	(75.0)	279.8

- (i) Reflects certain interest rate swap agreements which effectively changed variable interest rate borrowings to fixed interest rate borrowings at Head Office and PLDT.
- (ii) Includes short-term deposits and restricted cash.

Stock Market Indices



Analysis of Total Borrowings by Interest Rate Profile



The following table illustrates the estimated effect on the Group's reported profitability for a one per cent change in average annual interest rates in respect of the variable interest rate borrowings.

US\$ millions	Variable interest rate borrowings	Profit effect of 1% change in interest rates	Group net profit effect
Head Office	666.2	6.7	6.7
Indofood	1,705.6	17.0	6.6
MPIC	830.3	8.3	3.1
FPM Power	230.0	2.3	0.8
FP Natural Resources	50.9	0.5	0.2
PLDT	3,373.8	33.7	6.5
Philex	176.9	1.8	0.6
Total	7,033.7	70.3	24.5

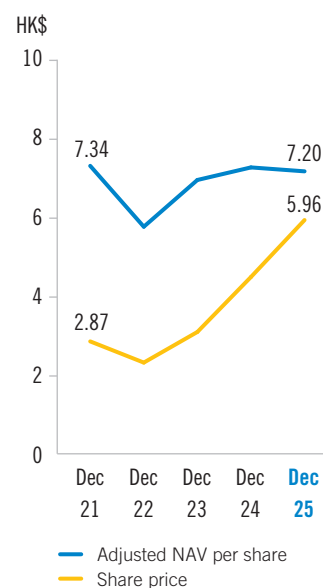
Adjusted NAV Per Share

There follows a calculation of the Group's underlying worth.

At 31 December		2025	2024
US\$ millions	Basis		
Indofood	(i)	1,774.7	2,094.4
PLDT	(i)	1,184.0	1,236.8
MPIC	(ii)	1,291.3	1,312.4
FPM Power	(iii)	397.8	370.0
Philex	(i)	449.7	128.8
PXP	(i)	22.5	27.6
Head Office – Other assets	(iv)	130.7	150.5
– Net debt		(1,315.8)	(1,337.4)
Total Valuation		3,934.9	3,983.1
Number of Ordinary Shares in Issue (millions)		4,262.1	4,255.2
Value per share – U.S. dollars		0.92	0.94
– HK dollars		7.20	7.30
Company's closing share price (HK\$)		5.96	4.51
Share price discount to HK\$ value per share (%)		17.2	38.2

- (i) Based on quoted share prices applied to the Group's economic interests.
- (ii) Based on tender offer price for MPIC delisting of Pesos 5.2 per share in 2023 (or Pesos 2,600 per share after 500:1 reverse stock split in September 2024).
- (iii) Represents investment cost.
- (iv) Mainly represents SMECI's convertible notes and the Company's investments in Maya.

Share Price vs Adjusted NAV Per Share



Statutory Reports, Consolidated Financial Statements and Notes to the Consolidated Financial Statements

Contents

Statutory Reports

Report of the Directors	91
Independent Auditor's Report	97

Consolidated Financial Statements

Consolidated Income Statement	101
Consolidated Statement of Comprehensive Income	102
Consolidated Statement of Financial Position	103
Consolidated Statement of Changes in Equity	104
Consolidated Statement of Cash Flows	105

Notes to the Consolidated Financial Statements

General Information

1. Corporate and Group Information	107
2. Basis of Preparation and Summary of Material Accounting Policies	107
3. Significant Accounting Judgments and Estimates	133

Consolidated Income Statement

4. Turnover and Segmental Information	138
5. Profit Before Taxation	141
6. Taxation	143
7. Profit Attributable to Owners of the Parent	144
8. Earnings Per Share Attributable to Owners of the Parent	145
9. Ordinary Share Distribution	146

Consolidated Statement of Financial Position

10. Property, Plant and Equipment	146
11. Biological Assets	148
12. Associated Companies and Joint Ventures	150
13. Goodwill	154
14. Other Intangible Assets	156
15. Investment Properties	164
16. Accounts Receivable, Other Receivables and Prepayments	165
17. Financial Assets at Fair Value	167
18. Deferred Tax	167
19. Other Non-current Assets	169
20. Inventories	169
21. Restricted Cash	170
22. Cash and Cash Equivalents and Short-term Deposits	170
23. Assets Classified as Held for Sale	170
24. Accounts Payable, Other Payables and Accruals	170
25. Borrowings	171
26. Provision for Taxation	174
27. Deferred Liabilities, Provisions and Payables	174
28. Share Capital	176
29. Shares Held for Share Award Scheme	176
30. Other Components of Equity	179
31. Non-controlling Interests	181
32. Other Comprehensive (Loss)/Income Attributable to Owners of the Parent	183

Consolidated Statement of Cash Flows

33. Notes to the Consolidated Statement of Cash Flows	183
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Other Financial Information

34. Commitments and Contingent Liabilities	186
35. Employees' Benefits	186
36. Directors' and Senior Executives' Remuneration	191
37. Related Party Transactions	197
38. Financial Instruments	201
39. Capital and Financial Risk Management	204
40. Statement of Financial Position of the Company	211
41. Approval of the Consolidated Financial Statements	212

Report of the Directors

The Directors present their report and the audited financial statements of First Pacific Company Limited (the Company) and its subsidiary companies (together, the “Group”) (the “Consolidated Financial Statements”) for the year ended 31 December 2025.

Principal Business Activities, Geographical Market Analysis of Operations and Business Review

First Pacific Company Limited is a Hong Kong-based investment holding company with operations located in Asia-Pacific. The Company’s principal investments are in consumer food products, telecommunications, infrastructure and natural resources. During the year, there were no significant changes in the nature of the Group’s principal business activities.

An analysis of the Group’s turnover and segmental information for the year is set out in Note 4 to the Consolidated Financial Statements, and a summary of its principal investments is set out on pages 217 and 218.

Further discussion and analysis of the Group’s activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a description of the principal risks and uncertainties facing the Group, and an indication of likely future development in the Group’s business, can be found in the “Review of Operations”, the “Chairman’s Letter”, the “Managing Director and Chief Executive Officer’s Letter”, and the “Corporate Governance Report” sections set out on pages 6 to 35 and pages 44 to 79 of this Annual Report. The Group’s environmental policies and performance are set out in the Group’s 2025 ESG report, which is available on the websites of the SEHK and the Company. Those discussions form part of this Report of the Directors.

Incorporation

The Company was incorporated on 25 May 1988 in Bermuda with limited liability.

Share Capital, Shares Held for Share Award Scheme and Share Options

Details of movements in the Company’s share capital, shares held for share award scheme and share options issued by the Group during the year, together with their reasons, are set out in Notes 28, 29 and 36(D) to the Consolidated Financial Statements.

Reserves

Details of movements in the reserves of the Group and the Company during the year are set out in the Consolidated Financial Statements on page 104 and page 212, respectively.

Purchase, Sale or Redemption of Listed Securities of the Company

During the year ended 31 December 2025, the independent trustee managing the Company’s share award scheme bought on the SEHK a total of 8,308,000 shares (2024: 4,288,000 shares) of the Company at an aggregate consideration of approximately HK\$52.5 million (US\$6.7 million) (2024: HK\$13.1 million (US\$1.6 million)) at the cost of the Company.

Save as disclosed above, during the year ended 31 December 2025, neither the Company, nor any of its subsidiary companies, has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares).

As at 31 December 2025, the Company did not hold any treasury shares (as defined under the Listing Rules).

Results and Appropriations

The consolidated results of the Group for the year ended 31 December 2025 and the Group's consolidated financial position at that date are set out in the Consolidated Financial Statements on pages 101 to 103.

An interim distribution of HK13.00 cents (U.S. 1.67 cents) (2024: HK12.00 cents or U.S. 1.54 cents) per ordinary share, totaling US\$71.1 million (2024: US\$65.3 million), was paid on 30 September 2025. The Directors recommended the payment of a final distribution of HK 14.00 cents (U.S. 1.79 cents) (2024: HK 13.50 cents or U.S. 1.73 cents) per ordinary share, totaling US\$76.5 million (2024: US\$73.5 million). The total regular distribution per ordinary share for 2025 equals to HK27.00 cents (U.S. 3.46 cents) (2024: HK 25.50 cents or U.S. 3.27 cents), totaling US\$147.6 million (2024: US\$138.8 million).

In addition, a special distribution of 100 shares of Maynilad Water Services Inc. ("Maynilad") (a subsidiary of MPIC) (with an option of electing to receive cash in lieu of the distributable Maynilad shares which equated to HK\$1.98 (U.S. 25 cents) per Maynilad shares) in the form of distribution in specie for every 17,200 ordinary shares of the Company. The distribution in specie is equivalent to approximately HK 1.15 cents (U.S. 0.15 cents) per ordinary share. On 5 February 2026, a total of 11,991,691 Maynilad shares (equivalent to US\$3.1 million) and cash of US\$3.2 million were distributed to the shareholders. Further details of the special distribution are provided in Note 9 to the Consolidated Financial Statements.

Charitable Contributions

In 2025, the Group made charitable contributions totaling US\$11.0 million (2024: US\$10.4 million).

Property, Plant and Equipment

Details of movements in the Group's property, plant and equipment during the year are provided in Note 10 to the Consolidated Financial Statements.

Borrowings

Details of the borrowings of the Group are provided in Note 25 to the Consolidated Financial Statements.

Distributable Reserves

At 31 December 2025, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Act 1981 of Bermuda (as amended) amounted to US\$1,014.6 million (2024: US\$1,165.5 million), representing the Company's contributed surplus account. In addition, the Company's share premium account of US\$35.7 million (2024: US\$32.4 million) may be distributed in the form of fully paid bonus shares.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Company's bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

Directors

The names and biographical details of the Directors of the Company who held office during the year and up to the date of this report are set out on pages 36 to 39. Details of the remuneration policy and other details are provided in the Corporate Governance Report on page 79 and Note 36(A) to the Consolidated Financial Statements, respectively.

Changes in Information of Directors

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors of the Company, as notified to the Company, subsequent to the 2025 Interim Report are set out below:

- Mrs. Margaret Leung Ko May Yee ceased to be an independent non-executive director of Agricultural Bank of China Limited, the A shares of which are listed on the Shanghai Stock Exchange and the H shares are listed on the SEHK, on 28 October 2025. In addition, she ceased to be a member of the Advisory Committee on Post-office Employment for Former Chief Executives and Politically Appointed Officials on 30 June 2025. Mrs. Margaret Leung Ko May Yee was also appointed as a consultant of The Glorious Sun Holdings Limited on 19 January 2026.

Interests of Directors in the Company and its Associated Corporations

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were recorded in the register required to be kept under Section 352 of Part XV of the SFO; or (b) were notified to the Company and the SEHK pursuant to the Model Code were as follows:

(A) Long Positions in Shares in the Company

Name	Ordinary shares	Approximate percentage of issued share capital (%)
Anthoni Salim	1,925,474,957 ^{(C)(i)}	45.18
Manuel V. Pangilinan	8,320,430 ^{(P)(ii)}	0.20
Christopher H. Young	10,012,552 ^{(P)(iii)}	0.23
Benny S. Santoso	957,500 ^{(P)(iv)}	0.02
Axton Salim	957,000 ^{(P)(v)}	0.02
Prof. Edward K.Y. Chen, <i>GBS, CBE, JP</i>	4,860,559 ^{(P)(vi)}	0.11
Margaret Leung Ko May Yee, <i>SBS, JP</i>	4,002,652 ^{(P)(vii)}	0.09
Philip Fan Yan Hok	13,418,152 ^{(P)(viii)}	0.31
Madeleine Lee Suh Shin	2,244,000 ^{(P)(ix)}	0.05
Blair Chilton Pickerell	2,233,000 ^{(P)(x)}	0.05

(C) = Corporate interest, (P) = Personal interest

- (i) Anthoni Salim indirectly owns 100% of First Pacific Investments (B.V.I.) Limited, his indirect interests in First Pacific Investments (B.V.I.) Limited are held through Salerni International Limited (a company in which Anthoni Salim directly holds 100% of its issued share capital). First Pacific Investments (B.V.I.) Limited and Salerni International Limited are interested in 633,186,599 shares and 502,058,994 shares respectively in the Company. Anthoni Salim also owns 83.84% of First Pacific Investments Limited which, in turn, is interested in 790,229,364 shares in the Company. Of this, 4.04% is held by Anthoni Salim directly, 20.19% by Salerni International Limited and 59.61% by Asian Capital Finance Limited (a company in which Anthoni Salim owns 100% share interests). The remaining 16.16% interest in First Pacific Investments Limited is owned as to 12.12% by the late Sutanto Djuhar and 4.04% by Tedy Djuhar (both are former Non-executive Directors of the Company).
- (ii) It included Mr. Pangilinan's interests in 6,077,352 awarded shares granted pursuant to the Company's Share Award Scheme as adopted by the Board of Directors on 19 March 2013 (the "Share Award Scheme") which remain unvested.
- (iii) It included Mr. Young's interests in 1,627,363 awarded shares granted pursuant to the Share Award Scheme which remain unvested.
- (iv) It included Mr. Santoso's interests in 957,000 awarded shares granted pursuant to the Share Award Scheme which remain unvested.
- (v) It represents Mr. Axton Salim's interests in 957,000 awarded shares granted pursuant to the Share Award Scheme which remain unvested.
- (vi) It included Prof. Chen's interests in 957,000 awarded shares granted pursuant to the Share Award Scheme which remain unvested.
- (vii) It included Mrs. Leung's interests in 957,000 awarded shares granted pursuant to the Share Award Scheme which remain unvested.
- (viii) It included Mr. Fan's interests in 957,000 awarded shares granted pursuant to the Share Award Scheme which remain unvested.
- (ix) It included Ms. Lee's interests in 957,000 awarded shares granted pursuant to the Share Award Scheme which remain unvested.
- (x) It included Mr. Pickerell's interests in 957,000 awarded shares granted pursuant to the Share Award Scheme which remain unvested.

(B) Long Positions in Shares and Debentures of the Associated Corporations of the Company

- Anthoni Salim owned (a) 1,329,770 ordinary shares^(P) (0.02%)* in Indofood and an indirect interest of 4,396,103,450 Indofood shares^(C) (50.07%)* through the Company's group companies; (b) an indirect interest of 2,007,788 shares^(C) (0.14%)* in IndoAgri through his controlled corporations other than the Company and an indirect interest of 1,199,087,330 IndoAgri shares^(C) (85.90%)* through the Company's group companies; and (c) an indirect interest of 20,483,364 shares^(C) (0.13%)* in PT Salim Ivomas Pratama Tbk ("SIMP") through his controlled corporations other than the Company and an indirect interest of 12,471,746,400 SIMP shares^(C) (80.46%)* through the Company's group companies.

- Manuel V. Pangilinan owned (a) an indirect interest of 4,481,690 common shares^(C) (7.10%)* in MPIC through his controlled corporation other than the Company; (b) 358,104 common shares^(P) (0.16%)* in PLDT as beneficial owner and a further 15,417 common shares (less than 0.01%)* in PLDT as nominee; (c) 4,655,000 common shares^(P) (0.08%)* in Philex; (d) 1,603,465 common shares^(P) (0.07%)* in PXP; (e) 98,000 common shares^(P) (less than 0.01%)* in Meralco; (f) 61,547 common shares^(P) (less than 0.01%)* in Roxas Holdings, Inc. (“RHI”); (g) 1,000 common shares^(P) (less than 0.01%)* in Axelum Resources Corp.; and (h) US\$1,000,000 of bonds due 2027 issued by FPC Resources Limited, which is a wholly-owned subsidiary of the Company.
- Christopher H. Young owned (a) 54,313 common shares^(P) (0.02%)* in PLDT; and (b) 61,547 common shares^(P) (less than 0.01%)* in RHI.

(P) = Personal interest, (C) = Corporate interest

* Approximate percentage of the issued capital of the respective class of shares in the respective associated corporations as at 31 December 2025.

Save for those disclosed above, as at 31 December 2025, none of the Directors and chief executive of the Company had any interests or short positions in respect of shares, underlying shares, or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of Part XV of the SFO, or as otherwise notified to the Company pursuant to the Model Code.

Interests of Substantial Shareholders in the Company

The interests and short positions of substantial shareholders in the shares and underlying shares of the Company as at 31 December 2025 as recorded in the register required to be kept under Section 336 of Part XV of the SFO are set out below:

- Salerni International Limited (“Salerni”), which was incorporated in the British Virgin Islands, was interested in 1,135,245,593 ordinary shares of the Company at 31 December 2025, representing approximately 26.64% of the Company’s issued share capital at that date, by way of 502,058,994 ordinary shares of the Company held, representing approximately 11.78% of the Company’s issued share capital at that date and also its 100% interest in First Pacific Investments (B.V.I.) Limited (“FPIL-BVI”). Anthoni Salim, Chairman of the Company, beneficially owns the entire issued share capital of Salerni and, accordingly, is taken to be interested in the shares of the Company owned by Salerni.
- Asian Capital Finance Limited (“ACFL”), which was incorporated in the British Virgin Islands, was interested in 790,229,364 ordinary shares of the Company at 31 December 2025, representing approximately 18.54% of the Company’s issued share capital at that date, by way of its 59.61% interest in First Pacific Investments Limited (“FPIL-Liberia”). Anthoni Salim, Chairman of the Company, beneficially owns the entire issued share capital of ACFL and, accordingly, is taken to be interested in the shares of the Company owned by ACFL.
- FPIL-Liberia, which was incorporated in the Republic of Liberia, beneficially owned 790,229,364 ordinary shares at 31 December 2025, representing approximately 18.54% of the Company’s issued share capital at that date. FPIL-Liberia is owned by Salerni, ACFL, Anthoni Salim (Chairman of the Company), Tedy Djuhar and the late Sutanto Djuhar (both are former Non-executive Directors of the Company), in the proportion specified in note (i) of the table on page 93. Anthoni Salim, Chairman of the Company, indirectly owns 83.84% of the issued share capital of FPIL-Liberia and, accordingly, is taken to be interested in the shares of the Company owned by FPIL-Liberia.
- FPIL-BVI, which was incorporated in the British Virgin Islands, beneficially owned 633,186,599 ordinary shares at 31 December 2025, representing approximately 14.86% of the Company’s issued share capital at that date. Anthoni Salim, Chairman of the Company, indirectly owns the entire issued share capital of FPIL-BVI and, accordingly, is taken to be interested in the shares of the Company owned by FPIL-BVI.
- Brandes Investment Partners, L.P. (“Brandes”), a United States incorporated company, notified the Company that it held 297,949,579 ordinary shares of the Company as at 7 March 2025, representing approximately 7.00% of the Company’s issued share capital at that date. At 31 December 2025, the Company has not received any other notification from Brandes of any change to such holding.

- (f) Northern Trust Corporation (“Northern Trust”), a United States incorporated company, notified the Company that it held, through its controlled corporation, 223,352,383 ordinary shares of the Company (lending pool) as at 23 August 2024, representing approximately 5.26% (lending pool) of the Company’s issued share capital at that date. At 31 December 2025, the Company has not received any other notification from Northern Trust of any change to such holding.

Other than as disclosed above, as at 31 December 2025 the Company had not been notified of any person who had an interest or short position in the shares or underlying shares of the Company which are required to be recorded in the register required to be kept under Section 336 of Part XV of the SFO.

Transactions, Arrangements or Contracts of Significance

Except for the connected transactions and continuing connected transactions set out in the Corporate Governance Report on pages 62 to 72, and the related party transactions set out in Note 37 to the Consolidated Financial Statements, there were no transactions, arrangements, or contracts of significance in relation to the Company’s business to which the Company or its subsidiary companies were parties, and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Apart from as disclosed above, none of the Directors nor a connected entity of a Director had any direct or indirect interest in any assets which have been acquired, disposed of by, or leased to, or are proposed to be acquired or disposed of by, or leased to the Company or any of its subsidiary companies at the end of the year or at any time during the year.

Directors’ Rights to Acquire Shares or Debentures

Apart from as disclosed under the heading “Interests of Directors in the Company and its Associated Corporations” above, “Shares Held for Share Award Scheme” and “Share Options” in Notes 29 and 36(D) to the Consolidated Financial Statements, at no time during the year was the Company or any of its subsidiary companies a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors of the Company or their spouses or minor children had any right to subscribe for securities of the Company, or had exercised any such right during the year.

Summary Financial Information

A summary of the published results, assets and liabilities, and various information and financial ratios of the Company and the Group for the last ten financial years, as extracted from the audited Consolidated Financial Statements and restated/reclassified as appropriate, is set out on pages 2 and 3. This summary does not form part of the audited Consolidated Financial Statements.

Major Customers and Suppliers

In 2025, sales to the Group’s five largest customers accounted for less than 30% of the total sales for the year, whereas purchases from the Group’s five largest suppliers accounted for 35% (2024: 37%) of the total purchases for the year of which purchases from the largest supplier included therein accounted for 9% (2024: 9%) of the total purchases.

Connected Transactions and Continuing Connected Transactions

Connected transactions and continuing connected transactions required to be disclosed in accordance with Chapter 14A of the Listing Rules, are disclosed in the Corporate Governance Report on pages 62 to 72.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company’s total number of issued shares were held by the public at both 31 December 2025 and the date of this report.

Directors’ and Officers’ Liability Insurance

The Bye-Laws of the Company provide that subject to the provisions of the relevant statutes, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director shall be liable for any loss, damages or misfortune that may happen to be incurred by the Company in the execution of the duties of his office or in relation thereto. During the year, the Company has maintained appropriate Directors’ and officers’ liability insurance for all Directors and officers of the Company.

Employment Policy

The Company has a policy of non-discrimination in respect of the age, religion, gender, gender identity or expression, sexual orientation, race, ethnicity, national origin, disability, family or marital status, dependents, genetics, social origin, or political views of employees and prospective employees. This ensures that individuals are treated equally, given their skills and abilities, in terms of career development and opportunities.

Auditor

Ernst & Young retire and a resolution for their reappointment as auditor of the Company will be proposed at the forthcoming AGM.

On behalf of the Board of Directors

Chiu Wing Man, Fiona

General Counsel and Company Secretary

Hong Kong

30 March 2026



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Independent Auditor's Report

TO THE SHAREHOLDERS OF FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

Opinion

We have audited the consolidated financial statements of First Pacific Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 101 to 212, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. 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 matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditor’s Report (continued)

TO THE SHAREHOLDERS OF FIRST PACIFIC COMPANY LIMITED (continued)

(Incorporated in Bermuda with limited liability)

Key audit matter	How our audit addressed the key audit matter
<p>Impairment assessment of goodwill allocated to noodles cash generating unit (“CGU”) and concession assets not yet available for use allocated to Toll Roads CGUs</p>	
<p>Goodwill allocated to noodles CGU and concession assets not yet available for use allocated to Toll Roads CGUs (collectively, the “Intangible Assets”) were carried in the Group’s consolidated statement of financial position as at 31 December 2025 amounted to US\$3,112.2 million and US\$1,512.8 million, respectively.</p>	<p>Our audit procedures in relation to impairment assessment of the Intangible Assets included:</p>
<p>In accordance with HKAS 36 Impairment of Assets, the Group is required to test goodwill and concession assets not yet available for use for impairment at least on an annual basis.</p>	<ul style="list-style-type: none"> understood the methodologies of the impairment assessment, including the involvement of the management’s specialists;
<p>The Intangible Assets and their carrying amounts were allocated to the Group’s respective CGUs for impairment testing. Impairment was determined by assessing the recoverable amount of the CGU to which each of the Intangible Assets relates and whether the recoverable amount of the CGU was less than the carrying amount. For the year under review, the recoverable amounts of the respective CGUs have been determined based on value-in-use calculations using cash flow projections specific to each CGU and applying discount rates which reflected specific risks relating to the relevant CGUs.</p>	<ul style="list-style-type: none"> evaluated the competence, capabilities, independence and objectivity of management’s specialists;
<p>The impairment testing of the Intangible Assets required management to make significant assumptions and estimates that would affect the reported amounts of the Intangible Assets and related disclosures in the consolidated financial statements. Related disclosures are included in notes 3, 13 and 14 to the consolidated financial statements</p>	<ul style="list-style-type: none"> evaluated the methodologies, assumptions and estimates used by the Group. In particular, for each relevant CGU, we assessed the historical accuracy of the prior years’ assumptions and estimates, and obtained an understanding of the latest developments of the Group and its business environment; assessed the key assumptions, including discount rate, expected market development and long-term growth rates, with the assistance from our valuation experts with relevant expertise and with external information sources; and evaluated the management’s assessment about the reasonably possible change in the relevant key assumptions.

Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report (continued)

TO THE SHAREHOLDERS OF FIRST PACIFIC COMPANY LIMITED (continued)

(Incorporated in Bermuda with limited liability)

Responsibilities of the directors for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine 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, the directors of the Company are 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 the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit and Risk Management Committee in discharging their responsibilities 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. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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 HKSA's, we exercise professional judgment and maintain professional scepticism 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 the directors.
- Conclude on the appropriateness of the directors' 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 units 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.

Independent Auditor's Report (continued)

TO THE SHAREHOLDERS OF FIRST PACIFIC COMPANY LIMITED (continued)

(Incorporated in Bermuda with limited liability)

We communicate with the Audit and Risk Management Committee 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 the Audit and Risk Management Committee 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 the Audit and Risk Management Committee, 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 or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Chiu, Caroline Su Yuen (practising certificate number: P05719).

Ernst & Young

Certified Public Accountants

Hong Kong

30 March 2026

Consolidated Financial Statements

Consolidated Income Statement

For the year ended 31 December US\$ millions	Notes	2025	2024
Turnover	4	10,232.5	10,057.2
Cost of sales		(6,502.6)	(6,402.9)
Gross Profit		3,729.9	3,654.3
Selling and distribution expenses		(770.7)	(783.3)
Administrative expenses		(651.3)	(635.1)
Other operating income and expenses	5(A)	(2.8)	(277.1)
Interest income		136.9	152.3
Finance costs	5(B)	(713.2)	(607.4)
Share of profits less losses of associated companies and joint ventures		523.2	523.4
Profit before Taxation	5	2,252.0	2,027.1
Taxation	6	(471.1)	(423.8)
Profit for the Year		1,780.9	1,603.3
Profit Attributable to:			
Owners of the Parent	7	661.0	600.3
Non-controlling Interests		1,119.9	1,003.0
		1,780.9	1,603.3
Earnings Per Share Attributable to Owners of the Parent (U.S. cents)	8		
Basic		15.53	14.15
Diluted		15.49	14.14

Details of the final distribution proposed for the year are disclosed in Note 9 to the Consolidated Financial Statements.

The Notes on pages 107 to 212 form an integral part of the Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December US\$ millions	2025	2024
Profit for the Year	1,780.9	1,603.3
Other Comprehensive (Loss)/Income		
Items that are or may be Reclassified to Profit or Loss:		
Exchange differences on translating foreign operations	(290.4)	(531.9)
Reclassification adjustment of exchange reserve upon disposal of a joint venture	(22.1)	–
Unrealized losses on debt investments at fair value through other comprehensive income (“FVOCI”)	(1.1)	(0.3)
Unrealized (losses)/gains on cash flow hedges	(36.4)	20.7
Realized losses/(gains) on cash flow hedges	3.7	(13.1)
Income tax related to cash flow hedges	4.9	(1.2)
Share of other comprehensive income/(loss) of associated companies and joint ventures	21.8	(20.3)
Items that will not be Reclassified to Profit or Loss:		
Changes in fair value of equity investments at FVOCI	(37.3)	(45.9)
Actuarial losses on defined benefit pension plans	(4.5)	(0.1)
Share of other comprehensive income/(loss) of associated companies and joint ventures	24.7	(11.8)
Other Comprehensive Loss for the Year, Net of Tax	(336.7)	(603.9)
Total Comprehensive Income for the Year	1,444.2	999.4
Total Comprehensive Income Attributable to:		
Owners of the parent	536.2	373.2
Non-controlling interests	908.0	626.2
	1,444.2	999.4

Consolidated Statement of Financial Position

US\$ millions	Notes	At 31 December 2025	At 31 December 2024
Non-current Assets			
Property, plant and equipment	10	3,814.1	3,634.8
Biological assets	11	15.5	19.5
Associated companies and joint ventures	12	5,921.9	5,867.3
Goodwill	13	3,655.2	3,784.7
Other intangible assets	14	7,979.9	7,265.0
Investment properties	15	21.6	22.6
Accounts receivable, other receivables and prepayments	16	105.1	107.3
Financial assets at fair value	17	480.4	501.8
Deferred tax assets	18	84.1	78.7
Other non-current assets	19	871.3	660.2
		22,949.1	21,941.9
Current Assets			
Biological assets	11	61.7	70.0
Inventories	20	1,346.2	1,319.1
Accounts receivable, other receivables and prepayments	16	1,427.9	1,302.0
Financial assets at fair value	17	586.3	591.5
Restricted cash	21	70.3	113.6
Cash and cash equivalents and short-term deposits	22	4,206.1	3,324.2
		7,698.5	6,720.4
Assets classified as held for sale	23	–	15.6
		7,698.5	6,736.0
Current Liabilities			
Accounts payable, other payables and accruals	24	2,071.7	1,930.6
Short-term borrowings	25	2,526.5	2,548.7
Provision for taxation	26	203.4	162.0
Current portion of deferred liabilities, provisions and payables	27	536.7	351.7
		5,338.3	4,993.0
Net Current Assets			
		2,360.2	1,743.0
Total Assets Less Current Liabilities			
		25,309.3	23,684.9
Equity			
Issued share capital	28	42.6	42.6
Shares held for share award scheme	29	(6.7)	(1.4)
Retained earnings		4,082.5	3,422.5
Other components of equity	30	270.4	462.5
Equity attributable to owners of the parent		4,388.8	3,926.2
Non-controlling interests	31	8,734.8	8,004.0
Total Equity		13,123.6	11,930.2
Non-current Liabilities			
Long-term borrowings	25	10,487.6	9,987.6
Deferred liabilities, provisions and payables	27	1,160.3	1,252.3
Deferred tax liabilities	18	537.8	514.8
		12,185.7	11,754.7
		25,309.3	23,684.9

The Notes on pages 107 to 212 form an integral part of the Consolidated Financial Statements.

On behalf of the Board of Directors

MANUEL V. PANGILINAN
Managing Director and Chief Executive Officer

CHRISTOPHER H. YOUNG
Executive Director

30 March 2026

Consolidated Statement of Changes in Equity

US\$ millions	Notes	Equity attributable to owners of the parent										Non-controlling interests	Total equity
		Issued share capital	Shares held for share award scheme	Share premium	Employee share-based compensation reserve	Other comprehensive loss (Note 32)	Differences arising from changes in equities of subsidiary companies	Capital and other reserves	Contributed surplus	Retained earnings	Total		
At 1 January 2024		42.4	(1.2)	27.0	9.1	(1,063.4)	533.0	12.6	1,298.7	2,829.8	3,688.0	7,878.9	11,566.9
Profit for the year		-	-	-	-	-	-	-	-	600.3	600.3	1,003.0	1,603.3
Other comprehensive loss for the year		-	-	-	-	(227.1)	-	-	-	-	(227.1)	(376.8)	(603.9)
Total comprehensive (loss)/income for the year		-	-	-	-	(227.1)	-	-	-	600.3	373.2	626.2	999.4
Purchase of shares under share award scheme	29	-	(1.6)	-	-	-	-	-	-	-	(1.6)	-	(1.6)
Shares vested under share award scheme	29	-	1.4	-	(1.3)	-	-	-	-	(0.1)	-	-	-
Issue of shares upon the exercise of share options	36(D)	0.2	-	5.4	(0.8)	-	-	-	-	-	4.8	-	4.8
Employee share-based compensation benefits		-	-	-	0.6	-	-	-	-	-	0.6	-	0.6
Acquisition of interests in subsidiary companies		-	-	-	-	(0.1)	(9.9)	-	-	-	(10.0)	(109.7)	(119.7)
Divestment and dilution of interests in subsidiary companies		-	-	-	-	-	0.8	-	-	-	0.8	5.9	6.7
Acquisition of a subsidiary company		-	-	-	-	-	-	-	-	-	-	31.4	31.4
Remeasurement of a financial liability on a non-controlling interest's put option		-	-	-	-	-	3.6	-	-	-	3.6	7.0	10.6
2023 final distribution paid		-	-	-	-	-	-	-	(67.9)	-	(67.9)	-	(67.9)
2024 interim distribution paid	9	-	-	-	-	-	-	-	(65.3)	-	(65.3)	-	(65.3)
Capital contributions from non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	26.0	26.0
Dividends declared to non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	(461.7)	(461.7)
Others		-	-	-	-	7.5	-	-	-	(7.5)	-	-	-
At 31 December 2024		42.6	(1.4)	32.4	7.6	(1,283.1)	527.5	12.6	1,165.5	3,422.5	3,926.2	8,004.0	11,930.2
At 1 January 2025		42.6	(1.4)	32.4	7.6	(1,283.1)	527.5	12.6	1,165.5	3,422.5	3,926.2	8,004.0	11,930.2
Profit for the year		-	-	-	-	-	-	-	-	661.0	661.0	1,119.9	1,780.9
Other comprehensive loss for the year		-	-	-	-	(124.8)	-	-	-	-	(124.8)	(211.9)	(336.7)
Total comprehensive (loss)/income for the year		-	-	-	-	(124.8)	-	-	-	661.0	536.2	908.0	1,444.2
Purchase of shares under share award scheme	29	-	(6.7)	-	-	-	-	-	-	-	(6.7)	-	(6.7)
Shares vested under share award scheme	29	-	1.4	-	(1.2)	-	-	-	-	(0.2)	-	-	-
Issue of shares upon the exercise of share options	36(D)	-	-	3.3	(0.5)	-	-	-	-	-	2.8	-	2.8
Employee share-based compensation benefits		-	-	-	5.7	-	-	-	-	-	5.7	-	5.7
Acquisition of interests in subsidiary companies		-	-	-	-	(28.3)	49.6	-	-	-	21.3	(376.9)	(355.6)
Divestment and dilution of interests in subsidiary companies		-	-	-	-	-	56.9	-	-	-	56.9	659.7	716.6
Remeasurement of a financial liability on a non-controlling interest's put option		-	-	-	-	-	(2.7)	-	-	-	(2.7)	(10.7)	(13.4)
2024 final distribution paid	9	-	-	-	-	-	-	-	(73.5)	-	(73.5)	-	(73.5)
2025 interim distribution paid	9	-	-	-	-	-	-	-	(71.1)	-	(71.1)	-	(71.1)
2025 special distribution declared	9	-	-	-	-	-	-	-	(6.3)	-	(6.3)	-	(6.3)
Capital contributions from non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	65.8	65.8
Dividends declared to non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	(515.1)	(515.1)
Others		-	-	-	-	0.8	-	-	-	(0.8)	-	-	-
At 31 December 2025		42.6	(6.7)	35.7	11.6	(1,435.4)	631.3	12.6	1,014.6	4,082.5	4,388.8	8,734.8	13,123.6

The Notes on pages 107 to 212 form an integral part of the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

For the year ended 31 December		2025	2024
US\$ millions	Notes		
Profit Before Taxation		2,252.0	2,027.1
Adjustments for:			
Finance costs	5(B)	713.2	607.4
Depreciation of property, plant and equipment	5(C)	318.7	316.6
Amortization of other intangible assets	5(C)	135.9	113.9
Provisions for impairment losses, net		34.1	160.8
Loss on disposal of property, plant and equipment, net	5(A)	17.7	22.6
Write-down of inventories to net realizable value	5(C)	10.3	5.9
Loss/(gain) on changes in fair value of biological assets, net	5(A)	8.2	(20.0)
Employee share-based compensation benefit expenses		5.7	0.6
Share of profits less losses of associated companies and joint ventures		(523.2)	(523.4)
Interest income		(136.9)	(152.3)
Gain on disposal of a joint venture	5(A)	(50.5)	–
Dividend income from financial assets at FVOCI	5(A)	(6.0)	(13.5)
Gains on control of a subsidiary company	5(A)	–	(44.9)
Gain on disposal of an associated company	5(A)	–	(3.7)
Others (including unrealized foreign exchange losses)		71.3	192.1
		2,850.5	2,689.2
Increase in accounts receivable, other receivables and prepayments		(249.2)	(127.9)
Increase in inventories		(61.6)	(168.1)
Increase in accounts payable, other payables and accruals		107.4	171.1
Net cash generated from operations		2,647.1	2,564.3
Interest received		149.2	122.7
Interest paid		(634.0)	(554.7)
Taxes paid		(414.0)	(385.8)
Net Cash Flows From Operating Activities		1,748.3	1,746.5

continued/...

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December		2025	2024
US\$ millions	Notes		
Dividends received from associated companies		349.6	309.3
Proceeds from disposal of a joint venture	33(A)	113.1	–
Decrease in restricted cash		42.5	189.9
Dividend received from a joint venture		14.1	5.8
Proceeds from disposal of assets classified as held for sale	33(B)	11.4	–
Dividends received from financial assets at FVOCI		6.0	13.5
Proceeds from disposal of property, plant and equipment		3.6	10.4
Proceeds from disposal of financial assets at FVOCI		2.7	–
Investments in other intangible assets		(859.7)	(896.4)
Payments for purchases of property, plant and equipment		(528.8)	(444.9)
Investments in debt instruments	33(C)	(121.2)	–
Investments in financial assets at fair value	33(D)	(39.9)	(89.0)
Investments in associated companies	33(E)	(25.1)	(692.7)
Acquisition of subsidiary companies	33(F)	(22.8)	(9.2)
Placement in short-term deposits with original maturity of more than three months		(20.5)	(7.1)
Investments in biological assets		(18.6)	(17.1)
Increased investments in an associated company		(3.0)	(5.0)
Purchases of investment properties		(0.4)	(6.7)
Proceeds from disposal of an associated company		–	7.7
Increased investment in a joint venture		–	(1.5)
Net Cash Flows Used in Investing Activities		(1,097.0)	(1,633.0)
Proceeds from new bank borrowings and other loans	33(I)	4,246.4	4,162.0
Proceeds from IPO of a subsidiary company	33(G)	522.6	–
Capital contributions from non-controlling shareholders		65.8	26.0
Proceeds from the issue of shares upon the exercise of share options		2.8	4.8
Repayment of bank borrowings and other loans	33(I)	(3,603.6)	(2,936.0)
Dividends paid to non-controlling shareholders by subsidiary companies	33(I)	(506.2)	(469.8)
Distributions paid to shareholders	33(I)	(144.6)	(133.2)
Increased investments in subsidiary companies	33(H)	(142.3)	(120.8)
Payments for concession fees payable	33(I)	(94.9)	(23.3)
Principal portion of lease payments	33(I)	(46.1)	(31.0)
Repayment of loan from a non-controlling shareholder	33(I)	(18.1)	(9.2)
Payments for purchase of shares under share award scheme		(6.7)	(1.6)
Repurchase of a subsidiary company's shares		–	(1.0)
Net Cash Flows From Financing Activities		275.1	466.9
Net Increase in Cash and Cash Equivalents		926.4	580.4
Cash and cash equivalents at 1 January		3,287.0	2,814.3
Exchange translation		(64.0)	(107.7)
Cash and Cash Equivalents at 31 December		4,149.4	3,287.0
Representing			
Cash and cash equivalents and short-term deposits as stated in the consolidated statement of financial position	22	4,206.1	3,324.2
Less: short-term deposits with original maturity of more than three months		(56.7)	(37.2)
Cash and Cash Equivalents at 31 December		4,149.4	3,287.0

The Notes on pages 107 to 212 form an integral part of the Consolidated Financial Statements.

1. Corporate and Group Information

First Pacific Company Limited (“First Pacific” or the “Company”) is a Hong Kong-based investment holding company with operations located in Asia-Pacific. Its principal business interests relate to consumer food products, telecommunications, infrastructure, and natural resources.

The Company is a limited liability company incorporated in Bermuda. As at 31 December 2025, the address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company’s ordinary shares are listed on the SEHK. Its shares are also available for trading in the United States through ADRs (Level 1).

The Group comprises the Company and its subsidiary companies. Details of the principal subsidiary companies of the Company which, in the opinion of the Directors, materially affect the results or net assets of the Group, are set out on pages 217 and 218.

2. Basis of Preparation and Summary of Principal Accounting Policies

(A) Basis of Preparation

The Consolidated Financial Statements have been prepared in accordance with HKFRS Accounting Standards (which include all HKFRSs, HKASs and HK(IFRIC)-Ints) as issued by the HKICPA, and the disclosure requirements of the Hong Kong Companies Ordinance. The Consolidated Financial Statements also comply with the applicable disclosure provisions of the Listing Rules. The Consolidated Financial Statements have been prepared on a historical cost basis, except for biological assets, investment properties, financial assets/liabilities at fair value, derivative financial instruments, and pension scheme assets which, as disclosed in the accounting policies below, are stated at fair value. These Consolidated Financial Statements are presented in U.S. dollars and all values are rounded to the nearest million (“US\$ millions”) with one decimal place except when otherwise indicated.

(B) Amendments Adopted by the Group

The Group has adopted HKAS 21 Amendments “Lack of Exchangeability” for the first time for the current year’s financial statements.

HKAS 21 Amendments specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiary companies, associated companies and joint ventures for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the Group’s Consolidated Financial Statements.

The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

(C) Issued But Not Yet Effective HKFRS Accounting Standards

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but not yet effective in the Consolidated Financial Statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKAS 21 Amendments	“Translation to a Hyperinflationary Presentation Currency” ⁽ⁱⁱⁱ⁾
HKFRS 9 and HKFRS 7 Amendments	“Amendments to the Classification and Measurement of Financial Instruments” ⁽ⁱ⁾
HKFRS 9 and HKFRS 7 Amendments	“Contracts Referencing Nature-dependent Electricity” ⁽ⁱ⁾
HKFRS 10 and HKAS 28 Amendments	“Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” ⁽ⁱⁱⁱ⁾
HKFRS 18	“Presentation and Disclosure in Financial Statements” ⁽ⁱⁱ⁾
HKFRS 19 and its Amendments	“Subsidiaries without Public Accountability: Disclosures” ⁽ⁱⁱ⁾
Improvements to HKFRS Accounting Standards	“Annual Improvements to HKFRS Accounting Standards – Volume 11” ⁽ⁱ⁾

- (i) Effective for annual periods beginning on or after 1 January 2026
(ii) Effective for annual periods beginning on or after 1 January 2027
(iii) No mandatory effective date yet determined but available for adoption

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKAS 21 Amendments require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of HKAS 29 “Financial Reporting in Hyperinflationary Economies”, to the foreign operation’s comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted.

HKFRS 9 and HKFRS 7 Amendments clarify the date on which a financial asset or financial liability is derecognized and introduce an accounting policy option to derecognize a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at FVOCI and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained earnings (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted.

HKFRS 9 and HKFRS 7 Amendments clarify the application of the “own-use” requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity’s financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time.

HKFRS 10 and HKAS 28 Amendments address an inconsistency between the requirements in HKFRS 10 “Consolidated Financial Statements” and in HKAS 28 “Investments in Associates and Joint Ventures” in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognized in the investor’s profit or loss only to the extent of the unrelated investor’s interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

HKFRS 18 replaces HKAS 1 “Presentation of Financial Statements”. While a number of sections have been brought forward from HKAS 1 with limited changes. HKFRS 18 introduces new requirements for presentation within the income statement, including specified totals and subtotals. Entities are required to classify all income and expenses within the income statement into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”, which is renamed as HKAS 8 “Basis of Preparation of Financial Statements”. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 “Statement of Cash Flows”, HKAS 33 “Earnings per Share” and HKAS 34 “Interim Financial Reporting”. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required.

HKFRS 19 and its Amendments allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 “Consolidated Financial Statements”, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted.

“Annual Improvements to HKFRS Accounting Standards – Volume 11” set out amendments to HKFRS 1 “First-time Adoption of Hong Kong Finance Reporting Standards”, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9 “Financial Instruments”, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 7: The amendments updated certain wording in the Guidance on implementing HKFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing HKFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted.
- HKFRS 9: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to recognize any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in HKFRS 9 to remove potential confusion. Earlier application is permitted.
- HKFRS 10: The amendments clarify that the relationship described in HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes inconsistency with the requirement in HKFRS 10. Earlier application is permitted.

- HKAS 7: The amendments replace the term “cost method” with “at cost” in HKAS 7 following the prior deletion of the definition of “cost method”. Earlier application is permitted.

The Group is currently working to identify the impacts that HKFRS 18 will have on the primary financial statements and notes to the financial statements. The initial expected impacts on the Group’s Consolidated Financial Statements are as follows:

- Foreign exchange differences will be classified in the same category as the income and expenses from the items that give rise to the foreign exchange differences; and
- Interest received and interest paid will be classified as cash flows arising from investing activities and financing activities, respectively, in the consolidated statement of cash flows.

Other than that, the Group does not expect the other new and amended HKFRS Accounting Standards will have a significant impact on the results of operations, financial position, or presentation of the Consolidated Financial Statements.

(D) Material Accounting Policies

(a) Basis of consolidation

(1) Basis of consolidation

The Consolidated Financial Statements for the year ended 31 December 2025 comprise the Company and its subsidiary companies (together referred to as the “Group”) and the Group’s interests in associated companies and joint ventures.

A subsidiary company is an entity, directly or indirectly, controlled by the Company. Control exists when the Company has exposure, or rights, to variable returns from its involvement with the entity and the ability to use its power over the entity to affect the amount of those returns. Generally, there is a presumption that a majority of voting rights results in control. When the Company 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: (i) the contractual arrangement with the other vote holders of the investee, (ii) rights arising from other contractual arrangements, (iii) the Group’s voting rights and potential voting rights and (iv) other factors which enable the Company to direct the relevant activities of the investee unilaterally, such as the existence of control, through majority representatives appointed, over the board of directors of the investee by the Company. Potential voting rights that are substantive (i.e., practically exercisable by the Company considering all facts and circumstances), where applicable to certain Philippine affiliates of the Company, are taken into account in determining whether an entity should be consolidated. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes in the elements of control described above.

The results of subsidiary companies are included in the consolidated income statement from the effective date of acquisition, being the date on which the Group obtains control, or up to the effective date of disposal, as appropriate. Adjustments are made to bring into line any dissimilar accounting policies that may exist. All significant intra-group transactions and balances within the Group are eliminated on consolidation. Total comprehensive losses are attributed to the non-controlling interests even if it results in a deficit balance. Non-controlling interests represent the interests of non-controlling shareholders not held by the Group in the results and net position of the Company’s subsidiary companies.

A change in the ownership interest of a subsidiary company, without a change of control, is accounted for as an equity transaction. For an unexercised put option held by a non-controlling shareholder of the Group’s subsidiary company, which allows the non-controlling shareholder to sell all of its interest in the Group’s subsidiary company to the Group under certain specific circumstances, the Group continues to recognize the non-controlling interest, including an update to reflect allocations of profit or loss, allocation of changes in other comprehensive income and dividends declared for the reporting period, as required by HKFRS 10. However, the carrying amount of the non-controlling interest is derecognized at the end of each reporting period and the difference between the derecognized non-controlling interest and changes in measurement of a financial liability recognized in relation to the put option is recorded in equity as an equity transaction. See Note (1) for details of the accounting policies in relation to the financial liability recognized in relation to the put option.

If the Group loses control over a subsidiary company, it derecognizes the related assets (including goodwill), liabilities, any non-controlling interests, and the exchange reserve, and recognizes the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognized in other comprehensive income is reclassified to profit or loss or retained earnings, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

(II) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. This method involves allocating the consideration transferred to the vendor to the fair value of the identifiable assets acquired, with liabilities and contingent liabilities assumed at the date of acquisition. The consideration transferred is measured at the aggregate of the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at the non-controlling interests' proportionate share of the acquiree's net identifiable assets or at fair value. All acquisition-related costs are recognized as expenses in profit or loss.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

For step acquisitions, the Group's previously held equity interests are remeasured at the fair value at their acquisition date and any resulting gain or loss is recognized in profit or loss or other comprehensive income, as appropriate. Contingent consideration is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognized in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and any fair value of the Group's previously held equity interest in the acquiree over the net fair value of the identifiable assets acquired, liabilities and contingent liabilities assumed. If the sum of this consideration and other items is lower than the net fair value of the identifiable assets acquired, liabilities and contingent liabilities assumed, the difference is recognized in profit or loss after reassessment as a gain on bargain purchase. In the case of associated companies and joint ventures, goodwill is included in the carrying amount thereof, rather than as a separately identified asset in the consolidated statement of financial position.

If the initial accounting for business combination can be determined only provisionally by the end of the period in which the combination is effected because the fair values to be assigned to the acquiree's identifiable assets and liabilities can be determined only provisionally, the Group accounts for the combination using provisional amounts. During the measurement period, which is not longer than one year from the acquisition date, the provisional amounts recognized at acquisition date are retrospectively adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. Goodwill or any gain recognized shall be adjusted from the acquisition date by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable assets, liabilities or contingent liabilities being recognized or adjusted.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGU, or group of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or group of units. Impairment is determined by assessing the recoverable amount of the CGU (group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (group of CGUs) is less than the carrying amount, an impairment loss is recognized. An impairment loss recognized for goodwill is not reversed in a subsequent period.

For business combinations involving entities or businesses under common control (a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory), they are accounted for applying the principles of merger accounting which is consistent with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the HKICPA. The method requires the combined entity to recognize the assets, liabilities and equity of the combining entities or businesses at the carrying amounts (i.e., existing book values from the controlling parties’ perspective) in the Consolidated Financial Statements of the controlling party or parties prior to the common control combination. There is no recognition of any goodwill or excess of the acquirer’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities over the cost at the time of the common control combination to the extent of the controlling party’s or parties’ interests.

Where goodwill has been allocated to a CGU (group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion retained by the CGU (group of CGUs).

(b) Property, plant and equipment

(1) Freehold land and other property, plant and equipment

Freehold land is stated at cost and is not depreciated. Other property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses, calculated on the straight-line basis at annual rates estimated to write off their book values to residual values (if any) over their expected useful lives. Details of depreciation rates are given as follows:

The principal annual rates of depreciation:

Freehold land	Nil
Buildings	2.5% to 20.0%
Machinery, equipment and vessels	3.3% to 50.0%
Construction in progress	Nil

When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and measured at the lower of its carrying amount and fair value less costs to sell.

The initial cost of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Cost also includes asset retirement obligations, interest on borrowed funds used during the construction period and qualified finance costs from foreign exchange losses related to foreign currency denominated liabilities used to acquire such assets. Major costs incurred in restoring property, plant and equipment to their normal working condition are normally charged to the consolidated income statement. Where the recognition criteria are satisfied, improvements are capitalized and depreciated over their expected useful lives to the Group. When assets are sold or retired, their costs and accumulated depreciation, amortization and impairment losses, if any, are eliminated from the accounts and any gain or loss resulting from their disposal is included in the consolidated income statement.

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values (if any), useful lives and the depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

(II) *Bearer plants*

Bearer plants are living plants used in the production or supply of agricultural produce. They are expected to bear produce for more than one period and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

The Group's bearer plants comprise oil palm, rubber, and sugar cane plantations. The Group elects to account for its bearer plants using the cost model under HKAS 16 "Property, Plant and Equipment". Immature bearer plants are accounted for at accumulated cost, which consist mainly of the accumulated cost of land clearing, planting, fertilizing, upkeeping and maintaining the plantations, and allocations of indirect overhead costs up to the time the plants become commercially productive and available for harvest. Costs also include capitalized borrowing costs and other charges incurred in connection with the financing of the development of immature bearer plants. Immature bearer plants are not depreciated.

Immature bearer plants are reclassified to mature bearer plants when they are commercially productive and available for harvest. In general, an oil palm plantation takes about three to four years to reach maturity from the time of planting the seedlings, while a rubber plantation takes about five to six years to reach maturity. A sugar cane plantation takes about a year to reach maturity and can be harvested for an average of three more times after the initial harvest.

Mature bearer plants are stated at cost, and are depreciated using the straight-line method over their estimated useful lives of 25 years for oil palm plantations and rubber plantations, and four years for sugar cane plantations. The useful lives and depreciation method are reviewed at each year end and adjusted prospectively, if necessary.

The carrying amounts of bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be fully recoverable.

The carrying amount of an item of bearer plants is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is directly included in the profit or loss when the item is derecognized.

Upkeep and maintenance costs are recognized in the profit or loss when they are incurred. The cost of major renovation and restoration is included in the carrying amount of the related asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group, and is depreciated over the remaining useful life of the related asset.

(c) **Asset retirement obligations**

The net present value of legal obligations associated with the retirement of an item of property, plant and equipment that resulted from the acquisition, construction, or development of property, plant and equipment is recognized in the period in which the obligations arise. The obligations are reviewed and adjusted, if appropriate, at the end of each reporting period.

(d) **Biological assets**

The Group's biological assets comprise timber plantations and agricultural produce of the bearer plants, which primarily comprise FFB, oil palm seeds, latex, and sugar cane.

The Group recognizes the fair value of biological assets in accordance with HKAS 41. Biological assets are stated at fair value less costs to sell. Gains or losses arising on initial recognition of biological assets and from the change in fair value of biological assets at each reporting date are recognized in the profit or loss for the period in which they arise.

The Group adopts the income approach to measure the fair value of the biological assets. For the valuation of unharvested produce of oil palm and rubber plantations, the Group has applied the estimated harvest data subsequent to the year end to derive the fair value. For the valuation of unharvested sugar cane and oil palm seeds, the Group has applied discounted cash flow models to derive the fair value.

For timber plantations, the Group appoints an independent valuer to determine the fair value of timber trees at the year end and any resultant gains or losses arising from the changes in fair values are recognized in the profit or loss. The independent valuer adopts the income approach for the valuation of timber trees using a discounted cash flow model.

(e) Associated companies and joint ventures

An associated company is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investments in associated companies and joint ventures are accounted for in the Consolidated Financial Statements under the equity method, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's investments in associated companies and joint ventures include goodwill (net of any accumulated impairment losses) identified on acquisition. The Group's share of its associated companies' and joint ventures' post-acquisition profits and losses is recognized in the consolidated income statement as the Group's share of profits less losses of associated companies and joint ventures, and its share of post-acquisition other comprehensive income is recognized in the Group's consolidated other comprehensive income and when applicable in the consolidated statement of changes in equity. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Unrealized gains and losses resulting from transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's investments in the associated companies or joint ventures, except where unrealized losses provide evidence of an impairment of the assets transferred.

Equity accounting is discontinued when the Group's interest in an associated company or a joint venture reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated company or joint venture. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associated company or the joint venture (after applying the expected credit loss ("ECL") model to such other long-term interests when applicable (see Note (k)(IV))).

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investments in associated companies and joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investment in an associated company or a joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associated company or joint venture and its carrying value, and then recognizes the loss in the consolidated income statement.

If an investment in an associated company becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, when the Group discontinues the use of the equity method from the date when it ceases to have significant influence over an associated company or joint control over a joint venture, the Group measures at fair value any investment that the Group retains in the former associated company or joint venture. The Group recognizes in the consolidated income statement any difference between (i) the fair value of any retained investment and any proceeds from disposing of part of the interest in the associated company or joint venture and (ii) the carrying amount of the investment at the date when significant influence or joint control is lost.

(f) Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. Additions of service concession assets subsequent to business combinations are initially measured at the present value of any additional estimated future concession fee payments pursuant to the concession agreements and/or the costs of rehabilitation works incurred or additional constructions. Service concession assets acquired other than through business combinations include capitalized upfront payments and expenditures directly attributable to the acquisition of the service concession. Payments to governments over the concession period are capitalized at their present value using the incremental borrowing rate determined at inception date and are included as part of the initial recognition of the service concession asset with a corresponding liability recognized as service concession fee payable. Borrowing cost in relation to service concession assets that are considered as qualifying assets forms part of the cost of the service concession asset. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment loss. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite useful lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the intangible assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The Group's concession assets represent the fair value of concessions of rights granted by governments to charge users for public services provided. The Group's concession assets for the water distribution business are amortized using either the unit of production method or the straight-line method over the term of the concessions. The Group's concession assets for the toll roads business are amortized using the unit of production method over the term of the concessions. The Group's brands represent the brands for its various milk related products and are amortized using the straight-line method over their estimated useful lives. The Group's customer list and licenses for the wastewater and sewage treatment business are amortized using the straight-line method over their estimated useful lives. The Group's vesting contract is a commitment to produce a specified quantity of electricity at a specified price, limiting the Group's exposure to volatility in electricity prices and provide certainty on cost recovery for a portion of the electricity generated. The vesting contract is amortized using the straight-line method. The Group's software is amortized using the straight-line method over its estimated useful life.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, or whenever there is an indication that the intangible asset may be impaired. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis from the date of change. The Group's intangible assets with indefinite useful lives mainly consist of the registered brand name, distribution and customer networks, and water licenses of its packaged drinking water business, for which (i) the brand name and licenses can be renewed indefinitely at no significant costs; (ii) the Group has the intention to renew the brand name and maintain the licenses and the networks indefinitely; and (iii) the Group does not expect to incur significant expenses to maintain the future economic benefits that can be generated from these assets.

Intangible assets not yet available for use are tested for impairment annually or more frequently when events or changes in circumstances indicate that the carrying values may be impaired. The intangible assets not yet available for use mainly relate to concession agreements signed with the relevant government authorities as regards to the building and operation of water and toll roads businesses for which constructions have not been completed.

(g) Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of each reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the consolidated income statement in the period in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated income statement in the period of the retirement or disposal.

Transfers are made to (or from) investment properties only when there is a change in use. For a transfer from an investment property to an owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment for owned property and/or accounts for such property in accordance with the policy stated under right-of-use assets for leased property up to the date of change in use.

(h) Fair value measurement

The Group measures its biological assets, investment properties, financial assets classified as FVOCI, contingent consideration, derivative financial instruments, and pension scheme assets at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

(i) Impairment of non-financial assets

An assessment is made at the end of each reporting period as to whether there is an indication of impairment of assets including property, plant and equipment, other intangible assets and other non-current assets, or whether there is an indication that an impairment loss previously recognized for an asset may no longer exist or may have decreased. If such an indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the consolidated income statement in the period in which it arises.

A previously recognized impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset. However, this is limited and will not give rise to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortization), had no impairment loss been recognized for the asset in prior years.

A reversal of such an impairment loss is credited to the consolidated income statement in the period in which it arises.

(j) Cash and cash equivalents, short-term deposits and restricted cash

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use, whereas short-term deposits are highly liquid money market placements with maturities of more than three months but less than one year from the dates of acquisition. Cash restricted as to use represents cash which is restricted from being exchanged or used to settle a liability.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments which are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

(k) Financial assets

(l) Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Group's business model for managing them. With the exception of accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at FVPL, transaction costs. Accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 "Revenue from Contracts with Customers" in accordance with the policies set out for "Turnover and revenue recognition" below.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. 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 FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at FVPL.

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.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognized on the trade date, that is, the date that the Group commits to purchase or sell the assets.

(II) *Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the consolidated income statement when the asset is derecognized, modified, or impaired.

(ii) Financial assets at FVOCI (debt instruments)

For debt investments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated income statement and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in other comprehensive income. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to the consolidated income statement.

(iii) Financial assets designated at FVOCI (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at FVOCI when they meet the definition of equity under HKAS 32 “Financial Instruments: Presentation” and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the consolidated income statement.

Dividends are recognized as other operating income in the consolidated income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income.

Equity investments designated at FVOCI are not subject to impairment assessment.

(iv) Financial assets at FVPL

Financial assets at FVPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated income statement.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at FVOCI. Dividends on the equity investments are also recognized as other operating income in the consolidated income statement when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at FVPL. Embedded derivatives are measured at fair value with changes in fair value recognized in the consolidated income statement. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the FVPL category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at FVPL.

(III) *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's consolidated statement of financial position) when (i) the rights to receive cash flows from the asset have expired; or (ii) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(IV) *Impairment*

The Group recognizes an allowance for ECLs for all debt instruments not held at FVPL. 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 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.

(i) General approach

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").

At each reporting date, the Group assesses whether the credit risk on debt instruments have increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the debt instruments as at the reporting date with the risk of a default occurring on the debt instruments as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers other debt instruments in default when contractual payments are more than 60 to 180 days past due. However, in certain cases, the Group may also consider these debt instruments to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A debt instrument is written off when there is no reasonable expectation of recovering the contractual cash flows. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

For debt investments at FVOCI, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the past due status of the debt investments in which the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Debt investments at FVOCI and other debt instruments at amortized cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for accounts receivable and contract assets which apply the simplified approach as detailed below:

- Stage 1 – Debt instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs;
- Stage 2 – Debt instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs;
- Stage 3 – Debt instruments that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Evidence that a debt instrument is credit-impaired includes the following observable events:

- Significant financial difficulties of the debtor;
- A breach of contract, such as a default or delinquency in interest or principal repayments;
- It becoming probable that the borrower will enter into bankruptcy or other financial reorganization;
- Significant changes in the technological, market, economic, or legal environment that have an adverse effect on the debtor; or
- The disappearance of an active market for a security because of financial difficulties of the issuer.

(ii) Simplified approach

For accounts receivable and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, 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.

(I) Financial liabilities

(I) *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.

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

In respect of a put option held by a non-controlling shareholder of the Group's subsidiary company, which allows the non-controlling shareholder to sell all of its interest in the Group's subsidiary company to the Group under certain specific circumstances and thus gives rise to a contractual obligation for the Group to purchase its own equity instruments when the put option is exercised, a financial liability is initially recognized at the present value of the amount payable on exercise of the put option by the non-controlling shareholder and the carrying amount of the non-controlling interest is derecognized with the resulting differences recorded in equity.

(II) *Subsequent measurement*

The subsequent measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the consolidated income statement. The net fair value gain or loss recognized in the consolidated income statement does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at FVPL are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at FVPL are recognized in the consolidated income statement, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the consolidated income statement. The net fair value gain or loss recognized in the consolidated income statement does not include any interest charged on these financial liabilities.

(ii) Financial liabilities at amortized cost

After initial recognition, the following financial liabilities are measured at amortized cost using the effective interest method: (i) trade and other payables, and (ii) borrowings. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs.

In respect of a put option held by a non-controlling shareholder of the Group's subsidiary company, while the put option remains unexercised, the Group derecognizes the carrying value of the non-controlling interest as if the put option is exercised at the end of the reporting period and recognizes a financial liability at the present value of the amount payable on exercise of the put option, with the difference recorded in equity as an equity transaction.

(iii) Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in Note k(IV); and (ii) the amount initially recognized less, when appropriate, the cumulative amount of income recognized.

(III) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or canceled, or expires.

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

(m) Derivative instruments and hedge accounting

The Group uses derivative financial instruments such as currency swaps, foreign currency forwards, interest rate swaps, commodity swaps and electricity futures to hedge its risks associated with foreign currency, interest rate, and commodity price fluctuations. Such derivative financial instruments are stated at fair value.

For the purpose of hedge accounting, hedges are classified as (i) fair value hedges where they hedge the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment, (ii) cash flow hedges where they hedge the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognized asset or liability, a highly probable forecast transaction, or a foreign currency risk in an unrecognized firm commitment, or (iii) hedges of a net investment in a foreign operation. The Group does not have any fair value hedges.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements: (i) there is “an economic relationship” between the hedged item and the hedging instrument, (ii) the effect of credit risk does not “dominate the value changes” that result from that economic relationship, and (iii) the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

The Group has adopted HKAS 39, HKFRS 7 and HKFRS 9 Amendments which include a number of reliefs that apply to all hedging relationships directly affected by interest rate benchmark reform. The reliefs apply during the year before the replacement of an existing interest rate benchmark with an alternative RFR. A hedging relationship is affected if interest rate benchmark reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. The reliefs cease to apply once certain conditions are met. These include when the uncertainty arising from interbank offered rate reform is no longer present with respect to the timing and amount of the benchmark-based cash flows of the hedged item, if the hedging relationship is discontinued or once amounts in the cash flow hedge reserve have been released.

In relation to cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in consolidated other comprehensive income and the ineffective portion is recognized immediately in the consolidated income statement. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in other comprehensive income are accounted for depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in other comprehensive income for the period. This also applies when the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the consolidated income statement as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the consolidated income statement.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the consolidated income statement as a reclassification adjustment. After the discontinuation, once the hedged cash flows occur, any amount remaining in other comprehensive income is accounted for depending on the nature of the underlying transaction as described above.

For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are recognized directly in the consolidated income statement.

(n) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is calculated using the first-in, first-out method, the weighted average method or the deemed cost for agricultural produce harvested from the bearer plants, and in the case of work in progress and finished goods, comprises direct materials, direct labor and an appropriate proportion of overheads. The cost of goods purchased for resale includes costs incurred in bringing the goods to their present location. Depending on the nature of the inventory, net realizable value is based on either estimated selling prices less any estimated costs to be incurred on completion and disposal, or the current replacement cost. The Group provides allowance for obsolescence and/or decline in market values of inventories based on periodic reviews of their physical conditions and net realizable value.

(o) Provisions, contingent liabilities and assets

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated income statement net of any reimbursement.

When the effect of discounting is material, the amount recognized for a provision is the present value, at the end of the reporting period, of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount, arising from the passage of time, is included in finance costs in the consolidated income statement.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote.

A contingent liability recognized in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognized in accordance with the general policy for provisions above and (ii) the amount initially recognized less, when appropriate, the amount of income recognized in accordance with the general guidance for revenue recognition.

Contingent assets represent assets arising from unplanned or unexpected events that give rise to the possibility of an inflow of economic benefits to the Group. Contingent assets are not recognized in the Group's Consolidated Financial Statements but are disclosed where an inflow of economic benefits is probable.

(p) Income tax

Income tax comprises current and deferred taxes. Income tax relating to items recognized outside profit or loss is recognized, either in other comprehensive income or directly in equity.

Current tax assets and liabilities 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 amounts are those that are enacted or substantively enacted, by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Deferred tax is provided, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, except that deferred tax is not recognized for the Pillar Two income taxes.

Deferred tax liabilities are recognized for all taxable temporary differences (with limited exceptions) while deferred tax assets are recognized for all deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized (with limited exceptions). For deferred tax liabilities that would be payable on unremitted earnings that are subject to withholding taxes, the Group fully recognizes the amounts for its associated companies and recognizes the amounts to the extent representing the earnings to be distributed as dividends for its subsidiary companies. The carrying amount of deferred tax assets is reviewed at the end of the reporting period 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 recovered. Conversely, previously unrecognized deferred tax assets are recognized to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(q) Distributions

Final distributions proposed by the Directors are recognized as a liability when they have been declared and approved by the shareholders in an annual general meeting. Proposed final distributions are disclosed in the notes to the Consolidated Financial Statements.

Interim distributions (including special distributions, if any) are simultaneously proposed and declared, because the Company's memorandum and bye-laws grant the Directors the authority to declare interim distributions. Consequently, interim distributions are recognized immediately as a liability when they are declared.

In respect of a distribution by way of distribution of non-cash assets, the liability to distribute the non-cash assets is measured at the fair value of the assets to be distributed on the declaration date. Upon settlement, if the distributed assets are the shares of a subsidiary company of the Group without a loss of control, the Group decreases in the ownership interest in a subsidiary company and is accounted for as an equity transaction. Otherwise, the difference between the carrying amount of the dividend liability and the carrying amount of the assets distributed, if any, is recognised in profit or loss.

(r) Turnover and revenue recognition

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognized under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Turnover represents the amounts received and receivable net of discounts, rebates, and value-added tax from the sales of goods and electricity, and the rendering of services to third parties, falling within the ordinary activities of the Group's businesses. Turnover is measured by allocating the transaction price including variable considerations to each performance obligation on a relative stand-alone selling price basis and taking into account contractually defined terms of payment.

(i) Turnover from the sale of goods

Turnover from the sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Delivery occurs when the goods have been shipped to the location specified by the customer, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Some contracts for the sale of goods provide customers with rights of return and volume rebates, giving rise to variable consideration.

(i) Rights of return

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in HKFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognized. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer.

(ii) Volume rebates

Retrospective volume rebates may be provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognized.

(II) Turnover from the sale of electricity

Turnover from the sale of electricity is recognized over time upon supply and in the amount the Group has a right to invoice, because the customer simultaneously receives and consumes the benefits provided by the Group.

(III) Turnover from the sale of real estate properties

Turnover from the sale of real estate property under pre-completion stage is recognized over time during the construction period (or percentage of completion). The Group measures its progress using output method which based on the physical proportion of work done on the real estate project.

(IV) Turnover from the rendering of services

Turnover from the rendering of services is recognized over time when the said services are rendered. Customers are charged upon the completion of services or on a regular basis that corresponds directly with the value to the customer of the Group's performance to date.

(V) Construction revenue

Construction revenue and construction costs are recognized over time and based on the percentage of completion measured principally on the basis of estimated completion of a physical proportion of the contract works. Given that the rehabilitation and construction works have been subcontracted to outside contractors, the recognized construction revenue substantially approximates the related construction costs.

(VI) Dividend income

Dividend income is recognized when the Group's right to receive payment has been established.

(VII) Interest income

Interest income is recognized as it accrues, taking into account the principal amount outstanding and the effective interest rate.

(s) Contract assets and contract liabilities

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognized for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets (see Note (k)(IV)). They are reclassified to trade receivables when the right to the consideration becomes unconditional.

A contract liability is recognized when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e. transfers control of the related goods or services to the customer).

(t) Employee benefits

(I) Pension obligations

The Group operates defined contribution and defined benefit retirement schemes.

Contributions to defined contribution schemes by the Group and employees are calculated as a percentage of the employees' basic salaries. The Group's contributions to defined contribution schemes are expensed as incurred and are reduced by contributions forfeited by those employees who leave the schemes prior to the contributions vesting fully.

The Group's net obligations in respect of defined benefit schemes is calculated by fair value of the pension scheme assets, and estimates of the effects of future events on the actuarial present value of accrued pension obligations, adjusted for any effect of limiting a net benefit asset to the asset ceiling, and are determined on the basis of actuarial valuations using the projected unit credit method. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. 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 other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognized in the consolidated income statement at the earlier of the date of (i) when the plan amendment occurs and (ii) when the related restructuring or termination costs are recognized. Interest on net defined benefit obligation is calculated using the discount rate used to measure the pension benefit obligation and recognized in the consolidated income statement.

(II) Long service payments

Certain of the Group's employees are eligible for long service payments in the event of the retirement or voluntary resignation of their employment. A provision is recognized in respect of the probable future long service payments expected to be made. The provision is the best estimate of the present value of probable future payments, calculated using the projected unit credit method, that have been earned by the employees from their service to the Group at the end of the reporting period.

(III) Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair values of the share options and awarded shares at the date at which they are granted.

For grants of share options, the total amount to be expensed is determined by reference to the fair value of the options granted by using option-pricing models, which include the impact of market performance conditions but exclude the impact of service conditions and non-market performance conditions. For grants of awarded shares, the total amount to be expensed is determined by reference to the market performance conditions at the grant date, taking into account all non-vesting conditions associated with the grants.

The cost of equity-settled transactions is recognized in employee benefit expenses, together with a corresponding increase in the employee share-based compensation reserve, over the period in which the performance conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting period end until the vesting date reflects the extent to which the vesting period has expired and the number of awards that will ultimately vest, based on the best available estimate.

Upon the exercise of share options, the related amount accumulated in the employee share-based compensation reserve is transferred to share premium. Upon the vesting and transfer to the awardees, the related costs of the awarded shares are credited to shares held for the share award scheme, and the related fair value of the shares is debited to the employee share-based compensation reserve. The difference between the cost and the fair value of the vested awarded shares is credited to retained earnings if the fair value is higher than the cost or debited against retained earnings if the fair value is less than the cost.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected into fair value of an award and lead to an immediate expensing of an award unless there are also services and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognized. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, an expense, as a minimum, is recognized as if the terms had not been modified if the original terms of the award are met. An expense is recognized for any increase in the fair value of the transactions as a result of the modification, as measured at the date of modification. If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from the modification date until the date when the modified equity instruments vest, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognized over the remainder of the original vesting period. If the modification occurs after vesting date, the incremental fair value granted is recognized immediately, or over the vesting period if the employee is required to complete an additional period of service before becoming unconditionally entitled to those modified equity instruments.

Where an equity-settled award is canceled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the canceled award, and designated as a replacement award on the date that it is granted, the canceled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

(IV) Cash long-term employee benefits

The Group's long-term incentive plans ("LTIP") grant cash incentives to eligible key employees, which are contingent upon the achievement of approved performance targets, such as increases in recurring profit/core income over a performance cycle, usually three years, with payments made at the end of the performance cycle. Liability under LTIP is determined using the projected unit credit method. Employee benefit costs include current service costs, interest cost, actuarial gains and losses, and past service costs. Past service costs and actuarial gains and losses are recognized immediately in the consolidated income statement when they occur.

(V) Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the end of the reporting period is permitted to be carried forward and utilized by the respective employees in the following year. An accrual is made at the end of the reporting period for the expected future cost of such paid leave earned during the year by the employees and carried forward.

(VI) *Termination benefits*

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Termination benefits are recognized at the earlier of (i) when the Group can no longer withdraw the offer of those benefits and (ii) when the Group recognizes the related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short term employee benefits, or other long-term employee benefits.

(VII) *Short-term employee benefits*

Employee benefits are classified as short-term if the expected timing of settlement is within 12 months after the end of the reporting period.

(u) **Leases**

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

(I) *As a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At inception or on reassessment of a contract that contains a lease component and non-lease component(s), the Group adopts the practical expedient not to separate non-lease component(s) and to account for the lease component and the associated non-lease component(s) (e.g., property management services for leased properties) as a single lease component.

(i) **Right-of-use assets**

Right-of-use assets are recognized at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for investment properties (see Note (g)).

(ii) Lease liabilities

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

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification that is not accounted for as a separate lease, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset. The lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are any rent concessions which (i) the changes in lease payments result in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change, and (ii) there is no substantive change to other terms and conditions of the lease. In such cases, the Group took advantage of the practical expedient and recognized the change in consideration as if it was not a lease modification.

The Group's lease liabilities are included in deferred liabilities, provisions and payables.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its certain short-term leases (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). When the Group enters into a lease in respect of a low-value asset (i.e. asset with a value, when new, of US\$5,000 or less), the Group decides whether to capitalize the lease on a lease-by-lease basis. Lease payments associated with those leases which are not capitalized as right-of-use assets are recognized as an expense on a straight-line basis over the lease term.

(II) *As a lessor*

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is recognized in the consolidated income statement. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized in the consolidated income statement in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

(v) Finance costs

Finance costs are interest expenses calculated using the effective interest method and other costs incurred in connection with the borrowing of funds and lease liabilities. Other costs include exchange differences on foreign currency borrowings. Exchange differences arising from foreign currency borrowings are included in finance costs to the extent that they are regarded as an adjustment to interest costs.

Finance costs are expensed in the consolidated income statement in the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction, or production of qualifying assets (principally the assets classified as property, plant and equipment and concession assets classified as intangible assets for the Group) which necessarily take a substantial period of time to prepare for their intended use or sale. The capitalization of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

(w) Foreign currencies

(I) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency, principally the rupiah, peso and S\$). The Consolidated Financial Statements are presented in the currency of the United States dollar, which is the Company's functional currency.

(II) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item.

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

(III) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency other than the United States dollar are translated into the United States dollar as follows:

- (i) assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the end of the reporting period;
- (ii) income and expenses for each consolidated income statement and consolidated statement of comprehensive income presented are translated at average exchange rates of the reporting period;
- (iii) all resulting exchange differences are recognized in other comprehensive income; and
- (iv) on consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to equity. When a foreign operation is sold, such exchange differences are recognized in the consolidated income statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the exchange rates at the dates of the transactions.

(IV) Consolidated statement of cash flows

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiary companies are translated into United States dollars at the average exchange rates of the reporting period.

(x) Segmental information

A business segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose results are regularly reviewed by the Group's chief operating decision maker who makes decisions about how resources are to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. They are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process.

(y) Related parties

A related party is considered as a person or an entity that is related to the Group if:

- (I) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group;

or

- (II) An entity is related to the Group if any of the following conditions applies:
 - (i) the entity and the Group are members of the same group (which means that parent, each subsidiary company, and each fellow subsidiary company is related to the others);
 - (ii) one entity is an associated company or a joint venture of the other entity (or an associated company or a joint venture of a member of a group of which the other entity is a member);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associated company of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (I);
 - (vii) a person identified in (I)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly.

(z) Assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the assets must be available for immediate sale in their present condition subject only to terms that are usual and customary for the sale of such assets and their sale must be highly probable.

Non-current assets (other than investment properties, deferred tax assets, financial assets, and assets arising from employee benefits) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortized.

For non-current assets (other than investment properties, deferred tax assets, financial assets, and assets arising from employee benefits) that cease to be classified as held for sale are measured at the lower of their carrying amounts before the assets or disposal groups were classified as held for sale, adjusted for any depreciation or amortization that would have been recognized had the assets or disposal groups not been classified as held for sale, and their recoverable amounts at the date of the subsequent decision not to sell.

(aa) Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorization for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognizes in its financial statements. The Group will adjust the amounts recognized in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognized in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

3. Significant Accounting Judgments and Estimates

The preparation of the Group's Consolidated Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

(A) Judgments

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

(a) Service concession arrangements

In applying HK(IFRIC)-Int 12 "Service Concession Arrangements" to the service concession arrangements of the Group's water (Maynilad, Metro Pacific Iloilo Water Inc. ("MPIWI"), Philippine Hydro, Inc. ("PHI"), Metro Iloilo Bulk Water Supply Corporation ("MIBWSC"), PT Sarana Catur Tirta Kelola ("PT SCTK") and Metro Pacific Dumaguete Water Service Inc. ("MPDW")), toll road (NLEX Corporation, Cavitex Infrastructure Corporation ("CIC"), MPCALA Holdings, Inc. ("MPCALA"), Cebu Cordova Link Expressway Corporation ("CCLEC"), LLEX Corp. and PT Nusantara) and rail (Light Rail Manila Corporation ("LRMC")) businesses, the Group has made judgments that these arrangements qualify for the application of the intangible asset model. The methods of amortization that the Group uses depend on which method best reflects the pattern of consumption of the concession assets. PHI, MIBWSC, PT SCTK and MPDW use straight-line method for amortizing water service concession assets. Maynilad, MPIWI, NLEX Corporation, CIC, CCLEC and PT Nusantara use the unit of production method for amortizing water and toll road service concession assets. The Group annually reviews the actual billed volume and the estimated billable water volume, in the case of the water concession, and the actual traffic volume and the expected traffic volume, in the case of the toll concession, based on factors that include market conditions such as population growth and consumption of water/usage of the toll facility, and the status of the Group's projects. It is possible that future results of operations could be materially affected by changes in the Group's estimates brought about by changes in the aforementioned factors.

In applying HKAS 23 (Revised) "Borrowing Costs" to the Group's service concession arrangements under pre/ongoing construction (in the case of the construction of the CALAX, Connector Road and CAVITEX's C5 South Link) as qualifying assets, the Group capitalizes borrowing costs that are directly attributable to the acquisition or construction of the qualifying asset as part of the cost of that asset using the specific borrowing approach, as the Group uses specific borrowings to finance its qualifying assets. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the components of the service concession asset for its intended use are completed. Details of the Group's accounting policy in respect of intangible assets (other than goodwill) are set out in Note 2(D)(f) to the Consolidated Financial Statements.

(b) Classification of financial assets and financial liabilities

The Group determines the classification of certain assets and liabilities as financial assets and financial liabilities by judging whether they meet the definition of financial assets and financial liabilities set out in HKFRS 9. Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Group's accounting policies set out in Notes 2(D)(k) and 2(D)(l) to the Consolidated Financial Statements, respectively.

(c) Power to exercise significant influence

Where the Group holds less than 20% of voting interest in an investee but the Group has the power to exercise significant influence, such an investment is treated as an associated company. See Note 12(D) to the Consolidated Financial Statements for application of the above judgment.

(d) Determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination options. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its decision to exercise or not to exercise the option to renew or to terminate (e.g., a change in business strategy).

(B) Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are described below.

(a) Purchase price allocation and impairment of non-financial assets

Acquisition accounting requires an extensive use of accounting estimates to allocate the purchase price to the fair values of the acquiree's identifiable assets, liabilities, and contingent liabilities, if any, at the acquisition date. Determining the fair value of the identifiable assets, for example property, plant and equipment and intangible assets (other than goodwill), at the date of acquisition of business requires the Group to make estimates and assumptions that can materially affect the Group's Consolidated Financial Statements.

Any difference in the purchase price and the fair values of the net identifiable assets acquired is recorded as either goodwill in the consolidated statement of financial position or a gain on bargain purchase in the consolidated income statement. The Group's business acquisitions have resulted in goodwill, which is subject to annual impairment testing and whenever there is an indication that goodwill may be impaired. The Group also assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Intangible assets with indefinite useful lives and intangible assets that have not yet been brought into use (including concession assets not yet available for use) are tested for impairment annually and at other times when such an indicator exists.

Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the asset or CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The preparation of estimated future cash flows involves significant estimations. While the Group believes that its assumptions are appropriate and reasonable, significant changes in its assumptions may materially affect its assessment of recoverable values and may lead to future additional impairment charges. Any resulting impairment loss would affect directly the Group's consolidated profit or loss and equity.

At 31 December 2025, the carrying amounts of the Group's goodwill and intangible assets are US\$3,655.2 million (2024: US\$3,784.7 million), and US\$7,979.9 million (2024: US\$7,265.0 million), respectively. Further details on the Group's goodwill and intangible assets are disclosed in Notes 13 and 14 to the Consolidated Financial Statements, respectively.

(b) Estimating useful lives and residual values of property, plant and equipment

The Group estimates the useful lives and residual values of its property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives and residual values of the property, plant and equipment are reviewed annually and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, the Group's estimation of the useful lives and residual values of its property, plant and equipment is based on its collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in those estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives and residual values of the Group's property, plant and equipment would increase its recorded depreciation expenses and decrease its non-current assets.

At 31 December 2025, the carrying amount of the Group's property, plant and equipment is US\$3,814.1 million (2024: US\$3,634.8 million). Further details are disclosed in Note 10 to the Consolidated Financial Statements.

(c) Measurement of fair value of biological assets

The Group recognizes its timber plantations and agricultural produce of bearer plants at fair value less costs to sell, which requires the use of accounting estimates and assumptions.

The Group adopts the income approach to measure the fair value of unharvested produce of bearer plants and timber plantations. The significant assumptions applied to determine the fair value of biological assets include the projected selling prices, production yields, discount rate and inflation rate. For the valuation of unharvested FFB of oil palm and latex of rubber, the Group applies the estimated harvest data subsequent to year end and the market selling prices at year end to derive the fair value of unharvested produce of oil palm and rubber at year end. For the valuation of oil palm seeds, sugar cane and timber, the Group applies discounted cash flow models to derive their fair values.

The amount of changes in fair values would differ if there are changes to the assumptions used. Any changes in fair values of these agricultural produces would affect the Group's consolidated profit or loss and equity. The key assumptions applied in the determination of fair value of biological assets including a narrative sensitivity analysis are disclosed and further explained in Note 11 to the Consolidated Financial Statements.

(d) Estimating useful lives of brands

The Group estimates the useful lives of the brands for its various milk-related products (Note 14(D)) and packaged drinking water (Note 14(E)). The estimated useful lives of the brands are reviewed annually and are updated if expectations differ from previous estimates, including but not limited to, changes in market situations, regulatory developments and technological obsolescence. It is possible, however, that future results of operations could be materially affected by changes in those estimates brought about by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the Group's brands would increase its recorded amortization expenses and decrease its other non-current assets.

(e) Measurement of fair value of financial assets and liabilities

The Group measures certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates. While significant components of fair value measurement are determined using verifiable objective evidence (i.e., foreign exchange rates and interest rates), the amount of changes in fair value would differ if the Group utilized different valuation methodologies. Any changes in fair value of these financial assets and liabilities would directly affect the Group's consolidated profit or loss and equity. Further details on the fair value of these financial assets and liabilities are disclosed in Note 38(C) to the Consolidated Financial Statements.

(f) Provision for expected credit losses on accounts receivable and contract assets

The Group uses a provision matrix to calculate ECLs for accounts receivable and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's accounts receivable and contract assets is disclosed in Note 16 to the Consolidated Financial Statements.

(g) Estimating allowances for inventories

The Group estimates the allowance for inventories based on the best available facts and circumstances, including but not limited to, the inventories' own conditions (i.e., whether they are damaged or become wholly or partially obsolete), their market selling prices, estimated costs of completion and estimated costs to be incurred for their sale. The allowances are re-evaluated and adjusted as additional information received affects the amount estimated. The information about the allowances for inventories is disclosed in Note 20 to the Consolidated Financial Statements.

(h) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the diversity of the Group's businesses and the long-term nature and complexity of existing contractual agreements or the nature of the business itself, changes arising from differences between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities in which the Group operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences in interpretation may arise for a wide variety of issues depending on the conditions prevailing in the respective domicile or to the operations of the Group.

The Group reviews the carrying amounts at the end of each reporting period and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized based on the likely timing and level of future taxable profits together with future tax planning strategies. However, there is no assurance that the Group will generate sufficient taxable profit to allow all or part of its recognized deferred tax assets to be utilized. Further details on the taxation and deferred tax are disclosed in Notes 6 and 18 to the Consolidated Financial Statements, respectively.

(i) Provisions

The Group recognizes provisions based on estimates of whether it is probable that an outflow of resources will be required to settle an obligation. Where the final outcome of these matters is different from the amounts that were initially recognized, such differences will impact the financial performance in the period in which such determination is made. Further details on the provisions are disclosed in Note 27 to the Consolidated Financial Statements.

(j) Pension and other retirement benefits

The determination of the Group's defined benefits obligation, the fair value of plan assets, the asset ceiling and cost is performed by independent actuaries engaged by the Group and dependent on the selection of certain assumptions used by them in calculating such amounts. Those assumptions include among others, discount rates, expected returns on plan assets, future annual salary increases and the average remaining working life of employees. In accordance with the Group's accounting policy for pension obligations, actual results that differ from the Group's assumptions are recognized immediately in other comprehensive income as and when they occur. While the Group believes that the actuaries' assumptions are reasonable and appropriate, significant differences in the Group's actual experience or significant changes in the Group's assumptions may materially affect its pension and other retirement obligations. Details of the Group's retirement benefits are disclosed in Note 35(B) to the Consolidated Financial Statements.

(k) Employee benefit expenses

HKFRS 2 "Share-based Payment" requires that the Group measures its share options and awarded shares at fair value at the date at which they are granted, which requires the extensive use of estimates. The determination of such fair value is performed by an independent valuer engaged by the Group or based on management's estimates. Significant components of fair value measurement were determined using assumptions including the expected volatility and dividend yield and the average risk-free interest rate for share options, and expected dividend payments during the vesting period for share awards. The amount of fair value determined at the date on which the share options and awarded shares are granted would differ if the Group utilized different assumptions. Any changes in fair value of the share options and awarded shares determined at the date on which they are granted would affect directly the Group's consolidated profit or loss and equity in subsequent periods when these fair values are recognized as expenses over the vesting period of the share options and awarded shares. Details of the Group's share award scheme and share option scheme are disclosed in Notes 29 and 36(D) to the Consolidated Financial Statements, respectively.

The cost of cash LTIP is determined using the projected unit credit method based on prevailing discount rates and estimated achievement of recurring profit/core income targets. While management's assumptions are believed to be reasonable and appropriate, significant differences in actual results against targeted results or changes in assumptions may materially affect the Group's consolidated profit or loss and equity. The information about the employee benefit expenses is disclosed in Note 35 to the Consolidated Financial Statements.

4. Turnover and Segmental Information

US\$ millions	2025	2024
Turnover		
Sale of goods		
– Consumer Food Products	7,381.1	7,189.8
– Infrastructure	6.3	5.1
Sale of electricity		
– Infrastructure	1,309.2	1,501.1
Sale of real estate		
– Infrastructure	17.1	22.6
Rendering of services		
– Consumer Food Products	102.9	100.6
– Infrastructure	1,415.9	1,238.0
Total	10,232.5	10,057.2

Performance obligations

Information about the Group's performance obligations is summarized below:

Sale of goods

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 60 days from delivery for consumer food products and 30 days for infrastructure business. Certain contracts provide customers with rights of return and volume rebates which give rise to variable consideration.

For the year ended 31 December 2025, recognized revenue of US\$13.5 million (2024: US\$13.6 million) relates to the carried-forward contract liabilities arising from the consumer food products business.

Sale of electricity

The performance obligation is satisfied over time as the customer simultaneously receives and consumes the electricity provided by the Group and payment is generally due within 30 days from the date of billing for PLP's customers.

For the year ended 31 December 2025, nil revenue (2024: US\$14.0 million) relates to the carried-forward contract liabilities arising from the infrastructure business due to the use of bank guarantee by customer instead of prepayment for sales of electricity at PLP starting 2024.

Sale of real estate

The performance obligation is satisfied over time as the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date and the payment is generally with an instalment period of one to three years for Landco's customers.

For the year ended 31 December 2025, recognized revenue of US\$0.9 million (2024: US\$6.4 million) relates to the carried-forward contract liabilities arising from the infrastructure business.

Rendering of services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from the date of billing for Indofood's distribution business customers, and within seven to 60 days from the date of billing for MPIC's water and sewerage service customers, and 45 to 60 days from the date of billing for MPIC's bulk water supply customers. For commission income under the real estate business, the performance obligation is satisfied upon the execution of the contract to sell or deed of absolute sale, and payment is due five to ten days thereafter.

For the year ended 31 December 2025, recognized revenue of US\$2.2 million (2024: US\$2.2 million) relates to the carried-forward contract liabilities arising from the infrastructure business.

Segmental Information

A business segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose results are regularly reviewed by the Group's most senior executive management who makes decisions about how resources are to be allocated to the segment and assesses its performance, and for which discrete financial information is available to them.

The Board of Directors considers the business of the Group from both geographical and product or service perspectives. From the product or service perspective, the Group's business interests are divided into four segments, which are consumer food products, telecommunications, infrastructure, and natural resources. Geographically, the Board of Directors considers that the businesses of the Group are mainly located in Indonesia, the Philippines, Singapore, the Middle East, Africa and others, and the turnover information is based on the locations of customers. Details of the Group's principal investments are provided on pages 217 and 218.

The Board of Directors assesses the performance of the business segments based on a measure of recurring profit. This basis measures the profit attributable to owners of the parent excluding the effects of foreign exchange and derivative gains/losses and non-recurring items. Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. The amounts provided to the Board of Directors with respect to total assets and total liabilities are measured in a manner consistent with that of the Consolidated Financial Statements. These assets and liabilities are allocated based on the business segment and the physical location of the assets.

The revenue, results, and other information for the years ended 31 December 2025 and 2024, and assets and liabilities at 31 December 2025 and 2024 on a segmental basis are as follows:

By Principal Business Activity – 2025

For the year ended/at 31 December US\$ millions	Consumer Food Products	Telecom- munications	Infra- structure	Natural Resources	Head Office	2025 Total
Revenue						
Turnover						
– Point in time	7,381.1	–	22.0	–	–	7,403.1
– Over time	102.9	–	2,726.5	–	–	2,829.4
Total	7,484.0	–	2,748.5	–	–	10,232.5
Results						
Recurring profit	342.2	145.1	343.2	7.4	(97.9)	740.0
Assets and Liabilities						
Non-current assets (other than financial instruments and deferred tax assets)						
– Associated companies and joint ventures	305.7	1,122.6	4,302.9	190.7	–	5,921.9
– Others	6,975.8	–	9,252.6	–	3.4	16,231.8
	7,281.5	1,122.6	13,555.5	190.7	3.4	22,153.7
Other assets	5,773.7	–	2,434.1	–	286.1	8,493.9
Total assets	13,055.2	1,122.6	15,989.6	190.7	289.5	30,647.6
Borrowings	4,516.0	–	7,035.2	–	1,462.9	13,014.1
Other liabilities	1,591.5	–	2,743.3	–	175.1	4,509.9
Total liabilities	6,107.5	–	9,778.5	–	1,638.0	17,524.0
Other Information						
Depreciation and amortization	(274.9)	–	(177.5)	–	(7.9)	(460.3)
Impairment losses	(40.1)	–	(4.3)	–	–	(44.4)
Interest income	85.7	–	41.4	–	9.8	136.9
Finance costs	(285.0)	–	(347.6)	–	(80.6)	(713.2)
Share of profits less losses of associated companies and joint ventures	1.7	135.3	376.6	9.6	–	523.2
Taxation	(269.5)	–	(196.4)	–	(5.2)	(471.1)
Additions to non-current assets (other than financial instruments and deferred tax assets)	445.7	–	1,108.4	–	–	1,554.1

By Geographical Market – 2025

For the year ended/at 31 December US\$ millions	Indonesia	The Philippines	Singapore	The Middle East, Africa & Others	2025 Total
Revenue					
Turnover					
– Consumer Food Products	5,796.9	23.4	103.3	1,560.4	7,484.0
– Infrastructure	62.5	1,383.0	1,302.0	1.0	2,748.5
Total	5,859.4	1,406.4	1,405.3	1,561.4	10,232.5
Assets					
Non-current assets (other than financial instruments and deferred tax assets)	4,287.4	12,743.6	1,007.7	4,115.0	22,153.7

By Principal Business Activity – 2024

For the year ended/at 31 December US\$ millions	Consumer Food Products	Telecom- munications	Infrastructure	Natural Resources	Head Office	2024 Total
Revenue						
Turnover						
– Point in time	7,189.8	–	9.2	–	–	7,199.0
– Over time	100.6	–	2,757.6	–	–	2,858.2
Total	7,290.4	–	2,766.8	–	–	10,057.2
Results						
Recurring profit	326.9	148.5	296.3	4.8	(104.0)	672.5
Assets and Liabilities						
Non-current assets (other than financial instruments and deferred tax assets)						
– Associated companies and joint ventures	292.8	1,088.1	4,298.1	188.3	–	5,867.3
– Others	7,024.8	–	8,342.5	–	5.5	15,372.8
	7,317.6	1,088.1	12,640.6	188.3	5.5	21,240.1
Other assets	5,270.5	–	1,890.8	–	260.9	7,422.2
Total segment assets	12,588.1	1,088.1	14,531.4	188.3	266.4	28,662.3
Assets classified as held for sale	15.6	–	–	–	–	15.6
Total assets	12,603.7	1,088.1	14,531.4	188.3	266.4	28,677.9
Borrowings	4,455.0	–	6,623.4	–	1,457.9	12,536.3
Other liabilities	1,549.9	–	2,506.3	–	155.2	4,211.4
Total liabilities	6,004.9	–	9,129.7	–	1,613.1	16,747.7
Other Information						
Depreciation and amortization	(275.6)	–	(152.6)	–	(2.9)	(431.1)
Impairment losses	(140.7)	–	(26.0)	–	–	(166.7)
Interest income	94.8	–	49.1	–	8.4	152.3
Finance costs	(262.8)	–	(258.4)	–	(86.2)	(607.4)
Share of profits less losses of associated companies and joint ventures	11.6	151.4	354.5	5.9	–	523.4
Taxation	(244.9)	–	(160.0)	–	(18.9)	(423.8)
Additions to non-current assets (other than financial instruments and deferred tax assets)	327.2	–	1,702.4	–	1.1	2,030.7

By Geographical Market – 2024

For the year ended/at 31 December US\$ millions	Indonesia	The Philippines	Singapore	The Middle East, Africa & Others	2024 Total
Revenue					
Turnover					
– Consumer Food Products	5,551.5	20.9	98.6	1,619.4	7,290.4
– Infrastructure	59.1	1,214.2	1,492.8	0.7	2,766.8
Total	5,610.6	1,235.1	1,591.4	1,620.1	10,057.2
Assets					
Non-current assets (other than financial instruments and deferred tax assets)	4,283.4	11,900.5	869.9	4,186.3	21,240.1

There was no revenue from transactions with a single customer that accounted for 10% or more of the Group's consolidated revenue during the year (2024: None).

A reconciliation between profit before taxation as shown in the consolidated income statement and recurring profit is as follows:

US\$ millions	2025	2024
Profit before taxation	2,252.0	2,027.1
Exclusion of:		
– Foreign exchange and derivative losses, net (Note 7(A))	57.2	134.2
– Non-recurring items	76.5	44.2
Deduction of attributable taxation and non-controlling interests	(1,645.7)	(1,533.0)
Recurring Profit	740.0	672.5

5. Profit before Taxation

Profit before taxation is arrived at after (crediting)/charging:

(A) Other Operating Income and Expenses

US\$ millions	2025	2024
Construction revenue	(717.9)	(740.7)
Construction costs	717.9	740.7
Foreign exchange and derivative losses, net (Note 7(A))	61.1	154.7
Impairment losses, net		
– Property, plant and equipment (Note 10)	19.8	16.3
– Other receivables	3.1	19.1
– Associated companies and joint ventures (Note 12)	–	69.4
– Other intangible assets (Note 14)	–	40.2
– Goodwill (Note 13)	–	0.5
Loss on disposal of property, plant and equipment, net	17.7	22.6
Amortization of other intangible assets	11.8	12.2
Loss/(gain) on changes in fair value of biological assets, net (Note 11)	8.2	(20.0)
Gain on disposal of a joint venture	(50.5)	–
Dividend income from financial assets at FVOCI (Note 17)	(6.0)	(13.5)
Gains on control of a subsidiary company	–	(44.9)
Gain on disposal of an associated company	–	(3.7)
Other (income)/expenses, net	(62.4)	24.2
Total	2.8	277.1

(B) Finance Costs

US\$ millions	2025	2024
Finance costs on		
– Bank borrowings and other loans	881.6	782.7
– Lease liabilities	3.5	3.2
Less: Finance costs capitalized in		
– Other intangible assets	(171.4)	(177.6)
– Property, plant and equipment	(0.5)	(0.9)
Total	713.2	607.4

The capitalization rate of borrowings costs for 2025 ranging from 4.6% to 9.0% (2024: 4.3% to 9.4%).

(C) Other Items

US\$ millions	2025	2024
Cost of inventories sold	3,744.0	3,523.4
Cost of services rendered	1,455.5	1,566.6
Employees' remuneration (Note 35(A))	890.5	898.4
Depreciation of property, plant and equipment (Note 10)	318.7	316.6
Amortization of other intangible assets (Note 14) ⁽ⁱ⁾	135.9	113.9
Expenses relating to short-term leases	23.0	18.2
Impairment losses on accounts receivable (Note 16(D)) ⁽ⁱⁱ⁾	11.2	15.3
Write-down of inventories to net realizable value (Note 20(A)) ⁽ⁱⁱⁱ⁾	10.3	5.9
Auditor's remuneration		
– Audit services	5.5	4.6
– Non-audit services ^(iv)	1.3	1.1
Expenses relating to leases of low-value assets	0.5	1.0

(i) US\$121.4 million (2024: US\$100.2 million) included in cost of sales, US\$11.8 million (2024: US\$12.2 million) included in other operating income and expenses, and US\$2.7 million (2024: US\$1.5 million) included in administrative expenses.

(ii) Included in administrative expenses.

(iii) Included in cost of sales.

(iv) Pertained to review of continuing connected transactions, ESG advisory service, and other transactions relating to the Group's business development.

6. Taxation

No Hong Kong profits tax (2024: nil) has been provided as the Group had no estimated assessable profits (2024: nil) arising in Hong Kong for the year. Taxation on assessable profits generated outside Hong Kong has been provided at the rates of taxation prevailing in the countries in which the Company's subsidiary companies operate.

US\$ millions	2025	2024
Subsidiary Companies – Overseas		
Current taxation (Note 26)	459.6	386.2
Deferred taxation	11.5	37.6
Total Tax Charge	471.1	423.8

Included within the share of profits less losses of associated companies and joint ventures is taxation of US\$152.5 million (2024: US\$134.4 million) which is analyzed as follows:

US\$ millions	2025	2024
Associated Companies and Joint Ventures – Overseas		
Current taxation	131.3	132.0
Deferred taxation	21.2	2.4
Total Tax Charge	152.5	134.4

A reconciliation between profit before taxation multiplied by the applicable tax rates and the taxation amount is as follows:

US\$ millions	2025		2024	
		%		%
Profit before Taxation	2,252.0		2,027.1	
Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax countries concerned	503.8	22.4	444.7	21.9
Tax effect of:				
– Non-deductible expenses	106.0	4.7	116.6	5.8
– Income not subject to tax	(39.1)	(1.7)	(36.7)	(1.8)
– Share of profits less losses of associated companies and joint ventures	(128.3)	(5.7)	(136.4)	(6.7)
– Others	28.7	1.2	35.6	1.8
Taxation at the Group's effective tax rate	471.1	20.9	423.8	20.9

Pillar Two Income Taxes

The Company and its overseas subsidiaries are subject to the global minimum top-up tax under the Pillar Two model rules as introduced by the Organisation for Economic Co-operation and Development's Inclusive Framework on Base Erosion and Profit Shifting and implemented through domestic legislation in participating jurisdictions, including Hong Kong, Indonesia, Singapore, Malaysia, Netherlands, Vietnam, Turkey and Kenya. Under the Pillar Two framework, a top up tax may arise in any jurisdiction in which the Group's effective tax rate is below the prescribed minimum rate of 15%. For the year ended 31 December 2025, the Group performed an internal assessment of its potential exposure to Pillar Two income taxes. Based on this assessment, the Group's exposure to such taxes is not material.

The Group has applied the mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the additional Pillar Two income taxes, if any, as current tax when incurred.

7. Profit Attributable to Owners of the Parent

The profit attributable to owners of the parent includes (A) net foreign exchange and derivative losses, and (B) non-recurring items with details as follows:

(A) Analysis of Foreign Exchange and Derivative Losses, Net

Net foreign exchange and derivative losses of US\$19.7 million (2024: US\$40.2 million), which principally represent the foreign exchange translation differences on the Group's unhedged foreign currency denominated net liabilities and the changes in the fair values of derivatives, are analyzed as follows:

US\$ millions	2025	2024
Subsidiary companies (Note 5(A))	(61.1)	(154.7)
Associated companies and joint ventures	3.9	20.5
Subtotal (Note 4)	(57.2)	(134.2)
Attributable to taxation and non-controlling interests	37.5	94.0
Total	(19.7)	(40.2)

(B) Analysis of Non-recurring Items

The non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items.

For the year ended 31 December 2025, non-recurring losses of US\$59.3 million mainly represent the Group's accrual of non-recurring provisions and impairment of assets (US\$22.7 million) and manpower reduction costs (US\$6.2 million), and PLDT's accelerated depreciation for network assets (US\$22.5 million).

For the year ended 31 December 2024, non-recurring losses of US\$32.0 million mainly represented the Group's impairment provision for its investment (US\$39.3 million), and PLDT's accelerated depreciation for network assets (US\$19.0 million) and manpower reduction costs (US\$5.6 million), partly offset by MPIC's gains on control of CDMC (US\$20.8 million) and reversal of impairment provision for investment in PCSPC (US\$13.1 million), and PLDT's gains on tower sales (US\$3.2 million).

8. Earnings Per Share Attributable to Owners of the Parent

The calculation of the basic earnings per share is based on the profit for the year attributable to owners of the parent and the weighted average number of ordinary shares of 4,258.8 million (2024: 4,246.5 million) in issue less the weighted average number of ordinary shares held for a share award scheme of 2.7 million (2024: 4.3 million) during the year.

The calculation of the diluted earnings per share is based on the profit for the year attributable to owners of the parent. The weighted average number of ordinary shares used in the calculation is based on the number of ordinary shares used in the basic earnings per share calculation adjusted for the dilutive effect of awarded shares and share options of the Company, where applicable.

The calculations of basic and diluted earnings per share are based on:

US\$ millions	2025	2024
Earnings		
Profit attributable to owners of the parent used in the basic and diluted earnings per share calculation	661.0	600.3
Number of Shares (Millions)	2025	2024
Weighted average number of ordinary shares issued during the year	4,258.8	4,246.5
Less: Weighted average number of ordinary shares held for a share award scheme	(2.7)	(4.3)
Weighted average number of ordinary shares used in the basic earnings per share calculation	4,256.1	4,242.2
Add: Dilutive impact of awarded shares on the weighted average number of ordinary shares	10.6	3.4
Add: Dilutive impact of share options on the weighted average number of ordinary shares	–	1.3
Weighted average number of ordinary shares used in the diluted earnings per share calculation	4,266.7	4,246.9

9. Ordinary Share Distribution

	U.S. cents per ordinary share		US\$ millions	
	2025	2024	2025	2024
Interim	1.67	1.54	71.1	65.3
Proposed final/final	1.79	1.73	76.5	73.5
Total Regular Distribution	3.46	3.27	147.6	138.8
Special	0.15	–	6.3	–
Total Distribution	3.61	3.27	153.9	138.8

In connection with the IPO of Maynilad, a subsidiary of MPIC, on the PSE in November 2025, the Company was required, under Practice Note 15 (“PN15”) of the Listing Rules, to subscribe and distribute a certain number of new Maynilad shares to its shareholders. For the purposes of meeting the requirement of PN15, the Company subscribed 24,904,800 Maynilad shares which represented 1.5% of the firm shares offered and declared a special distribution, payable to shareholders by way of a distribution in specie on the basis of 100 Maynilad shares for every 17,200 ordinary shares of the Company held by them. Qualifying shareholders holding 17,200 ordinary shares or more of the Company might elect to receive cash in lieu of the distributable Maynilad shares as calculated by making reference to the Maynilad offer price of Pesos 15 (U.S. 25 cents) per share, whereas shareholders holding less than 17,200 ordinary shares of the Company and non-qualifying shareholders will receive cash in lieu of their entitlement. The special distribution is equivalent to approximately HK1.15 cents (U.S. 0.15 cent) per ordinary share of the Company and was distributed to the shareholders on 5 February 2026.

The proposed final distribution for the year ended 31 December 2025 is subject to the approval of the Company’s shareholders at the forthcoming AGM.

10. Property, Plant and Equipment

US\$ millions	Right-of-use assets						Total
	Land and buildings	Machinery and equipment	Freehold land and buildings	Machinery, equipment and vessels	Bearer plants	Construction in progress	
Cost							
At 1 January 2025	640.4	57.6	1,596.8	3,434.1	1,150.3	83.5	6,962.7
Exchange translation	(20.6)	(2.4)	(44.2)	(18.5)	(42.6)	2.9	(125.4)
Additions	41.2	19.5	110.8	96.4	21.9	298.3	588.1
Disposals	–	–	(6.1)	(29.9)	(15.3)	–	(51.3)
Termination of leases	(1.2)	(2.7)	–	–	–	–	(3.9)
Reclassification	1.8	–	49.3	178.5	–	(229.6)	–
At 31 December 2025	661.6	72.0	1,706.6	3,660.6	1,114.3	155.1	7,370.2
Accumulated Depreciation and Impairment							
At 1 January 2025	210.6	53.1	575.1	1,961.5	527.6	–	3,327.9
Exchange translation	(7.8)	(1.9)	(16.3)	(32.6)	(19.9)	–	(78.5)
Depreciation for the year (Note 5(C))	41.3	8.3	60.1	173.4	35.6	–	318.7
Impairment for the year (Note 5(A))	–	–	5.5	14.3	–	–	19.8
Disposals	–	–	(2.4)	(20.9)	(6.7)	–	(30.0)
Termination of leases	(0.6)	(1.2)	–	–	–	–	(1.8)
At 31 December 2025	243.5	58.3	622.0	2,095.7	536.6	–	3,556.1
Net Carrying Amount at 31 December 2025	418.1	13.7	1,084.6	1,564.9	577.7	155.1	3,814.1

US\$ millions	Right-of-use assets						Total
	Land and buildings	Machinery and equipment	Freehold land and buildings	Machinery, equipment and vessels	Bearer plants	Construction in progress	
Cost							
At 1 January 2024	658.2	53.3	1,578.4	3,395.4	1,210.3	23.8	6,919.4
Exchange translation	(29.6)	(2.6)	(71.0)	(127.4)	(56.6)	(2.3)	(289.5)
Additions	25.7	7.5	56.9	162.6	26.6	136.4	415.7
Acquisition of a subsidiary company	–	0.4	5.5	4.4	–	–	10.3
Disposals	–	–	(4.0)	(44.3)	(30.0)	–	(78.3)
Termination of leases	(13.9)	(1.0)	–	–	–	–	(14.9)
Reclassification	–	–	31.0	43.4	–	(74.4)	–
At 31 December 2024	640.4	57.6	1,596.8	3,434.1	1,150.3	83.5	6,962.7
Accumulated Depreciation and Impairment							
At 1 January 2024	190.3	48.1	536.3	1,903.9	510.5	–	3,189.1
Exchange translation	(8.8)	(2.3)	(27.3)	(71.6)	(24.5)	–	(134.5)
Depreciation for the year (Note 5(C))	42.9	7.8	61.7	168.6	35.6	–	316.6
Impairment/(reversal) for the year (Note 5(A))	–	–	5.7	(1.5)	12.1	–	16.3
Disposals	–	–	(1.3)	(37.9)	(6.1)	–	(45.3)
Termination of leases	(13.8)	(0.5)	–	–	–	–	(14.3)
At 31 December 2024	210.6	53.1	575.1	1,961.5	527.6	–	3,327.9
Net Carrying Amount at 31 December 2024	429.8	4.5	1,021.7	1,472.6	622.7	83.5	3,634.8

For the year ended 31 December 2025, net impairment losses of US\$19.8 million (2024: US\$16.3 million) were recognized mainly related to the Group's sugar refinery assets (2024: rubber plantations upon consideration of the market environment, conditions of the rubber plantations, and their production yield).

Property, plant and equipment with a net carrying amount of US\$709.5 million (2024: US\$605.6 million) were pledged as security for certain of the Group's banking facilities (Note 25(E)).

11. Biological Assets

US\$ millions	Timber plantations		Agricultural produce of bearer plants		Total	
	2025	2024	2025	2024	2025	2024
At 1 January	19.5	20.9	70.0	49.7	89.5	70.6
Exchange translation	(0.6)	(0.9)	(2.5)	(2.8)	(3.1)	(3.7)
Additions	1.0	0.2	17.6	16.9	18.6	17.1
Decreases due to harvest	(5.1)	(0.2)	(14.5)	(14.3)	(19.6)	(14.5)
Gain/(loss) on changes in fair value of biological assets, net (Note 5(A))	0.7	(0.5)	(8.9)	20.5	(8.2)	20.0
At 31 December	15.5	19.5	61.7	70.0	77.2	89.5
Presented as:						
Non-current Portion	15.5	19.5	–	–	15.5	19.5
Current Portion	–	–	61.7	70.0	61.7	70.0
Total	15.5	19.5	61.7	70.0	77.2	89.5

- (A) The Group's biological assets primarily comprise timber plantations and unharvested agricultural produce of bearer plants owned by Indofood. For timber plantations, the Group appointed an independent valuer, Kantor Jasa Penilai Publik Benedictus Darmapusita dan Rekan, to determine their fair values annually and any resultant gains or losses arising from the changes in fair values are recognized in profit or loss. The independent valuer measured the fair value of timber using a discounted cash flow model. For the unharvested agricultural produce of bearer plants, which mainly comprises FFB, latex, sugar cane and oil palm seeds, the Group has applied the estimated harvest data subsequent to the year end and applicable market prices at year end to derive the fair values of FFB and latex, and discounted cash flow models to derive the fair values of sugar cane and oil palm seeds.
- (B) Timber plantations – Key assumptions applied in determining the fair values of the timber plantations are as follows:
- Timber tree is available for harvest only once approximately eight years from initial planting.
 - The discount rate used represents the asset specific rate for the Group's timber plantations which is applied in the discounted future cash flows calculation.
 - The projected selling price of logs over the projection period are based on average selling price of the produce which is extrapolated based on changes of plywood log market price.
- (C) FFB and latex – Key assumptions applied in determining the fair values of FFB and latex are as follows:
- Estimated volume of subsequent harvest as of the reporting date.
 - Selling prices of FFB and latex based on the market prices at the year end.
- (D) Sugar cane – Key assumptions applied in determining the fair values of the sugar cane are as follows:
- Cane trees are available for annual harvest 12 months after initial planting, and subsequently up to three more annual harvests.
 - The discount rate used represents the asset-specific rate for the Group's sugar cane which is applied in the discounted future cash flows calculation.
 - The projected selling price of sugar over the projection period is based on the average actual selling price during the year, but not exceeding the highest retail price imposed by the Ministry of Trade of Indonesia.

- (E) Oil palm seeds – Key assumptions applied in determining the fair values of the oil palm seeds are as follows:
- Estimated volume of six months of subsequent harvest as of the reporting date.
 - The discount rate used represents the asset specific rate for the oil palm seeds which is applied in the discounted future cash flows calculation.
 - Selling price of oil palm seeds is based on average actual selling price during the year.
- (F) The fair values of FFB and latex are determined at Level 2 of the fair value hierarchy based on the applicable market prices applied to the estimated volume of the produce, while the Group's timber plantations, sugar cane and oil palm seeds are measured using fair value categorized within Level 3 of the fair value hierarchy. During the years ended 31 December 2025 and 2024, there were no transfers among Level 1, Level 2 and Level 3 fair value measurements. Key unobservable inputs used in determining the fair value of the Group's timber plantations, sugar cane and oil palm seeds under Level 3 fair value measurements are as follows:

Inputs	Range of Quantitative Inputs	Relationship between the Inputs and the Fair Value
Discount rate	Timber: 9.7% (2024: 11.1%) Sugar cane: 8.9% (2024: 10.8%) Oil palm seeds: 9.0% (2024: 12.5%)	An increase/a decrease in the discount rate would result in a decrease/an increase in the fair value of biological assets.
Selling price of processed agricultural produce	Timber: Rupiah 549,227/m ³ – Rupiah 2,613,920/m ³ (US\$32.7/m ³ – US\$155.8/m ³) (2024: Rupiah 540,682/m ³ – Rupiah 2,527,037/m ³ (US\$33.5/m ³ – US\$156.4/m ³)) Sugar cane: Rupiah 882,213/tonne (US\$52.6/tonne) (2024: Rupiah 813,673/tonne (US\$50.3/tonne)) Oil palm seeds: Rupiah 8,400/piece – Rupiah 9,000/piece (US\$0.50/piece – US\$0.54/piece) (2024: Rupiah 8,800/piece – Rupiah 9,000/piece (US\$0.54/piece – US\$0.56/piece))	An increase/a decrease in the commodity prices would result in an increase/a decrease in fair value of biological assets.
Average production yield of agricultural produce	Timber: 90 m ³ /hectare (2024: 119 m ³ /hectare) Sugar cane: 65 tonnes/hectare (2024: 64 tonnes/hectare) Oil palm seeds: 1,010 pieces/bunch (2024: 967 pieces/bunch)	An increase/a decrease in production yields would result in an increase/a decrease in the fair value of biological assets.
Inflation rate	2.5% – 3.0% (2024: 2.5% – 3.0%)	An increase/a decrease in the inflation rate would result in a decrease/an increase in fair value of biological assets.

- (G) The Group has timber plantation concession rights which are valid until 2035 and 2049 (2024: 2035 and 2049). The total area of timber plantations as at 31 December 2025 was 9,635 hectares (2024: 13,643 hectares).

The physical quantities of FFB, sugar cane and oil palm seeds harvested from oil palm plantations, cane plantations and mother palm plantations, respectively, during the year are as follows:

	Unit of measurement	2025	2024
FFB	Thousand tonnes	2,714	2,758
Sugar cane	Thousand tonnes	757	721
Oil palm seeds	Million pieces	11.8	11.0

12. Associated Companies and Joint Ventures

US\$ millions	Associated companies		Joint ventures		Total	
	2025	2024	2025	2024	2025	2024
Shares, at cost						
– Listed	5,056.5	5,093.6	–	–	5,056.5	5,093.6
– Unlisted	1,699.6	1,701.6	370.1	490.7	2,069.7	2,192.3
Share of post-acquisition reserves (Note 30)	(1,184.4)	(1,388.5)	(19.9)	(33.0)	(1,204.3)	(1,421.5)
Amount due from an associated company	–	2.9	–	–	–	2.9
Total	5,571.7	5,409.6	350.2	457.7	5,921.9	5,867.3

- (A) At 31 December 2025 and 2024, both the listed and unlisted investments were located outside Hong Kong.
- (B) At 31 December 2025, the aggregate market value of listed investments in associated companies was US\$7,115.9 million (2024: US\$5,905.9 million) based on quoted market prices. The dividends received from associated companies and a joint venture during the year ended 31 December 2025 amounted to US\$349.6 million (2024: US\$309.3 million) and US\$14.1 million (2024: US\$5.8 million), respectively.
- (C) Additional details of the Group's major associated companies, PLDT and Philex, are set out on pages 217 and 218.
- (D) PLDT was incorporated under the laws of the Philippines on 28 November 1928 to provide telephone services in the Philippines. PLDT's charter was initially limited to a period of 50 years but has since been extended twice for 25 years each, the last extension being for an additional 25-year period ending in 2028. Under its amended charter, which became effective on 24 August 1991, PLDT is authorized to provide virtually every type of telecommunications services, both within the Philippines and between the Philippines and other countries. PLDT operates under the jurisdiction of the Philippine National Telecommunications Commission which jurisdiction extends, among other things, to approving major services offered by PLDT and certain rates charged by PLDT.

In October 2012, PLDT issued 150 million shares of Voting Preferred Stock with a par value of Peso 1 each to BTF Holdings, Inc., a company wholly-owned by the Board of Trustees for the Account of PLDT's Beneficial Trust Fund, which reduced the voting interest of the Group and its Philippine affiliates in PLDT from approximately 25.6% to approximately 15.1%. Nevertheless, the economic interests of the Group and its Philippine affiliates in PLDT remain at approximately 25.6%. Notwithstanding that the Group and its Philippine affiliates have less than a 20% voting interest in PLDT, the Group and its Philippine affiliates have sufficient representatives in PLDT's current 13-member board of directors to exercise significant influence over the operating and financial policy decisions of PLDT. Therefore, the Group continues to account for PLDT as an associated company after the said transaction.

- (E) Philex was incorporated under the laws of the Philippines in 1955 to engage in mining activities. Philex is primarily engaged in large-scale exploration, development and utilization of mineral resources. Philex has operated for the past 65 years at the deposit at Padcal (Tuba Benguet Province, Island of Luzon) for producing gold and copper as its main products and owns the deposits at Sta. Barbara I (formerly called Boyongan) and Sta. Barbara II (formerly called Bayugo) (Surigao del Norte, the Northern of Mindanao) (the “Silangan Project”). The definitive feasibility study for the deposit at Sta. Barbara I was completed in July 2019. The Silangan Project commenced its pre-development works in March 2022 under the In-Phase mine plan with an estimated development cost for the Sta. Barbara I ore deposit of US\$245 million. First metal pour is expected in 2026, signalling the commencement of commercial operation of Sta. Barbara I.

The Sta. Barbara II ore deposit will be developed as Phase 2, consisting of Sta. Barbara II-Silangan ore deposit, as Phase 2A, and Sta. Barbara II-Kalayaan ore deposit, as Phase 2B. The Sta. Barbara II-Silangan ore deposit is owned by Philex, while the Sta. Barbara II-Kalayaan ore deposit is under a farm-in agreement with Manila Mining Corporation, and its subsidiary, Kalayaan Copper Gold Resources, Inc. (“Kalayaan”), where Philex currently holds 5% interest in Kalayaan and the option to further increase its interest up to 60%.

- (F) Meralco was incorporated under the laws of the Philippines in 1903 and was granted a franchise to provide electric power distribution services in the Philippines. In June 2003, Meralco was granted with a 25-year franchise to construct, operate, and maintain an electric distribution system in the cities and municipalities of Bulacan, Cavite, Metro Manila, and Rizal and certain cities, municipalities, and barangays in Batangas, Laguna, Pampanga, and Quezon. Meralco is subject to the rate-making regulations and regulatory policies of the Philippine Energy Regulatory Commission. In April 2025, Meralco’s franchise was renewed for another 25 years.

In August 2022, MPIC acquired additional 2% interest in Meralco and the economic interests increased to 47.5% from 45.5%. The Group continues to account for Meralco as an associated company after the said transaction as significant influence remains.

Meralco also engages in the power generation business through its wholly-owned subsidiary, MGen. MGen owns 100% interest in GBPC, the largest independent power producer in the Visayas, and has combined direct and indirect interests of 58% in PLP. On 27 December 2023, MGen also owns SPNEC through the acquisition of 50.5% voting interests. In January 2024, MGen increased its voting interests in SPNEC to 53.7% and further increased to 69.3% in October 2025 by acquiring additional interests in SPNEC. MPIC also holds 3.2% interest in SPNEC. SPNEC, listed on the PSE, is an integrated developer, owner and operator of solar power projects. Terra Solar, a subsidiary company of SPNEC, is developing the largest solar facilities in the Philippines, which includes a 3,500 MWp solar power plant coupled with a 4,500 MWh battery energy storage system. The project with the first phase involving 2,500 MWdc is expected to begin commercial operations in 2026 with full completion follows in 2027.

- (G) Metro Pacific Health Corporation (“MPH”) was incorporated under the laws of the Philippines in 2004, and together with its subsidiary companies, associated companies and a joint venture, is the largest private hospital group with 29 hospitals in the Philippines and focused on delivering high-quality healthcare solutions to patients in the Philippines. MPH was originally a subsidiary company of the Group; however, it has become an associated company of the Group following the sale of 40.1% interest on 9 December 2019 which resulted in loss of control. The Group currently owns 20% interest in MPH.
- (H) JTT was incorporated under the laws of the Republic of Indonesia in 2017 and holds concessions for 13 toll road assets with a combined length of 676 kilometers. The toll roads are strategically located across Java, connecting the Indonesia’s economic centers, major cities, industrial hubs, and tourist areas. On 27 September 2024, the Group completed the acquisition of 22.9% effective interest in JTT and accounted for as an associated company.
- (I) Jasa Marga Jalanlayang Cikampek (“JJC”) was incorporated under the laws of the Republic of Indonesia in 2016 and is the concession holder of Jakarta-Cikampek Elevated toll road, a 38-kilometer fully elevated toll road forming part of the trans-java network, which serves as an entry/exit gate from Jakarta to West, Central, and East Java and was in operation since 12 December 2019. On 19 December 2022, the Group completed the acquisition of 40% interest in JJC and accounted for as a joint venture as the decisions about the relevant activities of JJC require the unanimous consent of the parties sharing control.
- (J) Dufil Prima Foods Plc. (“Dufil”), a 49.0% associated company of ICBP, is a public limited liability company registered in Nigeria in 2008, primarily engaged in manufacturing and marketing of instant noodles, seasoning, pasta, wheat flour, packaging material, snacks and cooking oil in Nigeria. For the year ended 31 December 2024, impairment losses of US\$97.7 million were recognized, mainly related to ICBP’s investment in Dufil due to less than favourable return expected from the investment as a result of significant depreciation in Nigeria’s Naira against US\$ and high inflation rate in Nigeria.

Notes to the Consolidated Financial Statements

- (K) PCSPC, a 50.0% joint venture of MPIC, is the largest petroleum product import terminal in the Philippines with a storage capacity of approximately 6 million barrels of oil. On 20 March 2025, MPIC disposed of its entire interest in PCSPC and recognized a gain on disposal of US\$50.5 million. For the year ended 31 December 2024, a reversal of impairment loss of US\$28.3 million was recognized in relation to MPIC's investment in PCSPC as its recoverable amount was higher than the net carrying amount with reference to the proposed transaction price.
- (L) The Group's associated companies and joint ventures are involved in certain legal, contractual and regulatory matters arising from the ordinary course of business. The management of the associated companies and joint ventures, together with their legal counsels, reassess these matters regularly to consider any new relevant information and estimates.
- (M) Additional financial information under HKFRS and adjusted for any differences in Group's accounting policies in respect of the Group's major associated companies measured using the equity method, PLDT, Philex, Meralco, MPH and JTT, is set out below.

	PLDT		Philex		Meralco		MPH		JTT	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
For the year ended/at 31 December US\$ millions										
Statements of Comprehensive Income										
Turnover	3,790.1	3,778.2	153.7	142.6	8,631.1	8,195.9	778.0	536.1	455.7	450.3
Profit for the year	524.4	567.3	16.1	14.1	882.4	809.7	68.3	54.8	174.3	241.6
Other comprehensive income/(loss)	37.2	(30.4)	(3.1)	3.5	36.6	(6.2)	-	-	-	(8.4)
Total Comprehensive Income	561.6	536.9	13.0	17.6	919.0	803.5	68.3	54.8	174.3	233.2
Dividends Received	91.9	93.8	0.9	1.0	232.7	200.7	-	-	17.1	-
Statements of Financial Position										
Current assets	1,180.7	1,103.4	123.9	121.8	3,626.9	3,104.9	339.7	291.3	157.7	149.8
Non-current assets	9,617.5	9,670.6	902.9	799.1	10,387.1	7,577.2	961.5	835.8	3,587.5	3,724.4
Current liabilities	(2,707.0)	(3,257.8)	(126.9)	(107.8)	(4,287.3)	(4,086.0)	(271.0)	(217.0)	(183.2)	(143.0)
Non-current liabilities	(5,912.6)	(5,498.3)	(334.9)	(249.9)	(5,924.6)	(3,382.9)	(279.9)	(230.2)	(1,429.1)	(1,574.3)
Non-controlling interests	(20.3)	(22.8)	-	-	(857.1)	(713.6)	(193.8)	(182.5)	(516.7)	(518.2)
Net Assets	2,158.3	1,995.1	565.0	563.2	2,945.0	2,499.6	556.5	497.4	1,616.2	1,638.7

Reconciliation to Carrying Amounts of the Group's Interests in the Major Associated Companies

	PLDT		Philex		Meralco		MPH		JTT	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
At 31 December US\$ millions										
Net assets	2,158.3	1,995.1	565.0	563.2	2,945.0	2,499.6	556.5	497.4	1,616.2	1,638.7
Economic interest	25.6%	25.6%	46.2%	46.2%	47.5%	47.5%	20.0%	20.0%	22.9%	22.9%
Group's share of net assets	551.9	510.1	260.9	260.1	1,397.7	1,186.3	111.3	99.5	370.1	375.3
Goodwill and other adjustments	570.7	578.0	(70.2)	(71.8)	1,338.5	1,447.8	210.2	213.9	303.0	303.6
Carrying Amount of the Investment	1,122.6	1,088.1	190.7	188.3	2,736.2	2,634.1	321.5	313.4	673.1	678.9
Quoted Fair Value of the Investment	1,184.0	1,236.7	449.7	128.8	5,223.2	4,512.8	N/A	N/A	N/A	N/A

- (N) Additional financial information under HKFRS Accounting Standards and adjusted for any differences in Group's accounting policies in respect of the Group's major joint venture measured using the equity method, JJC, is set out below.

	JJC	
	2025	2024
For the year ended/at 31 December US\$ millions		
Statements of Comprehensive Income		
Turnover	68.8	68.7
Loss for the Year and Total Comprehensive Loss	(9.5)	(13.7)
Dividends Received	–	–
Statements of Financial Position		
Current assets	27.3	30.0
Non-current assets	849.1	901.8
Current liabilities	(48.2)	(41.5)
Non-current liabilities	(603.8)	(647.6)
Net Assets	224.4	242.7

Reconciliation to Carrying Amount of the Group's Interest in a Major Joint Venture

	JJC	
	2025	2024
At 31 December US\$ millions		
Net assets	224.4	242.7
Economic interest	40.0%	40.0%
Group's share of net assets	89.8	97.1
Goodwill and other adjustments	167.1	170.9
Carrying Amount of the Investment	256.9	268.0

- (O) Aggregate financial information of the Group's share of the amounts of its associated companies and joint ventures that are not individually material is set out below.

	Associated companies		Joint ventures	
	2025	2024	2025	2024
For the year ended 31 December US\$ millions				
Share of profit/(loss) for the year	25.5	37.5	(9.0)	15.7
Share of other comprehensive income/(loss)	6.2	(12.5)	14.7	(5.3)
Share of Total Comprehensive Income	31.7	25.0	5.7	10.4
Aggregate Carrying Amount of the Group's Investments	527.6	506.8	93.3	189.7

13. Goodwill

US\$ millions	2025	2024
Cost		
At 1 January	4,296.5	4,499.2
Exchange translation	(121.8)	(203.4)
Acquisition of a subsidiary company	4.9	0.7
At 31 December	4,179.6	4,296.5
Accumulated Impairment		
At 1 January	511.8	531.5
Exchange translation	12.6	(20.2)
Impairment for the year (Note 5(A))	-	0.5
At 31 December	524.4	511.8
Net Carrying Amount at 31 December	3,655.2	3,784.7
Attributable to the Businesses of:		
Indofood – Noodles	3,112.2	3,231.7
– Plantations	180.7	187.6
– Dairy	95.5	99.1
MPIC – Toll roads	251.1	254.4
Others	15.7	11.9
Total	3,655.2	3,784.7

- (A) Goodwill is allocated to the Group's CGUs identified according to the reportable segments. Goodwill at 31 December 2025 and 2024 mainly related to (a) Indofood's businesses (principally noodles, plantations and dairy) which contributed to the Group's consumer food products business segment mainly located in the Middle East and Africa, and Indonesia, and (b) MPIC's businesses (principally toll roads) which contributed to the Group's infrastructure business segment located in the Philippines and Indonesia.
- (B) In assessing the impairment for goodwill, the Group compares the carrying amounts of the CGUs to which goodwill has been allocated against their recoverable amounts (the higher of the CGUs' fair value less costs of disposal and their value in use). The recoverable amounts of Indofood's and MPIC's businesses have been determined based on value in use calculations, using cash flow projections covering periods from five years (2024: five years) (for the established noodles business, plantations and dairy companies) up to 10 years (2024: 10 years) (for the noodles business and plantation estates in early development stage) for Indofood's businesses, and 12 to 23 years (2024: 13 to 24 years) of the remaining concession lives for MPIC's toll roads business. The discount rates applied to cash flow projections range from 5.4% to 28.3% (2024: 5.5% to 28.9%) for Indofood's businesses, and 10.9% to 14.9% (2024: 14.5% to 14.9%) for MPIC's toll roads business. The discount rates used are pre-tax and reflect specific risks relating to the relevant businesses.

In the assessment of the recoverable amount of Indofood's noodles businesses, their values in use were calculated based on their cash flow projections as per the most recent financial budgets and forecasts, which management believes are reasonable and are management's best estimates of the ranges of economic conditions that will exist over the forecast period. The forecasted periods for certain Indofood's noodles businesses are more than five years, considering certain noodles businesses are in the development stage in the countries (mainly the Middle East, Africa and Southeastern Europe) where Pinehill Company Limited ("Pinehill") operates. The cash flows beyond the projection periods are extrapolated using estimated terminal growth rates ranging from 2% to 5% (2024: 2% to 5%) which does not exceed the long-term average growth rate of the industry where Pinehill operates.

In the assessment of the recoverable amount of Indofood's plantations businesses, the projected prices of CPO are based on the World Bank forecast for the projection period; the projected selling prices of RSS1 and other rubber products of the Group over the projection period are based on the extrapolation of historical selling prices and the forecasted price trend from the World Bank; the sugar prices used in the projection are based on the extrapolation of historical selling prices and the forecasted price trend from the World Bank, but not exceeding the highest retail price imposed by the Ministry of Trade of Indonesia; and, the projected selling price of logs over the projection period are based on actual domestic price of produce which is extrapolated based on changes of plywood log price published by World Bank. The forecasted periods for Indofood's plantations businesses in an early development stage are more than five years as the plantations, mainly comprising oil palm plantations, are either in an immature stage or early state of maturity and will only reach maturity in the fourth year. The cash flows beyond the projection periods are extrapolated using an estimated average terminal growth rate at 5.0% (2024: 5.0%) which does not exceed the long-term average growth rate of the industry in Indonesia where the businesses operate.

In the assessment of the recoverable amount of Indofood's dairy businesses, their values in use were calculated based on their cash flow projections as per the most recent financial budgets and forecasts, which management believes are reasonable and are management's best estimates of the ranges of economic conditions that will exist over the forecast period. The cash flows beyond the projection periods are extrapolated using an estimated terminal growth rate of 5.0% (2024: 5.0%) which does not exceed the long-term average growth rate of the industry in Indonesia where the businesses operate.

In the assessment of the recoverable amount of MPIC's toll roads businesses, their values in use were calculated based on their cash flow projections as per the most recent financial budgets and forecasts, which management believes are reasonable and are management's best estimates of the ranges of economic conditions that will exist over the forecast period. The forecasted periods are more than five years as management can reliably estimate the cash flows for their entire concession periods. The cash flows during the projection periods are derived using estimated average growth rates ranging from 5.0% to 11.0% (2024: 3.0% to 10.0%) which do not exceed the long-term average growth rates of the industries in the Philippines and Indonesia where the businesses operate.

Changes to the assumptions used by management to determine the recoverable amounts, in particular the discount and growth rates, can have a significant impact on the results of the assessment. Management is of the opinion that no reasonably possible change in any of the key assumptions stated above would cause the carrying amounts of the goodwill for each of the CGUs to materially exceed the recoverable amounts.

For the year ended 31 December 2024, the Group recognized an impairment loss of US\$0.5 million, mainly relating to MPTC's investment in PT Rezeki Perkasa Sejahtera Lestari ("RPSL"), which operates a biomass power plant in Indonesia, as the recoverable amounts were lower than the carrying amounts.

14. Other Intangible Assets

US\$ millions	Concession assets – Water distribution	Concession assets – Toll roads	Concession assets – Rail	Brands – Dairy	Brands, networks and licenses – Packaged drinking water	Customer list and licenses – Wastewater and sewage treatment	Software and others	Total
Cost								
At 1 January 2025	4,028.0	3,878.7	861.4	250.5	84.5	9.8	39.4	9,152.3
Exchange translation	(76.8)	(79.9)	(14.0)	(9.3)	(3.2)	(0.2)	(2.8)	(186.2)
Additions	613.9	348.1	13.7	–	–	–	2.1	977.8
Acquisition of a subsidiary company	–	17.9	–	–	–	–	–	17.9
At 31 December 2025	4,565.1	4,164.8	861.1	241.2	81.3	9.6	38.7	9,961.8
Accumulated Amortization and Impairment								
At 1 January 2025	1,078.8	334.3	205.2	207.0	33.5	9.8	18.7	1,887.3
Exchange translation	(19.6)	(8.1)	(3.7)	(7.8)	(1.2)	(0.2)	(0.7)	(41.3)
Amortization for the year (Note 5(C))	55.2	52.6	13.7	11.7	–	–	2.7	135.9
At 31 December 2025	1,114.4	378.8	215.2	210.9	32.3	9.6	20.7	1,981.9
Net Carrying Amount at 31 December 2025	3,450.7	3,786.0	645.9	30.3	49.0	–	18.0	7,979.9

US\$ millions	Concession assets – Water distribution	Concession assets – Toll roads	Concession assets – Rail	Brands – Dairy	Brands, networks and licenses – Packaged drinking water	Customer list and licenses – Wastewater and sewage treatment	Software and others	Total
Cost								
At 1 January 2024	3,651.7	3,753.3	848.3	262.7	88.6	10.2	37.2	8,652.0
Exchange translation	(160.8)	(183.9)	(36.8)	(12.2)	(4.1)	(0.4)	(1.5)	(399.7)
Additions	537.1	309.3	49.9	–	–	–	3.7	900.0
At 31 December 2024	4,028.0	3,878.7	861.4	250.5	84.5	9.8	39.4	9,152.3
Accumulated Amortization and Impairment								
At 1 January 2024	1,072.5	304.4	168.4	204.4	35.1	10.2	17.7	1,812.7
Exchange translation	(46.4)	(13.4)	(7.6)	(9.6)	(1.6)	(0.4)	(0.5)	(79.5)
Amortization for the year (Note 5(C))	52.7	43.3	4.2	12.2	–	–	1.5	113.9
Impairment for the year (Note 5(A))	–	–	40.2	–	–	–	–	40.2
At 31 December 2024	1,078.8	334.3	205.2	207.0	33.5	9.8	18.7	1,887.3
Net Carrying Amount at 31 December 2024	2,949.2	3,544.4	656.2	43.5	51.0	–	20.7	7,265.0

- (A) Concession assets – Water distribution represents the exclusive rights granted to (a) Maynilad; (b) MPIWI; (c) PHI; (d) MIBWSC; (e) MPDW; (f) BOO Phu Ninh Water Treatment Plant Joint Stock Company (“PNW”); and (g) PT SCTK to provide water distribution, sewerage services and water production in the Philippines, Vietnam and Indonesia, and charge users for these services during their concession periods.

Additions to the concession assets for water distribution include costs of rehabilitation, construction costs, concession fees paid and payable for expansion projects and capitalized borrowing costs.

Details of the concession right granted to Maynilad is described below.

In February 1997, Maynilad entered into a concession agreement with Metropolitan Waterworks and Sewerage System (“MWSS”), with respect to the MWSS West Service Area. Under the concession agreement, MWSS grants Maynilad, the sole right to manage, operate, repair, decommission and refurbish all fixed and movable assets required to provide water and sewerage services in the West Service Area for 25 years ending in May 2022. In September 2009, MWSS approved an extension of its concession agreement with Maynilad for another 15 years to 2037. The legal titles to all property, plant and equipment contributed to the existing MWSS system by Maynilad during the concession period remain with Maynilad until the expiration date at which time, all rights, titles and interests in such assets will automatically vest to MWSS.

Under the concession agreement, Maynilad is entitled to (a) an annual standard rate adjustment to compensate for increases in the consumer price index subject to a rate adjustment limit; (b) an extraordinary price adjustment to account for the financial consequences of the occurrence of certain unforeseen events subject to grounds stipulated in the concession agreement; and (c) a rate rebasing mechanism which allows rates to be adjusted every five years to enable Maynilad to efficiently and prudently recover expenditures incurred, Philippine business taxes and payments corresponding to debt services on concession fees and Maynilad loans incurred to finance such expenditure.

In October 2013, Maynilad disagreed with the rate rebasing adjustments proposed by MWSS for the fourth rate rebasing period from 2013 to 2017 and exercised its right under the concession agreement to file a notice of dispute with the Secretariat of the International Court of Arbitration in the Philippines for an arbitration. On 29 December 2014, the Appeals Panel of the International Court of Arbitration in the Philippines upheld the alternative rebasing adjustment of Maynilad regarding its tariff dispute with MWSS. However, MWSS refused to implement the final award notwithstanding Maynilad’s repeated written demands for implementation.

On 11 December 2019, Maynilad received a letter from MWSS informing Maynilad that the MWSS Board of Trustees (“MWSS Board”) passed a resolution in its special meeting on 5 December 2019 to revoke the extension of Maynilad’s concession period from its original expiry in 2022 to 2037 (the “Subject Resolution”). Subsequently, when Maynilad formally asked MWSS and the Regulatory Office what the effect of the Subject Resolution is, the Regulatory Office stated that “as of to date, the 25-year Concession Agreement that covers the years 1997 to 2022 and the Memorandum of Agreement that provides for the 15-year extension of the concession period from year 2022 to 2037 have not yet been cancelled” in a letter to Maynilad dated 23 December 2019.

However, the Philippine government ordered a review and amendment to Maynilad’s concession agreement. As a result, the rate adjustment of Pesos 1.95/cubic meter originally effective on 1 January 2020 was not implemented. Also, on 2 January 2020, Maynilad executed the Release Form and Waiver of Claim on Arbitral Award (“Waiver”) in favor of the Philippine government. In this Waiver, Maynilad waived its claim against the Philippine government for its accumulated revenues losses for the period from 11 March 2015 to 31 December 2017.

On 18 May 2021, MWSS and Maynilad signed a Revised Concession Agreement (“RCA”) which confirmed its concession period until 31 July 2037 and certain amendments were made. The RCA will only take effect upon compliance with all the conditions precedent, including but not limited to, the receipt of letter of undertaking from the Philippine government. Key amendments include: (a) the imposition of a tariff freeze until 31 December 2022; (b) the exclusion of corporate income tax from the expenditures that could be recovered by Maynilad over the term of the concession; (c) no adjustment to the rates as may be prescribed by the MWSS Regulatory Office for the supply of water and sewerage services (“Standard Rates”) due to foreign currency differential adjustment; (d) capping of the annual inflation factor to two-thirds of the consumer price index; (e) imposition of rate caps for water and sewerage services to 1.3x and 1.5x, respectively, of the applicable Standard Rates in prior periods; and (f) replacing the tariff rate-setting mechanism’s market-driven appropriate discount rate with a 12% fixed nominal discount rate.

On 7 January 2022, Republic Act No. 11600 (the “Act”), which granted Maynilad a 25-year franchise (the “Franchise”) was published in the Official Gazette of the Philippines and affirmed Maynilad’s authority to provide waterworks system and sewerage and sanitation services in the West Zone Service Area of Metro Manila and the Province of Cavite of the Philippines. The Act has been effective since 22 January 2022 and Maynilad formally accepted the terms of the Franchise on 21 March 2022.

On 30 June 2022, Maynilad received a letter of undertaking from the Philippine government. However, the letter does not conform to the agreed form in the RCA, and Maynilad wrote a letter to MWSS that accordingly the RCA was not yet effective and thus Maynilad still operate under the old concession agreement.

On 30 January 2023, Water Concessionaire Revenue Committee informed Maynilad of the further amendments of the RCA, which includes (a) reinstatement of foreign currency differential adjustment for MWSS loans and all principal amount of Maynilad loans as of 29 June 2022; and (b) increase the cap of annual inflation factor to three-fourths from two-thirds of the consumer price index.

On 10 May 2023, MWSS and Maynilad signed the amendments to the RCA, and together with the RCA, took effective retroactively on 29 June 2022. On the same day, the Philippine government issued the letter of undertaking in the form agreed on both parties and the effectivity of the letter of undertaking retroacts to 1 July 2022.

On 4 December 2023, MWSS and Maynilad conducted a public hearing, which is a requirement for the 10-year extension of concession period from 2037 to January 2047 under the RCA to align with the Franchise.

On 12 December 2023, the MWSS Regulatory Office approved Maynilad's application to extend the term of the RCA from 2037 to 2047. Finding that the extension of the concession term will serve the best interest of the public, the MWSS Board also approved Maynilad's 10-year extension application, subject to the acknowledgement by the Philippine government, acting through the Secretary of Finance.

On 17 November 2025, Maynilad received the signed and notarized amendments to RCA which bears the acknowledgement by the Republic of the Philippines for the extension of term to 2047 from MWSS.

- (B) Concession assets – Toll roads represent the concession comprising the rights, interests and privileges to finance, design, construct, operate and maintain toll roads, toll facilities and other facilities generating toll-related and non-toll related income held by (a) NLEX Corporation in respect of the NLEX, SCTEX and Connector Road; (b) CIC in respect of CAVITEX; (c) MPCALA in respect of CALAX; (d) CCLEC in respect of CCLEX; (e) LLEX Corp. in respect of Lapu-Lapu Expressway (“LLEX”); (f) PT Makassar Metro Network (“PT MMN”) in respect of Ujung Pandang Section I and II Toll Road; (g) PT Bintaro Serpong Damai (“PT BSD”) in respect of Pondok Aren – Serpong Toll Road; and (h) PT Makassar Airport Network (“PT MAN”) in respect of Makassar Section IV Toll Road during their concession periods.

Additions to the concession assets for toll roads include payments for both ongoing construction costs, pre-construction costs for various toll road projects and concession fee payable for new toll road projects.

Details of the concession rights granted to NLEX Corporation, CIC, MPCALA, CCLEC, LLEX Corp. and PT MMN are described below.

- (a) NLEX Corporation's NLEX

In August 1995, First Philippine Infrastructure Development Corporation, the parent company of NLEX Corporation, entered into a joint venture agreement with Philippine National Construction Corporation (“PNCC”), in which PNCC assigned its rights, interests and privileges under its franchise to construct, operate and maintain toll facilities in the NLEX and its extensions, stretches, linkages and diversions in favour of NLEX Corporation, including the design, funding, construction, rehabilitation, refurbishing and modernization and selection and installation of an appropriate toll collection system therein during the concession period subject to prior approval by the President of the Philippines. In April 1998, the Philippine government, acting through the Philippines' Toll Regulatory Board (“TRB”) as the grantor, PNCC as the franchisee and NLEX Corporation as the concessionaire, executed a Supplemental Toll Operation Agreement (“STOA”) whereby the Philippine government recognized and accepted the assignment by PNCC of its usufructuary rights, interests and privileges under its franchise in favor of NLEX Corporation as approved by the President of the Philippines and granted NLEX Corporation concession rights, obligations and privileges including the authority to finance, design, construct, operate and maintain the NLEX project roads as toll roads commencing upon the date on which the STOA comes into effect until 31 December 2030 or 30 years after the issuance of the Toll Operation Permit for the last completed phase, whichever is earlier. In October 2008, the concession agreement was extended for another seven years to 2037. Pursuant to the STOA, NLEX Corporation is required to pay franchise fees to PNCC and to pay for the government's project overhead expenses based on certain percentages of construction costs and maintenance works on the project roads. Upon expiry of the concession period, NLEX Corporation shall hand over the project roads to the Philippine government without cost, free from any and all liens and encumbrances and fully operational and in good working condition, including any and all existing land required, works, toll road facilities and equipment found therein directly related to and in connection with the operation of the toll road facilities.

(b) NLEX Corporation's SCTEX

On 9 February 2015, NLEX Corporation received a notice of award from the Philippine Bases Conversion and Development Authority ("BCDA") for the management, operation and maintenance of the 94-kilometer SCTEX subject to compliance with specific conditions. The notice of award was issued by the BCDA following the results of the price challenge held on 30 January 2015. On 26 February 2015, NLEX Corporation and the BCDA entered into a business agreement involving the assignment of the BCDA's rights and obligations relating to the management, operation and maintenance of SCTEX as provided in the SCTEX concession. The assignment includes the exclusive right to use the SCTEX toll road facilities and the right to collect toll until 30 October 2043. On 22 May 2015, the Supplementary Toll Operation Agreement was executed by and among the Philippine government and the BCDA and NLEX Corporation. At the end of the contract term, the SCTEX, as well as the as-built plans, specification and operation/repair/maintenance manuals relating to the same shall be turned over to the BCDA or its successor-in-interest. At a consideration of Pesos 3.5 billion (US\$76.7 million) upfront cash payment, the operation and management of the SCTEX was officially turned over to NLEX Corporation on 27 October 2015. NLEX Corporation shall also pay the BCDA monthly concession fees amounting to 50% of the audited gross toll revenues of SCTEX for the relevant month from the effective date of 27 October 2015 to 30 October 2043.

(c) NLEX Corporation's Connector Road

On 23 November 2016, NLEX Corporation and the Philippine government acting through the Department of Public Works and Highways ("DPWH") signed a concession agreement for the design, financing, construction, operation and maintenance of the Connector Road. The Connector Road is a four lane toll expressway structure with a length of eight kilometers all passing through and above the right of way of the Philippine National Railways starting NLEX Segment 10 in C3 Road Caloocan City and seamlessly connecting to the South Luzon Expressway ("SLEX") through the Metro Manila Skyway Stage 3 Project. The concession period shall commence on the commencement date of its construction, and shall end on its thirty-seventh anniversary, unless otherwise extended or terminated in accordance with the concession agreement. The Connector Road Project, commenced construction in February 2019 and is expected to complete by 2027. At 31 December 2025, construction activities for the connection to Connector Road through the Metro Manila Skyway are still in progress, with a completion rate of 99.7%.

Under the concession agreement, NLEX Corporation shall pay the DPWH periodic concession fee payments as the consideration for the grant of the right of way for the project commencing on the first anniversary of the construction completion date.

(d) CIC's CAVITEX

Pursuant to a toll operation agreement and an operations and maintenance agreement which CIC signed in November 1996 and 2006, respectively, with the Philippine Reclamation Authority and the TRB of the Philippines, CIC was responsible for the design, financing, construction and supervision of the operation and maintenance of CAVITEX. The expressways shall be constructed in segments. The concession for CAVITEX extends to 2033 for the R-1 Expressway, 2046 for the extension and 2048 for the subsequent road extension. Upon the expiry of the concession period, CIC shall hand over the project roads to the Philippine government.

CAVITEX Phase I, which involved the rehabilitation of the R-1 Expressway and the construction of an extension that connects R-1 Expressway at Zapote to Noveleta was completed in May 1998 and May 2011, respectively. In July 2019, the first section of CAVITEX's C5 South Link Expressway Segment 3A-1, a portion of CAVITEX Phase II, which is a 2.2-kilometer flyover crossing SLEX traversing Taguig and Pasay City, was opened. In August 2022, CAVITEX's C5 South Link Expressway Segment 3A-2, a portion of CAVITEX Phase II, which is a new 1.6-kilometer flyover extension, was opened, further extending the existing 2.2-kilometer flyover that spans from Merville to Taguig. In June 2024, CAVITEX's C5 South Link Expressway Segment 2, the remaining portion of CAVITEX Phase II, was opened. At 31 December 2025, construction activities for CAVITEX Phase III, CAVITEX's C5 South Link Expressway Segment 3B are still in progress, with a completion rate of 96.4% and completed in March 2026.

(e) MPCALA's CALAX

On 10 July 2015, MPCALA signed a concession agreement for the CALAX Project with DPWH of the Philippines. Under the concession agreement, MPCALA is granted the concession to design, finance, construct, operate and maintain the CALAX, including the right to collect toll fees, over a 35-year concession period (including construction period). The CALAX is a closed-system tolled expressway connecting the CAVITEX and the SLEX. The CALAX Project was awarded to MPCALA following a competitive public bidding process where MPCALA was declared as the highest complying bidder with its offer to pay the Philippine government concession fees amounting to Pesos 27.3 billion (US\$535.3 million) over nine years, with 20% of Pesos 5.5 billion (US\$120.6 million) settled upon signing of the concession agreement. On 3 July 2017, MPCALA commenced the construction works for the project which is expected to be completed and fully operational by 2026. In October 2019, the first 10-kilometer section of the CALAX, a portion of the CALAX Laguna Segment (Subsections 6 to 8), was opened. In July 2020, MPCALA paid the second tranche of CALAX concession fee amounting to Pesos 4.4 billion (US\$88.3 million) to DPWH. In July 2025, MPCALA paid the third tranche of concession fee amounting to Pesos 4.4 billion (US\$76.6 million) to DPWH. The next scheduled payment of CALAX concession fee is in 2026. On 24 August 2021, CALAX Subsection 5, which connects Silang East to Santa Rosa-Tagaytay Road Interchange, was opened. This extends the expressway's operating sections from 10-kilometer to 14.2-kilometer. On 8 November 2023, CALAX Subsection 4, a 3.9-kilometer stretch from Silang East Interchange to Aguinaldo Silang, was opened. At 31 December 2025, construction activities for the Subsections 1 to 3 are still in progress, with an average completion rate of 63.7% and are expected to be completed in June 2026.

(f) CCLEC's CCLEX

On 3 October 2016, CCLEC, the Cebu City and Municipality of Cordova (as the grantors) signed the concession agreement for the CCLEX. CCLEX consists of the main alignment starting from the Cebu South Coastal Road and ending at the Mactan Circumferential Road, inclusive of interchange ramps aligning the Guadalupe River, the main span bridge, approaches, viaducts, causeways, low-height bridges, at-grade road, toll plazas and toll operations center.

Under the concession agreement, CCLEC is granted the concession to design, finance, construct, operate and maintain the CCLEX, including the right to collect toll fees over a 35-year concession period (including construction period). No upfront payments or concession fees are to be paid but the grantors shall share 2% of the project's revenue. On 4 July 2018, CCLEC commenced the construction works for the project and completed the project in April 2022. On 27 April 2022, the grantors approved the extension of the concession period for another 10 years to 2063 to recoup the additional project costs.

(g) LLEX Corp.'s LLEX

On 20 June 2025, Metro Pacific Tollways Vizmin Corporation ("MPT Vizmin"), a subsidiary company of MPTC, acquired the concession right to construct and operate LLEX Project through the acquisition of 100% interest in LLEX Corp. With LLEX Corp., MPT Vizmin intends to build a new toll road that will connect the existing CCLEX to the Mactan-Cebu International Airport in Lapu-Lapu City. LLEX Project consists of 4 segments with a total length of 12 kilometres.

Under the concession agreement, the initial term of the concession is 35 years (including construction period) and subject to an automatic renewal of 15 years upon request by LLEX Corp. and provided the share of Lapu-Lapu City in the toll revenues shall be increased according to the concession agreement. At 31 December 2025, the LLEX Project is undertaking pre-construction activities.

(h) PT MMN's Ujung Pandang Section, I and II Toll Road

On 31 August 2010, PT MMN, a subsidiary company of PT Nusantara, entered into a toll road concession agreement with The Toll Road Authority of Indonesia ("BPJT") of Department of Public Works of Indonesia ("DPU"). Under the concession agreement, BPJT appointed and granted PT MMN rights to operate Ujung Pandang Sections I and II Toll Road with a concession period until 12 April 2028. On 23 October 2017, PT MMN obtained Minister Decree from DPU, which granted an amendment for the toll road concession plans for Ujung Pandang Sections I and II with a concession period extended until 12 April 2043.

NLEX Corporation and CIC derive substantially all of their revenues from toll collections from the users of the toll roads. The concession agreements establish toll rate formulas and adjustment procedures for setting the appropriate toll rates. Subject to the TRB of the Philippines validating and approving the calculation of the toll rate adjustments in accordance with the formulas, toll rate adjustments for NLEX, SCTEX and CAVITEX are scheduled periodically.

On 17 April 2023, NLEX Corporation received TRB's approval on toll rate adjustments for NLEX in two equal tranches in 2023 and 2024 which should have been effective from 1 January 2019 and 1 January 2021. NLEX Corporation implemented the first tranche of the toll rate adjustments on 15 June 2023, and second tranche of the toll rate adjustments on 4 June 2024.

On 3 July 2023, NLEX Corporation received TRB's approval on start collection for toll rate for the Connector Road and NLEX Corporation implemented the toll rate for Section 1 on 8 August 2023.

On 5 July 2023, NLEX Corporation received TRB's approval on toll rate adjustments for SCTEX in three equal tranches in 2023, 2024 and 2025 which should have been effective from 1 January 2021 and 1 January 2023. NLEX Corporation implemented the first tranche of the toll rate adjustments on 17 October 2023, second tranche of the toll rate adjustments on 19 November 2024 and last tranche of the toll rate adjustments on 1 September 2025.

On 11 August 2023, CIC received TRB's approval on toll rate adjustments for CAVITEX's R-1 Expressway and R-1 Expressway Extension which should have been effective from 1 January 2018. CIC implemented the toll rate adjustments on 11 August 2023.

On 6 January 2025, NLEX Corporation received TRB's approval on toll rate adjustments for NLEX in two equal tranches in 2025 and 2026 which should have been effective from 1 January 2023. NLEX Corporation implemented the first tranche of the toll rate adjustments on 2 March 2025 and the second tranche on 20 January 2026.

On 24 October 2025, CIC received TRB's approval on toll rate adjustments for CAVITEX's R-1 Expressway and R-1 Expressway Extension (in two equal tranches in 2025 and 2026) which should have been effective from 1 January 2021 and 1 January 2024. CIC implemented the toll rate adjustments for CAVITEX's R-1 Expressway and the first tranche of toll rate adjustments for CAVITEX's R-1 Expressway Extension on 28 October 2025.

As at the date of these financial statements, TRB has not yet implemented the toll rate adjustments for NLEX Corporation in respect of NLEX and SCTEX which should have been effective from 1 January 2025 for NLEX, and 1 January 2024, 1 January 2025 and 1 January 2026 for SCTEX. NLEX Corporation is in constructive discussions with TRB to resolve overdue toll rate adjustments.

- (C) Concession assets – Rail represents concession comprising the exclusive right during the concession period to operate and maintain the current Light Rail Transit Line 1 ("LRT1") system and the LRT1 Cavite Extension ("LRT1 Extension"), collect farebox revenue.

Additions to the concession assets for rail include costs of rehabilitation of the current LRT1 system and costs of construction of the LRT1 Extension.

On 2 October 2014, LRMC signed together with the Department of Transportation (“DOTr”) and the Light Rail Transit Authority (“LRTA”) (the “grantors”) a concession agreement for the Light Rail Transit Line 1 Cavite Extension and Operations & Maintenance Project (“LRT1 Project”). Under the concession agreement, LRMC will operate and maintain the existing 20.7-kilometer LRT1 (“Existing System”) and construct an 11.7-kilometer extension from the present end-point at Baclaran to the Niog area in Bacoor, Cavite. A total of eight new stations will be built along the extension, which traverses the cities of Parañaque and Las Piñas up to Bacoor, Cavite. The concession agreement is for a period of 32 years commencing from the effective date of 12 September 2015 when LRMC took over the LRT1 operations. The rehabilitation works of Existing System are substantially completed and received safety certificate from assessor in January 2022. Accordingly, LRMC starts to amortize the concession assets relating to the Existing System. On 16 November 2024, the LRT1 Extension with 5 new stations was opened to the public. Accordingly, LRMC began amortizing the concession assets relating to the LRT1 Extension.

In accordance with the LRT1 Project concession agreement, LRMC is entitled to the reimbursement of the unavoidable increment costs that it will incur to restore the Existing System to the level necessary to meet all of the baseline Existing System Requirements (“ESR”) as certified by an independent consultant. Further, LRMC is entitled to compensation for the cost incurred for structural defect restoration (“SDR”) as certified by an independent consultant. LRMC is also entitled to receive compensation from the grantors if the grantors do not make available a minimum of 100 light rail vehicles (“LRVs”) on the effective date of the turnover of the system. On the turnover date of the system on 12 September 2015, LRMC only received 72 LRVs.

On various dates in 2015 through 2022, LRMC submitted letters to the DOTr and the LRTA representing its claim for ESR and SDR costs, and LRV shortfall on the premise of the grantor’s obligation in relation to the condition of the Existing System prior to or as of the effective date of the turnover of the system by the grantors to LRMC. In addition, LRMC requested the grantors’ compensation for the revenue loss arising from the grantors’ implementation of fare increases below the concession agreement fares. During the year ended 31 December 2025, LRMC received Pesos 406 million (US\$7.0 million) claims income from DOTr. The above claims were still undergoing discussion as at the date of these financial statements.

On 14 June 2023, LRMC received the official letter for approval on partial fare adjustment from DOTr and LRMC implemented the fare adjustment on 2 August 2023.

On 14 February 2025, LRMC received the official letter of approval on a partial fare adjustment from DOTr and LRMC implemented the fare adjustment on 2 April 2025.

During the year ended 31 December 2024, impairment loss of US\$40.2 million was recognized in respect of the concession assets of LRT1 projects. The impairment loss arose mainly due to the delay in tariff adjustments as stipulated in the concession agreement and below than expected number of ridership.

- (D) Brands – Dairy represent the brands, with a useful life of 20 years, held by PT Indolakto for its various milk-related products, which include Indomilk, Cap Enaak, Tiga Sapi, Kremer, Indoeskrim and Milkuat.
- (E) Brands, networks and licenses – Packaged drinking water represent (i) the registered brand name, CLUB; (ii) the distribution and customer networks; and (iii) the water licenses of Indofood’s packaged drinking water business.

The brands, networks and licenses are determined to have indefinite useful lives as (i) the brands and licenses can be renewed indefinitely at no significant costs; (ii) Indofood has the intention to renew the brands and maintain the licenses and networks indefinitely; and (iii) no significant expenses are expected to be incurred to maintain the future economic benefits that can be generated from these assets.

In assessing the impairment for brands, networks and licenses with indefinite useful life, the Group compares the carrying amounts of the intangible assets against their recoverable amounts (the higher of the assets’ fair value less costs of disposal and their value in use).

The recoverable amounts of brands, networks and licenses have been determined based on value-in-use calculations using cash flow projections as per the most recent financial budgets and forecasts, which management believes are reasonable and are management's best estimates of the ranges of economic conditions that will exist over the forecast period of five (2024: five) years for brands, networks and licenses. The discount rate applied to cash flow projections ranged from 9.8% to 10.0% (2024: 10.4% to 12.2%), which reflects the weighted average cost of capital. The cash flows beyond the projection periods are extrapolated using an estimated terminal growth rate of 5.0% (2024: 5.0%) which does not exceed the long-term average growth rate of the industry in Indonesia where the businesses operate.

(F) Customer list and licenses – Wastewater and sewage treatment represents Metro Pacific Water Solutions Inc. (previously known as Eco-System Technologies International, Inc.)'s customer relationship, contracts and licenses for intellectual property rights over patents and utility models.

(G) The useful lives for amortization:

Concession assets – Water distribution	– Maynilad	Remaining concession life of 39 years since acquisition in 2008
	– PNW	Remaining concession life of 44 years since completion of its construction in 2021
	– MPIWI	Concession life of 25 years since commencement in 2019
	– PHI	Remaining concession life of 23 years since acquisition in 2012
	– MIBWSC	Concession life of 38 years subsequent to the completion of its rehabilitation in 2019 and expansion expected in 2030
	– PT SCKT	Remaining concession lives of 8 years (for the existing water treatment plant) and 21 years (for the additional water treatment plants) since acquisition in 2018
	– MPDW	Concession life of 25 years since the commencement in 2021
Concession assets – Toll roads	– NLEX	Remaining concession life of 29 years since acquisition in 2008
	– SCTEX	Concession life of 28 years since acquisition in 2015
	– Connector Road	Remaining concession life of 29 years subsequent to the completion of its construction expected in 2027
	– CAVITEX	Remaining concession lives of 21 years (for the R-1 Expressway), 34 years (for the R-1 Expressway Extension) since acquisition in 2013 and 23 years (for C5 South Link) subsequent to the completion of its construction in 2026
	– CALAX	Remaining concession life of 24 years subsequent to the completion of its construction expected in 2026
	– CCLEX	Remaining concession life of 41 years subsequent to the completion of its construction in 2022
	– LLEX	Remaining concession life of 34 years and conditional renewal for 15 years subsequent to the completion of its construction in 2028
	– PT JTSE	Remaining concession life of 23 years since acquisition in 2018
	– PT MMN	Remaining concession life of 25 years since acquisition in 2018
	– PT BSD	Remaining concession life of 22 years since acquisition in 2018
Concession assets – Rail		Remaining concession life of 26 years subsequent to the completion of the rehabilitation works of its existing LRT1 system in 2022 and 23 years subsequent to the completion of its construction of the LRT1 Cavite Extension in 2024
Brands – Dairy		20 years
Brands, networks and licenses		Indefinite
– Packaged drinking water		
Customer list and licenses		20 years
– Wastewater and sewage treatment		

- (H) The capitalized costs and the respective key assumptions used to determine the recoverable amounts for the other intangible assets not yet available for use are summarized below:

	Toll roads		Water distribution	
	2025	2024	2025	2024
Carrying value (US\$ millions)	1,809.5	1,549.6	16.8	17.0
Net carrying amount (US\$ millions)	1,512.8	1,240.3	16.8	17.0
Average growth rate (%)	3.7 to 13.0	5.0 to 7.4	8.0	9.0
Average forecast period (years)	23 to 51	24 to 32	32	33
Pre-tax discount rate (%)	10.3 to 14.1	12.3 to 14.5	11.6	10.1

At 31 December 2025, the aggregate capitalized costs of these intangible assets of US\$1,826.3 million (2024: US\$1,566.6 million) are included in the costs of concession assets of toll roads and water distribution. For the purpose of impairment testing as at 31 December 2025 and 2024, the carrying amounts that were compared to their recoverable amounts were the net carrying values, which were capitalized costs net of the present value of the related future concession fee payments that formed part of the initial costs of these concession assets. The average growth rate represents expected growth in traffic for the toll roads business and billed volume for the water distribution business. The average forecast period is consistent with the period covered by the concession agreements.

15. Investment Properties

US\$ millions	2025	2024
At 1 January	22.6	12.5
Exchange translation	(0.7)	(0.6)
Additions	0.4	6.7
Disposals	(0.7)	(1.9)
Reclassification ⁽ⁱ⁾	–	5.9
At 31 December	21.6	22.6

- (i) Reclassification from assets classified as held for sale.

The Group's investment properties comprise lands being leased out under operating leases to earn rental income and vacant land held for the purpose of capital appreciation. The fair values of the investment properties are measured annually using the market comparison approach by reference to recent sales and other market data of comparable properties which are publicly available, as determined by professionally qualified independent appraisers. The fair value measurement for the investment properties has been categorized as Level 2. There was no transfer between the fair value hierarchy during the year.

At 31 December 2025, land included in investment properties with an aggregate carrying amount of US\$8.4 million (2024: US\$8.2 million) was right-of-use assets.

16. Accounts Receivable, Other Receivables and Prepayments

US\$ millions	2025	2024
Accounts receivable	807.4	765.3
Other receivables	654.3	561.7
Prepayments	71.3	82.3
Total	1,533.0	1,409.3
Presented as:		
Non-current Portion	105.1	107.3
Current Portion	1,427.9	1,302.0
Total	1,533.0	1,409.3

- (A) The carrying amounts of accounts receivable and other receivables approximate their fair values.
- (B) At 31 December 2025, included in other receivables was US\$74.9 million (2024: US\$68.1 million) of unbilled revenue arising from the Group's provision of services and sale of real estate under the infrastructure segment.

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

US\$ millions	2025	2024
Within one year	47.5	41.2
After one year	27.4	26.9
Total	74.9	68.1

- (C) An aging profile based on the invoice dates of accounts receivable, net of loss allowance, is analyzed below:

US\$ millions	2025	2024
0 to 30 days	664.7	631.0
31 to 60 days	62.8	52.8
61 to 90 days	37.2	40.1
Over 90 days	42.7	41.4
Total	807.4	765.3

- (D) The movements in the loss allowance for impairment of accounts receivable and contract assets are as follows:

US\$ millions	2025	2024
At 1 January	49.5	39.0
Exchange translation	(0.8)	(1.7)
Amount written off as uncollectible	(3.3)	(3.1)
Charge for the year (Note 5(C))	11.2	15.3
At 31 December	56.6	49.5

- (E) An impairment analysis is performed using a provision matrix to measure expected credit losses for accounts receivable and contract assets attributable to the consumer food products business and infrastructure business. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, accounts receivable are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's accounts receivable and contract assets attributable to the consumer food products business and infrastructure business using the corresponding provision matrix:

Consumer food products business	Current	Past due				2025 Total
		0 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	
Expected credit loss rate	0.0%	0.9%	1.4%	5.8%	89.7%	3.4%
Gross carrying amounts (US\$ millions)						
– accounts receivable	527.2	55.2	34.5	10.4	22.3	649.6
Expected credit losses (US\$ millions)	0.2	0.5	0.5	0.6	20.0	21.8

Infrastructure business	Current	Past due				2025 Total
		0 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	
Expected credit loss rate	0.4%	4.6%	9.6%	13.5%	52.7%	12.0%
Gross carrying amounts (US\$ millions)						
– accounts receivable	120.5	21.7	8.3	3.7	60.2	214.4
– contract assets	74.9	–	–	–	–	74.9
Expected credit losses (US\$ millions)	0.8	1.0	0.8	0.5	31.7	34.8

Consumer food products business	Current	Past due				2024 Total
		0 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	
Expected credit loss rate	0%	0.7%	1.1%	5.4%	81.4%	2.8%
Gross carrying amounts (US\$ millions)						
– accounts receivable	479.4	46.0	36.9	11.1	18.8	592.2
Expected credit losses (US\$ millions)	0.1	0.3	0.4	0.6	15.3	16.7

Infrastructure business	Current	Past due				2024 Total
		0 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	
Expected credit loss rate	0.3%	5.7%	8.8%	6.5%	54.2%	11.3%
Gross carrying amounts (US\$ millions)						
– accounts receivable	135.0	20.9	6.8	4.6	55.3	222.6
– contract assets	68.1	–	–	–	–	68.1
Expected credit losses (US\$ millions)	0.7	1.2	0.6	0.3	30.0	32.8

- (F) As the Group's accounts receivable and contract assets relate to a large number of diversified customers, there is no concentration of credit risk.
- (G) Accounts and other receivable with an aggregate carrying amount of US\$170.3 million (2024: US\$165.7 million) were pledged as security for certain of the Group's banking facilities (Note 25(E)).

17. Financial Assets at Fair Value

US\$ millions	2025	2024
Listed investments:		
– Equity investments – Overseas	221.2	273.4
Unlisted investments:		
– Investment funds – Overseas	586.1	588.6
– Equity investments – Overseas	144.7	117.2
– SMECI's convertible notes – Overseas	111.6	109.9
– Club debentures – Hong Kong	3.1	4.2
Total	1,066.7	1093.3
Presented as:		
Non-Current Portion	480.4	501.8
Current Portion	586.3	591.5
Total	1,066.7	1,093.3

Equity investments with carrying amount of US\$344.0 million (2024: US\$368.7 million) were irrevocably designated at FVOCI as the Group considers these investments to be strategic in nature. Dividend income from these investments during the year ended 31 December 2025 amounted to US\$6.0 million (2024: US\$13.5 million) (Note 5(A)).

The fair values of the listed equity investments are based on quoted market prices. The fair values of the unlisted investment funds are estimated by reference to valuations of the underlying assets supplied by independent sources. The fair values of the unlisted equity investments have been estimated by reference to discounted cash flow models, recent market transaction prices, or market comparable companies. The fair value of club debentures is estimated by reference to recent market transaction prices. The fair value of the unlisted SMECI's convertible notes is estimated by a discounted cash flow model. The Directors believe that the estimated fair values by reference to the above bases, which are recorded in the carrying amounts of the financial assets at fair value, and the related changes in fair values, which are recorded directly in the Group's other comprehensive income or profit or loss, as appropriate, are reasonable, and that they were the most appropriate values at the end of the reporting period.

18. Deferred Tax

The movements in deferred tax assets and deferred tax liabilities during the year are as follows:

US\$ millions	Tax losses carry forward	Expected credit loss allowance	Liabilities for employee retirement benefits	Others	Total
Deferred Tax Assets					
At 1 January 2024	29.4	9.0	47.9	26.4	112.7
Exchange translation	(0.4)	(0.4)	(2.3)	(0.9)	(4.0)
(Charged)/credited to the consolidated income statement	(27.6)	(0.1)	3.2	(2.4)	(26.9)
Charged to other comprehensive income	–	–	(1.6)	(1.5)	(3.1)
At 31 December 2024	1.4	8.5	47.2	21.6	78.7
At 1 January 2025	1.4	8.5	47.2	21.6	78.7
Exchange translation	–	(0.2)	(1.7)	(0.8)	(2.7)
Acquisition of a subsidiary company	–	0.1	–	–	0.1
(Charged)/credited to the consolidated income statement	(1.4)	1.4	(0.3)	3.9	3.6
Credited to other comprehensive income	–	–	0.3	4.1	4.4
At 31 December 2025	–	9.8	45.5	28.8	84.1

US\$ millions	Allowance in excess of related depreciation of property, plant and equipment	Changes in fair value of biological assets	Brands	Withholding taxes on undistributed earnings of subsidiary and associated companies	Others	Total
Deferred Tax Liabilities						
At 1 January 2024	(257.1)	(9.1)	(13.8)	(155.7)	(86.0)	(521.7)
Exchange translation	17.5	0.6	0.5	9.4	3.0	31.0
Acquisition of subsidiary companies	(23.4)	–	–	–	–	(23.4)
(Charged)/credited to the consolidated income statement	(0.1)	(8.6)	1.9	(13.4)	9.5	(10.7)
Credited to other comprehensive income	–	–	–	–	0.3	0.3
Other movements	–	–	–	9.7	–	9.7
At 31 December 2024	(263.1)	(17.1)	(11.4)	(150.0)	(73.2)	(514.8)
At 1 January 2025	(263.1)	(17.1)	(11.4)	(150.0)	(73.2)	(514.8)
Exchange translation	0.1	0.6	0.4	2.8	0.9	4.8
(Charged)/credited to the consolidated income statement	(26.1)	2.5	1.9	0.5	6.1	(15.1)
Credited to other comprehensive income	–	–	–	–	0.8	0.8
Other movements	–	–	–	8.9	(22.4)	(13.5)
At 31 December 2025	(289.1)	(14.0)	(9.1)	(137.8)	(87.8)	(537.8)

Pursuant to the income tax laws of Indonesia (after the consideration of relevant tax treaty benefits) and the Philippines, withholding taxes of 5% to 25% are levied on dividends declared to foreign investors. Singapore has a one-tier corporate tax system whereby tax charged at the corporate level is the final tax. Dividends paid by Singapore resident companies under the one-tier corporate tax system are exempted from further Singapore tax in the hands of shareholders.

The Group has fully recognized the deferred tax liabilities for the withholding taxes that would be payable on unremitted earnings that are subject to withholding taxes of its associated companies established in the Philippines. However, except for those earnings to be distributed as dividends, no deferred tax liabilities have been recognized for withholding taxes that would be payable on the unremitted earnings of the Group's subsidiary companies established in the Philippines and Indonesia. In the opinion of the Directors, it is not probable that these subsidiary companies will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiary companies in the Philippines and Indonesia for which deferred tax liabilities have not been recognized amounted to approximately US\$212.3 million at 31 December 2025 (2024: US\$126.0 million).

Deferred tax assets are recognized in respect of tax losses carried forward to the extent that realization of the related tax benefits through future taxable profit is probable. The Group has no tax losses arising from Singapore (2024: nil), the Philippines of US\$379.5 million (2024: US\$534.7 million) and Indonesia of US\$123.7 million (2024: US\$149.9 million) that may be carried forward three years for the Philippines (except for tax loss in 2021 which is allowed to carry over for five years as a result of COVID-19 relief measure) and five years for Indonesia, respectively, for offsetting against future taxable profits of the companies in which the losses arose.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

19. Other Non-current Assets

US\$ millions	2025	2024
Prepayments	335.4	217.6
Deposits for acquisition of property, plant and equipment	248.0	282.5
Debt investments	119.2	–
Plasma receivables	34.0	40.9
Long-term deposits	22.2	20.7
Others	112.5	98.5
Total	871.3	660.2

- (A) The prepayments mainly represent MPIC's advances to contractors for construction projects and Indofood's prepayment for forestry administrative charges.

On 1 December 2025, Indonesia's Ministry of Forestry imposed forestry administrative charges on PT Salim Ivomas Pratama Tbk ("SIMP") and its subsidiary companies amounting to Rupiah 2.34 trillion (US\$139.4 million), pursuant to government regulations relating to forest area governance and compliance requirements. These charges were fully paid within the required timeframe, on 30 December 2025, into an escrow account administered by the Forest Area Enforcement Task Force (Satuan Tugas Penertiban Kawasan Hutan or "Satgas PKH"), which was established by the Indonesian authorities to implement and enforce these new regulations. Following the payment of the forestry administrative charges, SIMP submitted the necessary objection papers to Satgas PKH and is waiting for Satgas PKH's decision.

- (B) The deposits for acquisition of property, plant and equipment are mainly attributable to Indofood.
- (C) The debt investments represent unlisted bonds hold by Indofood with maturities in 2030 and 2032, and are measured at amortized cost.
- (D) The plasma receivables represent the accumulated costs to develop FFB which are currently financed by Indofood (awaiting bank's funding) less the funds received from banks, and advances made by Indofood to plasma farmers in relation to arrangements for the farmers' production of FFB.
- (E) The long-term deposits mainly represent MPIC's deposits paid to contractors for major repairs and re-pavements of its toll roads and for restoration works of its water projects.

20. Inventories

US\$ millions	2025	2024
Raw materials	730.1	745.8
Work in progress	22.4	22.0
Finished goods	414.8	394.1
Real estate for sale	178.9	157.2
Total	1,346.2	1,319.1

- (A) During the year ended 31 December 2025, write-downs of inventories to net realizable value amounted to US\$10.3 million (2024: US\$5.9 million) (Note 5(C)).
- (B) At 31 December 2025, inventories with an aggregate carrying amount of US\$39.4 million (2024: US\$34.6 million) were pledged as security for certain of the Group's banking facilities (Note 25(E)).

21. Restricted Cash

At 31 December 2025, the Group's restricted cash balance mainly represents US\$70.1 million (2024: US\$113.3 million) set aside mainly to cover principal and interest payments of certain borrowings in compliance with loan agreements, and US\$0.2 million (2024: US\$0.3 million) held under margin accounts by brokers against open futures contracts for hedging purpose.

22. Cash and Cash Equivalents and Short-term Deposits

US\$ millions	2025	2024
Cash at banks and on hand	3,381.0	2,857.0
Short-term time deposits	825.1	467.2
Total	4,206.1	3,324.2

(A) Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no history of default. The carrying amounts of the cash and cash equivalents and short-term deposits approximate their fair values.

(B) Cash and cash equivalents of US\$198.7 million (2024: US\$107.2 million) were charged to banks in accordance with the terms of certain of the Group's banking facilities (Note 25(E)).

23. Assets Classified as Held for Sale

The balances at 31 December 2024 represented the bioethanol and distillery assets of San Carlos Bioenergy, Inc. ("SCBI"). On 13 August 2025, the assets were sold for a consideration of Pesos 0.8 billion (US\$13.9 million) with a loss on disposal of Pesos 0.1 billion (US\$1.8 million). Instalment proceeds of Pesos 0.7 billion (US\$11.4 million) were received during the year, while the remaining receivable of Pesos 0.1 billion (US\$2.5 million) will be received upon fulfilment of certain conditions.

24. Accounts Payable, Other Payables and Accruals

US\$ millions	2025	2024
Accounts payable	566.2	561.3
Accrued expenses	1,022.7	877.4
Other payables	482.8	491.9
Total	2,071.7	1,930.6

The aging profile based on the invoice dates of accounts payable is analyzed as follows:

US\$ millions	2025	2024
0 to 30 days	490.8	494.8
31 to 60 days	14.2	9.2
61 to 90 days	5.1	4.7
Over 90 days	56.1	52.6
Total	566.2	561.3

All of the accounts payable, other payables and accruals are expected to be settled within one year. The carrying amounts of the Group's accounts payable, other payables and accruals approximate their fair values.

25. Borrowings

US\$ millions	Effective interest rate (%)	Maturity	Notes	2025	2024
Short-term					
Bank loans	1.4 – 11.5 (2024: 1.3 – 11.5)	2026 (2024: 2025)	(A)	2,526.5	2,479.9
Other loans	N/A (2024: 6.6)	N/A (2024: 2025)	(B)	–	68.8
Subtotal				2,526.5	2,548.7
Long-term					
Bank loans	0.9 – 10.9 (2024: 0.9 – 11.5)	2027 – 2037 (2024: 2026 – 2037)	(A)	6,777.9	6,612.2
Other loans	3.5 – 7.1 (2024: 3.5 – 7.1)	2027 – 2052 (2024: 2026 – 2052)	(C)	3,709.7	3,375.4
Subtotal				10,487.6	9,987.6
Total				13,014.1	12,536.3

The maturity profile of the Group's borrowings is as follows:

US\$ millions	Bank loans		Other loans		Total	
	2025	2024	2025	2024	2025	2024
Not exceeding one year	2,526.5	2,479.9	–	68.8	2,526.5	2,548.7
More than one year but not exceeding two years	545.8	795.2	349.4	–	895.2	795.2
More than two years but not exceeding five years	2,791.8	2,599.6	185.2	537.2	2,977.0	3,136.8
More than five years	3,440.3	3,217.4	3,175.1	2,838.2	6,615.4	6,055.6
Total	9,304.4	9,092.1	3,709.7	3,444.2	13,014.1	12,536.3

The carrying amounts of the borrowings are denominated in the following currencies:

US\$ millions	2025	2024
U.S. dollar	4,673.1	4,950.5
Peso	6,315.2	5,807.1
Rupiah	1,700.7	1,521.0
S\$	230.0	146.4
Others	95.1	111.3
Total	13,014.1	12,536.3

An analysis of the carrying amounts of borrowings into fixed and variable interest rates is as follows:

US\$ millions	2025	2024
Fixed interest rate	9,531.1	9,152.8
Variable interest rate	3,483.0	3,383.5
Total	13,014.1	12,536.3

An analysis of the carrying amounts of secured and unsecured borrowings is as follows:

US\$ millions	2025	2024
Secured	1,851.9	1,842.1
Unsecured	11,162.2	10,694.2
Total	13,014.1	12,536.3

The carrying amounts and fair values of the non-current portion of long-term borrowings are as follows:

US\$ millions	Carrying amounts		Fair values	
	2025	2024	2025	2024
Bank loans	6,777.9	6,612.2	6,683.0	6,548.6
Other loans	3,709.7	3,375.4	3,121.6	2,742.0
Total	10,487.6	9,987.6	9,804.6	9,290.6

The fair values are based on published price quotations for listed bonds issued by the Group and projected cash flows discounted using borrowing rates ranging from 4.6% to 7.8% (2024: 4.0% to 8.0%) for the other fixed interest rate borrowings. The carrying amounts of the Group's variable interest rate borrowings approximate their fair values due to frequent repricing.

The carrying amounts of the short-term borrowings approximate their fair values.

Details of the borrowings are set out below:

(A) Bank Loans

The current and non-current balances as at 31 December 2025 included unsecured bank loans of US\$200.0 million (with a face value of US\$200.0 million) and US\$913.5 million (with a face value of US\$920.0 million), respectively, (2024: non-current balances of US\$1,108.7 million (with a face value of US\$1,120.0 million)) drawn for refinancing purpose by wholly-owned subsidiary companies of the Company, guaranteed by the Company, which are repayable between January 2026 and August 2034 (2024: between January 2026 and August 2034).

(B) Short-term Other Loans

The balance as at 31 December 2024 represented unsecured Peso bonds of Pesos 4.0 billion (US\$68.8 million) issued by NLEX Corporation in July 2018 with a face value of Pesos 4.0 billion, a coupon rate of 6.64% per annum, payable quarterly, and matured in July 2025.

(C) Long-term Other Loans

The balance at 31 December 2025 included bonds issued by a wholly-owned subsidiary company of the Company, ICBP, Maynilad, MPTC and NLEX Corporation. Details are summarized as follows:

- Unsecured bonds of US\$349.4 million (2024: US\$349.1 million) issued by FPC Resources Limited in September 2020 with a face value of US\$350.0 million, a coupon rate of 4.375% per annum, payable semi-annually, and will mature in September 2027. The bonds are guaranteed by the Company.
- Unsecured bonds of US\$1,145.1 million (2024: US\$1,144.1 million) issued by ICBP in June 2021 with a face value of US\$1,150.0 million, a coupon rate of 3.398% per annum, payable semi-annually, and will mature in June 2031.
- Unsecured bonds of US\$596.0 million (2024: US\$595.7 million) issued by ICBP in June 2021 with a face value of US\$600.0 million, a coupon rate of 4.745% per annum, payable semi-annually, and will mature in June 2051.

- (d) Unsecured bonds of US\$598.1 million (2024: US\$597.7 million) issued by ICBP in October 2021 with a face value of US\$600.0 million, a coupon rate of 3.541% per annum, payable semi-annually, and will mature in April 2032.
- (e) Unsecured bonds of US\$398.1 million (2024: US\$398.0 million) issued by ICBP in October 2021 with a face value of US\$400.0 million, a coupon rate of 4.805% per annum, payable semi-annually, and will mature in April 2052.
- (f) Unsecured Peso bonds of Pesos 8.9 billion (US\$151.3 million) (2024: Pesos 8.9 billion (US\$153.8 million)) issued by Maynilad in July 2024 with a face value of Pesos 9.0 billion, a coupon rate of 6.709% per annum, payable quarterly, and will mature in July 2029.
- (g) Unsecured Peso bonds of Pesos 6.0 billion (US\$101.3 million) (2024: Pesos 5.9 billion (US\$102.5 million)) issued by Maynilad in July 2024 with a face value of Pesos 6.0 billion, a coupon rate of 7.093% per annum, payable quarterly, and will mature in July 2034.
- (h) Unsecured Peso bonds of Pesos 2.0 billion (US\$33.9 million) (2024: Pesos 2.0 billion (US\$34.5 million)) issued by NLEX Corporation in July 2018 with a face value of Pesos 2.0 billion, a coupon rate of 6.9% per annum, payable quarterly, and will mature in July 2028.
- (i) Unsecured Peso bonds of Pesos 6.6 billion (US\$112.2 million) (2024: nil) issued by MPTC in December 2025 with a face value of Pesos 6.7 billion, a coupon rate of 5.5443% per annum, payable quarterly, and will mature in December 2028.
- (j) Unsecured Peso bonds of Pesos 6.6 billion (US\$112.2 million) (2024: nil) issued by MPTC in December 2025 with a face value of Pesos 6.7 billion, a coupon rate of 5.7879% per annum, payable quarterly, and will mature in December 2030.
- (k) Unsecured Peso bonds of Pesos 6.6 billion (US\$112.1 million) (2024: nil) issued by MPTC in December 2025 with a face value of Pesos 6.7 billion, a coupon rate of 6.3069% per annum, payable quarterly, and will mature in December 2035.

(D) Current Portion of Long-term Borrowings

The balance of short-term borrowings also included:

- (a) Current portion of long-term borrowings of US\$1,126.3 million (2024: US\$1,161.9 million).
- (b) RHI's bank borrowings of Pesos 4.3 billion (US\$73.2 million) (2024: Pesos 4.3 billion (US\$74.4 million)) are classified as current liability at 31 December 2025 and 2024 due to certain covenant compliance issues.

(E) Charges on Group Assets

At 31 December 2025, certain bank and other borrowings were secured by the Group's property, plant and equipment, accounts and other receivables, cash and cash equivalents, and inventories amounting to net book values of US\$1,117.9 million (2024: US\$913.1 million) and the interests of the Group's 70% (2024: 70%) in PLP, 55% (2024: 55%) in LRMC, 100% (2024: 100%) in MPCALA, 100% (2024: 100%) in CCLEC, 20.3% (2024: 20.3%) in JTT, 35% (2024: 35%) in PT Jakarta Lingkar Baratsatu, 88.9% (2024: 88.9%) in PT BSD, 99.6% (2024: 99.6%) in PT MMN, 99.4% (2024: 99.4%) in PT MAN, and 100% (2024: 100%) in PT Inpola Meka Energi.

(F) Loan Covenants

Certain long-term borrowings of the Group are subject to covenants including but not limited to debt service coverage ratio, debt-to-equity ratio, interest coverage ratio and/or current ratio that are assessed quarterly, bi-annually and/or annually. At 31 December 2025, the carrying amount of these long-term borrowings classified under non-current liability is US\$10,474.4 million (2024: US\$9,973.5 million). There are no indications that the Group will have difficulties in complying with these covenants within 12 months after the end of the reporting period.

26. Provision for Taxation

US\$ millions	2025	2024
At 1 January	162.0	169.3
Exchange translation	(4.2)	(7.7)
Provision for taxation (Note 6)	459.6	386.2
Taxes paid	(414.0)	(385.8)
At 31 December	203.4	162.0

An analysis of the taxes paid for the years ended 31 December 2025 and 2024 by geographical market is set out below:

US\$ millions	2025	2024
Indonesia	237.0	240.0
The Philippines	134.9	118.0
Singapore	12.3	–
Others	29.8	27.8
Total	414.0	385.8

27. Deferred Liabilities, Provisions and Payables

US\$ millions	Lease liabilities	Long-term liabilities	Pension liabilities	Loans from non-controlling shareholders	Others	2025	2024
At 1 January	46.9	560.8	317.6	35.7	643.0	1,604.0	1,666.0
Exchange translation	0.2	(9.8)	(8.8)	(2.1)	(7.8)	(28.3)	(69.3)
Additions	64.2	112.5	65.6	–	181.2	423.5	244.8
Payment and utilization	(50.6)	(111.9)	(67.2)	(18.1)	(55.1)	(302.9)	(238.6)
Acquisition of subsidiary companies	–	–	–	–	0.7	0.7	1.1
At 31 December	60.7	551.6	307.2	15.5	762.0	1,697.0	1,604.0
Presented as:							
Non-current Portion	37.2	431.2	307.2	8.1	376.6	1,160.3	1,252.3
Current Portion	23.5	120.4	–	7.4	385.4	536.7	351.7
Total	60.7	551.6	307.2	15.5	762.0	1,697.0	1,604.0

The lease liabilities represent the present value of future lease payments in relation to the Group's right-of-use assets.

The long-term liabilities mainly relate to: (a) MPCALA's concession fees payable to the Philippine government in respect of CALAX; (b) NLEX Corporation's concession fees payable to the Philippine government in respect of Connector Road; (c) Maynilad's concession fees payable to MWSS; (d) LRMC's concession fees payable to the Philippine government in respect of LRT1; (e) MPIWI's concession fees payable to the Philippine government in respect of Metro Iloilo Water District; (f) MPDW's concession fees payable to the Philippine government in respect of Dumaguete City Water District; and (g) MPIC's earn-out payment for its acquisition of 31.3% economic interest in ARC. In respect of MPIC's earn-out payment for ARC, under the sale and purchase agreement, an earn-out payment up to Pesos 1.45 billion (US\$27.8 million) shall be paid subject to the achievement of certain EBITDA milestones with a long-stop date on 30 April 2027. The earn-out payment was initially recognized at fair value at the acquisition date and subsequently remeasured at FVPL. In April 2025, MPIC settled Pesos 0.4 billion (US\$6.8 million) of the first milestone earn-out payment for ARC. At 31 December 2025, the fair value of the remaining earn-out payment in relation to ARC is Pesos 1.0 billion (US\$17.3 million) (2024: Pesos 1.3 billion (US\$23.1 million)). The balance at 31 December 2024 also included earn-out payment in relation to JTT of Rupiah 90 billion (US\$5.6 million), which shall be paid subject to pre-agreed target level of tariff adjustment with a long-stop date on 9 March 2026. The earn-out payment was derecognized during the year ended 31 December 2025 as the target level of tariff adjustment was not implemented by the long-stop date.

The pension liabilities relate to accrued liabilities in relation to defined benefit retirement schemes and long service payments.

The loans from non-controlling shareholders represent (a) unsecured and interest bearing loan provided by non-controlling shareholder of subsidiary company of IndoAgri, and (b) unsecured and interest-free loan provided by non-controlling shareholder of subsidiary company of Pinehill and is repayment on demand.

Others mainly represent: (a) Maynilad's real property tax payables on certain common purpose facilities; (b) a financial liability recognized by MPIC in relation to a put option held by Sumitomo Corporation ("Sumitomo") in respect of 34.9% interest in Metro Pacific Light Rail Corporation ("MPLRC") (see below); (c) provisions for various claims and potential claims against the Group; (d) estimated tax warranties and indemnities in relation to the disposal of a 40.1% interest in MPH in December 2019; (e) contract liabilities; (f) contractual obligations of NLEX Corporation, CIC, PT Nusantara, MPCALA, CCLEC and LRMC to restore their service concession assets to a specified level of serviceability during their service concession periods and to maintain these assets in good conditions prior to the handover of these assets to the government at the end of their concession periods; (g) the Group's payables on LTIP and long service payments; and (h) derivative liabilities arising from fuel swaps, foreign currency forwards, and interest rate swaps.

On 28 May 2020, MPIC entered into an agreement with Sumitomo to divest its 34.9% interest in MPLRC, which holds a 55% interest in LRMC, to Sumitomo. The agreement also contains a call option of MPIC that allows MPIC to purchase all of Sumitomo's MPLRC shares, and a put option of Sumitomo that allows Sumitomo to sell all of its MPLRC shares to MPIC, in the event of a deadlock (following unsuccessful mediation procedures) and in the event of MPIC's or Sumitomo's default on its obligations under the agreement. As a result, MPIC recognized a financial liability at the present value of the amount payable on exercise of the put option by Sumitomo, which is determined based on the fair value of MPLRC shares. At 31 December 2025, the financial liability amounting to US\$95.0 million (2024: US\$83.1 million) is recognized in relation to the put option and included in the current portion of deferred liabilities, provisions and payables, and the carrying amount of Sumitomo's non-controlling interests in MPLRC was derecognized with the resulting differences recorded in equity.

At 31 December 2025, US\$41.6 million (2024: US\$42.8 million) of receipt in advance from customers relates to export sales of CPO, upfront payments for water connection and installation fees and sales of real estate, and the unused portion of toll fees received in advance through the electric toll collection system. The obligations to the customers are expected to be fulfilled within one year, except for the obligations in relation to water connection and installation fees to be fulfilled over the remaining concession period, and the sales of real estate to be fulfilled based on the obligations completed to date.

At the end of the reporting period, certain subsidiary companies are parties to other cases and claims arising from the ordinary course of business filed by third parties, which are either pending decisions by the courts or are subject to settlement agreements. The outcome of these claims cannot be presently determined. In the opinion of the Directors and/or legal counsels, the eventual liability from these lawsuits or claims, if any, will not have a material adverse effect on the Consolidated Financial Statements. Other disclosures required by HKAS 37 were not provided as it may prejudice the Group's position in ongoing claims, litigations and assessments.

28. Share Capital

US\$ millions	2025	2024
Authorized		
6,000,000,000 (2024: 6,000,000,000) ordinary shares of U.S. 1 cent each	60.0	60.0

	Number of ordinary shares in issue		Share capital US\$ millions	
	2025	2024	2025	2024
Issued and fully paid				
At 1 January	4,255,220,029	4,242,260,570	42.6	42.4
Share options exercised (Note 36(D))	6,900,000	12,959,459	–	0.2
At 31 December	4,262,120,029	4,255,220,029	42.6	42.6

During the year ended 31 December 2025, 5,104,000 (2024: nil) and 1,796,000 (2024: 12,959,459) share options were exercised at the exercise price of HK\$3.176 (2024: nil) and HK\$2.87 (2024: HK\$2.87) per share, respectively, resulting in the issue of 6,900,000 (2024: 12,959,459) new ordinary shares of U.S. 1 cent each for a total cash consideration of HK\$21.4 million (US\$2.8 million) (2024: HK\$37.2 million (US\$4.8 million)). Details of the Company's share option scheme are set out in Note 36(D) to the Consolidated Financial Statements.

29. Shares Held for Share Award Scheme

The Company operate share award scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Particulars of the share award scheme are set out below:

Particulars of the Company's Share Award Scheme

	Number of allocated shares held for		Number of unallocated shares held for	Shares held for Share Award Scheme
	Purchase Awards	Subscription Awards	Purchase Awards	US\$ millions
At 1 January 2024	1,525,862	1,502,353	–	(1.2)
Purchased	4,287,400	–	600	(1.6)
Vested and transferred	(2,906,631)	(751,176)	–	1.4
At 31 December 2024	2,906,631	751,177	600	(1.4)
At 1 January 2025	2,906,631	751,177	600	(1.4)
Vested and transferred	(2,906,631)	(751,177)	–	1.4
Reallocated	600	–	(600)	–
Purchased	8,308,000	–	–	(6.7)
At 31 December 2025	8,308,600	–	–	(6.7)

For the Purchase Awards, during the year ended 31 December 2025, the independent trustee managing the Company's share award scheme purchased 8,308,000 shares (2024: 4,288,000 shares) of the Company at an aggregate consideration of HK\$52.5 million (US\$6.7 million) (2024: HK\$13.0 million (US\$1.6 million)) from the open market at the cost of the Company. The previously unallocated 600 shares were reallocated to eligible employees during the year upon the granting of new share awards on 12 June 2025.

For the Subscription Awards, the operation of the Company's Subscription Trust Deed ceased in June 2025. During the period ended 30 June 2025 and the year ended 31 December 2024, there was no subscription of new shares by the independent trustee managing the Company's share award scheme.

No awarded shares were cancelled nor lapsed during the years ended 31 December 2025 and 2024 under the Company's share award scheme.

Particulars of the share awards of the Company granted to the Directors and senior executives of the Company at 31 December 2025 and 2024 are set out below:

(a) The Company's Purchase Awards

	Unvested shares held at 1 January 2025	Shares vested and transferred during the year	Shares granted during the year	Unvested shares held at 31 December 2025	Grant date	Vesting period ⁽ⁱ⁾
Executive Directors						
Manuel V. Pangilinan, <i>Managing Director and Chief Executive Officer</i>	–	–	6,077,352	6,077,352	12 June 2025	June 2026 to February 2028
Christopher H. Young	–	–	1,627,363	1,627,363	12 June 2025	June 2026 to February 2028
Non-executive Directors						
Benny S. Santoso	159,500	(159,500)	–	–	–	–
	–	–	957,000	957,000	12 June 2025	June 2026 to February 2028
Axton Salim	–	–	957,000	957,000	12 June 2025	June 2026 to February 2028
Independent Non-executive Directors						
Prof. Edward K.Y. Chen, <i>GBS, CBE, JP</i>	319,000	(319,000)	–	–	–	–
	–	–	957,000	957,000	12 June 2025	June 2026 to February 2028
Margaret Leung Ko May Yee, <i>SBS, JP</i>	319,000	(319,000)	–	–	–	–
	–	–	957,000	957,000	12 June 2025	June 2026 to February 2028
Philip Fan Yan Hok	159,500	(159,500)	–	–	–	–
	–	–	957,000	957,000	12 June 2025	June 2026 to February 2028
Madeleine Lee Suh Shin	319,000	(319,000)	–	–	–	–
	–	–	957,000	957,000	12 June 2025	June 2026 to February 2028
Blair Chilton Pickerell	159,500	(159,500)	–	–	–	–
	–	–	957,000	957,000	12 June 2025	June 2026 to February 2028
Senior Executives						
	1,471,131	(1,471,131)	–	–	–	–
	–	–	9,884,720	9,884,720	12 June 2025	June 2026 to February 2028
Total	2,906,631	(2,906,631)⁽ⁱⁱ⁾	24,288,435⁽ⁱⁱⁱ⁾	24,288,435		

- (i) The shares would be vested in three equal tranches with vesting periods of 12 months, 22 months and 32 months, respectively, after the shares are granted.
- (ii) The average purchase price of the award shares vested was HK\$3.05 per share and the weighted average closing price of the shares immediately before the dates on which the awarded shares were vested was HK\$4.66 per share.
- (iii) Represent 0.6% of the Company's weighted average number of ordinary shares outstanding during the year.

	Unvested shares held at 1 January 2024	Shares vested and transferred during the year	Unvested shares held at 31 December 2024	Grant date	Vesting period ⁽ⁱ⁾
Non-executive Director					
Benny S. Santoso	319,000	(159,500)	159,500	6 May 2022	April 2023 to April 2025
Independent Non-executive Directors					
Prof. Edward K.Y. Chen, <i>GBS, CBE, JP</i>	638,000	(319,000)	319,000	6 May 2022	April 2023 to April 2025
Margaret Leung Ko May Yee, <i>SBS, JP</i>	638,000	(319,000)	319,000	6 May 2022	April 2023 to April 2025
Philip Fan Yan Hok	319,000	(159,500)	159,500	6 May 2022	April 2023 to April 2025
Madeleine Lee Suh Shin	638,000	(319,000)	319,000	6 May 2022	April 2023 to April 2025
Blair Chilton Pickerell	319,000	(159,500)	159,500	6 May 2022	April 2024 to April 2025
Senior Executives	2,942,262	(1,471,131)	1,471,131	6 May 2022	April 2023 to April 2025
Total	5,813,262	(2,906,631) ⁽ⁱⁱ⁾	2,906,631		

- (i) The shares would be vested in three equal tranches from the first to the third year after the shares are granted, except for an independent non-executive director (two equal tranches in the second and the first year after the grant).
- (ii) The average purchase price of the award shares vested was HK\$2.91 per share and the weighted average closing price of the shares immediately before the dates on which the awarded shares were vested was HK\$3.64 per share.

(b) The Company's Subscription Awards

	Unvested shares held at 1 January 2025	Shares vested and transferred during the year	Unvested shares held at 31 December 2025	Grant date	Vesting period
Senior Executives	751,177	(751,177) ⁽ⁱ⁾	–	–	–

- (i) The average subscription price of the awarded shares vested was HK\$3.16 per share and the weighted average closing price of the shares immediately before the dates on which the awarded shares were vested was HK\$4.66 per share.

	Unvested shares held at 1 January 2024	Shares vested and transferred during the year	Unvested shares held at 31 December 2024	Grant date	Vesting period ⁽ⁱⁱ⁾
Senior Executives	1,502,353	(751,176) ⁽ⁱⁱⁱ⁾	751,177	6 May 2022	April 2023 to April 2025

- (ii) The awarded shares would be vested in three equal tranches from the first to the third year after the shares are granted.
- (iii) The average subscription price of the awarded shares vested was HK\$3.16 per share and the weighted average closing price of the shares immediately before the dates on which the awarded shares were vested was HK\$3.64 per share.

On 19 March 2013, the Board resolved to adopt a share award scheme (the "Share Award Scheme"), which has a validity period of 15 years. Directors and Employees of the Group are eligible to participate. Under the Share Award Scheme, the Board can select grantees of awards and determine the number of the Company's shares to be awarded. An independent trustee (the "Trustee") has been appointed to administer the Share Award Scheme. The Trustee will purchase existing shares of the Company on the SEHK at the cost of the Company. Those shares purchased and held by the Trustee were not canceled. The Trustee will hold the shares on trust for the grantees of awards, until the awarded shares become vested. The awards vest progressively over the vesting period, provided that the relevant grantee remains employed by the Group. Shares vested will be transferred to the grantees at no cost. The Share Award Scheme limits the aggregate number of shares that may be awarded to no more than 3% of the outstanding shares of the Company, and the maximum number of shares which may be awarded to eligible participant under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company.

On 12 June 2025, 24,288,435 share awards were granted as the Purchase Awards under the Company's Share Award Scheme. The average fair value of shares granted, calculated by adjusting the closing share price at the grant date by the present value of expected dividend payments during the vesting period, was HK\$4.93 per share or an aggregate value of US\$15.4 million for all shares granted. The assumptions used were as follows:

Share price at the date of grant	HK\$5.62 per share
Expected dividend yield	7.3% per annum
Average risk-free interest rate (based on the Hong Kong Exchange Fund Notes)	1.9% per annum

On 6 May 2022, 8,560,390 share awards were granted as the Purchase Awards and 2,253,526 shares awards were granted as the Subscription Awards under the Company's Share Award Scheme. The average fair value of shares granted as calculated by Towers Watson Hong Kong Limited, by adjusting the closing share price at the grant date by the present value of expected dividend payments during the vesting period, was HK\$2.82 per share or an aggregate value of US\$3.9 million for all shares granted. The assumptions used were as follows:

Share price at the date of grant	HK\$3.10 per share
Expected dividend yield	4.8% per annum
Average risk-free interest rate (based on the Hong Kong Exchange Fund Notes)	2.1% per annum

As at the date of these financial statements, the total number of shares which is available for further award under the Company's Share Award Scheme are 27,101,365, which represented 0.6% of the Company's shares in issue as at that date.

30. Other Components of Equity

The Group's other components of equity comprise share premium, employee share-based compensation reserve, exchange reserve, fair value reserve of financial assets at FVOCI, unrealized gains/losses on cash flow hedges, income tax related to cash flow hedges, actuarial gains/losses on defined benefit pension plans, share of other comprehensive income/loss of associated companies and joint ventures, differences arising from changes in equities of subsidiary companies, capital and other reserves, and contributed surplus.

The share premium relates to the amount of fund received by the Company in excess of the par value of its shares issued. It may be used for repurchase of the Company's shares, distribution in the form of fully paid bonus shares and write-off of expenses related to issue of shares by the Company.

The employee share-based compensation reserve arises from the amortization of costs of share options and awarded shares granted under the share option schemes and the share award schemes adopted by the Company and the Group's subsidiary and associated companies over the vesting period. Upon the exercise of share options, the related amount accumulated in the employee share-based compensation reserve is transferred to share premium. Upon the vesting and transfer of the awarded shares to the awardees, the related costs are credited to shares held for the share award scheme, and the related fair value of the shares is debited to the employee share-based compensation reserve. The difference between the cost and the fair value of the vested awarded shares is credited to retained earnings if the fair value is higher than the cost or debited against retained earnings if the fair value is less than the cost.

The exchange reserve represents the resulting exchange differences arising from the translation of results and financial position of the Group's foreign operations that have functional currencies different from the Company's presentation currency. An analysis of the Group's exchange reserve, by principal investee company, is set out below:

US\$ millions	2025	2024
Indofood	(687.0)	(623.7)
PLDT	(180.1)	(170.1)
MPIC	(466.6)	(390.6)
Philex	(37.6)	(34.4)
Others	3.3	(7.7)
Total	(1,368.0)	(1,226.5)

The fair value reserve of financial assets at FVOCI relates to changes in the fair value of financial assets at FVOCI of the Group.

The unrealized gains/losses on cash flow hedges and income tax related to cash flow hedges relate to the effective portion of changes in fair value of cash flow hedges of the Group.

The actuarial gains/losses on defined benefit pension plans relate to changes in the present value of defined benefit pension obligations resulting from experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions.

Share of other comprehensive income/loss of associated companies and joint ventures relates to the Group's share of its associated companies and joint ventures' exchange reserve, fair value reserve of financial assets at FVOCI, unrealized gains/losses on cash flow hedges, income tax related to cash flow hedges, actuarial gains/losses on defined benefit pension plans, and revaluation reserve.

The differences arising from changes in equities of subsidiary companies relate to a change in the Group's subsidiary, associated companies' and joint ventures' ownership interest in their subsidiary companies without a change of control.

The capital and other reserves include capital reserves arising from reorganization activities in some of the Group's subsidiary companies and the Group's share of the equity component of convertible notes issued by an associated company.

The contributed surplus of the Group arose from (a) the Company's reallocation of its entire amount of share premium balance of US\$1,785.2 million on 28 June 2016 to the distributable reserve, following the approval obtained from the Company's shareholders during the adjourned annual general meeting, by way of a share premium reduction to nil and a subsequent transfer of the credit amount arising therefrom to the contributed surplus account, and (b) a reorganization of the Group in 1988 and represents the difference between the nominal value of the share capital issued by the Company and the aggregate net asset value of the subsidiary companies acquired at the date of acquisition. Under the Companies Act 1981 of Bermuda (as amended), the Company may make distributions to its shareholders out of the contributed surplus provided certain conditions are met.

An analysis of the accumulated reserves of associated companies and joint ventures, included within consolidated reserves, is set out below:

US\$ millions	Associated Companies		Joint Ventures		Total	
	2025	2024	2025	2024	2025	2024
Associated Companies and Joint Ventures						
Revenue reserve	(748.4)	(914.0)	(19.6)	(39.6)	(768.0)	(953.6)
Exchange reserve	(253.9)	(242.7)	(7.2)	5.3	(261.1)	(237.4)
Fair value reserve of financial assets at FVOCI	(2.2)	(0.8)	–	–	(2.2)	(0.8)
Unrealized (losses)/gains on cash flow hedges, net of tax	(29.1)	(23.6)	6.9	1.3	(22.2)	(22.3)
Actuarial losses on defined benefit pension plans	(225.7)	(223.0)	–	–	(225.7)	(223.0)
Differences arising from changes in equities of subsidiary companies	34.1	(7.1)	–	–	34.1	(7.1)
Capital and other reserves	40.8	22.7	–	–	40.8	22.7
Total (Note 12)	(1,184.4)	(1,388.5)	(19.9)	(33.0)	(1,204.3)	(1,421.5)

31. Non-controlling Interests

Details of the Group's subsidiary companies that have material non-controlling interests are set out below:

	2025	2024
Percentage of equity interest held by non-controlling interests		
– Indofood	49.9%	49.9%
– MPIC	50.1%	53.7%
– FPM Power	30.5%	31.2%
US\$ millions	2025	2024
Profit for the year allocated to non-controlling interests		
– Indofood	602.4	527.3
– MPIC	451.6	387.7
– FPM Power	96.7	103.8
Dividends paid to non-controlling interests		
– Indofood	205.6	200.5
– MPIC	190.5	141.0
– FPM Power	110.1	128.3
Total	506.2	469.8
Balances of non-controlling interests at 31 December		
– Indofood	4,879.1	4,636.0
– MPIC	3,664.2	3,157.6
– FPM Power	201.2	190.4

The following table illustrates the summarized financial information under HKFRS of the above subsidiary companies. The amounts disclosed are before any inter-company eliminations.

	Indofood		MPIC		FPM Power	
	2025	2024	2025	2024	2025	2024
For the year ended/at 31 December US\$ millions						
Statements of Comprehensive Income						
Turnover	7,484.0	7,290.4	1,446.5	1,274.0	1,302.0	1,492.8
Profit for the year	917.0	786.5	724.2	620.7	218.5	237.0
Other comprehensive income/(loss)	2.4	(33.5)	17.1	(25.2)	(5.5)	2.1
Total Comprehensive Income	919.4	753.0	741.3	595.5	213.0	239.1
Statements of Financial Position						
Non-current assets	7,491.7	7,449.9	13,311.6	12,462.9	658.7	525.3
Current assets	5,384.5	4,937.2	1,737.5	1,320.2	416.2	331.2
Non-current liabilities	(3,390.5)	(3,535.2)	(7,129.3)	(6,429.7)	(298.1)	(240.3)
Current liabilities	(2,526.4)	(2,295.1)	(1,988.0)	(2,190.2)	(370.5)	(272.4)
Net Assets	6,959.3	6,556.8	5,931.8	5,163.2	406.3	343.8
Statements of Cash Flows						
Net cash from operating activities	1,179.3	1,102.7	387.7	460.8	283.4	282.2
Net cash used in investing activities	(472.9)	(420.8)	(594.3)	(1,314.9)	(121.8)	(63.1)
Net cash (used in)/from financing activities	(212.4)	(43.8)	515.8	776.4	(62.1)	(225.6)
Net Increase/(Decrease) in Cash and Cash Equivalents	494.0	638.1	309.2	(77.7)	99.5	(6.5)

Effects of Material Transactions with Non-controlling Interests

During the year ended 31 December 2025, Indofood purchased an aggregate 9.5 million (2024: 10.1 million) shares of IndoAgri from the open market at a total cost of S\$3.0 million (US\$2.3 million) (2024: S\$3.2 million (US\$2.4 million)). As a result of these transactions, Indofood's effective interest in IndoAgri increased to 74.3% from 73.7% (2024: increased to 73.7% from 72.9%). The Group recorded a credit balance of US\$2.7 million (2024: US\$3.2 million) in differences arising from changes in equities of subsidiary companies within the Group's equity in respect of these transactions.

On 17 January 2025, a share buyback by MPIC of approximately 4.6 million shares, representing approximately 7.3% economic interest in MPIC, for a consideration of approximately Pesos 11.9 billion (US\$206.6 million), and issuance of the exchangeable bond by MPIC to Mit-Pacific Infrastructure Holdings Corporation ("Mit-Pacific") for an aggregate subscription price of approximately Pesos 11.9 billion (US\$206.6 million), which the exchangeable bond shall be exchangeable for 1.5 million shares of MPTC held by MPIC, representing approximately 6.6% economic interest in MPTC, were completed. As a result of these transactions, the Company's interest in MPIC increased to 49.9% from 46.3% and MPIC's interest in MPTC decreased to 93.3% from 99.9%. The Group recorded a credit balance of US\$115.1 million in differences arising from changes in equities of subsidiary companies within the Group's equity in respect of these transactions.

On 13 and 14 March 2025 (2024: 2 August 2024), MPTC acquired 0.3% (2024: 2.6%) interest in NLEX Corporation from the Republic of the Philippines for a consideration of Pesos 290 million (US\$5.0 million) (2024: Pesos 2.5 billion (US\$42.7 million)). As a result of this transaction, MPTC's effective interest in NLEX Corporation increased to 78.0% from 77.7% (2024: to 77.7% from 75.1%) and the Group recorded a debit balance of US\$0.2 million (2024: US\$14.3 million) in differences arising from changes in equities of subsidiary companies within the Group's equity in respect of this transaction.

On 14 March 2025, MPTC completed the acquisition of 5.8% interest in NLEX Corporation through the acquisition of remaining 55.4% interest in EIPPI from Egis Projects SAS, for a cash consideration of Pesos 5.5 billion (US\$95.5 million). As a result of this transaction, MPTC's effective interest in NLEX Corporation increased to 83.8% from 78.0%. The Group recorded a debit balance of US\$27.0 million in differences arising from changes in equities of subsidiary companies within the Group's equity in respect of this transaction.

On 14 March 2025, MPTC completed the acquisition of remaining 34% interest in ESC from Egis Easytrip Services SAS, for a cash consideration of Pesos 1.7 billion (US\$29.9 million). As a result of this transaction, MPTC's effective interest in ESC increased to 100% from 66%. The Group recorded a debit balance of US\$16.4 million in differences arising from changes in equities of subsidiary companies within the Group's equity in respect of this transaction.

On 7 November 2025, in connection with the IPO, Maynilad issued 1.8 billion new shares and MWHCI, a 51.3% subsidiary of MPIC, sold 355 million shares in Maynilad by way of secondary offering, at an offer price of Pesos 15 (U.S. 25 cents) per share. The Company subscribed 24.9 million shares for distribution to its shareholders. As a result of these transactions, the Group's effective interest in Maynilad decreased to 38.6% from 53.7%. The Group recorded a credit balance of US\$5.7 million in differences arising from changes in equities of subsidiary companies within the Group's equity in respect of these transactions.

During the year ended 31 December 2025, MPTIS acquired 149 million shares (2024: 3.8 billion shares) of PT Nusantara through the voluntary tender offer at a total cost of Rupiah 37 billion (US\$2.3 million) (2024: Rupiah 950 billion (US\$59.0 million)). As a result of these transactions, MPTIS's effective interest in PT Nusantara increased to 99.1% from 98.2% (2024: increased to 98.2% from 76.3%) and the Group recorded a credit balance of US\$2.8 million (2024: a debit balance of US\$4.2 million) in differences arising from changes in equities of subsidiary companies within the Group's equity in respect of these transactions.

Upon MPIC's divestment of its 34.9% interest in MPLRC to Sumitomo, a put option was also granted to Sumitomo which allows Sumitomo to sell all of its MPLRC shares back to MPIC under certain circumstances pursuant to the sale and purchase agreement. During the year ended 31 December 2025, the Group recorded a net debit balance of US\$2.7 million (2024: net credit balance of US\$3.6 million) in differences arising from changes in equities of subsidiary companies within the Group's equity, which pertains to the difference between the carrying value of the non-controlling interest derecognized and the present value of the amount payable upon the exercise of put option.

32. Other Comprehensive (Loss)/Income Attributable to Owners of the Parent

US\$ millions	Exchange reserve	Fair value reserve of financial assets at FVOCI	Unrealized gains/(losses) on cash flow hedges	Income tax related to cash flow hedges	Actuarial gains/(losses) on defined benefit pension plans	Share of other comprehensive (loss)/income of associated companies and joint ventures	Total
At 1 January 2024	(1,034.9)	149.7	4.5	(0.5)	15.0	(197.2)	(1,063.4)
Other comprehensive (loss)/income for the year	(191.5)	(21.8)	3.9	(0.7)	0.4	(17.4)	(227.1)
Acquisition of an interest in a subsidiary company	(0.1)	-	-	-	-	-	(0.1)
Others	-	7.5	-	-	-	-	7.5
At 31 December 2024	(1,226.5)	135.4	8.4	(1.2)	15.4	(214.6)	(1,283.1)
At 1 January 2025	(1,226.5)	135.4	8.4	(1.2)	15.4	(214.6)	(1,283.1)
Other comprehensive (loss)/income for the year	(113.2)	(17.9)	(20.4)	2.7	(2.7)	26.7	(124.8)
Acquisition of an interest in a subsidiary company	(28.3)	-	-	-	-	-	(28.3)
Others	-	0.6	-	-	-	0.2	0.8
At 31 December 2025	(1,368.0)	118.1	(12.0)	1.5	12.7	(187.7)	(1,435.4)

33. Notes to the Consolidated Statement of Cash Flows

(A) Proceeds from Disposal of a Joint Venture

2025's cash inflow of US\$113.1 million relates to the net proceeds from MPIC's disposal of its 50.0% indirect interest in PCSPC.

(B) Proceeds from Disposal of Assets Classified as Held for Sale

2025's cash inflow of US\$11.4 million relates to the instalment proceeds from the disposal of SCBI's bioethanol and distillery assets in August 2025.

(C) Investments in Debt Instruments

2025's cash outflow of US\$121.2 million relates to Indofood's investments in unlisted bonds with maturities in 2030 and 2032.

(D) Investments in Financial Assets at Fair Value

2025's cash outflow of US\$39.9 million (2024: US\$89.0 million) mainly relates to Indofood's investments in mutual funds.

(E) Investments in Associated Companies

2025's cash outflow of US\$25.1 million relates to MPIC's acquisition of a 40% interest in Franklin Baker Company in November 2025. Under the transaction, MPIC was also granted with a call option to acquire the remaining 60% interest in Franklin Baker Company with an exercise price of Pesos 1,000 (US\$17) exercisable from 1 January 2029 to 31 December 2029, or within 30 business days after Franklin Baker Company's audited financial statements was authorized to issue and reported a net income, and the selling shareholders were granted with a put option which will be effective and automatic on 1 January 2030 that the selling shareholders of Franklin Baker Company shall sell their remaining 60% interest to MPIC at Pesos 1,000 (US\$17). The call/put options are categorized as derivative instruments and measured at FVPL. At 31 December 2025, the fair value of the call option is US\$2.1 million, whereas the fair value of the put option is considered not material. Franklin Baker Company is a manufacturer and exporter of a wide range of value-added coconut products, supplying desiccated coconut, coconut water, coconut cream, coconut milk and virgin coconut oil, to over 50 countries.

2024's cash outflow of US\$692.7 million mainly related to MPTC's acquisition of a 22.9% effective interest in JTT.

(F) Acquisition of Subsidiary Companies

2025's cash outflow of US\$22.8 million relates to (i) Metro Pacific Tollways Vizmin Corporation's, a wholly-owned subsidiary of MPTC, acquisition of 100% interest in LLEX Corp. for a total consideration of US\$18.0 million in June 2025, and (ii) Metro Pacific Health Tech Corporation's, a wholly-owned subsidiary of MPIC, acquisition of 100% interest in Global Telehealth, Inc. ("Global Telehealth") for a total consideration of US\$6.6 million in April 2025, net of cash acquired of US\$1.8 million.

LLEX Corp. holds the concession right to build and operate a 12-kilometer expressway that will connect CCLEX and Mactan-Cebu International Airport. The transaction has been accounted for as an acquisition of assets rather than a business combination as it does not meet the definition of "Business" as defined under HKFRS 3 "Business Combinations."

Global Telehealth owns KonsultaMD, a health application offering primary health care solutions through online doctor consultations, medicine delivery, diagnostics, and home care to Philippine customers. The net assets of Global Telehealth recognized in the Group's 2025 Consolidated Financial Statements of US\$1.7 million were based on the provisional assessment of their fair value while the Group is still evaluating the fair value of the assets acquired, and liabilities and contingent liabilities assumed. The valuation and assessment had not been completed by the date of the Group's 2025 Consolidated Financial Statements were approved for issue by the Board of Directors. If new information obtained within one year of the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the provisional amounts, or any provisions that existed at the acquisition date, the accounting for the acquisition will then be revised.

The transaction costs of US\$0.1 million incurred for the above transactions have been recognized as administrative expenses in the consolidated income statement.

Since the date of acquisition, the above acquired subsidiary companies recorded in aggregate a turnover of US\$0.6 million and loss for the period of US\$0.4 million which were included in the consolidated income statement. If the acquisitions had taken place on 1 January 2025, the turnover and profit for the year ended 31 December 2025 of the Group would have been US\$10,232.8 million and US\$1,805.9 million, respectively.

2024's cash outflow of US\$9.2 million mainly related to MPIC's acquisition of 100% interest in Universal Harvester Dairy Farms, Inc. ("UHDFI"). UHDFI operates under the brand name Bukidnon Milk Company and produces and processes fresh milk, flavoured milk, yogurt, and cheese products.

(G) Proceeds from IPO of a Subsidiary Company

2025's cash inflow of US\$522.6 million relates to the net proceeds from Maynilad's IPO, comprising of the issuance of 1.8 billion new shares by Maynilad and the sales of 355 million Maynilad shares held by MWHCI, a 51.3% subsidiary of MPIC, by way of secondary offering, in November 2025.

(H) Increased Investments in Subsidiary Companies

2025's cash outflow of US\$142.3 million mainly relates to MPTC's acquisition of the remaining (i) 55.4% interest in EIPPI, which holds 10.5% interest in NLEX Corporation, for a cash consideration of US\$95.5 million, and (ii) 34.0% interest in ESC for a cash consideration of US\$29.9 million.

2024's cash outflow of US\$120.8 million mainly related to (i) MPTIS's, a wholly-owned subsidiary company of MPTC, acquisition of an additional 21.9% interest in PT Nusantara for a total consideration of US\$59.0 million, and (ii) MPTC's acquisition of an additional 2.6% interest in NLEX Corporation for a total consideration of US\$46.2 million.

(I) Reconciliation of Liabilities Arising from Financing Activities

US\$ millions	Loans from non- controlling shareholders	Service concession fees payable	Borrowings	Lease liabilities	Dividends/ distribution payable	Total
At 1 January 2024	49.8	537.5	11,611.5	46.9	19.3	12,265.0
Exchange translation	(4.9)	(20.3)	(306.2)	(1.8)	(0.7)	(333.9)
Changes in financing cash flows						
– Proceeds from new bank borrowings and other loans	–	–	4,162.0	–	–	4,162.0
– Repayment of bank borrowings and other loans	–	–	(2,936.0)	–	–	(2,936.0)
– Dividends paid to non-controlling shareholders by subsidiary companies	–	–	–	–	(469.8)	(469.8)
– Distributions paid to shareholders	–	–	–	–	(133.2)	(133.2)
– Principal portion of lease payments	–	–	–	(31.0)	–	(31.0)
– Payments for concession fees payable	–	(23.3)	–	–	–	(23.3)
– Repayment of loan from a non-controlling shareholder	(9.2)	–	–	–	–	(9.2)
Finance costs	–	14.5	5.0	3.2	–	22.7
Dividends/distribution declared	–	–	–	–	594.9	594.9
Interest paid classified as operating cash flows	–	–	–	(3.2)	–	(3.2)
Other movements	–	7.0	–	32.8	–	39.8
At 31 December 2024	35.7	515.4	12,536.3	46.9	10.5	13,144.8
At 1 January 2025	35.7	515.4	12,536.3	46.9	10.5	13,144.8
Exchange translation	(2.1)	(9.0)	(165.0)	0.2	–	(175.9)
Changes in financing cash flows						
– Proceeds from new bank borrowings and other loans	–	–	4,246.4	–	–	4,246.4
– Repayment of bank borrowings and other loans	–	–	(3,603.6)	–	–	(3,603.6)
– Dividends paid to non-controlling shareholders by subsidiary companies	–	–	–	–	(506.2)	(506.2)
– Distributions paid to shareholders	–	–	–	–	(144.6)	(144.6)
– Principal portion of lease payments	–	–	–	(46.1)	–	(46.1)
– Payments for concession fees payable	–	(94.9)	–	–	–	(94.9)
– Repayment of loan from a non-controlling shareholder	(18.1)	–	–	–	–	(18.1)
Finance costs	–	14.3	–	3.5	–	17.8
Dividends/distribution declared	–	–	–	–	666.0	666.0
Interest paid classified as operating cash flows	–	–	–	(3.5)	–	(3.5)
Other movements	–	91.1	–	59.7	–	150.8
At 31 December 2025	15.5	516.9	13,014.1	60.7	25.7	13,632.9

(J) Total Cash Outflow for Leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

US\$ millions	2025	2024
Within operating activities	27.0	22.4
Within financing activities	46.1	31.0
Total	73.1	53.4

(K) Major non-cash transaction

For the year ended 31 December 2025, the Group had non-cash additions to (i) right-of-use assets and lease liabilities of US\$60.7 million (2024: US\$33.2 million) and US\$60.7 million (2024: US\$33.2 million), respectively, in respect of lease arrangements for buildings, and machinery and equipment, and (ii) service concession assets and service concession fees payable of US\$93.8 million (2024: US\$26.7 million) and US\$93.8 million (2024: US\$26.7 million), respectively, in respect of the capitalization of principal and interest accretion on service concession fees payable into service concession assets.

34. Commitments and Contingent Liabilities

(A) Capital Expenditure

US\$ millions	2025	2024
Commitments in respect of subsidiary companies:		
– Authorized, but not contracted for	964.3	632.0
– Contracted, but not provided for	1,671.4	1,179.4
Total	2,635.7	1,811.4

The Group's capital expenditure commitments principally relate to Indofood's, MPIC's and PLP's purchase of property, plant and equipment, and construction of infrastructure for Maynilad's and MPW's water and sewerage businesses, and MPTC's toll roads business.

(B) Contingent Liabilities

At 31 December 2025, except for guarantees of US\$31.2 million (2024: US\$26.7 million) given by Indofood for loan facilities obtained by certain plantation farmers in relation to arrangements for those farmers' production and sale of fresh fruit bunches to Indofood, the Group had no significant contingent liabilities (2024: nil).

35. Employees' Benefits

(A) Remuneration

US\$ millions	2025	2024
Basic salaries	518.7	525.5
Bonuses	197.6	195.4
Benefits in kind	127.4	123.0
Pension contributions	16.0	11.1
Retirement and severance allowances	7.1	13.7
Employee share-based compensation benefit expenses/LTIP	23.7	29.7
Total	890.5	898.4
Average Number of Employees	106,863	103,625

The above includes the remuneration of the Directors. Detailed disclosures in respect of the Directors' remuneration are set out in Note 36(A) to the Consolidated Financial Statements.

(B) Retirement Benefits

The Group operates both defined contribution and defined benefit schemes. In addition, the Group has made provisions for estimated liabilities for employee benefits for meeting the minimum benefits required to be paid to the qualified employees as required under the Philippines Republic Act (R.A.) No. 7641 (“R.A. 7641”) and the Indonesian Labor Law.

Under R.A. 7641, companies are required to pay a minimum benefit equivalent to one-half month’s salary for every year of service, with six months or more of service considered as one year, to employees with at least five years of services. As some of the entities of the Group operate in the Philippines, they provide for either a defined contribution retirement plan or a defined benefit retirement plan that consider the minimum benefit guarantee mandated under R.A. 7641.

Under the Indonesian Labor Law, companies are required to pay separation, appreciation, and compensation benefits to their employees if the conditions specified in the Indonesian Labor Law are met. Some of the Group’s Indonesian subsidiary companies maintain and operate formal pension plans for the benefit of their employees. Additional provisions for the estimated liabilities for employee service entitlement benefits are made on top of the benefits provided under their respective pension plans, if necessary, in order to meet and cover the minimum benefits required to be paid to employees under the Indonesian Labor Law.

Under the Central Provident Fund Act in Singapore, the Singapore companies in the Group are required to make contributions to the Central Provident Fund scheme in Singapore, which is a defined contribution pension scheme. Contributions to defined contribution pension schemes are made based on a percentage of the employees’ basic salaries and charged to the consolidated income statement as they become payable in accordance with the rules of the respective schemes.

Under the Mandatory Provident Fund Schemes Ordinance and the Occupational Retirement Schemes Ordinance in Hong Kong, the Hong Kong companies in the Group are required to make contributions to the Mandatory Provident Fund retirement scheme and the occupational retirement scheme in Hong Kong, which are defined contribution pension schemes. Contributions are made based on a percentage of the employees’ basic salaries and charged to the consolidated income statement as they become payable in accordance with the rules of the respective schemes.

(a) Defined contribution schemes

The Group operates 10 (2024: 10) defined contribution schemes covering 11,257 (2024: 11,768) employees. The assets of these schemes are held separately and are administered by independent trustees. Contributions to the schemes by the Group are determined by reference to the employees’ salaries and length of service and range from 4% to 17% (2024: 4% to 17%). Under the terms of the schemes, the Group cannot be requested to make additional payments over and above these levels of contributions. In five (2024: five) of the schemes, forfeited contributions may be used to reduce the existing levels of employer contributions and, in 2025, no amount (2024: nil) was used for this purpose. There were no significant forfeited contributions at 31 December 2025 and 2024.

The Group’s Indonesian and Singapore subsidiary companies have defined contribution retirement plans covering substantially all of their qualified permanent employees. The related liability arising from the difference between the cumulative funding since the establishment of the program and the cumulative pension costs charged to the consolidated income statement during the same period is recognized as employee benefit liabilities in the consolidated statement of financial position.

Although the Group’s Philippine subsidiary companies operate defined contribution schemes, they are covered under R.A. 7641 which provides for its qualified employees under a defined benefit minimum guarantee. The defined minimum guarantee is equivalent to a certain percentage of the monthly salary payment to an employee at the normal retirement age with the required credited years of service based on the provisions of R.A. 7641. The Philippine subsidiary companies account for the retirement obligation under the higher of defined benefit obligation relating to the minimum guarantee and the obligation arising from the defined contribution plan.

The Group’s Indonesia subsidiary companies also provide additional provisions on top of the benefits provided under the above-mentioned defined contribution pension programs in order to meet and cover the minimum benefits required to be paid to the qualified employees under the Indonesia Labour Law as described below.

(b) Defined benefit schemes and estimated liabilities for employee benefits

The Group operates 20 (2024: 19) defined benefit schemes covering 8,646 (2024: 8,313) employees. Six (2024: Five) of the plans are unfunded where the Group meets the benefit payment obligations as they fall due while 14 (2024: 14) of the defined benefit payments are from trustee-administered funds. For unfunded schemes, the Group engages the services of actuaries to conduct valuation studies to determine the retirement obligations to ensure that these maturing obligations and expected benefit payments are covered and budgeted for. For the funded schemes, the assets are held separately from the Group and are administered by independent trustees. Benefits are determined by reference to employees' final salaries and length of service, and the schemes have undergone independent valuations on an annual basis. These actuarial valuations, performed by the actuaries of Kantor Konsultan Aktuaria Hery Al Hariry and Kantor Konsultan Aktuaria Steven & Mouritss (members of the Actuarial Consultant Association of Indonesia), Institutional Synergy, Inc., E.M. Zalamea Actuarial Services, Inc. and Key Actuarial Intelligence, Inc. (members of the Actuary Society of the Philippines), were based on the projected unit credit method. The plan assets do not include any financial instruments of the Group or property occupied by, or other assets used by, the Group. At 31 December 2025, the Group's level of funding in respect of its defined benefit schemes was 75.2% (2024: 66.4%).

The Group has also made provisions for estimated liabilities for employee benefits covering the employees of its Indonesian subsidiary companies. The amounts of such provisions were determined by reference to employees' final salaries and length of service and mainly based on actuarial computations prepared by the actuaries of Kantor Konsultan Aktuaria Hery Al Hariry (a member of the Actuarial Consultant Association of Indonesia) using the projected unit credit method.

- (l) The amounts of liability under defined benefit schemes and estimated liabilities for employee benefits included in the consolidated statement of financial position are as follows:

US\$ millions	Defined benefit schemes	Estimated liabilities for employee benefits	Total	
			2025	2024
Present value of defined benefit obligations	(63.5)	(282.8)	(346.3)	(354.1)
Fair value of plan assets	54.1	–	54.1	47.5
Effect of the asset ceiling	(6.4)	–	(6.4)	(4.1)
Net Liability	(15.8)	(282.8)	(298.6)	(310.7)
Represented by:				
Pension assets ⁽ⁱ⁾	8.6	–	8.6	6.9
Pension liabilities ⁽ⁱⁱ⁾	(24.4)	(282.8)	(307.2)	(317.6)
	(15.8)	(282.8)	(298.6)	(310.7)

(i) Included within other non-current assets

(ii) Included within deferred liabilities, provisions and payables

- (II) The changes in the present value of the obligations under defined benefit schemes and estimated liabilities for employee benefits during the year are as follows:

US\$ millions	Defined benefit schemes	Estimated liabilities for employee benefits	Total	
			2025	2024
At 1 January	(65.4)	(288.7)	(354.1)	(374.9)
Exchange translation	1.6	10.4	12.0	16.7
Current service cost	(4.8)	(20.0)	(24.8)	(26.0)
Past service cost	–	9.5	9.5	13.0
Interest cost on obligation	(3.5)	(17.8)	(21.3)	(21.1)
Actuarial (losses)/gains arising from:				
– Changes in demographic assumptions	(0.5)	–	(0.5)	(0.2)
– Changes in financial assumptions	4.6	(19.6)	(15.0)	1.9
– Experience adjustments	2.0	7.5	9.5	(1.7)
Benefits paid and others	2.5	35.9	38.4	38.2
At 31 December	(63.5)	(282.8)	(346.3)	(354.1)

- (III) The changes in the fair value of plan assets under the defined benefit schemes during the year are as follows:

US\$ millions	2025	2024
At 1 January	47.5	45.1
Exchange translation	(1.0)	(2.0)
Interest income included in net interest cost	3.2	2.8
Return on plan assets (excluding amount included in net interest cost)	3.2	1.4
Contributions by employers	6.7	4.1
Benefits paid and others	(5.5)	(3.9)
At 31 December	54.1	47.5
Actual Return on Plan Assets	12%	9%

- (IV) The major categories of plan assets as a percentage of the fair value of the total plan assets under the defined benefit schemes are as follows:

	2025	2024
Philippine debt securities	43%	42%
Philippine equities	36%	41%
Cash in banks and time deposits	8%	9%
Unit trust funds and others	13%	6%

- (V) The amount recognized in the consolidated income statement and consolidated statement of comprehensive income is analyzed as follows:

US\$ millions	Defined benefit schemes	Estimated liabilities for employee benefits	Total	
			2025	2024
Current service cost	4.8	20.0	24.8	26.0
Past service cost	–	(9.5)	(9.5)	(13.0)
Interest cost on obligation	3.5	17.8	21.3	21.1
Interest income on plan assets	(3.2)	–	(3.2)	(2.8)
Interest on the effect of the asset ceiling	0.3	–	0.3	0.2
Amount Recognized in Profit or Loss⁽ⁱ⁾	5.4	28.3	33.7	31.5
Actuarial losses/(gains) arising from:				
– Changes in demographic assumptions	0.5	–	0.5	0.2
– Changes in financial assumptions	(4.6)	19.6	15.0	(1.9)
– Experience adjustments	(2.0)	(7.5)	(9.5)	1.7
Return on plan assets (excluding amount included in net interest cost)	(3.2)	–	(3.2)	(1.4)
Effect of the asset ceiling	2.0	–	2.0	(0.1)
Amount Recognized in Other Comprehensive Income	(7.3)	12.1	4.8	(1.5)
Total	(1.9)	40.4	38.5	30.0

(i) Included in cost of sales, selling and distribution expenses and administrative expenses

- (VI) Principal actuarial assumptions (weighted average) as at 31 December are as follows:

	2025	2024
Discount rate	7%	7%
Future annual salary increases	5%	5%

- (VII) The calculation of the defined benefit obligation is sensitive to the assumptions set above. The following table summarizes how the present value of the defined benefit obligation at the end of the reporting period would have increased or decreased as a result of changes in the respective assumptions:

US\$ millions	Increase/ (decrease)	(Decrease)/ increase at 31 December 2025	(Decrease)/ increase at 31 December 2024	
			Increase/ (decrease)	
Discount rate (%)	1.0	(22.9)	1.0	(19.9)
	(1.0)	21.1	(1.0)	26.4
Future annual salary increases (%)	1.0	21.0	1.0	26.6
	(1.0)	(22.9)	(1.0)	(20.4)

(VIII) The following table provides the maturity analysis of the undiscounted benefit payments as at 31 December:

US\$ millions	2025	2024
Less than one year	39.0	41.7
One year to five years	140.2	138.9
More than five years	1,575.2	1,511.6
Total	1,754.4	1,692.2

The weighted average duration of the defined benefit obligation is 13 years (2024: 11 years).

(IX) The Group expects to contribute US\$4.9 million (2024: US\$6.0 million) to its defined benefit pension plans next year.

(C) Loans to Officers

During the years ended 31 December 2025 and 2024, there were no loans made by the Group to officers which required disclosure pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation.

36. Directors' and Senior Executives' Remuneration

(A) Directors' Remuneration

The remuneration of Directors and chief executive of the Company for the year ended 31 December 2025, disclosed on an individual basis and pursuant to the Appendix D2 paragraph 24 of the Listing Rules, section 383 (1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

Directors' Remuneration - 2025

US\$'000	Non-performance based				Employee share-based compensation benefit expenses/LTIP	Fees ⁽ⁱⁱ⁾	Total
	Salaries	Other benefits	Pension contributions	Performance based payments ⁽ⁱ⁾			
Chairman							
Anthoni Salim	3,965	–	–	–	–	55	4,020
Executive Directors							
Manuel V. Pangilinan, <i>Managing Director and Chief Executive Officer</i>	4,749	1,223	211	2,735	3,921	128	12,967
Christopher H. Young	705	57	–	309	741	–	1,812
Non-executive Directors							
Benny S. Santoso	43	–	–	–	230	56	329
Axton Salim	2,715	–	–	–	220	93	3,028
Independent Non-executive Directors							
Prof. Edward K.Y. Chen, <i>GBS, CBE, JP</i>	–	–	–	–	230	134	364
Margaret Leung Ko May Yee, <i>SBS, JP</i>	–	–	–	–	230	128	358
Philip Fan Yan Hok	–	–	–	–	230	128	358
Madeleine Lee Suh Shin	–	–	–	–	230	140	370
Blair Chilton Pickerell	–	–	–	–	230	104	334
Total	12,177	1,280	211	3,044	6,262	966	23,940

(i) Performance based payments comprise performance bonuses and long-term monetary incentive awards.

(ii) For meetings attended.

Directors' Remuneration - 2024

US\$'000	Non-performance based				Performance based payments ⁽ⁱ⁾	Employee share-based compensation benefit expenses/LTIP	Fees ⁽ⁱⁱ⁾	Retirement benefit payments	Total
	Salaries	Other benefits	Pension contributions						
Chairman									
Anthoni Salim	3,230	-	-	-	-	48	-	3,278	
Executive Directors									
Manuel V. Panglinan, <i>Managing Director and Chief Executive Officer</i>	4,928	406	207	3,327	2,846	160	-	11,874	
Christopher H. Young	662	55	-	303	2,310	-	2,462	5,792	
Non-executive Directors									
Benny S. Santoso	61	-	-	-	51	49	-	161	
Axton Salim	2,263	-	-	-	-	73	-	2,336	
Independent Non-executive Directors									
Prof. Edward K.Y. Chen, <i>GBS, CBE, JP</i>	-	-	-	-	53	110	-	163	
Margaret Leung Ko May Yee, <i>SBS, JP</i>	-	-	-	-	53	110	-	163	
Philip Fan Yan Hok	-	-	-	-	51	98	-	149	
Madeleine Lee Suh Shin	-	-	-	-	53	116	-	169	
Blair Chilton Pickerell	-	-	-	-	51	73	-	124	
Total	11,144	461	207	3,630	5,468	837	2,462	24,209	

(i) Performance based payments comprise performance bonuses and long-term monetary incentive awards.

(ii) For meetings attended.

Included within the total Directors' remuneration is an amount of US\$1.8 million (2024: US\$1.2 million) paid by PLDT, an associated company, in respect of the services of the Managing Director and Chief Executive Officer of the Company.

(B) Senior Executives' Remuneration

As similar remuneration schemes operate for the senior executives of the Group, their remuneration may exceed those of the Company's Directors. Two (2024: One) senior executives were among the Group's five highest earning employees during the year ended 31 December 2025. The remaining three (2024: four) of the five highest earning employees are the Company's Directors. Details of the remuneration for two (2024: one) senior executives are as follows:

US\$'000	2025	2024
Non-performance based		
– Salaries and benefits	2,059	1,122
Performance based		
– Bonuses and long-term monetary incentive awards	413	318
Employee share-based compensation benefit expenses/LTIP	1,546	348
Total	4,018	1,788

The remuneration of two (2024: one) senior executives who were among the Group's five highest earning employees in 2025 are within the following bands:

Remuneration bands	2025 Number	2024 Number
US\$1,728,000 – US\$1,792,000	-	1
US\$1,920,000 – US\$1,984,000	1	-
US\$2,048,000 – US\$2,112,000	1	-

(C) Key Management Personnel Compensation (including Directors' Remuneration)

US\$ millions	2025	2024
Non-performance based		
– Salaries and benefits	69.2	65.0
– Pension contributions	2.6	1.9
Performance based		
– Bonuses and long-term monetary incentive awards	32.2	31.4
Retirement benefit payments	5.3	9.8
Employee share-based compensation benefit expenses/LTIP	17.5	17.7
Fees	0.8	0.7
Total	127.6	126.5

(D) Share Options

The Company operates share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Particulars of the share options of the Company granted to the Directors and senior executives of the Company at 31 December 2025 and 2024 are set out below:

Particulars of the Company's share option scheme

	Share options held at 1 January 2025	Share options exercised during the year	Share options held at 31 December 2025	Share option exercise price per share (HK\$)	Market price per share immediately before the date of grant (HK\$)	Grant date	Vesting period	Exercisable period
Non-Executive Director								
Benny S. Santoso	1,914,000	(1,914,000)	-	3.176	3.10	-	-	-
Independent Non-Executive Directors								
Philip Fan Yan Hok	1,914,000	(1,914,000)	-	3.176	3.10	-	-	-
Blair Chilton Pickerell	1,276,000	(1,276,000)	-	3.176	3.10	-	-	-
Senior Executives	1,796,000	(1,796,000)	-	2.87	2.87	-	-	-
Total	6,900,000	(6,900,000) ⁽ⁱ⁾	-					

(i) The weighted average closing prices of the Company's shares immediately before and at the dates on which these share options were exercised are HK\$5.59 and HK\$5.62, respectively.

	Share options held at 1 January 2024	Share options exercised during the year	Share options held at 31 December 2024	Share option exercise price per share (HK\$)	Market price per share immediately before the date of grant (HK\$)	Grant date	Vesting period ⁽ⁱⁱⁱ⁾	Exercisable period
Non-Executive Director								
Benny S. Santoso	3,828,000	(3,828,000)	–	2.87	2.87	–	–	–
	1,914,000	–	1,914,000	3.176	3.10	6 May 2022	April 2023 to April 2025	April 2023 to May 2028
Independent Non-Executive Directors								
Madeleine Lee Suh Shin	3,828,000	(3,828,000)	–	2.87	2.87	–	–	–
Philip Fan Yan Hok	1,914,000	–	1,914,000	3.176	3.10	6 May 2022	April 2023 to April 2025	April 2023 to May 2028
Blair Chilton Pickerell	1,276,000	–	1,276,000	3.176	3.10	6 May 2022	April 2024 to April 2025	April 2024 to May 2028
Senior Executives	7,099,459	(5,303,459)	1,796,000	2.87	2.87	8 April 2019	April 2020 to April 2022	April 2020 to April 2025
Total	19,859,459	(12,959,459) ⁽ⁱ⁾	6,900,000 ⁽ⁱⁱ⁾					

- (i) The weighted average closing prices of the Company's shares immediately before and at the dates on which these share options were exercised are HK\$4.20 and HK\$4.22, respectively.
- (ii) The number of outstanding share options vested and exercisable at 31 December 2024 was 4,986,000. These share options had a weighted average exercise price of HK\$3.07.
- (iii) The vesting periods of the share options are as follows:
- For 2019 grant, the share options would be vested in three equal tranches from the first to the third year after the share options are granted.
 - For 2022 grant, the share options would be vested in three equal tranches from the first to the third year after the share options are granted, except for an independent non-executive director (two equal tranches in the second and the third year after the grant).

At the AGM held on 31 May 2012, the Company's shareholders approved a share option scheme (the "Scheme") under which the Directors may, at their discretion, at any time during the life of the Scheme, grant Directors and executives of the Company's share options as part of the Company's LTIP. The Scheme, which complies with the provisions set out in Chapter 17 of the Listing Rules, became effective on 31 May 2012. The Scheme was valid for 10 years and expired on 30 May 2022.

The maximum number of shares on which options may be granted during the 10-year life of the Scheme may not exceed 10% of the Company's issued share capital as at the date of approval of the Scheme by the shareholders, which equaled to 382,827,354 shares. The maximum number of shares in respect of which options may be granted under the Scheme to any one participant in any 12-month period is limited to 1% of the aggregate number of shares of the Company in issue at the time of the proposed grant of options to such participant.

The exercise price in relation to each share option offer shall be determined by the Directors at their absolute discretion, but in any event shall not be less than the highest of (i) the closing price of the Company's shares as stated in the daily quotation sheet of the SEHK on the date of grant; (ii) the average of the closing prices of the Company's shares as stated in the daily quotation sheets of the SEHK for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Company's share on the date of grant. The terms of the Scheme provide that share options may be exercised under the Scheme at any time from the date of acceptance until the date of expiry, subject to any other restrictions on vesting imposed by the Directors. Any options granted under the Scheme are subject to certain restrictions on exercise including a prohibition on exercise for a certain period after the date on which any option is accepted. Share options vest progressively over the vesting period, provided that the relevant grantee remains employed by the Group. Options which lapse or are canceled prior to their expiry date are deleted from the register of options.

On 8 April 2019, 15,355,459 share options under the Scheme were granted. The average fair value of options granted as calculated by Towers Watson Hong Kong Limited, based on the binomial lattice model, was HK\$0.51 per share or an aggregate value of US\$1.0 million for all options granted. The assumptions used were as follows:

Share price at the date of grant	HK\$2.86 per share
Exercise price	HK\$2.87 per share
Expected volatility (based on historical volatility of the Company's shares commensurate with the average expected life of the options granted)	24%
Option life	6 years
Expected dividend yield	2.5% per annum
Average risk-free interest rate (based on the Hong Kong Exchange Fund Notes)	1.47% per annum

Taking into account the expected turnover rate of the Directors and senior executives and the early exercise behavior, the average expected life of the options granted was estimated to be around 4.5 years. The early exercise behavior assumes that option holders will exercise the options when the share price is at least 140% of the exercise price. No other feature of the options granted was incorporated into the measurement of fair value.

On 6 May 2022, 5,104,000 share options under the Scheme were granted. The average fair value of options granted as calculated by Towers Watson Hong Kong Limited, based on the binomial lattice model, was HK\$0.63 per share or an aggregate value of US\$0.4 million for all options granted. The assumptions used were as follows:

Share price at the date of grant	HK\$3.10 per share
Exercise price	HK\$3.176 per share
Expected volatility (based on historical volatility of the Company's shares commensurate with the average expected life of the options granted)	32%
Option life	6 years
Expected dividend yield	4.8% per annum
Average risk-free interest rate (based on the Hong Kong Exchange Fund Notes)	2.86% per annum

Taking into account the expected turnover rate of the Directors and senior executives and the early exercise behavior, the average expected life of the options granted was estimated to be around 4.5 years. The early exercise behavior assumes that option holders will exercise the options when the share price is at least 140% of the exercise price. No other feature of the options granted was incorporated into the measurement of fair value.

The binomial model, applied for determining the estimated values of the share options granted under the Scheme, was developed for use in estimating the fair value of the traded options that are fully transferable. Such an option pricing model requires input of highly subjective assumptions, including the expected share price volatility. As the Company's share options have characteristics significantly different from those of the traded options, changes in the subjective input assumptions can materially affect the estimated value of the options granted.

At the AGM held on 16 June 2022, the Company's shareholders approved a new share option scheme (the "New Scheme") as the Scheme was expired on 30 May 2022. Under the New Scheme, the Directors may, at their discretion, at any time during the life of the New Scheme, grant Directors and executives of the Company's share options as part of the Company's long-term incentive program. The New Scheme, which complies with the provisions set out in Chapter 17 of the Listing Rules, became effective on 16 June 2022. The New Scheme will be valid for 10 years and will expire on 15 June 2032. During the years ended 31 December 2025 and 2024, no share options are granted under the New Scheme.

The maximum number of shares on which options may be granted during the 10 years life of the New Scheme may not exceed 10% of the Company's issued share capital as at the date of approval of the New Scheme by the shareholders, which equaled to 426,944,457 shares. The maximum number of shares in respect of which options may be granted under the New Scheme to any one participant in any 12-month period is limited to 1% of the aggregate number of shares of the Company in issue at the time of the proposed grant of options to such participant.

The exercise price in relation to each share option offer shall be determined by the Directors at their absolute discretion, but in any event shall not be less than the highest of (i) the closing price of the Company's shares as stated in the daily quotation sheet of the SEHK on the date of grant; (ii) the average of the closing prices of the Company's shares as stated in the daily quotation sheets of the SEHK for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Company's share on the date of grant. The terms of the New Scheme provide that subject to any other restrictions on vesting imposed by the Directors, share options may be exercised under the New Scheme at any time from the date of acceptance until the date of expiry. Any options granted under the New Scheme are subject to certain restrictions on exercise including a prohibition on exercise for a certain period after the date on which any option is accepted. Share options vest progressively over the vesting period, provided that the relevant grantee remains employed by the Group. Options which lapse or are canceled prior to their expiry date are deleted from the register of options.

At 31 December 2025, the number of share options that is available for grant under the New Scheme is 426,944,457 (2024: 426,944,457).

As at the date of these financial statements, the Company had no share options outstanding under the Company's share option scheme.

Details of the Group's accounting policy in respect of the share options granted are set out in Note 2(D)(t)(III) to the Consolidated Financial Statements.

37. Related Party Transactions

Significant related party transactions entered into by the Group during the years ended 31 December 2025 and 2024 are disclosed as follows:

- (A) FPM Power had a support service agreement with GBPC with effect from 1 October 2021. Under the agreement, FPM Power shall pay GBPC for its support services rendered under the agreement until terminated in writing. The agreement was terminated on 1 January 2025 and replaced by a support service agreement with MGen as described in Note 37(B) with effect from 1 January 2025.

At 31 December 2025, FPM Power had no outstanding service fees payable to GBPC (2024: US\$0.3 million, which was included in accounts payable, other payables and accruals). For the year ended 31 December 2024, the fees under the above arrangement amounted to US\$1.0 million.

- (B) FPM Power has a support service agreement with MGen with effect from 1 January 2025. Under the agreement, FPM Power shall pay MGen for its support services rendered under the agreement until terminated in writing.

For the year ended 31 December 2025, the fees under the above arrangement amounted to US\$1.0 million (2024: nil). At 31 December 2025, FPM Power had outstanding service fees payable to MGen of US\$0.3 million (2024: nil), which was included in accounts payable, other payables and accruals.

- (C) On 1 March 2018, First Pacific Investment Management Limited (“FPIML”), a wholly-owned subsidiary company of the Company, entered into an advisory services agreement with Smart. The agreement is for a period of one year subject to a 12-month automatic renewal unless either party notifies the other party of its intent not to renew the agreement. FPIML provides advisory and related services in connection with the operation of Smart’s business of providing mobile communications services, high-speed internet connectivity, and access to digital services and content. The agreement provides that Smart shall pay a monthly service fee and any additional fee shall be mutually agreed upon by both parties on a monthly basis.

For the year ended 31 December 2025, the fees under this agreement amounted to approximately US\$2.6 million (2024: US\$2.6 million). At 31 December 2025, FPIML had a receivable of US\$1.1 million (2024: Nil) from Smart under this agreement and was included in the current portion of accounts receivable, other receivables and prepayments.

- (D) In December 2014, ALBV entered into a subscription agreement with SMECI, a wholly-owned subsidiary company of Philex, in respect of the subscription for the SMECI’s convertible notes with a principal amount of Pesos 5.04 billion (US\$85.7 million), principally for financing capital expenditure of the Silangan project and repaying advances from Philex. The SMECI’s convertible notes bear interest at a coupon rate of 1.5%, payable semi-annually every 18 June and 18 December and have a maturity of eight years until 18 December 2022. A redemption premium, payable at a rate of 3% per annum, retroactively from the issue date and compounded semi-annually, will apply upon the maturity of the SMECI’s convertible notes.

On 7 December 2022, ALBV entered into a supplementary agreement with SMECI to extend the maturity date of the SMECI’s convertible notes for 3 years with effect from 19 December 2022 to 18 December 2025 with a view to support the continuous development and fund-raising activities of the Silangan project. The maturity date of the SMECI’s convertible notes may be further extended twice at the option of SMECI for a period of one year and six months for each extension. The accrued redemption premium until 18 December 2022 of Pesos 1.4 billion (US\$24.3 million) would be subject to an interest at coupon rate of 1.5%, payable semi-annually. In addition, the principal amount together with the redemption premium shall also attract a 3% per annum premium from 19 December 2022 up to the redemption date, unless converted. On 18 December 2024, SMECI extended the maturity date of the SMECI’s convertible notes for a period of one year and six months from 18 December 2025 to 18 June 2027.

For the year ended 31 December 2025, ALBV accrued interest income of US\$5.3 million (2024: US\$5.1 million) on these notes. At 31 December 2025, ALBV had outstanding interest receivable of approximately US\$59 thousand (2024: US\$60 thousand) due from SMECI.

- (E) Under certain framework agreements, Indofood has engaged in trade transactions in the ordinary course of business with certain of its associated companies, joint ventures and affiliated companies which are related to the Salim Family either through its control or joint control. Mr. Anthoni Salim is the Chairman and a substantial shareholder of the Company and is the President Director and Chief Executive Officer of Indofood.

All significant transactions with related parties, whether or not conducted under normal terms and conditions similar to those with non-related parties, are disclosed as follows:

Nature of Transactions

For the year ended 31 December US\$ millions	2025	2024
Income Statement Items		
Sales of finished goods		
– to affiliated companies	592.3	606.6
– to an associated company	36.7	29.8
Purchases of raw materials and finished goods		
– from a joint venture	25.3	32.1
– from affiliated companies	0.4	1.2
Outsourcing expenses		
– to affiliated companies	31.9	30.3
Insurance expenses		
– to affiliated companies	10.6	9.8
Pump services expenses		
– to affiliated companies	0.7	0.5
Royalty and technical income		
– from an associated company	4.8	2.7
– from affiliated companies	2.9	2.1
Rental income		
– from affiliated companies	2.5	2.2

For the year ended 31 December 2025, Indofood also made lease payments of US\$0.8 million (2024: US\$0.7 million) to affiliated companies for the settlement of lease liabilities recognized.

Approximately 8.4% (2024: 8.7%) of Indofood’s sales and 0.5% (2024: 0.7%) of its purchases were transacted with these related parties.

Nature of Balances

At 31 December US\$ millions	2025	2024
Statement of Financial Position Items		
Accounts receivable - trade		
– from affiliated companies	87.1	75.7
– from an associated company	3.8	4.2
Accounts receivable - non-trade		
– from an associated company	16.2	16.0
– from affiliated companies	9.2	10.4
Accounts payable – trade		
– to affiliated companies	7.7	6.9
– to joint ventures	3.4	2.5
Deferred liabilities, provisions and payables		
– to affiliated companies	15.5	35.7

Certain of the above related party transactions of Indofood also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules and their details are disclosed in the Corporate Governance Report on pages 62 to 71.

- (F) In December 2023, Maynilad, a subsidiary company of MPIC, renewed the framework agreement with D.M. Consunji, Inc. (“Consunji”), a subsidiary company of DMCI Holdings, Inc. (a 27.2% shareholder of Maynilad Water Holding Company, Inc., Maynilad’s parent company) for the period from 1 January 2024 to 31 December 2026 on substantially the same terms as the previous framework agreement in relation to the provision of engineering, procurement and/or construction services by Consunji to Maynilad.

All significant transactions with Consunji, whether or not conducted under normal terms and conditions similar to those with non-related parties, are disclosed as follows:

Nature of Transactions

For the year ended 31 December US\$ millions	2025	2024
Capital Expenditure Item		
Construction services for water infrastructure	32.5	10.3

- (G) MPIC and its subsidiary companies were charged for electricity expenses by Meralco, an associated company of the Group.

All significant transactions with Meralco, whether or not conducted under normal terms and conditions similar to those with non-related parties, are disclosed as follows:

Nature of Transactions

For the year ended 31 December US\$ millions	2025	2024
Income Statement Item		
Electricity expenses	26.4	33.3

Nature of Balances

At 31 December US\$ millions	2025	2024
Statement of Financial Position Item		
Accounts payable - trade	0.3	0.3

- (H) MPIC and its subsidiary companies were charged for voice and data services provided by PLDT, an associated company of the Group.

All significant transactions with PLDT, whether or not conducted under normal terms and conditions similar to those with non-related parties, are disclosed as follows:

Nature of Transactions

For the year ended 31 December US\$ millions	2025	2024
Income Statement Item		
Voice and data service expenses	1.8	2.3

Nature of Balances

At 31 December US\$ millions	2025	2024
Statement of Financial Position Item		
Accounts payable - trade	0.1	0.2

- (I) MPIC and its subsidiary companies were charged for information technology management and consultancy services provided by Indra Philippines Inc. ("Indra"), an associated company of the Group.

All significant transactions with Indra, whether or not conducted under normal terms and conditions similar to those with non-related parties, are disclosed as follows:

Nature of Transactions

For the year ended 31 December US\$ millions	2025	2024
Income Statement Item		
Information technology management and consultancy expenses	6.0	7.0

Nature of Balances

At 31 December US\$ millions	2025	2024
Statement of Financial Position Item		
Accounts payable - trade	0.3	0.7

(J) Disclosures pursuant to Chapter 14A.72 of the Listing Rules as at the end of the reporting periods:

- (I) Related party transactions numbered (E) and (F) are continuing connected transactions under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements for such continuing connected transactions in accordance with Chapter 14A of the Listing Rules.
- (II) Related party transactions numbered (A), (B) and (G) are continuing connected transactions under Chapter 14A of the Listing Rules, but are fully exempted from all disclosure requirements.
- (III) Related party transactions numbered (C), (D), (H) and (I) are not connected transactions, or continuing connected transactions, under Chapter 14A of the Listing Rules.

38. Financial Instruments

(A) Financial Instruments by Category

(a) Financial assets

The following table summarizes the Group's financial assets at the end of the reporting period:

US\$ millions	2025					2024				
	Financial assets at amortized cost	Financial assets at FVOCI	Financial assets at FVPL	Derivative instruments ⁽ⁱ⁾	Total	Financial assets at amortized cost	Financial assets at FVOCI	Financial assets at FVPL	Derivative instruments ⁽ⁱ⁾	Total
Accounts and other receivables (Non-current)	75.5	-	-	2.3	77.8	75.8	-	-	4.6	80.4
Financial assets at fair value (Non-current)	-	346.9	133.5	-	480.4	-	369.9	131.9	-	501.8
Other non-current assets	153.1	-	-	-	153.1	40.9	-	-	-	40.9
Cash and cash equivalents and short-term deposits	4,206.1	-	-	-	4,206.1	3,324.2	-	-	-	3,324.2
Restricted cash	70.3	-	-	-	70.3	113.6	-	-	-	113.6
Financial assets at fair value (Current)	-	586.3	-	-	586.3	-	591.5	-	-	591.5
Accounts and other receivables (Current)	1,086.8	-	-	0.9	1,087.7	1,003.5	-	-	10.1	1,013.6
Total	5,591.8	933.2	133.5	3.2	6,661.7	4,558.0	961.4	131.9	14.7	5,666.0

(i) Represents derivative assets designated as hedging instruments of US\$1.1 million and a call option to acquire additional interests in an associated company of US\$2.1 million at 31 December 2025 (2024: Represents derivative assets designated as hedging instruments).

(b) Financial liabilities

The following table summarizes the Group's financial liabilities at the end of the reporting period:

US\$ millions	2025				2024			
	Financial liabilities at amortized cost	Financial liabilities at FVPL	Derivative instruments ⁽ⁱⁱ⁾	Total	Financial liabilities at amortized cost	Financial liabilities at FVPL	Derivative instruments ⁽ⁱⁱ⁾	Total
Accounts payable, other payables and accruals	1,838.3	-	-	1,838.3	1,748.4	-	-	1,748.4
Short-term borrowings	2,526.5	-	-	2,526.5	2,548.7	-	-	2,548.7
Current portion of deferred liabilities, provisions and payables	288.3	8.8	17.3	314.4	147.1	8.8	5.3	161.2
Long-term borrowings	10,487.6	-	-	10,487.6	9,987.6	-	-	9,987.6
Deferred liabilities, provisions and payables (Non-current)	544.2	8.5	10.7	563.4	645.7	19.9	2.9	668.5
Total	15,684.9	17.3	28.0	15,730.2	15,077.5	28.7	8.2	15,114.4

(ii) Represents derivative liabilities designated as hedging instruments.

(B) Fair Values of Financial Instruments

The fair values of the financial assets and liabilities are determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

- Fair values of cash and cash equivalents and short-term deposits, restricted cash, current accounts and other receivables, accounts payable, other payables and accruals, short-term borrowings and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these financial instruments.
- Fair values of non-current accounts and other receivables and other non-current assets are evaluated based on the discounted values of the expected future cash flows using the prevailing market rates for similar assets.
- Fair value of unlisted investment included in financial assets at FVPL is measured by reference to either the most recent transaction price or to discounted cash flow models.
- Fair values of listed investments included in financial assets at FVOCI are derived from quoted market prices in active markets.
- Fair values of unlisted investments included in financial assets at FVOCI are measured by reference to the most recent transaction prices, market comparable companies or valuations of the underlying assets supported by independent sources.
- Fair value of contingent consideration included in financial liabilities at FVPL is determined based on the present value of the expected payment under a discounted cash flow method.
- Long-term borrowings with fixed interest rates and other non-current financial liabilities are evaluated based on the discounted value of the expected future cash flows using the prevailing market rates for similar types of liabilities. Fair values of long-term borrowings with variable interest rates approximate their carrying amounts because of regular repricing based on market conditions. Fair values of listed bonds are derived from quoted market prices in active markets.
- Derivative assets/liabilities in respect of derivative financial instruments, such as foreign exchange forward contracts, fuel swaps and interest rate swaps, are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques include the use of present value calculations of future cash flows by reference to current forward exchange rates and fuel prices for contracts with similar maturity profiles and market values for similar instruments with similar maturity profiles. The fair value of the call option to acquire additional interests in an associated company is determined using option pricing model based on the enterprise value estimated with the market approach.

The following table shows a comparison between the carrying amounts and fair values of the Group's financial instruments with carrying amounts not equal to or reasonably approximating their fair values at the end of the reporting period. The Group's financial instruments with carrying amounts equal to or reasonably approximating their fair values at 31 December 2025 and 2024 and lease liabilities are not included in this table.

US\$ millions	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities				
Long-term borrowings	10,487.6	9,804.6	9,987.6	9,290.6
Deferred liabilities, provisions and payables (Non-current) (other than lease liabilities)	507.0	586.7	609.9	633.5
Total	10,994.6	10,391.3	10,597.5	9,924.1

(C) Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

- Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly
- Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair values that are not based on observable market data (unobservable inputs)

The Group held the following financial instruments measured at fair value at the end of the reporting period:

US\$ millions	2025				2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at FVOCI ⁽ⁱ⁾								
– Listed equity investments	221.2	–	–	221.2	273.4	–	–	273.4
– Unlisted investments	–	591.4	120.6	712.0	–	595.0	93.0	688.0
Financial assets at FVPL ⁽ⁱ⁾								
– Unlisted investment	–	133.5	–	133.5	–	131.9	–	131.9
Derivative assets ⁽ⁱⁱ⁾	–	1.1	2.1	3.2	–	14.7	–	14.7
Derivative liabilities ⁽ⁱⁱⁱ⁾	–	(28.0)	–	(28.0)	–	(8.2)	–	(8.2)
Financial liabilities at FVPL ⁽ⁱⁱⁱ⁾	–	–	(17.3)	(17.3)	–	–	(28.7)	(28.7)
Net Amount	221.2	698.0	105.4	1,024.6	273.4	733.4	64.3	1,071.1

(i) Included within financial assets at fair value.

(ii) Included within accounts receivable, other receivables and prepayments.

(iii) Included within deferred liabilities, provisions and payables.

The fair values of certain unlisted investments and derivative assets/liabilities designated as hedging instruments categorized within Level 2 are measured by reference to the most recent transaction prices, market comparable companies or valuation of the underlying assets supported by independent sources and using the discounted cash flow models as described in Note 38(B) to the Consolidated Financial Statements.

The fair values of certain unlisted equity investments and derivative assets categorized within Level 3 are measured using the EBITDA multiple of comparable listed companies adjusted for lack of marketability discount up to 30% (2024: 30%) and adjusted for the net debt of the investee, and option pricing model based on the enterprise value estimated with the market approach, respectively. The movements during the year are as follows:

US\$ millions	2025	2024
At 1 January	93.0	85.0
Additions	20.3	–
Changes in fair value	9.3	11.7
Exchange translation	(2.0)	(3.7)
At 31 December	120.6	93.0

At 31 December 2025, the fair value of MPIC's earn-out payment in relation to the acquisition of 31.3% economic interest in ARC of US\$17.3 million (2024: US\$23.1 million), which was classified as financial liability at FVPL and categorized within Level 3 hierarchy, was determined based on the present value of the expected payments. The balance of financial liability at FVPL at 31 December 2024 also included MPTC's earn-out payment in relation to the acquisition of 22.9% effective interest in JTT of US\$5.6 million. The amount was derecognized during the year ended 31 December 2025 as the target level of tariff adjustment was not implemented by the long-stop date on 9 March 2026.

For financial instruments that are recognized at fair value at the end of each reporting period, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. During the year ended 31 December 2025 and 2024, there were no transfers of fair value measurements among Level 1, Level 2 or Level 3.

39. Capital and Financial Risk Management

(A) Capital Management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to ensure that it maintains an optimal capital structure for supporting the stability and growth of its business and maximizing shareholders' value.

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 adjust the distribution payment to shareholders, return capital to shareholders, repurchase shares or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

The Group monitors capital using a gearing ratio. The Group's policy is to keep the gearing ratio at an optimal level which supports its business. The Group's net debt includes short-term borrowings and long-term borrowings, less cash and cash equivalents and short-term deposits, and restricted cash. The total equity includes equity attributable to owners of the parent and non-controlling interests.

US\$ millions	2025	2024
Short-term borrowings	2,526.5	2,548.7
Long-term borrowings	10,487.6	9,987.6
Less: Cash and cash equivalents and short-term deposits	(4,206.1)	(3,324.2)
Less: Restricted cash	(70.3)	(113.6)
Net debt	8,737.7	9,098.5
Equity attributable to owners of the parent	4,388.8	3,926.2
Non-controlling interests	8,734.8	8,004.0
Total equity	13,123.6	11,930.2
Gearing ratio (times)	0.67	0.76

(B) Financial Risk Management

The Group's principal financial instruments include various financial assets (which comprise accounts receivable, other receivables, financial assets at fair values, cash and cash equivalents and short-term deposits, and restricted cash) and financial liabilities (which comprise accounts payable, other payables and accruals, short-term borrowings, long-term borrowings, financial liabilities at fair values, and deferred liabilities and provisions). The main purpose of the cash and cash equivalents and short-term deposits, and short-term and long-term borrowings is to finance the Group's operations and investments. The other financial assets and liabilities, such as accounts receivable and accounts payable, mainly arise directly from its operations.

The Group also issues fixed interest rate bonds, arranges borrowings in local currencies and enters into derivative transactions, including principally fuel swaps, foreign currency forwards, and interest rate swaps. The purpose is to manage the price, currency and interest rate risks arising from the Group's operations, investments and sources of finance.

The fuel swaps are used to manage the risk arising from fluctuations in fuel costs. Under the fuel swaps, the Group agrees with other parties, at specified intervals, the difference between fixed rate and floating rate amounts calculated by reference to the agreed notional purchase quantity. The fair value of fuel swaps is calculated by reference to current forward fuel prices for contracts with similar maturity profiles.

The foreign currency forwards are used to manage the risk arising from fluctuations in foreign exchange rates. Under the foreign currency forwards, the Group contracts with other parties to exchange at the maturity date the foreign currency amounts at the agreed exchange rates. The terms of the foreign currency forwards have been negotiated based on the expected highly probable forecast transactions. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group will assess the resulting ineffectiveness. The hedge ratio is determined to be 1:1. The fair value of foreign currency forwards is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

The interest rate swaps are used to manage the risk arising from fluctuations in interest rates. Under the interest rate swaps, the Group agrees with other parties to exchange at the maturity date the difference between the fixed interest rate and floating interest rate of the notional amount. The Group determines the economic relationship between the borrowings and the derivatives by matching the critical terms of the hedging instruments with the terms of the hedged items. There were no expected sources of ineffectiveness as the critical terms of the interest rate swaps match exactly with the terms of the hedged items. The fair value of interest rate swap contracts is determined by reference to forward interest rates for similar instruments with similar maturity profiles.

The Group applies hedge accounting for those contracts which qualify as effective hedges. For the purpose of hedge accounting, these hedges are classified as cash flow hedges, as the contracts are used to hedge exposure to variability of cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction.

Details of the fair value of the Group's fuel swaps, foreign currency forwards, and interest rate swaps at the end of the reporting period are set out below:

US\$ millions	2025		2024	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedges				
– Fuel swaps	0.6	20.5	5.9	7.7
– Foreign currency forwards	0.5	4.6	4.0	0.2
– Interest rate swaps	–	2.9	4.8	0.3
Total	1.1	28.0	14.7	8.2
Represented by:				
Non-current portion	0.2	10.7	4.6	2.9
Current portion	0.9	17.3	10.1	5.3
Total	1.1	28.0	14.7	8.2

The notional amount of the Group's fuel swaps, foreign currency forwards, and interest rate swaps at the end of the reporting period are set out below:

US\$ millions	2025	2024
Cash flow hedges		
– Fuel swaps	202.3	232.5
– Foreign currency forwards	375.6	300.7
– Interest rate swaps	250.0	330.0
Total	827.9	863.2
Represented by:		
Non-current portion	423.2	462.2
Current portion	404.7	401.0
Total	827.9	863.2

The movements of the Group's unrealized gains/losses on cash flow hedges attributable to owners of the parent in relation to the above derivative financial instruments are disclosed in Note 32. The Group's accounting policies in relation to derivatives designated as hedging instruments are set out in Note 2(D)(m) to the Consolidated Financial Statements.

The main risks arising from the Group's financial instruments are market risk (including currency risk and price risk), credit risk, liquidity risk and fair value and cash flow interest rate risks. The Company's Board of Directors reviews and agrees policies for managing each of these risks and they are summarized below:

(a) Market risk

(i) Currency risk

To manage the Group's foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, and to improve investment and cash flow planning, in addition to natural hedges, the Group enters into and engages in foreign exchange contracts for the purpose of reducing or managing its foreign exchange rate exposures emanating from business, specific transaction, and currency translation risks to the Group's results and cash flows.

The following table summarizes the Group's exposure at the end of the reporting period to currency risk arising from recognized financial assets and liabilities denominated in a currency different from the functional currencies of the Group's subsidiary companies.

US\$ millions	2025	2024
Accounts receivable and other receivables	106.1	147.8
Cash and cash equivalents and short-term deposits	847.1	1,007.4
Short-term borrowings and long-term borrowings	(3,292.3)	(3,590.4)
Accounts payable, other payables and accruals	(80.0)	(93.7)
Deferred liabilities, provisions and payables	(21.1)	(25.6)
Net Amount	(2,440.2)	(2,554.5)

The following table demonstrates the sensitivity arising from the Group's financial assets and liabilities as listed above to a reasonably possible change in the exchange rates, with all other variables held constant, of the Group's profit attributable to owners of the parent and retained earnings. The assumed depreciation in the exchange rates of the Rupiah, Peso and S\$ against US\$ represents management's assessment of a reasonably possible change over the period until the ending date of the next annual reporting period. There is no significant impact on the other components of the Group's equity.

US\$ millions	2025		2024	
	Depreciation against the U.S. dollar (%)	Decrease in profit attributable to owners of the parent and retained earnings	(Depreciation)/ appreciation against the U.S. dollar (%)	(Decrease)/ increase in profit attributable to owners of the parent and retained earnings
Rupiah	(1.0)	(9.1)	(2.0)	(18.2)
Peso	(0.5)	(0.1)	(0.5)	(0.4)
S\$	(1.0)	(0.3)	2.0	0.7

(II) Price risk

The Group is primarily exposed to securities price risk which principally relates to the changes in the market value of its listed equity investments, which include the Group's investments in principal subsidiary and associated companies in the Philippines, Indonesia and Singapore and the other listed equity investments held by the Group and classified as financial assets at FVOCI on the Group's consolidated statement of financial position.

In addition, the Group is also exposed to commodity price risk for its consumer food products and power businesses due to certain factors, such as weather, government policies, level of demand and supply in the market and the global economic environment. Such exposure mainly arises from its purchases of wheat flour, cooking oil, skim milk powder and CPO (which are the main raw materials used to produce consumer food products) and the usage of fuel in the generation of electricity where the profit margins on the sales of its consumer food products and electricity may be affected if the costs of production/generation increase and the Group is unable to pass on such cost increases to its customers.

The Group's policy is to minimize the risks of its raw material costs arising from the fluctuations in the commodity prices by maintaining an optimum inventory level of wheat flour, cooking oil and skim milk powder for continuous production and increasing self-sufficiency in the supply of CPO for the refinery operations (through the purchase of CPO from the Group's own plantations). In addition, the Group may seek to mitigate its risks by periodically adjusting the prices of the consumer food products. For the years ended 31 December 2025 and 2024, no hedging in the said commodity price risk were undertaken.

The Group has entered into fuel swap contracts for its power business that oblige it to make payments for fuel at fixed prices on an agreed notional purchase quantity and receive payments for fuel at floating prices on the same amounts.

At 31 December 2025, if the fuel price increased/decreased by 10% (2024: 10%), the Group's unrealized losses on cash flow hedge reserve would have been US\$8.4 million lower/higher (2024: unrealized gains on cash flow hedge reserve would have been US\$9.8 million higher/lower), with all the other variables being held constant.

(b) Credit risk

For the consumer food products business, the Group has credit risk arising from credit given to customers under the auspices of policies in place to ensure that sales of products are made to creditworthy customers with an appropriate credit history. The Group has policies that limit the amount of credit exposure to any particular customer, such as requiring sub-distributors to provide bank guarantees. For the water business, the Group generally allows seven to 60 days of credit for its water and sewerage service customers, and 45 to 60 days of credit for its bulk water supply customers. In addition, receivable balances are monitored on an ongoing basis to reduce the Group's exposure to bad debts. For the real estate business, the Group allows an instalment period of one to three years. For the power business, the Group generally allows 30 days of credit to its customers. PLP also requires cash deposits and/or guarantees from creditworthy financial institutions to secure substantial obligations of its customers.

Maximum exposure and year-end staging:

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

US\$ millions	12-month	Lifetime ECLs			2025 Total
	ECLs				
	Stage 1	Stage 2	Stage 3	Simplified approach	
Debt investments					
– Not yet past due	708.4	–	–	–	708.4
Accounts receivable ⁽ⁱ⁾	–	–	–	864.0	864.0
Contract assets ⁽ⁱ⁾	–	–	–	74.9	74.9
Financial assets included in other receivables and other non-current assets					
– Not yet past due	388.8	–	–	–	388.8
Restricted cash					
– Not yet past due	70.3	–	–	–	70.3
Cash and cash equivalents and short-term deposits					
– Not yet past due	4,206.1	–	–	–	4,206.1
Guarantees for plantation farmers' loan facilities					
– Not yet past due	31.2	–	–	–	31.2
Total	5,404.8	–	–	938.9	6,343.7

(i) For accounts receivable and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in Note 16 to the Consolidated Financial Statements.

US\$ millions	12-month ECLs		Lifetime ECLs		2024 Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
Debt investments					
– Not yet past due	592.8	–	–	–	592.8
Accounts receivable ⁽ⁱ⁾	–	–	–	814.8	814.8
Contract assets ⁽ⁱ⁾	–	–	–	68.1	68.1
Financial assets included in other receivables and other non-current assets					
– Not yet past due	354.9	–	–	–	354.9
Restricted cash					
– Not yet past due	113.6	–	–	–	113.6
Cash and cash equivalents and short-term deposits					
– Not yet past due	3,324.2	–	–	–	3,324.2
Guarantees for plantation farmers' loan facilities					
– Not yet past due	26.7	–	–	–	26.7
Total	4,412.2	–	–	882.9	5,295.1

(i) For accounts receivable and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in Note 16 to the Consolidated Financial Statements.

(c) Liquidity risk

The Group manages its liquidity profile to be able to finance its capital expenditure and service its maturing debts by maintaining sufficient cash and marketable securities, and access to further funding through an adequate amount of committed credit facilities.

The Group regularly evaluates its projected and actual cash flow information and continuously assesses conditions in the financial markets for opportunities to pursue fund-raising initiatives. These initiatives may include bank loans, debt capital and issuances of equity capital.

The maturity profile of the Group's financial liabilities based on the contractual undiscounted payments, including future interest payments, and contingent liabilities in terms of guarantees given at the end of the reporting period, is as follows:

US\$ millions	Accounts payable, other payables and accruals		Borrowings		Deferred liabilities and provisions (other than lease liabilities)		Lease liabilities		Guarantees for plantation farmers' loan facilities		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Not exceeding one year	1,838.3	1,748.4	2,679.0	2,749.8	246.9	149.5	25.8	21.7	3.0	2.5	4,793.0	4,671.9
More than one year but not exceeding two years	–	–	1,489.2	1,520.8	139.8	153.2	15.4	21.8	3.6	3.1	1,648.0	1,698.9
More than two years but not exceeding five years	–	–	3,103.2	3,236.4	150.7	223.5	9.7	8.6	15.0	12.9	3,278.6	3,481.4
More than five years	–	–	7,545.1	7,626.6	330.4	301.8	13.7	14.5	9.6	8.2	7,898.8	7,951.1
Total	1,838.3	1,748.4	14,816.5	15,133.6	867.8	828.0	64.6	66.6	31.2	26.7	17,618.4	17,803.3

(d) Fair value and cash flow interest rate risks

The Group's interest rate risk arises from interest-bearing borrowings, cash and cash equivalents and short-term deposits, and restricted cash. Borrowings and cash and cash equivalents with variable interest rate terms expose the Group to cash flow interest rate risk. Borrowings with fixed interest rate terms expose the Group to fair value interest rate risk. At 31 December 2025, 73.2% (2024: 73.0%) of the Group's borrowings were effectively at fixed interest rates.

The following table demonstrates the sensitivity arising from the Group's financial assets and liabilities at the end of the reporting period to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit attributable to owners of the parent and retained earnings (through the impact on variable rate borrowings and cash and cash equivalents). There is no significant impact on the other components of the Group's equity. The assumed basis point increase or decrease represents management's assessment of a reasonably possible change in those interest rates of which the Group is mainly exposed to, namely, the U.S. dollar, Rupiah, Peso and S\$ interest rates, over the period until the ending date of the next annual reporting period.

US\$ millions	2025		2024	
	Decrease (Basis points)	Increase/ (decrease) in profit attributable to owners of the parent and retained earnings	Decrease (Basis points)	Increase/ (decrease) in profit attributable to owners of the parent and retained earnings
Interest rates for				
– U.S. dollar	(25)	0.9	(25)	0.9
– Rupiah	(25)	(0.2) ⁽ⁱ⁾	(50)	0.2
– Peso	(25)	(0.6) ⁽ⁱ⁾	(50)	(0.6) ⁽ⁱ⁾
– S\$	(25)	(0.1) ⁽ⁱ⁾	(25)	0.1

(i) Net cash position after the exclusion of fixed rate borrowings

40. Statement of Financial Position of the Company

The Company's statement of financial position is as follows:

At 31 December US\$ millions	2025	2024
Non-current Assets		
Subsidiary companies	1,493.0	210.6
Financial assets at FVOCI	1.4	1.4
Other receivables	–	1.5
	1,494.4	213.5
Current Assets		
Amounts due from subsidiary companies	953.4	2,077.8
Assets held for distribution to owners	6.3	–
Other receivables and prepayments	0.8	1.7
Cash and cash equivalents	137.3	110.4
	1,097.8	2,189.9
Current Liabilities		
Amounts due to subsidiary companies	392.0	99.9
Other payables and accruals	2.2	5.3
Distribution payable	6.3	–
	400.5	105.2
Net Current Assets	697.3	2,084.7
Total Assets Less Current Liabilities	2,191.7	2,298.2
Equity		
Issued share capital	42.6	42.6
Shares held for share award scheme	(6.7)	(1.4)
Other components of equity ⁽ⁱ⁾	1,055.7	1,199.4
Accumulated losses	(159.8)	(392.8)
Equity attributable to owners of the parent	931.8	847.8
Non-current Liabilities		
Loans from subsidiary companies	1,257.6	1,450.1
Other payables	2.3	0.3
	1,259.9	1,450.4
	2,191.7	2,298.2

(i) The Company's other components of equity comprise share premium, employee share-based compensation reserve, fair value reserve of financial assets at FVOCI and contributed surplus (Note 30).

The Company's statement of changes in equity is as follows:

US\$ millions	Issued share capital	Shares held for share award scheme	Share premium	Employee share-based compensation reserve	Fair value reserve of financial assets at FVOCI	Contributed surplus	Accumulated losses	Total
At 1 January 2024	42.4	(1.2)	27.0	3.1	–	1,298.7	(393.9)	976.1
Profit for the year	–	–	–	–	–	–	1.2	1.2
Other comprehensive loss for the year	–	–	–	–	(0.1)	–	–	(0.1)
Total comprehensive (loss)/income for the year	–	–	–	–	(0.1)	–	1.2	1.1
Purchase of shares under share award scheme	–	(1.6)	–	–	–	–	–	(1.6)
Issue of shares upon the exercise of share options	0.2	–	5.4	(0.8)	–	–	–	4.8
Shares vested under share award scheme	–	1.4	–	(1.3)	–	–	(0.1)	–
Employee share-based compensation benefits	–	–	–	0.6	–	–	–	0.6
2023 final distribution paid	–	–	–	–	–	(67.9)	–	(67.9)
2024 interim distribution paid	–	–	–	–	–	(65.3)	–	(65.3)
At 31 December 2024	42.6	(1.4)	32.4	1.6	(0.1)	1,165.5	(392.8)	847.8
At 1 January 2025	42.6	(1.4)	32.4	1.6	(0.1)	1,165.5	(392.8)	847.8
Profit for the year	–	–	–	–	–	–	233.2	233.2
Other comprehensive loss for the year	–	–	–	–	(0.1)	–	–	(0.1)
Total comprehensive (loss)/income for the year	–	–	–	–	(0.1)	–	233.2	233.1
Purchase of shares under share award scheme	–	(6.7)	–	–	–	–	–	(6.7)
Issue of shares upon the exercise of share options	–	–	3.3	(0.5)	–	–	–	2.8
Shares vested under share award scheme	–	1.4	–	(1.2)	–	–	(0.2)	–
Employee share-based compensation benefits	–	–	–	5.7	–	–	–	5.7
2024 final distribution paid	–	–	–	–	–	(73.5)	–	(73.5)
2025 interim distribution paid	–	–	–	–	–	(71.1)	–	(71.1)
2025 special distribution declared	–	–	–	–	–	(6.3)	–	(6.3)
At 31 December 2025	42.6	(6.7)	35.7	5.6	(0.2)	1,014.6	(159.8)	931.8

41. Approval of the Consolidated Financial Statements

The audited Consolidated Financial Statements of the Company were approved and authorized for issue by the Board of Directors on 30 March 2026.

Financial Terms

CONCESSION ASSETS Value of concessions of right granted by governments under service concession arrangements to charge users of public service provided

DEFINED BENEFIT SCHEME A retirement scheme in which the rules specify the benefits to be paid and the scheme is financed accordingly. Generally, benefits are determined using actuarial valuations that takes into account of the final salary and the number of years of service of each member

DEFINED CONTRIBUTION SCHEME A retirement scheme under which the benefits are directly determined by the value of contributions paid in respect of each member

DISCOUNTED CASH FLOW MODEL A cash flow model estimates the relevant future cash flows which are expected to be generated over the project period and discounted to the present value by using a discount rate

EBIT Earnings Before Interest and Tax

EBITDA Earnings Before Interest, Tax, Depreciation and Amortization

GAV Gross Asset Value, which represents the total market value of listed investments, carrying amounts or fair value of unlisted investments and other assets of First Pacific Head Office

IMPAIRMENT PROVISION Provision made to reduce the carrying amount of an asset to its recoverable amount

NAV Net Asset Value, which represents GAV less net debt of First Pacific Head Office

NET ASSETS Total assets less total liabilities, equivalent to total equity

NET CURRENT ASSETS Current assets less current liabilities

NET DEBT Total of short-term and long-term borrowings, net of cash and cash equivalents and short-term deposits, and restricted cash

NON-RECURRING ITEMS Certain items, through occurrence or size, are not considered usual operating items

RECURRING PROFIT Profit attributable to owners of the parent excluding foreign exchange and derivative gains/losses, gain/loss on changes in fair value of biological assets and non-recurring items

TOTAL EQUITY Equity attributable to owners of the parent and non-controlling interests

Financial Ratios

ADJUSTED NAV PER SHARE NAV divided by the number of shares in issue

BASIC EARNINGS PER SHARE Profit attributable to owners of the parent divided by the weighted average number of shares in issue during the year

CASH INTEREST COVER Dividend and fee income less overhead expense divided by net cash interest expense

CURRENT RATIO Current assets divided by current liabilities

DILUTED EARNINGS PER SHARE Profit attributable to owners of the parent adjusted for the effect of assumed conversion of all dilutive potential ordinary shares of the Company and investee companies divided by the Company's weighted average number of shares in issue during the year plus the weighted average number of ordinary shares which would be issued on the assumed conversion of all dilutive potential ordinary shares

DISTRIBUTION COVER Recurring profit divided by ordinary share distributions for the relevant year

DISTRIBUTION PAYOUT RATIO Ordinary share distributions for the relevant year divided by recurring profit

DISTRIBUTION YIELD Distributions per share divided by closing share price on the last trading day of the reporting period

EBIT MARGIN EBIT divided by turnover

EBITDA MARGIN EBITDA divided by turnover

GEARING RATIO Net debt divided by total equity

GROSS MARGIN Gross profit divided by turnover

INTEREST COVER Profit before taxation (excluding foreign exchange and derivative gains/losses, gain/loss on changes in fair value of biological assets and non-recurring items) and net finance costs divided by net finance costs

NET CASH FLOWS FROM OPERATING ACTIVITIES PER ORDINARY SHARE Net cash flows from operating activities divided by the weighted average number of shares in issue during the year

RECURRING RETURN ON AVERAGE EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT Recurring profit divided by average equity attributable to owners of the parent

RECURRING RETURN ON AVERAGE NET ASSETS Recurring profit divided by average net assets

SHARE PRICE DISCOUNT TO ADJUSTED NAV PER SHARE Shortfall between share price and adjusted NAV per share divided by adjusted NAV per share

TANGIBLE ASSETS PER ORDINARY SHARE Total assets (excluding goodwill and other intangible assets) divided by the number of shares in issue

TOTAL ASSETS PER ORDINARY SHARE Total assets divided by the number of ordinary shares in issue

Other

ADR American Depositary Receipts

AGM Annual General Meeting

CPO Crude Palm Oil

FFB Fresh Fruit Bunches

GAAP Generally Accepted Accounting Principles

HKAS Hong Kong Accounting Standard

HKFRS Hong Kong Financial Reporting Standard

HKICPA Hong Kong Institute of Certified Public Accountants

HK(IFRIC)-Int Hong Kong (International Financial Reporting Interpretations Committee) – Interpretation

IDX Indonesia Stock Exchange

LISTING RULES The Rules Governing the Listing of Securities on SEHK

N/A Not Applicable

NYSE The New York Stock Exchange

PSE The Philippine Stock Exchange, Inc.

RSS1 Rubber Smoke Sheet 1

SEHK The Stock Exchange of Hong Kong Limited

SGM Special General Meeting

SGX Singapore Exchange Securities Trading Limited

UHT Ultra High Temperature processing

4G The fourth generation of wireless network technology

5G The fifth generation of wireless network technology

Information for Investors

As at 30 March 2026

Financial Diary

2025 annual results announcement	30 March 2026
Annual Report posted to shareholders	29 April 2026
2026 Annual General Meeting	22 May 2026
Last day to register for final distribution	29 May 2026
Payment of final distribution	16 June 2026
2026 interim results announcement	27 August 2026*
Interim report posted to shareholders	25 September 2026*
Financial year-end	31 December 2026
2026 annual results announcement	30 March 2027*

* Subject to confirmation

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Hamilton HM 11, Bermuda

Telephone : +1 441 295 1422
Fax : +1 441 295 4720

Website

www.firstpacific.com

Share Information

First Pacific shares are listed on The Stock Exchange of Hong Kong Limited and are traded over the counter in the United States in the form of American Depositary Receipts

Listing date	: 12 September 1988
Par value	: U.S.1 cent per share
Lot size	: 2,000 shares
Number of ordinary shares issued	: 4,262,120,029

Stock Codes

SEHK	: 00142
Bloomberg	: 142 HK
Thomson Reuters	: 0142.HK

American Depositary Receipts (ADRs) Information

Level: 1
ADRs Code: FPAFY
CUSIP reference number: 335889200
ADRs to ordinary shares ratio: 1:5
ADRs depository bank: Deutsche Bank Trust Company Americas

To Consolidate Shareholdings

Write to our principal share registrar and transfer office in Bermuda at:

Conyers Corporate Services (Bermuda) Limited
Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

Or the Hong Kong branch registrar at:

Computershare Hong Kong Investor Services Limited

Registrar Office

17M Floor, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong SAR

Telephone : +852 2862 8555
Fax : +852 2865 0990/+852 2529 6087
Enquiry : www.computershare.com/hk/contact

Transfer Office

Shops 1712–1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong SAR

A Chinese Version of this Report, or Additional Information

Available at:

www.firstpacific.com

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Auditor

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor under
the Accounting and Financial Reporting Council Ordinance
27th Floor, One Taikoo Place
979 King's Road, Quarry Bay, Hong Kong SAR

Principal Bankers

Bank of China (Hong Kong) Limited
China Banking Corporation
China Citic Bank International Limited
Mizuho Bank, Ltd.
MUFG Bank, Ltd.
The Hongkong & Shanghai Banking Corporation Limited

Summary of Principal Investments

As at 31 December 2025

PT Indofood Sukses Makmur Tbk

Indofood (IDX: INDF) is a leading Total Food Solutions company with operations in all stages of food manufacturing, from the production of raw materials and their processing, to consumer products and their distribution to the market. It is based and listed in Indonesia while its Consumer Branded Products subsidiary PT Indofood CBP Sukses Makmur Tbk and Agribusiness subsidiaries PT Salim Ivomas Pratama Tbk and PT Perusahaan Perkebunan London Sumatra Indonesia Tbk are also listed in Indonesia. Another subsidiary, Indofood Agri Resources Ltd., is listed in Singapore.

Indofood capitalizes on economies of scale and a resilient business model, manufactures and distributes a wide range of food and beverage products from its four complementary Strategic Business groups: Consumer Branded Products (noodles, dairy, snack foods, food seasonings, nutrition & special foods, and beverages), Bogasari (wheat flour and pasta), Agribusiness (seed breeding, oil palm cultivation and milling, branded cooking oils, margarine and shortening, and the cultivation and processing of sugar cane, rubber, and other crops), and Distribution.

Indofood is one of the world's largest manufacturers by volume of wheat-based instant noodles, one of the largest plantation companies by area and the largest flour miller in Indonesia. Indofood also has the most extensive distribution network in Indonesia.

Sector	:	Consumer Food Products
Place of incorporation/business area	:	Indonesia
Issued number of shares	:	8.8 billion
Particulars of issued shares held	:	Shares of Rupiah 100 par value
Economic and voting interests	:	50.1%
Initial investment	:	1999

Further information on Indofood can be found at www.indofood.com.

PLDT Inc.

PLDT (PSE: TEL; NYSE: PHI) is the largest fully integrated telecommunications company in the Philippines. Its shares are listed on the Philippine Stock Exchange and its American Depositary Shares are listed on the New York Stock Exchange. Through its principal business groups – from fixed line to wireless – PLDT offers a wide range of telecommunications and digital services across the Philippines' most extensive fiber optic backbone, and fixed line and cellular networks.

Sector	:	Telecommunications
Place of incorporation/business area	:	The Philippines
Outstanding number of shares	:	216.1 million
Particulars of outstanding shares held	:	Common shares of Pesos 5 par value
Economic/voting interest	:	25.6%/15.1%
Initial investment	:	1998

Further information on PLDT can be found at www.pldt.com.

Metro Pacific Investments Corporation

MPIC is a Philippine-based, leading infrastructure investment management and holding company, with core investments in electricity distribution and generation, water distribution and sewerage management, toll roads, light rail, healthcare, real estate, and agribusinesses in the Philippines and ASEAN.

Sector	:	Infrastructure, Utilities and Hospitals
Place of incorporation/business area	:	The Philippines
Outstanding number of shares	:	58.5 million
Particulars of outstanding shares held	:	Common shares of Peso 500 par value
Economic/voting interest	:	49.9%/61.8%
Initial investment	:	2006

Further information on MPIC can be found at www.mpic.com.ph.

PacificLight Power Pte. Ltd.

PLP operates one of Singapore's most efficient power plants, housing an 830-megawatt liquified natural gas-fired Combined Cycle Gas Turbine ("CCGT") facility and a 100-megawatt Fast Start Ancillary Services facility, together with the development of a 670-megawatt hydrogen-ready CCGT facility, powering businesses and households in Singapore with reliable and sustainable electricity that meets stringent environmental emission standards. PLP's solar energy projects and investment in waste wood-to-energy facility will further enhance its ability to deliver reliable and sustainable electricity to its customers.

Sector	:	Infrastructure/Utilities
Place of incorporation/business area	:	Singapore
Issued number of shares	:	524.1 million
Particulars of issued shares held	:	Ordinary shares with no par value
Economic/voting interest	:	55.7% ⁽¹⁾ /70.0%
Initial investment	:	2013

(1) Represents a 42.0% effective economic interest in PLP held by First Pacific through its interest in FPM Power and a 13.7% effective economic interest in PLP held by First Pacific through its indirect interests in Meralco.

Further information on PLP can be found at www.pacificlight.com.sg.

Philex Mining Corporation

Philex (PSE: PX) is a Philippine-listed company primarily engaged in large-scale exploration and mining of mineral resources, and holds a 24.9% interest in PXP Energy Corporation.

Sector	:	Natural Resources
Place of incorporation/business area	:	The Philippines
Issued number of shares	:	5.8 billion
Particulars of issued shares held	:	Common shares of Peso 1 par value
Economic and voting interests	:	31.2% ⁽²⁾
Initial investment	:	2008

(2) Two Rivers Pacific Holdings Corporation, a Philippine affiliate of First Pacific, holds an additional 15.0% economic and voting interest in Philex.

Further information on Philex can be found at www.philexmining.com.ph.

PXP Energy Corporation

PXP (PSE: PXP) is a Philippine-listed company engaged in upstream oil and gas exploration and production.

Sector	:	Natural Resources
Place of incorporation/business area	:	The Philippines
Issued number of shares	:	2.4 billion
Particulars of issued shares held	:	Common shares of Peso 1 par value
Economic/voting interest	:	29.3% ⁽³⁾⁽⁴⁾ /17.8%
Initial investment	:	2013

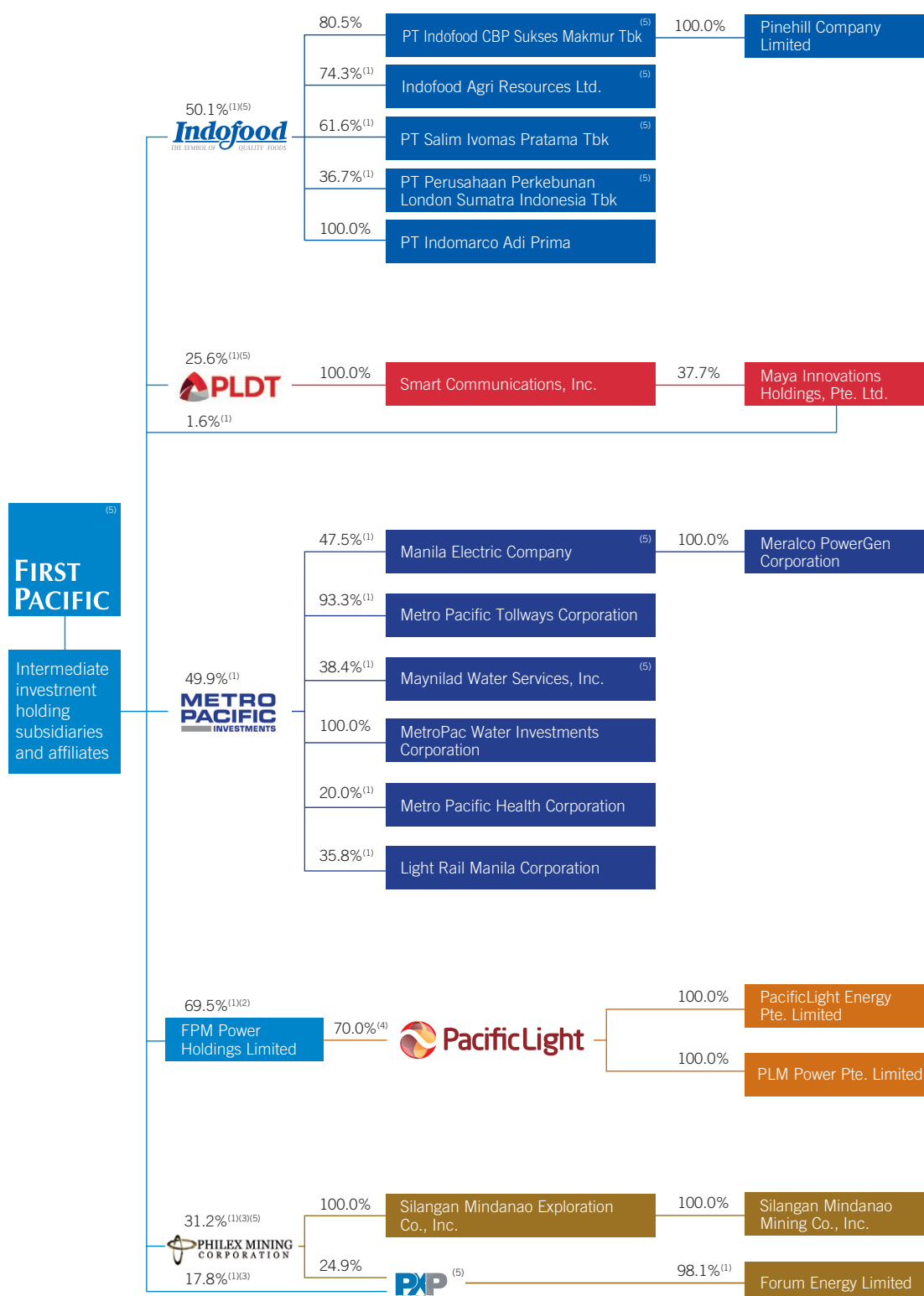
(3) Includes a 11.5% effective economic interest in PXP held by First Pacific through its interests in Philex.

(4) Two Rivers Pacific Holdings Corporation, a Philippine affiliate of First Pacific, holds an additional 5.5% economic and voting interest in PXP.

Further information on PXP can be found at www.pxpenery.com.ph.

Corporate Structure

As at 30 March 2026



- (1) Economic interest.
- (2) Includes a 9.5% effective economic interest in FPM Power held through First Pacific's indirect interests in Meralco.
- (3) Two Rivers, a Philippine affiliate of First Pacific, holds additional 15.0% and 5.5% economic interests in Philex and PXP, respectively.
- (4) Meralco through its wholly-owned subsidiary MGen holds the remaining 30.0% interest in PLP.
- (5) Listed company.

**FIRST
PACIFIC**

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(Incorporated with limited liability under the laws of Bermuda)

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