CENTURY PEAK HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024, 2023 AND 2022

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COVER SHEET
FOR
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

CS200324966

COMPANY NAME

CENTURY PEAK HOLDINGS CORPORATION AND SUBSIDIARIES

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

17TH FLOOR PHILAMLIFE TOWER, 8767 PASEO DE ROXAS, BARANGAY BEL-AIR, MAKATI CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
acinfo@centurypeakholdings.com	(02) 8856-0999	09266124890

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
223	Every June 30	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Katrina C. Keng	katrina.keng@centurypeakholdings.com	(02) 8856-0999	09266124890

CONTACT PERSON'S ADDRESS

17/F Philamlife Tower, 8767 Paseo De Roxas, Barangay Bel-Air, Makati City

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

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

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Email: info@bdo-cmc.ph
Firm BOA-Accreditation No.: 9289

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Century Peak Holdings Corporation
17" Floor, AIA Tower (formerly Philamlife Tower)
8767 Paseo de Roxas, Barangay Bel-Air
Makati City, Philippines

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Century Peak Holdings Corporation and Subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSA). 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 Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter.

<u>Recoverable Value of Explored Mineral Resources</u>
The Group assessed the recoverable value of explored mineral resources. This is significant to our audit because explored mineral resources with carrying value of ₱1.2 billion as at December 31, 2024 is material to the consolidated financial statements. Moreover, the assessment process involves judgment and estimate. We have reviewed reasonableness of assumptions used by management in the assessment.

Other Matter

The consolidated financial statements of the Group for the year ended December 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on May 15, 2024.

Other Information

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

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that 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 Ezra L. Panopio.

BDO CMC

Ezra L. Panopio

Ezra L. Panopio
Partner
CPA Certificate No. 0125488
Tax Identification No. 294-213-772
BOA Accreditation No. 9289/P-004 issued on March 18, 2025
effective until September 15, 2026
BIR Accreditation No. 08-008047-000-2025, issued on March 12, 2025
effective until March 11, 2028
PTR No. 10511402, issued February 5, 2025, Makati City

April 29, 2025
Makati City

CENTURY PEAK HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31

	Note	2024	2023
ASSETS			
Current assets			
Cash	*4*	**₱464,439,238**	₱15,088,532
Accounts receivable	*5*	**239,707,517**	92,670,877
Due from a related party	*21*	**34,607,932**	34,523,052
Inventories	*6*	**462,518,049**	704,854,931
Other current assets – net	*7*	**472,103,404**	463,033,669
Total current assets		**1,673,376,140**	1,310,171,061
Noncurrent assets			
Investment properties	*8*	**27,245,164**	27,245,164
Property, plant and equipment - net	*9*	**7,833,421,221**	8,217,035,798
Explored mineral resources - net	*10*	**1,217,570,966**	1,266,048,706
Deferred tax assets - net	*19*	**8,378,416**	7,918,240
Other noncurrent assets – net	*12*	**104,568,786**	113,401,943
Total noncurrent assets		**9,191,184,553**	9,631,649,851
TOTAL ASSETS		**₱10,864,560,693**	₱10,941,820,912

LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and other current liabilities	*13*	**₱1,964,620,205**	₱2,127,498,618
Short-term loan payable and current portion of mortgage payable	*15*	**695,708,688**	552,480,830
Due to a related party	*21*	**690,053,709**	5,817,974,323
Income tax payable		**2,264,076**	28,228,996
Total current liabilities		**3,352,646,678**	8,526,182,767
Noncurrent liabilities			
Mortgage payable - net of current portion	*15*	**1,060,258**	2,809,339
Provision for site rehabilitation	*14*	**25,884,852**	23,672,814
Retirement benefits liability	*18*	**9,140,125**	9,580,061
Deposit for future stock subscription	*21*	**5,000,000,000**	-
Other noncurrent liability	*22*	**-**	1,046,325
Total noncurrent liabilities		**5,036,085,235**	37,108,539
Total liabilities		**8,388,731,913**	8,563,291,306
Equity Attributable to Equity Holders of the Parent			
Capital stock	*20*	**2,820,330,450**	2,820,330,450
Additional paid-in capital		**1,931,550**	1,931,550
Deficit		**(312,241,344)**	(415,968,904)
Total Equity Attributable to Equity Holders of the Parent		**2,510,020,656**	2,406,293,096
Noncontrolling Interest	*20*	**(34,191,876)**	(27,763,490)
Total Equity		**2,475,828,780**	2,378,529,606
TOTAL LIABILITIES AND EQUITY		**₱10,864,560,693**	₱10,941,820,912

See Notes to the Consolidated Financial Statements.

CENTURY PEAK HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

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

	Note	**2024**	2023	2022
REVENUES	*16*	**₱3,067,611,036**	₱2,531,646,405	₱1,081,294,076
COSTS AND EXPENSES				
Cost of sales	*17*	**(2,327,145,554)**	(2,055,233,094)	(678,358,493)
Operating expenses	*18*	**(529,345,537)**	(298,352,234)	(313,492,728)
Depletion of explored mineral resources	*10*	**(48,477,740)**	(157,619,563)	(115,233,160)
INCOME (LOSS) FROM OPERATIONS		**162,642,205**	20,441,514	(25,790,305)
OTHER INCOME (CHARGES) – net				
Interest expense	*15*	**(62,033,437)**	(55,624,383)	(5,694,430)
Interest income	*4*	**58,137**	41,889	24,317
Foreign exchange loss		-	(973,922)	(15,330,146)
		(61,975,300)	(56,556,416)	(21,000,259)
INCOME (LOSS) BEFORE INCOME TAX		**100,666,905**	(36,114,902)	(46,790,564)
INCOME TAX (EXPENSE) BENEFIT				
Current		**(3,827,907)**	(28,239,348)	(46,426,728)
Deferred		**460,176**	(638,096)	1,714,959
	19	**(3,367,731)**	(28,877,444)	(44,711,769)
NET INCOME (LOSS)/TOTAL COMPREHENSIVE INCOME (LOSS)		**₱97,299,174**	(₱64,992,346)	(₱91,502,333)
Total Comprehensive Income (Loss) Attributable to:				
Equity holders of the Parent Company		**₱103,727,560**	(₱65,321,882)	(₱88,073,231)
Noncontrolling interest	*20*	**(6,428,386)**	329,536	(3,429,102)
		₱97,299,174	(₱64,992,346)	(₱91,502,333)
Earnings (Loss) Per Share				
Basic/diluted	*23*	**₱0.0368**	(₱0.0232)	(₱0.0312)

See Notes to the Consolidated Financial Statements.

CENTURY PEAK HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	Equity Attributable to Equity Holders of the Parent Company					
	Capital Stock *(Note 20)*	**Additional Paid-in Capital**	**Deficit**	**Total**	**Noncontrolling Interest** *(Note 20)*	**Total Equity**
Balance at January 1, 2022	₱2,820,330,450	₱1,931,550	(₱262,573,791)	₱2,559,688,209	(₱24,663,924)	₱2,535,024,285
Net loss for the year	-	-	(88,073,231)	(88,073,231)	(3,429,102)	(91,502,333)
Balance at December 31, 2022	2,820,330,450	1,931,550	(350,647,022)	2,471,614,978	(28,093,026)	2,443,521,952
Net income (loss) for the year	-	-	(65,321,882)	(65,321,882)	329,536	(64,992,346)
Balance at December 31, 2023	**2,820,330,450**	**1,931,550**	**(415,968,904)**	**2,406,293,096**	**(27,763,490)**	**2,378,529,606**
Net income (loss) for the year	**-**	**-**	**103,727,560**	**103,727,560**	**(6,428,386)**	**97,299,174**
Balance at December 31, 2024	**₱2,820,330,450**	**₱1,931,550**	**(₱312,241,344)**	**₱2,510,020,656**	**(₱34,191,876)**	**₱2,475,828,780**

See Notes to the Consolidated Financial Statements.

CENTURY PEAK HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	Note	**2024**	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax	*19*	**₱100,666,905**	(₱36,114,902)	(₱46,790,564)
Adjustments for:				
Depreciation, amortization and depletion of property, plant and equipment	*9*	**425,091,225**	454,319,403	207,398,661
Depletion of explored mineral resources	*10*	**48,477,740**	157,619,563	115,233,160
Interest expense	*15*	**62,033,437**	55,624,383	5,694,430
Impairment loss on property and equipment	*9*	**2,312,000**	-	-
Retirement expense	*18*	**696,784**	1,902,035	7,678,026
Interest income	*4*	**(58,137)**	(41,889)	(24,317)
Impairment loss on other current assets	*7*	**-**	9,780,043	5,468,597
Impairment loss on other current assets and input value-added tax (VAT)	*12*	**-**	-	6,749,566
Operating income before working capital changes		**639,219,954**	643,088,636	301,407,559
Decrease (increase) in:				
Accounts receivable		**(147,036,640)**	(92,670,877)	-
Inventories		**264,710,444**	(314,115,612)	(231,080,678)
Due from a related party		**(84,880)**	(5,600)	-
Other current assets		**(9,069,735)**	(135,638,144)	(22,142,522)
Increase (decrease) in accounts payable and other current liabilities		**(163,924,738)**	521,979,834	211,894,642
Net cash generated from operations		**583,814,405**	622,638,237	260,079,001
Interest paid		**(59,821,399)**	(53,079,365)	(3,694,320)
Benefits paid	*18*	**(1,136,720)**	-	-
Income taxes paid		**(29,792,827)**	(46,437,080)	(81,807,678)
Interest received	*4*	**58,137**	41,889	24,317
Net cash provided by operating activities		**493,121,596**	523,163,681	174,601,320
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	*9*	**(66,162,210)**	(222,958,401)	(3,308,898,565)
Increase in other noncurrent assets		**8,833,157**	(39,551,248)	(43,280,483)
Payment of site rehabilitation	*14*	**-**	(5,804,138)	-
Net cash used in investing activities		**(57,329,053)**	(268,313,787)	(3,352,179,048)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of short-term loans and mortgage payable		**(155,885,216)**	(1,639,751)	(268,853)
Availment of short-term loans payable	*15*	**297,363,993**	100,000,000	450,000,000
Increase (decrease) in due to a related party		**(127,920,614)**	(570,634,399)	2,916,810,017
Availment of mortgage payable		**-**	3,194,646	4,004,127
Net cash provided by (used in) financing activities		**13,558,163**	(469,079,504)	3,370,545,291
NET INCREASE (DECREASE) IN CASH		**449,350,706**	(214,229,610)	192,967,563
CASH AT BEGINNING OF YEAR	*4*	**15,088,532**	229,318,142	36,350,579
CASH AT END OF YEAR	*4*	**₱464,439,238**	₱15,088,532	₱229,318,142

See Notes to the Consolidated Financial Statements.

CENTURY PEAK HOLDINGS CORPORATION AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Reporting Entity

Century Peak Holdings Corporation (CPHC or the Parent Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on December 30, 2003. The Parent Company is primarily engaged in promoting, operating, managing, holding, acquiring or investing in corporations or entities that are engaged in mining activities or mining-related activities.

The Parent Company's secondary purpose includes general construction and construction related activities, land reclamation and development activities in the Philippines, real estate development or any real estate related activities, mining activities and mining related activities, power and energy activities and power and energy related activities.

The Parent Company listed its common shares of stock with the Philippine Stock Exchange (PSE) on October 6, 2009.

The Parent Company operates as the holding company of the following subsidiaries:

	Percentage of Ownership[a]	
	Direct	**Indirect**
Century Peak Corporation (CPC)	100.00	-
Century Peak Minerals Development Corp. (CPMDC) [c]	100.00	-
Century Peak Cement Manufacturing Corp. (CPCMC) [c]	100.00	-
Century Peak Development Corp. (CPDC) formerly Century Sidewide Smelting Incorporated [b]	60.00	-
Global Nest Solution Dev't Corp. (GNSDC) formerly Century Hua Guang Smelting Incorporated [b]	55.00	-
Century Summit Carrier, Inc. (CSCI) [d]	-	80.00

[a] Based on the Parent Company's interest in the issued and outstanding shares of the subsidiaries as at December 31, 2024 and 2023
[b]CPDC and GNSDC have not yet started commercial operations.
[c]CPMDC and CPCMC were incorporated in 2015 and have started commercial operations in 2023.
[d]Owned by the Parent Company through CPC.

The Company's registered office address is at 17th Floor, AIA Tower, 8767 Paseo de Roxas, Barangay Bel-Air, Makati City.

GNSDC
GNSDC was registered and incorporated with the SEC on January 14, 2008. The principal activities of GNSDC are to invest in and engage in the business of operating and mining mineral resources in the Philippines such as iron ore, copper, gold, silver, lead, manganese, chromite, nickel, etc.; prospecting, exploring, milling, concentrating, converting, smelting, treating, refining, and manufacturing; preparing for the market, whether export or domestic; and producing and dealing in all its products and by-products of every kind and description and by whatsoever process the same can be or may be hereafter be produced.

On April 22, 2024, the SEC approved the change in primary purpose of GNSDC to deal and engage in land or real estate business in all its branches and ramifications.

As at December 31, 2024, GNSDC has not yet started its commercial operation.

CPDC
On April 22, 2024, the SEC approved the primary purpose of CPDC to deal and engage in land or real estate business in all its branches and ramifications.

As at December 31, 2024, CPDC has not yet started its commercial operation.

Mining Operations
CPC has mining activities in selected areas in the province of Dinagat Islands covered by the following mining rights:

Mineral Production Sharing Agreement (MPSA)-010-92-X or the “Casiguran Nickel Project”. The Department of Environment and Natural Resources (DENR) approved the renewal of this MPSA on October 12, 2021 for another 25 year term commencing from June 11, 2017.

MPSA-283-2009-XIII-SMR or the “Rapid City Parcel II Prospect” (“Rapid City”) was approved by the DENR on June 19, 2009. This MPSA has a term of 25 years from effective date.

There are two Geologic Resource Evaluation Reports dated 2010 for the Casiguran Nickel Project while a Resource Evaluation Report covers the Rapid City Parcel II Prospect, which were prepared by Dr. Carlo A. Arcilla, a licensed geologist and an accredited competent person in accordance with the definition of the Philippine Mineral Reporting Code.

Based on the reports, the Casiguran Nickel Project and Rapid City Parcel II Prospect have a combined indicated and measured resource of 9,897,000 dry metric tons (DMT) with a grade of 1.02% nickel (at 0.8% nickel cut-off) and 9,067,000 DMT with a grade of 1.07% nickel (at 0.8% nickel cut-off), respectively. These represent 100,000 metric tons of pure nickel and 3,500,000 tons of iron and 90,000 tons of pure nickel and 3,800,000 tons of iron for the Casiguran Nickel Project and Rapid City Parcel II Prospect, respectively, subject to mining plans and metal recovery parameters.

CPC looks forward to continue developing and exploring these mineral properties either on its own or through subcontractors.

The Cement and Limestone Project
Through a Joint Operating Agreement (JOA) executed between Philippine Mining Development Corporation (PMDC) and CPC dated December 10, 2010, with a term of 25 years, the Group has 4,795 hectares in Pinamungahan, Cebu to mine limestone. An Exploration Report dated 2017 for the 1,200-hectare portion of the Limestone Project was prepared by Tomas D. Malihan, a licensed geologist and an accredited competent person in accordance with the definition of the Philippine Mineral Reporting Code. Based on the report, the Limestone Project has a combined indicated and inferred limestone resource of 587,000,000 metric tons (see Note 24).

In April and July 2015, the Group was able to obtain the ECC for the Cement Plant/Power Plant and Limestone Quarry Project, respectively.

On September 29, 2015, through a Deed of Assignment executed between CPC and CPMDC, CPC assigned its rights over the JOA with PMDC to CPMDC. Through the assignment, CPMDC will handle the Pinamungahan Limestone Quarry Project and will take over from CPC the implementation of its obligations and commitments under the subject JOA.

On July 10, 2019, the MGB approved the Declaration of Mining Project Feasibility (DMPF) under the JOA. The approval authorized CPC to proceed to the development and operating periods under the JOA by and between PMDC and CPC including the extraction and commercial disposition of limestone, pozzolan and other associated minerals in the entire contract area.

On March 20, 2022, the transfer of ECC from CPC to CPMDC was approved by the Environmental Management Bureau Central Office.

Registration of CPCMC with the BOI
On January 22, 2018, CPCMC was registered with the Board of Investments (BOI) with Certificate of Registration No. 2018-015, on its cement plant project at Barangay Sacsac, Pinamungahan, Cebu, as a new producer of cement on a Non-Pioneer Status under the Omnibus Investments Code of 1987 (Executive Order No. 226).

As a BOI-registered entity, CPCMC is entitled to the following incentives, among others:

a. ITH for four (4) years from October 2020 or actual start of commercial operations, whichever is earlier but in no case earlier than the date of registration;

b. Importation of capital equipment, spare parts and accessories at zero duty under Executive Order No. 22 and its Implementing Rules and Regulations. Only equipment directly needed and exclusively used in its operations shall be entitled to capital equipment incentives;

c. Additional deduction from taxable income of fifty percent (50%) of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment as against the previous year, if the project meets the prescribed ratio of capital equipment to the number of workers set by the BOI. This may be availed of for the first five (5) years from the date of registration but not simultaneously with ITH;

d. Importation of consigned goods equipment for a period of ten (10) years from date of registration, subject to posting of re-export bond;

e. Tax credit equivalent to the national internal revenue taxes and duties paid on raw materials and supplies and semi-manufactured products used in producing its export product and forming part thereof for a period of ten (10) years from the start of commercial operations.

   Request for amendment of the date of start of commercial operations for purposes of determining the reckoning date of the ten (10) year period, shall be filed within one (1) year from the date of committed start of commercial operations;

f. Exemption from wharfage dues, and any export tax, duty, impost and fee for a period of ten (10) years from date of registration;

g. Employment of foreign nationals. This may be allowed in supervisory, technical or advisory positions for five (5) years from the date of registration. The president, general manager and treasurer of foreign-owned registered enterprises or their equivalent shall not be subject to the foregoing limitations;

h. Simplification of customs procedures for the importation of equipment, spare parts, raw materials and supplies.

As affirmed by the BOI on January 26, 2023, CPCMC's ITH started in January 2023.

CSCI
CSCI was registered with the Maritime Industry Authority with Certificate No. DSO-2006-003-042 (2018) under Marina Circular 2006-003, which is valid until April 9, 2021.

As at December 31, 2024, the Company is still in process of renewing its certificate.

Approval of Consolidated Financial Statements
The Group's accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors (BOD) on April 29, 2025.

2. Summary of Material Accounting Policy Information

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, except for the changes in accounting policies as explained below.

Basis of Accounting
The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS), Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC), and SEC regulations.

Functional and Presentation Currency
The consolidated financial statements are presented in Philippine Peso (₱), which is the Parent Company's functional currency. All financial information presented in Philippine peso has been rounded-off to the nearest peso, unless otherwise indicated.

Basis of Measurement
The consolidated financial statements have been prepared on a historical cost basis of accounting. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of consideration received in exchange for incurring a liability. 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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the 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.

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

Further information about the assumptions made in measuring fair value is included in Note 22.

Adoption of Amendments to PFRS Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRS Accounting Standards effective January 1, 2024:

- Amendments to PAS 1, *Presentation of Financial Statements - Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements.

- Amendments to PAS 7, *Statement of Cash Flows* and PFRS 7, *Financial Instruments: Disclosures - Supplier Finance Arrangements* – The amendments introduced new disclosure requirements to enable users of the financial statements assess the effects of supplier finance arrangements on the liabilities, cash flows and exposure to liquidity risk. The amendments also provide transitional relief on certain aspects, particularly on the disclosures of comparative information. Earlier application is permitted.

The adoption of the amendments to PFRS Accounting Standards did not materially affect the consolidated financial statements of the Group. Additional disclosures were included in the consolidated financial statements, as applicable.

Amendments to PFRS Accounting Standards in Issue But Not Yet Effective or Adopted

Relevant amendments to PFRS Accounting Standards which are not yet effective as at December 31, 2024 and have not been applied in preparing the consolidated financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2025 -

- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability* – The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable.

Effective for annual periods beginning on or after January 1, 2026 -

- Amendments to PFRS 9, *Financial Instruments,* and PFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI).

- Annual Improvements to PFRS Accounting Standards Volume 11:

  - Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price.

- Amendments to PFRS 10, *Consolidated Financial Statements - Determination of a 'de facto agent'* – The amendments remove inconsistencies by clarifying that an entity must use judgment to determine whether other parties are acting as de facto agents.

- Amendments to PAS 7, *Statement of Cash Flows - Cost Method* – The amendments replace the term 'cost method' with 'at cost' following the deletion of the definition of 'cost method'.

Effective for annual periods beginning on or after January 1, 2027 -

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity's assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively.

Deferred effectivity –

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Investment in Associates - Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

Under prevailing circumstances, adoption of the foregoing amendments to PFRS Accounting Standards is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

Basis of Consolidation

The consolidated financial statements include the accounts of the Group from the date control was obtained by the Parent Company. Equity attributed to the equity holders of the Parent Company is based on its share in net profits and net assets of the investees in accordance with the investees' Articles of Incorporation.

The consolidated financial statements reflect the consolidated accounts of the Group. Intra-group balances and any unrealized gains and losses or income and expenses arising from intra-group transactions are eliminated in the consolidation.

The consolidated financial statements of the Group are prepared for the same reporting period as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances.

A subsidiary is an entity that is controlled by the Parent Company and whose accounts are included in the consolidated financial statements. Control exists when the Parent Company is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until it ceases.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree.

For each business combination, the acquirer measures the non-controlling interest in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are recognized as expense. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured. Subsequent settlement is accounted for within equity. In an instance where the contingent consideration does not fall within the scope of PFRS 9, it is measured in accordance with the appropriate PFRS Accounting Standards.

Noncontrolling Interest

Noncontrolling interest represents the interests not held by the Parent Company in its subsidiaries.

Financial Instruments

Date of Recognition. The Group recognizes a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

"Day 1" Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Group deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

Classification of Financial Instruments. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at FVOCI. The classification of a financial asset largely depends on the Group's business model and its contractual cash flow characteristics. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost.

As at December 31, 2024 and 2023, the Group does not have financial assets and liabilities at FVPL.

Financial Assets at Amortized Cost. Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

The Group's cash in bank, accounts receivable, due from a related party and deposits (presented under "Other noncurrent assets" account in the statements of financial position) are included in this category.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or impaired or through the amortization process.

Included in the Group's other financial liabilities are accounts payable and other current liabilities (excluding statutory payables), due to a related party, short-term loans payable, mortgage payable and other noncurrent liability.

Reclassification
The Group reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in other comprehensive income (OCI).

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

Impairment of Financial Assets at Amortized Cost
The Group records an allowance for “expected credit loss” (ECL). ECL is 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. The difference is then discounted at an approximation to the asset’s original effective interest rate.

For trade receivables, the Group has applied the simplified approach and has calculated ECL based on the lifetime expectation. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets at amortized cost, the Group has applied the general approach and has calculated ECL based on the 12-month ECL. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

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

- the right to receive cash flows from the asset has expired;

- the Group retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or

- the Group has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Group could raise debt with similar terms and conditions in the market. The difference between the carrying value of the original liability and fair value of the new liability is recognized in profit or loss.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

Offsetting of Financial Assets and Liabilities
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statements of financial position.

Classification of Financial Instrument between Liability and Equity
A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;

- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or

- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Otherwise, the financial instrument is classified as equity.

<u>Inventories</u>
Inventories, which consist of limestone and other raw materials, nickel and chromite ores, are measured at the lower of cost and NRV. NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale. The Group uses the average method of inventory costing. Under the average cost formula, the cost of each item is determined from the average of the cost of similar items at the beginning of a period and the cost of similar items purchased or produced during the period. The average may be calculated on a periodic basis, or as each additional shipment is received, depending upon the circumstances of the entity.

Cost represents the average cost and comprises direct materials, labor and production overhead expenditure, including depreciation, amortization and depletion incurred in converting materials to finished products.

<u>Other Current and Noncurrent Assets</u>
Other current assets pertain to resources controlled by the Group as a result of past events and from which future economic benefits are expected to flow to the Group. These are classified in the consolidated statements of financial position as current asset when the assets are expected to be received within one year or the Group's normal operating cycle, whichever is longer. Otherwise, these assets are classified as noncurrent assets.

Investment Properties
Investment properties are measured initially at cost, including transaction costs. The Group's investment properties are held either to earn rental income or for capital appreciation or both or for undetermined future use. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and any impairment in value.

Construction in progress represents investment properties under construction and is stated at cost. This includes cost of construction and other direct costs. Assets under construction are transferred to the related investment property account when the construction and installation and related activities necessary to prepare the investment property for the intended use are completed, and the investment property is ready for services. Construction in progress is not depreciated until such time that the relevant assets are completed and put into operational use but tested for impairment losses.

Investment properties are derecognized when these have been disposed or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties are recognized in the year of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

Explored Mineral Resources
Explored mineral resources represent the Group's intangible asset for its right to mine certain areas. Such intangible asset, which has a definite useful life, was acquired by the Group in relation to its acquisition of a group of assets.

Explored mineral resources are initially recognized at fair value based on the cash flow generation of the relevant mineral property covered by the acquired MPSA which is the deemed cost, subsequently stated at initial amount less accumulated amortization and accumulated impairment losses, if any.

Amortization of explored mineral resources is calculated using the units-of-production method based on estimated recoverable reserves, as this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset and is directly charged as an expense during the period.

Amortization shall begin when the nickel ore extraction begins or when the mine site is in the condition when it is capable to operate in the manner intended by management, whichever is earlier. Amortization shall cease at the earlier of the date that the intangible assets is classified as held for sale in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations* and the date that asset is derecognized.

The estimated recoverable reserves and the amortization method are reviewed periodically to ensure that the estimated recoverable reserves and method of depletion are consistent with the expected pattern of economic benefits from the explored mineral resources. If the estimated recoverable reserve is different from previous estimates, the basis of depletion shall be changed accordingly.

Property, Plant and Equipment
Property, plant and equipment, except for land, are carried at cost less accumulated depreciation and amortization, depletion and impairment losses, if any. Land is carried at cost less any impairment in value.

Initially, an item of property, plant and equipment is measured at its cost, which consists of its purchase price and any directly attributable cost in bringing the asset to the location and condition for its intended use. Subsequent costs (including costs of replacing a part of an item of property, plant and equipment) that can be measured reliably are added to the carrying amount of the asset when it is probable that future economic benefits associated with the asset will flow to the Group. The carrying amount of the replaced part is derecognized. The costs of day-to-day servicing of an asset are recognized as an expense in the period in which they are incurred.

Mine site development costs represent the cost of road network, pier, stockyard and other costs incurred in constructing the production infrastructure for the intended mining operations. When exploration results are positive or commercially viable, cost incurred for development of mining properties are deferred as incurred.

Major spare parts and stand-by equipment items that the Group expects to use over more than one period and can be used only in connection with an item of property, plant and equipment are accounted for as property, plant and equipment. Depreciation and amortization of these major spare parts and stand-by equipment commence once these have become available for use (i.e., when they are in the location and condition necessary for them to be capable of operating in a manner intended by the Group).

Construction in progress represents assets under construction and is stated at cost. This includes costs of construction and other direct costs. Construction in-progress is not depreciated until such time that the relevant assets are completed and put into operational use but tested for impairment losses. Assets under construction are transferred to the related property, plant and equipment account when the construction and installation and related activities necessary to prepare the property and equipment for the intended use are completed and the property, plant and equipment are ready for services.

Depreciation and amortization charge is computed using the straight-line method over the estimated useful life (EUL)of the assets. Depreciation, amortization and depletion charge commences once the assets become available for use.

	Number of Years
Machineries, transportation and field equipment	3 - 50
Building, office space and improvements	30 - 50
Office equipment, furniture and fixtures	3 - 5

Depletion of mine site development cost is computed based on ore extraction over the estimated volume of proven and probable ore reserves, as estimated by the Group's geologist and certified by an independent geologist, or over the estimated life of specific components whichever results in a shorter period of depletion.

Depreciation, amortization and depletion charge is recognized in consolidated profit or loss unless future economic benefits embodied in the related property and equipment are absorbed by other assets. In this case, the depreciation, amortization and depletion charge constitutes part of the cost of the other asset and is included in its carrying amount.

The assets' residual values, useful lives and depreciation, amortization and depletion methods are reviewed annually and adjusted, if appropriate, to ensure that the methods and period of depreciation, amortization and depletion are consistent with the expected pattern of economic benefits from items of property and equipment. Any change in the expected residual values, EUL and methods of depreciation, amortization and depletion is adjusted prospectively from the time the change was determined necessary.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of those assets.

When an asset is disposed of, or is retired from use and no future economic benefits are expected from its disposal, the cost and accumulated depreciation, amortization, depletion and impairment losses, if any, are removed from the accounts and any resulting gain or loss arising from the retirement or disposal of property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognized in consolidated profit or loss.

Deferred Exploration Costs

All costs directly attributable to the exploration and evaluation of mineral resources are deferred on a project by project basis until commencement of commercial mining operations or until an impairment is considered necessary. The recoverability of the amounts recorded as deferred exploration costs is dependent on the existence of economically recoverable reserves and future profitable production from the mineral properties.

Deferred exploration costs are provided with appropriate allowance for impairment losses when properties are abandoned or when cost exceeds net realizable value. In 2023, no depletion and amortization expense is included in consolidated profit or loss for the Cement Plant Project since the project has not yet reached commercial mining operations.

Impairment of Nonfinancial Assets

The carrying amounts of the Group's nonfinancial assets, such as investment properties, property and equipment, explored mineral resources, deferred exploration costs and other noncurrent assets (excluding rehabilitation costs) are reviewed at each reporting date to determine whether there is any indication that an asset may be impaired, or whether there is any indication that an impairment loss previously recognized for an asset in prior periods may no longer exist or may have decreased. If any such indication exists and when the carrying amount of an asset exceeds its estimated recoverable amount, the asset or cash-generating units (CGU) to which the asset belongs is written-down to its recoverable amount. Recoverable amounts are estimated for individual assets or investments or, if it is not possible, for the CGU to which the asset belongs.

The recoverable amount of a nonfinancial asset is the greater of the asset's fair value less costs of disposal and its value in use. The fair value is the amount obtainable from the sale of the asset in an orderly transaction between market participants at a measurement date, less the costs of disposal. Value in use is the present value of the future cash flows expected to be delivered from an asset or CGU. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash flows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit 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 recognized in consolidated profit or loss in the year in which it arises. A previously recognized impairment loss is reversed only if there has been a change in estimates used to determine the recoverable amount of an asset, however, not to an amount higher than the carrying amount that would have been determined (net of any accumulated depreciation and amortization for property and equipment, net of any depletion for mine site development cost) had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized in consolidated profit or loss. After such reversal, the depreciation, amortization and depletion expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Capital Stock
Capital stock is measured at par value for all shares issued and outstanding. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at premium, the difference between the proceeds and the par value is credited to “Additional paid-in capital” account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Group, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Direct costs incurred related to the equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are chargeable to additional paid-in capital. If additional paid-in capital is not sufficient, the excess is charged to deficit.

Deficit and Dividend Distribution
Deficit represents the cumulative balance of operating result, dividend distributions, prior period adjustments and effects of changes in accounting policy and capital adjustments.

Dividends on common shares are recognized as a liability and deducted from equity when approved by the BOD of the Group. Dividends for the year that are approved after the reporting date are dealt with as a non-adjusting event after the reporting date.

Cash and Property Dividend
The liability for the distribution is measured, initially and until the settlement date, at the fair value of the assets to be distributed. Any changes in the measurement of the liability are recognized in equity. For distributions in which the owners may elect to receive either non-cash assets or a cash alternative, the Group considers the fair value of each alternative and their associated probabilities when measuring the liability.

At the date on which the distribution occur, the liability is remeasured based on the fair value of the assets to be distributed, with any change therein recognized in equity; the liability and the assets distributed are derecognized, any difference between the fair value of the assets distributed and their carrying amount is recognized as a separate line item in consolidated profit or loss and any amounts recognized in OCI in relation to the assets distributed are reclassified to profit or loss or they may be transferred within equity depending on the derecognition requirements in other standards, on the same basis as would be required if the non-cash assets had been disposed of.

Revenue

Revenue from Contracts with Customers under PFRS 15
Revenue from contracts from customers is recognized as or when performance obligations are satisfied by transferring control of goods to the customer. Revenue is measured at the amount that the Group expects to receive under the contract or the transaction price.

Revenue from sale of nickel ores and cement products are recognized at the point in time when control of the asset is transferred to the customer upon delivery.

Sale of Nickel Ore and Cement Products
Revenue from sale of nickel ore and cement products are recognized on the date that minerals are delivered to the customer. Revenue is the transaction price, net of taxes, such as VAT (if applicable). Full payment of transaction price is due upon delivery.

Other Income
Other income is recognized when earned.

Interest income is recognized on a time-proportion basis using the effective interest method.

<u>Costs and Expenses</u>
Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are generally recognized when the services are rendered, or the expenses are incurred.

Cost of Sales
Cost of sales is recognized when the expense is incurred and is reported in the periods to which it relates.

Operating Expenses
Expenses incurred in the general administration of the day-to-day operation of the Group are generally recognized when the service is rendered or the expense is incurred.

<u>Employee Benefits</u>

Short-term Employee Benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Retirement Benefits Liability
The Group provides for the estimated retirement benefits of qualified employees as required under RA No. 7641, Retirement Pay Law. In the absence of a formal retirement plan, under RA No. 7641, an employee who retires shall be entitled to retirement pay equivalent to at least one-half month salary for every year of service minimum of 5 years, cash equivalent of five (5) days of service incentive leave and 1/12 of 13th month pay, a fraction of least six (6) months being considered as one (1) whole year. The determination of the retirement liability incorporates assumptions such as discount rates and expected rate of salary increase. The retirement liability recognized by the Group is the present value of the defined benefit obligation. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using risk-free rates of government bonds that have terms to maturity approximating the terms of the related retirement liability.

<u>Leases</u>
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(a) the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

(b) the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and,

(c) the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

   (i) the Group has the right to operate the asset; or
   (ii) the Group designed the asset in a way that predetermines how and for what purpose it will be used.

Group as Lessee
At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of useful life or end of lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financial sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- amounts expected to be payable under a residual value guarantee; and

- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, or if the Group’s changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the consolidated profit or loss the carrying amount of the right-of-use asset has been reduced to zero.

Short-term Leases and Leases of Low-value Assets
The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of 12 months or less and leases of low-value assets. The Group records the lease payments associated with these leases as an expense on a straight-line basis over the lease term and are recognized as "Rent expense" on the consolidated statements of comprehensive income.

Taxes
Income tax expense comprises current and deferred tax. Income tax expense is recognized in consolidated profit or loss, except to the extent that it relates to items recognized directly in equity or in OCI, in which case it is recognized in equity or in OCI.

Current Tax
Current tax assets and liabilities for the current period are measured at the amount expected to be paid to the tax authority. The tax rates and tax laws used to compute this amount are those that are enacted or substantively enacted by the end of the reporting period.

Deferred Tax
Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes and the carryforward tax benefits of the NOLCO, if any, and unused tax credits from excess MCIT. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, carry forward benefits of NOLCO, using tax rates enacted or substantively enacted by the end of the reporting period.

Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable consolidated profit or loss;

- temporary differences relate to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future and; and

- taxable temporary difference arising on the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and the carryforward tax benefits of NOLCO can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that the future taxable income will allow the deferred tax assets to be recognized.

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

VAT
Revenues, expenses and assets are recognized net of the amount of VAT, except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of VAT included.

The net amount of sales tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the Group's consolidated statements of financial position.

Final Tax
Final tax represents tax on interest income derived from bank deposits. Final tax is recognized in consolidated profit or loss in the same period when the related interest income is recognized and is withheld by the depository bank for remittance to the taxing authority.

Related Parties
Related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel, directors, or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Related party transactions are considered material and/or significant if i) these transactions amount to 10% or higher of the Group's total assets or, ii) there are several transactions or a series of transactions over a 12-month period with the same related party amounting to 10% or higher of the Group's total assets. Details of transactions entered into by the Group with related parties are reviewed by independent directors in accordance with the Group's related party transactions policy.

Segment Reporting
An operating segment is a component of an entity that: (a) 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 same entity); (b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and (c) for which discrete financial information is available.

The Group's operating business is organized and managed according to the nature of the products provided. In 2022, since there is only one segment representing a strategic business unit that offers the same product for the sale of nickel ores, financial information on business segment is no longer presented in the consolidated financial statements.

Earnings (Loss) Per Share
Basic earnings (loss) per share is computed by dividing the consolidated profit (loss) applicable to common stock by the weighted average number of common shares outstanding during the period, with retroactive adjustments for any stock dividends declared.

Diluted earnings (loss) per share is calculated by dividing the profit (loss) attributable to common equity holders by the weighted average number of common shares outstanding during the year, adjusted for the effects of any potentially dilutive common shares.

Foreign Currency Transactions
The functional and presentation currency of the Group is the Philippine peso. Transactions in foreign currencies are recorded in Philippine peso based on the exchange rates prevailing at the transaction dates. Foreign currency denominated monetary assets and liabilities are translated into Philippine peso using the prevailing exchange rate at the reporting date. Exchange gains or losses arising from translation of foreign currency denominated items at rate different from those at which they were previously recorded are recognized in profit or loss.

Interest Expense

Interest expense comprises accretion of interest expense on the provision for site rehabilitation and on borrowings. Interest expense is recognized as it accrues, using the effective interest method and is presented net of final tax.

Provisions

A provision is a liability of uncertain timing or amount. It is recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Provisions are revisited at each reporting date and adjusted to reflect the current best estimate. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessment of time value of money, and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to passage of time is recognized as interest expense.

Provision for Site Rehabilitation

The Group records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailing dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas. The obligation generally arises when the ground/environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mine assets. Overtime, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized as finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur.

Contingencies

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

Events After the Reporting Period

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

3. Use of Judgements and Estimates

Use of Estimates and Judgments

The preparation of the consolidated financial statements in conformity with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported in the consolidated financial statements. The judgments and estimates used in the accompanying consolidated financial statements are based on management's evaluation of relevant facts and circumstances as at the date of the Group's consolidated financial statements. Actual results may differ from these estimates.

Judgments, estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgment
In the process of applying the Group's accounting policies, management has made the below judgment, apart from those involving estimations, that has the most significant effect on the amounts recognized in the consolidated financial statements:

Distinguishing between Property, Plant and Equipment and Investment Property
The Group determines whether a property qualifies as an investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the production and supply of goods and services or for administrative purposes. If these portions can be sold separately (or lease out separately under finance lease), the Group accounts for the portions separately. If the portion cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

The Group has determined the parcels of land held for capital appreciation and expenditures related to land reclamation as investment properties (see Note 8), while the land which the cement plant is constructed is classified under property, plant and equipment (see Note 9).

Estimates and Assumptions of Uncertainties
The key assumptions and estimation uncertainties concerning the future and other key sources of estimation uncertainty as at reporting date that have the most significant risk of resulting in a material adjustment to the carrying amounts of assets, liabilities and equity within the next financial year are as follows:

Estimating ECL on Financial Assets at Amortized Cost
The Group estimates ECL on accounts receivable using a provision matrix which considers the Group's historical credit loss experience adjusted for forward-looking factors, as appropriate.

For other financial assets at amortized cost, the Group determines the allowance for ECL using general approach based on probability-weighted estimate of the present value of all cash shortfalls over the expected life of the financial assets at amortized cost. ECL is required for possible default events within 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL are required on lifetime ECL.
Further details on financial assets at amortized cost are disclosed in Notes 4, 5, 7 and 21.

Estimating Net Realizable Value (NRV) of Inventories
In determining the NRV of inventories, the Group considers inventory obsolescence based on specific identification and as determined by management for inventories estimated to be unsaleable in the future. The Group adjusts the cost of inventories to the NRV at a level considered adequate to reflect any market decline in the value of the recorded inventories. The Group reviews, on a continuous basis, the product movement, changes in customer demands and introduction of new products to determine whether these items should still be used in operations or otherwise disposed of and identifies inventories which are to be written-down to NRV.

The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. An increase in inventory obsolescence and market decline would increase recorded operating expenses and decrease current assets.

Further details on inventories are disclosed in Note 6.

Estimating Recoverable Reserves
Recoverable reserves and resource estimates for development projects are, to a large extent, based on the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies which derive estimates of costs based upon anticipated tonnage and grades of ores to be mined and processed, the configuration of the ore body, expected recovery rates from the ore, estimated operating costs, estimated climatic conditions and other factors. Proven reserve estimates are attributed to future development projects only where there is a significant commitment to project funding and execution and for which applicable governmental and regulatory approvals have been secured or are reasonably certain to be secured.

All proven reserve estimates are subject to revision, either upward or downward, based on new information, such as from block grading and production activities or from changes in economic factors, including product prices, contract terms or development plans.

Estimates of reserves for undeveloped or partially developed areas are subject to greater uncertainty over their future life than estimates for reserves for areas that are substantially developed and depleted. As an area goes into production, the amount of proven reserves will be subject to future revision once additional information becomes available. As those areas are further developed, new information may lead to revisions. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amount and timing of recorded depletion expenses for any period would be affected by changes in these factors and circumstances.

Further details on explored mineral resources are disclosed in Note 10.

Estimating Provision for Site Rehabilitation
In determining the provision for mine rehabilitation, the Group considers factors that affect the calculation of the ultimate liability. These factors include, but not limited to, the extent and costs of rehabilitation activities, technological changes, regulatory changes and changes in discount rates. The Group reviews and updates these factors on a continuous basis. It is possible that future results of operations could be materially affected by change in the provision for site rehabilitation brought about by the changes in the factors mentioned.

Further details on provision for site rehabilitation are disclosed in Note 14.

Estimating Useful Lives (EUL) of Property, Plant and Equipment
The useful life of each of the Group's property, plant and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. The EUL of each asset is reviewed periodically and 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 asset. It is possible however, that future financial performance could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the EUL of any property, plant and equipment would increase the recorded operating expenses and decrease noncurrent assets.

Further details on property, plant and equipment are disclosed in Note 9.

Estimating Allowance for Impairment Loss on Nonfinancial Assets
The Group assesses at each reporting date whether there is an indication that nonfinancial assets may be impaired. Determining the amount of the assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions

that can materially affect the consolidated financial statements. Further events could cause the Group to conclude that these assets are impaired. Any resulting impairment loss could have material impact on the financial position and performance of the Group.

The preparation of the estimated future cash flows involves estimations and assumptions. While the Group believes that its assumptions are appropriate and reasonable, significant changes in these assumptions may materially affect the Group's assessment of the recoverable amounts and may lead to future additional impairment.

For deferred exploration costs, the facts and circumstances that the Group considers include the following: the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed; substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the deferred exploration cost is unlikely to be recovered in full from successful development or by sale.

In 2024, the Group recognized impairment loss on property and equipment amounting to ₱2.3 million. In 2023 and 2022, the Group recognized impairment loss on other currents assets amounting to ₱9.8 million and ₱5.5 million, respectively.

Further details on nonfinancial assets are disclosed in Notes 7, 8, 9, 10, 11 and 12.

Estimating Realizability of Deferred Tax Assets
The Group reviews the carrying amounts of deferred tax assets at each reporting date and reduces the carrying amounts 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. The Group also reviews the expected timing and tax rates upon reversal of temporary differences and adjusts the impact of deferred tax accordingly. The Group's assessment on the recognition of deferred tax assets is based on the forecasted taxable income of the subsequent reporting periods. This forecast is based on the Group's past results and future expectations on revenues and expenses.

Further details on deferred tax assets are disclosed in Note 19.

4. Cash

This account consists of:

	Note	**2024**	2023
Cash in banks	*22*	**₱464,439,238**	₱14,986,016
Cash on hand		–	102,516
		₱464,439,238	₱15,088,532

Cash in banks earns interest at the prevailing bank deposit rates.

Interest income are as follows:

	Note	**2024**	2023	2022
Cash in banks		**₱53,230**	₱41,862	₱17,556
Rehabilitation fund	*12*	**4,907**	27	6,761
		₱58,137	₱41,889	₱24,317

There are no outstanding receivables as at December 31, 2024 and 2023.

5. Accounts Receivable

As at December 31, 2024 and 2023, accounts receivable pertains to receivable from third parties for the sale of cement products. These are unsecured, noninterest-bearing, generally collectible in 30 days, and settled in cash.

No ECL on accounts receivable was recognized in 2024, 2023 and 2022.

6. Inventories

This account consists of:

	2024	2023
Nickel ores	**₱391,668,329**	₱480,317,134
Limestone and other raw materials	**70,849,720**	224,537,797
	₱462,518,049	₱704,854,931

Inventories are carried at the lower of cost and NRV.

Movement of this account is as follows:

	Note	**2024**	2023
Balance at beginning of year		**₱704,854,931**	₱397,970,166
Additions		**2,004,468,634**	2,289,905,939
Capitalized depreciation, amortization and depletion	*9*	**80,340,038**	72,211,920
Cost of sales	*17*	**(2,327,145,554)**	(2,055,233,094)
		₱462,518,049	₱704,854,931

As at December 31, 2024 and 2023, no inventories have been pledged as security or collateral for any of the Group's liabilities.

7. Other Current Assets - net

This account consists of:

	2024	2023
Advances to:		
Third parties	**₱340,198,445**	₱205,854,541
Employees	**48,184,745**	30,532,806
Input VAT	**60,210,756**	229,493,587
CWT	**38,349,343**	14,108,078
Prepaid expenses	**13,787,934**	11,672,476
	500,731,223	491,661,488
Allowance for impairment losses	**(28,627,819)**	(28,627,819)
	₱472,103,404	₱463,033,669

Advances to third parties include advances made for operation costs which will be deducted against future billings.

Input VAT pertains to the excess of input VAT over output VAT and is recognized when an entity purchases goods and services from a VAT registered supplier or vendor.

Advances to employees are due from Group's employees in the form of unliquidated cash advances which are expected to be liquidated within the next reporting period.

Prepaid expenses primarily consist of prepaid taxes, insurance, supplies and various items that are individually immaterial.

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

	Note	**2024**	2023	2022
Balance at beginning of year		**₱28,627,819**	₱18,847,776	₱13,379,179
Impairment losses for the year	18	**-**	9,780,043	5,468,597
Balance at end of year		**₱28,627,819**	₱28,627,819	₱18,847,776

Allowance for impairment is mainly attributable to advances.

8. Investment Properties

This account consists of:

	Land	**Land Reclamation Costs**	**Total**
Cost			
Balance at beginning and end of year	₱21,385,768	₱5,859,396	₱27,245,164

Land
This consists of two parcels of land held for capital appreciation.

The fair value of investment properties amounted to ₱56.4 million as at December 31, 2024 and 2023. The fair value of investment properties has been internally determined by reference to other similar transactions in the market. 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 market value of the investment properties were arrived at using the market data approach. In this approach, the value of the investment property is determined based on the sales and listing of comparable properties registered in the vicinity which is classified as Level 2 hierarchy.

Land Reclamation Costs
On December 21, 2018, the CPC and the Province of Cavite entered into a Joint Venture Agreement for the reclamation of 1,332 hectares of land within the territorial jurisdiction of the Province of Cavite (see Note 24). Under the agreement, CPC shall be entitled to the 90% usable area of the raw land reclamation area. The Joint Venture Agreement shall end on the fifteenth (15th) anniversary of the effective date or sooner day as agreed by the Party.

CPC was able to obtain the area clearance for the land reclamation, however, permits are still being secured.

On January 31, 2019, the CPC and the City of Paranaque entered into a Joint Venture Agreement for the reclamation of 286.86 hectares of land in Manila Bay within the territorial jurisdiction of Paranaque City. Under the agreement, CPC shall be entitled to 49% of the reclaimed area. After the issuance of Notice to Proceed, CPC is required to start the Raw Land Reclamation Area within one (1) year and to complete within five (5) years from the commencement.

CPC was able to obtain the area clearance for the land reclamation, however, permits are still being secured.

In 2023, land reclamation costs amounting to ₱5.3 million recorded under "Deferred exploration cost" account was reclassified to investment properties. The reclassification is treated as non-cash investing activity in the consolidated statements of cash flows.

As at December 31, 2024 and 2023, the related land reclamation costs incurred by the Group amounted to ₱5.9 million.

9. Property, Plant and Equipment

Movements and balances of this account are presented below:

	2024						
	Land	**Mine Site Development Cost**	**Machineries, Transportation and Field Equipment**	**Building, Office Space and Improvements**	**Office Equipment, Furniture and Fixtures**	**Construction in Progress**	**Total**
Cost							
Balance at beginning of year	₱45,904,349	₱471,963,439	₱4,144,221,406	₱4,374,260,810	₱86,543,499	₱236,408,430	₱9,359,301,933
Additions	4,501,392	-	57,179,092	-	4,481,726	-	66,162,210
Balance at end of year	50,405,741	471,963,439	4,201,400,498	4,374,260,810	91,025,225	236,408,430	9,425,464,143
Accumulated depreciation and amortization							
Balance at beginning of year	-	156,186,350	549,102,954	188,896,556	32,840,358	-	927,026,218
Depreciation and amortization	-	12,629,188	231,005,243	199,327,294	4,503,062	-	447,464,787
Balance at end of year	-	168,815,538	780,108,197	388,223,850	37,343,420	-	1,374,491,005
Allowance for impairment loss							
Balance at beginning of year	-	-	-	-	146,932	215,092,985	215,239,917
Impairment loss	-	-	-	-	-	2,312,000	2,312,000
Balance at end of year	-	-	-	-	146,932	217,404,985	217,551,917
Carrying Amount	₱50,405,741	₱303,147,901	₱3,421,292,301	₱3,986,036,960	₱53,534,873	₱19,003,445	₱7,833,421,221

	2023						
	Land	Mine Site Development Cost	Machineries, Transportation and Field Equipment	Building, Office Space and Improvements	Office Equipment, Furniture and Fixtures	Construction in Progress	Total
Cost							
Balance at beginning of year	₱45,904,349	₱421,154,027	₱1,004,236,146	₱68,722,885	₱39,580,287	₱7,505,892,544	₱9,085,490,238
Additions	-	4,745,846	36,300,670	-	19,952,547	212,812,632	273,811,695
Reclassifications	-	46,063,566	3,103,684,590	4,305,537,925	27,010,665	(7,482,296,746)	-
Balance at end of year	45,904,349	471,963,439	4,144,221,406	4,374,260,810	86,543,499	236,408,430	9,359,301,933
Accumulated depreciation and amortization							
Balance at beginning of year	-	115,430,820	302,025,095	47,906,014	14,575,733	-	479,937,662
Depreciation and amortization	-	40,755,530	247,077,859	140,990,542	18,264,625	-	447,088,556
Balance at end of year	-	156,186,350	549,102,954	188,896,556	32,840,358	-	927,026,218
Allowance for impairment loss							
Balance at beginning and end of year	-	-	-	-	146,932	215,092,985	215,239,917
Carrying Amount	₱45,904,349	₱315,777,089	₱3,595,118,452	₱4,185,364,254	₱53,556,209	₱21,315,445	₱8,217,035,798

Construction in Progress

Construction in progress represents the construction and other direct costs incurred in relation with the cement plant project of CPCMC located in Cebu and other facilities under construction in Leyte for GNSDC's smelting plant.

The Group's mortgage loans of ₱3.5 million and ₱5.3 million as at December 31, 2024 and 2023, respectively, are collateralized by the Group's transportation equipment with a carrying amount of ₱5.2 million and ₱7.3 million, respectively as at December 31, 2024 and 2023, respectively (see Note 15).

The non-cash investing activities in 2022 pertains to the depreciation expense amounting to ₱2.9 million which was capitalized as part of the Group's construction in progress. There are no noncash investing activity related to depreciation in 2024 and 2023.

Advances for the transmission lines to be used in the Cement Plant amounting to ₱135.3 million was reclassified to "Property, plant and equipment" account when the Cement Plant was completed in 2023. This is a noncash investing activity.

Depreciation, amortization and depletion are allocated as follows:

	Note	**2024**	2023	2022
Capitalized:				
Inventories		**₱80,340,038**	₱72,211,920	₱45,631,003
Property, plant and equipment		**-**	-	2,937,190
Cost of sales	*17*	**341,709,638**	352,966,073	149,325,253
Operating expenses	*18*	**25,415,111**	21,910,563	38,496,551
		₱447,464,787	₱447,088,556	₱236,389,997

10. Explored Mineral Resources - net

This account is as follows:

	2024	2023
Cost	**₱2,016,756,977**	₱2,016,756,977
Accumulated depletion	**(799,186,011)**	(750,708,271)
	₱1,217,570,966	₱1,266,048,706

The movements in the accumulated depletion are as follows:

	2024	2023	2022
Balance at beginning of year	**₱750,708,271**	₱593,088,708	₱477,855,548
Depletion for the year	**48,477,740**	157,619,563	115,233,160
Balance at end of year	**₱799,186,011**	₱750,708,271	₱593,088,708

Explored mineral resources are part of the group of assets that the Parent Company acquired in 2008, in exchange for shares of stock of CPC. At acquisition date, these explored mineral resources were measured based on the expected cash flows from the explored area of about 400.0 hectares or 42.0% of total area covered by the MPSA.

Depletion of explored mineral resources is in profit or loss.

11. Deferred Exploration Costs

As at December 31,2023 movements of this account are as follows:

	Note	2023
Balance at beginning of year		₱51,346,671
Reclassification to mine site development cost	*9*	(46,063,566)
Reclassification to investment properties	*8*	(5,283,105)
Balance at end of year		₱-

Deferred exploration costs pertain to expenditures related to exploration for economic mineral deposits. These include, among others, costs of exploration and mining rights acquisition, geological, geochemical and geophysical surveys, drilling, labor, materials and supplies, professional fees, community relations, and environmental management expenditures attributable to the Cement and Limestone Project. Exploration activities are covered by a JOA entered by the Group with Philippine Mining Development Corporation (see Note 24).

As discussed in Note 1, CPMDC has started extraction and commercial disposition of limestone, pozzolan and other associated minerals in the quarry sites. Accordingly, the related costs were reclassified as part of mine site development cost under "Property, plant and equipment" account in the consolidated statements of financial position (see Note 9). This is a noncash investing activity in the consolidated statements of cash flows.

12. Other Noncurrent Assets

	Note	2024	2023
Rehabilitation funds	*22*	**₱54,543,407**	₱51,045,522
Security deposits	*22*	**36,483,431**	25,249,229
Investment in equity securities	*22*	**11,750,000**	11,750,000
Input VAT		-	23,755,657
Others		**1,791,948**	1,601,535
		₱104,568,786	₱113,401,943

Rehabilitation funds were set up by the Group to ensure availability of financial resources for the satisfactory compliance with and performance of activities of its Environmental Protection and Enhancement Program during the specific phases of its mining projects. The funds also include a Social Development Management Program fund under a Memorandum of Agreement with the Development Bank of the Philippines (DBP) and Land Bank of the Philippines (LBP).

The Group's rehabilitation funds are deposited with DBP and LBP and earn interest at the respective bank deposit rates. Interest income earned amounted to ₱4,097, ₱27, and ₱6,761 in 2024, 2023 and 2022, respectively. The fund balance is compliant with the required balance of MGB as at December 31, 2024 and 2023.

Security deposits pertain to the amount paid by the Group for Retail Electricity Supply Agreement for the electric supply in cement plant.

Investment in equity securities pertains to the Parent Company's ownership interest in Century Peak Hotel Management and Development Inc. formerly known as Century Peak Property Development, Inc. which is measured at cost.

13. Accounts Payable and Other Current Liabilities

This account consists of:

	2024	2023
Accounts payable	**₱1,953,981,653**	₱2,116,589,721
Accrued contractors' fees	**8,071,104**	8,071,104
Statutory payables	**2,567,448**	2,837,793
	₱1,964,620,205	₱2,127,498,618

The Group's accounts payable pertains to obligations for payment of goods and services that have been acquired from third party suppliers. The credit period on payables is normally on a 30 to 60 days term. Accrued contractors' fees pertain to unbilled costs of cement plant constructions.

14. Provision for Site Rehabilitation

The movements in this account are as follows:

	2024	2023
Balance at beginning of year	**₱23,672,814**	₱22,142,206
Accretion of interest	**2,212,038**	2,545,018
Additions	**-**	4,789,728
Actual rehabilitation cost	**-**	(5,804,138)
Balance at end of year	**₱25,884,852**	₱23,672,814

Group is required under its Environmental Compliance Certificate to perform rehabilitation of its mine and quarry operation sites. Accordingly, the Group recognized its estimated liability for mine site rehabilitation. The provision is calculated based on the Group's estimate of expected costs to be incurred to rehabilitate the sites and is measured at its present value using 7.23% to 9.93% effective interest rate.

In 2023, the present value of the total estimated costs of mine rehabilitation in the Group's Limestone Project amounting to ₱4.8 million computed upon initial recognition was capitalized as part of mine site development cost under "Property, plant and equipment" account in the consolidated statements of financial position (see Note 9). This is a non-cash investing activity in the consolidated statements of cash flows.

The accretion of interest amounted to ₱2.2 million, ₱2.5 million, and ₱2.0 million in 2024, 2023 and 2022, respectively (see Note 15).

15. Short-term Loan Payable and Mortgage Payable

Short-term Loan Payable

Movements of this account are as follows:

	2024	2023
Balance at beginning of year	**₱550,000,000**	₱450,000,000
Availments	**297,363,993**	100,000,000
Payments	**(154,136,135)**	-
Balance at end of year	**₱693,227,858**	₱550,000,000

The Group availed a short-term loan from a local bank to finance the Group's working capital requirements. The loan bears an effective interest rate of 9% to 9.50% in 2024 and 9.5% in 2023 which is payable within 28 to 60 days and renewable for another 28 to 60 days.

Mortgage Payable

The Group obtained loans from a local bank to finance its acquisition of transportation equipment. The carrying amount of these loans as at December 31, 2024 and 2023 are as follows:

	2024	2023
Balance at beginning of the year	**₱5,290,169**	₱3,735,274
Payments	**(1,749,081)**	(1,639,751)
Additions	**-**	3,194,646
Balance at end of year	**3,541,088**	5,290,169
Less: current portion	**2,480,830**	2,480,830
	₱1,060,258	₱2,809,339

These loans bear annual interest of 9.7% and payable monthly until 2025.

Mortgage payable is collateralized by a chattel mortgage on the Group's transportation equipment with carrying amount of ₱5.2 million and ₱7.3 million at December 31, 2024 and 2023, respectively (see Note 9).

Interest expense incurred are as follows:

	Note	2024	2023	2022
Short-term loan payable		**₱59,427,167**	₱52,574,518	₱3,578,486
Provision for site rehabilitation	*14*	**2,212,038**	2,545,018	2,000,110
Mortgage payable		**394,232**	504,847	115,834
		₱62,033,437	₱55,624,383	₱5,694,430

There was no accrued interest payable as at December 31, 2024 and 2023.

The schedule of maturities of loans of the Company as at December 31, 2024 and 2023 follows:

	2024	2023
Within one year	₱695,708,688	₱552,480,830
One to two years	1,060,258	2,099,130
Two to three years	-	710,209
	₱696,768,946	₱555,290,169

16. Revenues

This account pertains to the amount of revenue earned by the Group from the sale of cement products and nickel ores to customers. In 2024, 2023 and 2022, revenue recognized in consolidated profit or loss amounted to ₱3,067.6 million, ₱2,531.6 million and ₱1,081.3 million, respectively.

The Group's revenue is recognized at a point in time.

17. Cost of Sales

This account consists of:

	Note	2024	2023	2022
Cost of inventories		**₱962,506,534**	₱476,094,401	₱-
Utilities		**451,012,494**	384,100,240	17,162,789
Depreciation, depletion and amortization	*9*	**399,676,114**	432,408,840	168,902,110
Contractors' fees		**255,127,498**	488,869,597	14,114,568
Fuel and oil		**134,018,235**	97,615,882	211,627,356
Labor cost		**58,067,143**	98,399,955	97,087,391
Materials and supplies		**39,132,771**	6,997,212	13,412,102
Repairs and maintenance		**16,239,068**	13,166,892	9,605,602
Rent		**10,823,903**	41,856,541	139,926,929
Other charges		**541,794**	15,723,534	6,519,646
		₱2,327,145,554	₱2,055,233,094	₱678,358,493

Contractors' fees pertain to the expenses incurred related to the third-party contractors engaged by the Group to operate and/or manage the Group's mine sites.

Cost of inventories pertain to limestone and other raw materials inventories sold during the year.

Depreciation, amortization and depletion were from the following:

	Note	**2024**	2023	2022
Depreciation, amortization and depletion during the year	9	**₱341,709,638**	₱352,966,073	₱149,325,253
Beginning inventories sold during the year		**57,966,476**	79,442,767	19,576,857
		₱399,676,114	₱432,408,840	₱168,902,110

Rent consists of various lease agreements with third parties with terms of less than one (1) year. The rental expenses mainly pertain to the rental for dump trucks, backhoes, vessels and payloaders which were leased only when needed for the mining operations.

18. Operating Expenses

This account consists of:

	Note	**2024**	2023	2022
Freight and handling cost		**₱188,646,372**	₱45,461,625	₱13,323,262
Salaries, wages and employee benefits		**81,315,483**	41,817,015	39,745,424
Taxes and licenses		**44,939,288**	20,264,353	36,003,378
Rent		**38,139,500**	8,899,181	7,603,062
Depreciation and amortization	*9*	**25,415,111**	21,910,563	38,496,551
Service fees		**27,111,664**	682,405	3,730,431
Materials and office supplies		**24,172,790**	16,889,599	4,002,849
Professional fees		**16,357,956**	18,039,392	26,464,662
Excise tax		**15,883,834**	32,997,016	34,840,238
Representation		**13,932,193**	3,360,799	11,448,330
Royalty Tax		**8,136,885**	40,598,759	43,848,632
Document and processing fees		**5,312,506**	1,948,130	4,737,499
Transportation and travel		**5,056,381**	11,663,794	5,483,869
Impairment loss on property and equipment	*8*	**2,312,000**	-	-
Impairment loss on advances to employees and others	*7*	**-**	9,780,043	5,468,597
Impairment loss of input VAT	*12*	**-**	-	6,749,566
Others		**32,613,574**	24,039,560	31,546,378
		₱529,345,537	₱298,352,234	₱313,492,728

Freight and handling pertain to transportation expense incurred for the delivery of the Group's products.

Salaries, wages and benefits include retirement expense amounting to ₱0.7 million, ₱1.9 million and ₱7.7 million in 2024, 2023 and 2022, respectively.

Royalty tax and excise tax pertain to the tax imposed on the sale of mineral resources, which is 5% and 4%, respectively, of the assessed value of MGB.

The Group's retirement plan is unfunded, noncontributory defined benefit plan with a single lump-sum payment covering retirement based on RA No. 7641. The retirement benefits recognized are based of service and compensation on the last year of employment. In 2024, the Group paid retirement benefits amounting to ₱1.1 million.

The Group did not obtain an actuarial valuation in 2024, 2023 and 2022 because the management has assessed that the effect on the consolidated financial statements of the difference between the retirement benefits expense recognized by the Group and resulting from actuarial valuation will not be significant.

Others include allowances to contractual workers and various items that are individually immaterial.

19. Income Taxes

Current tax expense in 2023, 2022 and 2021 pertains to regular corporate income tax.

The reconciliation of income tax expense (benefit) computed at the statutory tax rates to income tax expense (benefit) recognized in consolidated profit or loss is summarized as follows:

	2024	2023	2022
Income tax expense (benefit) computed at statutory tax rate	**₱37,500,281**	₱40,167,355	(₱11,697,641)
Income subjected to income tax holiday	**(47,630,361)**	(20,611,264)	-
Income tax effects of:			
Change in unrecognized deferred tax assets	**11,550,629**	7,464,414	19,516,719
Nondeductible expenses	**1,961,717**	2,448,297	36,899,986
Interest income subjected to final tax	**(14,535)**	(10,473)	(7,295)
Nontaxable income	**-**	(550,926)	-
Effect of change in tax rate	**-**	(29,959)	-
	₱3,367,731	₱28,877,444	₱44,711,769

The components of the Group's deferred tax assets recognized in the consolidated statements of financial position are as follows:

2024	**January 1**	**Recognized in Consolidated Profit or Loss**	**December 31**
Provision for site rehabilitation - net	**₱4,634,197**	**₱460,176**	**₱5,094,373**
Provision for impairment loss	**3,041,390**	**-**	**3,041,390**
Unrealized foreign exchange loss	**242,653**	**-**	**242,653**
Deferred Tax Assets	**₱7,918,240**	**₱460,176**	**₱8,378,416**

2023	January 1	Recognized in Consolidated Profit or Loss	December 31
Provision for site rehabilitation - net	₱5,535,552	(₱901,355)	₱4,634,197
Provision for impairment loss	3,041,390	-	3,041,390
Unrealized foreign exchange loss	(20,606)	263,259	242,653
Deferred Tax Assets	₱8,556,336	(₱638,096)	₱7,918,240

In 2024 and 2023, deferred tax assets have not been recognized by the Group in respect of the following items, as is it not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

	2024	2023
NOLCO	**₱165,192,725**	₱152,833,018
Provision for site rehabilitation	**24,340,929**	24,340,929
Provision for impairment loss	**12,165,556**	12,165,560
Unrealized foreign exchange loss	**-**	809,074
	₱201,699,210	₱190,148,581

NOLCO

The Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 25-2020 to implement Section 4 (b) of RA No. 11494, *Bayanihan to Recover as One Act*, which provides that the NOLCO incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss. The said RR also defined taxable years 2020 and 2021 to include those corporations with fiscal years ending on or before June 30, 2021 and June 30, 2022, respectively.

Details of the Company's NOLCO covered by RR No. 25-2020 are as follows:

Year Incurred	Amount	Expired	Applied	Balance	Expiry Year
2021	₱22,231,943	₱-	₱-	₱22,231,943	2026
2020	14,871,732	-	-	14,871,732	2025
	₱37,103,675	₱-	₱-	₱37,103,675	

Details of the Company's NOLCO not covered by RR No. 25-2020 which could be carried over as a deduction from the Company's future taxable income for the next three (3) succeeding taxable years is as follows:

Year Incurred	Amount	Expired	Applied	Balance	Expiry Year
2024	₱49,832,912	₱-	₱-	₱49,832,912	2027
2023	31,503,573	-	-	31,503,573	2026
2022	85,388,599	-	-	85,388,599	2025
	₱166,725,084	₱-	₱-	₱166,725,084	

In 2023, the Group applied NOLCO amounting to ₱5,619,052 against taxable income.

20. Equity

Capital Stock

	Number of Shares	Amount
Authorized, ₱1.0 par value	**3,575,000,000**	**₱3,575,000,000**
Issued and outstanding	**2,820,330,450**	**₱2,820,330,450**

CPHC has 223 holders of common equity securities as at December 31, 2024 and 2023, respectively.

Noncontrolling Interest (NCI)

The following table summarizes the information relating to the Group's subsidiaries:

	2024		
	GNSDC	**CPDC**	**CSCI**
NCI percentage	**45%**	**40%**	**20%**
Current assets	**₱738,772**	**₱118,959,471**	**₱21,642,849**
Noncurrent assets	**33,830,000**	**-**	**135,747,325**
Current liabilities	**196,158,336**	**353,244**	**199,204,547**
Net assets (liabilities)	**(₱161,589,564)**	**₱118,606,227**	**(₱41,814,373)**
Carrying amount of NCI	**(₱72,715,304)**	**₱47,442,491**	**(₱8,362,875)**
Revenue	**₱-**	**₱-**	**₱-**
Net loss/total comprehensive loss	**(4,282,419)**	**(1,148,176)**	**(22,289,146)**
Net loss/total comprehensive loss allocated to NCI	**(₱1,927,089)**	**(₱459,270)**	**(₱4,457,829)**
Cash flows from operating activities	**(₱1,983,389)**	**(₱1,148,176)**	**(₱25,411,607)**
Cash flows from a financing activity	**1,983,389**	**1,148,176**	**25,411,607**
Net decrease in cash	**₱-**	**₱-**	**₱-**

	2023		
	GNSDC	CPDC	CSCI
NCI percentage	45%	40%	20%
Current assets	₱-	₱119,841,450	₱31,749,013
Noncurrent assets	36,772,812	119,754,403	103,088,140
Current liabilities	194,079,957	87,047	154,362,380
Net assets (liabilities)	(₱157,307,145)	₱239,508,806	(₱19,525,227)
Carrying amount of NCI	(₱70,788,215)	₱95,803,522	(₱3,905,045)
Revenue	₱-	₱-	₱18,000,000
Net loss/total comprehensive loss	(1,679,968)	(87,047)	5,601,697
Net loss/total comprehensive loss allocated to NCI	(₱755,986)	(₱34,819)	₱1,120,341
Cash flows from operating activities	(₱1,661,522)	(₱44,491)	₱8,878,652
Cash flows from a financing activity	1,661,522	44,491	(8,878,652)
Net decrease in cash	₱-	₱-	₱-

21. Related Party Transactions

The following are the significant related party transactions and balances:

	Nature of Transaction	Amount of Transactions 2024	Amount of Transactions 2023	Outstanding Balance 2024	Outstanding Balance 2023	Terms and Conditions
Due from a Related Party						
Entity under common control	Advances	**₱84,880**	₱5,600	**₱34,607,932**	₱34,523,052	Noninterest-bearing; Unsecured; Collectible on demand and settled in cash; No impairment
Due to a Related Party						
Stockholder	Advances for working capital	**₱-**	₱-			
	Reclassification to deposit for future stocks subscription	**(5,000,000,000)**	-	**₱690,053,709**	₱5,817,974,323	Noninterest-bearing; Unsecured; Payable on demand and settled in cash

a. The Group initially pays for the expenses incurred by its related party. Outstanding balance amounting to ₱34.6 million and ₱34.5 million as at December 31, 2024 and 2023, respectively will be settled cash.

b. Noninterest-bearing cash advances from stockholders were used by the Group to finance its working capital requirements and are to be settled in cash.

Based on PIC Q&A 2011-03 (amended June 2020): *Accounting for Intercompany Loans*, the loan which is payable on demand, shall be classified by the borrower as current. In both initial recognition and subsequent measurement, the borrower shall record the loan liability at the amount repayable.

As at December 31, 2024 and 2023, the Group classified its liability to stockholders amounting to ₱690.0 million and ₱5,818.0 million, respectively, as current liability in consolidated statements of financial position.

In 2024, the advances of a stockholder in CPCMC amounting to ₱5,000.0 million was reclassified to deposit for future stocks subscription. The reclassification is treated as noncash activity in the consolidated statements of cash flows.

Reconciliation of Due to a Related Party

	2024	2023
Balance at beginning of year	**₱5,817,974,323**	₱6,388,608,722
Reclassification	**(5,000,000,000)**	-
Payment	**(127,920,615)**	(570,634,399)
Balance at end of year	**₱690,053,708**	₱5,817,974,323

Outstanding balance of due to stockholders is to be settled through cash. There have been no guarantees provided or received for any related party receivables or payables. The Group has no provision for expected credit losses relating to amounts owed by related parties in 2024, 2023 and 2022.

Key management compensation in 2024, 2023 and 2022 amounted to ₱4.0 million.

22. Financial Risk and Capital Management Objectives and Policies

Financial Risk Management

Overview
The Group's financial instruments consist of cash in banks, accounts receivable, due from a related party, deposits, rehabilitation funds, investment in equity security, accounts payable and other current liabilities, due to a related party, short term payable, mortgage payable and other noncurrent liability. The main purpose of these financial instruments is to finance the Group's current operations. The main risks arising from the use of these financial instruments are credit risk, liquidity risk and market risk.

Risk Management Framework
The BOD and management have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

There were no changes in the Group's objectives, policies and processes for managing the risk and the methods used to measure the risk from previous year.

Credit Risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's cash in banks and rehabilitation funds.

The Group's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of the financial assets, net of the value of the collaterals, if any. The carrying amount of financial assets represents the maximum credit exposure.

With respect to the credit risk arising from cash in banks, accounts receivable, due from a related party, deposits and rehabilitation funds, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of this instrument.

Financial information on the Group's maximum exposure to credit risk as at December 31, 2024 and 2023 is presented below.

	Note	2024	2023
Cash in banks	*4*	**₱464,439,238**	₱14,986,016
Accounts receivable	*5*	**239,707,517**	92,670,877
Due from a related party	*21*	**34,607,932**	34,523,052
Deposits	*12*	**36,483,431**	25,249,229
Rehabilitation funds	*12*	**54,543,407**	51,045,522
		₱829,781,525	₱218,474,696

The Group's exposure to credit risk arises principally from the credit risk that arises from default by counterparties.

The table below shows the credit quality by class of financial assets as at December 31, 2024 and 2023.

	2024				
	Neither Past Due nor Impaired				
	High Grade	**Standard Grade**	**Past Due but not Impaired**	**Past Due and Impaired**	**Total**
Financial Assets at Amortized Cost					
Cash in banks	**₱464,439,238**	**₱-**	**₱-**	**₱1,645,073**	**₱466,084,311**
Accounts receivable	**-**	**239,707,517**	**-**	**-**	**239,707,517**
Due from a related party	**-**	**34,607,932**	**-**	**-**	**34,607,932**
Deposits	**-**	**36,483,431**	**-**	**-**	**36,483,431**
Rehabilitation funds	**-**	**54,543,407**	**-**	**-**	**54,543,407**
	₱464,439,238	**₱365,342,287**	**₱-**	**₱1,645,073**	**₱831,426,598**

	2023				
	Neither Past Due nor Impaired				
	High Grade	Standard Grade	Past Due but not Impaired	Past Due and Impaired	Total
Financial Assets at Amortized Cost					
Cash in banks	₱14,986,016	₱-	₱-	₱1,645,073	₱16,631,089
Accounts receivable	-	92,670,877	-	-	92,670,877
Due from a related party	-	34,523,052	-	-	34,523,052
Deposits	-	25,249,229	-	-	25,249,229
Rehabilitation funds	-	51,045,522	-	-	51,045,522
	₱14,986,016	₱203,488,680	₱-	₱1,645,073	₱220,119,769

The Group applies the simplified approach using provision matrix in providing for ECL, which permits the use of the lifetime expected loss provision for financial assets. The expected loss rates are based on the Group's historical observed default rates. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. However, given the short period exposed to credit risk, the impact of this macroeconomic factor has not been considered significant within the reporting period.

Impairment losses are estimated by taking into consideration the following deterministic information: (a) historical losses/write off; (b) losses which are likely to occur but has yet to occur; and (c) the expected receipts and recoveries once impaired.

Cash in banks and rehabilitation fund of the Group are deposited to banks that qualify as universal banks as defined by the Philippine Banking System. Universal banks represent the largest single group, resource-wise, of financial institutions in the country and hence, considered stable.

Except for the dormant cash in banks, all the cash deposited in banks including the rehabilitation fund has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash in banks and rehabilitation fund have low credit risk based on the external credit ratings of the counterparties and any ECL is expected to be immaterial.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources. Cash balances are managed with two main objectives: maintain maximum liquidity and minimize the cost of borrowing.

Exposure to Liquidity Risk

The following tables summarize the maturity of the Group's financial liabilities as at December 31, 2024 and 2023 based on contractual repayment arrangements:

	2024			
	Carrying Amount	**Contractual Cash Flows**	**Within One Year**	**More than One Year**
Accounts payable and other current liabilities*	**₱1,962,052,757**	**₱1,962,052,757**	**₱1,962,052,757**	**₱-**
Short-term loan payable	**693,227,858**	**693,227,858**	**693,227,858**	**-**
Mortgage payable	**3,541,088**	**3,541,088**	**2,480,830**	**1,060,258**
Due to a related party	**690,053,709**	**690,053,709**	**690,053,709**	**-**
	₱3,347,763,835	**₱3,347,763,835**	**₱3,346,703,577**	**₱1,060,258**

**Excluding statutory payables amounting to ₱2,567,448.*

	2023			
	Carrying Amount	Contractual Cash Flows	Within One Year	More than One Year
Accounts payable and other current liabilities*	₱2,124,660,825	₱2,124,660,825	₱2,124,660,825	₱-
Short-term loan payable	550,000,000	550,000,000	550,000,000	-
Mortgage payable	5,290,169	5,861,570	2,875,776	2,985,794
Due to a related party	5,817,974,323	5,817,974,323	5,817,974,323	-
Other noncurrent liability	1,046,325	1,046,325	-	1,046,325
	₱8,498,971,642	₱8,499,543,043	₱8,495,510,924	₱4,032,119

**Excluding statutory payables amounting to ₱2,837,793.*

It is not expected that the cash flows included in the maturity analysis could occurs significantly earlier, or at significantly different amounts.

The stockholder to which the Group substantially owes the outstanding balance of due to related party committed not to demand repayment of advances made to the Group for twenty-four (24) months from the date of the letter of support which was executed on May 3, 2024 except insofar as the funds of the Group permit repayment and such payment will not affect the ability of the Group to carry on its business. The stockholder will also provide financial support to the Group for a period of twenty-four (24) months from the date that the Group's financial statements are approved by the BOD.

The Group has an existing peso credit line facility with Sterling Bank of Asia, Inc. (A Savings Bank) with a credit limit of ₱655,000,000 which shall expire on September 30, 2025 unless otherwise extended or renewed by the bank. The said credit facility will be available subject to terms and conditions set out in the agreement between the Group and Sterling Bank of Asia, Inc.

Capital Management
The primary objective of the Group's capital management is to maximize the value of its capital for the benefit of its shareholders and other stakeholders. In order to achieve the objective, the management of the Group reviews its operations and financial performance with the forecasts on a regular basis to ensure that appropriate measures can be taken on a timely and effective manner. In addition, management of the Group also meets regularly to review the Group's capital requirement and the reasonableness of the level of its capital to be maintained.

CPHC is compliant with the minimum public float of 20% that is required by the PSE, where CPHC's shares are traded.

There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

Fair Values
The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

Cash in Banks, Accounts Receivable, Due from a Related Party, Deposits, Rehabilitation Funds, Mortgage Payable and Other Noncurrent Liability
The carrying amounts approximate fair values considering that these instruments are subject to an insignificant risk of change in value.

Due to a Related Party, and Accounts Payable and Other Current Liabilities (excluding statutory payables) and Short-term Loan Payable
The carrying amounts approximate fair values due to the short-term nature of such instruments.

Investment in Equity Securities
Fair values of unquoted equity investments are best approximated by cost due to the unpredictable nature of future cash flows and lack of suitable methods of arriving at more reliable fair value estimate.

23. Earnings (Loss) Per Share Computation

The following table presents information necessary to calculate loss per share:

	2024	2023	2022
Income (loss) attributable to equity holders of the Parent Company (a)	**₱103,727,560**	(₱65,321,882)	(₱88,073,231)
Weighted average number of common shares outstanding (b)	**2,820,330,450**	2,820,330,450	2,820,330,450
Basic/diluted earnings (loss) per share (a/b)	**₱0.0368**	(₱0.0232)	(₱0.0312)

The Parent Company has no dilutive shares for the years ended December 31, 2024, 2023 and 2022.

24. JOA with PMDC

On November 18, 2010, CPC entered into a JOA with PMDC, whereby CPC will act as the operator in the exploration, development, mining operation and utilization of the limestone and associated mineral deposits in Toledo and Pinamungahan, Cebu owned by PMDC. The mineral deposit has a total area of 4,795 hectares and is covered by MPSA-045-96-VII and MPSA-046-96-VII.

The agreement has a term of 25 years and will entitle PMDC to a fixed annual royalty rate of 3% of gross sales from the limestone project, whereas CPC shall be entitled to all the risks and rewards in the mining operations. By virtue of the Agreement, CPC shall not acquire any title or ownership over the contract nor the mining area.

25. Operating Segment

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the services produced. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

In 2024 and 2023, the Group has engaged in cement manufacturing and trading of cement products. In this regard, this has been an additional segment of the Group.

In 2022, the Group has only one segment representing sale of nickel ores.

<u>Business Segments</u>
The Group's main businesses are as follows:

- The mining segment is involved in the operation of production of nickel mineral ore and conversion of mineral resources in Dinagat island.

- The cement manufacturing segment is involved in the operations the cement manufacturing plant and sale of cement products in Cebu.

- Holding pertains to the operations of the head office.

The following tables present revenue and expense information and certain assets and liabilities information regarding the different business segments as at and for the year ended December 31, 2024 and 2023:

	As at and for the Period Ended December 31, 2024				
	Mining	**Cement**	**Holding**	**Eliminations**	**Total**
Revenues	**₱394,367,473**	**₱2,723,695,477**	**₱-**	**(₱50,451,914)**	**₱3,067,611,036**
Cost and expenses	**(397,432,003)**	**(2,488,980,703)**	**(20,530,301)**	**1,974,176**	**(2,904,968,831)**
Income (loss) before other income (charges)	**(3,064,530)**	**234,714,774**	**(20,530,301)**	**(48,477,738)**	**162,642,205**
Interest income	**10,886**	**39,873**	**7,378**	**-**	**58,137**
Interest expense	**(2,606,270)**	**(44,900,084)**	**(14,527,083)**	**-**	**(62,033,437)**
Income (loss) before income tax	**(5,659,914)**	**189,854,563**	**(35,050,006)**	**(48,477,738)**	**100,666,905**
Income tax expense (benefit)					
Current	**3,827,907**	**-**	**-**	**-**	**3,827,907**
Deferred	**(460,176)**	**-**	**-**	**-**	**(460,176)**
	3,367,731	**-**	**-**	**-**	**3,367,731**
Net income (loss)	**(₱9,027,645)**	**₱189,854,563**	**(₱35,050,006)**	**(₱48,477,738)**	**₱97,299,174**
Assets and Liabilities					
Segment assets	**₱741,537,236**	**₱902,290,239**	**₱3,239,107,674**	**(₱3,069,366,643)**	**₱1,813,568,506**
Explored mineral resources	**-**	**-**	**-**	**1,217,570,966**	**1,217,570,966**
Property, plant and equipment	**332,029,467**	**7,292,633,871**	**34,821,419**	**173,936,464**	**7,833,421,221**
Total assets	**₱1,073,566,703**	**₱8,194,924,110**	**₱3,273,929,093**	**(₱1,677,859,213)**	**₱10,864,560,693**
Segment liabilities/ Total liabilities	**₱674,559,113**	**₱7,495,660,389**	**₱404,511,244**	**(₱185,998,833)**	**₱8,388,731,913**

	As at and for the Period Ended December 31, 2023				
	Mining	Cement	Holding	Eliminations	Total
Revenues	₱1,046,519,884	₱1,536,963,218	₱-	(₱51,836,697)	₱2,531,646,405
Cost and expenses	(929,203,918)	(1,459,810,706)	(16,407,401)	(105,782,866)	(2,511,204,891)
Income (loss) before other income (charges)	117,315,966	77,152,513	(16,407,401)	(157,619,563)	20,441,514
Interest income	7,057	24,176	10,656	-	41,889
Interest expense	(3,049,865)	(38,461,042)	(14,113,476)	-	(55,624,383)
Foreign exchange losses	(973,059)	-	(863)	-	(973,922)
Income (loss) before income tax	113,300,099	38,715,647	(30,511,084)	(157,619,563)	(36,114,902)
Income tax expense (benefit)					
Current	28,239,348	-	-	-	28,239,349
Deferred	638,096	-	-	-	638,096
	28,877,444	-	-	-	28,877,444
Net income (loss)	₱84,422,655	₱38,715,647	(₱30,511,084)	(₱157,619,563)	(₱64,992,346)
Assets and Liabilities					
Segment assets	₱681,999,194	₱807,749,170	₱3,217,377,697	(₱3,248,389,654)	₱1,458,736,407
Explored mineral resources	-	-	-	1,266,048,707	1,266,048,707
Property, plant and equipment	450,051,750	7,556,786,742	37,526,510	172,670,796	8,217,035,798
Total assets	₱1,132,050,944	₱8,364,535,912	₱3,254,904,207	(₱1,809,670,151)	₱10,941,820,912
Segment liabilities/ Total liabilities	₱725,047,911	₱7,855,456,903	₱ 349,273,523	(₱ 366,487,031)	₱8,563,291,306

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REPORT OF INDEPENDENT AUDITOR
ON RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION

The Board of Directors and Stockholders
Century Peak Holdings Corporation
17" Floor, AIA Tower (formerly Philamlife Tower)
8767 Paseo de Roxas, Barangay Bel-Air
Makati City, Philippines

We have audited the accompanying consolidated financial statements of Century Peak Holdings Corporation and Subsidiaries (the Group) as at and for the year ended December 31, 2024, on which we have rendered our report dated April 29, 2025. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The reconciliation of retained earnings available for dividend declaration as at December 31, 2024 is presented for purposes of complying with the revised Securities Regulation Code Rule 68 and is not part of the consolidated financial statements. Such schedule is the responsibility of management. The schedule has been subjected to the auditing procedures applied in our audit of the consolidated financial statements. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

BDO CMC

Ezra L. Panopio
Ezra L. Panopio
Partner
CPA Certificate No. 0125488
Tax Identification No. 294-213-772
BOA Accreditation No. 9289/P-004 issued on March 18, 2025
effective until September 15, 2026
BIR Accreditation No. 08-008047-000-2025, issued on March 12, 2025
effective until March 11, 2028
PTR No. 10511402, issued February 5, 2025, Makati City

April 29, 2025
Makati City

CENTURY PEAK HOLDINGS CORPORATION

SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
FOR THE YEAR ENDED DECEMBER 31, 2024

Unappropriated Retained Earnings, beginning	**₱89,758,597**
Less: Deferred Tax Benefit	**-**
Unappropriated Retained Earnings, as adjusted, beginning	**89,758,597**
Net loss for the current year based on the face of AFS	**(29,619,411)**
Less: Non-actual/unrealized income, net of tax:	
Deferred income tax benefit for the year	-
Equity in net income of associate/ joint venture	-
Unrealized foreign exchange gain - after tax (except those attributable to cash and cash equivalents)	-
Fair value adjustment (M2M gains)	-
Fair value adjustment of Investment Property resulting in gain	-
Adjustment due to deviation from PFRS/GAAP - gain	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-
Subtotal	-
Add: Non-actual losses, net of tax:	
Depreciation on revaluation increment (after tax)	-
Adjustment due to deviation from PFRS/GAAP - loss	-
Loss on fair value adjustment of investment property (after tax)	-
Subtotal	-
Net income actually earned during the year	**(29,619,411)**
Add (Less):	
Dividend declaration during the period	-
Appropriations of retained earnings during the period	-
Reversals of appropriations	-
Treasury shares	-
Subtotal	-
Unappropriated Retained Earnings, as adjusted, ending	**₱60,139,186**

CENTURY PEAK HOLDINGS CORPORATION

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Total Audit Fees	**₱2,945,600**	₱3,713,066
Non-audit services fees:		
Other assurance services	**-**	-
Tax services	**-**	-
All others services	**-**	-
Total Non-audit Fees	**-**	-
Total Audit and Non-audit Fees	***₱2,945,600***	***₱3,713,066***

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REPORT OF INDEPENDENT AUDITOR
ON SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
Century Peak Holdings Corporation
17th Floor, AIA Tower (formerly Philamlife Tower)
8767 Paseo de Roxas, Barangay Bel-Air
Makati City, Philippines

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Century Peak Holdings Corporation and Subsidiaries (the Group) as at December 31, 2024 and for the period then ended, and have issued our report thereon dated April 29, 2025.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements of the Group taken as a whole. The supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies.

This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted (see Annex A).

BDO CMC

Ezra L. Panopio

Ezra L. Panopio
Partner
CPA Certificate No. 0125488
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Makati City

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
CENTURY PEAK HOLDINGS CORPORATION AND SUBSIDIARIES
AS AT DECEMBER 31, 2024 AND 2023

RATIO	FORMULA		2024	FORMULA		2023
Current ratio	Total Current Assets divided by Total Current Liabilities		**0.50:1**	Total Current Assets divided by Total Current Liabilities		0.15:1
	Total current assets	₱1,673,376,140		Total current assets	₱1,310,171,061	
	Divide by Total current Liabilities	3,352,646,678		Divide by Total current liabilities	8,526,182,767	
	Current Ratio	0.50		Current Ratio	0.15	
Acid test ratio	Quick Assets *(Total Current Assets less Inventories and Other Current Assets)* divided by Total Current Liabilities		**0.22:1**	Quick Assets *(Total Current Assets less Inventories and Other Current Assets)* divided by Total Current Liabilities		0.02:1
	Total Current assets	₱1,673,376,140		Total Current assets	₱1,328,106,662	
	Less: Inventories	(462,518,049)		Less: Inventories	(704,854,931)	
	Other current assets	(472,103,404)		Other current assets	(480,969,270)	
	Quick assets	738,754,687		Quick assets	142,282,461	
	Divided by: Total current liabilities	3,352,646,678		Divided by: Total current Liabilities	8,526,182,767	
	Acid test ratio	0.22		Acid test ratio	0.02	
Solvency ratio	[Net income (loss) plus non-cash expenses (income)] divided by Total liabilities		**0.08**	[Net income (loss) plus non-cash expenses (income)]) divided by Total liabilities		0.07
	Net Income	₱97,299,174		Net Loss	(₱64,992,346)	
	Add (less):			Add (less):		
	Depletion of explored mineral resources	48,477,740		Depletion of explored mineral resources	157,619,563	
	Depreciation, amortization, impairment and depletion of property and equipment	449,776,787		Depreciation, amortization and depletion of property and equipment	447,088,556	
	Interest expense	62,033,437		Interest expense	55,624,383	
	Income before non-cash expenses	657,587,138		Income before non-cash expenses	595,340,156	
	Divided by: Total Liabilities	8,388,731,913		Divided by: Total Liabilities	8,563,291,306	
	Solvency ratio	0.08		Solvency ratio	0.07	
Debt-to-equity ratio	Total liabilities divided by Total equity		**3.39:1**	Total liabilities divided by Total equity		3.60:1
	Total liabilities	₱8,388,731,913		Total liabilities	₱8,563,291,306	
	Divided by: Total equity	2,475,828,780		Divided by: Total equity	2,378,529,606	
	Debt-to-equity ratio	3.39		Debt-to-equity ratio	3.60	
Asset-to-equity ratio	Total assets divided by Total equity		**4.39:1**	Total assets divided by Total equity		4.60:1
	Total assets	₱10,864,560,693		Total assets	₱10,941,820,912	
	Divided by: Total equity	2,475,828,780		Divided by: Total equity	2,378,529,606	
	Asset-to-equity ratio	4.39		Asset-to-equity ratio	4.60	

Forward

RATIO	FORMULA	2024	FORMULA	2023
Interest rate coverage ratio	Earnings before interest and taxes/Interest expense Net Income ₱97,299,174 Add (less): Income tax expense 3,367,731 Interest income (58,137) Interest expense 62,033,437 Income before interest and taxes 162,642,205 Divided by: Interest expense 62,033,437 Interest rate coverage ratio 2.62	**2.62:1**	Earnings before interest and taxes/Interest expense Net Loss (₱64,992,346) Add (less): Income tax expense 28,877,444 Interest income (41,889) Interest expense 55,624,383 Loss before interest and taxes 19,467,592 Divided by: Interest expense 55,624,383 Interest rate coverage ratio 0.35	**0.35:1**
Return on equity	Net income (loss) divide by Total equity Net income ₱97,299,174 Divided by: Total equity 2,475,828,780 Return on equity 0.02	**0.02:1**	Net income (loss) divided by Total equity Net income (₱64,992,346) Divided by: Total equity 2,378,529,606 Return on equity -0.03	-0.03:1
Return on assets	Net income (loss) divided by Total assets Net Income ₱97,299,174 Divided by: Total assets 10,864,560,693 Return on assets 0.01	**0.01:1**	Net income (loss) divided by Total assets Net Income (₱64,992,346) Divided by: Total assets 10,941,820,912 Return on assets -0.01	-0.01:1
Net Profit Margin	Net income (loss) divided by Net Sales Net income ₱97,299,174 Divided by: Net sales 3,067,611,036 Net Profit Margin 0.03	**0.03:1**	Net income (loss) divided by Net Sales Net income (₱64,992,346) Divided by: Net sales 2,531,646,405 Net Profit Margin -0.03	-0.03:1

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REPORT OF INDEPENDENT AUDITOR
TO ACCOMPANY SUPPLEMENTARY INFORMATION FOR FILING
WITH THE SECURITIES AND EXCHANGE COMMISSION

The Board of Directors and Stockholders
Century Peak Holdings Corporation
17th Floor, AIA Tower (formerly Philamlife Tower)
8767 Paseo de Roxas, Barangay Bel-Air
Makati City, Philippines

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Century Peak Holdings Corporation and Subsidiaries (the Group) as at and for the year ended December 31, 2024, included in the Form 17-A, and have issued our report thereon dated April 29, 2025.

Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements of the Group taken as a whole. The supplementary information is the responsibility of the Group's management. This supplementary information is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly states, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

BDO CMC

Ezra L. Panopio
Partner
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Makati City

CENTURY PEAK HOLDINGS CORPORATION AND SUBSIDIARIES
(FORMERLY CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES)
SCHEDULE A. FINANCIAL ASSETS

Name of issuing entity and association of each issue (i)	Number of shares or principal amount of bonds and notes	Amount shown in the Consolidated Statement of Financial Position (ii)	Income received and accrued
Century Peak Hotel Management and Development, Inc.	117,500 shares	₱11,750,000	Nil
Totals		₱11,750,000	Nil

CENTURY PEAK HOLDINGS CORPORATION AND SUBSIDIARIES
(FORMERLY CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES)
SCHEDULE B. AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected (i)	Amounts written off (ii)	Current	Not Current	Balance at end of period

NOT APPLICABLE

CENTURY PEAK HOLDINGS CORPORATION AND SUBSIDIARIES
(FORMERLY CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES)
SCHEDULE C. AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected (i)	Amounts written off (ii)	Current	Not Current	Balance at end of period

NOT APPLICABLE

CENTURY PEAK HOLDINGS CORPORATION AND SUBSIDIARIES
(FORMERLY CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES)
SCHEDULE D. LONG TERM DEBT

Title of issue and type of obligation (i)	Amount authorized by indenture	Amount shown under caption "current portion of long-term debt" in related Statement of Financial Position (ii)	Amount shown under caption "long-term debt" in related Statement of Financial Position (iii)
Mortgage payable	₱3,541,088	₱2,480,830	₱1,060,258

CENTURY PEAK HOLDINGS CORPORATION AND SUBSIDIARIES
(FORMERLY CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES)
SCHEDULE E. INDEBTEDNESS TO RELATED PARTIES (LONG TERM LOANS FROM RELATED PARTIES)

Name of Related Parties (i)	Balance at beginning of period	Balance at end of period (ii)

NOT APPLICABLE

CENTURY PEAK HOLDINGS CORPORATION AND SUBSIDIARIES
(FORMERLY CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES)
SCHEDULE F. GUARANTEES OF SECURITIES OF OTHER ISSUERS

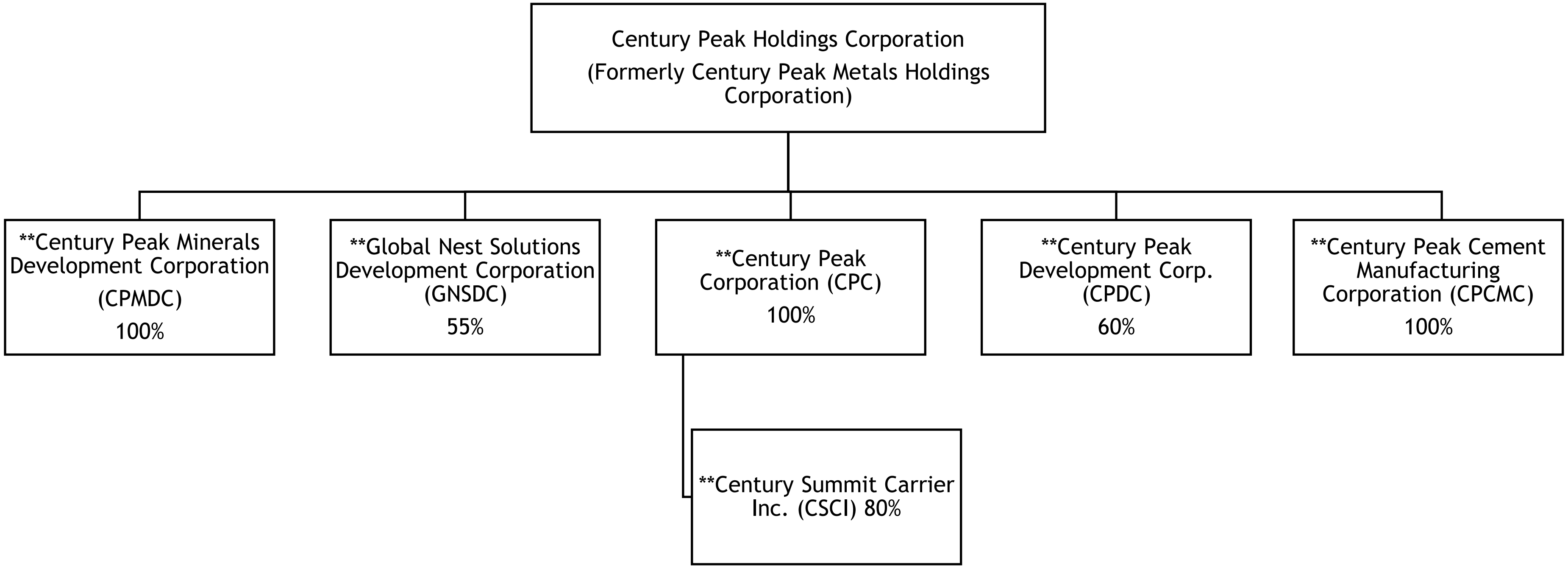
Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding (i)	Amount owned by person for which statement is filed	Nature of guarantee (ii)

NOT APPLICABLE

CENTURY PEAK HOLDINGS CORPORATION AND SUBSIDIARIES
(FORMERLY CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES)
SCHEDULE G. CAPITAL STOCK

Title of Issue (i)	Number of Shares authorized	Number of shares issued and outstanding at shown under related Statement of Financial Position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related Parties (ii)	Directors, officers and employees	Others (iii)
Common Shares	3,575,000,000	2,820,330,450	-	-	1,908,578,503	911,751,947
Totals	**3,575,000,000**	**2,820,330,450**	**-**	**-**	**1,908,578,503**	**911,751,947**

CENTURY PEAK HOLDINGS CORPORATION AND SUBSIDIARIES
(FORMERLY CENTURY PEAK METALS HOLDINGS CORPORATION AND SUBSIDIARIES)
COMPANY STRUCTURE



- **Century Peak Holdings Corporation has been incorporated on December 30, 2003**
- **Century Peak Mineral Development Corp. has been incorporated on September 17, 2015**
- **Global Nest Solutions Development Corporation has been incorporated on January 14, 2008**
- **Century Peak Corporation has been incorporated on March 30, 2006**
- **Century Peak Development Corp. has been incorporated on September 6, 2011**
- **Century Peak Cement Manufacturing Corporation has been incorporated on September 17, 2015**
- **Century Summit Carrier, Inc. has been incorporated on September 29, 2011**