

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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

| |
|------------------|
| RAMON G. JIMENEZ |
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Contact Person

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| (02) 633 - 6205 |
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Company Telephone Number

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Month Day

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| 2025 |
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calendar year

SEC FORM 17Q (1st Quarter of 2025)

FORM TYPE

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| 0 | 3 |
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Amended Articles Number/ Section

Total Amount of Borrowings

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Foreign

To be accomplished by SEC Personnel concerned

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)b) THEREUNDER**

1. For the quarterly period ended **March 31, 2025**
2. Commission identification number **9142** 3. BIR Tax Identification No **000-194-408-000**
4. Exact name of issuer as specified in its charter **METRO GLOBAL HOLDINGS CORPORATION**

Philippines

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

6. Industry Classification Code: (SEC Use Only)

Mezzanine Floor Renaissance Tower,

Meralco Avenue, Pasig City

1604

7. Address of registrant's principal office Postal Code

8. **(02)8633-6248**
Issuer's telephone number, including area code

9. **Not applicable**

Former name, former address and former fiscal year, if changed since last report

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

| Title of each Class | Number of shares of common stock outstanding and amount of debt outstanding |
|--|---|
| <u>Common stock - P 1 par value</u> | <u>2,750,000,000 shares</u> |

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

Yes [☒] No [☐]

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

Philippine and Makati Stock Exchange

Common shares

12. Indicate by check mark whether the registrant:

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

Yes [☒] No [☐]

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

Yes [☒] No [☐]

Metro Global Holdings Corporation and Subsidiaries
Consolidated Statements of Financial Position
As of March 31, 2025
(With Comparative Figures as of Calendar Year Ended December 31, 2024)

| | March 31 2025 | December 31 2024 |
|---|----------------------|----------------------|
| ASSETS | | |
| Current Assets | | |
| Cash | 9,289,450 | 1,255,597 |
| Non-trade and other receivables | 52,125,594 | 71,006,165 |
| Other current assets | 7,149,505 | 5,164,573 |
| Total current assets | 68,564,549 | 77,426,335 |
| Non-current Assets | | |
| Due from related parties | 892,803,244 | 892,803,244 |
| Financial assets at fair value through OCI | 3,061,052,149 | 3,060,780,971 |
| Investment in Associates | 31,901,063 | 20,245,057 |
| Property, Plant & Equipment | 45,165,662 | 44,769,668 |
| Right-of-use-asset | 330,632,133 | 333,565,466 |
| Intangible asset, net | 623,748 | 630,577 |
| Deferred Tax Asset | 3,996,071 | 3,996,071 |
| Total non-current assets | 4,366,174,070 | 4,356,791,054 |
| TOTAL ASSETS | 4,434,738,618 | 4,434,217,389 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities | | |
| Accrued expense and other current liabilities | 429,544,219 | 421,534,990 |
| Mortgage payable | 850,305 | 850,305 |
| Lease liability, current portion | 190,941 | 243,941 |
| Total current liabilities | 430,585,465 | 422,629,236 |
| Non-current Liabilities | | |
| Mortgage payable, net of current portion | 611,868 | 611,868 |
| Due to a stockholder | 255,469,626 | 269,741,387 |
| Due to other related parties | 243,167,099 | 243,167,099 |
| Lease liability, net of current portion | 13,185,388 | 13,185,388 |
| Total non-current liabilities | 512,433,981 | 526,705,742 |
| Total Liabilities | 943,019,446 | 949,334,978 |
| Stockholders' Equity | | |
| Share Capital | 2,748,553,181 | 2,748,553,181 |
| Additional paid-in capital | 589,120,804 | 589,120,804 |
| Deposit for future stock subscription | 102,000,000 | 102,000,000 |
| Fair value reserve | 247,652 | (23,527) |
| Retained Earnings | 51,797,534 | 45,231,953 |
| Total stockholders' equity | 3,491,719,171 | 3,484,882,411 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | 4,434,738,618 | 4,434,217,389 |

Metro Global Holdings Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Quarter Ended March 31, 2025
(With Comparative Figures for the First Quarter Ended March 31, 2024)

| | For the three months ended March 31 | |
|--|-------------------------------------|--------------|
| | 2025 | 2024 |
| REVENUES | | |
| Depot Royalty Income | 7,806,605 | 8,098,550 |
| Share in Net Profit of Associate | 11,656,006 | 531,817 |
| Interest Income | 735,628 | 694,005 |
| EXPENSES | | |
| General & Administrative Expenses | (13,632,657) | (17,271,908) |
| Net Income (Loss) | 6,565,581 | (7,947,534) |
| OTHER COMPREHENSIVE INCOME | | |
| Fair value gain on financial assets at fair value through OCI | 271,179 | 585,810 |
| TOTAL COMPREHENSIVE INCOME (LOSS) | 6,836,760 | (7,361,724) |

Metro Global Holdings Corporation
Consolidated Statements of Income & Retained Earnings
As of March 31, 2025
(With Comparative Figures for the Three Months Ended March 31, 2024)

| | January to March | |
|--|-------------------------|---------------------|
| | 2025 | 2024 |
| Revenues | | |
| Depot Royalty Fee | ₱ 7,806,605 | ₱ 8,098,550 |
| Share in Net Profit of Associate | 11,656,006 | 531,817 |
| Interest Income | 735,628 | 694,005 |
| Expenses | | |
| General & Administrative expenses | (13,632,657) | (17,271,908) |
| Net Income (Loss) | 6,565,581 | (7,947,534) |
| Retained Earnings at beginning of the quarter | 45,231,953 | 53,379,271 |
| Retained Earnings at end of the quarter | ₱ 51,797,534 | ₱ 45,431,737 |

****Note: INCOME (LOSS) PER SHARE**

The computation of income (loss) per share is as follows:

| | Three Months ended March 31 | |
|--|------------------------------------|---------------|
| | 2025 | 2024 |
| (a) Net Income(loss) | 6,565,581 | (7,947,534) |
| (b) Weighted average number of shares outstanding | 2,750,000,000 | 2,750,000,000 |
| | 0.0024 | (0.0029) |

Metro Global Holdings Corporation
Consolidated Statements of Changes in Equity
As of March 31, 2025
(With Comparative Figures for the Three months Ended March 31, 2024)

| | For the three months ended March 31 | |
|---|--|----------------------|
| | 2025 | 2024 |
| Capital Stock | 2,748,553,181 | 2,748,553,181 |
| Additional Paid In Capital | 589,120,804 | 589,120,804 |
| Deposit for Future Stock Subscription | 102,000,000 | 102,000,000 |
| Cumulative Changes in Fair Value of Available-for-Sale | | |
| Financial Assets | | |
| Balance at beginning of the year | (23,527) | (473,162) |
| Other Comprehensive Income | 271,179 | 585,810 |
| Balance at end of the period | 247,652 | 112,648 |
| Retained Earnings | | |
| Balance at beginning of year | 45,231,953 | 53,379,271 |
| Net Income (Loss) | 6,565,584 | (7,947,534) |
| Balance at end of the period | 51,797,537 | 45,431,737 |
| | 3,491,719,171 | 3,485,218,370 |

Metro Global Holdings Corporation
Consolidated Statements of Cash Flows
As of March 31, 2025
(With Comparative Figures for the Three Months Ended March 31, 2024)

| | Three Months Ended March 31 | |
|--|------------------------------------|---------------------|
| | 2025 | 2024 |
| Cash flows from operating activities | | |
| Net Income(Loss) before income tax | ₱ 6,565,581 | ₱ (7,947,534) |
| Adjustments for: | | |
| Decrease(Increase) in | | |
| Receivables | 18,880,571 | 15,536,585 |
| Other current assets | (1,984,932) | (519,156) |
| Due from related parties | - | (357,272) |
| Intangible assets, net | 6,829 | 6,829 |
| Investment in Associates | (11,656,006) | (531,817) |
| Right-of-use asset | 2,933,333 | 2,933,333 |
| Property and Equipment | (395,994) | (968,193) |
| Deferred Tax Asset | - | 187,441 |
| Increase(Decrease) in | | |
| Accrued expenses and other current liabilities | 8,009,229 | 4,720,630 |
| Lease liability, current portion | (53,000) | (55,265) |
| Net cash generated from operating activities | 22,305,614 | 13,005,581 |
| Cash Flow from Financing Activities | | |
| Increase(Decrease) in | | |
| Due to stockholders | (14,271,761) | (14,569,250) |
| Due to related parties | - | 1,578,999 |
| Net cash used in financing activities | (14,271,761) | (12,990,251) |
| Net Increase (Decrease) in Cash | 8,033,853 | 15,330 |
| Cash at beginning of the year | 1,255,597 | 12,780,533 |
| Cash at End of the Period | ₱ 9,289,450 | ₱ 12,795,862 |

Metro Global Holdings Corporation
Aging of Receivables
For the Quarter Ended March 31, 2025

| <u>RECEIVABLES FROM</u> | Less than 1 Year | 1-3 years | 3-5 years | Total |
|--------------------------------|-------------------------|------------------|------------------|------------------|
| NTDCC | 5,841,068 | | | 5,841,068 |
| | <hr/> | | | |
| TOTAL | 5,841,068 | - | - | 5,841,068 |
| | <hr/> | | | |

Metro Global Holdings Corporation and Subsidiaries
NOTES TO FINANCIAL STATEMENTS

1. Summary of Material Accounting Policies

Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- Philippine Accounting Standards (PAS), and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the SEC.

These consolidated financial statements have been prepared under the historical cost convention except for financial assets at FVOCI.

The preparation of the consolidated financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed under 'Critical accounting estimates, assumptions and judgments'.

Changes in Accounting Policies and Disclosures

(a) New standards – applicable January 1, 2024

There are no new standards, amendments and interpretations which are effective for the financial year on or after January 1, 2024 that are relevant to and have a material impact on the Group's consolidated financial statements.

(b) New and amended standard not yet adopted by the Group

Certain standards, amendments or interpretations had been issued but were not mandatory for annual reporting periods ended December 31, 2024 have not been early adopted by the Group. The following standard was assessed by management to be relevant and will have a material impact in the future reporting periods:

- PFRS 18, Presentation and Disclosure in Financial Statements

This is the new standard on presentation and disclosure in financial statements, which replaces PAS 1, with a focus on updates to the statement of total comprehensive income.

The key new concepts introduced in PFRS 18 relate to:

- the structure of the statement comprehensive income with defined subtotals;
- requirement to determine the most useful structure summary for presenting expenses in the statement of total comprehensive income

- required disclosure in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregate and disaggregation which apply to the primary financial statements and notes in general

The Group expects to adopt this standard beginning January 1, 2027 and will update the consolidated financial statements accordingly to comply with the new standards.

Financial assets

Classification

The Group classifies its financial assets in the following measurement categories: (a) those to be measured subsequently at fair value (either through OCI or through profit or loss), and (b) those to be measured at amortized cost. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

The Group holds financial assets at fair value through OCI. These are strategic investments, and the Group considers this classification to be more relevant.

Financial assets at amortized cost are assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. The Group's financial assets at amortized cost category includes cash, non-trade and other receivables, and due from related parties.

The Group's does not hold financial assets at FVTPL.

Recognition and subsequent measurement

The Group recognizes a financial asset in the consolidated statements of financial position when the Group becomes a party to the contractual provisions of the instrument.

All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Subsequently, assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is recognized using the effective interest rate method.

Changes in the fair value of financial assets at FVOCI are recognized in other comprehensive income.

The Group assesses whether the cost is the best estimate of fair value of financial assets at FVOCI. In making the assessment, the Group checks whether there are events or circumstances that might indicate that cost might not be representative of fair value of the financial assets, including significant change in the investees' performance and operations, as well significant change in the economic environment in which the investees' operate. The Group also considers costs as the best measure of fair value where more recent available information is insufficient to determine fair value; or where there is a wide range of possible fair

value measurements, and cost represents the best estimate of fair value within that range.

Subsequent measurement of equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains (losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Impairment losses are presented separately in the consolidated statement of total comprehensive income.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECL: these are ECL that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECL: these are ECL that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECL for all non-trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECL. The expected loss rates are based on the payment profiles of customers and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as gross domestic product and inflation rate affecting the ability of the customers to settle the receivables.

General approach

Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held).

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECL

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognized directly in the consolidated statements of total comprehensive income and presented in other gains/(losses).

Financial liabilities

Classification

The Group classifies its financial liabilities as: (i) financial liabilities at fair value through profit or loss, and (ii) other financial liabilities measured at amortized cost. Financial liabilities under category (i) comprise of two sub-categories: financial liabilities classified as held for trading and financial liabilities designated by the Group as at fair value through profit or loss upon initial recognition. Management determines the classification of its financial liabilities at initial recognition.

The Group did not hold financial liabilities under category (i) during and at the end of each reporting period.

Other financial liabilities at amortized cost are contractual obligations which are either those to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group. These are included in current liabilities, except for maturities greater than 12 months after the reporting period which are classified as non-current liabilities.

The Group's other financial liabilities at amortized cost consist of accrued expenses and other current liabilities (excluding payable to government

agencies), mortgage payable, lease liability, due to a stockholder, and due to other related parties.

Recognition and measurement

The Group recognizes a financial liability in the consolidated statement of financial position when, and only when, the Group becomes a party to the contractual provision of the instrument.

Other financial liabilities at amortized cost are initially measured at fair value plus transaction costs. Subsequently, these are measured at amortized cost using the effective interest rate method.

Derecognition

Other financial liabilities at amortized cost are derecognized when the obligation is paid, settled, discharged, cancelled or has expired.

Transfer, assumption, or assignment of liabilities

The transfer, assumption, or assignment of financial liabilities to or from other parties for no consideration requires recognition of gains or losses, charged to other income or expense in the consolidated statements of total comprehensive income.

Determination of fair value

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

The Group classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The appropriate level is determined on the basis of the lowest level input that is significant to the fair value measurement.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. The Group's quoted financial assets at FVOCI are under this category.

The fair value of assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates.

If all significant inputs required to fair value an instrument are observable, the asset or liability is included in Level 2. If one or more of the significant inputs is not based on observable market data, the asset or liability is included in Level 3. The Group's unquoted financial assets, pertaining to investments in MRTHI and MRTHII, are under Level 3 fair value category. The cost of the investments represents the best estimate of the fair value of the investments as at reporting date.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The carrying amounts of financial instruments presented as part of current assets and current liabilities as at March 31, 2025, December 31, 2024 and December 31, 2023, approximate their fair values due to their short-term maturities.

The carrying value of due from related parties, due to a stockholder and due to other related parties approximates their fair value, based on the expected settlement of the amounts by the end of the BLT Agreement in July 2025.

The Group has no other financial assets and liabilities measured at fair value during and at the end of each reporting date.

Non-financial assets

For non-financial assets, the Group uses valuation techniques that are appropriate in the circumstances and applies the technique consistently. Commonly used valuation techniques are as follows:

- Market approach - A valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.
- Income approach - Valuation techniques that convert future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.
- Cost approach - A valuation technique that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

The fair value of a non-financial asset is measured based on its highest and best use. The carrying value of the Group's non-financial assets, substantially property and equipment, approximate its fair value in the light of the assets' current use is presumed to be its highest and best use.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or

realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty. The Group does not have financial assets and liabilities that are covered by enforceable master netting arrangements and other similar agreements.

Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated.

Accounting policies and reporting period of its subsidiaries are consistent with the policies adopted by and the reporting period of the Parent Company.

Non-controlling interests

Non-controlling interests pertain to the equity in a subsidiary not attributable, directly or indirectly to the Group. Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not wholly-owned and are presented in the consolidated statement of total comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, separately from the equity attributable to the Parent Company.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having deficit balance.

The amount of non-controlling interests from the Group's investment in MGHC Royal Holdings Corporation (MGHC Royal) is immaterial as at March 31, 2025, December 31, 2024 and 2023 considering that MGHC Royal is a dormant entity.

Disposal of subsidiary

When the Group ceases to have control, any retained interest in the subsidiary is re-measured to its fair value at the date when control is lost, with the change in carrying amount generally recognized in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

Non-trade and other receivables

Non-trade receivables arising from depot royalties with an average credit term of 60 days are recognized at transaction price and subsequently measured at amortized cost using effective interest method less any provision for impairment.

Other receivables, such as advances, are recognized initially at fair value and subsequently measured at amortized cost using effective interest method, less any provision for impairment.

Non-trade receivables and its related provision for impairment are written off when the Group has determined that the receivable is uncollectible as they have already exerted all collection efforts, including filing a legal case. Bad debts written off are specifically identified after exhausting all collection efforts (i.e. sending demand letters and legal notice of default to customers) and are approved by the BOD.

Write-offs represent either direct charge against profit or loss at the time the receivable deemed uncollectible or the release of previously recorded provision from the allowance account and credited to the related receivable account following the Group's assessment that the related receivable will no longer be collected after all collection efforts have been exhausted.

Subsequent recoveries of amounts previously written-off are credited in profit or loss under general and administrative expenses. Reversals of previously recorded impairment provision are recognized in profit or loss based on the result of management's update assessments, considering available facts and changes in circumstances, including but not limited to results of recent discussions and arrangements entered into with customers as to the recoverability of receivable at reporting date.

Other current assets

Other current assets consist of input value-added tax (VAT), creditable withholding taxes, prepaid taxes and advances. These are stated at face value less provision for impairment, if any.

Input VAT, prepaid taxes and creditable withholding taxes are derecognized when there is a legally enforceable right to apply the recognized amounts against the related liability within the period prescribed by the relevant tax laws.

Amounts are included in current assets, except when the related assets are expected to be realized more than twelve (12) months after the reporting period which are classified in non-current assets.

Investment in associate

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. It is also decreased by dividends received from the investee. The Group's investment in associates includes goodwill identified on acquisition. Any excess of the Group's share of the net fair value of the associates' identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equal or exceed its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Dilution gains and losses arising in investments in associates are recognized in profit or loss.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation and impairment in value, if any. Land is stated at cost less any impairment in value. The initial cost of property and equipment comprise its purchase price, including import duties and non-refundable purchase taxes and other directly attributable cost of bringing the property and equipment to its working condition and location for its intended use.

Depreciation is computed on the straight-line method over the following estimated useful life of the property and equipment:

| | In years |
|--------------------------|----------|
| Transportation equipment | 5 |
| Office equipment | 3-5 |

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Intangible assets

Intangible assets acquired separately are carried at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization in the case of intangible assets with finite lives, and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized over the remaining useful economic life at the date of acquisition or business combination. These are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and method for an intangible asset with a finite useful life is reviewed at the end of each reporting date.

The Group's intangible asset, pertaining to depot royalty rights, was assigned with a useful life of 33 years commencing from 2014 up to 2047 or the expiration of the development rights.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization of intangible assets with finite lives is recognized in profit or loss in the expense category consistent with the function of the intangible asset.

Impairment of non-financial assets

Non-financial assets that have definite useful lives are subject to depreciation or amortization and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Value in use requires the Group to make estimates of future cash flows to be derived from the particular asset and discount them using a pre-tax market rate that reflects current assessments of the time value of money and the risks specific to the asset.

Impairment losses, if any, are recognized in profit or loss within other expenses in the consolidated statement of total comprehensive income. Non-financial assets that have been impaired are reviewed for possible reversal of the impairment at each reporting period. When impairment loss subsequently reverses, the carrying amount of the assets or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss has been recognized for the asset or cash-generating unit in prior years. Reversals of previously recorded impairment provisions are credited against provision account in profit and loss.

Deposit for future stock subscription

Deposit for future stock subscriptions refer to the amount of money or property received by the Company with the purpose of applying the same as payment for future issuance of stocks which may or may not materialize. Deposit for future stock subscriptions cannot be considered as part of the capital stock of the Company until shares of stocks are actually issued in consideration thereof.

On May 11, 2017, SEC issued an amendment on SEC Bulletin No. 6 (issued in 2012) for the treatment of the deposit for future stock subscriptions. As stated, an entity shall classify a contract to deliver its own equity instruments under equity as deposit for future stock subscriptions if and only if, all of the following elements are present as of the end of the period:

- The unissued authorized capital of the entity is insufficient to cover the amounts of shares indicated in the contract;
- There is BOD approval on the proposed increase in authorized capital stock (for which a deposit was received by the corporation);
- There is stockholders' approval of said proposed increase in authorized capital stock; and

- The application for the approval of the increase in capital stock has been presented for filing or has been filed with the SEC.

If any or all of the foregoing elements are not present, the transaction should be recognized as part of liability. The amount of deposit for future stock subscriptions will be reclassified to equity account when the Company meets the foregoing elements.

Right-of-use asset

Where the company is the lessee

a) Measurement of lease liabilities

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Company's leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing, and
- makes adjustments specific to the lease (i.e., term, currency and security).

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

b) Measurement of right-of-use assets

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

c) Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

d) Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Provisions and contingencies

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized in profit or loss.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed and derecognized in the consolidated statement of financial position.

Provisions are derecognized when the related legal or contractual obligation is discharged, cancelled or expired.

Probable inflows of economic benefits that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements.

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

Revenue Recognition

Revenue is measured based on the transaction price specified in a contract with the customer. The Group recognizes revenue when it transfers control over a product or service to a customer.

The following is a description of principal activities from which the Group generates its revenue.

Depot royalty income

The amount of royalty income is recognized over time as NTDCC earns rental income from the TriNoma commercial center. The use of a time-based approach (output method) best provides a faithful depiction of the transfer of services to the customer given the nature of the royalty arrangement.

Dividend income

Dividend income is recognized at the point in time when investees have declared dividends.

Other income

Other income is recognized when earned.

Interest income

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

Cost and expense recognition

Costs and expenses in the consolidated statements of total comprehensive income are presented using the function of expense method.

Employee benefits

(i) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus if the Group has 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.

(ii) Retirement benefits

The Group has yet to adopt a formal retirement plan for the benefit of its qualified employees. Under RA No. 7641, in the absence of a retirement plan or agreement providing for retirement benefits of employees in the private sector, an employee upon reaching the age of 60 years or more, but not beyond 65 years, who has served at least 5 years in a private company, may retire and shall be entitled to retirement pay equivalent to at least one-half month salary plus one twelfth of the 13th month pay and cash equivalent of not more than 5 days of service incentive leaves for every year of service (or 100% of monthly salary), a fraction of at least 6 months being considered as one whole year.

The liability recognized in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in Philippine Peso, the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related retirement obligation.

Remeasurements arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise. Past-service costs are recognized immediately in profit or loss.

The net interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in profit or loss.

Management did not recognize any liability in respect of the defined benefit retirement plan as management assessed this to be immaterial as at March 31, 2025 and December 31, 2024.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognizes termination benefits when it is demonstrably committed to either: (a) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or (b) providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value.

Related party relationships and transactions

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 shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Current and deferred income tax

Income tax expense recognized in profit or loss during the period comprises of current and deferred income tax (DIT), except to the extent that it relates to items recognized in other comprehensive income.

The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

DIT is recognized on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. DIT is determined using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related DIT asset is realized or the deferred income tax liability is settled.

DIT assets are the amounts of income taxes recoverable in future periods in respect of all deductible temporary differences. DIT assets are recognized to the

extent it is probable that future taxable profit will be available against which the temporary differences can be utilized. DIT liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

DIT assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the DIT assets and liabilities relate to income taxes levied by the same taxation authority where there is an intention to settle the balances on a net basis.

Earnings per share

Basic EPS is computed by dividing net income attributable to common stock by the weighted average number of common shares outstanding, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the period, if any.

Diluted EPS is computed by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding during the period, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the period, and adjusted for the effect of dilutive convertible preferred shares. If the required dividends to be declared on convertible preferred shares divided by the number of equivalent common shares, assuming such shares are converted, would decrease the basic EPS, then such convertible preferred shares would be deemed dilutive. Where the effect of the assumed conversion of the preferred shares has anti-dilutive effect, basic and diluted EPS are stated at the same amount.

Equity

Capital stock is determined using the par value of shares that have been issued.

Additional paid-in capital includes any premiums received on the initial issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Retained earnings (deficit) include all current and prior period results as disclosed in the statement of income.

Subsequent events

Subsequent events that provide additional information about the Group's position at the financial reporting date (adjusting events) are reflected in the financial statements. Subsequent events that are not adjusting events are disclosed in the notes to financial statements when material.

2. Significant Accounting Judgment and Estimate

The Company's financial statements prepared under PFRS require management to make judgments and estimates that affect amounts reported in the financial statements and related notes. Future events may occur which will cause the judgment and assumptions used in arriving at the estimates to change. The effects of any change in judgment and estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

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

Determination of Functional Currency. Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine Peso. The functional currency is the currency of the primary economic environment in which the Company operates.

Determination of Fair Value of Financial Assets and Financial Liabilities. Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

The fair value of financial assets amounted to ₱4.02 billion as at March 31, 2025 and ₱4.03 billion as at December 31, 2024. The fair value of financial liabilities amounted ₱911 million as at March 31, 2025 and ₱949 million as at December 31, 2024.

Determination of Fair Value of Financial Assets not Quoted in an Active Market. The Company determines whether a reliable measure of fair value is available for equity investments not quoted in an active market. If a reliable measure is not available or ceases to be available, the unquoted equity investments are measured at cost.

The fair values of the Company's investments in MRTH I and MRTH II cannot be reasonably determined as the shares are unquoted nor are there any expected future cash flows in view of the sale of future distributions and that the investments, pursuant to the "Letter of Agreement", will be used to settle the Company's liability to FEMI.

Determination of Impairment of AFS Financial Assets. The Company treats quoted AFS financial assets as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment. The Company treats "significant decline" when the difference between its cost and fair value is 20.0% or more and "prolonged decline" when the fair value of quoted equity securities is lower than its cost for more than twelve months. In making this judgment, the Company evaluates, among other factors, the normal volatility in share price for quoted equities.

There was no impairment for quoted equity securities as of March 31, 2025 and December 31, 2024 as there was no significant and prolonged decline in value. The carrying value of quoted equity securities amounted to ₱2.8 million and ₱2.5 million as at March 31, 2025 and December 31, 2024, respectively.

In the case of unquoted shares, AFS financial assets are considered impaired when management believes that future cash flows generated from the investment is expected to decline significantly. The Company's management makes significant estimates and assumptions on the future cash flows expected and the appropriate discount rate to determine impairment exists. Impairment may also

be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance.

Unquoted equity securities as at December 31, 2024 consist of investments in MRTHI and MRTHII. The Group's ownership interests in MRTHI and MRTHII as at December 31 are as follows:

| Investee | Direct interest | Indirect interest | Effective interest | Nature of Business |
|----------|-----------------|-------------------|--------------------|--------------------|
| MRTHI | 18.6% | - | 18.6% | Holding Company |
| MRTHII | 12.7% | 15.8% | 28.5% | Holding Company |

MRTHI owns 84.9% interest in MRTH II while MRTHII wholly owns Metro Rail Transit Corporation (MRTC), which was awarded by the Philippine Government, acting through the Department of Transportation and Communication (DOTC), the Build, Lease and Transfer (BLT) Agreement to build, lease, and transfer a 16.9-kilometer rail transit system in Metro Manila, known as LRTS Phase I. The earnings of MRTC are derived from lease financing income relating to equity rentals received from the DOTC as defined in the BLT Agreement.

Notwithstanding the sale of future share distributions pursuant to "Sale of future share distributions", the Company continues to hold on to the legal rights over the shares of stock in MRTHI and MRTHII. Further, the Company holds a sell option to use the shares of stocks of MRTHI and MRTHII to pay-off its net advances from FEMI pursuant to the "Letter of Agreement".

Critical accounting estimate and judgment - Measurement of unquoted equity instruments - cost as an estimate of fair value

As required by PFRS 9, all equity investments in scope of PFRS 9 are to be measured at fair value in the statement of financial position, with value changes recognized either in profit or loss or other comprehensive income. PFRS 9 further provides that cost might be used as a measure of fair value where cost represents the best estimate of fair value. Upon the adoption of PFRS 9, the Group has assessed that the cost of investments in MRTHI and MRTHII amounting to P3,058,238,916 as at March 31, 2025 and December 31, 2024 represents the best estimate of fair value of those investments.

The Group assesses whether the cost is the best estimate of fair value of investments in MRTHI and MRTHII. In making the assessment, the Group checks whether there are events or circumstances that might indicate that cost might not be representative of fair value of the investees, including significant change in the investees' performance and operations, as well significant change in the economic environment in which the investees operate. The Group also considers costs as the best measure of fair value where more recent available information is insufficient to determine fair value; or where there is a wide range of possible fair value measurements, and cost represents the best estimate of fair value within that range.

As at March 31, 2025 and December 31, 2024, the Group has assessed that the cost of investments in MRTHI and MRTHII represents the best estimate of fair value of those investments. The Group assessed that the carrying amount of the investments in MRTHI and MRTHII are recoverable and can be realized in the future through the Group's realization of the residual interest in the MRT business and share in benefits arising from the various proposals submitted to the DOTR regarding MRT3 extension and capacity expansion projects to be undertaken by MRTC. In view of the absence of observable market transactions or comparable market data surrounding the realization of residual interest in the MRT business and the outcome of outstanding proposals with the DOTR, a

reliable point estimate of the fair value of the investments in MRTHI and MRTHII cannot be established. Similarly, with the uncertainties associated with the approval status of the MRT3 projects and dependency on government decisions resulting in a wide range of potential valuation outcomes, the cost represents the best estimate of fair value within that range.

Based on these factors, management assessed that the cost of the investments represents the best estimate of the fair value of the investments as at reporting date.

The Group's unquoted financial assets, pertaining to investments in MRTHI and MRTHII, are under Level 3 fair value category. The higher the cost of investments, the higher is the related fair value.

Any change in the Group's assessment of the best estimate of fair value of investments in MRTHI and MRTHII could impact the recorded carrying amount of financial assets at fair value through OCI and related fair value gains or losses recognized in other comprehensive income.

Sale of future share distributions

In 2002, the Parent Company and other participating shareholders of MRTHI and MRTHII (collectively referred to as the 'Sellers', entered into Sale Agreements where they sold all future share distributions arising from the equity rental payments (ERP) of the LRTS Phase I Project of MRTC in exchange for Original Issuance Discount Bonds (OID Bonds).

The transaction is covered by several agreements that provide the link between share distributions arising from the ERP of the LRTS Phase I Project of MRTC and payments to the Noteholders. These agreements: (a) facilitate the timely payment of the Sellers' share of the ERP of the LRTS Phase I Project of MRTC ensuring that the right to receive their share in the ERP has been legally independent of the Sellers to the Noteholders, (b) ensure the flow of rental payments independent of the Sellers, (c) bind the Sellers to cause the timely collection of rental payments and to cause MRTC to perform its obligations, and (d) prevent the Sellers from selling their rights in MRTC for as long as the Notes are outstanding. Accordingly, the stock certificates of the Group in MRTHI and MRTHII are under the custody of a trustee and were pledged to MRT III.

MRTC accounts for the lease payments from DOTC under finance lease where lease financing income is recognized using a constant periodic rate of return on the net investment. Future share distribution sold under the Agreements pertains to the Group's share in the ERPs of the LRTS Phase 1 Project of MRTC.

Notwithstanding the sale of future share distributions, the Group continues to hold on to the legal rights over the shares of stock in MRTHI and MRTH II in compliance with the various agreements related to the sale of share of future share distributions mentioned above, as well as the Group's obligation under the Agreement of MRTC with DOTC whereby the original shareholders of MRTHI and MRTHII are precluded from transferring their equity interest in MRTHI and MRTHII until the end of the BLT Agreement in July 2025. Accordingly, any additional variable ERP to be received by MRTHI and MRTHII through MRTC from DOTC in the future and any benefits arising from the residual rights in the expansion projects shall still accrue to the Group and the other shareholders.

Letter of agreement

On August 18, 2005, the Parent Company and FEMI entered into a “Letter of Agreement”, whereby FEMI has agreed to grant the Parent Company the sole option to assign to FEMI its equity interests in MRTHI and MRTHII as settlement of the Parent Company’s liabilities to FEMI, included in ‘Due to a stockholder’ account in the statements of financial position, and any additional advances or interest which FEMI may charge to the Parent Company in relation to the said advances. Under the “Letter of Agreement,” should the Parent Company opt to sell the said investments to third party or parties in the future, FEMI has the right of first refusal to purchase the said investments at its prevailing market value.

Dividend income

On December 13, 2021, MRTHII declared dividends to its shareholders, of which P2,606,190,497 pertains to the Group’s share. The dividend income was recognized as part of other income in the statement of total comprehensive income for the year ended December 31, 2021 (Note 12). The dividends were discharged/settled as follows:

- P147,706,848 was offset and eliminated against the liability to MRTHII, representing outstanding cash advances received from MRTHII, presented under due to other related parties in the statement of financial position;
- P1,567,446,876 was applied against liability from sale of future share distributions shown as a reduction of investment in MRTHII. Pursuant to the Sale of future share distributions agreement entered by the Parent Company and other participating shareholders of MRTHI and MRTHII as described in (a) above, the Parent Company recognized P1,567,446,876 liability from the sale of the future share distribution from the MRTC project as a reduction of investment in MRTHI and MRTHII. The total carrying amount of investment in MRTHI and MRTHII after the dividend transaction amounted to P3,058,238,916 as at December 31, 2021; and
- The remaining amount of P891,036,773 will be settled in cash and presented as dividend receivable under due from related parties (Note 16). The amount is not expected to be collected within 12 months from the end of the reporting period, thus presented as part of non-current asset in statement of financial position.

Estimate

The key assumption concerning future and other key source of estimation at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below.

Recognition of Deferred Tax Assets.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that sufficient taxable income will be generated to allow all or part of the deferred tax assets to be utilized.

Financial Risk Management Objectives and Policies

Financial Assets

Details of the Group’s financial assets as at March 31, 2025 and December 31, 2024 as follows:

| | 2025 | 2024 |
|---------------------------------|---------------|---------------|
| At amortized cost | | |
| Cash in banks | 9,289,450 | 1,255,597 |
| Non-Trade and other receivables | 55,125,594 | 71,006,165 |
| Due from related parties | 898,118,179 | 898,118,179 |
| | 959,533,223 | 970,379,941 |
| At FVOCI | | |
| Unquoted equity securities | 3,058,238,916 | 3,058,238,916 |
| Quoted equity securities | 2,813,233 | 2,542,055 |
| | 3,061,052,149 | 3,060,780,971 |
| | 4,020,585,372 | 4,031,160,912 |

Non-Trade and other receivables exclude other receivables which are subject to liquidation. Due from related parties are presented gross of allowance for impairment. Allowance for impairment as at March 31, 2025 and December 31, 2024 amounted to P5,314,935.

Financial liabilities

Details of the Group's financial liabilities, at amortized cost, as at March 31, 2025 and December 31, 2024 are as follows:

| | 2025 | 2024 |
|------------------------------|-------------|-------------|
| Advances from MPIC | 350,000,000 | 350,000,000 |
| Accrued expenses | 47,749,031 | 70,864,264 |
| Mortgage payable | 1,462,173 | 1,462,173 |
| Lease liability | 13,376,329 | 13,429,329 |
| Due to a stockholder | 255,469,626 | 269,741,387 |
| Due to other related parties | 243,167,099 | 243,167,099 |
| | 911,224,258 | 948,664,252 |

Other current liabilities excluded pertain to payables to government agencies that are non-financial liabilities.

Financial risk factor

The Group's activities expose it to a variety of financial risks and these activities involve the analysis, evaluation and management of some degree of risk or combination of risks. The Group's overall risk management program focuses on the unpredictability of financial markets, aims to achieve an appropriate balance between risk and return and seeks to minimize potential adverse effects on the Group's financial performance.

The most important types of risk the Group's manages are liquidity risk and credit risk.

Liquidity Risk

Liquidity risk arises from the possibility that the Group will encounter difficulty in raising funds to meet associated commitments with financial instruments.

The Group manages the liquidity risk by maintaining a balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations and sets up required cash reserves and reserve borrowing facilities as necessary in accordance with internal policies. Short-term advances from related parties are availed to cover for immediate expenses and maturing obligations. The Group is also able to defer payments of some of its due to related party balances.

The Group continues to obtain support from FEMI to finance the Group's operations.

The table below presents the Group's financial liabilities as at March 31, 2025 and December 31, 2024:

| | Within 12 Months | More than 12 months | Total |
|-------------------------------------|------------------|---------------------|-------------|
| 2025 | | | |
| Advances from MPIC | 350,000,000 | - | 350,000,000 |
| Accrued expenses | 47,749,031 | - | 47,749,031 |
| Mortgage payable | 850,305 | 611,868 | 1,462,173 |
| Future interest on mortgage payable | 96,004 | - | 96,004 |
| Lease liability, gross of discount | 58,309 | 26,047,000 | 26,105,309 |
| Due to a stockholder | - | 255,469,626 | 255,469,626 |
| Due to related parties | - | 243,167,099 | 243,167,099 |
| | 398,753,649 | 525,295,593 | 924,049,242 |
| 2024 | | | |
| Advances from MPIC | 350,000,000 | - | 350,000,000 |
| Accrued expenses | 70,864,264 | - | 70,864,264 |
| Mortgage payable | 850,305 | 611,868 | 1,462,173 |
| Future interest on mortgage payable | 99,531 | 21,356 | 120,887 |
| Lease liability, gross of discount | 58,309 | 26,100,000 | 26,158,309 |
| Due to a stockholder | - | 269,741,387 | 269,741,387 |
| Due to related parties | - | 243,167,099 | 243,167,099 |
| | 421,872,409 | 539,641,710 | 961,514,119 |

The Group expects to settle the above financial obligations due within 12 months in accordance with their maturity of 30 to 60 days.

Credit Risk

Credit risk refers to the risk that a counterparty will cause a financial loss to the Group by failing to discharge an obligation. Significant changes in the economy that may represent a concentration in the Group's business, could result in losses that are different from those provided for at reporting date.

Credit risk arises from cash deposits with banks and financial institutions, as well as credit exposure on receivable from customers, related parties and other

counterparties. The fair values of these financial assets approximate net carrying amounts due to their short-term maturities.

The Group has a significant concentration of credit risk on its transactions with NTDCC, its sole customer. However, this is brought down to an acceptable level since depot royalties are collected in accordance with the agreement and the Group's credit policy with no reported defaults and write-offs in previous years. In addition, credit risk is minimized by monitoring receivables regularly.

The Group has the following financial assets as at March 31, 2025 and December 31, 2024, where the expected credit loss model has been applied:

| | Gross carrying amount | Allowance provided | Net carrying amount | Internal credit rating | Basis of recognition of ECL |
|---------------------------------|-----------------------|--------------------|---------------------|------------------------|-----------------------------|
| 2025 | | | | | |
| Cash in banks | 9,243,249 | - | 9,243,249 | Performing | 12-month ECL |
| Trade and other receivables | | | | | |
| Group 1 | 52,125,594 | - | 52,125,594 | Collective assessment | Lifetime ECL |
| Due from related parties | | | | | |
| Group 2 | 892,803,244 | - | 892,803,244 | Performing | 12-month ECL |
| Group 3 | 5,314,935 | (5,314,935) | - | Credit impaired | Lifetime ECL |
| | 959,487,022 | (5,314,935) | 954,172,087 | | |
| 2024 | | | | | |
| Cash in banks | 1,209,396 | - | 1,209,396 | Performing | 12-month ECL |
| Non-trade and other receivables | | | | | |
| Group 1 | 71,066,165 | - | 71,066,165 | Collective assessment | Lifetime ECL |
| Due from related parties | | | | | |
| Group 2 | 892,803,244 | - | 892,803,244 | Performing | 12-month ECL |
| Group 3 | 5,314,935 | (5,314,935) | - | Credit impaired | Lifetime ECL |
| | 970,393,740 | (5,314,935) | 965,078,805 | | |

Credit quality of customers are classified as follows:

- Group 1 – Customer and counterparty balances without history of default and assessed to be fully recoverable.
- Group 2 – Customer and counterparty balances with some defaults in the past. Amounts are largely collectible after collection efforts.
- Group 3 – Individually assessed customer with defaults and which the Group no longer expects to recover the balance despite its collection efforts.

The maximum exposure to credit risk at the reporting date is the carrying value of financial assets summarized above.

None of the fully performing financial assets have been renegotiated during the years ended December 31, 2024 and 2023. The Group does not hold any collateral as security to the above financial assets.

No impairment loss was recognized as at March 31, 2025.

Cash in banks

To minimize credit risk exposure from its cash account, the Group deposits its cash in universal banks that have good credit ratings. Accordingly, the Group's cash in bank is subject to insignificant expected credit loss as at reporting dates.

Receivables

Group 1 – The Group's receivables under Group 1 consists of amounts due from NTDCC, have no history of recent default or write-off and are considered to be fully performing. Accordingly, no provision for impairment is required.

Group 2 – Past due but not impaired receivables consist of amounts due from related parties, who, despite delays in collection based on the credit term, are deemed to be fully collectible based on management's assessment and counterparties' financial capacity and creditworthiness. Accordingly, no provision for impairment is required at reporting date.

Group 3 – The Group's records a provision for impairment of receivables that are assessed to have a significant probability of becoming uncollectible. The assessment is based on the Group's knowledge of the collectability of the account, nature and the creditworthiness of the customer.

Foreign currency exchange risk

Foreign currency exchange risk arises when future commercial transactions or recognized assets or liabilities are dominated in a currency that is not the Group's functionally currency.

The Group has transactional currency exposure. Such exposure is not material to the Group as this arises mainly from immaterial cash balances denominated in US Dollar.

Capital risk management

The Group manages its capital to ensure that the Group will be able to continue as a going concern, while maximizing the return on investments of stockholders. The Group monitors its use of capital by comparing deficit to total capitalization and makes adjustments to it in light of changes in economic conditions and its financial position.

The Group considers its long-term debt from FEMI and other related parties, as well as total equity consisting of share capital, additional paid-in capital, and deficit, as its capital:

| | March 31, 2025 | December 31, 2024 |
|---------------------------------------|----------------|-------------------|
| Equity | | |
| Share capital | 2,748,553,181 | 2,748,553,181 |
| Additional paid-in capital | 589,120,804 | 589,120,804 |
| Deposit for future stock subscription | 102,000,000 | 102,000,000 |
| Retained earnings | 51,797,534 | 45,231,953 |
| | 3,491,471,519 | 3,484,905,938 |
| Debt | | |
| Due to a stockholder | 255,469,626 | 269,741,387 |
| Due to related parties | 243,167,099 | 243,167,099 |
| | 498,636,725 | 512,908,486 |
| | 3,990,108,244 | 3,997,814,424 |

The Group continuously conducts an internal review its capital and financial risk management objective and policies.

3. Other Information

With regards to debt and equity securities, there were no issuances and/or repurchases incurred in the first quarter ended, March 31, 2025.

The Group has not made any reorganization, entered into any merger or consolidation or any business combinations. Also, the Group was not involved in any acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations since the last reporting period of December 31, 2024.

As of December 31, 2024 up to this quarter period reporting (March 31, 2025), no contingent liabilities or contingent assets have been declared.

PART 1 – FINANCIAL INFORMATION

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Metro Global Holdings Corporation (MGHC), the Parent Company continues to be a stakeholder of the Metro Rail Transit Project through its holding company MRTHI and MRTHII and its associate, Monumento Rail.

MGHC plans to continue its strategy of maintaining itself as a holding corporation with key investment in the form of equity interest in MRTHI and MRTHII. The combined investment in these two holding companies represents approximately 29% interest in the MRT 3 System along EDSA. The Phase 1 of the MRT Project (LRTS Phase 1) began full operation on July 15, 2000, which involved 13 stations spanning the North Triangle to Taft Avenue. The operation for the next twelve (12) months was strictly confined to that of an investee corporation.

The Parent company continues, through its holdings in Monumento Rail, to actively pursue its participation in the train system extensions (e.g., Makati Loop and Airport Link) and capacity expansion via procurement of additional trains/vehicles.

The Parent Company anticipates receiving its 28.47% share of the 5% the lease rental income from Trinoma Mall, referred to as “Depot Royalty Income,” following the redemption of its preferred shares in Monument Rail. This revenue will be allocated to fund its operating expenses and partially repay its debts to FEMI.

The Parent Company foresees a potential need for substantial funding due to the finalization and completion of the transactions related to the acquisition of FEMI’s equity interest of in Metro Solar. Metro Solar’s primary project is the development of the 65-megawatt solar farm project in Pililia, Rizal, with construction expected to begin within the same timeframe. To finance this project, the Parent Company intends to secure the necessary funds to through private placements and the eventual resumption of trading of its shares on the PSE.

The Parent Company does not have plans for any product research and development within the same period.

There are no expected purchases or sale of major plant and equipment within the next 12 months as the Parent Company is not engaged in any manufacturing activities.

The Group’s main source of income has been its share in the lease rental income termed as “Depot Royalty Income” that it receives annually from North Triangle Depot Commercial Corporation (NTDCC). The Group recognized depot royalties of P7.8 million in March 2025, P33.1 million in 2024 and P44.6 million in 2023.

The Group posted net operating income of P6.6 million as at March 2025 and loss of P8.1 million in 2024.

The Group’s Retained earnings posted an increase of P6.6 million in March 2025, in view of the P6.6 million net income recognized by the Group.

The Group continues to recognize a Stockholders Equity balance of P3.49 billion in March 2025. This had increased compared to the December 31, 2024 balance of P3.48 billion.

Conversion of Liabilities to Equity

On January 28, 2008, the BOD approved the conversion of a portion of the liabilities to FEMI amounting to about P400.0 million into equity shares of the Parent Company at a par value of P1.00 per share. In view of the increase in the balance of liabilities to FEMI, the amount to be converted into equity was increased to P600.0 million as approved by the BOD on April 18, 2011. The liability amount for conversion was further increased to P800.0 million and subsequently approved by the BOD on April 12, 2012.

On December 16, 2013, the SEC approved the conversion of a portion of the liabilities of the Company to FEMI amounting to P800.0 million into equity shares in the Company, equivalent to 800.0 million shares with a par value of P1.00 per share.

On May 6, 2014, the BOD approved the request of FEMI to increase its shareholdings and further reduce its receivables from the Parent Company through the conversion into equity of a portion of its receivables amounting to P200.15 million, equivalent to 200,150,000 shares at P1.00 per share par value.

On September 4, 2014, the SEC approved the conversion of a portion of the Parent Company's liabilities to FEMI amounting to ₱200.15 million, into equity shares equivalent to 200,150,000 shares at ₱1.00 par value.

On October 10, 2019, the Parent Company and FEMI executed a Deed of Assignment whereby FEMI assigns, transfers and conveys unto the Parent Company the advances in the aggregate amount of Five Hundred Million Pesos (₱500,000,000.00) as partial payments of the subscriptions to the new shares to be issued out of the increase in capital stock of the Parent Company.

On February 1, 2024, the SEC approved the portion of the subscription price to the extent of Five Hundred Million Pesos (₱500,000,000.00) as having been paid via offset against the Parent Company's advances from FEMI as part of the subscription to the increase in Authorized Capital Stock of the Parent Company from ₱2 billion to ₱5 billion.

Infusion of Certain Properties

On April 12, 2012, the Parent Company accepted the infusion by FEMI of certain properties of Mt. Zion Memorial, Inc. (MZMI) worth P500.0 million in shares of the Parent Company at P1.00 par value. MZMI is wholly-owned subsidiary of FEMI engaged in the development of Class A memorial parks. Organized in 1999, by 2012, MZMI had twelve (12) memorial parks nationwide with a total combined saleable memorial lots aggregating to 50 hectares, with an estimated concurrent value of P2,500.0 million. A significant amount of annual income was expected to be generated from this infusion.

Consistent with the direction of the Parent Company to focus on its core business of infrastructure development, the BOD approved to cancel the implementation of the proposed plan of FEMI to assign properties of Mt. Zion Memorial Inc. (MZMI), worth P500 million, in exchange for 500,000,000 shares of the Company at P1.00 per share.

Cooperation Agreement

On November 12, 2010, the Parent Company, Fil-Estate Properties, Inc. (FEPI) and FEMI (collectively termed as the 'Fil-Estate Companies') entered into a Cooperation Agreement with Metro Pacific Investment Corporation (MPIC) relating to the Fil-Estate Companies' rights and interests in the MRT Companies. The cooperation has the following objectives: (i) explore solutions that will enable the expansion of the MRT 3 system through financially and legally viable means, and (ii) to transfer the interests of the Fil-Estate Companies in the MRT Companies, subject to obtaining the necessary consents from the relevant parties. Under the Cooperation Agreement, the Fil-Estate Companies appoint MPIC as its attorney-in-fact in connection with the exercise of the rights and interests of the Fil-Estate Companies in the MRT Companies. MPIC and Fil-Estate Companies are still in the process of discussing possible scenarios on how to implement the transactions contemplated by the parties when they entered into the Cooperation Agreement. The completion and consummation of the transaction contemplated by the parties is subject to certain conditions, which as at March 31, 2025 has not yet occurred.

Redemption of Redeemable Preferred Shares in Monumento Rail

On August 22, 2006, the Board of Directors of Monumento Rail Transit Corporation (Monumento Rail) approved the redemption of the redeemable preferred shares it issued to its shareholders giving the latter a redemption privilege by assigning the former's right to receive Depot Royalties ("Depot Royalty Rights" with respect to improvements constructed on the 16-hectare Depot located at North Triangle, EDSA and rental income from the commercial center known as Trinoma Mall in the Depot pro-rata to the percentage of

shareholdings held by each shareholder. On December 17, 2014, Monumento Rail and the Parent Company executed the Redemption and Deed of Assignment whereby for and in consideration of the cancellation of the redeemable preferred shares issued by Monumento Rail to the Company and certain trustees of the Parent Company, Monumento Rail assigned to the Parent Company a pro-rata interest of Monumento Rail's Depot Royalty Rights to the extent of an aggregate of 28.47%.

The cost of the Parent Company's 18,029,417 redeemable preferred shares amounts to P901,471 based on par value P.05 per share which is the price per share at time of redemption. In accordance with the Articles of Incorporation of Monumento Rail, the holder of the redeemable preferred shares is given the privilege of a right to receive Depot Royalty pro-rata to the percentage of shareholdings of redeemable shares held by each shareholder of record thereof as at August 22, 2006.

As a result of the redemption, the Parent Company recognized a Depot royalty right intangible asset amounting to P901,471 which is equivalent to the value of the Parent Company's investment in the redeemable preferred shares of Monumento Rail consisting of 18,029,417 shares. The intangible asset was assigned with a useful life of 33 years commencing from 2014 up to 2047 or the expiration of development rights as provided for in the Redemption and Deed of Assignment.

As at March 31, 2025, December 31, 2024 and 2023, the Parent Company recognized its share in lease rental income from the Trinoma Mall, classified as depot royalty income in the financial statements, of ₱7,806,605, ₱33,062,546 and ₱44,664,516, respectively. This represents 28.47% of the 5% of the lease rental income of Trinoma Mall in those years, which were collected in subsequent years.

Settlement Agreement

On December 17, 2014, the Parent Company, together with all the shareholders of Monumento Rail Transit Corp., entered into a Settlement Agreement with Metro Rail Transit Development Corporation (MRTDEVCO) and companies who are parties to a Vested Rights Agreement dated May 22, 1995, whereby MRTDEVCO agreed to assign to parties of the Vested Rights Agreement the development rights to specific developable areas of the 16-hectare Depot in North Triangle corner EDSA, North Avenue and Mindanao Avenue. The assignment of development rights, however, are conditioned on the assumption of the assignees of the obligation to pay the Depot Royalty arising from the development of assigned specific developable areas in the Depot to Monumento Rail Transit Corp. (Monumento Rail) or its successors-in-interest in accordance with the Deed of Assignment of Development Rights of June 16, 1995 between Metro Rail Transit Corp. Ltd. (MRTCL) and MRTDEVCO and the Assignment and Assumption Agreement of December 18, 2000 between MRTCL and Monumento Rail.

The Parent Company became a successor-in-interest of Monumento Rail to the extent of 28.47% of Depot Royalties corresponding to 5% of the gross receipts of the rental income and 5% of the gross proceeds of sale or leases of improvements from the exercise by specific assignees of the development rights in specific developable areas of the Depot by virtue of the Settlement Agreement and the December 17, 2014 Deed of Assignment between Monumento Rail and the Company.

Corporate Name Change

On March 18, 2014, the BOD approved the amendment of the Articles of Incorporation and By-laws of the Parent Company, a major provision of which

was the change in its corporate name from Fil-Estate Corporation to Metro Global Holdings Corporation. The amendments were intended to identify the group of companies under the "METRO GROUP" and establish the affiliation of the Parent Company with its affiliate infrastructure companies which likewise had the word "Metro" in their corporate names.

The foregoing amendments were approved by the Securities and Exchange Commission on May 14, 2014.

New Management Plans

Proposal to Department of Transportation (DOTr).

On December 19, 2014, the Parent Company presented to the Department of Transportation (DOTr) its proposal for a Fast-Track Rehabilitation of the MRT-3 system as a substantial shareholder of Metro Rail Transit Holdings II, owner of Metro Rail Transit Corporation (MRTC) which in turn owns the MRT-3 System. The proposal, included among others, the total rehabilitation of the MRT-3 rail system and of existing 73 rail cars, and the acquisition of new rail cars, at no cost to the government. Subsequently, on February 27, 2023, MRTC adopted the proposal and submitted it to DOTr and the office of the President.

As at March 31, 2025, the foregoing proposals remain pending with DOTr and the Office of the President.

Proposed increase in Authorized Capital Stock

The Parent Company plans to increase its authorized capital stock to 5,000,000,000 shares at P1.00 per share, from 2,000,000,000 shares at P1.00 per share. The initial plan in increase of its authorized Capital stock to 3,000,000,000 shares at P1.00 per share, from 2,000,000,000 shares at P1.00 per share has been superseded by the approval by the Board of Directors on 24 September 2018.

FEMI agrees to subscribe to 25% of the planned increase in capitalization, or 750,000,000 shares at P1.00 per share. Out of the said subscription, Five Hundred Million Pesos (P500,000,000.00) corresponding to Five Hundred Million (500,000,000) common shares at P1.00 per share will be fully paid through the conversion into equity of portion of FEMI's advances to the Parent Company.

At the Annual Stockholder's Meeting held on November 22, 2018, the stockholders approved the increase in authorized capital stock from Two Billion Pesos (Php2,000,000,000.00) divided into Two Billion (2,000,000,000) shares with a par value of One Peso (Php1.00) per share to Five Billion Pesos (Php5,000,000,000) divided into Five Billion (5,000,000,000) shares with a par value of One Peso (Php1.00) per share and the corresponding amendments to Article Seventh of the Amended Articles of Incorporation of the Parent Company. The stockholders also approved the subscription of FEMI to Seven Hundred Fifty Million (750,000,000) common shares of the Parent Company at par value of P1.00 per share with part of subscription price to the extent of Five Hundred Million Pesos (P500,000,000.00) to be offset against the Parent Company's advances from FEMI. The subscription for 250,000,000 common shares at P1.00 per share or subscription price of P250,000,000.00 is intended to be paid fully or partially via assignment to the Parent Company of shares of FEMI in Metro Solar Power Solutions, Inc. (MSPSI).

On October 10, 2019, the Parent Company and FEMI executed a Deed of Assignment whereby FEMI assigns, transfers and conveys unto the Parent

Company the advances in the aggregate amount of Five Hundred Million Pesos (P500,000,000.00) as partial payments of the subscriptions to the new shares to be issued out of the increase in capital stock of the Parent Company.

On August 23, 2023, the Parent Company and FEMI also executed a Deed of Assignment whereby FEMI absolutely and irrevocably assigns, transfers and conveys in favor of the Parent Company all of its rights, title, and interest over the Metro Solar shares, consisting of 250,000 common shares at par value of P100 per share, free from all liens and encumbrances of any nature. An independent appraiser determined that Metro Solar has an enterprise value of Three Hundred Fifty-Two Million Pesos (P352,000,000.00) in its report issued on March 31, 2023. The Parent Company accepted the Metro Solar shares in full payment of the Two Hundred Fifty Million Pesos (P250,000,000.00) subscription and the excess of One Hundred Two Million Pesos (P102,000,000.00) shall be booked as a Deposit for Future Stock Subscription of FEMI to the new share issuances of the Parent Company in the future.

On February 1, 2024, the Securities and Exchange Commission approved the increase in the Capital Stock of the Parent Company from P2 billion to P5 billion, divided into 5 billion shares with par value of P1 per share. The SEC likewise approved the recognition of Five Hundred Million Pesos (P500,000,000.00) as partial payment of subscription, through offset against of the Parent Company's advances from FEMI, in connection with the increase in authorized capital stock of the Parent Company, from P2 billion to P5 billion.

On April 8, 2024, the Securities and Exchange Commission issued the Certificate of Approval of Valuation on the shares of stocks of Metro Solar in the amount of Two Hundred Fifty Million Pesos (P250,000,000.00) which will be applied as payment for the issuance of additional 250,000,000 common shares at par value of P1.00 per share, which will come from the unissued portion of the present authorized capital stock of the Parent Company.

The transfer of the MSPSI shares to the Parent Company was completed on August 1, 2024, while the issuance of the 250,000,000 common shares to FEMI was consummated on July 15, 2024.

At the Annual Stockholder's Meeting held on October 12, 2023, the stockholders approved to further increase the authorized capital stock of the Company, from Five Billion Pesos (P5,000,000,000.00) divided into Five Billion (5,000,000,000) shares with a par value of One Peso (P1.00) per share to Ten Billion Pesos (P10,000,000,000) divided into Ten Billion (10,000,000,000) shares with a par value of One Peso (P1.00) per share. The stockholders also approved the subscription of FEMI, to P1.25 billion, equivalent to 1.25 billion shares at P1.00 par value, which subscription is to be partially paid to the extent of P312,000,000.00 via offset of Parent Company's debt to FEMI in the amount of P186,000,000.00, the assignment of FEMI's deposit for future subscription in the amount of P102,000,000.00 and the amount of P24,000,000.00 to be paid in cash.

Expansion of the Company's primary purpose

The Parent Company plans to expand its primary purpose to include investment in business engaged in solar, wind and other renewable energy generation facilities.

On November 20, 2018, the Board authorized the Company to enter into a Memorandum of Agreement with Fil-Estate Management Inc. (FEMI) whereby the Company shall purchase the Two Hundred Forty Nine Thousand Nine Hundred Ninety Five (249,995) shares of common stock of FEMI in Metro Solar

Power Solutions, Inc. (Metro Solar); a stock corporation registered with the Securities and Exchange Commission (the “SEC”) with SEC registration No. CS201622607 on September 28, 2016 with principal activity to construct, erect, assemble, commission and maintain power-generating plants and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution.

Such shares issued by Metro Solar to FEMI represent 100% percent of the entire issued and outstanding capital stock of Metro Solar. As per agreement with FEMI, the consideration in the value of the Metro Solar shares will be determined based on an appraisal report to be prepared by an independent appraiser acceptable to the Parent Company.

The shares that the Parent Company will issue to FEMI in exchange for the Metro Solar shares will come from the proposed P3 billion (P3,000,000,000.00) increase in authorized capital stock of the Company.

On November 22, 2018, during the annual Stockholders Meeting, the stockholders approved the amendment of the Article Second of the Articles of Incorporation to include in the primary purpose investment in business engaged in solar, wind, and other renewable energy generation facilities. The proposed amendment will allow the Parent Company to expand its investment into business engaged in solar, wind, and other renewable energy generation facilities.

On February 1, 2024, the Securities and Exchange Commission approved said amendment and issued the corresponding Certificate of Amended Articles of Incorporation allowing the Parent Company to invest in businesses engaged in the development of renewable energy through solar farms, wind farms, waste-to-energy and other energy projects.

Assignment of Share in Lease Income Termed “Depot Royalties”.

On November 20, 2018 the Board approved to earmark/allocate to FEMI its Depot Royalties from the rental income derived from Trinoma Mall for a period of fifteen (15) years commencing January 30, 2020 and ending January 30, 2034 to enable the Company to partially repay the Advances to FEMI to the extent of Three Hundred Million Pesos (P300,000,000.00)

On April 11, 2019, the Board of Directors of the Parent Company passed a Resolution approving the Company’s agreement with FEMI that in consideration of FEMI not charging interest on the outstanding obligations of the Company, the Company agreed to partially repay the Advances from FEMI by way of allocating to FEMI dividends and other income from affiliates of the Company in addition to the assignment of Depot Royalties from the rental income derived in TriNoma Mall for a period of fifteen (15) years commencing on January 30, 2020 and ending on January 30, 2034.

Acquisition of Metro Solar Power Solutions Inc. (MSPSI)

In line with the new business directions of the Parent Company to invest in business engaged in solar, wind, and other renewable energy generation facilities, the Parent Company entered into an Agreement with FEMI on November 20, 2018, for the acquisition of FEMI’s 100% equity stake in Metro Solar Power Solutions, Inc. (Metro Solar), a power company with an existing 65-megawatt solar farm project in Pililia, Rizal.

MSPSI is a stock corporation registered with the SEC primarily to construct, erect, assemble, commission, and maintain power-generating plants and related facilities for the conversion of renewable energy into usable form for electricity generation and distribution. The shares issued by MSPSI to FEMI represent

100% of its total issued and outstanding capital stock of MSPSI. In accordance with the agreement between FEMI and the Parent Company, the consideration for the MSPSI shares was to be determined based on a third-party appraisal report and mutually agreed upon by both parties.

On March 31, 2023, an independent appraiser valued MSPSI at P352 million. Subsequently, on August 23, 2023, the Parent Company and FEMI executed a Deed of Assignment, whereby FEMI, owning 100% of the total issued and outstanding shares of MSPSI, absolutely and irrevocably assigned, transferred and conveyed in favor of the Parent Company all of the shareholder's rights, title and interest over the shares of MSPSI, consisting of 250,000 common shares at par value of P100 per share, free from all liens and encumbrances of any nature. The Parent Company accepted the MSPSI shares as full payment for FEMI's P250 million subscription to the Parent Company.

This transaction was submitted to the Securities and Exchange Commission (SEC) for Confirmation of Valuation of the MSPSI shares as consideration for FEMI's subscription of the FEMI to the Parent Company. On April 8, 2024, the SEC approved the valuation of 100% of the issued and outstanding MSPSI shares as full payment for FEMI's subscription of 250,000,000 common shares in the Parent Company.

The transfer of the MSPSI shares to the Parent Company was completed on August 1, 2024, while the issuance of the 250,000,000 common shares to FEMI was consummated on July 15, 2024.

The Parent Company incorporated MGHC Royal Holdings Corporation (MGHC Royal) on May 19, 2017. MGHC Royal intends to engaged in the business of investing, purchasing, or otherwise acquiring, and owning, holding, using, selling, assigning, transferring, pledging, exchanging, or otherwise disposing of real and personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities of obligation of any other corporation or corporations associations or associations, domestic or foreign, for whatever lawful purpose or purposes.

On August 25, 2020, the Parent Company incorporated Metro Renewable Transport Solutions, Inc. (MRTSI). MRTSI intends to engaged in infrastructure development or providing services in relation with and in connection thereto, including but not limited to the construction of whatever kind and nature and for whatever purpose, buildings, roads, bridges, railways, ports, highways and other passages and facilities for transportation and communication.

As of December 31, 2024, MGHC Royal, MRTSI and MSPSI have not yet commenced commercial operations.

The Parent Company, and its subsidiaries, MGHC Royal, MRTSI and MSPSI, (the "Group") do not expect to purchase or sell any equipment within the ensuing twelve (12) months.

MSPSI has a long-term lease agreement with a third party for the lease of a 91.31-hectare property in Pililia, Rizal, which will be used as the site of its solar project facilities. The lease agreement will be in effect for 30 years, starting October 16, 2017.

MGHC, the Parent company, currently has twelve (12) employees.

MGHC Royal, MRTSI and MSPSI are not yet in commercial operation as of March 31, 2025. MSPSI has two (2) employees and MRTSI has one (1), while MGHC Royal has no employee as of March 31, 2025. The management of the three companies is currently being undertaken by the executive officers of MGHC.

Cash in bank increased by ₱8.0 million, or 640%, in view of the collection of receivables from NTDCC, pertaining to depot royalty income earned in 2024.

Receivables declined by ₱18.9 million, or 27%, on account of collection of receivables from Trinoma/NTDCC, amounting ₱25.1 million. This was partially offset by the ₱5.8 million accrual of depot royalty income earned during the first quarter of 2025.

Other current assets increased by ₱1.9 million, or 38%, mainly due to increase in Input VAT receivables.

Financial assets at fair value increased by ₱271 thousand due to upward adjustment in the market value of quoted equity shares.

Investments in associates increased by ₱11.6 million, or 58%, representing the Group's 15.8% share in MRT Devco's net income of ₱74 million for the period.

Property, plant and equipment increased by ₱0.39 million or 1% due to construction costs incurred during the period on solar power project.

Right-of-use asset decreased by ₱2.9 million or 1% primarily due to amortization. This asset is related to the Parent Company's acquisition and control of Metro Solar.

Due to a stockholder decreased by ₱14.3 million or 5% following cash payments made by the Group to FEMI.

The Group's Stockholders Equity increased by 0.20% or ₱6.8 million, is mainly due to the Group's net income of ₱6.6 million realized during the first quarter of 2025.

There are no material events, trends, commitments or uncertainties known to management that would address the past and would have an impact on the liquidity and on future operation of the company in general.

There are no any material commitments for capital expenditures, nor any events that will trigger direct or contingent financial obligation that is material to the company.

No material off-balance sheet transactions, arrangements, obligations and other relationships with unconsolidated entities or other persons created during this 1st quarter period.

FINANCIAL RISK DISCLOSURE

The significant judgments made in classifying a particular financial instrument in the fair value hierarchy.

- ***Fair value of financial instruments***
Where the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active

markets, these are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. These judgments may include considerations of liquidity. Due to the short-term nature of transactions, the fair value of cash in banks, accrued expenses and other current liabilities and due to a stockholder approximate the carrying values as at reporting date. Quoted equity securities are recorded at fair value. Fair value of unquoted equity securities for which no reliable basis for fair value measurement is available are carried at cost, less any accumulated impairment loss.

Fair Value Hierarchy

The Parent Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The quoted equity securities whose fair values are determined using quoted prices in active markets (Level 1) amounted to ₱2.8 million as at March 31, 2025 and ₱2.5 million as at December 31, 2024.

As at March 31, 2025 and December 31, 2024, the Parent Company does not have any financial assets and financial liabilities carried at fair value that are classified under Level 2 and 3.

On March 31, 2025 and December 31, 2024, there are no transfers among the fair value hierarchies.

A comparison of the fair values as of the date of the recent interim financial report and as of the date of the preceding interim period, and the amount of gain/loss recognized for each of the said periods, as follows:

Quoted Equity Securities

The changes in market value of quoted equity securities that were presented as “Change in fair value of available-for-sale financial assets” in other comprehensive income amounted to ₱271 thousand gain in March 2025 and ₱449 thousand gain in December 2024.

Movement in AFS financial assets consists of:

| | March 2025 | December 2024 |
|---|------------|---------------|
| Acquisition cost | ₱2,565,582 | ₱2,565,582 |
| Cumulative change in fair value: | | |
| Balance at beginning of year | (23,527) | (473,162) |
| Changes in fair value during the quarter/year | 271,179 | 449,635 |
| Balance at end of year | 247,652 | (23,527) |
| | ₱2,813,233 | ₱2,542,055 |

The criteria used to determine whether the market for a financial instrument is active or inactive, as defined under PAS 39 – Financial instruments.

- (1) Determination of Fair Value of Financial Assets not Quoted in an Active Market. The Group classifies financial asset valuating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether quoted prices are readily and regularly available, and whether those prices represent actual and regularly occurring market transactions on an arms' length basis.
- (2) The fair values of the Parent Company's investments in MRTHI and MRTHII cannot be reasonably determines as the shares are unquoted nor were there any expected future cash flows in view of the sale of future distributions entered into by the participated shareholders of MRTHI and MRTHII with TBS Kappitel Corporation Pte Ltd (TBS Kappitel) and that the investments, pursuant to the option agreement with FEMI will be used to settle the Parent Company's liability to FEMI. The carrying amount of unquoted investments amounted to ₱3.058 billion as at March 31, 2025 and December 31, 2024.

PART II – OTHER INFORMATION

1) Reports on SEC Form 17-C

There was no 17-C submitted during the First Quarter ending March 31, 2025.

Table A

| Financial Ratios | Formula | 1st Quarter 2025 | 1st Quarter 2024 |
|--------------------------|--|---------------------------------|---------------------------------|
| a) Current Ratio | $\frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$ | 0.16 | 0.16 |
| b) Solvency Ratio | $\frac{\text{Net Profit after Tax (or NPAT) + Depreciation and amortization}}{\text{Total Liabilities}}$ | 0.02 | n/a |
| c) Debt-to-Equity Ratio | $\frac{\text{Total Debt}}{\text{Total Stockholders' Equity}}$ | 0.27 | 0.27 |
| d) Asset to Equity Ratio | $\frac{\text{Total Assets}}{\text{Total Stockholders' Equity}}$ | 1.27 | 1.27 |
| e) Net Profit margin | $\frac{\text{NPAT}}{\text{Net Revenues}}$ | 0.32 | n/a |
| f) Return on asset | NPAT | 0.002 | n/a |

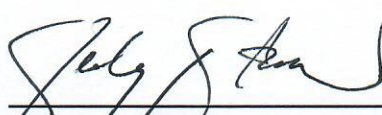

| | | | | | |
|---------------------|---------------------|-------|---------------|-------|-----|
| | Average Total Asset | | | | |
| g) Return on Equity | NPAT | | | | |
| | Average Equity | Total | Stockholders' | 0.002 | n/a |

SIGNATURES

Pursuant to the requirements of the Revised Securities Act, the registrants has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized

Registrant: Metro Global Holdings Corporation

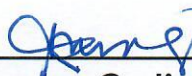
Signature and Title


Atty. Ferdinand T. Santos
President/Chief Risk Officer 

Date : May 9, 2025

Principal Financial/Accounting Officer/Controller:

Signature and Title


Ramon G. Jimenez
Chief Finance Officer and Alternate Corporate
Information Officer 