

C	S	2	0	1	1	0	2	1	3	7	
SEC Registration Number											

C	I	R	T	E	K		H	O	L	D	I	N	G	S		P	H	I	L	I	P	P	I	N	E	S							
C	O	R	P	O	R	A	T	I	O	N		A	N	D		S	U	B	S	I	D	I	A	R	I	E	S						

(Company's Full Name)

1	1	6		E	A	S	T		M	A	I	N		A	V	E	N	U	E	,		P	H	A	S	E		V	,			
S	E	Z	,		L	A	G	U	N	A		T	E	C	H	N	O	P	A	R	K	,		B	I	Ñ	A	N	,			
L	A	G	U	N	A																											

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

Mr. Brian Gregory Liu											
(Contact Person)											

7729-6205											
(Company Telephone Number)											

SEC Form -IS

(Form Type)

1	2	3	1
Month		Day	
(Calendar Year)			

0	5	2	9
Month		Day	
(Regular Meeting)			

(Secondary License Type, If Applicable)

SEC
Dept. Requiring this Doc.
28
Total No. of Stockholders

FOURTH AND SEVENTH	
Amended Articles Number/Section	
Total Amount of Borrowings	
Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS									

Remarks: Please use BLACK ink for scanning purposes.



**CIRTEK
Holdings Philippines Corporation**

**NOTICE OF THE ANNUAL MEETING OF THE STOCKHOLDERS OF
CIRTEK HOLDINGS PHILIPPINES CORPORATION**

TO ALL STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual Stockholders' Meeting of **CIRTEK HOLDINGS PHILIPPINES CORPORATION** (the "Corporation") will be held at 116 EAST MAIN AVENUE, PHASE V-SEZ, LAGUNA TECHNOPARK, BIÑAN, LAGUNA, 4024 on **Friday, 29 May 2026, at 10:30 a.m.** The meeting will be conducted virtually and registration can be accessed through the following link: <https://us06web.zoom.us/meeting/register/f2XZPez5QF6z3Kh7-SqtPQ>.

The Agenda of the Annual Stockholders' Meeting is as follows:

1. Call to Order
2. Certification of Service of Notice and Existence of Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on 30 May 2025
4. President's Report
5. Presentation and Approval of the Audited Financial Statements as of and for the Year Ended 31 December 2025
6. Ratification of All Acts of the Board of Directors and Management
7. Election of Nine (9) Directors (including Three (3) Independent Directors)
8. Appointment of External Auditors
9. Other Business
10. Adjournment

The Board of Directors has fixed **27 April 2026** as the record date for determining the stockholders entitled to notice of, and to vote at the Annual Stockholders' Meeting. Only holders of shares of stock as of the record date will be entitled to vote at the Annual Stockholders' Meeting. The stock and transfer books of the Company will be closed twenty (20) days prior to the meeting.

Pursuant to the Board Resolution approving the holding of the 2026 Annual Stockholders' Meeting via remote communication, issued in accordance with Securities and Exchange Commission ("SEC") Memorandum Circular No. 6, Series of 2020, the Annual Stockholders' Meeting will be held via remote communication.

IF YOU DO NOT EXPECT TO ATTEND THE ANNUAL STOCKHOLDERS' MEETING, YOU MAY EXECUTE AND SEND A PROXY FORM TO THE OFFICE OF THE CORPORATION AT **116 EAST MAIN AVENUE, PHASE V-SEZ, LAGUNA TECHNOPARK, BIÑAN, LAGUNA, 4024, or by e-mail to corporate_secretary@cirtek.ph**. THE DEADLINE FOR THE SUBMISSION OF PROXIES IS ON **19 May 2026, 10:00 A.M.**

PROXY VALIDATION WILL BE ON **20 MAY 2026, 10:00 A.M.** AT **116 EAST MAIN AVENUE, PHASE V-SEZ, LAGUNA TECHNOPARK, BIÑAN, LAGUNA, 4024.**

Stockholders intending to participate should notify the Corporation by email to **corporate_secretary@cirtek.ph** on or before **20 May 2026, 10:00 A.M**

Stockholders may vote electronically *in absentia*, subject to validation procedures.

The procedures for participating in the meeting through proxy, remote communication, and for casting their votes *in absentia* are set forth in the Information Statement.



LINUS V. MADAMBA
Corporate Secretary

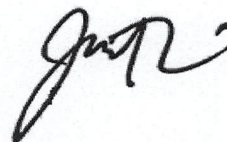
REPUBLIC OF THE PHILIPPINES)
Sta. Rosa, Laguna) S.S.

CERTIFICATION

I, **JUSTIN LIU**, of legal age, Filipino, with office address at 116 East Main Ave. Ph. V-SEZ, Laguna Technopark, Biñan, Laguna, Philippines, do hereby depose and say:

1. I am the incumbent Corporate Information Officer of **CIRTEK HOLDINGS PHILIPPINES CORPORATION** (the "Corporation"), a corporation duly organized and existing under the laws of the Philippines with principal place of business at No. 116 East Main Avenue, Phase V-SEZ, Laguna Technopark, Biñan, Laguna.
2. As such Corporate Information Officer, I hereby certify that none of the members of the Board of Directors and Officers of the Corporation are elective or appointive public officers or employees of the National or any Local Government Agency of the Philippines.
3. This Certification is being issued pursuant to Article IX(B) Section 8 of the Philippine Constitution.

IN WITNESS WHEREOF, I have hereunto affixed my signature this APR 20 2026 day of 2026 at Sta. Rosa, Laguna



JUSTIN LIU
Corporate Information Officer

SUBSCRIBED AND SWORN to before me this APR 20 2026 day of 2026, at Sta. Rosa, Laguna, affiant who is personally known to me exhibiting to me his Tax Identification Number [REDACTED].

Doc. No. 402
Page No. 82
Book No. 14
Series of 2026.

ATTY. BENEDICTO M. JOSE
Notary Public for the City of Sta. Rosa
Until December 31, 2027
Notarial Commission A.N.C. No. 0133-SRCL
Unit 5 Estrellita Bldg., Sta. Rosa-Tagaytay
Road, Brgy. Don Jose, Sta. Rosa City, Laguna
MCLE Compliance No. VIII-0032684; 05.05.
PTR No. 5179966; 01.05.26; Sta. Rosa City
IBP Lifetime No. 011555; 02.11.2013
Roll No. 43868

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Esther Tan**, Filipino, of legal age and a resident of **16 Hornbill St., Greenmeadows Subdivision, Quezon City**, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Cirtek Holdings Philippines Corporation (the "**Corporation**") and have been its independent director since September 23, 2025.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Trinity University of Asia	Trustee	Since Sept, 3025
Insurance Institute of Asia & the Pacific	Trustee /Treasurer	Since 2023
Assoc of Insurers & Reinsurers of Developing Countries	Trustee/ Treasurer	Since 2016
Episcopal Church of Holy Trinity	Junior Warden	Since 2025

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Cirtek Holdings Philippines Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. To the best of my knowledge, I am not related (other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code) to any director, officer or substantial shareholder of the Corporation and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. To the best of my knowledge, I am neither an officer nor an employee of any government agency or government-owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of Cirtek Holdings Philippines Corporation of any changes in the abovementioned information within five days from its occurrence.

APR 20 2026

Sta. Rosa, Laguna

Done, this _____ day of _____, at _____.

Esther C. Tan

Esther Tan
Affiant

APR 20 2026

Sta. Rosa, Laguna

SUBSCRIBED AND SWORN to before me this _____ day of _____ at _____,
affiant personally appeared before me and exhibited to me his/her Passport ID No. [REDACTED]
issued at DFA NCR East on November 26, 2019.

Doc. No. 403;
Page No. 82;
Book No. 19;
Series of 2024;

Benedicto M. Jose
ATTY. BENEDICTO M. JOSE

Notary Public for the City of Sta. Rosa
Until December 31, 2027
Notarial Commission A.N.C. No. 0133-SRCL
Unit 5 Estrellita Bldg., Sta. Rosa-Tagaytay
Road, Brgy. Don Jose, Sta. Rosa City, Laguna
MCLE Compliance No. VIII-0032684; 05.05.
PTR No. 5179966; 01.05.26; Sta. Rosa City
IBP Lifetime No. 011555; 02.11.2013
Roll No. 43868

CERTIFICATION OF INDEPENDENT DIRECTOR

I, ARTHUR G. SY, Filipino, of legal age and a resident of NO. 10 FIRST STREET, NEW MANILA, QUEZO, after having been duly sworn to in accordance with law do hereby declare :

1. I am a nominee for independent director of Cirtek Holdings Philippines Corporation (the “**Corporation**”) and will be appointed as independent director on May 29,2026.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
MERCANTILE INSURANCE CO. INC	CHIEF FINANCIAL OFFICER	2023 - 2025
MERCANTILE INSURANCE CO. INC	CONSULTANT – BUSINESS DEVELOPMENT	2017 - 2023
EASTWEST BANKING CORPORATION	BRANCH MANAGER	2015 - 2016
BDO UNIBANK INC	BRANCH MANAGER	2006 - 2016
UNITED OVERSEAS BANK	BRANCH MANAGER	2003 - 2005
UNITED OVERSEAS BANK	ACQUIRED ASSETS HEAD	1999 - 2003
VANTAGE SECURITIES CORP.	CHIEF OPERATING OFFICER	1997 - 1998
ABACUS SECURITIES CORP.	BRANCH HEAD	1996 - 1997
FIRST METRO INVESTMENT CORP.	FIRST VICE PRESIDENT	1995 – 1996

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Cirtek Holdings Philippines Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. To the best of my knowledge, I am not related (other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code) to any director, officer or substantial shareholder of the Corporation and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. To the best of my knowledge, I am neither an officer nor an employee of any government agency or government-owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

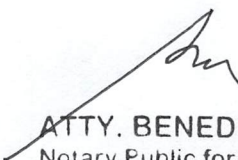
8. I shall inform the Corporate Secretary of Cirtek Holdings Philippines Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this APR 20 2026 day of CITY OF STA. ROSA LAGUNA


ARTHUR G. SI
Affiant

SUBSCRIBED AND SWORN to before me this APR 20 2026 day of CITY OF STA. ROSA LAGUNA at CITY OF STA. ROSA LAGUNA
affiant personally appeared before me and exhibited to me his/her _____ issued at
_____.

Doc. No. 400;
Page No. 81;
Book No. 14;
Series of 2624;


ATTY. BENEDICTO M. JOSE
Notary Public for the City of Sta. Rosa
Until December 31, 2027
Notarial Commission A.N.C. No. 0133-SRCL
Unit 5 Estrellita Bldg., Sta. Rosa-Tagaytay
Road, Brgy. Don Jose, Sta. Rosa City, Laguna
MCLE Compliance No. VIII-0032684; 05.05.25
PTR No. 5179966; 01.05.26; Sta. Rosa City
IBP Lifetime No. 011555; 02.11.2013
Roll No. 43868

CERTIFICATION OF INDEPENDENT DIRECTOR

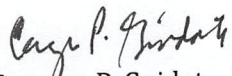
I, **Corazon P. Guidote**, Filipino, of legal age and a resident of Lot 12 Block 12 Milestone St. Maries Village Brgy. Pasong Tamo Quezon City after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **Cirtek Holdings Philippines Corporation (the "Corporation")** and have been its independent director since May 26, 2017.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
College of the Holy Spirit Alumnae	Member, Board of Trustees	Present
Institute of Corporate Directors	Member of the Teaching Faculty	Present
SM Investment Corporation	Senior Vice President for Investor Relations and Corporate Communication	2006
Office of the President	Presidential Consultant for Investor Relations	2005
ABN AMRO Asia Securities Philippines	Chief Operations Officer	2003
Bangko Sentral ng Pilipinas	Executive Director	2001
Metro Pacific Corporation	Group Vice President	1998
UBS Securities (East Asia) Ltd.	Managing Director and Head of Philippine Equities	1997
Citibank N.A.	Vice-President and Managing Director	1996

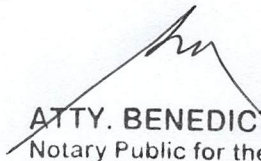
3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. To the best of my knowledge, I am not related (other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code) to any director, officer or substantial shareholder of the Corporation and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. To the best of my knowledge, I am neither an officer nor an employee of any government agency or government-owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of Cirtek Holdings Philippines Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this APR 20 2026 day of _____, at CITY OF STA. ROSA LAGUNA.


Corazon P. Guidote
Affiant

SUBSCRIBED AND SWORN to before me this APR 20 2026 day of _____ at CITY OF STA. ROSA LAGUNA,
affiant personally appeared before me and exhibited to me his/her Driver's License ID No. [REDACTED]
[REDACTED] issued at Manila on 21 October 2018.

Doc. No. 399 ;
Page No. 81 ;
Book No. 14 ;
Series of 2024 ;


ATTY. BENEDICTO M. JOSE
Notary Public for the City of Sta. Rosa
Until December 31, 2027
Notarial Commission A.N.C. No. 0133-SRCL
Unit 5 Estrellita Bldg., Sta. Rosa-Tagaytay
Road, Brgy. Don Jose, Sta. Rosa City, Laguna
MCLE Compliance No. VIII-0032684; 05.05.25
PTR No. 5179966; 01.05.26; Sta. Rosa City
IBP Lifetime No. 011555; 02.11.2013
Roll No. 43868

APPENDIX A
PROCEDURE FOR VOTING AND PARTICIPATION
VIA REMOTE COMMUNICATION
in compliance with Section 49 of the Revised Corporation Code
and MC No. 3, series of 2020

Cirtek Holdings Philippines Corporation (the "Corporation") shall be conducting its Annual Stockholders' Meeting ("ASM") on **Friday, 29 May 2026, at 10:30 a.m.**, via remote communication. In this regard, stockholders of record as of 03 May 2024 shall be entitled to attend, participate, and vote in the ASM, in accordance with the procedure outlined below:

I. VOTING VIA REMOTE COMMUNICATION OR IN ABSENTIA

1. The Stockholders who would like to vote via remote communication or *in absentia* shall register at <https://us06web.zoom.us/meeting/register/f2XZPez5QF6z3Kh7-SqtPQ> **from 8 May 2026 to 19 May 2026, 10:00 A.M.,** where they will be asked to provide the following information:

- a. For individual Stockholders
 - a. Full name;
 - b. Address;
 - c. Birthdate;
 - d. Email address;
 - e. Phone/Mobile number;
 - f. Current photograph, with face fully visible;
 - g. Scanned copy of a valid Government-issued ID;
 - h. For Stockholders with joint accounts, a scanned copy of an authorization letter signed by the other Stockholders, indicating who among them is authorized to cast the vote for the account; and
 - i. For Uncertificated Stockholders, certification from their brokers attesting to the number of shares they are holding.
- b. For corporate Stockholders
 - i. Corporate name;
 - ii. Address;
 - iii. Email address;
 - iv. Phone/Mobile number;
 - v. Scanned copy of the notarized Secretary's Certificate or Board Resolution authorizing the representative of the corporation to cast the vote;
 - vi. Current photograph of the representative authorized to cast the vote for the corporation, with face fully visible;
 - vii. Scanned copy of a valid Government-issued ID of the authorized representative; and
 - viii. For Uncertificated Stockholders, certification from their brokers attesting to the number of shares they are holding.

The submissions of Stockholders shall immediately be validated by the Stock and Transfer Agent of the Corporation in coordination with the Corporate Secretary.

2. Upon validation, the Stockholder will receive an e-mail for the link to join the meeting.
3. The Stockholder may then download the Voting Form from this link: <https://www.cirtekholdings.com/annual-stockholders-meeting> to be submitted to the Office of the Corporate Secretary, Atty. Linus Madamba, at: corporate_secretary@cirtek.ph to be able to cast his/her vote in all the matters included in the agenda of the Corporation's ASM.

Registered Stockholders shall only be allowed to vote until 25 May 2026, 10:00 A.M. Only the votes submitted before the said date and time shall be tallied. The votes shall be considered cast for all the shares of the Stockholder.

4. The Stockholders who register and vote via remote communication or *in absentia* are deemed to have given their permission to the collection, use, transfer, disclosure, sharing, storage, and other forms of processing (collectively "Processing"), by the Corporation or any relevant third party, of the personal data they have provided. The Processing of the Stockholders' personal data shall be used for the purpose of voting via remote communication or *in absentia* during the ASM, including for any reason necessary or incidental thereto.

II. VOTING BY PROXY

The Stockholders of the Corporation may also vote by completing the Proxy Form downloadable from this link: <https://www.cirtekholdings.com/annual-stockholders-meeting>. The completed and signed proxy form shall be submitted by the Stockholder to the Corporate Secretary, through electronic mail and/or personal service, **from 8 May 2026 to 19 May 2026, 10:00 A.M.** The Corporate Secretary will then be the one to send the Proxy Forms to the Corporation's Stock and Transfer Agent for validation. Please refer to the details provided below:

Through Electronic Mail:
corporate_secretary@cirtek.ph

Through Personal Service:
116 EAST MAIN AVENUE, PHASE V-SEZ, LAGUNA TECHNOPARK BIÑAN, LAGUNA, 4024

Fax : (63) 49-541-2317
Contact Person: Justin Liu – Corporate Information Officer

For the purpose of validation, the Stockholder must include the following in transmitting the completed and signed proxy form:

- a. Full name of contact person;
- b. Phone/Mobile number of contact person;
- c. Scanned copy of valid government-issued ID of the Stockholder and his/her appointed proxy (if not the Chairman of the Corporation); and
- d. For Corporate Stockholders, in addition to the above, scanned copy of Secretary's Certificate or Board Resolution authorizing the representative to act as the proxy.

III. TABULATION OF VOTES

Thereafter, the Stock and Transfer Agent of the Corporation shall tabulate the votes cast via remote communication, *in absentia* and by proxy. The results shall be confirmed by the Corporation's independent auditors, R.S. Bernaldo & Associates.

The total votes made via remote communication, *in absentia* and by proxy, as well as the number of shares represented by the same, shall be announced during the ASM.

IV. PARTICIPATION IN THE 2025 ASM THROUGH REMOTE COMMUNICATIONS

1. The Stockholders shall attend the meeting on **29 May 2026, at 10:30 A.M.**, through the link to be provided. The ASM shall be broadcasted live via Zoom, which may be accessed either through a web browser or through the Zoom mobile application.
2. The Stockholders who have not voted via remote communication, *in absentia* or submitted their proxies may still attend the ASM through the zoom meeting link indicated above, provided that they are duly validated as stockholders of record. However, to be included in the determination of the quorum, they must notify the Corporate Secretary of the Corporation of their intention to attend the ASM by registering at this link: <https://us06web.zoom.us/meeting/register/f2XZPez5QF6z3Kh7-SqtPQ> **from 8 May 2026 to 19 May 2026, 10:00 A.M.** Stockholders (or their proxies) whose registration are validated will receive an email containing their usernames and passwords, along with the instructions on how to participate in the Zoom virtual meeting.
3. Uncertificated stockholders (those who hold shares through PCD Nominee accounts), should submit a certification from their brokers attesting to the number of shares they are holding together with a scanned copy of a valid identification card by email to the Office of the Corporate Secretary, Atty. Linus Madamba, at the following e-mail address: corporate_secretary@cirtek.ph.
4. The Proxy Form, Information Statement, Audited Financial Statements and Quarterly Financial Statements can be downloaded via the Company website: <https://www.cirtekholdings.com/annual-stockholders-meeting>.
5. In view of the foregoing, the quorum for the ASM shall be determined based on the following:
 1. The Stockholders who were validated and voted *in absentia*;
 2. The Stockholders who submitted their proxy forms and were validated; and
 3. The Stockholders who notified the Corporate Secretary of their intention to attend the ASM and were validated.

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS**

**INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:
☐ Preliminary Information Statement
☒ Definitive Information Statement
2. Name of Registrant as specified in its charter: **Cirtek Holdings Philippines Corporation**
3. Province, country or other jurisdiction of incorporation or organization: **Philippines**
4. SEC Identification Number **CS201102137**
5. BIR Tax Identification Code **007-979-726**
6. Address of principal office **116 East Main Avenue, Phase V-SEZ** Postal Code: **4024**
Laguna Technopark, Biñan Laguna
7. Registrant's telephone number, including area code **+632 7729 6205 +63 49 541 2317**
8. Date, time and place of the meeting of security holders: **29 May 2026, 10:30 A.M. The meeting will be conducted virtually and registration can be accessed through the following link:**

<https://us06web.zoom.us/meeting/register/f2XZPez5QF6z3Kh7-SqtPQ>

The meeting can be accessed through the following link:

<https://us06web.zoom.us/j/88313312084?pwd=kjvL0DMB4rzG6XFU15Rn6Zk9ozLEIF.1>

9. Approximate date on which the Information Statement, including proxy form and other solicitation materials, is first to be sent or given to security holders: **8 May 2026**
10. In case of Proxy Solicitations:
Name of Person Filing the Statement/Solicitor: **N/A**
Address and Telephone No.: **N/A**
11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common Shares	668,505,825
Preferred B-2 A Shares	67,000,000
Preferred B-2 B Shares	20,000,000
Preferred B-2 C Shares	16,936,400
Preferred B-2 D Shares	28,625,500

12. Are any or all of registrant's securities listed in a Stock Exchange?

Yes ☒ No ☐

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

The Philippine Stock Exchange, Inc. ("PSE") – Common Shares, Preferred B-2 A, Preferred B-2 B, Preferred B-2 C, and Preferred B-2 D Shares

PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

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

a. DATE OF: 29 May 2026

MEETING

TIME OF: 10:30 A.M.

MEETING

PLACE OF: The meeting will be conducted virtually through
MEETING videoconferencing by registration using the following link:

<https://us06web.zoom.us/join/joinmeeting/register/f2XZPez5QF6z3Kh7-SqtPQ>

The meeting can be accessed through the following link:

<https://us06web.zoom.us/j/88313312084?pwd=kjvL0DMB4rzG6XFU15Rn6Zk9ozLElF.1>

PRINCIPAL : 116 East Main Avenue, Phase V-SEZ Laguna Technopark, Biñan Laguna,
OFFICE 4024

The Information Statement may be accessed by the Corporation's stockholders beginning 8 May 2026 at the Corporations website,
<https://www.cirtekholdings.com/annual-stockholders-meeting>

b. Approximate date on

which the

Information

statement is

first to be

sent or

given to

security

holders

Item 2. Dissenters' Right of Appraisal

Any stockholder of the Corporation who exercises his right of appraisal must vote against the proposed corporate action in order to avail himself of the appraisal right. As provided in Title X of the Revised Corporation Code, a stockholder may exercise his right of appraisal in the following instances:

- a. In case an amendment to the Articles of Incorporation has the effect of:
 - a. Changing or restricting the rights of any stockholder or class of shares;
 - b. Authorizing preferences in any aspect's superior to those of outstanding shares of any class;
 - c. Extending or shortening the corporate existence;
- b. The sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property or assets;
- c. A merger or consolidation;
- d. In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

In the exercise of the appraisal right, Title X of the Revised Corporation Code provides the procedure on how it may be exercised:

1. A dissenting stockholder files a written demand for payment of the fair value of the shares within thirty (30) days after the date on which the vote was taken. Failure to file a written demand within the thirty (30) day period shall constitute a waiver of the right. Within ten (10) days from demand, the dissenting stockholder shall submit the stock certificates to the corporation for notation that such shares are dissenting shares. From the time of demand for payment until either abandonment of the corporate action or purchase of the shares of the corporation, all rights accruing to the shares shall be suspended, except the stockholder's right to receive payment for the fair value of his shares.
2. If the corporate action is implemented, the corporation shall pay the stockholder the fair value of his shares upon surrender of the certificate/s of stock. Fair value is determined by the value of the shares on the day prior to the date on which the vote was taken, excluding appreciation/depreciation in anticipation of such corporate action.
3. If the fair value is not determined within sixty (60) days from the date of action, it will be determined and appraised by three (3) disinterested persons (one chosen by the corporation, one chosen by the stockholder, and another chosen by both). The findings of the said appraisers will be final, and their award will be paid by the corporation within thirty (30) days after such award is made. Upon such payment, the stockholder shall forthwith transfer his shares to the corporation. No payment shall be made to the dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment.
4. If the stockholder is not paid within thirty (30) days from such award, his voting and dividend rights shall be immediately restored.

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

- (a) Not Applicable. No action to be taken with respect to any substantial interest, direct or indirect, by security holdings or otherwise, of each person who has been a director, officer, or associate of said director or officer of the registrant at any time since the beginning of the last fiscal year or his or her associate.
- (b) As of the date hereof, none of the directors of the Corporation has informed the Corporation of his intention to oppose any of the corporate actions to be acted upon at the stockholders' meeting of the Corporation.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) Number of shares outstanding (as of 31 March 2026)	668,505,825 Common Shares 700,000,000 Preferred A Shares 70,000,000 Preferred B-1 Shares 67,000,000 Preferred B-2A Shares 20,000,000 Preferred B-2B Shares 16,936,400 Preferred B-2C Shares 28,625,500 Preferred B-2D Shares
Number of votes to which each class is entitled	One (1) vote per one (1) Common Share. One (1) vote per one (1) Preferred A Share. The Preferred B-1, B-2A, B-2B, B-2C, and B-2D Shares are non-voting shares.

Both the Common Shares and Preferred A shares are entitled to one (1) vote per one (1) share. However, while the Common Shares are registered with the Securities and Exchange Commission ("SEC") and listed with The Philippine Stock Exchange ("PSE"), the Preferred A Shares are not registered with the SEC and not listed with the PSE.

(b) Cut-off date / record date 27 April 2026

The Corporation's capital stock consists of Common Shares and Preferred A, B-1, B-2A, B-2B, B-2C, and B-2D Shares. The stockholders of Common and Preferred A shares have the same voting rights. Each Common and Preferred A share is entitled to one vote. The stockholders of Preferred B-1, B-2A, B-2B, B-2C, and B-2D Shares are not entitled to vote except in those cases provided by law.

(c) Cumulative Voting for Directors

At the election of directors, each stockholder entitled to vote may vote the shares registered in his name, either in person, by proxy or in absentia, for as many persons as there are directors, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.

(d) Security Ownership of Certain Record and Beneficial Owners

- i. Security Ownership of Record and Beneficial Owners of more than five percent (5%) of the Corporation's voting securities as of 31 March 2026:

Title of Class	Name, Address of Record Owner, and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	% of Class
Common	PCD Nominee Corporation (Filipino) G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	PCD Nominee Corporation (Filipino) G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	Filipino	544,782,793	81.493%
Common	Camerton, Inc. ¹ 116 East Main Ave., Phase V SEZ Laguna Technopark Binan Laguna	Camerton, Inc. 116 East Main Ave., Phase V SEZ Laguna Technopark Binan Laguna	Filipino	110,260,791	16.49%
	Total			655,043,584	97.98%
Preferred A	Camerton, Inc. ² 116 East Main Ave., Phase V SEZ Laguna Technopark Binan Laguna	Camerton, Inc. 116 East Main Ave., Phase V SEZ Laguna Technopark Binan Laguna	Filipino	700,000,000	100%
	Total			700,000,000	100%

Under PCD account,³ the following participants hold shares representing more than five percent (5%) of the Corporation's outstanding shares as of 31 March 2026:

Participant	Number of Shares	Percentage
Abacus Securities Corporation	127,051,219	19%
COL Financial Group, Inc.	133,892,394	20%
First Metro Securities Brokerage Corp.	42,486,925	6%

Except as stated above, the Corporation has no knowledge of any person or any group who, directly or indirectly, is the beneficial owner of more than five percent (5%) of the Corporation's outstanding

¹ Camerton, Inc. has appointed Jerry Liu who shall vote the shares on its behalf in all meetings including the forthcoming Annual Stockholders' Meeting on 29 May 2026.

² Camerton, Inc. has appointed Jerry Liu who shall vote the shares on its behalf in all meetings including the forthcoming Annual Stockholders' Meeting on 29 May 2026.

shares or who has a voting power, voting trust, or any similar agreement with respect to shares comprising more than five percent (5%) of the Corporation's outstanding common stock.

- ii. The number of common shares beneficially owned by directors and executive officers as of 31 March 2026 are as follows:

Title of Class	Name of Beneficial Owner	No. of Shares Held	Citizenship	Percent (%)
Common	Jerry Liu	110,260,792 ³	Chinese	16.49%
Common	Antonio Callueng	1	Filipino	0
Common	Brian Gregory Liu	1	Filipino	0
Common	Justin Liu	1	Filipino	0
Common	Ernest Fritz Server	1	Filipino	0
Common	Michael Stephen Liu	1	Filipino	0
Common	Corazon Guidote	1	Filipino	0
Common	Esther Tan	1	Filipino	0
Common	Hector Villanueva	1	Filipino	0

The number of common shares beneficially owned by directors and executive officers as of 29 May 2026 are as follows:

Title of Class	Name of Beneficial Owner	No. of Shares Held	Citizenship	Percent (%)
Common	Jerry Liu	110,260,792 ⁴	Chinese	16.49%
Common	Antonio Callueng	1	Filipino	0
Common	Brian Gregory Liu	1	Filipino	0
Common	Justin Liu	1	Filipino	0
Common	Ernest Fritz Server	1	Filipino	0
Common	Michael Stephen Liu	1	Filipino	0
Common	Corazon Guidote	1	Filipino	0
Common	Esther Tan	1	Filipino	0
Common	Arthur G. Sy	1	Filipino	0

iii. Voting Trust Holder of 5% or More

The Corporation is not aware of any person holding more than five percent (5%) of the common shares of the Corporation under a voting trust or similar agreement as there has been no voting trust agreement filed with the Corporation and the SEC.

iv. Change in Control of the Corporation

No change in control of the Corporation has occurred since the beginning of the last fiscal year.

³ 110,260,791 Shares are indirectly held through Camerton, Inc.

⁴ 110,260,791 Shares are indirectly held through Camerton, Inc.

Item 5. **Directors and Executive Officers**

The following are the Directors and Officers as of 31 March 2026:

Name of Director/Officer	Position
Jerry Liu	Director and Chairman
Antonio Callueng	Director, President, and Chief Executive Officer
Brian Gregory Liu	Director, Executive Vice President, Treasurer, and Chief Financial Officer
Justin Liu	Director, Executive Vice President, and Corporate Information Officer
Michael Stephen Liu	Director, Executive Vice President, and Chief Technology Officer
Ernest Fritz Server	Director
Hector Villanueva	Independent Director
Corazon Guidote	Independent Director
Esther Tan	Independent Director
Linus Madamba	Corporate Secretary
Emelita Cruzada	Chief Compliance Officer and Assistant Corporate Secretary

All the Directors and Officers named herein served in their respective positions since 30 May 2025.

The Directors of the Corporation were elected at the 2025 Annual Meeting of the stockholders of the Corporation to hold office until the next succeeding annual meeting of the stockholders and until the respective successors have been elected and qualified.

The Officers were elected by the Board of Directors at the organizational meeting of the Board last 30 May 2025. During the said meeting, the Board also elected the Chairman and Members of the Audit and Risk Management Committee, Sustainability and Compliance Committee, Compensation and Nomination Committee, and Related Party Transaction Committee.

Nominees

Compensation and Nomination Committee

The Chairman of the Compensation and Nomination Committee of the Corporation is Ernest Fritz Server, and the members are Jerry Liu and Arthur Sy.

Nominees

The nominees for election as members of the Board of Directors and as Officers of the Corporation as of the date of sending the Definitive Information Statement are listed below:

Regular Directors

Jerry Liu
Antonio Callueng
Michael Stephen Liu
Brian Gregory Liu
Justin Liu
Ernest Fritz Server

Independent Directors

Esther Tan
Corazon Guidote
Arthur Sy

Corporate Secretary

Linus V. Madamba

Chief Compliance Officer / Assistant Corporate Secretary

Emelita Cruzada

The Company's Directors and Officers for the year 2025-2026.

	Age	Citizenship	Position
Jerry Liu	77	Chinese	Chairman and Director
Antonio Callueng	68	Filipino	Vice Chairman, President, Chief Executive Officer, and Director
Brian Gregory T. Liu	39	Filipino	Executive Vice President, Chief Financial Officer, Treasurer, and Director
Justin T. Liu	44	Filipino	Executive Vice President, Corporate Information Officer, and Director
Michael Stephen T. Liu	41	Filipino	Executive Vice President, Chief Technology Officer, and Director
Ernest Fritz Server	82	Filipino	Director
Hector Villanueva	90	Filipino	Independent Director
Esther Tan	80	Filipino	Independent Director
Corazon Guidote	65	Filipino	Independent Director
Linus Madamba	43	Filipino	Corporate Secretary
Emelita Cruzada	69	Filipino	Chief Compliance Officer and Assistant Corporate Secretary

The Company's Directors and Officers for the year 2026-2027.

	Age	Citizenship	Position
Jerry Liu	77	Chinese	Chairman and Director
Antonio Callueng	68	Filipino	Vice Chairman, President, Chief Executive Officer, and Director
Brian Gregory T. Liu	39	Filipino	Executive Vice President, Chief Financial Officer, Treasurer, and Director
Justin T. Liu	44	Filipino	Executive Vice President, Corporate Information Officer, and Director
Michael Stephen T. Liu	41	Filipino	Executive Vice President, Chief Technology Officer, and Director
Ernest Fritz Server	82	Filipino	Director
Arthur Sy	73	Filipino	Independent Director
Esther Tan	80	Filipino	Independent Director

Corazon Guidote	65	Filipino	Independent Director
Linus Madamba	43	Filipino	Corporate Secretary
Emelita Cruzada	69	Filipino	Chief Compliance Officer and Assistant Corporate Secretary

The following is a brief profile of the Corporation's Directors and Officers for the year 2025-2026.

Regular and Independent Directors.

Jerry Liu, 77 years old, was elected as the Corporation's Chairman on 25 May 2012. He is still currently the Chairman of the Corporation. He is also concurrently Chairman of Cirtek Electronics Corporation ("CEC"), Director of Cirtek Land, and Cayon Holdings, Inc. Mr. Liu holds a Bachelor of Science degree in Physics from Chung Yuan University of Taiwan and an MBA from the University of the East.

Antonio Callueng, 68 years old, was elected as the Corporation's President and CEO on 31 May 2024. He is currently the Vice President of Sales and Customer Satisfaction at Cirtek Electronics Corporation. He served as a Director and a Member of the Audit and Risk Management Committee at TECH in 2019. Mr. Callueng brings 44 years of experience in the manufacturing sector, specifically in outsourced assembly and test subcontracting and has been well exposed in customer management and business development in the semiconductor industry. He has also worked as an expatriate in a semiconductor company in Indonesia for 8 years before joining Cirtek Electronics Corporation in 2004. Mr. Callueng earned his Bachelor of Science degree in Electronics and Communication Engineering from Feati University in Manila.

Brian Gregory Liu, 39 years old, was elected as the Executive Vice President and Chief Financial Officer on 2 August 2019. He was formerly the Chief Operating Officer of the Corporation. He was first elected as Director on 11 May 2015. He is concurrently a Managing Director & CFO of CEC, stockholder in Cirtek Land Corporation ("CLC"), and Turbog Trading. Mr. Liu trained as an Operations Trainee in Domino's Pizza from 2001 to 2002, then as an Analyst in Evergreen Stockbrokerage & Securities Inc. from 2003 to 2005. He obtained his degree in Management in Financial Institutions from the De La Salle University in 2009.

Justin T. Liu, 44 years old, was elected as Vice President and Corporate Information Officer on 1 February 2019. He is also a President and Director of Figaro Coffee Systems, Inc. Mr. Liu graduated from the De La Salle University with a Bachelor of Science in Business Management and earned his Master's in Finance from the University of San Francisco in 2006.

Michael Stephen T. Liu, 41 years old, is currently the EVP & CTO of the Corporation and General Manager of Cirtek Advanced Technology and Solutions ("CATSI"), a Cirtek company catering to the telecom and wireless broadband space. He was first elected as Director on 11 May 2015. Mr. Liu obtained his degree in Electronics and Communications Engineering from De La Salle University in 2007 and is a licensed Electrical Engineer.

Ernest Fritz Server, 82 years old, was elected as an Independent Director of the Corporation on 17 February 2011 and was elected as a regular Director in the Annual Stockholders' Meeting held last 30 July 2020. Mr. Server serves as the President of Multimedia Telephony Inc., Vice Chairman of RFM Corporation, Chairman of Arrakis Holdings, Inc., President of Seacage Industries, Inc., President of West Properties, Inc., President of Superior Las Pinas, Inc., a director of ABS CBN Convergence, Inc. and a director of BJS Development Corp. Previously, Mr. Server served as Vice Chairman of the Commercial Bank of Manila, Consumer Bank and Cosmos Bottling Corporation, President of Philippine Home Cable Holdings, Inc. and Philam Fund, and a director of Philippine Township, Inc. Mr. Server graduated from the Ateneo de Manila University in 1963 with degree in Bachelor of Arts degree in Economics and holds an MBA Major in Banking and Finance from the University of Pennsylvania, Wharton Graduate School.

Hector Villanueva, 90 years old, was elected as Independent Director on 26 May 2017. He has held senior positions in both private and public sectors. He was Chairman of the Board of First Metro Philippine Equity Exchange Traded Fund, Inc., Chairman, Postmaster General & Chief Executive Officer of Philippine Postal Corporation, Member of the Advisory Board, First Metro Investment Corporation, and Publisher and Editor-in-Chief, Sun Star Manila. Mr. Villanueva was also Cabinet Secretary from 1995-1998. Mr. Villanueva obtained a Bachelor of Science degree in Economics from the London School of Economics and Political Science, and post-graduate studies from Royal Institute of Bankers, United Kingdom.

Bernardino Ramos, 80 years old, was elected as Independent Director on 2 August 2019. He is a Certified Public Accountant and has a Bachelor of Science degree in Business Administration Major in Accounting from the Far Eastern University and a Manager's Secondment/ On-the-Job Training at Ernst & Young (Formerly Ernst & Whinney) – Chicago, USA. He served as Partner in SGV& Co. (Affiliated with Arthur Andersen & Co. from 1985 to 2001, & Ernst & Young from 2002 to 2005), including almost 7 years as Partner/Advisor of Drs Utomo & Co., SGV Group. He was previously a Technical advisor of PSALM (Power Sector Assets and Liabilities Management Corporation), and also been a Member, Board of Directors and Board Committees of PSI Technologies Inc., Sony Life Philippines, Inc. and Philippine Primark Properties, Inc. At present he is an independent financial consultant, primarily on company/ business acquisitions and advisory on accounting/ financial matters, and also a Chairman of the Board of Directors of GB Distributors, Inc. and Member, Board of Directors and Board Committees of private companies including PSI Holdings, Inc., State Investment Trust, Inc. ("SITI"), State Properties, Inc. and PILAC, Inc., to name a few.

On August 13, 2025, Cirtex Holdings Philippines Corporation (the "Company") mourns the passing of Mr. Bernardino Ramos, an independent director of the Company. Mr. Ramos was a valuable part of the organization being a director since 2019.

Ms. Esther Tan, 80 years old, was appointed as Independent Director, effective 23 September 2025 to fill the unexpired term of the late Mr. Bernardino Ramos. Ms. Tan obtained her degree in Nutrition and Dietetics from the University of the Philippines in 1968. She earned her MBA from Ateneo de Manila University in 1980 and completed an Advanced Management Course at Harvard University in 1998.

Ms. Tan currently serves as the Treasurer and Trustee of AIRDC for 2024-2026. She previously held key leadership roles including President and Vice-Chairman of PNB Life, and Chairman, President, and CEO of Sun Life Financial, where she was instrumental in launching Sun Life Asset Management Company and Sun Life Preneed Plans. She is currently a member of the Board of Trustees of the INSURANCE INSTITUTE for ASIA & THE PACIFIC, a Board of Trustee of the Trinity University of Asia and a Vestry member of the Episcopal Church of the Holy Trinity.

Corazon P. Guidote, 65 years old, a Certified Public Accountant, was elected as Independent Director on 31 May 2019. Ms. Guidote is a Bachelor of Science graduate, major in Accountancy at the University of Santo Tomas ("UST") in 1982. The UST College of Commerce eventually recognized her as one of its most outstanding alumnae in 2004. She holds a Master's Degree in Applied Business Economics from the University of Asia and the Pacific where she likewise received an Achievement Award in 1997 from the ABEP Alumni Association. She is now a member of the teaching faculty at the Institute of Corporate Directors currently specializing in the field of Sustainability Reporting otherwise referred to as ESG or (Environmental, Social and Governance). She successfully concluded her 15-year career in Investor Relations on October 2017. It was during this period that her pioneering spirit ushered her into two of her most challenging tasks of setting up the Investor Relations offices; first, at the Bangko Sentral ng Pilipinas ("BSP"), and second at SM Investments Corporation.

The nominees for the Corporation's Directors and Officers for the year 2026-2027 are:

1. Jerry Liu
2. Antonio Callueng
3. Michael Stephen Liu
4. Brian Gregory Liu
5. Justin Liu
6. Ernest Fritz Server

Independent Directors

The nominees for Independent Directors of the Corporation for the year 2026-2027 are:

7. Esther Tan;
8. Arthur Sy; and
9. Corazon Guidote.

They have been nominated by Jerry Liu, one of the current directors of the Corporation. The nominated independent directors are not related to Mr. Liu who nominated them and they have signified their acceptance of the nominations. In accordance with SEC Memorandum Circular No. 5, Series of 2017, the Certifications of Independent Directors executed by the aforementioned candidates for independent directors of the Corporation are attached hereto. Corazon Guidote has been an Independent Director since 31 May 2019. Esther Tan has been an Independent Director since 23 September 2025. In accordance with the SEC Memorandum Circular No. 4, Series of 2017, Corazon Guidote may serve as an Independent Directors until 2028, Esther Tan may serve as an Independent Directors until 2034. Arthur Sy will be nominated in the upcoming Annual Stockholders' Meeting on 29 May 2026, Arthur Sy may serve as an Independent Directors until 2035.

Key Officers

Linus V. Madamba, was appointed as Corporate Secretary on 31 May 2025. Atty. Linus V. Madamba is the owner of Madamba Law Offices. He was previously a partner of Bodegon Estorninos Guerson & Gozos Law Offices where he was engaged in civil, labor, and commercial litigation and managed the Law Offices' corporate housekeeping clients. He is currently the Assistant Corporate Secretary of a public company operating a tertiary care hospital in Metro Manila and also sits as Corporate Secretary of several hospitals located in the Philippines and in Guam. He is likewise experienced in intra-corporate disputes and corporate rehabilitation, among others.

Justin Liu was appointed as the Company's Corporate Information Officer on 1 February 2019.

Emelita Cruzada was appointed as the Company's Chief Compliance Officer on 29 April 2021.

Change in Directors and/or Officers (Resignation/Removal or Appointment/Election):

Mr. Arthur Sy, 73 years old, Filipino, will be appointed as Independent Director effective 29 May 2026, succeeding Mr. Hector Villanueva whose term will expire on May 2026. Mr. Sy was a candidate for the Master of Business Administration program at the Ateneo Graduate School of Business from 1979 to 1983.

Mr. Sy brings with him extensive leadership experience across the financial services industry. He has previously served as Chief Financial Officer and Consultant-Business Development of Mercantile Insurance Co., Branch Manager of several banks: Eastwest Banking Corporation, BDO Unibank, Inc. United Overseas Bank, Chief Operating Officer of Vantage Securities Corp., Branch Head of Abacus Securities Corporation and First Vice-President of First Metro Investment Corp.

Ms. Esther Tan, 80 years old, Filipino, was appointed as Independent Director, effective 23 September 2025 to fill the unexpired term of the late Mr. Bernardino Ramos. Ms. Tan obtained her degree in Nutrition and Dietetics from the University of the Philippines in 1968. She earned her MBA from Ateneo de Manila University in 1980 and completed an Advanced Management Course at Harvard University in 1998.

Ms. Tan currently serves as the Treasurer and Trustee of AIRDC for 2024-2026. She previously held key leadership roles including President and Vice-Chairman of PNB Life, and Chairman, President, and CEO of Sun Life Financial, where she was instrumental in launching Sun Life Asset Management Company and Sun Life Preneed Plans. She is currently a member of the Board of Trustees of the INSURANCE INSTITUTE for ASIA & THE PACIFIC, a Board of Trustee of the Trinity University of Asia and a Vestry member of the Episcopal Church of the Holy Trinity.

Linus V. Madamba, was appointed as Corporate Secretary on 31 May 2025. Atty. Linus V. Madamba is the owner of Madamba Law Offices. He was previously a partner of Bodegon Estorninos Guerzon & Gozos Law Offices where he was engaged in civil, labor, and commercial litigation and managed the Law Offices' corporate housekeeping clients. He is currently the Assistant Corporate Secretary of a public company operating a tertiary care hospital in Metro Manila and also sits as Corporate Secretary of several hospitals located in the Philippines and in Guam. He is likewise experienced in intra-corporate disputes and corporate rehabilitation, among others.

Significant Employees

The business of the Corporation is not highly dependent on the services of personnel outside of senior management.

Family Relationships

The Corporation's Chairman, Jerry Liu, is the father of Brian Liu, the Corporation's Executive Vice-President, Chief Financial Officer, and Director; Michael Stephen Liu, the Corporation's Executive Vice President, Chief Technology Officer, and Director; and Justin Liu, the Corporation's Executive Vice President, Corporate Information Officer, and Director.

Involvement in Certain Legal Proceedings

The Corporation is not aware of the occurrence, during the past five (5) years up to the date hereof of any of the following events that are material to an evaluation of the ability or integrity of any director or executive officer:

1. Any bankruptcy petition filed by or against any director, or any business of a director, nominee for election as director, or executive officer who was a director, general partner or executive officer of said business either at the time of the bankruptcy or within two (2) years prior to that time;
2. Any director, nominee for election as director, or executive officer being convicted by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
3. Any director, nominee for election as director, or executive officer being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and

4. Any director, nominee for election as director, or executive officer being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

Certain Relationships and Related Transactions

The Liu family, primarily through Camerton, Inc., is the largest shareholder in the Corporation, and as of 31 March 2026 owns 110,260,791 shares, or approximately 16.49% of the Corporation's issued and outstanding common shares.

Related party relationship exists when the party has the ability to control, directly or indirectly through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity and its key management personnel, directors or stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationships.

In the normal course of business, the Cirtek Group has entered into transactions with affiliates. The significant transactions consist of the following:

- a. Advances for operating requirements of Cirtek Holdings, Inc. ("CHI"), former parent of CEC and Cirtek Electronics International Corporation ("CEIC");
- b. Rental of land and lease deposit with CLC, an affiliate, where the manufacturing building 1 and administrative building is situated;
- c. Payments and /or reimbursements of expenses made or in behalf of the affiliates;
- d. Rental of land with Cayon Holdings, Inc., an affiliate, where the building 2 of the Cirtek Group is situated;
- e. Collections made by Camerton in behalf of the Cirtek Group; and
- f. Advances to officers and stockholders.

Item 6. Compensation of Directors and Executive Officers

a. Total Annual Compensation

The aggregate compensation during the last fiscal year and to be paid in the ensuing fiscal year to the Corporation's President and four (4) most highly compensated officers and to its officers and directors as Cirtek Group is as follows:

Name & Position	Year	Estimated Salary	Estimated Bonus	Estimated Other Annual Compensation
Jerry Liu (Chairman and Director)	2026	~~P20~~ million	-	~~P5~~ million
Antonio Callueng (President, Chief Executive Officer, and Director)	2026	~~P4~~ million	-	~~P3~~ million

Brian Gregory T. Liu (Executive Vice President, Chief Financial Officer, Treasurer, and Director)	2026	~~P5~~ million	-	~~P3~~ million
Michael Stephen T. Liu (Executive Vice President, Chief Technology Officer, and Director)	2026	~~P5~~ million	-	~~P3~~ million
Aggregate compensation paid to all officers and directors as Cirtex Group unnamed	2026	~~P50~~ million	-	~~P10~~ million

Name & Position	Year	Estimated Salary	Estimated Bonus	Estimated Other Annual Compensation
Jerry Liu (Chairman and Director)	2025	~~P20~~ million	-	~~P5~~ million
Antonio Callueng (President, Chief Executive Officer, and Director)	2025	~~P4~~ million	-	~~P3~~ million
Brian Gregory T. Liu (Executive Vice President, Chief Financial Officer, Treasurer, and Director)	2025	~~P5~~ million	-	~~P3~~ million
Michael Stephen T. Liu (Executive Vice President, Chief Technology Officer, and Director)	2025	~~P5~~ million	-	~~P3~~ million
Aggregate compensation paid to all officers and directors as Cirtex Group unnamed	2025	~~P50~~ million	-	~~P10~~ million

Name & Position	Year	Estimated Salary	Estimated Bonus	Estimated Other Annual Compensation
Jerry Liu (Chairman and Director)	2024	~~P20~~ million	-	~~P5~~ million

Antonio Callueng (President, Chief Executive Officer, and Director)	2024	~~P4~~ million	-	~~P3~~ million
Brian Gregory T. Liu (Executive Vice President, Chief Financial Officer, Treasurer, and Director)	2024	~~P5~~ million	-	~~P3~~ million
Michael Stephen T. Liu (Executive Vice President, Chief Technology Officer, and Director)	2024	~~P5~~ million	-	~~P3~~ million
Aggregate compensation paid to all officers and directors as Cirtex Group unnamed	2024	~~P50~~ million	-	~~P10~~ million

Name & Position	Year	Estimated Salary	Estimated Bonus	Estimated Other Annual Compensation
Jerry Liu (Chairman and Director)	2023	~~P20~~ million	-	~~P5~~ million
Jorge Aguilar (Vice Chairman, President, Chief Executive Officer, and Director)	2023	~~P10~~ million	-	~~P3~~ million
Brian Gregory T. Liu (Executive Vice President, Chief Financial Officer, Treasurer, and Director)	2023	~~P5~~ million	-	~~P3~~ million
Michael Stephen T. Liu (Executive Vice President, Chief Technology Officer, and Director)	2023	~~P5~~ million	-	~~P3~~ million
Aggregate compensation paid to all officers and directors as Cirtex Group unnamed	2023	~~P50~~ million	-	~~P10~~ million

b. Compensation of Directors

Under the By-Laws of the Corporation, by resolution of the Board, each director, shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than ten percent (10%) of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among directors in such manner as the Board may deem proper, subject to the approval of stockholders representing at least majority of the outstanding capital stock at a regular or special meeting of the stockholders.

Each of the Directors is entitled to a per diem of Php8,000.00 for every Board of Directors meeting attended. Each member of the Audit and Risk Management Committee, Sustainability and Compliance Committee, Compensation and Nomination Committee, and Related Party Transactions Committee is entitled to a fee of Php8,000.00 for every committee meeting attended.

Below are the details of the remuneration paid to the Directors in 2025:

Remuneration for Board Meetings Attended in 2025	Remuneration for Committee Meetings Attended in 2025	Total
Php 504,000.00	Php 24,000.00	Php 528,000.00

Below are the details of the remuneration paid to the Directors in 2024:

Remuneration for Board Meetings Attended in 2024	Remuneration for Committee Meetings Attended in 2024	Total
Php 576,000.00	Php 24,000.00	Php 600,000.00

2026 Annual Total Compensation of each Director pursuant to Section 29 and 49 of the Revised Corporation Code:

Director	Annual Total Compensation
Jerry Liu	Php25,000,000.00
Antonio Callueng	Php13,000,000.00
Brian Gregory T. Liu	Php8,000,000.00
Justin T. Liu	Php8,000,000.00
Michael Stephen T. Liu	Php8,000,000.00
Ernest Fritz Server	Php240,000.00
Arthur Sy	Php240,000.00
Esther Tan	Php240,000.00
Corazon Guidote	Php240,000.00

2025 Annual Total Compensation of each Director pursuant to Section 29 and 49 of the Revised Corporation Code:

Director	Annual Total Compensation
Jerry Liu	Php25,000,000.00
Antonio Callueng	Php13,000,000.00
Brian Gregory T. Liu	Php8,000,000.00
Justin T. Liu	Php8,000,000.00
Michael Stephen T. Liu	Php8,000,000.00
Ernest Fritz Server	Php240,000.00
Hector Villanueva	Php240,000.00
Bernardino Ramos	Php240,000.00
Corazon Guidote	Php240,000.00

2024 Annual Total Compensation of each Director pursuant to Section 29 and 49 of the Revised Corporation Code:

Director	Annual Total Compensation
Jerry Liu	Php25,000,000.00
Jorge Aguilar	Php13,000,000.00
Brian Gregory T. Liu	Php8,000,000.00
Justin T. Liu	Php8,000,000.00
Michael Stephen T. Liu	Php8,000,000.00
Ernest Fritz Server	Php240,000.00
Hector Villanueva	Php240,000.00
Bernardino Ramos	Php240,000.00
Corazon Guidote	Php240,000.00

c. Standard Arrangements and Other Arrangements

There are no other arrangements for compensation either by way of payments for committee participation or special assignments other than reasonable per diem. There are also no outstanding warrants or options held by the Corporation's Chief Executive Officer, other officers and/or directors.

d. Employment Contracts, Termination of Employment, Change-in-Control Arrangements

The Cirtex Group has executed employment contract with some of its key officers. Such contracts provide the customary provision on job description, benefits, confidentiality, non-compete, and non-solicitation clauses. There are no special retirement plans for executives. There is also no existing arrangement for compensation to be received by any executive officer from the Corporation in the event of change in control of the Corporation.

Item 7. Independent Public Accountants

a. The Audit and Risk Management Committee

The Audit and Risk Management Committee is composed of three (3) members, all are independent directors, as follows:

1. Bernardino Ramos (*Chairman*)
2. Arthur Sy (*Member*)
3. Corazon Guidote (*Member*)

b. The Public Accountant

The Corporation's external auditor is the accounting firm R.S. Bernaldo & Associates ("RSBA") with Ms. Rose Angeli S. Bernaldo., as Partner-In-Charge. RSBA has been the Corporation's external auditor since 2020-2025. The appointment of the external auditor to the Board of Directors was upon the recommendation of the Audit and Risk Management Committee and was approved by the stockholders during the 2025 Annual Stockholders' Meeting.

However, after careful assessment by Management and the Board, De Jesus & Teofilo, CPAs will be nominated as the Corporation's external auditor for fiscal year 2026 at the upcoming Annual Stockholders' Meeting on May 29, 2026.

This change in external auditor is intended to streamline audit services and ensure compliance with the mandatory auditor rotation requirement.

Representatives of De Jesus & Teofilo, CPAs will be present in the annual stockholders' meeting. De Jesus & Teofilo, CPAs shall have the opportunity to make a statement if they desire to do so and to be available to respond to appropriate questions.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Corporation has engaged the services of RSBA during the three (3) most recent fiscal years. There were no disagreements with RSBA on any matter of accounting or financial disclosure.

d. External Audit Fees and Services

	2025	2024
Total Audit Fees (Section 2.1 a)	180,340	180,340
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	40,000	40,000
Total Non-audit Fees (Section 2.1 b)	40,000	40,000
TOTAL AUDIT AND NON-AUDIT FEES	220,340	220,340

Audit and Non-audit fees of other related entities (Section 2.1c)

	2025	2024
Audit fees	2,071,000	2,033,000
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
TOTAL AUDIT AND NON-AUDIT FEES OF OTHER RELATED ENTITIES	2,071,000	2,033,000

Section 2.1a: Disclose agreed fees (excluding out of pocket expenses and VAT) with the external auditor/audit firm and its network firms (as applicable) for the audit of the covered company's standalone and/or consolidated financial statements and the covered company's consolidated subsidiaries' financial statements on which the external auditor/audit firm expresses an opinion. These do not include fees for special purpose audit or review of financial statements.

Section 2.1b: Disclose charged or billed fees (excluding out of pocket expenses and VAT) by the external auditor/audit firm or a network firm (as applicable) for non-audit services to the covered company and its related entities over which the covered company has direct or indirect control that are consolidated in the financial statements on which the external auditor/audit firm expresses an opinion. These include other assurance services such as special purpose audit or review of financial statements.

Section 2.1c: Disclose fees for services (excluding out of pocket expenses and VAT) charged to any related entities of the covered company over which the covered company has direct or indirect control, which are not yet disclosed in (a) or (b), such as fees for services to any unconsolidated subsidiaries that meet the consolidation exemption criteria of Philippine Financial Reporting Standard (PFRS) 10 applicable to investment entities, if the external auditor/audit firm has reason to believe that these are relevant to the evaluation of the external auditor/audit firm's independence, as communicated by the external auditor/audit firm with the covered company's Those Charged with Governance or equivalent (e.g., Audit Committee).

Section 2.1d: As applicable, disclose any fee dependency situation or (a) the fact that the total fees received by the external auditor/audit firm from the covered company represent, or are likely to represent, more than 15% of the total fees received by the external auditor/audit firm for two consecutive years and (b) the year that this situation first arose, as communicated by the external auditor/audit firm with the covered company's Those Charged with Governance or equivalent (e.g., Audit Committee).

The Audit Committee approves the policies and procedures for the above services by observing the independence of parties and by carrying out transaction at arms-length basis.

Item 8. Compensation Plans

There are no actions to be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

There are no outstanding warrants and options held by any of the Corporation's directors and executive officers.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

There is no action to be taken with respect authorization or issuance of securities other than for Exchange.

Item 10. Modification or Exchange of Securities

There is no action to be taken with respect to the modification of any class of securities of the registrant, or the issuance or authorization for issuance of one class of securities of the registrant in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

There is no action to be taken with respect to any matter specified in Items 9 or 10 above.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

There are no actions or transactions with respect to any mergers, consolidations, acquisitions or similar matters that will be taken up by the registrant.

Item 13. Acquisition or Disposition of Property

There is no action to be taken up with respect to the acquisition or disposition of any property.

Item 14. Restatement of Accounts

There is no action to be taken up with respect to the restatement of any asset, capital, or surplus account of the registrant.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The following items shall be presented to the stockholders for their approval during the Annual Stockholders' Meeting:

1. Minutes of the Annual Stockholders' Meeting held on 30 May 2025;
2. Audited Financial Statements as of and for the year ended 31 December 2025;
3. Ratification of the Acts of the Board and Management; and
4. Appointment of External Auditor.

The Minutes of the 2025 Annual Stockholders' Meetings is uploaded on the Corporation's website and may be viewed through the following link: <https://www.cirtekholdings.com/minutes>.
The Minutes contain the following information:

1. A description of the voting and vote tabulation procedures used in the previous meeting;
2. A description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given;
3. The matters discussed and resolutions reached; and
4. A record of the voting results for each agenda item.

Item 16. Matters Not Required to be Submitted

There is no action to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

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

There is no action to be taken with respect to amendment of charter, by-laws and other documents.

Item 18. Other Proposed Action

There is no action to be taken with respect to any other proposed action.

Item 19. Voting Procedures

The vote required for the election of Directors and Independent Directors

At all elections of Directors and Independent Directors, there must be present, either in person or by representative authorized to act by written proxy, or by voting *in absentia*, the owners of a majority of the outstanding capital stock. The election must be by ballot if requested by any voting

stockholder or member. Every stockholder entitled to vote shall have the right to vote in person or by proxy, or *in absentia* the number of shares of stock standing, at the time fixed in the by-laws, in his own name on the stock books of the Corporation, and said stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, That the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Corporation multiplied by the whole number of directors to be elected.

The method by which votes will be counted

Each shareholder may vote in person, by proxy, by remote communication, or by voting *in absentia* by the number of shares of stock standing in his name of the books of the Corporation. Each share represents one vote. Voting shall be done through remote communication, in accordance with SEC Memorandum Circular No. 06, Series of 2020. The manner and procedure by which shareholders may vote is described in "**Appendix A**". The Corporate Secretary, Atty. Linus Madamba, shall assist the Corporation's Stock and Transfer Agent in counting the votes to be cast.

No director has informed the Corporation of any intention to oppose the matters to be taken up in the Annual Stockholders' Meeting.

Vote entitlement of the Common and Preferred Shares of the Corporation

Both Common and Preferred A shares are entitled to one (1) vote per one (1) share while Preferred B-1, B-2A, B-2B, B-2C and B-2D Shares are not entitled to vote except in cases provided for by law.

[Signature Page Follows]

SIGNATURE PAGE

The Corporation hereby undertakes, upon written request from Ms. Emelita Cruzada, Chief Compliance Officer, at 116 East Main Avenue, Phase V SEZ Laguna Technopark, Biñan, Laguna, or at milet.cruzada_cirtekholdings@cirtek.ph, that it shall provide a copy of the registrant's annual report or SEC Form 17-A to each shareholder who requested, without charge. At the discretion of management, a charge may, however, be made for exhibits, provided such charge is limited to reasonable expenses incurred by the registrant in furnishing such exhibits.

The Corporation also undertakes that copies of the unaudited financial statements for the first (1st) quarter of 2026 will be made available to its stockholders at least five (5) calendar days before holding the Annual Stockholders' Meeting and that such reports can be viewed at the Corporation's official website. Hard copies of the discussion on the unaudited financial statements for the first (1st) quarter of 2026 will be available upon request from Ms. Emelita Cruzada, Chief Compliance Officer at 116 East Main Avenue, Phase V SEZ Laguna Technopark, Biñan, Laguna.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Biñan on April 21, 2026.

CIRTEK HOLDINGS PHILIPPINES CORPORATION

By:


EMELITA CRUZADA
Chief Compliance Officer

CIRTEK HOLDINGS PHILIPPINES CORPORATION
MANAGEMENT REPORT 2026
TABLE OF CONTENTS

	Page No.
PART 1 – BUSINESS AND GENERAL INFORMATION	
Item 1 Business	30
Item 2 Properties	50
Item 3 Legal Proceedings	50
Item 4 Submission of Matters to a Vote of Security Holders	52
PART II – OPERATIONAL AND FINANCIAL INFORMATION	
Item 5 Market for Registrant’s Common Equity and Related Stockholder Matters	52
Item 6 Management’s Discussion and Analysis of Operation	56
Item 7 Financial Statements	121
Item 8 Changes in and Disagreement with Accountants and Financial Disclosure	121
Item 9 Independent Public Accountant and Audit-Related Fees	122
PART III – CONTROL AND COMPENSATION INFORMATION	
Item 10 Directors and Executive Officers of the Registrant	123
Item 11 Executive Compensation	126
Item 12 Security Ownership of Certain Beneficial Owners and Management	129
Item 13 Certain Relationships and Related Transactions	131
PART IV – CORPORATE GOVERNANCE	
Item 14 Corporate Governance	134
Item 15 Exhibits and Schedules	134

PART I BUSINESS AND GENERAL INFORMATION

ITEM 1 BUSINESS

Cirtek Holdings Philippines Corporation ("CHPC" or the "Company") is a fully integrated global technology company focused on wireless communication. It began as an Outsourced Semiconductor Assembly and Testing ("OSAT") company in 1984 with only three customers. Now it has evolved into a technology manufacturing company by entering into the high value radio frequency and broadband industry. It has significantly grown its customer base to over 70 major and regular customers across Europe, United States, and Asia.

On 10 February 2011, CHPC was incorporated and registered with the Securities and Exchange Commission ("SEC") and was listed in The Philippine Stock Exchange, Inc. ("PSE") on 18 November 2011. CHPC's principal office is located at 116 East Main Avenue, Phase V-SEZ, Laguna Technopark, Binan, Laguna.

CHPC, through its subsidiaries, is an independent full-service solution provider for subcontract manufacturing of semiconductor devices. The Company provides turnkey solutions that include package design and development, wafer probing, wafer back grinding, assembly and packaging, final testing of semiconductor devices, and delivery and shipment to its customers' end users.

Through its subsidiaries, the Company is primarily engaged in three (3) major activities:

- 1) the design, development and delivery of the wireless industry's most advanced high-efficiency, high-performance antenna solutions
- 2) the manufacture of value-added, highly integrated technology products
- 3) the manufacture and sales of semiconductor packages as an independent subcontractor for outsourced semiconductor assembly, test and packaging services

CHPC has two main subsidiaries, namely, Cirtek Electronics Corporation ("CEC") and Cirtek Electronics International Corporation ("CEIC"). On 30 July 2014, CEIC acquired REMEC Broadband Wireless Holdings' manufacturing division, REMEC Broadband Wireless, Inc. ("RBWI"). RBWI was renamed to Cirtek Advanced Technologies and Solutions, Inc. ("CATSI") on 21 November 2014. In 2017, CEIC acquired Quintel Cayman Ltd. ("Quintel") through a reverse triangle merger with its subsidiaries, with Quintel as the surviving corporation.

Cirtek Electronics Corporation (CEC): an independent subcontractor for semiconductor assembly, test and packaging services

Cirtek Electronics International Corporation (CEIC): sells integrated circuits in the US and subcontracts the production of the same to CEC

Cirtek Advanced Technologies and Solutions, Inc. (CATSI): manufactures value-added, highly integrated radio frequency, microwave and millimeterwave technology products

Quintel Cayman Ltd. (Quintel): provider of advanced high-efficiency, high-performance antenna solutions for wireless cellular networks

With CHPC's acquisition of RBWI (now known as CATSI), the Group was able to boost its manufacturing capacity and capability, expand customer base and increase presence in high-growth end markets including telecommunication, automotive, medical, satellite communication, aerospace, and defense.

The Cirtek Group has earned a strong reputation with its customers for its high-quality products, production flexibility, competitive costing, and capability to work with customers to develop application and customer specific packages. The Cirtek Group has been accredited and certified by several international quality institutions, namely TÜD SÜD Management Service GmbH, TÜV Product Service Asia Ltd., Taiwan Branch, Defense Supply Center & British Approval Board Telecom, for the latest quality system standards, which include ISO9001, ISO14001, and QS9000/TS16949, TUV Product Safety Certification, and FCC certification.

Business Acquisitions

On 17 February 2011, the Company's Board of Directors and Stockholders approved the acquisition from Cirtek Holdings, Inc. ("CHI") of 155,511,952 common shares (representing 99.99% of the outstanding capital stock) of CEC and 50,000 shares (representing 100% of the outstanding capital) of CEIC. On 1 March 2011, the two (2) deeds of sale were executed by the Company and CHI in order to implement the transfers.

Corporate Name	Date of Incorporation
Cirtek Electronics Corporation	31 May 1984
Cirtek Electronics International Corporation	4 April 1995

On 30 July 2014, CEIC entered into a sale and purchase agreement with REMEC Broadband Wireless Holdings ("REMEC"), for the purchase of 100% shares of REMEC's manufacturing division, REMEC Broadband Wireless International, Inc. ("RBWI"), a Philippine-based manufacturer of value added, highly integrated technology products. Based on the terms of the sale, REMEC and its remaining subsidiaries will continue to design and market its top-of-class telecommunications products globally under its "REMEC" brand, and REMEC will enter into a manufacturing agreement with RBWI to manufacture REMEC's products under a long-term contract manufacturing relationship. CEIC acquired RBWI for a consideration of US\$7.5 million. CHPC funded the acquisition through a combination of available cash on hand and proceeds from a corporate notes' issuance.

The closing date of the transaction was effective 30 July 2014.

RBWI is primarily engaged in the manufacture, fabrication and design of microwave components and subsystems primarily for export. RBWI was renamed to Cirtek Advanced Technology Solutions, Inc. on 21 November 2014 at the British Virgin Islands and on 18 February 2015 at the SEC.

Acquisition of Quintel

On 28 July 2017, the Parent Company's Board of Directors (BOD) approved the acquisition of Quintel and its subsidiaries for US\$77.0 million, subject to adjustments as stipulated in the Agreement. Quintel is a leading innovator of spectrum and space-efficient base station antennas for wireless networks.

The transaction was structured as a reverse triangle merger whereby Cirtek Corporation Limited ("CCL") was merged with and into Quintel, with the latter as the surviving corporation. Pursuant to the Agreement, all outstanding shares, warrants, and stock options in Quintel were converted to a right to receive the consideration from CHPC and Cirtek Corporation. As a result of the merger, each of CCL's one hundred (100) issued and outstanding shares were converted into and exchanged for one (1) validly issued, fully paid and non-assessable share of the surviving company. On the other hand, each of Quintel's issued and outstanding shares before the merger were cancelled and extinguished and converted automatically into the right to receive a portion of the purchase price. Quintel, being the surviving company, retained the 100 shares originally issued by CCL as its ending capital stock.

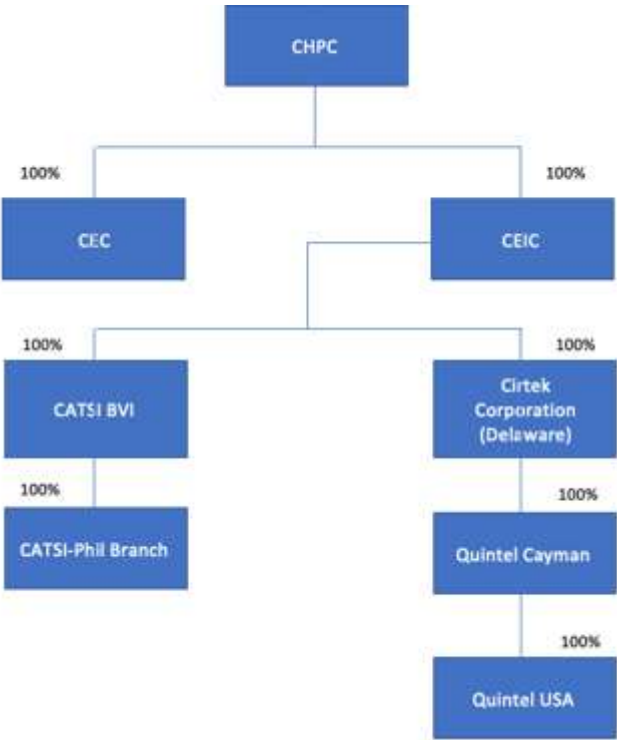
The Group believes that Quintel's cutting edge research and development and product capabilities significantly add to and complement the Group's growing portfolio in wireless communication and is aligned with its business focus on high-growth market segments. Furthermore, being the strategic manufacturing partner of Quintel products places the Group in a unique situation to achieve significant synergies through value engineering, research and development collaboration as well as cost reduction, resulting in high-quality, reliable and cost-competitive products.

On 4 August 2017, the Assistant Registrar of Companies for the Cayman Islands issued a Certificate of Merger stating that the companies have merged effective on said date.

From 2020 to 2025, the Cirtek Group’s consolidated revenues recorder from US\$68.91 million to US\$ million while consolidated net income from US\$5.1 million to US\$ million. For full-year 2025, the Cirtek Group reported consolidated revenues and consolidated net income of US\$53.3 million and US\$2.9 million. Revenues decreased by 9% while net income decreased by 44%.

CORPORATE STRUCTURE

The corporate structure of the Corporation and its subsidiaries is as follows:



Cirtek Electronics Corporation

CEC was incorporated with the SEC on 31 May 1984, primarily to engage as an independent subcontractor for semiconductor assembly, test and packaging services.

Prior to the Company's acquisition of CEC in 2011, CEC was majority-owned by Charmview, a holding company incorporated in the British Virgin Islands on 1 November 1994 and is owned by the Liu family, wherein the US\$50,000 authorized capital stock is divided equally among Jerry Liu, Nelia Liu, Michael Liu, Justin Liu, and Brian Gregory Liu.

In 24 March 2008, Charmview and CHI entered into a Share Swap Agreement whereby Charmview transferred all of its interest in CEC, constituting 155,511,959 common shares, to CHI in exchange for 50,000 common shares of stock of CHI. As a result of the share swap, CEC became a subsidiary of CHI.

On 1 March 2011, CHI and the Company executed the Deed of Absolute Sale of Shares wherein CHI transferred all of its 155,511,959 shares in CEC in favor of the Company for and in consideration of ₱130,000,000, making CEC a wholly-owned subsidiary of the Company.

CEC owns the manufacturing plants in Technopark as well as machinery such as bonder, auto test handler, optical inspection system, wafer back grinder, mold set, and other machinery necessary for the manufacture, assembly and testing of semiconductors.

CEC was previously registered with the Board of Investments ("BOI") under Presidential Decree No. 1789 ("PD 1789"), as amended by Batas Pambansa Blg. 391, as a preferred pioneer enterprise for the manufacture and export of integrated circuits. As a registered enterprise, CEC was entitled to certain tax and nontax incentives provided for in PD 1789.

On 24 March 1998, the Philippine Economic Zone Authority ("PEZA") approved CEC's registration as an ecozone export enterprise at the Laguna Technopark for the manufacture of standard integrated circuits, discrete, hybrid and potential new packages. Beginning 30 October 2002, the manufacture and export of integrated circuits, discrete and hybrid transferred to PEZA from BOI. Since its income tax holiday incentive expired in 2003, CEC is subject to tax at the preferential rate of 5% of its gross income in accordance with Republic Act No. 7916, the law creating the PEZA. In order to maximize the incentives granted under Republic Act No. 7916, CEC applied for the registration of its new products and was granted income tax holiday therefor from 2003 to 2005.

On 27 April 2011, PEZA approved CEC's application for the registration of a new project involving the manufacture of devices which will be used as components for smart phones, automotive sensor applications, battery chargers, and industrial applications.

Cirtek Electronics International Corporation

CEIC was incorporated under the International Business Companies Act of the British Virgin Islands on 4 April 1995. CEIC was incorporated with a primary purpose of selling integrated circuits principally in the United States of America and subcontracts the production of the same to CEC.

Beginning 8 June 1995, CEIC after securing the sales from its customers abroad, would subcontract the assembly, test and/or packaging of the devices to CEC pursuant to a Master Subcontractor Agreement. Under said agreement, CEIC issued purchase orders to CEC stating therein the type of product it will require, the quantity, delivery date and destination together with such other instructions the former may have. In consideration for its services, CEC was paid a service fee depending on the services contracted for a particular purchase order.

Prior to the Company's acquisition of CEIC in 2011, CEIC was majority-owned by Charmview. In 24 March 2008, Charmview and CHI entered into a Share Swap Agreement whereby Charmview transferred all of its

interest in CEIC, constituting 50,000 common shares, to CHI in exchange for 50,000 common shares of stock of CHI. As a result of the share swap, CEIC became a subsidiary of CHI.

On 1 March 2011, CHI and the Company executed the Deed of Absolute Sale of Shares wherein CHI transferred all of its 50,000,000 shares in CEIC in favor of the Company for and in consideration of ₱130,000,000, making CEIC a wholly-owned subsidiary of the Company.

After the reorganization, the Company became the parent company of both CEC and CEIC while CHI remains a holding company of the Liu family, which no longer forms part of the post-reorganization structure of the Company.

The Acquisition of the Quintel business

On 31 July 2017, CHPC and Trillium International I, GP, as shareholder representative of Quintel Cayman, Ltd. ("Quintel Cayman") announced the signing of a definitive agreement under which CHPC, through its subsidiaries, acquired 100% of Quintel, a leading provider of advanced high-efficiency, high-performance antenna solutions. The acquisition immediately gave CHPC a significant presence in the large and rapidly growing base station antenna market, estimated to be more than US\$14 billion by 2020.

Established in 2007, Quintel designs, develops and delivers advanced high-efficiency, high-performance antenna solutions that help mobile operators to increase efficiency, enhance quality-of-service, slash costs and accelerate returns. Quintel's current customers are AT&T and Verizon, and large telecommunication corporations operating in North America and Puerto Rico. Quintel's world headquarters is located in Rochester, New York while the research and development office and sales offices are located in San Jose, California and Buckinghamshire, United Kingdom, respectively. The Rochester, New York and San Jose, California operate under Quintel USA while the Buckinghamshire, United Kingdom operate under Quintel Technology, LTD.

Key Strategies

The Company's key strategies are designed to allow the Cirtek Group to achieve its mid-term and long-term goals through an efficient mix of organic growth through expanding product lines/more sales teams and mergers and acquisitions. In line with this, shown below are the Company's key strategies for its strategic business units ("SBU"):

For Quintel

1. Expand to new geographic markets as the global market for multi-port, multi-frequency base station antennas are expanding rapidly
2. Expand Cirtek / Quintel's product portfolio through new product introduction, licensing and white label branding
3. Improvement in gross margin through lower BOM cost, more efficient outbound logistics, better yield and better quality

For CEC

1. Focus on further expanding the semiconductor business
2. Strengthen presence in high-growth market segments such as wireless communication, consumer electronics, automotive sectors
3. Expand sales network in key markets such as Europe, US and Asia

For CATSI

1. Consistent growth from RF/Microwave/Milimeterwave Business by at least 20% year on year
2. Expand customer base for RF/Microwave/Milimeterwave Business
3. Acquisition of Remec Broadband Wireless International, Inc.

CEC PRODUCTS

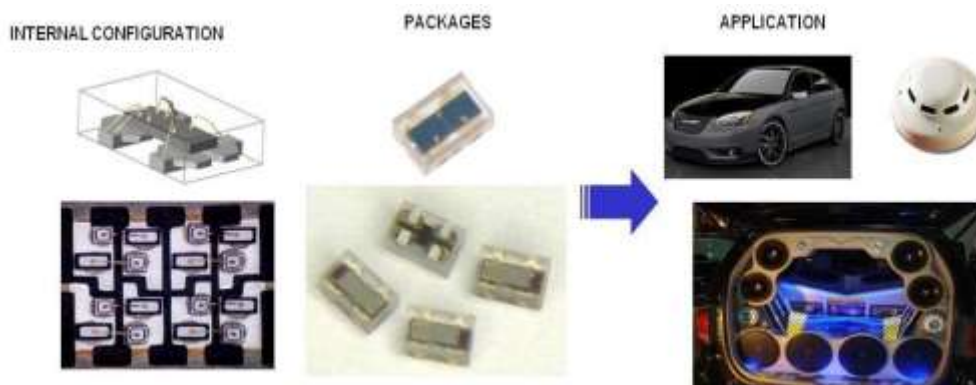
CEC offers a broad range of products that go into various applications. The end application covers practically everything from consumer products to high reliability industrial and military products.

The following are CEC's product lines:

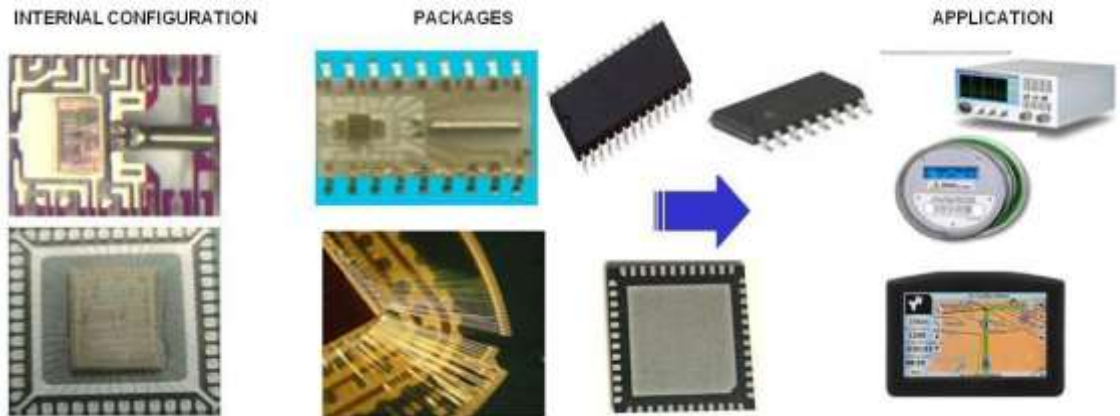
1. Protection products – These products are designed to protect electronic devices from damaging voltage or current spikes. These are in multi-chip Small-outline Integrated Circuit ("SOIC") packages, with up to 32 diodes in a single unit.



2. Light sensors – These optical devices sense the intensity of light and trigger the automatic switching on and off of headlights and the automatic adjustment of air conditioning settings in cars. The package is a transparent custom-body Quad Flat Pack Leadless Package ("QFN").



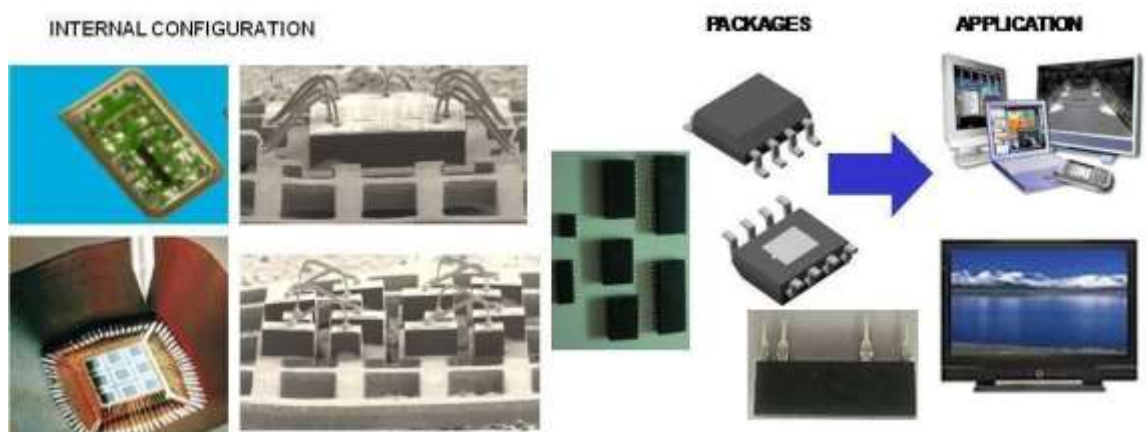
3. Real time clock – These are precision time keeping devices which contain features like calendars, time of day, trickle charger and memory functions. These devices come with tuning fork cylindrical crystals and are packaged in 16/20L SOIC 300mil body version.



4. Voltage control oscillators ("VCO") – This is an electronic oscillator that is designed to be controlled in oscillation frequency by a DC voltage input. Signals may also be fed into the VCO to cause frequency modulation or phase modulation.



5. Electronic Relays – These are opto relays that are used in controlling high voltage and high-power equipment. The control is achieved through the physical isolation of high voltage output and the low voltage input side of the device protecting the circuit components and the users. These are packaged in Plastic Dual-in-line Package ("PDIP") with an LED and a driver IC coupled together, without electrical connection between them.



6. Power management devices – These devices are used in a wide range of power management applications from telecommunications, industrial equipment, portable devices, computers, and networks. These are packaged in SOIC with the die pad exposed.

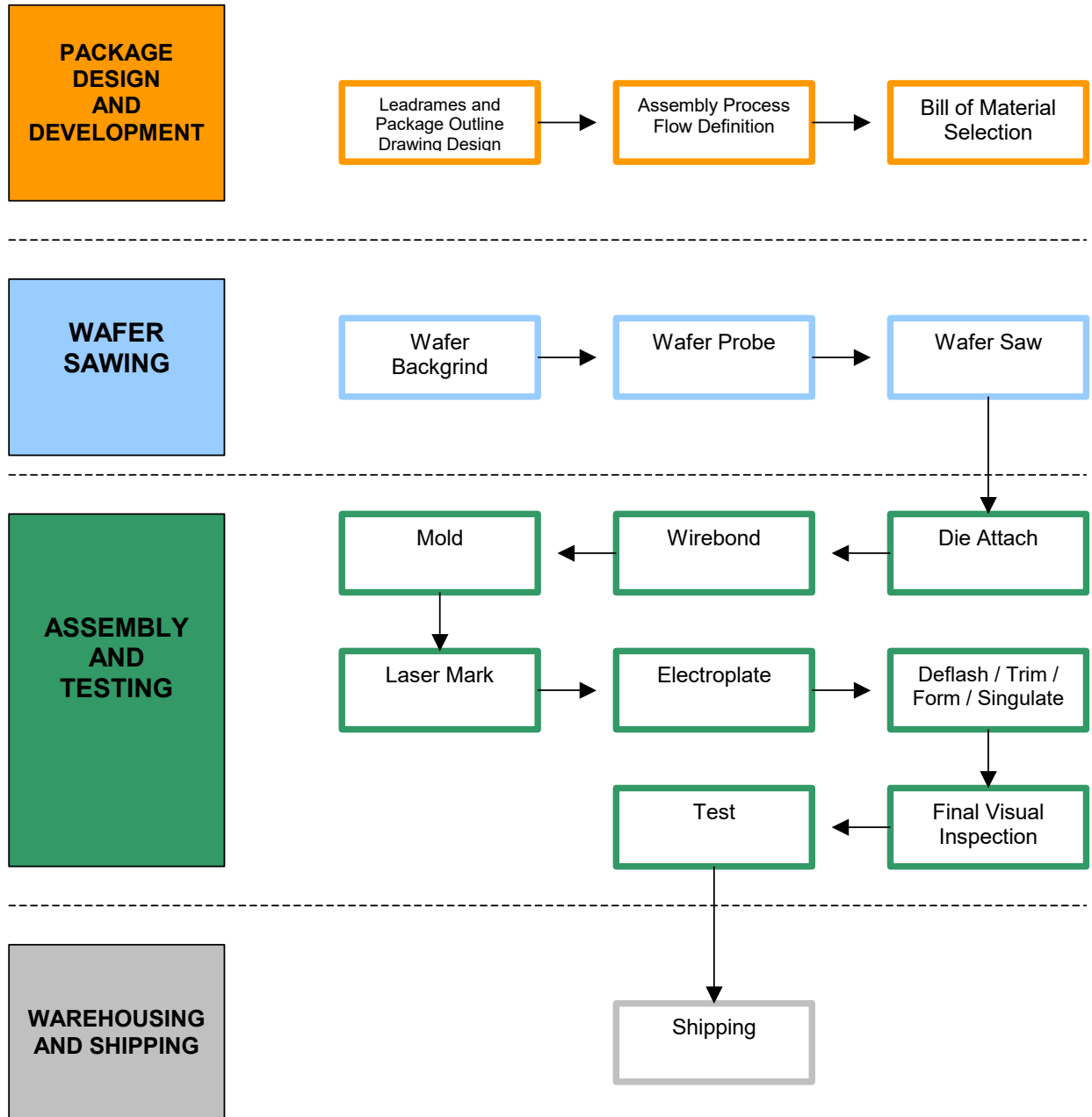


CEC MANUFACTURING PROCESS FLOW

The Company, through its subsidiary CEC, assembles and tests semiconductor devices at its manufacturing complex located on a 12,740 square meter property in Biñan, Laguna. CEC currently leases the property from Cirtek Land, Inc. and Cayon Holdings, Inc., both of which are majority owned by one of the Company's directors, Nelia T. Liu. CEC's manufacturing facility is composed of two buildings, with a total floor area of 152,000 square feet.

Process Flow

The figure below illustrates the typical manufacturing process for the back-end production of semiconductor products:



The back-end semiconductor operation starts with package design and development. The design phase pertains to a.) the determination of the type of package to be used that conforms to industry standards, b.) the substrates that will match the intended package, and c.) the material set that will be used to meet customer specifications. This is followed by tooling selection and ordering.

The development process follows a systematic approach which takes into account the standards required by the end user product. Advanced quality planning is made part of the process to ensure that the critical

quality characteristics are fully understood, characterized, and tested. Customers are involved as they have to approve the design and any changes that will happen later in the development stage.

The development is only deemed complete once critical processes are proven capable and qualification units and lots are produced and tested for reliability internally and or by the customers.

The fundamental package assembly process starts after the Company receives the wafer silicon from customers. Pre-assembly, the wafers are back grinded to the desired thickness, probed for electrical performance and then sawn to dice the wafers to its individual chip size following customer requirements. The individually sawn dies are then mounted on a copper substrate typically using epoxy adhesives. Other packages made by the Company, however, may require other mounting adhesives for enhanced functional performance. Examples of these include, E0201 DFN (used in smart phones) which requires a gold eutectic process or the PQFN (used in charges) which requires solder paste.

The interconnection between die to leads is normally done using gold fine wire. Power packages however use copper clips for higher electrical conductivity. The parts are then encapsulated by an epoxy molding compound, which are usually opaque.

The parts are then electroplated for protection of the metal leads, trimmed and formed into its final shape or sawn into its final dimensions in the case of 0201DFN, ODFN and PQFN.

These assembled units are electrically tested for functional screening. The good parts are then packed per customer specifications and shipped to its intended destination.

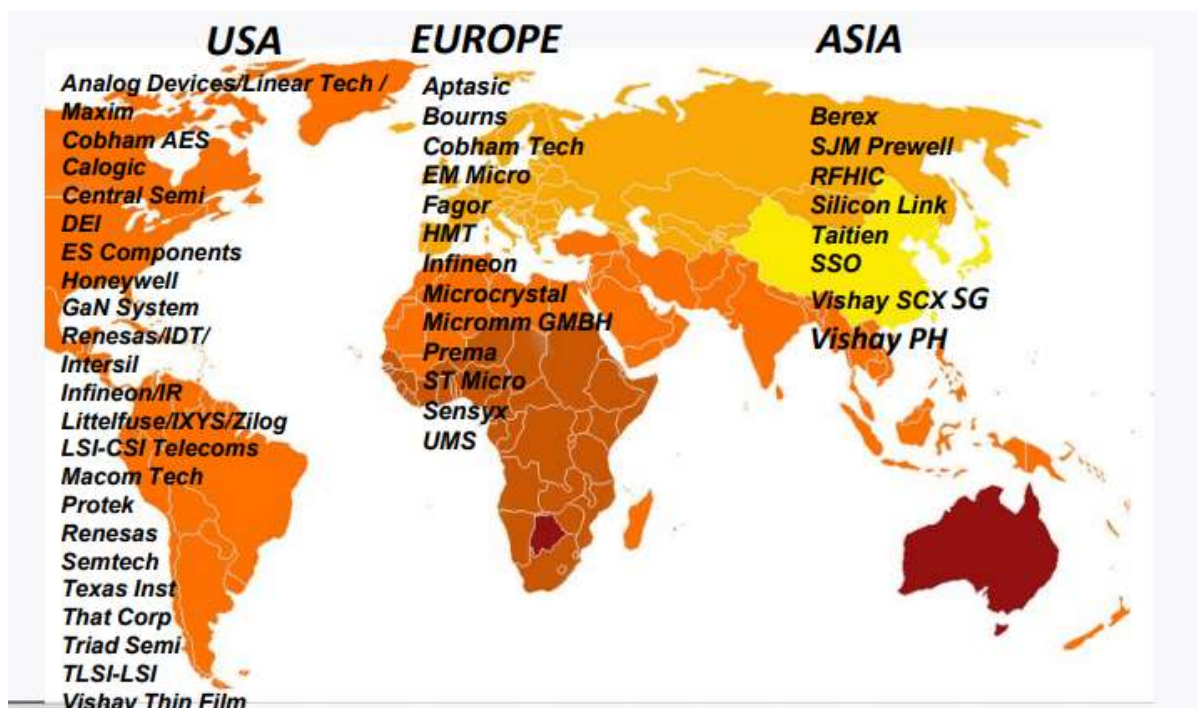
Customers may opt to contract for the entire process flow or for portions thereof, as well require changes, subject to mutual consent to suit the customers' product needs.

CEC Customers

Beginning in 1984 with three (3) customers, the Cirtek Group has significantly grown its customer base to over 72 regular customers as of 31 December 2023. Cirtek, through CEC, aims to broaden its existing customer base, as well as its geographic coverage to mitigate the volatility in the semiconductor industry. The figure below lists the CEC's major customers:

The Company is not dependent upon a single customer or a few customers or industry, the loss of any of which would have a material adverse effect on the Company. The Company has no single customer contributing more than 20% of the Company's total revenues in the last three years of operations. The top customer accounts for only 12% of total revenue while the top 10 customers collectively account for less than 70% of total revenue. Neither is the Company reliant on any specific industry since its products have varied applications in different industries.

Most of the Cirtek Group's customers have been clients of the Company for more than ten (10) years. For most of these clients, no formal supply or manufacturing contract is executed, and the orders are governed by purchase orders which provide the specification of the products to be sold, delivery schedule and terms of payment, among others. Customers are required to submit order forecasts ranging from three (3) to six (6) months, which the Company uses to project its supply requirements. Depending on the relationship with the particular customer, payment terms can be on a cash-on-delivery basis or credit terms of between thirty (30) to forty-five (45) days.



CEC Competition

The assembly and testing segment of the semiconductor industry is highly competitive. The Company's competitors in the semiconductor space include Integrated Device Manufacturers ("IDM") with their own in-house assembly and testing capabilities, and similar independent semiconductor assembly and test subcontractors, located in the Philippines and in the Asia-Pacific region. Among the Company's competitors are Amkor Technology in Korea and in the Philippines; Advanced Semiconductor Engineering, Inc. or ASE, a Taiwanese company and one of the largest OSAT companies in the world, with branches in Korea and China; Orient Semiconductor Electronics, Ltd. and Silicon ware Precision Industries Co. Ltd. in Taiwan; Unisem and Carsem Semiconductor in Malaysia; Hana Microelectronics in Thailand; STATS Chip Pac Ltd. in Singapore, and other Chinese subcontractors such as Diodes, Inc. and Chiang Jiang Electronic Technology or JCET.

Aside from Cirtek Group, there are two (2) active companies in the semiconductor industry that are listed in the PSE. These are Integrated Micro-Electronics, Inc. ("IMI") and SFA Semicon Philippines Corporation ("SSP").

CATSI PRODUCTS

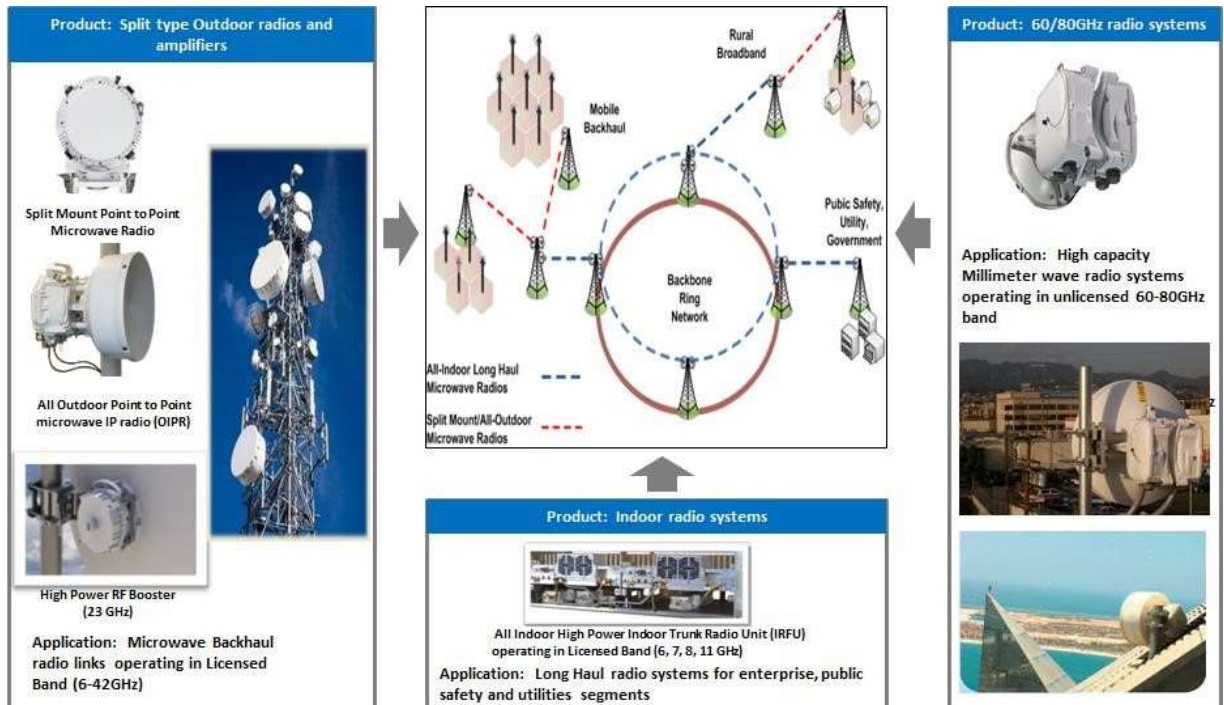
CATSI offers a broad range of microwave products that go into various applications. The end application covers microwave/wireless solutions for carrier and private data networks catering mobile backhaul, service provider, education, enterprise, government/municipalities and healthcare.

The following are CATSI's microwave products:

1. CTT Outdoor Unit ("ODU") – The CTT ODU is available in 6L, 6U, 7GHz, 8GHz, 11GHz, 13GHz, 15GHz, 18GHz, 23GHz, 26GHz, 28GHz, 32GHz and 38GHz. The CTT ODU supports QPSK to 256QAM modulation and 7MHz to 56MHz channel bandwidth.
2. Indoor Radio Frequency Unit ("IRFU") –The IRFU is available in L6, U6, 7GHz, 8GHz, and 11GHz frequency bands. The channel spacing supported for North

American ANSI rates is between 3.75 MHz and 60 MHz. The channel spacing supported for ETSI rates is between 7 MHz and 56 MHz.

3. Outdoor Internet Protocol Radio ("OIPR") – The OIPR is available in 6L, 6U, 7GHz, 8GHz, 11GHz, 13GHz, 15GHz, 18GHz, 23GHz, 26GHz, 28GHz, 32GHz and 38GHz. The supported modulation is QPSK to 256QAM. The channel spacings supported for North American ANSI rates is between 10MHz and 50 MHz. The channel spacings supported for ETSI rates are 7MHz, 14MHz, 28-30MHz, 40MHz and 56MHz.
4. FLEX4G-Ultra High Availability ("UHA") – Flex4G-UHA-UHA operates in the 71-76/81-86 GHz frequency range in compliance with ECC/REC 05/07 Recommendations and is subject to use based on each EU member country's individual regulations for operation in this band. The FLEX4G-UHA uses Binary Phase Shift Keying ("BPSK") modulation and supports a maximum data rate of 1,000 Mbps in a 1,250 MHz channel.

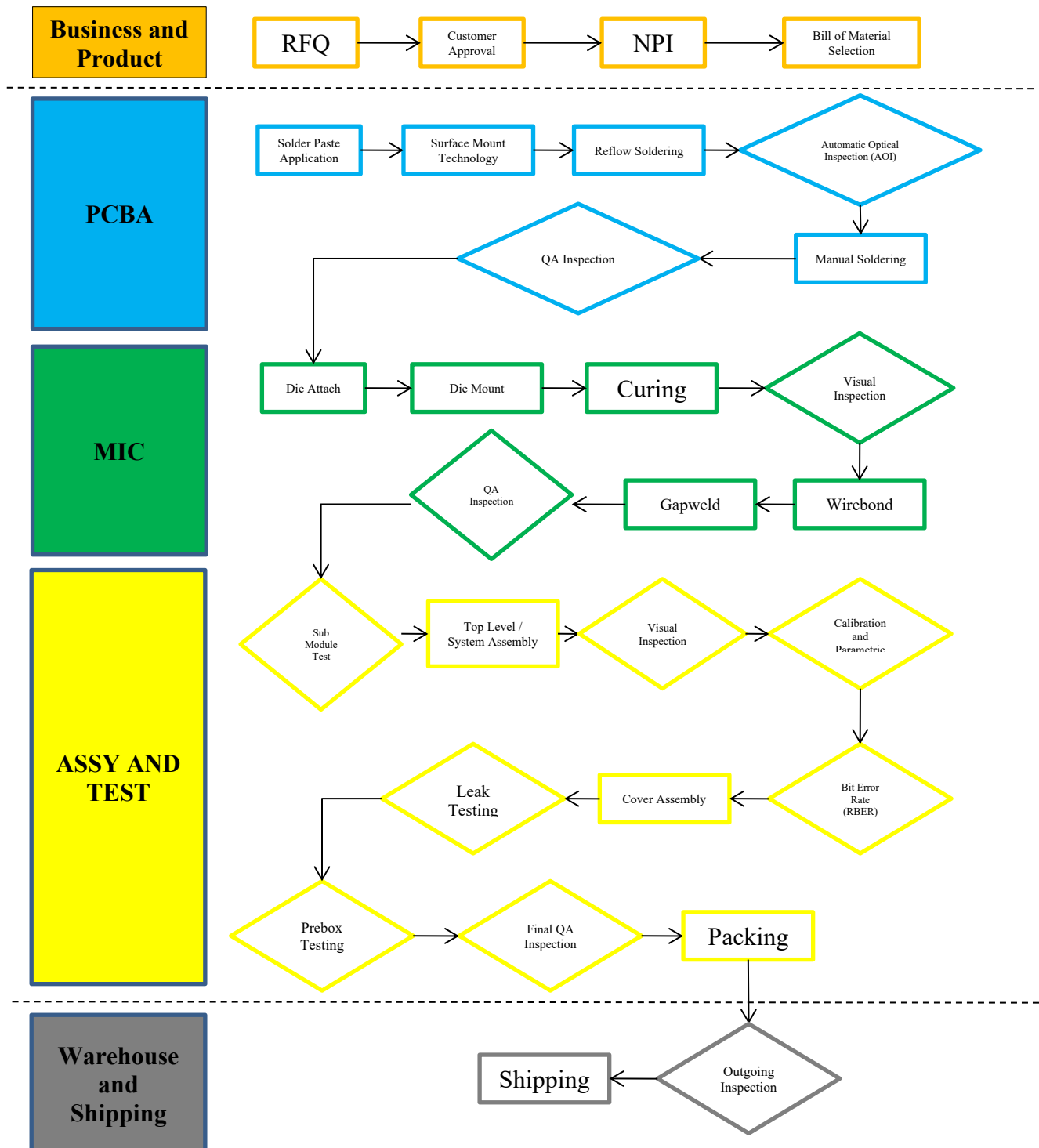


CATSI MANUFACTURING PROCESS FLOW

The Company assembles and tests microwave products at its manufacturing complex located on a 12,740 square meters property in Biñan, Laguna. CATSI currently leases the property from Cirtek Land, Inc. and Cayon Holdings, Inc., both of which are majority owned by Nelía T. Liu. The manufacturing facility is composed of two buildings, with a total floor area of 152,000 square feet.

Process Flow

The figure below illustrates the typical manufacturing process for the production of microwave products:



The manufacturing process starts with business and product development. The business development pertains to a) RFQ (Request for Quote) from customer and b) customer approval. Once the customer approves the quote, product development proceeds. The product development pertains to a) NPI (New Product Introduction) and b) bill of materials selection. During NPI, the factory will qualify the product and the process (to manufacture the product). The NPI process is considered completed once critical processes are proven capable and qualification units are produced and tested for reliability internally and or by the

customers. If NPI is successful, the bill of materials is finalized. This includes the product BOM, fixtures and packaging. Mass production follows.

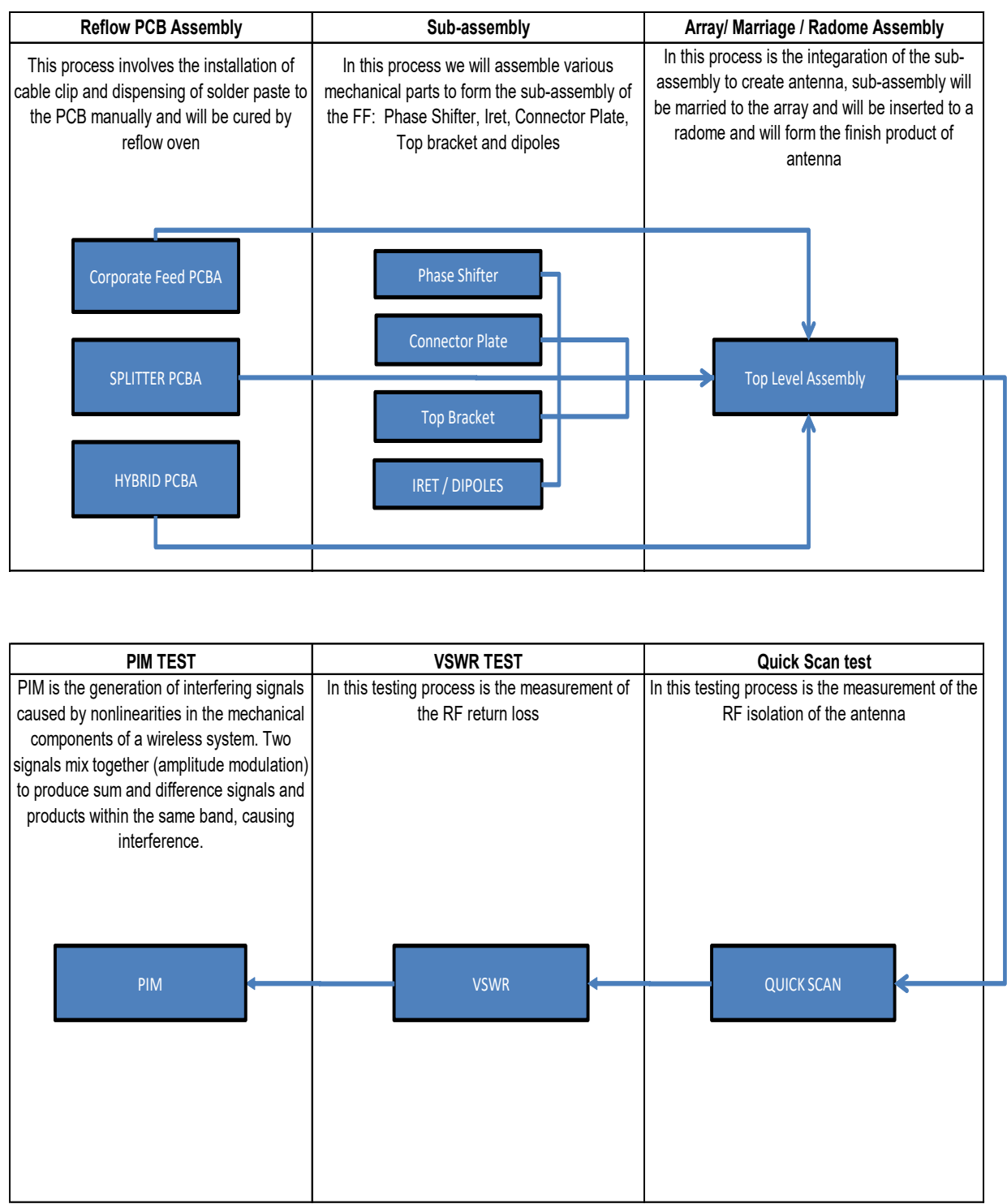
The fundamental assembly process starts with PCBA (Printed Circuit Board Assembly). Solder paste is applied to the PCB, followed by placement of components during SMT pick and place. The populated board is then loaded to the reflow oven for solder paste curing. After the oven reflow, the board undergoes AOI (Automatic Optical Inspection). All boards with reject (assembly rejects, i.e. missing components, wrong part mounted, tombstone, insufficient solder, mis-oriented, tilted, etc.) during AOI are reworked. All boards without rejects proceed to 2nd operation or manual soldering (if required).

Some modules/sub-assembly boards from PCBA undergo MIC process (Microwave Integrated Circuit). During this process, a component (MMIC) is attached or mounted to the board with epoxy, either manually or automated. The board is then cured to the required temperature depending on the type of epoxy used. Wire bond/gap weld is performed depending on the required assembly drawing. Inspection follows to ensure conformance to the assembly drawing.

The modules/sub-assembly boards will then undergo test and tune (if required). All passing modules are then integrated to form the ODU (final product) during Top level assembly. System level testing follows (Calibration and Parametric test, Bit Error Rate (BER) Test, etc.). The ODUs should conform to the specifications set by the customer.

Finished products are then packed per customer specifications and shipped to the intended destination.

The figure below illustrates the typical manufacturing process for the production of multiport antennas:
Multiport Antennas Proces flow chart



CATSI Customers

Most of the Cirtek Group's customers have been clients of the company for more than ten (10) years. For most of these clients, no formal supply or manufacturing contract is executed, and the orders are governed by purchase orders which provide the specification of the products to be sold, delivery schedule and terms of payment, among others. Customers are required to submit order forecasts ranging from three (3) to six (6) months, which the Company uses to project its supply requirements. Depending on the relationship with the particular customer, payment terms can be on a cash-on-delivery basis or credit term of between thirty (30) to forty-five (45) days.

CATSI Competition

The Company's competitors in the RF/Satcom EMS space include large OEMs with international presence such as Benchmark Electronics, Plexus, Flextronics, and MTI Electronics. Among the Company's local competitors for certain product lines are Ionics, IMI, and ATEC.

The Company believes its competitive strength lies in its ability to provide complete turnkey solutions for complex, box build electronic and microwave products. The Company also believes it has unique RF/microwave expertise to deliver vertically integrated products from components to modules and system levels.

Quintel Corporation

Founded in 2007, Quintel designs, develops and delivers advanced high efficiency, high performance antenna solutions that allow mobile operators to increase efficiency, enhance quality-of-service and reduce costs. The company's core technology, Q Tilt, which provides variable linear phase slope across the antenna array and as such, increases site output without expanding the site footprint. The company's corporate offices are located in Rochester and New York and San Jose California and its sales office is located in Buckinghamshire in the United Kingdom. Quintel's team of seasoned professionals understand tower tops better than anyone else in the industry and have pioneered some of the most advanced solutions in the marketplace today. Quintel delivers tremendous value to the industry's leading operators and OEMs, as well as a robust ecosystem of technology and channel partners, across the globe.

Quintel is radically transforming wireless infrastructure with feature-rich antenna technologies that make networks more efficient and more profitable. An innovator in low-impact and high-output solutions, Quintel simplifies rollout complexity with practical antenna solutions that quickly boost capacity and coverage within diverse heterogeneous networks. Quintel's innovative MultiServ and SONwav product lines enable mobile operators to quickly and easily grow their networks and not their budgets.

The following are Quintel's antenna products lines:

1. MultiServ – Single Antenna – Multiple Frequency Bands

Under the MultiServ brand, Quintel sells Multi-Band/ Multi-Port Antennas which are designed to maximize site utilization without compromising site design and network optimization freedoms. This product offers independent tilt for different bands for different arrays while supporting up to 4x4 MIMO at high-bands. The technology of Multiserv also minimizes Passive Intermodulation interference and supports different access technologies (4G, LTE, 3G, 2G).



Space Efficient Tower Solutions PIM Efficient Solutions

Key Highlights of MultiServ product line:

- Smallest form factor (12" wide x 4' / 6' / 8' lengths)
- Advanced aerodynamic design reduces wind loading
- Field proven best-in-class azimuthal roll-off (C/I) RF performance
- Independent tilt-per-band eliminates band combiners
- Most reliable / all internal "Direct Connect" Remote Electrical Tilt (RET) design
- Highest quality in the industry – used at both tier-1 U.S. carriers nationally
- AISG over RF capability
- Broad portfolio with Hexports and Octoports in 65° and 45° and 10 / 12 port antennas
- World's only 12 port antenna 12" wide x 72" or 96" length with 6' high-band arrays

2. SONWav – Directional Antenna – Passive Real-Time Beamforming

Through its SONWav brand, Quintel provides Passive Real-Time Elevation Beamforming Antennas which increases throughput and spectral efficiency at low spectrum bands in a single slimline antenna. This product also offers route to double MIMO freedoms.



Spectrally Efficient Tower Solutions

Key Highlights of MultiServ product line:

- SONWav technique designed for Low-Band Service 700, 800, 850MHz
- Allows Downlink to be Tilt optimized with Power Limited Uplink Services (VoLTE)
- Mitigates Uplink Interference when using IRC in Baseband
- Maximizes Uplink MCS, SINR, CQI and Throughput
- SonWav also has 4x1695-2400MHz Ports (as 2x independent Tilts)
- Optimized Azimuth Patterns as per MultiServe Family
- Optimized Rodome & Windload as MultiServe Family

Quintel Manufacturing Process Flow

Cirtek assembles and tests antenna products at its manufacturing complex located in Laguna Technopark in Biñan, Laguna. The manufacturing facility is composed of three buildings, with a total floor area of 22,300 square feet.

The figure below illustrates the typical manufacturing process flow for the production of antenna products:

Quintel Product Development (Research and Development)

The figure below illustrates the New Product Development process within Quintel:



Quintel Customers

Quintel's current customers are AT&T and Verizon, large telecommunication corporations operating in North America. In order to reduce the concentration risk of a few major customers, Quintel has been actively seeking business opportunities with new potential customers wherein the initial focus will be on large customers in North America and Europe. The company eventually wants to penetrate the Asian market and provide its products to telecommunication companies in countries such as Singapore and the Philippines.

Quintel Competition

Quintel's competitors in the Antenna space are made of up of a number of well-known companies, most of which sell multiple products directly or indirectly to carriers. These competitors are either diversified telecom infrastructure and service companies, telecom system and component vendors or pure-play antenna makers. Below is a diagram of the competitive landscape of the industry:



CUSTOMERS

Beginning in 1984 with three (3) customers, the Cirtek Group has significantly grown its customer base to over 72 major and regular customers as of present date. The Cirtek Group's Company's customers are located in various countries, with the bulk of revenues contributed by customers located in Europe and the United States of America. The figure below illustrates the geographic distribution of customers by revenue contribution, over the past three (3) years.

CEC

% Contribution to Revenue Per Region 2023-2025

	2023	2024	2025
Asia	31%	30%	28%
Europe	28%	28%	27%
USA	41%	42%	45%

CATSI

% Contribution to Revenue Per Region 2023-2025

	2023	2024	2025
Asia	65%	64%	62%
Europe	8%	8%	7%
USA	27%	28%	31%

The Company is not dependent upon a single customer or a few customers or industry, the loss of any of which would have a material adverse effect on the Company. The Company has no single customer contributing more than 20% of the Company's total revenues in the last three years of operation. Neither is the Company reliant on any specific industry since its products have varied applications in different industries.

Quintel

% Contribution to Revenue Per Region 2024-2025

	2024	2025
Asia	-	-
Europe	-	-
USA	100%	100%

MARKETING

The Company appoints non-exclusive sales agents around the globe to promote its products and services. These agents help promote and maintain strong relationships by working closely with customers to address and resolve quality issues and communicate timely responses to specific requirements and delivery issues.

The Company through its subsidiaries currently maintains a sales director in the USA and sales agents in the USA, Europe, and Asia.

Cirtek also performs marketing research for technology development by working closely with its customers through collaboration, conducting surveys, and gathering market trends to keep the Company abreast of new packaging techniques and product introductions.

SUPPLIERS

Direct materials used by the Company in the manufacturing process are leadframes, molding compound, wires (gold and copper) and epoxy adhesives. Silicon wafers are provided by Cirtek's customers.

These direct materials are sourced abroad, mainly from Hongkong, Singapore, Malaysia, and Korea. Shipment is mostly by air, except for the molding compound, which is by sea because of its weight. In order to mitigate the risk of shortage of these direct materials, the Company has at least two suppliers for each material.

EMPLOYEES

As of December 31, 2025, the Cirtek Group has 1,374 regular employees.

Position	Total
Managers and Executives	34
Engineers	52
Administration	53
Other support Cirtek Groups	402
Rank and File	584
Subcon (Agency)	249
Total	1,374

The Cirtek Group is not unionized. However, to foster better employee-management relations, the Cirtek Group has a labor management council ("LMC") composed of committees with representatives from both labor and management. These committees include the committee on employee welfare and benefit, employees cooperative committee, employee discipline committee and sports and recreation committee, among others.

LMCs are established to enable the workers to participate in policy and decision-making processes in establishment, in so far as said processes will directly affect their rights, benefits and welfare, except those which are covered by collective bargaining agreement or are traditional areas of bargaining. The scope of the council/committee's functions consists of information sharing, discussion, consultation, formulation, or establishment of programs or projects affecting the employees in general or the management.

INTELLECTUAL PROPERTY

The Company does not believe that its operations are dependent on any patent, trademark, copyright, license, franchise, concession or royalty agreement.

RESEARCH AND DEVELOPMENT

Research and development work are performed by a team of over 20 experienced engineers with skills developed internally and learned from previous work experiences. Skills are brought in through hiring when necessary while training is a continuing concern to hone the skills of the technical staff.

The Company, in the case of CEC and CATSI, has successfully cooperated with customers on many projects, co-developing with them new technology that are customer specific that will ensure continuing engagement

by the customers. This approach ties up customer with the Company over a long period of time generating revenues from a captive market. Quintel's R&D activities cover components, network / system and products.

The Company's technology for CEC and CATSI roadmap covers material development and process improvement to improve on cost and to help maintain the margins. The latest materials are identified to meet ever increasing demand for higher quality and lower cost. These are product-application specific that are jointly co-developed with the customers bringing benefits to both parties.

The same technology roadmap resulted in bringing down the material and labor cost. For 2016, there was a reduction of 0.5% in cost of sales from new material developed.

Quintel's technology roadmap covers base-station antennas, MIMO, mid-cell and small cell technologies for 5G deployments.

GOVERNMENT APPROVAL AND PERMITS

All government approvals and permits issued by the appropriate government agencies or bodies which are material and necessary to conduct the business and operations of the Company, were obtained by the Company and are in full force and effect. As a holding company, the Company is only required to obtain a mayor's permit, which was issued to the Company on 30 January 2026 by the City of Biñan, Laguna. Such mayor's permit is required to be renewed within the first thirty (30) days from the beginning of January of the following year.

REGULATORY FRAMEWORK

As a PEZA-registered entity, CEC and CATSI are required to submit periodic financial and other reports. CEC is also required to submit quarterly, semi-annual and annual reports to the Department of Environment and Natural Resources as part of its Environmental Compliance Certificate requirements. The failure to comply with these reports and with any other requirements or regulations of these government agencies could expose CEC and CATSI to penalties and the revocation of the registrations.

CEC and CATSI ensure compliance with these requirements by assigning dedicated personnel to monitor, prepare the necessary filings and liaise with the relevant government agencies.

ITEM 2 PROPERTIES

The Company, through its subsidiary, owns the manufacturing plants in the Laguna Technopark as well as machinery such as bonder, auto test handler, optical inspection system, wafer back grinder, mold set, and other machinery necessary for the manufacture, assembly and testing of semiconductors. All of these properties are free and clear of liens, encumbrances and other charges, and are not the subject of any mortgage or other security arrangement.

ITEM 3 LEGAL PROCEEDINGS

On 23 October 2019, Otilio Vicente F. Arellano II and Rafael Estrada (the "Complainants") demanded to inspect the Company's records, including a documented blow-by-blow account of corporate decisions, transactions, accounting judgments and estimates. However, Complainants did not provide any legitimate reason for their request to inspect a great volume of corporate documents, contrary to the prevailing rule on the exercise of the right to inspect.

Thus, on 4 November 2019, the Company filed a Petition for Declaratory Relief seeking a declaration of the Company's duties in relation to Complainants' right to inspect under Section 73 of Republic Act No. 11232 or the Revised Corporation Code ("RCC"). Specifically, the Company seeks a judicial declaration and/or confirmation of its right to decline the demand to inspect corporate records on account of bad faith and ill motive. The Petition, docketed as Civil Case No. B-10603, was filed with the Regional Trial Court of the City of Biñan, Branch 153 (RTC Branch 153).

On 17 February 2020, despite the pendency of the Petition for Declaratory Relief, complainants filed a Joint Complaint-Affidavit for alleged violation of Section 73 in relation to Section 16C of the RCC before the Office of the City Prosecutor ("OCP") against the following directors and officers of the Company: Jerry Liu, Jorge Aguilar, Michael Stephen Liu, Brian Gregory Liu, Justin Liu, Ernest Fritz Server, Hector Villanueva, Corazon Guidote, Emelita Cruzada and Rosario Menguito (the "Respondents"). Respondents received a copy of the Joint Complaint-Affidavit on 17 August 2020.

After submission of all the required pleadings, on 19 January 2021, the OCP issued a Resolution finding probable cause for the offense charged. Respondents received a thereof on 17 March 2021.

On April 5, 2021, a Petition for Review entitled "*Otilio Vicente Arellano II and Rafael Estrada v. Jerry Liu, et al.*," docketed as NPS Docket No. IV-25-INV. No. 20B-00068, was timely filed with the Department of Justice ("DOJ") assailing the 19 January 2021 Resolution of the OCP. The Petition is still pending with the DOJ.

Sometime in April 2021, the accused learned that an Information for violation of Section 73 in relation to Section 161 of the Revised Corporation Code, entitled *People v. Jerry Liu, et al.*, docketed as Criminal Case No. 2560-B-2021 was filed with the Regional Trial Court of the City of Biñan, Branch 152 (RTC Branch 153).

Thus, on 12 April 2021, the Accused filed an Amended Omnibus Motion with the RTC Branch 152, seeking to (a) Dismiss and/or Quash the Information, (b) Withhold the Issuance of a Warrant of Arrest or Recall Warrant of Arrest, if already issued; or in the alternative, (c) Suspend the Proceedings Due to Prejudicial Question

Meanwhile, in an Order dated 9 July 2021, the RTC Branch 153-A dismissed the Petition for Declaratory Relief. On 30 July 2021, the Company filed a Notice of Appeal of the said Order.

In an Order dated 5 July 2021, the RTC Branch 153 suspended the criminal proceedings by reason of prejudicial question, and subsequently upheld such suspension in an Order dated 30 July 2021 in view of the appeal of the civil case for declaratory relief.

On 12 October 2022, the Company filed its Memorandum in Lieu of Appellant's Brief for the Petition for Declaratory Relief (docketed as Civil Case No. B-10603) before the Court of Appeals.

On appeal, the Court of Appeals rendered its Decision dated 28 November 2022 reversing and setting aside the Orders dated 02 December 2020 and 09 July 2021 of the RTC Branch 154 and 153, respectively in the Civil Case No. B-10603. Therein, the Court of Appeals found that the Company cannot be compelled to grant access to inspect its corporate books and records without a lawful and legitimate purpose for such inspection.

On 27 December 2022, Otilio Vicente Arellano II and Rafael Estrada filed their Motion for Reconsideration assailing the Decision dated 28 November 2022 to which petitioner filed their Comment/Opposition dated 23 January 2023. On 13 July 2023, the Court of Appeals rendered its Resolution denying respondents' Motion for Reconsideration and affirming the Decision dated 28 November 2022.

On 02 August 2023, petitioners filed a Motion for Additional Time to File Petition for Review seeking an additional thirty (30) days from 03 August 2023, or until 02 September 2023, within which to file their petition for review on certiorari to the Decision rendered by the Court of Appeals in the case entitled "*Otilio Vicente F. Arellano II and Rafael Estrada vs. Cirtex Holdings Philippines Corporation*" docketed as CA-G.R. SP No. 173046 (Case No. B-10603). However, as of date, no Petition for Review has been received by the Company.

As of date, the criminal proceedings remain suspended, and the case has no material impact to the business or operations of the Company.

Other than the foregoing, there are no pending legal cases against the Company, its Subsidiaries, and their respective management that will have immediate material adverse effect on the financial position and operating results of the Company.

ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The following items shall be presented to the stockholders for their approval during the annual stockholders' meeting:

1. Minutes of the Annual Stockholders' Meeting held on 30 May 2025;
2. Audited Financial Statements as of and for the year ended 31 December 2025;
3. Ratification of the Acts of the Board and Management; and
4. Appointment of External Auditor.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5 MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The registrant's common equity is principally traded in The Philippine Stock Exchange ("PSE"). The high and low sales prices for every quarter ended are indicated in the table below:

	2024		2025	
	HIGH	LOW	HIGH	LOW
Q1	1.97	1.58	1.35	0.79
Q2	1.79	1.52	0.96	0.68
Q3	1.68	1.41	0.85	0.53
Q4	1.60	1.25	0.74	0.52

The price of the Company's Common shares as of 04 May 2026 trading date was PhP 0.62 per share.

The price of the Company's Preferred B2-A shares as of 14 April 2026 trading date was \$0.04 per share.

The price of the Company's Preferred B2-B shares as of 18 August 2025 trading date was \$ 0.44 per share.

The price of the Company's Preferred B2-C shares as of 04 May 2026 trading date was PhP 9.00 per share.

The price of the Company's Preferred B2-D shares as of 04 May 2026 trading date was PhP 7.25 per share.

The number of Shareholders of record as of 31 March 2026 is 28.

Recent sales of unregistered or exempt securities including recent issuance of securities constituting an exempt transaction

The Company has issued 20,000,000 Preferred B2-B Shares to Camerton, Inc. on 18 December 2020. The Preferred B2-B Shares were listed on PSE on 2 February 2021.

Top 20 Stockholders of Record as of 31 March 2026 (registered with the SEC)

Stockholder Name	Number of Common Shares Held	Percentage of Shareholding
PCD Nominee Filipino	544,782,793	81.49
Camerton, Inc.	110,260,791	16.49
PCD Nominee Non-Filipino	13,287,411	1.99

Jose Ivan T. Justiniano or Ma. Jema Justiniano	79,761	0.01
Beant Singh Grewal	37,000	0.01
Anna Loraine Mendoza	17,500	0
Myra Villanueva	14,000	0
Raymond Alvin Mendoza	13,100	0
Fernando Magno Enriquez	12,000	0
Eduardo Lizares	1,000	0
Julius Victor Emmanuel Sanvictores	145	0
Stephen Soliven	122	0
Owen Nathaniel S. Au ITF LI Marcus Au	106	0
Jesus San Luis Valencia	62	0
Dondi Ron R. Limgenco	11	0
Shareholders' Association of The Philippines, Inc.	10	0
Joselito T. Bautista	3	0
Jorge Aguilar	1	0
Rafael Estrada	1	0
Corazon Guidote	1	0
Brian Gregory Liu	1	0
Jerry Liu	1	0
Justin T. Liu	1	0
Michael Stephen Liu	1	0
Hector Villanueva	1	0
Bernardino Ramos	1	0
Ernest Fritz Server	1	0
Total	668,505,825	100

Top 20 Stockholders of Record of Preferred A Shares as of 31 March 2026 (not registered with the SEC)

Stockholder Name	Number of Preferred Shares Held	Percentage of Shareholding
Camerton, Inc.	700,000,000	100
Total	700,000,000	100

Top 20 Stockholders of Record of Preferred B-1 Shares as of 31 March 2026 (not registered with the SEC)

Stockholder Name	Number of Preferred Shares Held	Percentage of Shareholding
Camerton, Inc.	70,000,000	100
Total	70,000,000	100

Top 20 Stockholders of Record of Preferred TCB2A Shares as of 31 March 2026 (registered with the SEC)

Stockholder Name	Number of Preferred Shares Held	Percentage of Shareholding
PCD Nominee Corporation (Filipino)	66,541,220	99.32
PCD Nominee Corporation (Non-Filipino)	358,780	0.54
Knights of Columbus Fraternal Association of the Phils.,	100,000	0.15
George Soriano MA and /or Betty Soriano MA	10,000	0.02
Total	67,000,000	100

Top 20 Stockholders of Record of Preferred TCB2B Shares as of 31 March 2026 (registered with the SEC)

Stockholder Name	Number of Preferred Shares Held	Percentage of Shareholding
PCD Nominee Corporation (Filipino)	20,000,000	100
Total	20,000,000	100

Top 20 Stockholders of Record of Preferred TCB2C Shares as of 31 March 2026 (registered with the SEC)

Stockholder Name	Number of Preferred Shares Held	Percentage of Shareholding
PCD Nominee Corporation (Filipino)	16,901,080	99.79
PCD Nominee Corporation (Non-Filipino)	35,320	0.21
Total	16,936,400	100

Top 20 Stockholders of Record of Preferred TCB2D Shares as of 31 March 2026 (registered with the SEC)

Stockholder Name	Number of Preferred Shares Held	Percentage of Shareholding
PCD Nominee Corporation (Filipino)	28,030,550	97.92
PCD Nominee Corporation (Non-Filipino)	194,950	0.681
Knights of Colombus Fraternal Association of the Philippines Inc	400,000	1.40
Total	28,625,500	100

Dividends Declaration

In relation to the previous resolutions of the Board of Directors of TECH last 20 January 2025 approving the declaration of cash dividends for all the preferred shares of the Corporation, specifically Preferred A Shares (Unlisted), Preferred B-1 Shares (Unlisted), Preferred B-2 Subseries A Shares ("TCB2A"), Preferred B-2 Subseries B Shares ("TCB2B"), Preferred B-2 Subseries C Shares ("TCB2C"), and Preferred B-2 Subseries D Shares ("TCB2D") (collectively herein referred to as the "Preferred Shares"), to be distributed on their respective distribution dates in accordance with its respective Prospectuses, the Board of Directors of TECH, in its special meeting held on 7 March 2025, upon recommendation of management, approved the suspension of payment of the declared cash dividends until further notice for all TECH's Preferred Shares as part of the Company's strategy to manage liquidity and to preserve its resources to ensure long-term sustainability of its business.

Nonetheless, the Corporation maintains its commitment to fulfilling its obligations to pay its shareholders in accordance with the terms set out in the Prospectuses of the shares. This includes payment of all dividends due on all Preferred Shares of the Corporation, and payment of all arrears of dividends outstanding by reason of the suspension, on future dates to be set by the Corporation.

There are presently no restrictions that limit the payment of dividend on common shares of the Company.

Owners of record of more than five percent (5%) of the Company's voting securities as of 31 March 2026:

Title of Class	Name, Address of Record Owner, and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	% of Class
Common	PCD Nominee Corporation (Filipino) G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	PCD Nominee Corporation (Filipino) G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	Filipino	544,782,793	81.49%
Common	Camerton, Inc. ⁵ 116 East Main Ave., Phase V SEZ Laguna Technopark Biñan, Laguna	Camerton, Inc. 116 East Main Ave., Phase V SEZ Laguna Technopark Biñan, Laguna	Filipino	110,260,791	16.49%
Common	Total			655,043,584	97.98%
Preferred A	Camerton, Inc. ⁶ 116 East Main Ave., Phase V SEZ Laguna Technopark Biñan, Laguna	Camerton, Inc. 116 East Main Ave., Phase V SEZ Laguna Technopark Biñan, Laguna	Filipino	700,000,000	100%
	Total			700,000,000	100%

Under PCD account, the following participants hold shares representing more than five percent (5%) of the Company's outstanding shares as of 31 March 2026.

Participant	Number of Shares	Percentage
Abacus Securities Corporation	129,468,799	19%
COL Financial Group, Inc.	119,110,786	18%
First Metro Securities Brokerage Corp.	40,314,353	6%

⁵ Camerton, Inc. has appointed Jerry Liu who shall vote the shares on its behalf in all meetings including the forthcoming Annual Stockholders' Meeting on 29 May 2026.

⁶ Camerton, Inc. has appointed Jerry Liu who shall vote the shares on its behalf in all meetings including the forthcoming Annual Stockholders' Meeting on 29 May 2026.

Discussion on compliance with leading practices on corporate governance

The Corporation adheres to and complies with the principles and practices of good corporate governance, as embodied in its Revised Corporate Governance Manual, Code of Business Conduct and Ethics and related SEC Circulars.

a. The Corporation's evaluation system for monitoring compliance with the Board of Directors is still evolving, consistent with the Manual being a work in progress.

b. The Corporation implements measures to ensure compliance with international best practices on good corporate governance. The Company timely submits an annual Integrated Corporate Governance Report ("I-ACGR") to the Securities and Exchange Commission and Philippine Stock Exchange pursuant to SEC Memorandum Circular No. 15, Series of 2017 which mandates all listed companies to disclose the Company's compliance or non-compliance with the recommendations provided under the Code of Corporate Governance for Publicly-Listed Companies by May 30 of the following year for every year that the Corporation remains listed in the PSE. PSE Memorandum Circular CN No. 2017-0079 provides that the I-ACGR effectively supersedes the SEC's Annual Corporate Governance Report and the PSE's Corporate Governance Disclosure Report. The Corporation likewise consistently strives to raise its financial reporting standards by adopting and implementing prescribed Philippine Financial Reporting Standards.

c. The Corporation has adopted a Manual on Corporate Governance (the Manual). As a highly regulated entity under several government agencies, the Corporation has not materially deviated from the Manual, and no person has been found in breach or violation of its provisions. Likewise, the Corporation has not been found or charged with violating any applicable rule, regulation, or law.

d. Pursuant to its Corporate Governance Manual, the Board has established an Audit Committee tasked with reviewing compliance with laws, company policies, and procedures, as well as financial statements. All financial reports are checked by the Audit Committee to ensure compliance with internal financial management standards and pertinent accounting standards.

ITEM 6 MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Overview

Through its subsidiaries, the Company is primarily engaged in three (3) major activities:

- 1) the design, development and delivery of the wireless industry's most advanced high-efficiency, high-performance antenna solutions;
- 2) the manufacture of value-added, highly integrated technology products; and
- 3) the manufacture and sales of semiconductor packages as an independent subcontractor for outsourced semiconductor assembly, test and packaging services.

Quintel Solutions is a leading provider of advanced high-efficiency, high-performance antenna solutions for wireless cellular networks. Quintel is a pioneer of multi-port, multi-frequency wireless tower antennas. These antennas support more frequencies and deliver greater bandwidth, thereby improving customer experience and creating cost-efficiencies and quicker roll-out for mobile operators.

CEIC sells integrated circuits principally in the US and assigns the production of the same to CEC. CEIC acquired Remec Broadband Wireless Inc. ("RBWI") in 30 July 2014, which was renamed as Cirtek Advanced Technologies and Solutions, Inc. ("CATSI"), a proven Philippine-based manufacturer of value added, highly integrated technology products. CATSI offers complete "box build" turnkey manufacturing solutions to RF, microwave, and millimeterwave products used in the wireless industry such as telecommunication, satellite, aerospace and defense, and automotive wireless devices.

CEC provides turnkey solutions that include package design and development, wafer probing, wafer back grinding, assembly and packaging, final testing of semiconductor devices, and delivery and shipment to its customers' end users. CEC has over 64 regular customers spread out in Europe, the US and Asia.

Beginning in 1984 with only three (3) customers, the Cirtek Group has significantly grown its customer base to over 72 major and regular customers across Europe, U.S. and Asia, with the bulk of revenues contributed by customers located in Europe and the U.S.

The Cirtek Group has earned a strong reputation with its customers for its high-quality products, production flexibility, competitive costing, and capability to work with customers to develop application and customer specific packages. The Cirtek Group has been accredited and certified by several international quality institutions, namely TÜD SÜD Management Service GmbH, TÜV Product Service Asia Ltd., Taiwan Branch, Defense Supply Center & British Approval Board Telecom, for the latest quality system standards, which include ISO9001, ISO14001, and QS9000/TS16949, TUV Product Safety Certification, and FCC certification.

Factors Affecting the Company's Results of Operations and Financial Conditions

The Cirtek Group's business is highly dependent on an industry that is characterized by rapid technological changes, such that it must be able to adapt to new technologies and be flexible to customer needs in order to remain competitive.

The pace of innovation in the electronics and communications industries is high. In order to remain competitive, the Cirtek Group must adapt to new technologies required by their customers. They must have the engineering capability for product development to meet their clients' needs.

The demand for the Company's solutions is derived from the demand of end customers particularly for end-use applications in the computing, communications, consumer automotive, and industrial electronics industries. These industries have historically been characterized by rapid technological change, evolving industry standards, and changing customer needs. There can be no assurance that the Company will be successful in responding to these industry demands. New services or technologies may also render the Company's existing services or technologies less competitive. If the Company does not promptly make measures to respond to technological developments and industry standard changes, the eventual integration of new technology or industry standards or the eventual upgrading of its facilities and production capabilities may require substantial time, effort, and capital investment.

Thus, the Cirtek Group is focused on continuous R&D, new product development, technical innovation and re-engineering. This is done to ensure a strong and consistent pipeline of new products, enhance process capability and to reduce production cost. They have successfully collaborated with their customers in a number of projects, co-developing new technologies that are customer specific, thereby ensuring long-term partnership with customers.

The Cirtek Group develops its own technology, and product roadmaps. The Cirtek Group ensures that it has the skills necessary to meet its customers' needs through training and hiring.

Risks relating to the Company and its business

1. The growth of the Company is dependent on the successful execution of its expansion plans;
2. Dependence on an industry that is characterized by rapid technological changes, such that it must be able to adapt to new technologies and be flexible to customer needs in order to remain competitive;
3. Risks relating to the contractual right of the customers of the Cirtek Group to place orders in quantities less than the agreed minimum and their requirement for the latter to maintain certain key certifications and meet technical audit standards;
4. Risks relating to working capital being tied up in inventories and inventory

- obsolescence;
5. Risks relating to delayed or non-payment of customers for products sold or services rendered;
 6. Risks relating to the maintenance of governmental approvals;
 7. Risks relating to the industry's dependence on the continued growth of outsourcing by OEMs;
 8. Risks relating to the Company's exposure to the cyclical nature of the semiconductor industry;
 9. Risks relating the competitive nature of the assembly and testing segment of the semiconductor industry;
 10. Risks relating to the volatility in the price of raw materials and the availability of supply used by the Company in its production process;
 11. Risks relating to intellectual properties;
 12. Risks relating to foreign exchange;
 13. Risks relating to industrial or labor disputes;
 14. Risks relating to the separation of key employees with the Company;
 15. Risk that the Company might fail to comply with its loan covenants which might reduce its ability to service its debt obligations; and
 16. Risks relating to the implementation of the second package of the Comprehensive Tax Reform Program may have a negative effect on the Company.

Risks Relating to Countries Where the Company Operates

1. Business, political, operational, financial, and economic risks arising from the Company's operations in the Philippines and other jurisdictions;
2. Risks arising from environmental laws that are applicable to the Company's projects;
3. Risks due to political instability in these various jurisdictions;
4. Risks arising from territorial disputes involving the Philippines and its neighboring countries;
5. Macroeconomic risks in each country of operations;
6. Risks relating to the Company's international expansion and its operation in multiple jurisdictions; and
7. Risks due to natural or man-made catastrophes including severe weather conditions and epidemics, including the COVID-19 pandemic.

Risks on the acquisition of Quintel Cayman, Ltd. and its subsidiaries

The Company is exposed to several risks due to their recent acquisition of Quintel Cayman, Ltd. and its subsidiaries, Quintel Technology, Ltd. and Quintel USA.

The Company may have potential difficulties in integrating the new business to their existing business model, as their new product offerings may require different marketing and operational strategies. There is also the risk pertaining to the existing customer base of Quintel, as Cirtek may lack knowledge of Quintel's customers' behavior.

There is commercial risk if the Company is unable to turnaround the business of Quintel and make it profitable. Cirtek may not be able maintain Quintel's existing product licenses, while Quintel's R&D may be unable to produce new projects in its pipeline or create new tech or innovations to satisfy their customers. As a result, the Company would not be able to meet their projected level of sales or return of investment for their new business.

To manage these risks, Cirtek, in its acquisition of Quintel, carried out extensive due diligence covering operations, accounting and tax, legal, and Intellectual Property. The Company also commissioned third

party studies to validate Quintel's technologies, current products, future product offerings, and Quintel's industry position in the base station antenna market in North America.

Cirtek is also investing in the key areas of sales and marketing and R&D. Cirtek identified and signed up the key senior management, R&D, and sales and marketing personnel in Quintel, offering incentive and retentions programs. Quintel will also be hiring additional sales representatives to focus on the North American market and to build presence in new markets such as South America and Asia. Quintel will also increase its R&D personnel to support and fast-track the introduction of new products to the market.

Quintel also introduced Cirtek to its key customers, AT&T and Verizon, who positively received the news of Cirtek assuming ownership of Quintel.

The Company believes the acquisition of Quintel will create significant synergies. Cirtek, being the sole contract manufacturer of Quintel, understands the Quintel antennas. The Company foresees significant benefits through collaborative value engineering, R&D, and cost reduction. Cirtek has begun implementing cost-reduction program to improve gross margins. This would include lower material costs, lower labor hours, and lower inbound and outbound logistics costs.

Some of the Cirtek Group's customers have the contractual right to place orders in quantities less than the agreed minimum. The customers also require that the latter maintain certain key certifications and meet technical audit standards in order to be an accredited assembly and testing subcontractor.

The Company is required to maintain certain certifications, which include among others, ISO9001, ISO14001, QS9000/TS16949, Defense Supply Center of Columbus, and British Approval Board Telecom, TUV Product Safety Certification, and FCC certification. In addition, the Company must pass annual audits conducted by its customers in order to maintain its status as an accredited assembly and testing subcontractor. The failure by the Company to maintain any of its key accreditations could have a material adverse effect on the Cirtek Group's financial condition, or results of operation.

The Company has managed to consistently obtain all customary international accreditations certifying to its world-class standards of process and manufacturing from quality institutions such as TUV, Defense Supply Center of Columbus, and British Approval Board Telecom. This allows it to meet various industry requirements and standards. The Company continually monitors industry requirements and standards issued by applicable international accreditation bodies and implements the changes or adjustments necessary to remain compliant with the levels of standard imposed on competitive industry members.

The Company may be exposed to risk of inventory obsolescence and working capital tied up in inventories.

The Company may be exposed to a risk of inventory obsolescence because of rapidly changing technology and customer requirements. Inventory obsolescence may require it to make adjustments to write down inventory to the lower of cost or net realizable value, and its operating results could be adversely affected. The Company is cognizant of these risks and accordingly exercises due diligence in materials planning. The Company also provisions in its inventory systems and planning a reasonable amount for obsolescence. It works with key suppliers to establish supplier-managed inventory arrangements that will mutually reduce the risk. In addition, the Company often negotiates buy back arrangements with customers where, in the event the customers' purchase orders are delayed, cancelled, or entered in the end-of-life phase, the customers assume the risk and compensates the Company for the excess inventory.

The Cirtek Group may be exposed to liquidity risk from delayed payments of customers, as well as credit risks on its receivables from clients.

The Cirtek Group may encounter difficulty with cash inflows due to delayed payments of customers, which in turn may affect their working capital cycle.

The Company is also exposed to credit risk if its customers are unable to fully settle amounts due for services and products delivered, as well as other claims owed to the Company.

That said, the Company believes it has been highly efficient in its collection of accounts receivables. It likewise believes it has a solid financial position which should mitigate liquidity risk that may result from delayed payment of customers.

Meanwhile, credit risk is managed in accordance with the Company's credit risk policy, which requires the evaluation of the creditworthiness of each customer. Cirtek requires new customers to undergo an initial evaluation period of six months, to pay cash upon delivery of products or services. Existing customers are given a credit term of between 30 to 45 days, which the Company strictly implements.

The Company carries out the necessary due diligence customary for the business prior to booking orders from new customers, and it also strictly enforces its collection policies to all customers. The Company has not made any significant write-off of receivables in its operating history.

CEC and CATSI are required to maintain governmental approvals

As PEZA-registered entities, the Subsidiaries are required to submit certain periodic reports to PEZA such as annual reports, quarterly reports, and audited financial statements. They are also required to submit quarterly, semi-annual, and annual reports to the Department of Energy and Natural Resources as part of its Environmental Compliance Certificate requirements. CEC's and CATSI's failure to comply with these reports and with any other requirements or regulations of these government agencies could expose them to penalties and the revocation of the registrations.

CEC and CATSI ensure compliance with these requirements by assigning dedicated personnel to monitor, prepare the necessary filings, and liaise with the relevant government agencies.

The Company's industry is dependent on the continuous growth of outsourcing by OEMs

The Company belongs to an industry that is dependent on the strong and continuous growth of outsourcing in the computing, communications, consumer automotive, and industrial electronics industries where customers choose to outsource production of certain components and parts, as well as functions in the production process. A customer's decision to outsource is affected by its ability and capacity for internal manufacturing and the competitive advantages of outsourcing.

The Company's industry depends on the continuing trend of increased outsourcing by its customers. Future growth in its revenue depends on new outsourcing opportunities in which it assumes additional manufacturing and supply chain management responsibilities from its customers. To the extent that these opportunities do not materialize, either because the customers decide to perform these functions internally or because they use other providers of these services, the Company's future growth could be limited.

The Company believes that its global footprint, with sales reaching Asia, Europe, the U.S., Africa, and South America, its global supply chain systems and capabilities, and its design services will continue to provide strategic advantages for customers to outsource parts of their product development and manufacturing processes to the Company.

The RF, Microwave and Millimeterwave segment of the wireless communication industry is competitive and characterized by rapid technological changes

The Company operates in a highly competitive industry. As a result of the rapid technological changes, regulation and changing customer needs, there can be no assurance that the Company will be successful in responding to these industry demands.

The Company offers full turnkey solutions at very competitive price points. The Company also has unique and strong manufacturing capabilities to build components, modules, up to system level.

The Company is exposed to the cyclical nature of the semiconductor industry

The semiconductor industry's growth is largely driven by end markets in communications, data processing, consumer electronics, the automotive industry, and the industrial sector for which semiconductors are critical components. The industry has historically been cyclical and affected by economic downturns. The Company currently derives 35% of its sales and operating profits from the assembly and testing services it provides other semiconductor companies worldwide. During periods of weak demand or excess capacity, the Cirtek Group's customers may opt not to continue with, or cancel, existing orders. These events would have a material adverse effect on the Company's business, financial condition and results of operations.

To mitigate this risk, the Cirtek Group continually monitors its direct costs such as raw materials, spare parts, and direct and indirect labor and customers provide order forecasts that enable them to properly plan direct material purchases. They have also implemented an internal reporting system, which allows senior management to monitor profitability for each of the products on a weekly basis. The Cirtek Group believes that these measures allow it to respond quickly and make the necessary adjustments, which has proven crucial in maintaining its competitiveness.

In addition, the products have diverse end-user applications in different industries, which allow it to cope with upswings and downswings in demand. Customers are also geographically dispersed among Europe, U.S. and Asia. Thus, because of this diversity, the Cirtek Group is not dependent on a single market. In 2023, 41% of Cirtek's revenue came from the U.S., 28% from Europe, and 31% from Asia.

Significant competition in the assembly and testing segment of the semiconductor industry could adversely affect the Company's business.

The assembly and testing segment of the semiconductor industry is highly competitive. Cirtek competes with both local and foreign firms to provide these back-end processes to semiconductor manufacturers. The Company's competitors include Integrated Device Manufacturers ("IDM") with their own in-house assembly and testing capabilities, and similar independent semiconductor assembly and test subcontractors. In order to remain competitive, the Company has to price its services and products reasonably, as well as maintain the quality in its manufacturing processes and deliver its products on a timely basis.

The Company has in place, strict procedures to ensure the quality of its products. Through the Quality Assurance division of its subsidiary CEC, the Company ascertains its processes and products are compliant with its client's requirements and it conducts regular audits of manufacturing procedures. The Company believes it has a dedicated and experienced management team that understands the industry's requirements and technology trends that allows the Company to be highly competitive.

At least 65% of the Company's product portfolio pertains to customer specific applications, which cannot be easily replicated by competitors. Moreover, accreditation of a qualified supplier normally takes a minimum of nine months. Hence, once its requirements are met, it is not easy for a customer to transfer to a competitor.

As a PEZA-registered entity, CEC enjoys certain incentives like preferential 5% gross income tax, duty free importation of materials, and reduced power rate I non-registered entities which enables it to price its products competitively. It likewise continually monitors its direct costs such as raw materials, spare parts, and direct and indirect labor.

The volatility in the price of raw materials and the availability of supply used by the Company in its production process could affect its profitability

A significant increase in the price of or a significant reduction in the supply of raw materials could adversely affect the cost of sales and other expenses. For certain products, raw materials such as gold and copper can account for up to 40% of cost of goods sold.

While these risks are uncontrollable, the Company's practice has been to bill its customers for any price adjustments whenever the cost of direct materials such as gold increases. Customers also are required to submit order forecasts ranging from three to six months, which the Company uses to project its supply requirements.

Moreover, in order to ascertain access to raw materials at all times, the Company as a policy, maintains at least three to four suppliers for each of the raw materials it uses for production. The Company also has clients who provide certain raw materials to them for exclusive use in these client's products, which serve to reduce the production costs.

The Company may be exposed to risks related to intellectual property

The Cirtek Group, has an intellectual property ("IP") portfolio mainly lodged with Quintel. On the other hand, as the Cirtek Group is also subcontracted for the manufacturing of technology products and semiconductor packages, it also constantly deals with its customers' IPs. In most cases, the design for the technology products manufactured by the Cirtek Group originates from its customers. These design materials from the Cirtek Group's customers may be patented, or may have their patents pending.

As such, in the Cirtek Group's dealing with its own and its customers' IPs such as patents or copyrights, there is a risk that the Cirtek Group or its customers' IPs may be leaked or be the subject of infringement by the Cirtek Group's employees or third parties with access to the IPs. The Cirtek Group's failure to protect its own or its customers' IPs may expose it to legal liability, reputational risk, loss of business to competition or damage the Cirtek Group's customer relationships and affect its ability to obtain future business.

To mitigate the risk, the Cirtek Group adheres to a strict risk management process, which encompasses IP risk assessment and mitigation. The Cirtek Group's manufacturing process is also stringent, in that, each step in the manufacturing process is closely overseen to prevent any leakage of IP material. As an example, Cirtek-employed engineers are stationed in the China Contract Manufacturer factory to do surveillance of Antenna manufacturing and other related activities to protect from any leakage the designs and specifications of Quintel's antennas. Moreover, those assigned to the manufacturing process only cover a specific portion of the entire process, to ensure that only a limited number of key employees are aware of the complete process or design.

To further manage the risk, the Cirtek Group is Raising awareness of the importance of IP across the organization.

As of the date of this Preliminary Information Statement, there has been no intellectual property claim or disputes involving the Cirtek Group or between the Cirtek Group and its customers.

The Company is exposed to foreign exchange risk

The Company uses the US\$ as its functional currency and is therefore exposed to foreign exchange movements, primarily in the Philippine Peso currency. Its expenses denominated in Philippine Peso are local expenses such as labor, utilities, and local content and comprise around 40% of the Company's total expense.

The Company follows a policy to manage its currency risk by closely monitoring its cash flow position and by providing forecast on all other exposures in non-US\$ currencies. To further manage foreign exchange risk, the Company from time to time enters into currency swaps and forward contracts.

The Company is exposed to the risk of industrial or labor disputes

The Company has maintained a harmonious relationship between management and staff. Cirtek provides employee benefits and complies with labor standards. The Company is not unionized; however, to foster better employee-management relations, there is a labor management council composed of committees with representatives from both labor and management. Labor management councils are established to enable

the workers to participate in policy and decision-making processes, in so far as said processes will directly affect their rights, benefits and welfare, except those which are covered by collective bargaining agreement or are traditional areas of bargaining. The scope of the council/committee's functions consists of information sharing, discussion, consultation, formulation, or establishment of programs or projects affecting the employees in general or the management.

More than half of the Cirtek Group's workforce consists of contractual employees. These are the direct employees of the Group's subcontractors who perform specific services or certain aspects of the manufacturing process. Such arrangements involve a "trilateral relationship" among: (i) the Cirtek Group, as the principal who decides to outsource the job, work or service to a contractor; (ii) the contractor who has the capacity to independently undertake the performance of the service; and (iii) the contractual workers engaged by the contractor to accomplish the job, work, or service for the Group.

Under the Labor Code of the Philippines, the Cirtek Group, as principal in the contracting relationship, may be held liable as an indirect employer to the contractual employees, in the same manner and extent that it is liable to its own employees. Such liability is to the extent of the work performed under the contract and arises when the contractor fails to pay the wages of its employees or violates any provision of the Labor Code. The principal can then seek reimbursement from the contractor/agency.

The Cirtek Group nevertheless continues to be exposed to the risk of industrial or labor disputes. The occurrence of such events could have a material adverse effect on the Company's business, financial condition, or results of operation. Regardless of the outcome, these disputes may lead to legal or other proceedings and may result in substantial costs, delays in the subsidiaries' development schedule, and the diversion of resources and management's attention.

In order to mitigate the risks, the Cirtek Group ensures its full compliance with the requirements of a legitimate contracting arrangement. As regards its regular employees, the Cirtek Group has likewise ensured its adherence to the rules and requirements provided for under the law and pertinent regulations. To date, there are no pending labor-related claims filed by any contractual employee against any member of the Cirtek Group.

Risk on the separation of key employees

The Cirtek Group relies on the continued employment of, and its ability to attract, qualified engineers, key managers, and technical personnel to ensure its continued success. The competition for such skilled workforce is strong, as seen in aggressive head hunting of employees.

The Cirtek Group gives attractive compensation packages that combine standard remuneration and performance incentives. The Cirtek Group provides continuous training and development to managers and direct employees. These training sessions include technical and managerial courses.

Key employees are also bound by employment contracts which have standard confidentiality, non-compete and non-solicitation clauses.

Risk that the Company might fail to comply with its loan covenants which might reduce its ability to service its debt obligations

A significant portion of the Company's long term loan facilities impose certain covenants which it has to comply with, failure to do so, and if the particular covenant would not be waived, will constitute a default event and allow the lender to accelerate the repayment term such that the outstanding debt could become immediately due and payable.

Such an event would increase the debt obligations in the current period and might reduce the Company's ability to service them.

To mitigate this risk, the Company strictly monitors its compliance with its loan covenants and ensure that the concerned ratios are within the set limits. Moreover, the Senior Management of the Group is reviewing the credit risk strategy and significant credit risk policies of the bank.

As of the date of this Prospectus, the Company is in compliance with all of the debt covenants imposed to it by creditors.

Basis of Presentation, Statement of Compliance, Basis of Consolidation and Summary of Significant Accounting Policies

Basis of Preparation

The consolidated financial statements of the Cirtek Group ("Group") are prepared on a historical cost basis except for financial asset at FVPL, which are carried at fair value, and noncurrent assets held for sale, which are stated at the lower of carrying amount and fair value less costs to sell. The consolidated financial statements are presented in United States (US) dollars (\$), which is the Parent Company's functional and presentation currency. All amounts are rounded off to the nearest US dollar except when otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Cirtek Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) as issued by the Financial Reporting Standards Council (FRSC). PFRS includes statements named PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations based on International Financial Reporting Interpretations Committee (IFRIC) Interpretations issued by the Philippine Interpretations Committee.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of 31 December 2025 and 31 December 2024 (see Notes 1 and 5):

	Country Incorporation	of Functional Currency	Direct	Percentage of Ownership			
				2025	Indirect	2024 Direct	Indirect
CEC	Philippines	USD	100%			100%	
CEIC	BVI	USD	100%			100%	
CATS	BVI	USD			100%		100%
CATS – Philippine Branch	Philippines	USD			100%		100%
RBW Realty and Property, Inc. (RBWRP)	Philippines	USD			100%		100%
Cirtek Corporation							
Quintel	Cayman Islands	USD			100%		100%
Quintel USA	United States of America	USD			100%		100%

Subsidiaries are entities over which the Parent Company has control. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Adjustments, where necessary, are made to ensure consistency with the policies adopted by the Group.

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 a deficit balance. When necessary, adjustments are made to the stand-alone financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss; and
- Reclassifies the Parent Company's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as of the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group as an acquirer shall report in its consolidated financial statements provisional amounts for the items for which the accounting is incomplete.

During the measurement period, the Group as an acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, the Group as an acquirer shall also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the Group as an acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9 (previously PAS 39) is measured at fair value with changes in fair value recognized either in profit or loss. If the contingent consideration is not within the scope of PFRS 9, it is measured in accordance with the appropriate PFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

Common control business combinations

Where there are group reorganizations and business combinations in which all the combining entities within the Group are ultimately controlled by the same ultimate parent (i.e., controlling shareholders) before and after the business combination and the control is not transitory (business combinations under common control), the Group accounts for such group reorganizations and business combinations similar to a pooling-of-interests method. The assets and liabilities of the acquired entities and that of the Parent Company are reflected at their carrying values at the stand-alone financial statements of the investee companies. The difference in the amount recognized and the fair value of the consideration given is accounted for as an equity transaction, i.e., as either a contribution or distribution of equity. Further, when a subsidiary is disposed in a common control transaction without loss of control, the difference in the amount recognized and the fair value of consideration received is also accounted for as an equity transaction.

The Group records the difference as equity reserve and is presented as a separate component of equity in the consolidated balance sheet. Comparatives shall be restated to include balances and transactions as if

the entities have been acquired at the beginning of the earliest period presented in the consolidated financial statements, regardless of the actual date of the combination.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted the following pronouncements starting 1 January 2019. Unless otherwise indicated, the adoption of these pronouncements did not have any significant impact on the Group's financial position or performance.

1. Amendments to PFRS 9, *Prepayment Features with Negative Compensation*

Under PFRS 9, a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to PFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. The amendments should be applied retrospectively and are effective from 1 January 2019, with earlier application permitted. These amendments are not applicable to the Group.

2. PFRS 16, *Leases*

PFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under PAS 17, *Leases*. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for a consideration. To apply this definition, the Company assesses whether the contract meets three key evaluations, which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- The Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct how and for what purpose the asset is used throughout the period of use.

Right-of-Use (ROU) Asset

At the commencement date, the Company measures the ROU asset at cost, which comprises of:

- initial measurement of the lease liability;

- any lease payments made at or before the commencement date, less any incentives received;
- any initial direct costs incurred by the Company;
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Company incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

The Company depreciates the ROU asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The Company also assesses the ROU asset for impairment when such indicators exist.

The Company has elected to account for short-term leases and low-value assets using the practical expedients. Instead of recognizing a ROU asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

ROU asset is presented as a separate line item on the statement of financial position.

Lease Liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or if not, the Company uses the incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments (including in-substance fixed payments), less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under the residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect in-substance fixed lease payments.

The Company recognizes the amount of remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the remeasurement in profit or loss.

Lease liabilities is presented as a separate line item on the statement of financial position.

3. Amendments to PAS 19, *Employee Benefits, Plan Amendment, Curtailment or Settlement*

The amendments to PAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- a. Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event;
- b. Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in consolidated statement of income. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in OCI.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

4. Amendments to PAS 28, *Long-term Interests in Associates and Joint Ventures*

The amendments clarify that an entity applies PFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in PFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying PFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognized as adjustments to the net investment in the associate or joint venture that arise from applying PAS 28, *Investments in Associates and Joint Ventures*.

These amendments are not expected to have any significant impact on the consolidated financial statements.

5. Philippine Interpretation IFRIC-23, *Uncertainty over Income Tax Treatments*

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12, *Income Taxes*, and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The interpretation specifically addresses the following:

- a. Whether an entity considers uncertain tax treatments separately;
- b. The assumptions an entity makes about the examination of tax treatments by taxation authorities;
- c. How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates;
- d. How an entity considers changes in facts and circumstances.

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

This interpretation is not expected to be relevant to the Group because there has been no uncertainty involved in the tax treatments made by management in connection with the calculation of current and deferred income taxes as of 31 December 2025 and 2024.

- *Annual Improvements to PFRSs 2015-2017 Cycle*

1. Amendments to PFRS 3, *Business Combinations*, and PFRS 11, *Joint Arrangements, Previously Held Interest in a Joint Operation*

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in PFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019 and to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments are currently not applicable to the Group but may apply to future transactions.

2. Amendments to PAS 12, *Income Tax Consequences of Payments on Financial Instruments Classified as Equity*

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in consolidated statement of income, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. These amendments are not relevant to the Group because dividends declared by the Group do not give rise to tax obligations under the current tax laws.

3. Amendments to PAS 23, *Borrowing Costs, Borrowing Costs Eligible for Capitalization*

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted.

Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its consolidated financial statements upon adoption.

Effective beginning on or after 1 January 2020

1. Amendments to PFRS 3, *Definition of a Business*

The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business.

An entity applies those amendments prospectively for annual reporting periods beginning on or after 1 January 2020, with earlier application permitted. These amendments will apply on future business combinations of the Group.

2. Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, *Definition of Material*

The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgements.

An entity applies those amendments prospectively for annual reporting periods beginning on or after 1 January 2020, with earlier application permitted.

Effective beginning on or after 1 January 2021

• PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- a. A specific adaptation for contracts with direct participation features (the variable fee approach);
- b. A simplified approach (the premium allocation approach) mainly for short-duration contracts

PFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On 13 January 2016, the Financial Reporting Standards Council deferred the original effective date of 1 January 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

The Group continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to 2018 on the Group's consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

Summary of Significant Accounting Policies

Adoption of New and Revised Accounting Standards

The Philippine Financial Reporting Standards Council (FRSC) approved the issuance of new and revised Philippine Financial Reporting Standards (PFRS). The term "PFRS" in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and Interpretations issued by the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the FRSC and adopted by SEC.

These new and revised PFRS prescribe new accounting recognition, measurement and disclosure requirements applicable to the Cirtek Group. When applicable, the adoption of the new standards was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

New and Revised PFRSs with Material Effect on Amounts Reported in the Current Year

The following new and revised PFRSs have been adopted in these financial statements. The application of these new and revised PFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to PFRS 3, *Definition of a Business*

The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. It narrows the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing reference to an ability to reduce costs. It adds guidance and illustrative examples to help entities assess whether a substantive process has been acquired. It removes the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. It adds an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The amendments are effective beginning on or after 1 January 2020.

- Amendments to PAS 1 and PAS 8, *Definition of Material*

The definition of material has been amended as follows: information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general- purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments are effective for annual periods beginning on or after 1 January 2020.

New and Revised PFRSs Applied with No Material Effect on the Financial Statements

- The Group will adopt the following standards and interpretations enumerated below when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended PFRS, to have significant impact on the financial statements.
- Amendments to PFRS 16, *COVID-19-related Rent Concessions*

The following are the amendments to PFRS 16:

- provide lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification;
- require lessees that apply the exemption to account for COVID-19 related rent concessions as if they were not lease modifications;
- require lessees that apply the exemption to disclose that fact; and
- require lessees to apply the exemption retrospectively in accordance with PAS 8, but not require them to restate prior period figures.

The amendments are effective for annual reporting periods beginning on or after 1 June 2020, with earlier application permitted.

- PFRS 17, *Insurance Contracts*

PFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. It requires an entity that issues insurance contracts to report them on the balance sheet as the total of the fulfilment cash flows and the contractual service margin.

It requires an entity to provide information that distinguishes two ways insurers earn profits from insurance contracts: the insurance service result and the financial result. It requires an entity to report as insurance revenue the amount charged for insurance coverage when it is earned, rather than when the entity receives premium. It requires that insurance revenue to exclude the deposits that represent the investment of the policyholder, rather than an amount charged for services. Similarly, it requires the entity to present deposit repayments as settlements of liabilities rather than as insurance expense.

PFRS 17 is effective for annual periods beginning on or after January 1, 2025. Early application is permitted for entities that apply PFRS 9 Financial Instruments and PFRS 15 Revenue from Contracts with Customers on or before the date of initial application of PFRS 17.

An entity shall apply PFRS 17 retrospectively unless impracticable, except that an entity is not required to present the quantitative information required by paragraph 28(f) of PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and an entity shall not apply the option in paragraph B115 for periods before the date of initial application of PFRS 17. If,

and only if, it is impracticable, an entity shall apply either the modified retrospective approach or the fair value approach.

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

The following are the amendments in reference to the conceptual framework:

- update PFRS 3 so that it refers to the 2018 Conceptual Framework instead of 1989 Framework;
- add to PFRS 3 a requirement that, for transactions and other events within the scope of PAS 37 or IFRIC 21, an acquirer applies PAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and
- add to PFRS 3 an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments are effective for annual periods beginning on or after 1 January 2022, with earlier application permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds before Intended Use*

The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.

The amendments are effective for annual periods beginning on or after January 1, 2022, with earlier application permitted. An entity applies the amendments retrospectively only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

- Amendments to PAS 37, *Onerous Contracts - Cost of Fulfilling a Contract*

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments are effective for annual periods beginning on or after January 1, 2022, with earlier application permitted. Entities apply the amendments to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated.

- Annual Improvements to PFRS Standards 2018-2020 Cycle

Amendments to PFRS 1, *Subsidiary as a first-time adopter* - The amendment permits a subsidiary that applies paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to PFRSs.

Amendments to PFRS 9, *Fees in the '10 per cent' test for derecognition of financial liabilities* - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

Amendments to PFRS 16, *Lease Incentives* - The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

Amendments to PAS 41, *Taxation in fair value measurements* - The amendment removes the requirement in paragraph 22 of PAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in PFRS 13.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments to PAS 1 are the following:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments defer the effective date of the January 2020 Classification of Liabilities as Current or Non-Current (Amendments to PAS 1) to annual reporting periods beginning on or after 1 January 2023. Earlier application of the January 2020 amendments continues to be permitted.

- Amendments to PFRS 17, *Insurance Contracts*

The amendments cover the following areas:

- Insurance acquisition cash flows for renewals outside the contract boundary;
- Reinsurance contracts held—onerous underlying insurance contracts;
- Reinsurance contracts held—underlying insurance contracts with direct participation features; and
- Recognition of the contractual service margin in profit or loss in the general model.

The amendments are effective to annual reporting periods beginning on or after January 1, 2025.

Deferred

- Amendments to PFRS 10 and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments clarify the treatment of the sale or contribution of assets between an

investor and its associate and joint venture. This requires an investor in its financial statements to recognize in full the gains and losses arising from the sale or contribution of assets that constitute a business while recognize partial gains and losses if the assets do not constitute a business (i.e. up to the extent only of unrelated investor share).

On 13 January 2016, the FRSC decided to postpone the original effective date of 1 January 2016 of the said amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Current versus Noncurrent Classification

The Group presents assets and liabilities in the consolidated balance sheet based on current/ noncurrent classification. An asset is current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

1. it is expected to be settled in normal operating cycle;
2. it is held primarily for the purpose of trading;
3. it is due to be settled within twelve (12) months after the reporting period; or
4. there is no unconditional right to defer the settlement of the liability for at least twelve (12) months after the reporting period.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value, the Group takes into consideration the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement assumes that the transaction to sell the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions. In addition, it assumes that the transaction takes place either: (a) in the principal market; or (b) in the absence of a principal market, in the most advantageous market.

The Group considers the fair value of an asset or a liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisition and that are subject to an insignificant risk of change in value.

Financial Assets

Initial Recognition and Measurement

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

The Group measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At initial recognition, the Group measures receivables that do not have a significant financing component at their transaction price.

Classification

- Financial Asset at Amortized Cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortized costs include cash and cash equivalents, trade and other receivables, due from related parties, rental deposit, loans to employees, security deposits presented under other current assets, other financial asset at amortized cost, and loans to employees and miscellaneous deposits presented under other non-current assets.

a) Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash in banks are deposits held at call with banks that are subject to insignificant risk of change in value. This shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from dates of acquisition and that are subject to an insignificant risk of change in value.

b) Receivables

Receivables are measured at amortized cost using the effective interest method, less any impairment. Finance income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

○ Financial Asset at Fair Value through Other Comprehensive Income

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at financial asset at fair value through other comprehensive income pertains to an investment in unquoted equity shares.

Reclassification

When, and only when, the Group changes its business model for managing financial assets, it shall reclassify all affected financial assets in accordance with Note 4.03.02. If the Group reclassifies financial assets, it shall apply the reclassification prospectively from the reclassification date. The Group shall not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Effective Interest Method

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets and financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired.

Impairment

The Group shall measure expected losses of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable assumption that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Group adopted general approach in accounting for impairment.

○ General Approach

The Group applied the general approach to cash and cash equivalents, other receivables, amounts owed by related parties, rental deposit, security deposits, other financial assets at amortized cost, and miscellaneous deposit. At each reporting date, the Group measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. However, if the credit risk has not increased significantly, the Group measures the loss allowance equal to twelve (12)-month expected credit losses.

The Group compares the risk of default occurring as at the reporting date with the risk of default occurring as at the date of initial recognition and consider the macro-economic factors such as GDP, interest, and inflation rates, the performance of the counterparties' industry, and the available financial information of each counterparty to determine whether there is a significant increase in credit risk or not since initial recognition.

The Group determines that there has been a significant increase in credit risk when there is a significant decline in the factors.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition because the financial instrument is determined to have low credit risk at the reporting date.

If the Group has measured the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date, that the credit quality improves (*i.e.* there is no longer a significant increase in credit risk since initial recognition), then the Group shall measure the loss allowance at an amount equal to twelve-month expected credit losses at the current reporting date.

The Group recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

The Group performs the assessment of significant increases in credit risk on an individual basis.

The Group determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

○ Simplified Approach

The Company always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. The Company determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

Derecognition

The Group derecognizes a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition. The difference between the carrying amount and the consideration received is recognized in profit or loss.

Write-off

The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

Financial Instruments - Effective 1 January 2018

Financial assets

Initial recognition and measurements

Financial assets are classified as financial assets measured at amortized cost, fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("FVTOCI").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15 (refer to the Revenue Recognition policy).

In order for a financial asset to be classified and measured at amortized cost or FVTOCI, it needs to give rise to cash flows that are SPPI on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, *i.e.*, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

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

1. *Financial assets at amortized cost* - This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

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

As of 31 December 2025, this category includes the Group's cash and cash equivalents, trade and other receivables, amounts owed by related parties, investment in Philippine government securities, rental and security deposits, loans to employees and miscellaneous deposits.

2. *Financial assets designated at FVTOCI (equity instruments)* - Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the profit or loss. Dividends are recognized as other income in the profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVTOCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

As of 31 December 2025, this category includes the Group's investment in unquoted shares.

3. *Financial assets designated at FVTOCI (debt instruments)* - The Group measures debt instruments at FVTOCI if both of the following conditions are met:
 - The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

As of 31 December 2025, the Group has no debt instruments classified as financial assets designated at FVTOCI.

4. *Financial assets at FVTPL* - Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are accounted for as financial assets at FVTPL unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVTOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the consolidated statement of financial position at fair value with net changes in fair value presented as "Unrealized mark-to-market gain" (positive net changes in fair value) or "Unrealized mark-to-market loss" (negative net changes in fair value) in profit or loss.

As of 31 December 2025, this category includes the Group's investment in Unit Investment Trust Fund (UITF).

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- a. the right to receive cash flows from the asset has expired; or
- b. the Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and
- c. either the Group (a) has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include trade and other payables, short-term loans, amounts owed to related parties and long-term debts.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below.

Financial liabilities – FVTPL - Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition at FVTPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in profit or loss.

Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Group has not designated any financial liability at FVTPL.

Loans and borrowings - This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well through the amortization process.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well through the amortization process.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

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

Impairment of Financial– Assets - Effective 1 January 2018

Beginning 1 January 2018, upon adoption of PFRS 9, the Group recognizes an allowance for expected credit losses ("ECLs") for all financial assets except debt instruments held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next twelve months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For receivables that do not contain significant financing component, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead

recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at FVTOCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument.

For financial assets at amortized costs being individually assessed for ECLs, the Group applied lifetime ECL calculation. This involves determination of probability of default and loss-given default based on available data, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset to be in default when a counterparty fails to pay its contractual obligations, or there is a breach of other contractual terms, such as covenants. In certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Instruments - Effective Prior to 1 January 2018

Financial assets

Initial recognition

Financial assets within the scope of PAS 39 are classified as either financial assets at FVTPL, loans and receivables, HTM investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates such classifications at every reporting date.

Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at FVTPL, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way purchases) are recognized on the trade date, *i.e.*, the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and cash equivalents, trade and other receivables, financial assets at FVTPL, HTM investments, AFS financial asset, amounts owed by related parties, loans to employees (reported as part of 'Other current assets' and 'Other noncurrent assets' in the consolidated balance sheet) and deposits (reported as part of 'Other current assets' and 'Other noncurrent assets' in the consolidated balance sheet).

Subsequent measurement

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

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading and financial assets designated upon initial recognition as at FVTPL. Financial assets are classified as held for trading if they are acquired for the purpose of selling or purchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging

instruments as defined by PAS 39. Financial assets at FVTPL are carried in the consolidated balance sheet at fair value with gains or losses recognized in profit or loss.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value when their risks and economic characteristics are not closely related to those of the host contracts and the host contracts are not held for trading or designated at FVTPL. These embedded derivatives are measured at fair value with gains or losses arising from changes in fair value recognized in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of FVTPL.

Financial assets designated as FVTPL are designated by management on initial recognition when any of the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis;
- The assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.

As of 31 December 2025, the Group designated its investment in UITF as financial asset at FVTPL.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortized cost using the effective interest method, less impairment. This method uses an EIR that exactly discounts estimated cash receipts through the expected life of the financial assets to the net carrying amount of the financial asset. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. Assets in this category are included in current assets except for maturities greater than twelve (12) months after the end of the reporting period, which are classified as noncurrent assets.

As of 31 December 2025, the Group has designated as loans and receivables its cash in banks and cash equivalents, trade and other receivables, amounts owed by related parties, loans to employees (reported as part of 'Other current assets' and 'Other noncurrent assets' in the consolidated balance sheet) and deposits (reported as part of 'Other current assets' and 'Other noncurrent assets' in the consolidated balance sheet).

HTM investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as HTM when the Group has the positive intention and ability to hold it to maturity. After initial measurement, HTM investments are measured at amortized cost using the effective method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR. Gains and losses are recognized in profit or loss when the investments are derecognized or impaired, as well as through the amortization process.

As of 31 December 2025, the Group has HTM investments in Philippine government securities.

AFS financial assets

AFS financial assets are non-derivative financial assets that are designated as AFS or are not classified in any of the three preceding categories. They are purchased and held indefinitely, and may be sold in response to liquidity requirements or change in market conditions.

After initial measurement, AFS financial assets are measured at fair value with unrealized gains or losses recognized directly in OCI until the investment is derecognized, at which time the cumulative gain or loss recorded in equity is recognized in profit or loss, or determined to be impaired, at which time the cumulative loss recorded in equity is recognized in profit or loss.

As of 31 December 2025, the Group's AFS financial asset pertains to investment in unquoted equity shares.

Financial liabilities

Initial recognition

Financial liabilities within the scope of PAS 39 are classified as financial liabilities at FVTPL, other financial liabilities, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition and, where allowed and appropriate, re-evaluates such designation at every financial reporting date.

Financial liabilities are recognized initially at fair value and, in the case of financial liabilities not at FVTPL, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, short-term loans, long-term debt and amounts owed to related parties.

Subsequent measurement

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

Financial liabilities at FVTPL

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

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that do not meet the hedge accounting criteria as defined by PAS 39.

Gains and losses on liabilities held for trading are recognized in profit or loss.

The Group does not have a financial liability at FVTPL as of 31 December 2025.

Other financial liabilities

Other financial liabilities are initially recognized at fair value of the consideration received, less directly attributable transaction costs. After initial recognition, other financial liabilities are measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized, as well as through the amortization process.

As of 31 December 2025, the Group's other financial liabilities includes trade and other payables, short-term loans, amounts owed to related parties and long-term debt.

Impairment of Financial– Assets - Effective Prior to 1 January 2018

The Group assesses at each balance sheet date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Objective evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If such evidence exists, any impairment loss is recognized in profit or loss.

Financial assets carried at amortized cost

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original EIR (*i.e.*, the EIR computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Financial assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Inventories

Inventories includes raw materials, spare parts and other materials which are stated at the lower of cost or net realizable value. Costs, including an appropriate portion of fixed and variable overhead

expenses, are determined using first-in, first-out ("FIFO") method. For finished goods and work-in-process, costs are determined on a standard cost basis. Standard costs take into account normal levels of materials and supplies, labor, efficiency and capacity utilization. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

When the net realizable value of the inventories is lower than the cost, the Group provides for an allowance for the decline in the value of the inventory and recognizes the write-down as an expense in the statements of comprehensive income. The amount of reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

When inventories are used in operation or sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

Property, Plant and Equipment

Property, plant and equipment are initially measured at cost. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Subsequent to initial recognition, property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditures relating to an item of property, plant and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Major spare parts and stand-by equipment qualify as property, plant and equipment when the Group expects to use them during more than one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Land is not depreciated. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

Category	Number of Years
Machinery and equipment	7-15
Buildings and improvements	5-25
Facility and production tools	5-8
Furniture, fixtures and equipment	2-5
Transportation equipment	5-7

Construction in progress is a property under construction and development which is initially measured at cost. Cost includes construction costs, professional fees, taxes and licenses and other expenses which are directly related with the construction of the project. Subsequently, upon completion, this will form part of property, plant and equipment and will be measured at cost less accumulated depreciation and accumulated impairment losses.

The residual value, useful lives and depreciation method of the Group's property, plant and equipment is reviewed, and adjusted prospectively if appropriate, if there is an indication of a change since the last reporting date.

Depreciation ceases at the earlier of the date that the item is classified as held for sale (or included in a disposal group) in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, and the date the asset is derecognized.

The property, plant and equipment's residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of property, plant and equipment is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss.

Noncurrent Assets Held for Sale

Non-current assets and disposal groups are classified as assets held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell except for the following assets which shall continue to be measured in accordance with the corresponding standards:

- Non-current assets that are accounted for in accordance with the fair value model in PAS 40, *Investment Property*;
- Deferred tax assets;
- Assets arising from employee benefits;
- Financial assets within the scope of PFRS 9, *Financial Instruments*;
- Non-current assets that are measured at fair value less costs to sell in accordance with PAS 41, *Agriculture*; and
- Contractual rights under insurance contract as defined in PFRS 4, *Insurance Contracts*.

Investment Properties

Investment properties, which are properties held to earn rentals is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

Land is not depreciated. Depreciation of building and improvements is computed using straight-line method based on the estimated useful life of twenty-five (25) years.

Transfers to, or from, investment property shall be made when, and only when, there is a change in use.

The estimated residual value, useful life and depreciation method are reviewed at the end of each annual reporting period, with the effort of any changes in estimate being accounted for on a prospective basis.

Investment property is derecognized by the Group upon its disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in

which the property is derecognized.

Borrowing Costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is recognized in profit or loss in the year in which the expenditure is incurred.

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

Intangible asset with finite life is amortized over its economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at each balance sheet date. 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 expense on intangible assets with finite lives is recognized in profit or loss.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit ("CGU") level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the assessment can be supported. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

The Group recognizes an intangible asset acquired in a business combination if it is identifiable and distinguishable from goodwill. The Group considers an intangible asset as identifiable if:

1. it is separable, *i.e.*, there is evidence of exchange transactions for the asset or an asset of a similar type, even if those transactions are infrequent and regardless of whether the Group is involved in those transactions; or
2. it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations ("contractual-legal" criterion).

The Group's intangible assets recognized from business combination pertain to customer relationship, trademark and technology. Trademark and customer relationships are estimated to have an indefinite useful life, and will be subject to yearly impairment testing. The Group estimates that technology will have an economic life of ten (10) years.

Research and Development Costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

3. the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
4. its intention to complete and its ability to use or sell the asset;
5. how the asset will generate future economic benefits;
6. the availability of resources to complete the asset; and
7. the ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit, which is estimated to be five (5) to ten (10) years. Amortization is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that a nonfinancial asset may be impaired. The Group has designated as nonfinancial assets its prepaid expenses, advances to suppliers, property, plant and equipment, intangible assets, project development costs and other assets. If any such indication exists, or when annual impairment testing for a nonfinancial asset is required, the Group makes an estimate of the nonfinancial asset's recoverable amount. A nonfinancial asset's estimated recoverable amount is the higher of a nonfinancial asset's or CGU's fair value less costs to sell and its value in use (VIU) and is determined for an individual asset, unless the nonfinancial asset does not generate cash inflows that are largely independent of those from other nonfinancial assets or groups of nonfinancial assets. Where the carrying amount of a nonfinancial asset exceeds its estimated recoverable amount, the nonfinancial asset is considered impaired and is written down to its estimated recoverable amount. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the nonfinancial asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For nonfinancial assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the nonfinancial asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the nonfinancial asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the non-financial asset in prior years. Such reversal is recognized in profit or loss.

Capital Stock

Capital stock, which consists of common stock and preferred stock, is measured at par value for all shares issued. Proceeds and/or fair value of consideration received in excess of par value, if any, are recognized as additional paid-in capital (APIC).

Subscription Receivable

The unpaid portion of the subscribed shares is deducted from capital stock and is measured at subscription price for all shares subscribed.

Deposit for future stock subscription

Deposit for future stock subscription represent the amount received that will be applied as payment in exchange for a fixed number of the Parent Company's own shares of stock. When the Parent Company does not have sufficient unissued authorized capital stock but the Board of Directors ("BOD") and stockholders have approved for a proposed increase in authorized capital stock that has been presented for filing or has been filed with the Philippine SEC as of the balance sheet date, the deposit for future stock subscription is presented in the equity section of the consolidated balance sheet. Otherwise, this is presented in the liability section of the consolidated balance sheet.

Retained Earnings

The amount included in retained earnings includes profit or loss attributable to the Group's equity holders and reduced by dividends on capital stock. Retained earnings may also include effect of changes in accounting policies as may be required by the standards' transitional provisions.

The Group may pay dividends in cash or by the issuance of shares of stock. Cash and property dividends are subject to the approval of the BOD, while stock dividends are subject to approval by the BOD and at least two-thirds of the outstanding capital stock of the shareholders at a shareholders' meeting duly called for such purpose, and by the Philippine SEC. Cash and property dividends on preferred and common stocks are recognized as liability and deducted from equity when declared. Stock dividends are treated as transfers from retained earnings to paid-in capital.

Equity Reserve

Equity reserve represents the effect of the application of the pooling-of-interests method and the difference of carrying amount and consideration of reissued Parent Company shares held by a subsidiary.

Parent Company Shares Held by a Subsidiary

These shares represent the Parent Company's common shares acquired by its subsidiary. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of these equity instruments. Any difference between the carrying amount and the consideration, if reissued, is charged or credited to Equity Reserve.

Other Comprehensive Income

Other comprehensive income comprises items of income and expenses that are not recognized in profit or loss for the year in accordance with PFRS. Other comprehensive income of the Group includes net changes in fair values of financial assets at FVTOCI and AFS financial assets, and remeasurements on retirement benefit obligation.

Revenue Recognition - Effective 1 January 2018

Revenue from contracts with customers is recognized when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has concluded that it is principal in all of its revenue arrangements since it is the primary obligor in all revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks.

Sale of goods

Revenue from sale of goods is recognized at the point in time when the goods have been transferred to the customer (*i.e.*, upon delivery). The Group's normal credit term is thirty (30) to one hundred twenty (120) days upon delivery.

Revenue is measured based on the transaction price the Group expects to be entitled to. The Group's contracts with customers generally provide customers with discounts. If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Variable considerations include discounts and right of return. Discounts and returns are not significant to the Group.

Contract balances

- **Contract assets.** A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays the consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.
- **Trade receivables.** A receivable represents the Group's right to an amount of consideration that is unconditional (*i.e.*, only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets under Financial Assets and Financial Liabilities - Financial assets at amortized cost (debt instruments).
- **Contract liability.** A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If the customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

Interest Income

Interest income is recognized as it accrues using the effective interest method.

Costs and Expenses Recognition

Costs and expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Cost of sales

Cost of sales is recognized when the related sale has met the criteria for recognition.

Operating expenses

Operating expenses are recognized in the period in which they are incurred.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfillment of the arrangements is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment is made after the inception of the lease only if one of the following applies:

- a. There is a change in contractual terms, other than a renewal or extension of the arrangement;
- b. A renewal option is exercised and extension granted, unless the term of the renewal or extension was initially included in the lease term;
- c. There is a change in the determination of whether fulfillment is dependent on a specified asset; or
- d. There is a substantial change to the asset.

When a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances give rise to the reassessment for scenarios (a), (c) or (d) and at the date of renewal or extension period for scenario (b).

The Group as a lessee

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are

classified as operating leases. Operating lease payments are recognized as expense in profit or loss on a straight-line basis over the lease term.

Retirement Benefits Costs

Defined benefit plans

CEC and CATSI are covered by a noncontributory defined benefit retirement plan. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods. These are retained in other comprehensive income until full settlement of the obligation.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. The fair value of plan assets is based on market price information.

When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value and when, and only when, reimbursement is virtually certain.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

The Group has a defined contribution plan covering substantially all employees of Quintel USA and Quintel Technology, Inc.

Foreign Currency-denominated Transactions

The consolidated financial statements are presented in US dollars, which is the Parent Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency spot rate ruling at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date.

All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions.

Income Taxes

Current income tax

Current income tax liabilities for the current and prior periods are measured at the amount expected to be paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the financial reporting date. Current income tax for the current and prior periods, shall, to the extent unpaid, be recognized as a liability in the consolidated balance sheet. If the amount already paid in respect of the current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset and be presented as part of "Other current assets" in the consolidated balance sheet.

Deferred income tax

Deferred income tax is provided using the balance sheet liability method on temporary differences at the financial reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and in respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO) to the extent that it is probable that taxable profit will be available against which the deductible temporary difference, and the carryforward of unused tax credits from excess MCIT over RCIT and unused NOLCO can be utilized, except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax laws that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognized directly in equity is recognized directly in equity and not in profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to offset current tax assets against current tax liabilities exist and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred income tax assets or liabilities are expected to be settled or recovered. Subsidiaries file income tax returns on an individual basis. Thus, the deferred income tax assets and deferred income tax liabilities are offset on a per entity basis.

Earnings Per Share ("EPS")

Basic EPS is calculated by dividing the net income for the year attributable to common shareholders by the weighted average number of common shares outstanding during the year, with retroactive adjustments for any stock dividends and stock split.

For the purpose of calculating diluted earnings per share, the net income and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential common shares.

Operating Segments

The Group operating businesses are organized and managed separately according to the nature of products as well as the geographical locations of businesses. The segments are segregated as follows:

- (a) manufacture and sale of semiconductor packages based in the Philippines through CEC;
- (b) manufacture and sale of radio frequency, microwave, and millimeter wave products based in the Philippines through CATSI - Philippine Branch; and
- (c) sale of advanced high-efficiency, high-performance antenna solutions for wireless cellular networks based in the U.S. through Quintel. Information with respect to these subsidiaries is disclosed in Note 4. The Group operates and derives its revenue from its domestic operation and from its operation in the U.S. through Quintel.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result

of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss, net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingencies

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

Events After the Balance Sheet Date

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

Results of Operations

The Company's Consolidated Net Sales, Gross Profit, Net Income, EBITDA and EPS are provided in the following table:

	For the Three Months Ended March 31	
<i>In US\$ Thousands except EPS</i>	<i>2026 (Unaudited)</i>	<i>2025 (Unaudited)</i>
NET SALES	\$13,956	\$13,127
COST OF SALES	10,387	9,837
GROSS PROFIT	3,569	3,290
NET INCOME	1,090	901
Basic/Diluted EPS	0.002	0.001
EBITDA	3,130	3,040

For the three-month period ending March 31, 2026 compared to the three-month period ending March 31, 2025

Revenue

The Company achieved a consolidated revenue of US\$14.0 million for the three months ending March 31, 2026, a increase of 6% from US\$13.1 million for the same period in 2025. The increase accounted for was mainly due to the increase in revenue from semiconductor and RF/MW/mmW business.

Revenue contribution from Quintel for the three-month period ending March 31, 2026 amounted to US\$898 thousand, a 82% decrease compared to US\$5.1 million in the same period in 2025.

Revenues from the RF/MW/mmW and antenna manufacturing business before consolidation for the three months ending March 31, 2026 amounted to US\$3.6 million, a 62% increase compared to the US\$2.2 million for same period in 2025.

Revenues from the semiconductor business amounted to US\$9.5 million in 2026 compared to US\$5.8 million for the same period in 2025, a 64% increase.

Cost of Sales and Gross Margin

The Company's cost of sales (COS) is composed of: raw materials, spare parts, supplies; direct salaries, wages and employees' benefits; depreciation and amortization; utility expenses directly attributable to production, freight and duties; and others. The Company's cost of sales increased by 6% to US\$10.4 million for the three months ending March 31, 2026 from US\$9.8 million for the same period in 2025.

The increase was mainly due to:

- Raw materials, spare parts, supplies and other inventories used increased by 5% to US\$6.0 million for the three months ending March 31, 2026, from US\$5.7 million for the same period in 2025.
- Salaries, wages and employees' benefits increased by 8% to US\$1.9 million for the three months ending March 31, 2026, from US\$1.7 million for the same period in 2025

- Utilities increased by 56% to US\$950 thousand for the three months ending March 31, 2026, from US\$610 thousand for the same period in 2025.

The Company's gross margin was 26% for the three months ending March 31, 2026 compared to the 25% gross margin recorded for the same period in 2025.

Operating Expenses

The Company's operating expenses for the three months ending March 31, 2026 amounted to US\$2.0 million, 3% lower compared to the US\$2.1 million recorded during the same period in 2025. The decrease was due to:

- Salaries, wages and employees' benefits decreased by 5% to US\$993 thousand for the three-months ending March 31, 2026, from US\$1.0 million for the same period in 2025.
- Taxes and licenses decreased by 69% to US\$20 thousand for the three months ending March 31, 2026, from US\$65 thousand for the same period in 2025.
- Transportation and travel decreased by 18% to US\$51 thousand for the three months ending March 31, 2026 from US\$62.7 thousand for the same period in 2025.
- Insurance decreased by 5% to US\$29 thousand for the three months ending March 31, 2026 from US\$30 thousand for the same period in 2025.
- Depreciation and amortization decreased by 17% to US\$9 thousand for the three months ending March 31, 2026 from US\$11 thousand for the same period in 2025.

Income Before Income Tax

For the three months ending March 31, 2026, the Company recorded a net income before income tax of US\$1.1 million, a increase of 19% compared with US\$ 931 thousand recorded for the same period in 2025.

Provision for / Benefit from Income Tax

Provision for income tax for the three months ending March 31, 2026 amounted to US\$14.6 thousand compared with a provision for income tax of US\$30 thousand for the same period in 2025.

Net Income After Tax

The Company's net income after tax for the three months ending March 31, 2026 amounted to US\$1.1 million, a increase of 21% compared with US\$901 thousand for the same period in 2025.

Total Comprehensive Income

The Company's total comprehensive income for the three months ending March 31, 2026 amounted to US\$1.1 million, a increase of 21% compared with US\$901 thousand for the same period in 2025.

.

Financial Condition

For the three-month period ending March 31, 2026 compared to the period ending December 31, 2025

Assets

The Company's cash and cash equivalent for the period ending 31 March 2026 amounted to US\$9.0 million, compared with US\$10.5 million for the period ending 31 December 2025, a decrease of US\$1.6 million or 15%.

Trade and other receivables for the period ending 31 March 2026 amounted to US\$36.9 million, compared with US\$36 million for the period ending 31 December 2025, a 2% increase.

Inventory levels for the period ending 31 March 2026 amounted to US\$68.3 million, 3% increased compared with US\$66.5 million for the period ending 31 December 2025.

Due from related parties for the period ending 31 March 2026 amounted to US\$0.18 million compared to US\$0.18 million for the period ending 31 December 2025.

Non-current assets, comprised of Other financial asset at amortized cost, investment property, property, plant and equipment (PPE), intangible assets, right-of-use-asset, deferred income taxes and other noncurrent assets for the period ending 31 March 2026 amounted to US\$139 million compared with US\$141 million for the period ending 31 December 2025.

Liabilities

The Company's current liabilities is comprised of trade and other payables, short-term loans, long-term debt – current portion, amounts owed to related parties, Dividend payable, Lease liability-current portion, deposit for future stock subscription and income tax payable. For the period ending 31 March 2026, current liabilities were at US\$41 million, compared with US\$40.3 million the period ending 31 December 2025, an increase of 1%.

For the period ending 31 March 2026, the Company's non-current liabilities, comprised of long-term debt – net of current portion, lease liability, retirement benefit obligation, and deferred income tax liability amounted to US\$6.6 million compared with US\$6.9 million for the period ending 31 December 2025, a 3% decreased.

Equity

The Company's shareholders' equity for the period months ending 31 March 2026 amounted to US\$212 million compared with US\$211 million for the period ending 31 December 2025

Liquidity and Capital Resources

For the three months ending March 31, 2026, the Company's principal sources of liquidity were cash from sales of its products, and bank credit facilities. The Company expects to meet its working capital, capital expenditure, dividend payment and investment requirements for the next 12 months primarily from the proceeds of the short-term credit facilities and cash flows from operations. It may also from time to time seek other sources of funding, which may include debt or equity financings, including dollar and peso-denominated loans from Philippine banks, depending on its financing needs and market conditions.

For the next 12 months, the Company plans to increase its production further by increasing volume deliveries to existing customers, entering into new production agreements, and expanding its customer base through new product introduction and aggressive sales and marketing activities.

The following table sets out the Company's cash flows for the three months ending March 31, 2026 and the same period in 2025.

In US\$ Thousands	For the three months ending March 31	
	2026	2025
Net cash flows provided by/ (used for) operating activities	(228)	280
Net cash flows provided by/ (used for) investing activities	(335)	(359)
Net cash flows provided by/ (used for) financing activities	(1,258)	(1,786)
Net increase (decrease) in cash equivalents	(1,580)	(1,745)

Net Cash Flows from Operating Activities

Net cash outflow from used for operating activities was (US\$ 228) thousand for the three months ending March 31, 2026, compared with US\$280 thousand for the same period in 2025.

For the three months ending March 31, 2026, net income before tax was US\$1.1 million. After adjustments for depreciation, interest income/expense, operating net unrealized foreign exchange gains, income before working capital was US\$3.3 million. Changes in working capital, interest received and income taxes resulted in a net cash flow from operating activities of US(\$228) thousand.

Investing Activities

Net cash outflow from investing activities amounted to US (\$335) million for the three months ending March 31, 2026. Investing activities mainly involved increase in PPE and increase in non-current assets.

Financing Activities

Net cash flow used in from financing activities for the three months ending March 31, 2026 amounted to US (\$1.3) million. Major financing activities involved proceeds from availment of commercial paper, payment of cash dividends, payment of interest, payment of short-term and long-term loans, and net movement in amounts owed by and owed to related parties. For the same period in 2025 net cash flow financing activities amounted to US\$ (\$1.8) million.

Material Changes to the Company's Unaudited Income Statement as of March 31, 2026 compared to the Reviewed Income Statement as of March 31, 2025 (increase/decrease of 5% or more)

- 6% increase in net sales
Sales increase for the business segments: CEC and CATSI
- 8% increase in Gross Profit
The increased in GP is due to lower sales brought about by the increase of revenue from Semiconductor business of 64% and increase in revenues from CATSI of 62%
- 19% increase in Income Before income Tax
Higher sales and higher operating profit margins
- 21% increase in Net Income After Tax
Higher sales and higher operating profit margins

Material Changes to the Company's Unaudited Balance Sheet as of March 31, 2026 compared to the Audited Balance Sheet as of December 31, 2025 (increase/decrease of 5% or more)

- 15% decrease in Cash and Cash Equivalent
Increase in working capital requirements
- 2% increase in Trade and Other Receivables – Net
More collection from customer
- 5% decrease in Short-term Loans
Payment of short-term credit

KEY PERFORMANCE INDICATORS

The Company's top five (5) key performance indicators are listed below:

Amounts in thousand US\$, except ratios, and were indicated	Full year 2024	2025 Full Year	2026 Three months
EBITDA	15,732	12,167	3,130
EBITDA Margin	25%	23%	22%
Sales Growth/(Decline)	(19%)	(9%)	6%
Current Ratio (x)	2.58x	2.92x	2.96x
Earnings per share (US\$)	(0.009)	0.0031	0.002

Note:

*Earnings per Share was calculated using CHPC's average outstanding common shares for the years 2026 and 2025

**Earning per share was calculated less dividends for preferred shares which has a fixed amount per quarter

EBITDA and EBITDA Margin

Earnings before interest, tax, depreciation and amortization (EBITDA) provides an indication of the rate of earnings growth achieved.

The EBITDA margin shows earnings before interest, tax, depreciation and amortization as a percentage of revenue. It is a measure of how efficiently revenue is converted into EBITDA.

EBITDA and EBITDA Margin are not measures of performance under PFRS, and investors should not consider EBITDA and EBITDA Margin in isolation or as alternatives to net income as an indicator of our Company's operating performance or to cash flow from operating, investing and financing activities as a measure of liquidity, or any other measures of performance under PFRS. Because there are various EBITDA and EBITDA Margin calculation methods, the Company's presentation of these measures may not be comparable to similarly titled measures used by other companies.

The following table sets out the Company's EBITDA after consolidation entries.

	For the years ended December 31		For Three Months Ended March 31
In US\$ 000	2024	2025	2026
Net income	5,119	2,047	1,090
Add back:			
Interest expense/income-net	2,785	2,586	412
Provision for / Benefit from income tax	554	198	15
Depreciation and Amortization	7,274	7,335	1,614
EBITDA	15,732	12,167	3,130

The table sets forth a reconciliation of the Company's consolidated EBITDA to consolidated net income.

	For the years ended December 31		For Three Months Ended March 31
In US\$ 000	2024	2025	2026
EBITDA	15,732	12,167	3,130
Deduct:			
Interest expense/income-net	2,785	(2,586)	(412)
Provision for / Benefit from income tax	554	(198)	(15)
Depreciation and amortization	7,274	(7,335)	(1,614)
Net Income	5,119	2,047	1,090

Sales growth

Sales growth is a key indicator of the Company's ability to grow the business

Current ratio

Current ratio measures a company's short-term liquidity, i.e. its ability to pay its debts that are due within the next 12 months. It is expressed as the ratio between current assets and current liabilities.

Earnings per share

Earnings per share show the Company's attributable profit earned per common share. At constant outstanding number of shares, as the Company's earnings increase, the earnings per share correspondingly increase.

Plan of Operation

- a. There are no known trends, events or uncertainties that will result in the Company's liquidity increasing or decreasing in a material way. There were no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation. There are no seasonal aspects that may have a material effect on the financial condition of the Company. The Company can satisfy its cash requirements for the next twelve months without raising additional funds. Nonetheless, the Company is looking to raise additional funds in the next twelve months to further increase its liquidity.
- b. The Company's investments in research and development carry significant cost. Such research and development are necessary to Quintel's product development and intellectual property creation leading to various patents that further improve Quintel's position as a leading innovator in the industry.
- c. As of this writing, there are no known expected purchase or sale of plant and significant equipment.
- d. As of this writing, there are no known expected significant changes in the number of employees.

FINANCIAL RISK DISCLOSURE

The Company is not aware of any known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.

The Company is not aware of any event that will trigger direct or contingent financial obligation that is material to the Company, including default or acceleration of any obligation.

The Company does not have any off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period.

The Company is not aware of any trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

The Company does not have any significant elements of income or loss that did not arise from its continuing operations.

The Company does not have any seasonal aspects that had a material effect on the financial conditions or results of operations.

As of March 31, 2026, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- Any Known Trends, Events or Uncertainties (Material Impact on Liquidity) Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period; and
- Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures:
 - o Any Known Trends, Events or Uncertainties (Material Impact on Sales)
 - o Any Significant Elements of Income or Loss (from continuing operations)

CIRTEK HOLDINGS PHILIPPINES CORPORATION**FINANCIAL SOUNDNESS INDICATORS****MARCH 31, 2026 AND DECEMBER 31, 2025**

Ratios	Formula	MARCH 31, 2026	December 31, 2025
	Current Assets/Current		
(i) Current Ratio	Liabilities	2.96	2.92
(ii) Debt/Equity Ratio	Bank Debts ¹ / Total Equity	0.12	0.12
(iii) Net Debt/Equity Ratio	Bank Debts ¹ -Cash & Equivalents/Total Equity	0.12	0.12
(iii) Asset to Equity Ratio	Total Assets/Total Equity	1.22	1.22
(iv) Interest Cover Ratio	EBITDA ² /Interest Expense	7.60	4.71
(v) Profitability Ratios			
GP Margin	Gross Profit/Revenues	0.26	0.24
Net Profit Margin	Net Income/Revenues	0.08	0.04
EBITDA Margin	EBITDA/Revenues	0.22	0.23
Return on Assets	Net Income/Total Assets ³	0.00	0.01
Return on Equity	Net Income/Total Equity ³	0.01	0.01

1 Sum of short-term loans and long-term debts

2 EBITDA is calculated as income before income tax plus depreciation and amortization and financial income (expense).

3 Based on balances as at March 31, 2026 and December 31, 2025

Results of Operations

The Company's Consolidated Net Sales, Gross Profit, Net Income, EBITDA and EPS are provided in the following table:

	For the Years Ended	
<i>In US\$ Thousands except EPS</i>	2025	2024
NET SALES	\$53,270	\$58,729
COST OF SALES	(40,405)	(40,126)
GROSS PROFIT	12,865	18,603
NET INCOME	2,584	5,141
Basic/Diluted EPS	\$0.0031	(\$0.009)
EBITDA	\$12,167	\$15,732

For the period ending 31 December 2025 compared to the period ending 31 December 2024

Revenue

The Company recorded consolidated revenue of US\$53.3 million for the period ending December 31, 2025, a decrease 9% from US\$58.7 million for the same period in 2024. The decrease accounted for was mainly due to 51% decrease in revenue of Quintel business.

Revenue contribution from Quintel for the period ending 31 December 2025 amounted to US\$10.4 million compared to US\$21.3 million for the same period in 2024.

Revenues from the RF/MW/mmW and antenna manufacturing business before consolidation for the period ending 31 December 2025 amounted to US\$10.6 million, a 7% increase compared to the US\$9.9 million for same period in 2024.

Revenues from the semiconductor business amounted to US\$32.2 million for the period ending 31 December 2025 compared to US\$27.5 million for the same period in 2024 a 17% increase.

Cost of Sales and Gross Margin

The Company's cost of sales (COS) is composed of: raw materials, spare parts, supplies; salaries, wages and employees' benefits; depreciation and amortization; utility expenses directly attributable to production, freight and duties; and others. The Company's cost of sales increased by 1% to US\$40.4 million for the period ending 31 December 2024 from US\$40.1 million for the same period in 2024. The increase was mainly due to:

- Salaries, wages and employees' benefits increased by 7% to US\$7.8 million for the period ending 31 December 2025 from US\$7.2 million for the same period in 2024.
- Depreciation and amortization increased by 1% to US\$7.3 million for the period ending 31 December 2025 from US\$7.2 million for the same period in 2024.

- Utilities increased by 11% to US\$4.0 million for the period ending 31 December 2025, from US\$3.6 million for the same period in 2024.
- Inward freight and duties and other increased by 33% to US\$2.1 million for the period ending 31 December 2025, from US\$1.6 million for the same period in 2024.

The Company's gross margin was 24% for the period ending 31 December 2025, compared to 32% gross margin recorded for the same period in 2024.

Operating Expenses

The Company's operating expenses for the period ending 31 December 2025 amounted to US\$7.8 million, 17% lower compared to the US\$9.5 million recorded during the same period in 2024. The decrease is due to:

- Salaries, wages and employees' benefits decreased by 4% to US\$3.7 million for the period ending 31 December 31, 2025, from US\$3.8 Mn for the same period in 2024
- Commissions decreased by 52% to US\$628 thousand for the period ending 31 December 31, 2025, from US\$1.3 Mn for the same period in 2024.
- Professional fees decreased by 19% to US\$477 thousand for the period ending 31 December 31, 2025, from US\$585 thousand for the same period in 2024.
- Transportation and travel decreased by 16% to US\$254 thousand for the period ending 31 December 2025, from US\$304 thousand for the same period in 2024.
- Insurance decreased by 10% to US\$106 thousand for the period ending 31 December 2025 from US\$118 thousand for the same period in 2024.
- Depreciation and amortization decreased by 22% to US\$38 thousand for the period ending 31 December 2025 from US\$49 thousand for the same period in 2024.

Income Before Income Tax

For the period ending 31 December 2025, the Company recorded a net income before income tax of US\$2.2 million, a decrease of 60% compared with US\$5.7 million recorded for the same period in 2024.

Provision for / Benefit from Income Tax

Benefit from income tax for the period ending 31 December 2025 amounted to US\$0.20 million compared with a provision for income tax of US\$0.55 million for the same period in 2024.

Net Income After Tax

The Company's net income from continuing operations for the period ending 31 December 2025 amounted to US\$2.0 million, a decrease of 50% compared with US\$5.12 million for the same period in 2024. The decrease was brought about by the decrease of revenue.

Total Comprehensive Income

The Company's total comprehensive income for the period ending 31 December 2025 amounted to US\$2.6 million, compared to US\$5.1 million for the same period in 2024, a decrease of 50% mainly due to the decrease of Revenue.

Financial Condition

For the period ending December 31, 2025 compared to the period ending December 31, 2024

Assets

The Company's cash and cash equivalent for the period ending 31 December 2025 amounted to US\$10.5 million, compared with US\$12.8 million for the period ending 31 December 2024, a decrease of US\$2.3 million or 18%.

Trade and other receivables for the period ending 31 December 2025 amounted to US\$36 million, compared with US\$36.6 million for the period ending 31 December 2024, a 1% decrease.

Inventory levels for the period ending 31 December 2025 amounted to US\$66.5 million, 1% lower compared with US\$66.9 million for the period ending 31 December 2024.

Due from related parties for the period ending 31 December 2025 amounted to US\$0.19 million compared to US\$0.19 million for the period ending 31 December 2024.

Non-current assets, comprised of Other financial asset at amortized cost, investment property, property, plant and equipment (PPE), intangible assets, right-of-use-asset, deferred income taxes and other noncurrent assets for the period ending 31 December 2025 amounted to US\$141 million compared with US\$143 million for the period ending 31 December 2024.

Liabilities

The Company's current liabilities is comprised of trade and other payables, short-term loans, long-term debt – current portion, amounts owed to related parties, Dividend payable, Lease liability-current portion, deposit for future stock subscription and income tax payable. For the period ending 31 December 2025, current liabilities were at US\$40.3 million, compared with US\$46.9 million the period ending 31 December 2024, a decrease of 14%.

For the period ending 31 December 2025, the Company's non-current liabilities, comprised of long-term debt – net of current portion, lease liability, retirement benefit obligation, and deferred income tax liability amounted to US\$6.9 million compared with US\$8.7 million for the period ending 31 December 2024, a 21% decreased.

Equity

The Company's shareholders' equity for the period months ending 31 December 2025 amounted to US\$211 million compared with US\$208.6 million for the period ending 31 December 2024

Liquidity and Capital Resources

For the period ending 31 December 2025, the Company's principal sources of liquidity were cash from sales of its products, bank credit facilities, proceeds from its corporate note's issuances, and proceeds from its follow-on offering. The Company expects to meet its working capital, capital expenditure, dividend payment and investment requirements for the next 12 months primarily from the proceeds of the Company's follow-on offering, proceeds of the Company's corporate notes issuances, short-term credit facilities and cash flows from operations. It may also from time to time seek other sources of funding, which may include debt or equity financings, including dollar and peso-denominated loans from Philippine banks, depending on its financing needs and market conditions.

For the next twelve (12) months, the Company plans to increase its production further by increasing volume deliveries to existing customers, entering into new production agreements, and expanding its customer base through new product introduction and aggressive sales and marketing activities.

The following table sets out the Company's cash flows for the period months ending December 31, 2025 and the same period in 2024.

<i>In US\$ Thousands</i>	For the years ended	
	2025	2024
Net cash flows provided by/ (used for) operating activities	9,891	2,723
Net cash flows provided by/ (used for) investing activities	(4,994)	(1,248)
Net cash flows provided by/ (used for) financing activities	(7,406)	(25,031)
Net increase (decrease) in cash equivalents	(2,253)	(23,908)

Net Cash Flows from Operating Activities

Net cashflow used for operating activities was US\$9.9 million for the period ending 31 December 2025, compared with net cash inflow of US\$2.7 million for the same period in 2024.

Investing Activities

Net cash outflow used for investing activities amounted to (US\$5.0) million for the period ending 31 December 2025 compared to (US\$1.3) million in the same period in 2024. Investing activities mainly involved decrease in PPE.

Financing Activities

Net cash flow from financing activities for the period ending 31 December 2025 amounted to (US\$7.4) million. Major financing activities involved proceeds from availment of short-term loans, less acquisition of parent company shares by subsidiary, payment of cash dividends, payment of interest, payment of short-term and long-term loans, and net movement in amounts owed by and owed to related parties. For the same period in 2024 net cash flow from financing activities amounted to (US\$25) million.

Material Changes to the Company's Audited Income Statement as of December 31, 2025 compared to the Audited Income Statement as of December 31, 2024 (increase/decrease of 5% or more)

- 9% decrease in net sales
 - Decrease in revenue contribution of Quintel
- 1% increase in cost of sales
 - Increase in salaries, wages and employees' benefits, Depreciation and amortization, and Utilities, Inward freight and duties and others
- 17% decrease in operating expenses
 - Decrease in Write-off of trade receivables, Commissions, Professional fees, Transportation and travel
- 60% decrease in Income Before income Tax
 - Decrease in revenue

Material Changes to the Company's Audited Balance Sheet as of December 30, 2025 compared to the Audited Balance Sheet as of December 31, 2024 (increase/decrease of 5% or more)

- 18% decrease in Cash and Cash Equivalent
 - Decrease in net cash flow from financing activities
- 1% decrease in Trade and Other Receivables – Net
 - Reduce outstanding receivables
- 19% decrease in Long-term debt
 - Payment of Long-term loans

KEY PERFORMANCE INDICATORS

The Company's top five (5) key performance indicators are listed below:

<i>Amounts in thousand US\$, except ratios, and were indicated</i>		2023 Full Year	2024 Full Year	2025 Full Year
EBITDA		20,869	15,732	12,167
EBITDA Margin		29%	27%	23%
Sales Growth/Decline		(14%)	(19%)	(9%)
Current Ratio (x)		3.06x	2.58x	2.92x
Earnings per share (US\$)		(0.004)	(0.009)	0.0031

Note:

**Earnings per Share was calculated using CHPC's average outstanding common shares for the years 2025 and 2024*

***Earning per share was calculated less dividends for preferred shares which has a fixed amount per quarter*

▪ *EBITDA and EBITDA Margin*

Earnings before interest, tax, depreciation and amortization (EBITDA) provides an indication of the rate of earnings growth achieved.

The EBITDA margin shows earnings before interest, tax, depreciation and amortization as a percentage of revenue. It is a measure of how efficiently revenue is converted into EBITDA.

EBITDA and EBITDAR Margin are not measures of performance under PFRS, and investors should not consider EBITDA and EBITDA Margin in isolation or as alternatives to net income as an indicator of our Company's operating performance or to cash flow from operating, investing and financing activities as a measure of liquidity, or any other measures of performance under PFRS. Because there are various EBITDA and EBITDA Margin calculation methods, the Company's presentation of these measures may not be comparable to similarly titled measures used by other companies.

The following table sets out the Company's EBITDA after consolidation entries.

	For the years ended December 31		
<i>In US\$ 000</i>	2023	2024	2025
Net income	8,598	5,119	2,047
Add back:			
Interest expense/income-net	3,783	2,785	2,586
Provision for / Benefit from income tax	603	554	198
Depreciation and Amortization	7,884	7,274	7,335
EBITDA	20,869	15,732	12,167

The table sets forth a reconciliation of the Company's consolidated EBITDA to consolidated net income.

	For the years ended December 31		
<i>In US\$ 000</i>	2023	2024	2025
EBITDA	20,869	15,732	12,167
Deduct:			
Interest expense/income-net	(3,783)	(2,785)	(2,586)
Provision for / Benefit from income tax	(603)	(554)	(198)
Depreciation and amortization	(7,884)	(7,274)	(7,335)
Net Income	8,598	5,119	2,047

- *Sales growth*

Sales growth is a key indicator of the Company's ability to grow the business

- *Current ratio*

Current ratio measures a company's short-term liquidity, i.e. its ability to pay its debts that are due within the next 12 months. It is expressed as the ratio between current assets and current liabilities.

- *Earnings per share*

Earnings per share show the Company's attributable profit earned per common share. At constant outstanding number of shares, as the Company's earnings increase, the earnings per share correspondingly increase.

Plan of Operation

- a. There are no known trends, events or uncertainties that will result in the Company's liquidity increasing or decreasing in a material way. There were no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation. There are no seasonal aspects that may have a material effect on the financial condition of the Company. The Company can satisfy its cash requirements for the next twelve months without raising additional funds. Nonetheless, the Company is looking to raise additional funds in the next twelve months to further increase its liquidity.
- b. The Company's investments in research and development carry significant cost. Such research and development are necessary to Quintel's product development and intellectual property creation leading to various patents that further improve Quintel's position as a leading innovator in the industry.
- c. As of this writing, there are no known expected purchase or sale of plant and significant equipment.
- d. As of this writing, there are no known expected significant changes in the number of employees.

FINANCIAL RISK DISCLOSURE

The Company is not aware of any known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.

The Company is not aware of any event that will trigger direct or contingent financial obligation that is material to the Company, including default or acceleration of any obligation.

The Company does not have any off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period.

The Company has allocated up to US\$2 Million for capital expenditure for full year 2025, from the proceeds of the Company's cash flows from operations. It may also from time to time seek other sources of funding, which may include debt or equity financings, including dollar and peso-denominated loans from Philippine banks, depending on its financing needs and market conditions.

The Company is not aware of any trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

The Company does not have any significant elements of income or loss that did not arise from its continuing operations.

The Company does not have any seasonal aspects that had a material effect on the financial conditions or results of operations.

As of December 31, 2025, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- Any Known Trends, Events or Uncertainties (Material Impact on Liquidity) Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
- Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
- All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period; and
- Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures:

- Any Known Trends, Events or Uncertainties (Material Impact on Sales)
- Any Significant Elements of Income or Loss (from continuing operations)

CIRTEK HOLDINGS PHILIPPINES CORPORATION

FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2025 AND DECEMBER 31, 2024

Ratios	Formula	DECEMBER 31, 2025	December 31, 2024
	Current Assets/Current		
(i) Current Ratio	Liabilities	2.92	2.58
(ii) Debt/Equity Ratio	Bank Debts/Total Equity	0.12	0.21
(iii) Net Debt/Equity Ratio	Bank Debts less Cash & Equivalents/Total Equity	0.07	0.14
(iii) Assets to Equity Ratio	Total Assets/Total Equity	1.22	1.27
(iv) Interest Cover Ratio	EBITDA / Interest Expense	4.71	3.04
(v) Profitability Ratio			
GP Margin	Gross Profit/Revenues	0.24	0.32
Net Profit Margin	Net Income/Revenues	0.04	0.09
EBITDA Margin	EBITDA Revenues	0.23	0.14
Return on Assets	Net Income/Total Assets	0.01	0.02
Return on Equity	Net Income/Total Equity	0.01	0.02

1 Sum of short-term loans and long-term debts

2 EBITDA is calculated as income before income tax plus depreciation and amortization and financial income (expense).

3 Based on balances as at December 31, 2025 and December 31, 2024

Results of Operations

The Company's Consolidated Net Sales, Gross Profit, Net Income, EBITDA and EPS are provided in the following table:

	For the Years Ended	
<i>In US\$ Thousands except EPS</i>	2024	2023
NET SALES	\$58,729	\$72,844
COST OF SALES	(40,126)	(51,758)
GROSS PROFIT	18,603	21,086
NET INCOME	5,141	7,689
Basic/Diluted EPS	(\$0.009)	(\$0.004)
EBITDA	\$15,732	\$20,869

For the period ending 31 December 2024 compared to the period ending 31 December 2023

Revenue

The Company recorded consolidated revenue of US\$58.7 million for the period ending December 31, 2024, a decrease 19% from US\$72.8 million for the same period in 2023. The decrease accounted for was mainly due to 24% decrease in revenue of semiconductor business; and 49% decrease in revenue of from the RF/MW/mmW business.

Revenue contribution from Quintel for the period ending 31 December 2024 amounted to US\$27.5 million compared to US\$17.3 million for the same period in 2023.

Revenues from the RF/MW/mmW and antenna manufacturing business before consolidation for the period ending 31 December 2024 amounted to US\$9.9 million, a 49% decrease compared to the US\$19.6 million for same period in 2023.

Revenues from the semiconductor business amounted to US\$27.5 million for the period ending 31 December 2024 compared to US\$36 million for the same period in 2023 a 24% decrease.

Cost of Sales and Gross Margin

The Company's cost of sales (COS) is composed of: raw materials, spare parts, supplies; salaries, wages and employees' benefits; depreciation and amortization; utility expenses directly attributable to production, freight and duties; and others. The Company's cost of sales decreased by 22% to US\$40.1 million for the period ending 31 December 2024 from US\$51.8 million for the same period in 2023. The decrease was mainly due to:

- Raw materials, spare parts, supplies and other inventories used decreased by 35% to US\$20.5 million for the period ending 31 December 2024 from US\$31.6 million for the same period in 2023.
- Salaries, wages and employees' benefits decreased by 2% to US\$7.2 million for the period ending 31 December 2023 from US\$7.4 million for the same period in 2023.

- Depreciation and amortization decreased by 9% to US\$7.2 million for the period ending 31 December 2023 from US\$7.9 million for the same period in 2023.
- Utilities decreased by 7% to US\$3.6 million for the period ending 31 December 2024, from US\$3.9 million for the same period in 2023.

The Company's gross margin was 32% for the period ending 31 December 2024, compared to 29% gross margin recorded for the same period in 2023.

Operating Expenses

The Company's operating expenses for the period ending 31 December 2024 amounted to US\$9.5 million, 5% higher compared to the US\$9.0million recorded during the same period in 2023. The increase is due to:

- Commissions increased by 31% to US\$1.3 for the period ending 31 December 31, 2024, from US\$999 thousand for the same period in 2023.
- Utilities increased by 8% to US\$435 thousand for the period ending 31 December 31, 2023, from US\$401 thousand for the same period in 2023.
- Transportation and travel increased by 39% to US\$304 thousand for the period ending 31 December 2024, from US\$219 thousand for the same period in 2023.
- Insurance increased by 2% to US\$118 thousand for the period ending 31 December 2024 from US\$115 thousand for the same period in 2023.

Income Before Income Tax

For the period ending 31 December 2024, the Company recorded a net income before income tax of US\$5.7 million, a decrease of 38% compared with US\$9.2 million recorded for the same period in 2023.

Provision for / Benefit from Income Tax

Benefit from income tax for the period ending 31 December 2024 amounted to US\$0.55 million compared with a provision for income tax of US\$0.60 million for the same period in 2023.

Net Income After Tax

The Company's net income from continuing operations for the period ending 31 December 2024 amounted to US\$5.12 million, a decrease of 40% compared with US\$8.6 million for the same period in 2023. The decrease was brought about by the decrease of revenue.

Total Comprehensive Income

The Company's total comprehensive income for the period ending 31 December 2024 amounted to US\$5.1 million, compared to US\$7.7 million for the same period in 2023, a decrease of 33% mainly due to the decrease of Revenue.

Financial Condition

For the period ending December 31, 2024 compared to the period ending December 31, 2023

Assets

The Company's cash and cash equivalent for the period ending 31 December 2024 amounted to US\$12.8 million, compared with US\$36.7 million for the period ending 31 December 2023, a decrease of US\$24 million or 65%.

Trade and other receivables for the period ending 31 December 2024 amounted to US\$36.6 million, compared with US\$33.4million for the period ending 31 December 2023, a 10% increase.

Inventory levels for the period ending 31 December 2024 amounted to US\$66.9 million, 12% higher compared with US\$59.4 million for the period ending 31 December 2023.

Due from related parties for the period ending 31 December 2024 amounted to US\$0.19 million compared to US\$0.19 million for the period ending 31 December 2023.

Non-current assets, comprised of Other financial asset at amortized cost, investment property, property, plant and equipment (PPE), intangible assets, right-of-use-asset, deferred income taxes and other noncurrent assets for the period ending 31 December 2024 amounted to US\$143 million compared with US\$150 million for the period ending 31 December 2023.

Liabilities

The Company's current liabilities is comprised of trade and other payables, short-term loans, long-term debt – current portion, amounts owed to related parties, Dividend payable, Lease liability-current portion, deposit for future stock subscription and income tax payable. For the period ending 31 December 2024, current liabilities were at US\$46.9 million, compared with US\$44.0 million the period ending 31 December 2023, a increase of 7%.

For the period ending 31 December 2024, the Company's non-current liabilities, comprised of long-term debt – net of current portion, lease liability, retirement benefit obligation, and deferred income tax liability amounted to US\$c million compared with US\$26.3 million for the period ending 31 December 2023, a 67% decreased.

Equity

The Company's shareholders' equity for the period months ending 31 December 2024 amounted to US\$208.6 million compared with US\$214.5 million for the period ending 31 December 2023

Liquidity and Capital Resources

For the period ending 31 December 2024, the Company's principal sources of liquidity were cash from sales of its products, bank credit facilities, proceeds from its corporate note's issuances, and proceeds from its follow-on offering. The Company expects to meet its working capital, capital expenditure, dividend payment and investment requirements for the next 12 months primarily from the proceeds of the Company's follow-on offering, proceeds of the Company's corporate notes issuances, short-term credit facilities and cash flows from operations. It may also from time to time seek other sources of funding, which may include debt or equity financings, including dollar and peso-denominated loans from Philippine banks, depending on its financing needs and market conditions.

For the next twelve (12) months, the Company plans to increase its production further by increasing volume deliveries to existing customers, entering into new production agreements, and expanding its customer base through new product introduction and aggressive sales and marketing activities.

The following table sets out the Company's cash flows for the period months ending December 31, 2024 and the same period in 2023.

<i>In US\$ Thousands</i>	For the years ended	
	2024	2023
Net cash flows provided by/ (used for) operating activities	2,731	26,828
Net cash flows provided by/ (used for) investing activities	(1,256)	(2,120)
Net cash flows provided by/ (used for) financing activities	(25,031)	(33,106)
Net increase (decrease) in cash equivalents	(23,908)	(7,595)

Net Cash Flows from Operating Activities

Net cashflow used for operating activities was US\$2,731 million for the period ending 31 December 2024, compared with net cash inflow of US\$26.8 million for the same period in 2023.

Investing Activities

Net cash outflow used for investing activities amounted to (US\$1.2) million for the period ending 31 December 2024 compared to US\$(2.1) million in the same period in 2023. Investing activities mainly involved decrease in PPE.

Financing Activities

Net cash flow from financing activities for the period ending 31 December 2024 amounted to (US\$25) million. Major financing activities involved proceeds from avallment of short-term loans, less acquisition of parent company shares by subsidiary, payment of cash dividends, payment of interest, payment of short-term and long-term loans, and net movement in amounts owed by and owed to related parties. For the same period in 2023 net cash flow from financing activities amounted to US\$(33.1) million.

Material Changes to the Company's Audited Income Statement as of December 31, 2024 compared to the Audited Income Statement as of December 31, 2023 (increase/decrease of 5% or more)

- 19% decrease in net sales
 - Decrease in revenue contribution of CEC, and CATSI
- 22% decrease in cost of sales
 - Decrease in raw materials, spare parts, supplies and other inventories used, salaries, wages and employees' benefits, Depreciation and amortization, and Utilities
- 5% increase in operating expenses
 - Increase in Commissions, Utilities, Transportation and travel, Insurance
- 38% decrease in Income Before income Tax
 - Decrease in revenue

Material Changes to the Company's Audited Balance Sheet as of December 30, 2024 compared to the Audited Balance Sheet as of December 31, 2023 (increase/decrease of 5% or more)

- 65% decrease in Cash and Cash Equivalent
 - Decrease in net cash flow from financing activities
- 10% increase in Trade and Other Receivables – Net
 - More collection for certain major customers
- 131% increase in Long-term debt
 - Additional availment of Long-term loans

KEY PERFORMANCE INDICATORS

The Company's top five (5) key performance indicators are listed below:

<i>Amounts in thousand US\$, except ratios, and were indicated</i>		2022 Full Year	2023 Full Year	2024 Full Year
EBITDA		24,291	20,869	15,732
EBITDA Margin		29%	29%	27%
Sales Growth/Decline		21%	(14%)	(19%)
Current Ratio (x)		2.5x	3.06x	2.58x
Earnings per share (US\$)		0.004	(0.004)	(0.009)

Note:

**Earnings per Share was calculated using CHPC's average outstanding common shares for the years 2024 and 2023*

***Earning per share was calculated less dividends for preferred shares which has a fixed amount per quarter*

▪ *EBITDA and EBITDA Margin*

Earnings before interest, tax, depreciation and amortization (EBITDA) provides an indication of the rate of earnings growth achieved.

The EBITDA margin shows earnings before interest, tax, depreciation and amortization as a percentage of revenue. It is a measure of how efficiently revenue is converted into EBITDA.

EBITDA and EBITDAR Margin are not measures of performance under PFRS, and investors should not consider EBITDA and EBITDA Margin in isolation or as alternatives to net income as an indicator of our Company's operating performance or to cash flow from operating, investing and financing activities as a measure of liquidity, or any other measures of performance under PFRS. Because there are various EBITDA and EBITDA Margin calculation methods, the Company's presentation of these measures may not be comparable to similarly titled measures used by other companies.

The following table sets out the Company's EBITDA after consolidation entries.

	For the years ended December 31		
<i>In US\$ 000</i>	2022	2023	2024
Net income	11,343	8,598	5,119
Add back:			
Interest expense/income-net	4,718	3,783	2,785
Provision for / Benefit from income tax	661	603	554
Depreciation and Amortization	7,569	7,884	7,274
EBITDA	24,291	20,869	15,732

The table sets forth a reconciliation of the Company's consolidated EBITDA to consolidated net income.

	For the years ended December 31		
<i>In US\$ 000</i>	2022	2023	2024
EBITDA	24,291	20,869	15,732
Deduct:			
Interest expense/income-net	(4,718)	(3,783)	(2,785)
Provision for / Benefit from income tax	(661)	(603)	(554)
Depreciation and amortization	(7,569)	(7,884)	(7,274)
Net Income	11,343	8,598	5,119

- *Sales growth*

Sales growth is a key indicator of the Company's ability to grow the business

- *Current ratio*

Current ratio measures a company's short-term liquidity, i.e. its ability to pay its debts that are due within the next 12 months. It is expressed as the ratio between current assets and current liabilities.

- *Earnings per share*

Earnings per share show the Company's attributable profit earned per common share. At constant outstanding number of shares, as the Company's earnings increase, the earnings per share correspondingly increase.

Plan of Operation

- a. There are no known trends, events or uncertainties that will result in the Company's liquidity increasing or decreasing in a material way. There were no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation. There are no seasonal aspects that may have a material effect on the financial condition of the Company. The Company can satisfy its cash requirements for the next twelve months without raising additional funds. Nonetheless, the Company is looking to raise additional funds in the next twelve months to further increase its liquidity.
- b. The Company's investments in research and development carry significant cost. Such research and development are necessary to Quintel's product development and intellectual property creation leading to various patents that further improve Quintel's position as a leading innovator in the industry.
- c. As of this writing, there are no known expected purchase or sale of plant and significant equipment.
- d. As of this writing, there are no known expected significant changes in the number of employees.

FINANCIAL RISK DISCLOSURE

The Company is not aware of any known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.

The Company is not aware of any event that will trigger direct or contingent financial obligation that is material to the Company, including default or acceleration of any obligation.

The Company does not have any off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period.

The Company has allocated up to US\$5 Million for capital expenditure for full year 2024, from the proceeds of the Company's cash flows from operations. It may also from time to time seek other sources of funding, which may include debt or equity financings, including dollar and peso-denominated loans from Philippine banks, depending on its financing needs and market conditions.

The Company is not aware of any trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

The Company does not have any significant elements of income or loss that did not arise from its continuing operations.

The Company does not have any seasonal aspects that had a material effect on the financial conditions or results of operations.

As of December 31, 2024, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- Any Known Trends, Events or Uncertainties (Material Impact on Liquidity) Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period; and
- Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures:
 - o Any Known Trends, Events or Uncertainties (Material Impact on Sales)
 - o Any Significant Elements of Income or Loss (from continuing operations)

CIRTEK HOLDINGS PHILIPPINES CORPORATION

FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2024 AND DECEMBER 31, 2023

Ratios	Formula	December 31, 2024	December 31, 2023
	Current Assets/Current Liabilities		
(i) Current Ratio		2.58	3.06
(ii) Debt/Equity Ratio	Bank Debts/Total Equity	0.21	0.2
(iii) Net Debt/Equity Ratio	Bank Debts/Cash & Equivalents/Total Equity	0.14	0.19
(iii) Assets to Equity Ratio	Total Assets/Total Equity	1.27	1.33
(iv) Interest Cover Ratio	EBITDA / Interest Expense	3.04	5.45
(v) Profitability Ratio			
GP Margin	Gross Profit/Revenues	0.32	0.29
Net Profit Margin	Net Income/Revenues	0.09	0.11
EBITDA Margin	EBITDA Revenues	0.14	0.28
Return on Assets	Net Income/Total Assets	0.02	0.03
Return on Equity	Net Income/Total Equity	0.02	0.04

1 Sum of short-term loans and long-term debts

2 EBITDA is calculated as income before income tax plus depreciation and amortization and financial income (expense).

3 Based on balances as at December 31, 2024 and December 31, 2023

ITEM 7 FINANCIAL STATEMENTS

Please see attached Audited Financial Statements ending 31 December 2025.

ITEM 8 CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There are no changes in and disagreements with the accountants regarding accounting and financial disclosure.

The previous external auditor of the Company was R.S. Bernaldo & Associates ("RSBA") with Ms. Rose Angeli S. Bernaldo., as Partner-In-Charge.

However, after careful assessment by Management and the Board, De Jesus & Teofilo, CPAs will be nominated as the Corporation's external auditor for fiscal year 2026 at the upcoming Annual Stockholders' Meeting on May 29, 2026.

This change in external auditor is intended to streamline audit services and ensure compliance with the mandatory auditor rotation requirement.

Management, after careful study, deemed that the audit requirements of the Company will be best addressed by De Jesus & Teofilo, CPAs.

ITEM 9 INDEPENDENT PUBLIC ACCOUNTANT AND AUDIT-RELATED FEES

The Corporation's public accountant is the accounting firm, R.S. Bernaldo & Associates. They are being recommended for election, approval, and ratification for the current fiscal year. The appointment of the external auditor to the Board of Directors is upon recommendation by the Audit and Risk Management Committee with Mr. Bernardino Ramos as the Chairman of the Committee.

However, after careful assessment by Management and the Board, De Jesus & Teofilo, CPAs will be nominated as the Corporation's external auditor for fiscal year 2026 at the upcoming Annual Stockholders' Meeting on May 29, 2026.

External Audit Fees and Services

	2025	2024
Total Audit Fees (Section 2.1 a)	180,340	180,340
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	40,000	40,000
Total Non-audit Fees (Section 2.1 b)	40,000	40,000
TOTAL AUDIT AND NON-AUDIT FEES	220,340	220,340

Audit and Non-audit fees of other related entities (Section 2.1c)

	2025	2024
Audit fees	2,071,000	2,033,000
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
TOTAL AUDIT AND NON-AUDIT FEES OF OTHER RELATED ENTITIES	2,071,000	2,033,000

Section 2.1a: Disclose agreed fees (excluding out of pocket expenses and VAT) with the external auditor/audit firm and its network firms (as applicable) for the audit of the covered company's standalone and/or consolidated financial statements and the covered company's consolidated subsidiaries' financial statements on which the external auditor/audit firm expresses an opinion. These do not include fees for special purpose audit or review of financial statements.

Section 2.1b: Disclose charged or billed fees (excluding out of pocket expenses and VAT) by the external auditor/audit firm or a network firm (as applicable) for non-audit services to the covered company and its related entities over which the covered company has direct or indirect control that are consolidated in the financial statements on which the external auditor/audit firm expresses an opinion. These include other assurance services such as special purpose audit or review of financial statements.

Section 2.1c: Disclose fees for services (excluding out of pocket expenses and VAT) charged to any related entities of the covered company over which the covered company has direct or indirect control, which are not yet disclosed in (a) or (b), such as fees for services to any unconsolidated subsidiaries that meet the consolidation exemption criteria of Philippine Financial Reporting Standard (PFRS) 10 applicable to investment entities, if the external auditor/audit firm has reason to believe that these are relevant to the evaluation of the external auditor/audit firm's independence, as communicated by the external auditor/audit firm with the covered company's Those Charged with Governance or equivalent (e.g., Audit Committee).

Section 2.1d: As applicable, disclose any fee dependency situation or (a) the fact that the total fees received by the external auditor/audit firm from the covered company represent, or are likely to represent, more than 15% of the total fees received by the external auditor/audit firm for two consecutive years and (b) the year that this situation first arose, as communicated by the external auditor/audit firm with the covered company's Those Charged with Governance or equivalent (e.g., Audit Committee).

The Audit Committee approves the policies and procedures for the above services by observing the independence of parties and by carrying out transaction at arms-length basis.

PART III – CONTROL AND COMPENSATION INFORMATION

ITEM 10 DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

The Directors of the Corporation were elected at the annual meeting of the stockholders of the Corporation to hold office until the next succeeding annual meeting of the stockholders and until the respective successors have been elected and qualified.

The Officers were elected by the Board of Directors at the Organizational Meeting of the Board on 30 May 2025. The Board also elected during the said meeting the Chairman and members of the Audit & Risk Management Committee, Sustainability and Compliance Committee, Compensation and Nomination Committee and Related Party Transaction Committee.

The following is a brief profile of the Corporation's Directors and Officers for the year 2025-2026.

Regular and Independent Directors.

Jerry Liu, 77 years old, was elected as the Corporation's Chairman and President on May 25, 2012. He is still currently the Chairman of the Corporation. He is also concurrently Chairman of Cirtek Electronics Corporation ("CEC"), Director of Cirtek Land, and Cayon Holdings, Inc. Mr. Liu holds a Bachelor of Science degree in Physics from Chung Yuan University of Taiwan and an MBA from the University of the East.

Antonio Callueng, 68 years old, was elected as the Corporation's President and CEO on 31 May 2024. He is currently the Vice President of Sales and Customer Satisfaction at Cirtek Electronics Corporation. He served as a Director and a Member of the Audit and Risk Management Committee at TECH in 2019. Mr. Callueng brings 44 years of experience in the manufacturing sector, specifically in outsourced assembly and test subcontracting and has been well exposed in customer management and business development in the semiconductor industry. He has also worked as an expatriate in a semiconductor company in Indonesia for 8 years before joining Cirtek Electronics Corporation in 2004. Mr. Callueng earned his Bachelor of Science degree in Electronics and Communication Engineering from Feati University in Manila.

Brian Gregory Liu, 39 years old, was elected as the Executive Vice President and Chief Financial Officer on August 2, 2019. He was formerly the Chief Operating Officer of the Corporation. He was first elected as Director on May 11, 2015. He is concurrently a Managing Director & CFO of CEC, stockholder in Cirtek Land Corporation ("CLC"), and Turbog Trading. Mr. Liu trained as an Operations Trainee in Domino's Pizza from 2001 to 2002, then as an Analyst in Evergreen Stockbrokerage & Securities Inc. from 2003 to 2005. He obtained his degree in Management in Financial Institutions from the De La Salle University in 2009.

Justin T. Liu, 44 years old, was elected as Vice President and Corporate Information Officer on February 1, 2019. He is also a President and Director of Figaro Coffee Systems, Inc. Mr. Liu graduated from the De La Salle University with a Bachelor of Science in Business Management and earned his Master's in Finance from the University of San Francisco in 2006.

Michael Stephen T. Liu, 41 years old, is currently the EVP & CTO of the Corporation and General Manager of Cirtek Advanced Technology and Solutions ("CATSI"), a Cirtek company catering to the telecom and wireless broadband space. He was first elected as Director on May 11, 2015. Mr. Liu obtained his degree in Electronics and Communications Engineering from De La Salle University in 2007 and is a licensed Electrical Engineer.

Ernest Fritz Server, 82 years old, was elected as an Independent Director of the Corporation on February 17, 2011 and was elected as a regular Director in the Annual Stockholders' Meeting held

last July 30, 2020. Mr. Server serves as the President of Multimedia Telephony Inc., Vice Chairman of RFM Corporation, Chairman of Arrakis Holdings, Inc., President of Seacage Industries, Inc., President of West Properties, Inc., President of Superior Las Pinas, Inc., a director of ABS CBN Convergence, Inc. and a director of BJS Development Corp. Previously, Mr. Server served as Vice Chairman of the Commercial Bank of Manila, Consumer Bank and Cosmos Bottling Corporation, President of Philippine Home Cable Holdings, Inc. and Philam Fund, and a director of Philippine Township, Inc. Mr. Server graduated from the Ateneo de Manila University in 1963 with degree in Bachelor of Arts degree in Economics and holds an MBA Major in Banking and Finance from the University of Pennsylvania, Wharton Graduate School.

Hector Villanueva, 90 years old, was elected as Independent Director on 26 May 2017. He has held senior positions in both private and public sectors. He was Chairman of the Board of First Metro Philippine Equity Exchange Traded Fund, Inc., Chairman, Postmaster General & Chief Executive Officer of Philippine Postal Corporation, Member of the Advisory Board, First Metro Investment Corporation, and Publisher and Editor-in-Chief, Sun Star Manila. Mr. Villanueva was also Cabinet Secretary from 1995-1998. Mr. Villanueva obtained a Bachelor of Science degree in Economics from the London School of Economics and Political Science, and post-graduate studies from Royal Institute of Bankers, United Kingdom.

Bernardino Ramos, 80 years old, was elected as Independent Director on August 2, 2019. He is a Certified Public Accountant and has a Bachelor of Science degree in Business Administration Major in Accounting from the Far Eastern University and a Manager's Secondment/ On-the-Job Training at Ernst & Young (Formerly Ernst & Whinney) – Chicago, USA. He served as Partner in SGV& Co. (Affiliated with Arthur Andersen & Co. from 1985 to 2001, & Ernst & Young from 2002 to 2005), including almost 7 years as Partner/Advisor of Drs Utomo & Co., SGV Group. He was previously a Technical advisor of PSALM (Power Sector Assets and Liabilities Management Corporation), and also been a Member, Board of Directors and Board Committees of PSI Technologies Inc., Sony Life Philippines, Inc. and Philippine Primark Properties, Inc. At present he is an independent financial consultant, primarily on company/ business acquisitions and advisory on accounting/ financial matters, and also a Chairman of the Board of Directors of GB Distributors, Inc. and Member, Board of Directors and Board Committees of private companies including PSI Holdings, Inc., State Investment Trust, Inc. ("SITI"), State Properties, Inc. and PILAC, Inc., to name a few.

On August 13, 2025, Cirtex Holdings Philippines Corporation (the "Company") mourns the passing of Mr. Bernardino Ramos, an independent director of the Company. Mr. Ramos was a valuable part of the organization being a director since 2019.

Ms. Esther Tan was appointed as Independent Director, effective 23 September 2025 to fill the unexpired term of the late Mr. Bernardino Ramos. Ms. Tan obtained her degree in Nutrition and Dietetics from the University of the Philippines in 1968. She earned her MBA from Ateneo de Manila University in 1980 and completed an Advanced Management Course at Harvard University in 1998.

Ms. Tan currently serves as the Treasurer and Trustee of AIRDC for 2024-2026. She previously held key leadership roles including President and Vice-Chairman of PNB Life, and Chairman, President, and CEO of Sun Life Financial, where she was instrumental in launching Sun Life Asset Management Company and Sun Life Preneed Plans. She is currently a member of the Board of Trustees of the INSURANCE INSTITUTE for ASIA & THE PACIFIC, a Board of Trustee of the Trinity University of Asia and a Vestry member of the Episcopal Church of the Holy Trinity.

Corazon P. Guidote, 65 years old, a Certified Public Accountant, was elected as Independent Director on May 31, 2019. Ms. Guidote is a Bachelor of Science graduate, major in Accountancy at the University of Santo Tomas ("UST") in 1982. The UST College of Commerce eventually recognized her as one of its most outstanding alumnae in 2004. She holds a Master's Degree in Applied Business Economics from the University of Asia and the Pacific where she likewise received an Achievement Award in 1997 from the ABEP Alumni Association. She is now a member of the teaching faculty at the Institute of Corporate Directors currently specializing in the field of

Sustainability Reporting otherwise referred to as ESG or (Environmental, Social and Governance). She successfully concluded her fifteen-year career in Investor Relations in October 2017. It was during this period that her pioneering spirit ushered her into two of her most challenging tasks of setting up the Investor Relations offices; first, at the Bangko Sentral ng Pilipinas ("BSP"), and second at SM Investments Corporation.

The nominees for the Corporation's Directors and Officers for the year 2025-2026 are:

1. Jerry Liu
2. Antonio Callueng
3. Michael Stephen Liu
4. Brian Gregory Liu
5. Justin Liu
6. Ernest Fritz Server

Independent Directors

The nominees for Independent Directors of the Corporation for the year 2025-2026 are:

Arthur Sy;
Esther Tan; and
Corazon Guidote.

They have been nominated by Jerry Liu, one of the current directors of the Corporation. The nominated independent directors are not related to Mr. Liu who nominated them and they have signified their acceptance of the nominations. In accordance with SEC Memorandum Circular No. 5, Series of 2017, the Certifications of Independent Directors executed by the aforementioned candidates for independent directors of the Corporation are attached hereto. Corazon Guidote has been an Independent Director since 31 May 2019. Esther Tan has been an Independent Director since 23 September 2025. In accordance with the SEC Memorandum Circular No. 4, Series of 2017, Corazon Guidote may serve as an Independent Directors until 2028, Esther Tan may serve as an Independent Directors until 2034. Arthur Sy will be nominated in the upcoming Annual Stockholders' Meeting on 29 May 2026, Arthur Sy may serve as an Independent Directors until 2035.

Key Officers

Linus V. Madamba, was appointed as Corporate Secretary on 31 May 2025. Atty. Linus V. Madamba is the owner of Madamba Law Offices. He was previously a partner of Bodegon Estorninos Guerzon & Gozos Law Offices where he was engaged in civil, labor, and commercial litigation and managed the Law Offices' corporate housekeeping clients. He is currently the Assistant Corporate Secretary of a public company operating a tertiary care hospital in Metro Manila and also sits as Corporate Secretary of several hospitals located in the Philippines and in Guam. He is likewise experienced in intra-corporate disputes and corporate rehabilitation, among others.

Justin Liu was appointed as the Company's Corporate Information Officer on February 1, 2019.

Emelita Cruzada was appointed as the Company's Chief Compliance Officer on April 29, 2021.

Change in Directors and/or Officers (Resignation/Removal or Appointment/Election):

Mr. Arthur Sy, 73 years old, Filipino, will be appointed as Independent Director effective 29 May 2026, succeeding Mr. Hector Villanueva whose term has expired. Mr. Sy was a candidate for the

Master of Business Administration program at the Ateneo Graduate School of Business from 1979 to 1983.

Mr. Sy brings with him extensive leadership experience across the financial services industry. He has previously served as Chief Financial Officer and Consultant-Business Development of Mercantile Insurance Co., Branch Manager of several banks: Eastwest Banking Corporation, BDO Unibank, Inc. United Overseas Bank, Chief Operating Officer of Vantage Securities Corp., Branch Head of Abacus Securities Corporation and First Vice-President of First Metro Investment Corp.

Ms. Esther Tan, 80 years old, Filipino, was appointed as Independent Director, effective 23 September 2025 to fill the unexpired term of the late Mr. Bernardino Ramos. Ms. Tan obtained her degree in Nutrition and Dietetics from the University of the Philippines in 1968. She earned her MBA from Ateneo de Manila University in 1980 and completed an Advanced Management Course at Harvard University in 1998.

Ms. Tan currently serves as the Treasurer and Trustee of AIRDC for 2024-2026. She previously held key leadership roles including President and Vice-Chairman of PNB Life, and Chairman, President, and CEO of Sun Life Financial, where she was instrumental in launching Sun Life Asset Management Company and Sun Life Preneed Plans. She is currently a member of the Board of Trustees of the INSURANCE INSTITUTE for ASIA & THE PACIFIC, a Board of Trustee of the Trinity University of Asia and a Vestry member of the Episcopal Church of the Holy Trinity.

Linus V. Madamba, was appointed as Corporate Secretary on 31 May 2025. Atty. Linus V. Madamba is the owner of Madamba Law Offices. He was previously a partner of Bodegon Estorninos Guerzon & Gozos Law Offices where he was engaged in civil, labor, and commercial litigation and managed the Law Offices' corporate housekeeping clients. He is currently the Assistant Corporate Secretary of a public company operating a tertiary care hospital in Metro Manila and also sits as Corporate Secretary of several hospitals located in the Philippines and in Guam. He is likewise experienced in intra-corporate disputes and corporate rehabilitation, among others.

ITEM 11 EXECUTIVE COMPENSATION

Name & Position	Year	Estimated Salary	Estimated Bonus	Estimated Other Annual Compensation
Jerry Liu (Chairman and Director)	2026	~~P20~~ million	-	~~P5~~ million
Antonio Callueng (President, Chief Executive Officer, and Director)	2026	~~P4~~ million	-	~~P3~~ million
Brian Gregory T. Liu (Executive Vice President, Chief Financial Officer, Treasurer, and Director)	2026	~~P5~~ million	-	~~P3~~ million

Michael Stephen T. Liu (Executive Vice President, Chief Technology Officer, and Director)	2026	~~P5~~ million	-	~~P3~~ million
Aggregate compensation paid to all officers and directors as Cirtek Group unnamed	2026	~~P50~~ million	-	~~P10~~ million

Name & Position	Year	Estimated Salary	Estimated Bonus	Estimated Other Annual Compensation
Jerry Liu (Chairman and Director)	2025	~~P20~~ million	-	~~P5~~ million
Antonio Callueng (President, Chief Executive Officer, and Director)	2025	~~P4~~ million	-	~~P3~~ million
Brian Gregory T. Liu (Executive Vice President, Chief Financial Officer, Treasurer, and Director)	2025	~~P5~~ million	-	~~P3~~ million
Michael Stephen T. Liu (Executive Vice President, Chief Technology Officer, and Director)	2025	~~P5~~ million	-	~~P3~~ million
Aggregate compensation paid to all officers and directors as Cirtek Group unnamed	2025	~~P50~~ million	-	~~P10~~ million

Name & Position	Year	Estimated Salary	Estimated Bonus	Estimated Other Annual Compensation
Jerry Liu (Chairman and Director)	2024	P20million	-	P5million
Jorge Aguilar (Vice Chairman, President, Chief Executive Officer, and Director)	2024	~~P4~~ million	-	P3million

Brian Gregory T. Liu (Executive Vice President, Chief Financial Officer, Treasurer, and Director)	2024	₱5million	-	₱3million
Michael Stephen T. Liu (Executive Vice President, Chief Technology Officer, and Director)	2024	₱5million	-	₱3million
Aggregate compensation paid to all officers and directors as Cirtex Group unnamed	2024	₱50million	-	₱10million

Name & Position	Year	Salary	Estimated Bonus	Other Annual Compensation
Jerry Liu (Chairman and Director)	2023	₱20million	-	₱5million
Jorge Aguilar (Vice Chairman, President, Chief Executive Officer, and Director)	2023	₱10million	-	₱3million
Brian Gregory T. Liu (Executive Vice President, Chief Financial Officer, Treasurer, and Director)	2023	₱5million	-	₱3million
Michael Stephen T. Liu (Executive Vice President, Chief Technology Officer, and Director)	2023	₱5million	-	₱3million
Aggregate compensation paid to all officers and directors as Cirtex Group unnamed	2023	₱50million	-	₱10million

Compensation of Directors

Under the By-Laws of the Company, by resolution of the BOD, each director, shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the BOD shall receive and allocate an amount of not more than ten percent (10%) of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among directors in such manner as the BOD may deem proper, subject to the approval of stockholders representing at least majority of the outstanding capital stock at a regular or special meeting of the stockholders.

Each of the Directors is entitled to a per diem of PhP8,000.00 for every Board of Directors meeting attended. Each member of the Audit and Risk Management Committee, Sustainability and Compliance Committee, Compensation and Nomination Committee, and Related Party Transactions Committee is entitled to a fee of PhP8,000.00 for every committee meeting attended.

Below are the details of the remuneration paid to the Directors in 2025:

Remuneration for Board Meetings Attended in 2025	Remuneration for Committee Meetings Attended in 2025	Total
Php 504,000.00	Php 24,000.00	Php 528,000.00

Below are the details of the remuneration paid to the Directors in 2024:

Remuneration for Board Meetings Attended in 2024	Remuneration for Committee Meetings Attended in 2024	Total
Php 576,000.00	Php 24,000.00	Php 600,000.00

Standard Arrangements and Other Arrangements

There are no other arrangements for compensation either by way of payments for committee participation or special assignments.

There are no other arrangements for compensation either by way of payments for committee participation or special assignments other than reasonable per diem. There are also no outstanding warrants or options held by the Corporation's Chief Executive Officer, other officers and/or directors.

Employment Contracts, Termination of Employment, Change-in-Control Arrangements

The Cirtek Group has executed employment contract with some of its key officers. Such contracts provide the customary provision on job description, benefits, confidentiality, non-compete, and non-solicitation clauses. There are no special retirement plans for executives. There is also no existing arrangement for compensation to be received by any executive officer from the Corporation in the event of change in control of the Corporation.

Warrants and Options

There are no outstanding warrants and options held by any of the Company's directors and executive officers.

ITEM 12 SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Owners of record of more than five percent (5%) of the Corporation's voting securities as of March 31, 2026:

Title of Class	Name, Address of Record Owner, and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	% of Class
Common	PCD Nominee Corporation (Filipino) G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	PCD Nominee Corporation (Filipino) G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	Filipino	544,782,793	81.49%

Common	Camerton, Inc. ⁷ 116 East Main Ave., Phase V SEZ Laguna Technopark Biñan, Laguna	Camerton, Inc. 116 East Main Ave., Phase V SEZ Laguna Technopark Biñan, Laguna	Filipino	110,260,791	16.49%
	Total			647,480,840	97.98%
Preferred A	Camerton, Inc. ⁸ 116 East Main Ave., Phase V SEZ Laguna Technopark Biñan, Laguna	Camerton, Inc. 116 East Main Ave., Phase V SEZ Laguna Technopark Biñan, Laguna	Filipino	700,000,000	100%
	Total			700,000,000	100%

Under PCD account,³ the following participants hold shares representing more than five percent (5%) of the Corporation's outstanding shares as of March 31, 2026:

Participant	Number of Shares	Percentage
Abacus Securities Corporation	129,468,799	19%
COL Financial Group, Inc.	119,110,786	18%
First Metro Securities Brokerage Corp.	40,314,353	6%

Except as stated above, the Corporation has no knowledge of any person or any group who, directly or indirectly, is the beneficial owner of more than five percent (5%) of the Corporation's outstanding shares or who has a voting power, voting trust, or any similar agreement with respect to shares comprising more than five percent (5%) of the Corporation's outstanding common stock.

The number of common shares beneficially owned by directors and executive officers as of March 31, 2026 are as follows:

Title of Class	Name of Beneficial Owner	No. of Shares Held	Citizenship	Percent
Common	Jerry Liu	110,260,792	Chinese	16.494%
Common	Jorge Aguilar	1	Filipino	0%
Common	Brian Gregory Liu	1	Filipino	0%
Common	Justin Liu	1	Filipino	0%
Common	Hector Villanueva	1	Filipino	0%
Common	Ernest Fritz Server	1	Filipino	0%
Common	Michael Stephen Liu	1	Filipino	0%
Common	Corazon Guidote	1	Filipino	0%
Common	Bernardino Ramos	1	Filipino	0%

⁷ Camerton, Inc. has appointed Jerry Liu who shall vote the shares on its behalf in all meetings including the forthcoming Annual Stockholders' Meeting on 29 May 2026.

⁸ Camerton, Inc. has appointed Jerry Liu who shall vote the shares on its behalf in all meetings including the forthcoming Annual Stockholders' Meeting on 29 May 2026.

Voting Trust Holder of Five Percent (5%) or More

The Corporation is not aware of any person holding more than five percent (5%) of the common shares of the Corporation under a voting trust or similar agreement as there has been no voting trust agreement which has been filed with the Corporation and the Securities and Exchange Commission.

Description of any arrangement which may result in a change in control of the Corporation

No change in control of the Corporation has occurred since the beginning of the last fiscal year.

ITEM 13 CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Liu family, primarily through Camerton, Inc., is the largest shareholder in the Corporation, and as of March 31, 2026 owns 110,260,791 shares, or approximately 16.494% of the Corporation's issued and outstanding common shares.

Related party relationship exists when the party has the ability to control, directly or indirectly through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity and its key management personnel, directors or stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationships.

In the normal course of business, the Group has entered into transactions with affiliates. The significant transactions consist of the following:

- Advances for operating requirements of Cirtek Holdings, Inc. ("CHI"), former parent of CEC and Cirtek Electronics International Corporation ("CEIC");
- Rental of land and lease deposit with Cirtek Land Corporation ("CLC"), an affiliate, where the manufacturing building 1 and administrative building is situated;
- Payments and /or reimbursements of expenses made or on behalf of the affiliates;
- Rental of land with Cayon Holdings, Inc. (Cayon), an affiliate, where the building 2 of the Group is situated;
- Collections made by Camerton in behalf of the Cirtek Group; and
- Advances to officers and stockholders.

The consolidated balance sheets and consolidated statements of comprehensive income include the following significant account balances resulting from the above transactions with related parties:

- Amounts owed by related parties as of 31 December 2025

Amounts owed by Related Parties

Amounts owed by related parties which are eliminated during the consolidation							
Name and designation of debtor	Balance at beginning of period	Additions	Amount Collected	Amounts written off	Current	Non-current	Balances at the end of period
CHPC							
CEC	\$ 12,904,297	\$ -	\$ (1,077,020)		\$ 11,827,277		\$ 11,827,277
CEIC	75,237,938				75,237,938		75,237,938
CATS	24,799,021		(1,340,000)		23,459,021		23,459,021
RBWPI	212,371				212,371		212,371
Quintel	14,049,126		(13,581)		14,035,545		14,035,545
Total	\$ 127,202,753	\$ -	\$ (2,430,601)	\$ -	\$ 124,772,152	\$ -	\$ 124,772,152
CEC							
CATSI	\$ 1,055,373	\$ 917,559			\$ 1,972,932		\$ 1,972,932
Total	\$ 1,055,373	\$ 917,559	\$ -	\$ -	\$ 1,972,932	\$ -	\$ 1,972,932
CEIC							
CEC	\$ 29,615,286	\$ 421,434			\$ 30,036,720		\$ 30,036,720
CATS	2,508,521	493,551.00			3,002,072		3,002,072
Quintel	82,478,692				82,478,692		82,478,692
Total	\$ 114,602,498	\$ 914,985	\$ -	\$ -	\$ 115,517,483	\$ -	\$ 115,517,483
RBW							
CATS	\$ 4,889,453		\$ (1,104)		\$ 4,888,349		\$ 4,888,349
Total	\$ 4,889,453	\$ -	\$ (1,104)	\$ -	\$ 4,888,349	\$ -	\$ 4,888,349
TOTAL	\$ 247,750,078	\$ 1,832,544	\$ (2,431,705)	\$ -	\$ 247,150,917	\$ -	\$ 247,150,917

The above related parties, except the stockholders, are entities under the common control of the ultimate parent company.

Transactions with CHI, Charmview Enterprises Ltd (CEL)

The amount owed by an officer amounting to US\$7.7 million as of December 31, 2010 was transferred in 2011 to CEL, the former ultimate parent of CEC and CEIC. CEL now owns 40% interest in Camerton, the parent of CHPC.

The amounts owed by and to CHI as of December 31, 2010 represent advances for working capital in the normal course of business when CEC and CEIC were then still subsidiaries of CHI.

For purposes of settling outstanding balances with the Group and as part of corporate restructuring in preparation for the planned Initial Public Offering (IPO) of the Parent Company, on March 17, 2011, CHI, CEL and the officer, with the consent of the Group, entered into assignment agreements whereby CHI absorbed the amounts owed by CEL and by the officer as of March 17, 2011 amounting to US\$7.7 million and US\$0.8 million, respectively.

The Group, with the consent of the related parties, entered into assignment agreements whereby the Parent Company absorbed the amount owed by CEIC to CHI totaling US\$3.6 million representing unpaid advances of US\$2.3 million and dividends of US\$1.3 million as of March 17, 2011.

Thereafter, on March 18, 2011, the Parent Company and CHI, in view of being creditors and debtors to each other as a result of the assignment agreements above, entered into a set-off agreement for the value of the Group's liability aggregating US\$6.8 million. The amount represents the above-mentioned total liability of US\$3.6 million and the balance outstanding from the Parent Company's purchase of CEC and CEIC amounting to US\$3.2 million, as revalued from the effect of foreign exchange rate.

Transactions with CLC

CLC is an entity under the common control of the ultimate parent company. CEC had a lease agreement on the land where its manufacturing plant (Building 1) is located with CLC for a period of fifty (50) years starting January 1, 1999. The lease was renewable for another twenty-five (25) years at the option of CEC. The lease agreement provided for an annual rental of \$151,682, subject to periodic adjustments upon mutual agreement of both parties.

On January 1, 2005, CEC terminated the lease agreement with CLC but has continued to occupy the said land for no consideration with CLC's consent. With the termination of the lease agreement, the Cirtex Group has classified the rental deposit amounting to PhP60.1 million (\$1.1 million and \$1.2 million as of December 31, 2018 and 2017, respectively) as current asset as the deposit has become due and demandable anytime from CLC.

On January 1, 2011, CEC entered into an agreement with CLC to lease the land where CEC's Building 1 is located. The agreement calls for a fixed annual rate of PhP0.64 Million (\$0.01 Million) for a period of ten (10) years and renewable thereafter by mutual agreement of the parties subject to such new terms and conditions as they may then be mutually agreed upon. The total rent expense charged to operations amounted to \$0.01 million in both years.

CEC also entered into an agreement with Cayon starting January 1, 2011 to lease the land where CEC's Building 2 is located. The agreement calls for an annual rental of PhP282,144 for a period of ten (10) years and renewable thereafter by mutual agreement of the parties subject to such new terms and conditions as they may then be mutually agreed upon. Total rent expense charged to operations amounted to US\$0.002 million and US\$0.01 million in 2021 and 2020, respectively. The amounts are

unsecured, non-interest bearing and due and demandable and will be settled in cash. No guarantees have been given.

The Group, as lessee, entered into leasing arrangements with its related parties as disclosed in Notes 20 and 24 in its 2025 Audited Financial Statement. The following are the amounts of lease liabilities. Movement in the lease liabilities is as follows:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2025	2024	2025	2024
Not later than one (1) year	\$ 34,709	\$ 34,501	\$ 23,521	\$ 20,869
Later than one (1) year but not later than five (5) years	66,652	86,770	57,083	75,435
	101,361	121,271	80,604	96,304
Discount	(20,757)	(24,967)	-	-
Present value of minimum lease payments	80,604	96,304	80,604	96,304
Current lease liabilities	23,521	20,869	23,521	20,869
Non-current lease liabilities	\$ 57,083	\$ 75,435	\$ 57,083	\$ 75,435

Movement in the lease liabilities is as follows:

	2025	2024
Balance, January 1	\$ 96,304	\$ 219,831
Finance incurred	4,210	4,626
Finance cost paid	(4,210)	(4,626)
Lease payments	(15,700)	(123,527)
Balance, December 31	\$ 80,604	\$ 96,304

The Group used its incremental borrowing rate of 5.0% to 5.5% to measure the present value of its lease liabilities since the implicit rate was not readily available.

The Group is compliant with the terms and conditions of the lease contracts.

PART IV – CORPORATE GOVERNANCE

ITEM 14 CORPORATE GOVERNANCE

The Corporation is committed to the ideals of good corporate governance. In compliance with the SEC requirement, the Corporation is studying best practices in good corporate governance to further improve the current corporate governance practices of the Corporation and to develop an efficient and effective evaluation system to measure or determine the level of compliance of the Board of Directors and top-level management with its Manual of Corporate Governance.

Corporate governance rules/principles were established to ensure that the interest of stakeholders is always taken into account; those directors, officers and employees are conducting business in a safe and sound manner; and those transactions entered into between the Corporation and related interests are conducted at arm's length basis and in the regular course of business. There are no incidences of deviation from the Corporation's Manual of Corporate Governance.

The Corporation has three (3) independent directors that gives the assurance of independent views and perspective.

ITEM 15 EXHIBITS AND SCHEDULES

Schedule	Contents
I	Map Showing the Relationships Between and Among the Companies in the Group, its Ultimate Parent Company and Co-subsiaries
II	Schedule of All Effective Standards and Interpretations Under Philippine Financial Reporting Standards
III	Reconciliation of Retained Earnings Available for Dividend Declaration
IV	Financial Soundness Indicators
<i>Supplementary Schedules</i>	
A	Financial Assets
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related parties)
C	Amounts Receivable from Related Parties and Amounts Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements
D	Intangible Assets - Other Assets
E	Long-Term Debt
F	Indebtedness to Related Parties
G	Guarantees of Securities of Other Issuers
H	Gross and Net Proceeds of a Listed Company with recent offering of securities (Commercial Paper) to the Public
I	Capital Stock

(b) Reports on SEC Form 17-C

The following disclosures were filed during the period May 2024 to April 2025:

20 January 2025

The Board of Directors of TECH, in its regular meeting held on 20 January 2025, approved the following:

Declaration of cash dividends of the following shares:

a. Preferred A Shares (Unlisted)

Declaration of cash dividend of US\$0.000012196 per share for each of the Seven Hundred Million (700,000,000) issued and outstanding Preferred A Shares amounting to an aggregate sum of Eight Thousand Five Hundred Thirty-Seven and 1/100 US Dollars (US\$8,537.01), for payment and distribution on 8 March 2025 to shareholders of record as of 21 February 2025. The cash dividend shall be paid in Philippine Pesos at the Bangko Sentral ng Pilipinas ("BSP") exchange rate one day prior to payment date.

b. Preferred B-1 Shares (Unlisted)

Declaration of cash dividend of PhP0.06125 per share for each of the Seventy Million (70,000,000) issued and outstanding Preferred B-1 Shares amounting to an aggregate sum of Four Million Two Hundred Eighty-Seven Thousand Five Hundred Pesos (PhP4,287,500.00) for payment and distribution on 8 March 2025 to shareholders of record as of 21 February 2025.

c. Preferred B-2 Subseries A Shares ("Preferred B-2A Shares")

Declaration of cash dividend of US\$0.0228125 per share for each of the Sixty-Seven Million (67,000,000) outstanding and issued Preferred B-2A Shares amounting to an aggregate sum of One Million Five Hundred Twenty-Eight Thousand Four Hundred Thirty-Seven and 50/100 US Dollars (US\$1,528,437.50), for each Dividend Period.

The schedule of the payment and distribution of the cash dividends of Preferred B-2A Shares shall be made to the entitled shareholders on the following dates:

- i. 10 March 2025 to shareholders of record as of 21 February 2025 ;
- ii. 9 June 2025 to shareholders of record as of 23 May 2025;
- iii. 8 September 2025 shareholders of record as of 22 August 2025; and
- iv. 9 December 2025 shareholders of record as of 24 November 2025.

d. Preferred B-2 Subseries B Shares ("Preferred B-2B Shares")

Declaration of cash dividend of US\$0.025 per share for each of the Twenty Million (20,000,000) outstanding and issued Preferred B-2B Shares amounting to an aggregate sum of Five Hundred Thousand US Dollars (US\$500,000.00), for each Dividend Period.

The schedule of the payment and distribution of the cash dividends of Preferred B-2B Shares shall be made to the entitled shareholders on the following dates:

- i. 18 March 2025 to shareholders of record as of 3 March 2025;
- ii. 18 June 2025 to shareholders of record as of 3 June 2025;
- iii. 18 September 2025 shareholders of record as of 3 September 2025; and
- iv. 18 December 2025 shareholders of record as of 3 December 2025.

e. Preferred B-2 Subseries C Shares and Preferred B-2 Subseries D Shares ("Preferred B-2C and Preferred B-2D Shares")

Declaration of cash dividend of PhP1.7678125 per share for each of Sixteen Million

Nine Hundred Thirty-Six Thousand Four Hundred (16,936,400) outstanding and issued Preferred B-2 Subseries C Shares amounting to an aggregate sum of Twenty-Nine Million Nine Hundred Forty Thousand Three Hundred Seventy-Nine Pesos and Sixty-Three Centavos (PhP29,940,379.63), and declaration of cash dividend of PhP0.968825 per share for each of the Twenty-Eight Million Six Hundred Twenty-Five Thousand and Five Hundred (28,625,500) outstanding and issued Preferred B-2 Subseries D Shares amounting to an aggregate sum of Twenty-Seven Million Seven Hundred Thirty Three Thousand One Hundred and Four Centavos (PhP27,733,100.04), for each Dividend Period.

The schedule of the payment and distribution of the cash dividends for each of Preferred B-2C and Preferred B-2D Shares shall be made to the entitled shareholders on the following dates:

- i. 14 March 2025 to shareholders of record as of 27 February 2025;
- ii. 16 June 2025 to shareholders of record as of 30 May 2025;
- iii. 15 September 2025 shareholders of record as of 29 August 2025; and
- iv. 15 December 2025 shareholders of record as of 28 November 2025.

07 March 2025

In relation to the previous resolutions of the Board of Directors of TECH last 20 January 2025 approving the declaration of cash dividends for all the preferred shares of the Corporation, specifically Preferred A Shares (Unlisted), Preferred B-1 Shares (Unlisted), Preferred B-2 Subseries A Shares ("TCB2A"), Preferred B-2 Subseries B Shares ("TCB2B"), Preferred B-2 Subseries C Shares ("TCB2C"), and Preferred B-2 Subseries D Shares ("TCB2D") (collectively herein referred to as the "Preferred Shares"), to be distributed on their respective distribution dates in accordance with its respective Prospectuses, the Board of Directors of TECH, in its special meeting held on 7 March 2025, upon recommendation of management, approved the suspension of payment of the declared cash dividends until further notice for all TECH's Preferred Shares as part of the Company's strategy to manage liquidity and to preserve its resources to ensure long-term sustainability of its business.

Nonetheless, the Corporation maintains its commitment to fulfilling its obligations to pay its shareholders in accordance with the terms set out in the Prospectuses of the shares. This includes payment of all dividends due on all Preferred Shares of the Corporation, and payment of all arrears of dividends outstanding by reason of the suspension, on future dates to be set by the Corporation.

21 March 2025

The Board of Directors of TECH, in its special meeting held on 21 March 2025, approved the following:

-Schedule of the 2025 Annual Stockholders' Meeting ("ASM") and setting of the record date of the stockholders who are entitled to vote during the ASM. The ASM for this year shall be on 30 May 2025 and the record date for such ASM is on 30 April 2025.

14 April 2025

The Board of Directors of TECH, in its special meeting held on 14 April 2025, approved the Advances of \$2,000,000 from Camerton, Inc. to Cirtek Holdings Philippines Corporation. These advances will be used to partially pay off the maturing loan of the Corporation. Camerton, Inc. is the parent company of Cirtek Holdings Philippines Corporation.

28 April 2025

The Board of Directors of TECH, in its regular meeting held on 28 April 2025, approved the Separate And Consolidated Audited Financial Statements ("AFS") of the Corporation as of and for the Year Ended 31 December 2024;

23 September 2025

The Board of Directors of TECH, in its regular meeting held on 23 September 2025, approved the following:

- Appointment of Ms. Esther Tan as replacement Independent Director to fill the unexpired term of Mr. Bernardino Ramos
- Reorganization Of Board Committees:
 - a) Ms. Esther Tan is appointed as Member of the Audit and Risk Management Committee, the Sustainability and Compliance Committee, and the Related Party Transactions Committee.
 - b) Ms. Corazon Guidote is appointed as Chairman of the Audit and Risk Management Committee and as Member of the Sustainability and Compliance Committee.
 - c) Mr. Hector Villanueva is appointed as Chairman of the Sustainability and Compliance Committee

(c) Disclosures on the Attendees of the Shareholders' Meeting and Voting Results under Section 49 of the Revised Corporation Code

May 30, 2025

The following attended the 2025 Annual Shareholders' Meeting:

1. Camerton, Inc.;
2. Antonio Callueng;
3. Corazon P. Guidote;
4. Brian Gregory Liu;
5. Jerry Liu;
6. Justin Liu;
7. Bernardino Ramos;
8. Michael Stephen Liu;
9. Hector Villanueva;
10. Ernest Fritz Server; and
11. Some stockholders of PCD Nominee Filipino;

The voting results of the agenda discussed last 2025 Annual Shareholders' Meeting are as follows:

I. Directors

The following were elected directors of the Corporation for the years 2025-2026:

1. Mr. Jerry Liu
2. Mr. Antonio Callueng
3. Mr. Justin Liu
4. Mr. Michael Stephen Liu
5. Mr. Brian Gregory Liu
6. Mr. Ernest Fritz Server
7. Mr. Bernardino Ramos – Independent Director
8. Mr. Hector Villanueva – Independent Director
9. Ms. Corazon Guidote – Independent Director

II. Shareholders' Approval

The shareholders approved and/or ratified the following:

1. Minutes of the Annual Stockholders' Meeting held on 30 May 2025;

With stockholders holding 906,786,285 shares representing 100% of the total issued and outstanding capital stock of the Corporation entitled to vote, who registered their votes in person, in absentia or by proxy during the meeting, and who voted in favor of the approval of the Minutes of the Annual Stockholders' Meeting held 30 May 2025, the Minutes was approved by the stockholders.

2. Acts, resolutions, and proceedings of the Board of Directors and Management of TECH since the last Annual Stockholders' Meeting held on 30 May 2025;

With stockholders holding 906,786,285 shares representing 100% of the total issued and outstanding capital stock of the Corporation entitled to vote, who registered their votes in person, in absentia or by proxy during the meeting, and who voted in favor of the approval of the ratification of all acts of the Board and Management of the Corporation since the last Annual Stockholders' Meeting held on 30 May 2025, the approval of the ratification of all acts of the Board and Management was ratified by the stockholders.

3. Audited Financial Statements as of and for the year ended 31 December 2024;

With stockholders holding 906,786,285 shares representing 100% of the total issued and outstanding capital stock of the Corporation entitled to vote, who registered their votes in person, in absentia or by proxy during the meeting, and who voted in favor of the approval of the 2024 Annual Financial Statements, the 2024 Audited Financial Statements of the Corporation was approved by the stockholders.

4. Appointment of R.S. Bernaldo & Associates as external auditor of TECH for the calendar year 2026;

With stockholders holding 906,786,285 shares representing 100% of the total issued and outstanding capital stock of the Corporation entitled to vote, who registered their votes in person, in absentia or by proxy during the meeting, and who voted in favor of the approval of the 2024 Annual Financial Statements, the 2024 Audited Financial Statements of the Corporation was approved by the stockholders.

(d) Other Disclosures under Section 49 of the Revised Corporation Code

1. Voting Procedure Used in Previous Meeting

The vote required for the election of Directors and Independent Directors

At all elections of Directors and Independent Directors, there must be present, either in person or by representative authorized to act by written proxy, or by voting in absentia, the owners of a majority of the outstanding capital stock. The election must be by ballot if requested by any voting stockholder or member.

Every stockholder entitled to vote shall have the right to vote in person or by proxy, or in absentia the number of shares of stock standing, at the time fixed in the by-laws, in his own name on the stock books of the Corporation, and said stockholder may vote such number of shares for as many persons as there are

directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, That the total number

of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Corporation multiplied by the whole number of directors to be elected.

The method by which votes will be counted

Each shareholder may vote in person, by proxy, by remote communication, or by voting in absentia by the

number of shares of stock standing in his name of the books of the Corporation. Each Common and Preferred A share is entitled to one vote. The stockholders of Preferred B-1, B-2A, B-2B, B-2C, and B-2D Shares are not entitled to vote except in those cases provided by law. Voting shall be done through remote

communication, in accordance with SEC Memorandum Circular No. 06, Series of 2020. The manner and procedure by which shareholders may vote is described in "Appendix A". The Corporate Secretary, Atty. Dyan Danika G. Lim-Ong, assisted the Corporation's Stock and Transfer Agent in counting the votes to be cast.

1. Material information on the current stockholders, and their voting rights

Total Current Stockholders of the Corporation is 28.

The Corporation's capital stock consists of Common Shares and Preferred A, B1, B2-A, B2-B, B2-C, and B2-D Shares. The stockholders of Common and Preferred A shares have the same voting rights. Each Common and Preferred A share is entitled to one vote. The stockholders of Preferred B1, B2-A, B2-B, B2-C, and B2-D Shares are not entitled to vote except in those cases provided by law.

2. Appraisals and performance report for the board and the criteria and procedure for Assessment

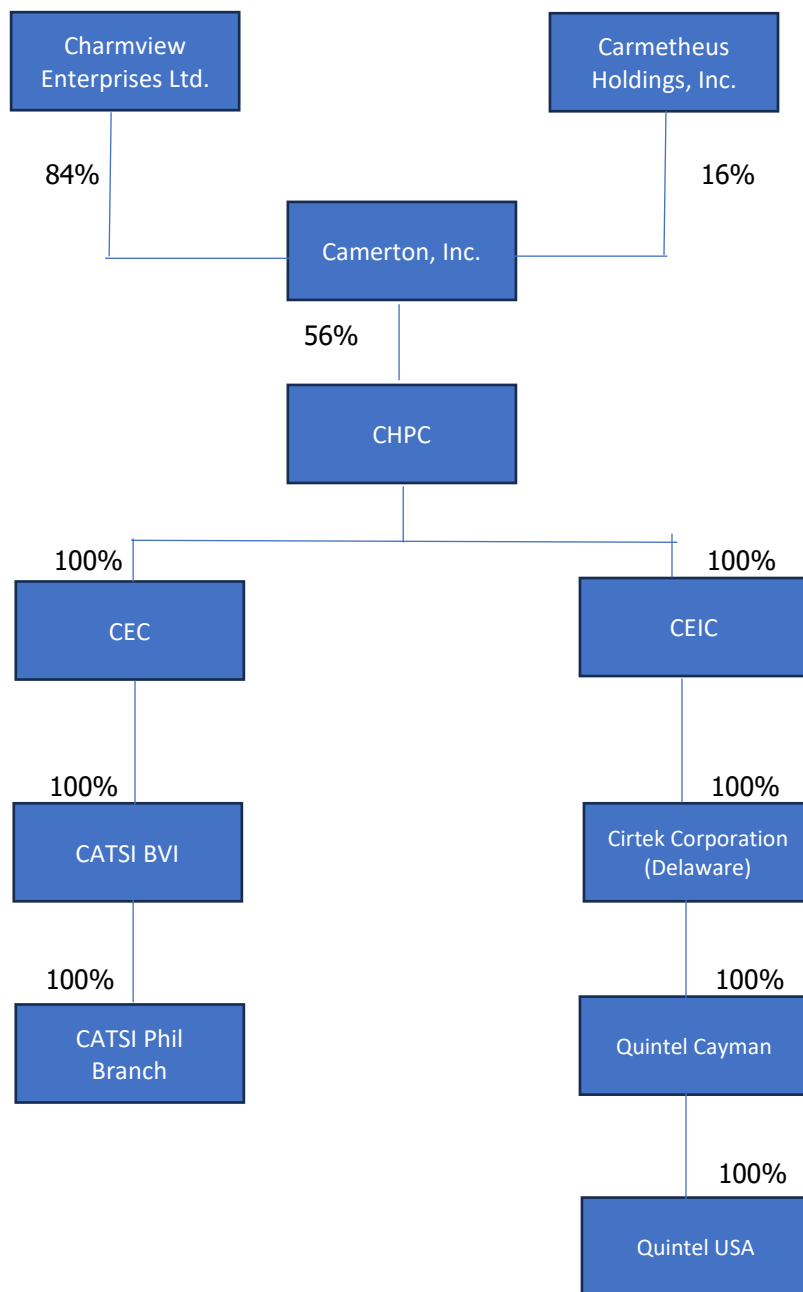
The Board has adopted a policy that allows the Company to provide rewarding and appropriate compensation packages that combine standard remuneration and performance incentives to its employees. Ensure that an appropriate internal control system is in place, including setting up a mechanism for monitoring and managing potential conflicts of interest of Management, board members, and shareholders. The minimum internal control mechanisms for the Board's oversight responsibility include, but shall not be limited to:

- a. Ensuring the presence of organizational and procedural controls, supported by an effective management information system and risk management reporting system;
- b. Reviewing conflict-of-interest situations and providing appropriate remedial measures for the same;
- c. Defining the duties and responsibilities of the President who shall be ultimately accountable for the Company's organizational and operational controls; and appointing a President with the appropriate ability, integrity, and experience to fill the role;
- d. Evaluation of proposed senior management appointments;
- e. Ensuring the selection, appointment and retention of qualified and competent management; reviewing the Company's personnel and human resources policies, compensation plan and the management succession plan;
- f. Institutionalizing the internal audit and enterprise risk management ("ERM") functions; and
- g. Ensuring the presence of, and regularly reviewing, the performance and quality of external audit.

3. Director's disclosures on self-dealing and related party transactions.

The Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions. The Company established an RPT Policy between the Company or any of its subsidiaries or affiliates and a related party which shall be subject to review and approval to ensure that the transactions are at arm's length, the terms are fair, and they will inure to the best interest of the Company and its subsidiaries or affiliates and their shareholders. Related party transactions shall be reviewed, approved, and disclosed in accordance with this Policy consistent with the principles of transparency and fairness. The Board of Directors of the Company, through its Related Party Transactions Committee ("RPT Committee"), shall have oversight authority over this Policy. The RPT Committee consists of three (3) members of the Board of Directors, all of whom are Independent Directors. Related party transactions shall be reviewed, approved, and disclosed in accordance with the RPT Policy of the Corporation and consistent with the principles of transparency and fairness.

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE
COMPANIES IN THE GROUP, ITS ULTIMATE PARENT COMPANY AND CO-
SUBSIDIARIES



PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of 31 December 2025		Adopted	Not Adopted	Not Applicable
Philippine Financial Reporting Standards				
PFRS 1	First-time Adoption of Philippine Financial Reporting Standards	✓		
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2, Classification and Measurement of Share-based Payment Transactions			✓
PFRS 3	Business Combinations	✓		
PFRS 4	Insurance Contracts			✓
	Amendments to PFRS 4, Applying PFRS 9 Financial Instruments with PFRS 4 Insurance Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations	✓		
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
PFRS 8	Operating Segments	✓		
PFRS 9	Financial Instruments	✓		
PFRS 10	Consolidated Financial Statements	✓		
PFRS 11	Joint Arrangements			✓
PFRS 12	Disclosure of Interests in Other Entities	✓		
PFRS 13	Fair Value Measurement	✓		
PFRS 14	Regulatory Deferral Accounts			✓
PFRS 15	Revenue from Contracts with Customers	✓		
PFRS 16	Leases	✓		
Philippine Accounting Standards				
PAS 1	Presentation of Financial Statements	✓		
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 12	Income Taxes	✓		
PAS 16	Property, Plant and Equipment	✓		
PAS 17	Leases	✓		
PAS 19	Employee Benefits	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of 31 December 2025		Adopted	Not Adopted	Not Applicable
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
PAS 23	Borrowing Costs	✓		
PAS 24	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27	Separate Financial Statements	✓		
PAS 28	Investments in Associates and Joint Ventures			✓
	Amendments to PAS 28, Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to PFRSs 2014 - 2016 Cycle)			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Presentation	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting			✓
PAS 36	Impairment of Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
PAS 39	Financial Instruments: Recognition and Measurement	✓		
PAS 40	Investment Property	✓		
	Amendments to PAS 40, Transfers of Investment Property	✓		
PAS 41	Agriculture			✓
Philippine Interpretations				
Philippine Interpretation IFRIC-1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
Philippine Interpretation IFRIC-2	Members' Shares in Co-operative Entities and Similar Instruments			✓
Philippine Interpretation IFRIC-4	Determining whether an Arrangement contains a Lease	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of 31 December 2025		Adopted	Not Adopted	Not Applicable
Philippine Interpretation IFRIC-5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
Philippine Interpretation IFRIC-6	Liabilities arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment			✓
Philippine Interpretation IFRIC-7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
Philippine Interpretation IFRIC-10	Interim Financial Reporting and Impairment			✓
Philippine Interpretation IFRIC-12	Service Concession Arrangements			✓
Philippine Interpretation IFRIC-14	PAS19The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
Philippine Interpretation IFRIC-16	Hedges of a Net Investment in a Foreign Operation			✓
Philippine Interpretation IFRIC-17	Distributions of Non-cash Assets to Owners			✓
Philippine Interpretation IFRIC-19	Extinguishing Financial Liabilities with Equity Instruments			✓
Philippine Interpretation IFRIC-20	Stripping Costs in the Production Phase of a Surface Mine			✓
Philippine Interpretation IFRIC-21	Levies	✓		
Philippine Interpretation IFRIC-22	Foreign Currency Transactions and Advance Consideration			✓
Philippine Interpretation IFRIC-23	Uncertainty over Income Tax Treatments	✓		
Philippine Interpretation SIC-7	Introduction of the Euro			✓
Philippine Interpretation SIC-10	Government Assistance-No Specific Relation to Operating Activities			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of 31 December 2025		Adopted	Not Adopted	Not Applicable
Philippine Interpretation SIC-15	Operating Leases- Incentives			✓
Philippine Interpretation SIC-25	Income Taxes- Changes in the Tax Status of an Entity or its Shareholders			✓
Philippine Interpretation SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
Philippine Interpretation SIC-29	Service Concession Arrangements: Disclosures			✓
Philippine Interpretation SIC-32	Intangible Assets- Web Site Costs			✓

CIRTEK HOLDINGS PHILIPPINES CORPORATION
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
As of December 31, 2025

Unappropriated Retained Earnings, beginning of reporting period (see Footnote 2)	11,306,042
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings	
Reversal of Retained Earnings Appropriation/s	-
Effect of restatements of prior-period adjustments	-
Others (describe nature)	-
Sub-total	-
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	-
Retained Earnings appropriated during the reporting period	-
Effect of restatements of prior-period adjustments	-
Others (describe nature)	-
Sub-total	-
Unappropriated Retained Earnings, as adjusted	11,306,042
Add/Less: Net Income (Loss) for the current year	(2,386,634)
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Equity in net income of associate/joint venture, net of dividends declared	-
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	54,549
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Unrealized fair value gain of investment property	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-
Sub-total	54,549
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
Realized foreign exchange gain, except those attributable to cash and cash equivalents but realized in the current reporting period (net of tax)	83,366
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Realized fair value gain of investment property	-
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-
Sub-total	83,366
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Reversal of previously recorded fair value gain of Investment Property	-
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-
Sub-total	-
Adjusted Net Income/Loss	8,948,225
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	-
Sub-total	-
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP (see Footnote 3)	
Amortization of the effect of reporting relief	-
Total amount of reporting relief granted during the year	-
Others (describe nature)	-
Sub-total	-
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-
Net movement in deferred tax asset and deferred tax liabilities related to same transaction e.g., set up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
Others (describe nature)	-
Sub-total	-
Total Retained Earnings, end of the reporting period available for dividend	8,948,225

FOOTNOTES

- (1) The amount of retained earnings of a company should be based on its separate ("stand-alone") audited financial statements.
- (2) Unappropriated Retained Earnings, beginning of reporting period refers to the ending balance as reported in the "Reconciliation of Retained Earnings Available for Dividend Declaration" of the immediately preceding period.
- (3) Adjustments related to the relief provided by the SEC and BSP pertain to accounting relief (e.g. losses that are reported on a staggered basis) granted by the regulators. However, these are actual losses sustained by the Company and must be adjusted in the reconciliation to reflect the actual distributable amount.
- (4) This Reconciliation of Retained Earnings Available for Dividend Declaration in pursuant to Sec. 42 of the Revised Corporation Code, which prohibits stock corporations to retain surplus profits in excess of one hundred (100%) percent of their paid-in capital and their power to declare dividends. However, this Reconciliation of Retained Earnings should not be used by the REIT companies as a basis to determine the amount of its distributable income or dividends to its shareholders. The determination of its distributable income should be in accordance with the REIT Act and Implementing

IV Financial Soundness Indicators

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
SCHEDULE III - FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2025 AND DECEMBER 31, 2024

Ratios	Formula	DECEMBER 31, 2025	December 31, 2024
	Current Assets/Current		
(i) Current Ratio	Liabilities	2.92	2.58
(ii) Debt/Equity Ratio	Bank Debts/Total Equity	0.12	0.21
(iii) Net Debt/Equity Ratio	Bank Debts less Cash & Equivalents/Total Equity	0.07	0.14
(iii) Assets to Equity Ratio	Total Assets/Total Equity	1.22	1.27
(iv) Interest Cover Ratio	EBITDA / Interest Expense	4.71	3.04
(v) Profitability Ratio			
GP Margin	Gross Profit/Revenues	0.24	0.32
Net Profit Margin	Net Income/Revenues	0.04	0.09
EBITDA Margin	EBITDA Revenues	0.23	0.14
Return on Assets	Net Income/Total Assets	0.01	0.02
Return on Equity	Net Income/Total Equity	0.01	0.02

¹ Sum of short-term loans and long-term debts

² EBITDA is calculated as income before income tax plus depreciation and amortization and financial income (expense).

³ Based on balances as at December 31, 2025 and December 31, 2024

SUPPLEMENTARY SCHEDULES**SCHEDULE A****CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES****SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS****AS OF AND FOR THE YEAR-ENDED DECEMBER 31, 2025**

	Name of issuing entity and association of each issue	Amount shown on the balance sheet	Value based on market quotations at end of reporting period	Income received or accrued
Cash and cash equivalents	N/A	\$ 10,542,000	\$ 10,542,000	\$ 2,982
Trade and other receivables	N/A	36,041,122	36,041,122	
Amounts owed by related parties	N/A	183,691	183,691	
Other current assets:			-	
Loans to employees	N/A	244,517	244,517	
Security deposits	N/A	45,818	45,818	
Other financial assets at amortized cost	N/A	410,196	410,196	12,472
Other noncurrent assets:			-	
Rental deposits	N/A	1,071,863	1,071,863	
Miscellaneous deposits	N/A	157,074	157,074	
		\$ 48,696,281	\$ 48,696,281	\$ 15,454

SCHEDULE B

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES, AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES) AS OF AND FOR THE YEAR-ENDED DECEMBER 31, 2025

Amounts owed by Related Parties

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Written-off /Reclassification	Current	Non-Current	Balance at end of period
Related parties under common control							
Cayon Holdings, Inc	\$ 186,148		\$ (2,457)		\$ 183,691		\$ 183,691
TOTAL	\$ 186,148	\$ -	\$ (2,457)	\$ -	\$ 183,691		\$ 183,691

SCHEDULE C

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS AS OF AND FOR THE YEAR-ENDED DECEMBER 31, 2025

Receivables from related parties which are eliminated during the consolidation
(under Trade and Other Receivables)

Name and designation of debtor	Balance at beginning of period	Additions	Amount Collected	Amounts written off	Current	Non-current	Balances at the end of period
Quintel USA	\$ 1,915,702	\$ 155,287	\$ (1,164,460)		\$ 906,529		\$ 906,529

Amounts owed by related parties which are eliminated during the consolidation							
Name and designation of debtor	Balance at beginning of period	Additions	Amount Collected	Amounts written off	Current	Non-current	Balances at the end of period
CHPC							
CEC	\$ 12,904,297	\$ -	\$ (1,077,020)		\$ 11,827,277		\$ 11,827,277
CEIC	75,237,938		-		75,237,938		75,237,938
CATS	24,799,021	-	(1,340,000)		23,459,021		23,459,021
RBWPI	212,371				212,371		212,371
Quintel	14,049,126		(13,581)		14,035,545		14,035,545
Total	\$ 127,202,753	\$ -	\$ (2,430,601)	\$ -	\$ 124,772,152	\$ -	\$ 124,772,152
CEC							
CATSI	\$ 1,055,373	\$ 917,559			\$ 1,972,932		\$ 1,972,932
Total	\$ 1,055,373	\$ 917,559	\$ -	\$ -	\$ 1,972,932	\$ -	\$ 1,972,932
CEIC							
CEC	\$ 29,615,286	\$ 421,434			\$ 30,036,720		\$ 30,036,720
CATS	2,508,521	493,551.00			3,002,072		3,002,072
Quintel	82,478,692				82,478,692		82,478,692
Total	\$ 114,602,498	\$ 914,985	\$ -	\$ -	\$ 115,517,483	\$ -	\$ 115,517,483
RBW							
CATS	\$ 4,889,453		\$ (1,104)		\$ 4,888,349		\$ 4,888,349
Total	\$ 4,889,453	\$ -	\$ (1,104)	\$ -	\$ 4,888,349	\$ -	\$ 4,888,349
TOTAL	\$ 247,750,078	\$ 1,832,544	\$ (2,431,705)	\$ -	\$ 247,150,917	\$ -	\$ 247,150,917

SCHEDULE D**CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES**
SUPPLEMENTARY SCHEDULE OF INTANGIBLE ASSETS - OTHER
ASSETS
AS OF DECEMBER 31, 2025

Description	Beginning Balance	Additions at Cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending Balance
Goodwill	\$ 55,541,157	\$ -	\$ -	\$ -	\$ -	\$ 55,541,157
Product development costs	7,533,857	1,879,944	(2,330,736)			7,083,065
Customer relationship	23,736,500					23,736,500
Trademark	7,472,800					7,472,800
Total	\$ 94,284,314	\$ 1,879,944	(2,330,736)	\$ -	\$ -	\$ 93,833,522

SCHEDULE E**CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES**
SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT
AS OF DECEMBER 31, 2025

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
Note Facility Agreement	\$ 40,000,000	\$ 15,000,000	\$ -
KEB Hanah Bank	4,499,073	1,068,209	-
First Commercial Bank	2,000,000	-	1,333,333
		\$ 16,068,209	\$ 1,333,333

SCHEDULE F

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO RELATED
PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
AS OF DECEMBER 31, 2025

Indebtedness to related parties (Long-term loans from related companies)		
Name of related party	Balance at beginning of period	Balance at end of period
Not Applicable		

SCHEDULE G

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF
OTHER ISSUERS
AS OF DECEMBER 31, 2025

Guarantees of Securities of Other Issuers

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

Not Applicable

SCHEDULE H

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK AS OF DECEMBER 31, 2025

Capital Stock						
TITLE OF ISSUE	Number of shares authorized	Number of shares issued and outstanding as shown under the related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common stock	1,200,000,000	668,505,825	-	206,359,287	9	-
Preferred A shares	700,000,000	700,000,000	-	700,000,000	-	-
Preferred B shares	160,000,000	-	-	-	-	-
Preferred B-1 shares	70,000,000	70,000,000	-	70,000,000	-	-
Preferred B-2 shares	200,000,000	67,000,000	-	-	-	-
Preferred B-2B shares		20,000,000	-	-	-	-
Preferred B-2C shares		16,936,400	-	-	-	-
Preferred B-2D shares		28,625,500	-	-	-	-

COVER SHEET

for AUDITED CONSOLIDATED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	1	0	2	1	3	7

Company Name

C	I	R	T	E	K		H	O	L	D	I	N	G	S		P	H	I	L	I	P	P	I	N	E	S			

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

Principal Office (No./Street/Barangay/City/Town) Province)

1	1	6		E	A	S	T		M	A	I	N		A	V	E	N	U	E	,		P	H	A	S	E		V	

S	E	Z	,		L	A	G	U	N	A		T	E	C	H	N	O	P	A	R	K	,		B	I	Ñ	A	N	

L	A	G	U	N	A																							

Form Type

A	A	F	S

Department requiring the report

C	R	M	D

Secondary License Type, If Applicable

S	T	O	C	K		I	S	S	U	E	R	

COMPANY INFORMATION

Company's Email Address

mlourdes.larano@cirtek.ph

Company's Telephone Number/s

(632) 7729-6205

Mobile Number

0917 777 1822

No. of Stockholders

28

Annual Meeting
Month/Day

29-May

Fiscal Year
Month/Day

31-Dec

CONTACT PERSON INFORMATION

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

Name of Contact Person

Brian Gregory Liu

Email Address

brian.liu@cirtek.ph

Telephone Number/s

(632) 7729-6205

Mobile Number

N/A

Contact Person's Address

116 East Main Ave., Phase V SEZ Laguna Technopark, Biñan Laguna

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

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



CIRTEK HOLDINGS

Philippines Corporation

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The Management of **CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES** is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein as of December 31, 2025 and 2024 and for each of the three years then ended December 31, 2025 in accordance with the Philippine Financial Reporting Standards (PFRS) Accounting Standards, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements, including the schedules attached therein, and submits the same to the stockholders.

R.S. Bernaldo & Associates, the independent auditors appointed by the stockholders has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

JERRY LIU
Chairman of the Board

ANTONIO S. CALLUENG
President and Chief Executive Officer

BRIAN GREGORY LIU
Chief Financial Officer

Signed this 05th day of May 2026

MAY 05 2026

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2026 affiants exhibiting to me their respective Government ID, as follows:

<u>Name</u>	<u>ID No.</u>	<u>Date of Issue</u>	<u>Place of Issue</u>
JERRY LIU	361906026	March 17,2023	Lianing, China
BRIAN GREGORY LIU	NO1-04-002307	February 10,2024	City of Manila
ANTONIO CALLUENG	P8094340B	November 05,2021	DFA Manila

Doc. No. 225 ;
Page No. 46 ;
Book No. 16 ;
Series of 2026

ATTY. BENEDICTO M. JOSE
Notary Public for the City of Sta. Rosa
Until December 31, 2027
Notarial Commission A.N.C. No. 0133-SRCL
Unit 5 Estrellita Bldg., Sta. Rosa-Tagaytay
Road, Brgy. Don Jose, Sta. Rosa City, Laguna
MCLE Compliance No. VIII-0032684; 05.05.25
PTR No. 5179966; 01.05.26; Sta. Rosa City
IBP Lifetime No. 011555; 02.11.2013
Roll No. 43868



INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
116 East Main Avenue, Phase V-SEZ
Laguna Technopark, Binan, Laguna

Report on the Audits of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES** (the "Group"), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies information.

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

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the consolidated financial statements in Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audits of the consolidated financial statements of the current period. These matters were addressed in the context of our audits of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter 1

The Risk

In our view revenue recognition is significant to our audit since the Group is a profit-oriented business and a publicly-listed. The accounting policies for revenue recognition are set out in Note 4.

Our Response

Our audit procedures relating to revenue recognition included: understanding the Group's revenue cycle, performing system documentation and walkthrough, testing of controls, performing cut-off tests, and tracing of invoice to records.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

Auditors' Responsibilities for the Audits of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audits. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audits of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audits resulting in this independent auditors' report is **ROSE ANGELI S. BERNALDO**.

R.S. BERNALDO & ASSOCIATES

BOA/PRC No. 0300

Valid until November 19, 2026

SEC Group A Accreditation No. 0300-SEC

Valid until 2024 audit period (extended until 2025 audit period)

BSP Group B Accreditation No. 0300-BSP

Valid until 2026 audit period

BIR Accreditation No. 08-007679-000-2026

Valid from February 2, 2026 until February 1, 2029

IC Group A Accreditation No. 0300-IC

Valid until 2026 audit period

CDA CEA No. 013 - AF

Valid from August 28, 2025 to August 27, 2030



ROSE ANGELI S. BERNALDO

Managing Partner

CPA Certificate No. 114127

BOA/PRC No. 0300/P-006

Valid until November 19, 2026

SEC Group A Accreditation No. 114127-SEC

Valid until 2027 audit period

BSP Group B Accreditation No. 114127-BSP

Valid until 2025 audit period

BIR Accreditation No. 08-007679-001-2023

Valid from October 20, 2023 until October 19, 2026

Tax Identification No. 211-870-290

IC Group A Accreditation No. IC-EA-2025-0033-N

Valid until 2027 audit period

CDA CEA No. 1940

Valid from November 20, 2024 to November 19, 2029

PTR No. 10780860

Issued on January 20, 2026 at Makati City

May 5, 2026

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024

(In US Dollars)

	NOTES	2025	2024
A S S E T S			
Current Assets			
Cash and cash equivalents	7	10,542,000	12,794,634
Trade and other receivables – net	8	36,041,122	36,574,703
Due from a related party	19	183,691	186,148
Inventories – net	9	66,486,241	66,866,296
Prepayment and other current assets	10	4,391,914	4,594,889
		117,644,968	121,016,670
Non-current Assets			
Other financial asset at amortized cost – net of current portion	11	410,196	415,427
Property and equipment – net	12	40,876,389	42,764,263
Intangible assets – net	13	93,833,522	94,284,314
Right-of-use assets – net	14	87,519	97,745
Deferred tax assets	26	129,257	129,257
Other non-current assets	15	5,357,935	5,538,033
		140,694,818	143,229,039
TOTAL ASSETS		258,339,786	264,245,709
LIABILITIES AND STOCKHOLDERS' EQUITY			
L I A B I L I T I E S			
Current Liabilities			
Trade and other payables	16	13,274,288	16,891,348
Short-term loan	17	8,218,587	9,275,146
Long-term loans – current portion	17	16,068,209	19,944,463
Due to related parties	19	2,649,045	648,403
Lease liabilities – current portion	18	23,521	20,869
Income tax payable		47,146	129,625
		40,280,796	46,909,854
Non-current Liabilities			
Long-term loans – net of current portion	17	1,333,333	3,120,419
Lease liabilities – net of current portion	18	57,083	75,435
Retirement benefit obligation	24	2,553,898	2,623,077
Deferred tax liabilities	26	2,920,365	2,920,365
		6,864,679	8,739,296
TOTAL LIABILITIES		47,145,475	55,649,150
S T O C K H O L D E R S ' E Q U I T Y			
Common Stock	31	14,562,067	14,562,067
Preferred Stock	31	3,925,528	3,925,528
Additional Paid-in Capital	31	186,184,391	186,184,391
Equity Reserve	31	4,030,214	4,030,214
Remeasurement	24	825,727	288,687
Retained Earnings (Deficit)		1,666,384	(380,903)
Parent Company shares held by a subsidiary	31	-	(13,425)
TOTAL STOCKHOLDERS' EQUITY		211,194,311	208,596,559
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		258,339,786	264,245,709

(See Notes to Consolidated Financial Statements)

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2025, 2024 and 2023

(In US Dollars)

	NOTES	2025	2024	2023
REVENUE FROM CONTRACTS WITH				
CUSTOMERS	20	53,269,867	58,728,930	72,843,922
COST OF SALES	21	40,405,239	40,125,650	51,757,766
		12,864,628	18,603,280	21,086,156
OPERATING EXPENSES	22	(7,843,860)	(9,478,467)	(9,035,828)
FINANCE COSTS	17,18	(2,585,934)	(2,785,014)	(3,783,446)
FINANCE INCOME	7, 11	15,454	77,065	99,923
OTHER INCOME (EXPENSE) – net	25	(204,818)	(744,308)	834,367
PROFIT BEFORE TAX		2,245,470	5,672,556	9,201,172
INCOME TAX EXPENSE	26	198,183	553,683	603,412
PROFIT		2,047,287	5,118,873	8,597,760
OTHER COMPREHENSIVE INCOME (LOSS)				
ITEM THAT WILL NOT BE RECLASSIFIED				
SUBSEQUENTLY TO PROFIT OR LOSS:				
Remeasurement – net	24	537,040	22,344	(909,164)
TOTAL COMPREHENSIVE INCOME		2,584,327	5,141,217	7,688,596
Basic Earnings (Loss) per Share	27	0.0031	(0.0088)	(0.0036)

(See Notes to Consolidated Financial Statements)

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2025, 2024 and 2023

(In US Dollars)

							Other Comprehensive Income	Retained Earnings (Deficit)	shares held by a subsidiary	Total
	Notes	Common Stock	Preferred Stock	Stock Warrants	Additional Paid-in Capital	Equity Reserve	Remeasurement			
Balance, January 1, 2023	24,31	14,562,067	3,925,528	6,458,070	179,726,321	4,030,214	1,175,507	7,916,778	(13,097)	217,781,388
Profit								8,597,760		8,597,760
Other comprehensive loss	24						(909,164)			(909,164)
Cash dividends declared	31							(10,988,032)		(10,988,032)
Acquisition by a subsidiary of Parent Company's shares									(328)	(328)
Balance, December 31, 2023	24,31	14,562,067	3,925,528	6,458,070	179,726,321	4,030,214	266,343	5,526,506	(13,425)	214,481,624
Profit								5,118,873		5,118,873
Reclassification	31			(6,458,070)	6,458,070					-
Other comprehensive income	24						22,344			22,344
Cash dividends declared	31							(11,026,282)		(11,026,282)
Balance, December 31, 2024	24,31	14,562,067	3,925,528	-	186,184,391	4,030,214	288,687	(380,903)	(13,425)	208,596,559
Profit								2,047,287		2,047,287
Disposal by a subsidiary of Parent Company's shares									13,425	13,425
Other comprehensive income	24						537,040			537,040
Balance, December 31, 2025		14,562,067	3,925,528	-	186,184,391	4,030,214	825,727	1,666,384	-	211,194,311

(See Notes to Consolidated Financial Statements)

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2024, 2023 and 2022

(In US Dollars)

	NOTES	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		2,245,470	5,672,556	9,201,172
Adjustments for:				
Depreciation and amortization	21,22	7,345,551	7,274,493	7,971,529
Finance costs from loans	17	2,581,724	2,780,388	3,778,425
Net unrealized foreign exchange losses	25	675,303	1,066,206	212,952
Provision for inventory obsolescence	9,21	362,221	1,023,332	-
Retirement benefit costs	24	333,009	317,129	280,474
Finance costs on lease liabilities	18	4,210	4,626	5,021
Write-off of trade receivables	8,22	-	1,152,822	1,152,822
Loss on disposal of property and equipment	12,25	-	69,120	-
Finance income	7,11	(15,454)	(77,065)	(99,923)
Retirement gain	24,25	(98,830)	(103,616)	(1,026,226)
Operating cash flows before changes in working capital		13,433,204	19,179,991	21,476,246
Decrease (Increase) in operating assets:				
Trade and other receivables		533,581	(4,211,574)	1,947,975
Inventories		17,834	(8,451,328)	8,197,135
Prepayments and Other current assets		15,947	605,330	1,783,637
Other non current assets		180,098	336,708	4,442
Decrease in trade and other payables		(3,970,928)	(3,938,034)	(5,910,788)
Cash generated from operations		10,209,736	3,521,093	27,498,647
Finance income received	7,11	15,454	77,065	99,923
Retirement benefits paid	24	(52,605)	(237,042)	-
Contribution to plan assets	24	-	(98,299)	-
Income taxes paid		(280,662)	(539,740)	(770,444)
Net cash from operating activities		9,891,923	2,723,077	26,828,126
CASH FLOWS FROM INVESTING ACTIVITIES				
Collections of advances to a related party	19	2,457	8,198	-
Proceeds from sale of property and equipment	12	-	22,423	-
Acquisitions of:				
Product development costs	13	(1,879,944)	(1,105,024)	(1,101,774)
Property, plant and equipment	12	(3,116,715)	(173,862)	(1,017,914)
Net cash used in investing activities		(4,994,202)	(1,248,265)	(2,119,688)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from:				
Availment of short-term loan	17	4,085,583	2,585,583	14,739,352
Advances received from a related party	19	2,000,000	-	-
Acquisition by a subsidiary of Parent Company's shares	31	13,425	-	-
Availment of long-term loan	17	-	2,000,000	4,499,073
Payments of:				
Cash dividends	31	-	(11,026,282)	(11,114,987)
Disposal by a subsidiary of Parent Company's shares		-	-	(328)
Finance cost on lease liabilities	18	(4,210)	(4,626)	(5,021)
Lease liabilities	18	(15,700)	(123,527)	(139,542)
Finance costs on loans	17	(2,644,781)	(2,914,222)	(3,771,802)
Short-term loan	17	(5,087,593)	(6,777,868)	(29,738,873)
Long-term loan	17	(5,753,013)	(8,770,196)	(7,574,322)
Net cash used in financing activities		(7,406,289)	(25,031,138)	(33,106,450)
EFFECTS OF FOREIGN EXCHANGE RATE IN CASH AND CASH EQUIVALENTS	7	255,934	(351,916)	803,483
NET DECREASE IN CASH AND CASH EQUIVALENTS		(2,252,634)	(23,908,242)	(7,594,529)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		12,794,634	36,702,876	44,297,405
CASH AND CASH EQUIVALENTS AT END OF YEAR		10,542,000	12,794,634	36,702,876

(See Notes to Consolidated Financial Statements)

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2025 and 2024 and for each of the
Three Years then Ended December 31, 2025

1. CORPORATE INFORMATION AND STATUS OF OPERATION

Cirtek Holdings Philippines Corporation (TECH or the "Parent Company") was incorporated under the laws of the Republic of the Philippines on February 10, 2011. The principal activities of the Parent Company are to invest in, purchase or acquire personal property of every kind, including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities.

The Parent Company was listed in the Philippine Stock Exchange (PSE) on November 18, 2011.

Prior to the listing, the Parent Company had undergone a corporate re-organization on March 1, 2011 which includes an acquisition from Cirtek Holdings, Inc. (CHI) of 155,511,952 common shares of Cirtek Electronics Corporation (CEC), and 50,000 shares of Cirtek Electronics International Corporation (CEIC), representing 100% of the outstanding capital stock of both companies. The above transaction was treated as a business combination of entities under common control and was accounted for similar to pooling-of-interests method.

Camerton, Inc. is the immediate parent of TECH, while Carmetheus Holdings, Inc. is the ultimate parent of TECH and its subsidiaries (the "Group").

TECH, through its subsidiaries CEC and CEIC, is primarily engaged in two major activities: (1) the manufacture and sales of semiconductor packages as an independent subcontractor for outsourced semiconductor assembly, test and packaging services, and (2) the manufacture of value-added, highly integrated technology products. CEC provides turnkey solutions that include package design and development, wafer probing, wafer back grinding, assembly and packaging, final testing of semiconductor devices, and delivery and shipment to its customers' end users. CEIC sells integrated circuits principally in the United States of America, and assigns the production of the same to CEC. In 2014, CEIC acquired Remec Broadband Wireless Inc. (RBWI or REMEC), renamed as Cirtek Advanced Technologies and Solutions, Inc. (CATS), a manufacturer of valued-added, highly integrated technology products. CATS offers complete "box build" turnkey manufacturing solutions to radio frequency, microwave and millimeterwave products used in the wireless industry such as telecommunication, satellite, aerospace and defense, and automotive wireless devices.

Incorporation of Cirtek Corporation and Cirtek Cayman Ltd. (CCL, Merger Subsidiary)

Cirtek Corporation was incorporated on July 7, 2017 under the laws of Delaware, USA, to engage in lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware. Cirtek Corporation is a wholly-owned subsidiary of CEIC.

In the same period, CCL was incorporated in the Cayman Islands. CCL is a wholly-owned subsidiary of Cirtek Corporation and was merged with Quintel Cayman Ltd. (Quintel) in accordance with the Agreement and Plan of Merger ("Agreement") between the Parent Company and the previous stockholders of Quintel.

Acquisition of Quintel

On July 28, 2017, the Parent Company's Board of Directors (BOD), approved the acquisition of Quintel and its subsidiaries for \$83.2 million. Quintel is a leading innovator of spectrum and space-efficient base station antennas for wireless networks.

In accordance with the Agreement, CCL was merged with and into Quintel, with the latter surviving corporation. All outstanding shares, warrants, and stock options of the previous stockholders of Quintel were converted to a right to receive the consideration from TECH and Cirtex Corporation. As a result of the merger, each of CCL's one hundred (100) issued and outstanding shares shall be converted into and exchanged for one (1) validly issued, fully paid and non-assessable share of the surviving company. On the other hand, each of Quintel's issued and outstanding shares before the merger shall be cancelled and extinguished, and be converted automatically into the right to receive a portion of the purchase price.

The Group believes that Quintel's cutting edge research and development and product capabilities significantly add to and complement the Group's growing portfolio in wireless communication, and is aligned with its business focus on high-growth market segments. Furthermore, being the strategic manufacturing partner of Quintel products places the Group in a unique situation to achieve significant synergies through value engineering, research and development collaboration as well as cost reduction, resulting in high-quality, reliable and cost-competitive products.

On August 4, 2017, the Assistant Registrar of Companies for the Cayman Islands issued a Certificate of Merger stating that the companies have merged effective on said date.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Philippine Financial and Sustainability Reporting Standards Council (FSRSC) approved the issuance of new and revised Philippine Financial Reporting Standards (PFRS) Accounting Standards. The term "PFRS Accounting Standards" in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and Interpretations issued by the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the FSRSC and adopted by SEC.

These new and revised PFRS Accounting Standards prescribe new accounting recognition, measurement and disclosure requirements applicable to the Group. When applicable, the adoption of the new standards was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

2.01 New and Revised PFRS Accounting Standards Applied with No Material Effect on the Consolidated Financial Statements

The following new and revised PFRS Accounting Standards have been adopted in these consolidated financial statements. The application of these new and revised PFRS Accounting Standards has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to PAS 21, *Lack of Exchangeability*

The amendments contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The amendments cover the following areas:

- Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable if it can be exchanged for another currency through markets or mechanisms that establish enforceable rights and obligations without delay, while it is not exchangeable if an entity can only obtain a small amount of the other currency.
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency isn't exchangeable at a measurement date, an entity estimates the spot exchange rate as the rate that would have applied in an orderly transaction.
- Require the disclosure of additional information when a currency is not exchangeable - when a currency is not exchangeable, an entity discloses information to its consolidated financial statements, allowing users to assess its financial performance, position, and cash flows.

The amendments are effective to annual reporting periods beginning on or after January 1, 2025.

2.02 New and Revised PFRS Accounting Standards in Issue but Not Yet Effective

The Group will adopt the following standards and interpretations enumerated below when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended PFRS Accounting Standards, to have significant impact on the consolidated financial statements.

2.02.01 Standard Adopted by FSRSC and Approved by the Board of Accountancy (BOA)

- Amendments to PFRS 9 and PFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*

The amendments cover the following areas:

- Derecognition of a financial liability settled through electronic transfer – the amendments allow entities to discharge a financial liability settled in cash using an electronic payment system if specific criteria are met, and apply the derecognition option to all settlements made through the same system.

- Classification of financial assets:
 - Contractual terms that are consistent with a basic lending arrangement – the amendments outline how entities can evaluate whether contractual cash flows of a financial asset align with a basic lending arrangement, illustrating this through examples of financial assets with or without principal and interest payments.
 - Assets with non-recourse features – the term 'non-recourse' is enhanced, defining a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
 - Contractually linked instruments – the amendments clarify that not all transactions with multiple debt instruments meet classification criteria, and that instruments in the underlying pool can include financial instruments not covered by classification requirements.
- There are amendments in the required disclosure for financial assets and liabilities with contractual terms that reference a contingent event and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application of either all the amendments at the same time or only the amendments to the classification of financial assets is permitted.

An entity is required to apply the amendments retrospectively. An entity is not required to restate prior periods to reflect the application of the amendments, but may do so if, and only if, it is possible to do so without the use of hindsight.

- Annual Improvements to PFRS Accounting Standards - Volume 11

The International Accounting Standards Board (IASB) has published proposed narrow-scope amendments to PFRS Accounting Standards and accompanying guidance as part of its periodic maintenance of the Accounting Standards.

The proposed amendments included in the Exposure Draft *Annual Improvements to PFRS Accounting Standards—Volume 11* relate to:

- PFRS 1, *First-time Adoption of International Financial Reporting Standards, Hedge Accounting by a First-Time Adopter* – the amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of PFRS 1 and requirements for hedge accounting in PFRS 9, *Financial Instruments*.
- PFRS 7, *Financial Instruments: Disclosures*
 - Gain or Loss on Derecognition – the amendment addresses a potential confusion in paragraph B38 of PFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when PFRS 13, *Fair Value Measurement* was issued.
 - Disclosure of Deferred Difference Between Fair Value and Transaction Price – the amendment addresses an inconsistency between paragraph 28 of PFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of PFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.

- Introduction and Credit Risk Disclosures – the amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7 and by simplifying some explanations.
- PFRS 9, *Financial Instruments*
 - Lessee derecognition of lease liabilities – the amendment addresses a potential lack of clarity in the application of the requirements in PFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of PFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of PFRS 9.
 - Transaction price – the amendment addresses a potential confusion arising from a reference in Appendix A to PFRS 9 to the definition of 'transaction price' in PFRS 15, *Revenue from Contracts with Customers* while term 'transaction price' is used in particular paragraphs of PFRS 9 with a meaning that is not necessarily consistent with the definition of that term in PFRS 15.
- PFRS 10, *Consolidated Financial Statements, Determination of a 'de facto agent'* – the amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of PFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.
- PAS 7, *Statement of Cash Flows, Cost Method* – the amendment addresses a potential confusion in applying paragraph 37 of PAS 7 that arises from the use of the term 'cost method' that is no longer defined in PFRS Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026 with earlier application permitted.

- PFRS 17, *Insurance Contracts*

PFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. It requires an entity that issues insurance contracts to report them on the balance sheet as the total of the fulfilment cash flows and the contractual service margin. It requires an entity to provide information that distinguishes two ways insurers earn profits from insurance contracts: the insurance service result and the financial result. It requires an entity to report as insurance revenue the amount charged for insurance coverage when it is earned, rather than when the entity receives premium. It requires that insurance revenue to exclude the deposits that represent the investment of the policyholder, rather than an amount charged for services. Similarly, it requires the entity to present deposit repayments as settlements of liabilities rather than as insurance expense.

PFRS 17 is effective for annual periods beginning on or after January 1, 2027. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2030, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030. Early application is permitted for entities that apply PFRS 9, *Financial Instruments* and PFRS 15, *Revenue from Contracts with Customers* on or before the date of initial application of PFRS 17.

An entity shall apply PFRS 17 retrospectively unless impracticable, except that an entity is not required to present the quantitative information required by paragraph 28(f) of PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* and an entity shall not apply the option in paragraph B115 for periods before the date of initial application of PFRS 17. If, and only if, it is impracticable, an entity shall apply either the modified retrospective approach or the fair value approach.

- Amendments to PFRS 17, *Insurance Contracts*

The amendments cover the following areas:

- Insurance acquisition cash flows for renewals outside the contract boundary;
- Reinsurance contracts held—onerous underlying insurance contracts;
- Reinsurance contracts held—underlying insurance contracts with direct participation features; and
- Recognition of the contractual service margin in profit or loss in the general model.

The amendments are effective to annual reporting periods beginning on or after January 1, 2027. However, all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030.

- Amendment to PFRS 17, *Initial Application of PFRS 17 and PFRS 9—Comparative Information*

The amendment is a transition option relating to comparative information about financial assets presented on initial application of PFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and Insurance contract liabilities, and therefore improve the usefulness of comparative information for users of consolidated financial statements.

PFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after January 1, 2025. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2027, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030.

- PFRS 18, *Presentation and Disclosure in Consolidated Financial Statements*

PFRS 18 supersedes PAS 1, *Presentation and Disclosure in Consolidated Financial Statements*. This new standard is a result of IASB's Primary Consolidated Financial Statements project, which aimed at improving comparability and transparency of communication in consolidated financial statements.

While several sections from PAS 1, have been retained with minimal changes in wording, PFRS 18 introduces new requirements for the presentation and disclosures in consolidated financial statements.

The new requirements include:

- Improved comparability in the statement of profit or loss (income statement);
- Enhanced transparency of management-defined performance measures; and

- More useful grouping of information in the consolidated financial statements.

Retrospective application is required in both annual and interim consolidated financial statements. PFRS 18 is effective beginning on or after January 1, 2027, with early application permitted.

- PFRS 19, *Subsidiaries without Public Accountability: Disclosures*

PFRS 19 allows eligible entities to provide reduced disclosures compared to the requirements in other PFRS Accounting Standards. Entities that elect PFRS 19 are still required to apply the recognition, measurement and presentation requirements of other PFRS Accounting Standards.

An entity may elect to apply the PFRS 19 if at the end of reporting period:

- It is a subsidiary as defined in PFRS 10, *Consolidated Financial Statements*;
- It does not have public accountability; and
- It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with PFRS Accounting Standards.

An eligible entity (including an intermediate parent) can apply PFRS 19 in its consolidated, separate or individual financial statements. PFRS 19 is applicable for both annual and interim reporting.

PFRS 19 is effective beginning on or after January 1, 2027, with early application permitted.

3. BASIS FOR THE PREPARATION AND PRESENTATION OF CONDOLIDATED FINANCIAL STATEMENTS

3.01 Statement of Compliance

The consolidated financial statements have been prepared in conformity with PFRS Accounting Standards and are under the historical cost convention, except for certain financial instruments that are carried at amortized cost, inventories carried at lower of cost or net realizable value.

3.02 Functional and Presentation Currency

Items included in the consolidated financial statements of the Group are measured using United States Dollar (\$), the currency of the primary economic environment in which the Group operates (the “functional currency”).

The Group chose to present its consolidated financial statements using its functional currency.

3.03 Basis of Consolidation

The consolidated financial statements comprise of the financial statements of the Parent Company and its subsidiaries as of December 31, 2025 and 2024:

	Country of Incorporation	Functional Currency	Percentage of Ownership			
			2025		2024	
			Direct	Indirect	Direct	Indirect
CEC	Philippines	USD	100%		100%	
CEIC	BVI	USD	100%		100%	
CATSI	BVI	USD		100%		100%
CATSI – Philippine Branch	Philippines	USD		100%		100%
RBWRP	Philippines	USD		100%		100%
	United States of America					
Cirtek Corporation	America	USD		100%		100%
Quintel	Cayman Islands	USD		100%		100%
	United States of America					
Quintel USA	America	USD		100%		100%

The consolidated financial statements incorporate the financial statements of the Parent Company and the entities controlled by the Parent Company (its subsidiaries) up to December 31 of each year. Control is achieved when the Parent Company has exposure or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over an investee. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one (1) or more of the three (3) elements of control. Subsidiaries are consolidated from the date when control is transferred to the Parent Company and ceases to be consolidated from the date when control is transferred out of the Parent Company.

At acquisition, the assets and liabilities and the contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the profit and loss in the period of acquisition.

Goodwill is initially measured at cost, being the excess of the aggregate of fair value of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Inter-group balances and transactions, including inter-group profits and unrealized profits and losses, are eliminated. When necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used in line with those used by the Group. All inter-group transactions, balances, income and expenses are eliminated during consolidation.

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 a deficit balance.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Parent Company and are presented in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from the Group's equity attributable to equity holders of the Parent Company.

A change in the ownership interest of a subsidiary, without a loss of control is accounted for as an equity transaction.

Upon the loss of control, the Group derecognizes the assets and liabilities of the former subsidiary from the consolidated statement of financial position. The Group recognizes any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant PFRS Accounting Standards. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with PFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. The Group recognizes the gain or loss associated with the loss of control attributable to the former controlling interest.

3.04 Current and Non-Current Presentation

The Group classifies an asset as current when:

- It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- It holds the asset primarily for the purpose of trading;
- It expects to realize the asset within twelve (12) months after the reporting period; or
- The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

The Group classifies all other assets as non-current.

The Group classifies a liability as current when:

- It expects to settle the liability in its normal operating cycle;
- It holds the liability primarily for the purpose of trading;
- The liability is due to be settled within twelve (12) months after the reporting period; or
- It does not have an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

4. MATERIAL ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Group in the preparation of its consolidated financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Business Combination

Business combination is a transaction or event in which an acquirer obtains control of one or more businesses. The Group accounts for each business combination by applying the acquisition method in accordance with PFRS 3. The Group elects to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as of the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group as an acquirer shall report in its consolidated financial statements provisional amounts for the items for which the accounting is incomplete.

During the measurement period, the Group as an acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about the facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, the Group as an acquirer shall also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the Group as an acquirer receives information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration that is classified as an asset or liability that is a financial instrument and within the scope of PFRS 9 is measured at fair value with changes in fair value recognized either in profit or loss or other comprehensive income. If the contingent consideration is not within the scope of PFRS 9, it is measured in accordance with the appropriate PFRS Accounting Standards. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

The Group recognizes goodwill as of the acquisition date as the excess of (a) and over (b) below:

- a) The aggregate of:
 - i. The consideration transferred, which is generally measured at acquisition-date fair value;
 - ii. The amount of any non-controlling interest in the acquiree; and
 - iii. In a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.
- b) The net of the acquisition-date amounts the identifiable assets acquired and the liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

Common control combination is a business combination wherein the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. This means that the same party or parties have the ultimate control over the combining entities or businesses both before and after the business combination.

The Group applied pooling of interest method in accounting for common control business combinations. The assets and liabilities of the acquired entities and that of the Group are reflected at their carrying values at the stand-alone financial statements of the investee companies. The difference in the amount recognized and the fair value of the consideration given is accounted for as an equity transaction, i.e., as either a contribution or distribution of equity. Furthermore, when a subsidiary is disposed in a common control transaction without loss of control, the difference in the amount recognized and the fair value of consideration received is also accounted for as an equity transaction.

The Group records the difference as equity reserve and is presented as a separate component of equity in the consolidated statements of financial position. Comparatives shall be restated to include balances and transactions as if the entities have been acquired at the beginning of the earliest period presented in the consolidated financial statements, regardless of the actual date of the combination.

4.02 Segment Information

An operating segment is a component of the Group: (a) that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the Group; (b) whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

The Group reports separately, information about an operating segment that meets any of the following quantitative thresholds: (a) its reported revenue, including both sales to external customers and inter-segment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments, provided that; (b) the absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount, of the combined reported profit of all operating segments that did not report a loss and the combined reported loss of all operating segments that reported a loss; and (c) its assets are 10% or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if management believes that information about the segment would be useful to users of the consolidated financial statements.

For management purposes, the Group is currently organized into three (3) business segments: CEC, CATSI - Philippine Branch and Quintel. These divisions are the basis on which the Group reports its primary segment information.

4.03 Financial Assets

4.03.01 Initial Recognition and Measurement

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

The Group measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At initial recognition, the Group measures receivables that do not have a significant financing component at their transaction price.

4.03.02 Classification

➤ Financial Asset at Amortized Cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortized costs include cash in banks, cash equivalents, trade and other receivables, due from a related party, loans to employees and security deposits presented under 'prepayment and other current assets', other financial assets at amortized cost, rental deposits, loans to employees and miscellaneous deposits presented under 'other non-current assets'.

a) Cash in Banks and Cash Equivalents

Cash in banks are deposits held at call with banks that are subject to insignificant risk of change in value. This shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities of three (3) months or less from the date of acquisition and that are subject to insignificant risk of changes in value. This shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

b) Receivables

Receivables include trade and other receivables, due from a related party, rental deposits, loans to employees and security deposits. These are measured at amortized cost using the effective interest method, less any impairment. Finance income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Group has no financial assets measured at fair value either through profit or loss or other comprehensive income.

4.03.03 Effective Interest Method

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets and financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired.

4.03.04 Impairment

The Group shall measure expected losses of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable assumption that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Group adopted the following approaches in accounting for impairment.

➤ General Approach

The Group applied the general approach to cash in banks, cash equivalents, other receivables, due from a related party, rental deposits, security deposits, other financial assets at amortized cost, loans to employees and miscellaneous deposit. At each reporting date, the Group measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. However, if the credit risk has not increased significantly, the Group measures the loss allowance equal to 12-month expected credit losses.

The Group compares the risk of default occurring as at the reporting date with the risk of default occurring as at the date of initial recognition and consider the macro-economic factors such as GDP, interest, and inflation rates, the performance of the counterparties' industry, and the available financial information of each counterparty to determine whether there is a significant increase in credit risk or not since initial recognition.

The Group determines that there has been a significant increase in credit risk when there is a significant decline in the factors.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition because the financial instrument is determined to have low credit risk at the reporting date.

The Group does not apply the 30 days past due rebuttable presumption because the Group determines that there have been no significant increases in credit risk even the amounts are past due for more than 30 days.

If the Group has measured the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date, that the credit quality improves (i.e. there is no longer a significant increase in credit risk since initial recognition), then the Group shall measure the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date.

The Group recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

The Group performs the assessment of significant increases in credit risk on an individual basis.

The Group does not apply the 90 days past due rebuttable presumption in determining whether a financial asset is credit-impaired or not since based on the Group's historical experience and aging schedules, past due amounts even over 90 days are still collectible.

The Group determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty; and
- A breach of contract, such as a default or past due event.
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

➤ **Simplified Approach**

The Group always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. The Group determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

4.03.05 Derecognition

The Group derecognizes a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition. The difference between the carrying amount and the consideration received is recognized in profit or loss.

4.03.06 Write-off

The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

4.04 Inventories

Inventories includes raw materials, spare parts and other materials which are stated at the lower of cost or net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are determined using first-in, first-out (FIFO) method. For finished goods and work-in-process, costs are determined on a standard cost basis. Standard costs take into account normal levels of materials and supplies, labor, efficiency and capacity utilization. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

When the net realizable value of the inventories is lower than the cost, the Group provides for an allowance for the decline in the value of the inventory and recognizes the write-down as an expense in the statements of comprehensive income. The amount of reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

When inventories are used in operation or sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

4.05 Advances to Suppliers

Advances to suppliers represents down payments for production materials that are still to be delivered. These are initially recorded as asset and will be subsequently reclassified to appropriate account once delivery is made.

Advances to suppliers are classified in the consolidated statements of financial position as current assets when the expenses related to advances to suppliers are expected to be incurred within one (1) year or the Group's normal operating cycle whichever is longer. Otherwise, advances to suppliers are classified as non-current asset.

4.06 Property and Equipment

Property and equipment are initially measured at cost. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Subsequent to initial recognition, property and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

Major spare parts and stand-by equipment qualify as property and equipment when the Group expects to use them during more than one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property and equipment, they are accounted for as property and equipment.

Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

Buildings and improvements	5 to 25 years
Machinery and equipment	10 to 15 years
Facility and production tools	5 to 8 years
Furniture, fixtures and equipment	2 to 5 years
Transportation equipment	5 to 7 years

Construction in progress is a property under construction and development which is initially measured at cost. Cost includes construction costs, professional fees, taxes and licenses and other expenses which are directly related with the construction of the project. Subsequently, upon completion, this will form part of property and equipment and will be measured at cost less accumulated depreciation and accumulated impairment losses.

The residual value, useful lives and depreciation method of the Group's property and equipment is reviewed, and adjusted prospectively if appropriate, if there is an indication of a change since the last reporting date.

An item of property and equipment is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of a property and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss.

4.07 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is recognized in profit or loss in the year in which the expenditure is incurred.

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

Intangible asset with finite life is amortized over its economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at each reporting date. 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 expense on intangible assets with finite lives is recognized in profit or loss.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit (CGU) level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the assessment can be supported. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

The Group recognizes an intangible asset acquired in a business combination if it is identifiable and distinguishable from goodwill. The Group considers an intangible asset is identifiable if:

- it is separable, i.e., there is evidence of exchange transactions for the asset or an asset of a similar type, even if those transactions are infrequent and regardless of whether the Group is involved in those transactions; or
- it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations ("contract legal" criterion).

The Group's intangible assets recognized from business combination pertain to customer relationships, trademark and technology costs. Trademark and customer relationships are estimated to have an indefinite useful life, and will be subject to yearly impairment testing. The Group estimates that technology costs will have an economic life of five (5) years.

4.07.01 Research and Development Costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit, which is estimated to be five (5) to ten (10) years. Amortization is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

4.08 Impairment of Assets

At each reporting date, the Group assesses whether there is any indication that any of its assets other than inventories, deferred tax assets, and financial assets that are within the scope of PFRS 9, *Financial Instruments*, may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income.

4.09 Borrowing Costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.10 Financial Liabilities

4.10.01 Initial Recognition and Measurement

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

At initial recognition, the Group measures a financial liability at its fair value minus, in the case of financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the liability.

4.10.02 Classification

The Group classifies all financial liabilities as subsequently measured at amortized, except for:

- financial liabilities at fair value through profit or loss;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in a business combination.

The Group's financial liabilities at amortized cost pertain to trade and other payables (excluding provisions and statutory payables), short-term loans, long-term loans, lease liabilities and due to related parties.

The Group does not have financial liabilities at fair value through profit or loss in both years.

4.10.03 Derecognition

The Group removes a financial liability (or part of a financial liability) from its consolidated statements of financial position when, and only when, it is extinguished (i.e. when the obligation in the contract is discharged or cancelled or expired).

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4.11 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct costs.

Common shares, preferred shares and stock warrants are classified as equity.

4.12 Employee Benefits

4.12.01 Short-term Employee Benefits

The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term employee benefits given by the Group to its employees include salaries, wages and labor costs, and other employee benefits.

4.12.02 Defined Benefit Plans

CEC and CATS are covered by a noncontributory defined benefit retirement plan. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The cost of providing benefits under the defined benefit plans is actuarially determined using the Projected Unit Credit Method (PUCM).

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting date.

Defined benefit costs comprise the following:

- Service costs
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods. These are retained in other comprehensive income until full settlement of the obligation.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. The fair value of plan assets is based on market price information.

When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value and when, and only when reimbursement is virtually certain.

4.12.03 Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

The Group has a defined contribution plan covering substantially all employees of Quintel USA and Quintel Technology, Inc.

4.13 Provisions

Provisions are recognized when the Group has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.13.01 Warranties

Provisions for the expected cost for warranty obligations under local sale of goods legislation are recognized at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.

4.14 Revenue Recognition

The Group recognizes revenue when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

4.14.01 Performance Obligations Satisfied at a Point in Time

Revenue from sale of goods is recognized at a point in time when the goods have been transferred to the customer (i.e. upon delivery). The Group's normal credit term is 30 to 120 days upon delivery. Discounts, returns and other allowances are not significant to the Group. The Group considers indicators of the transfer of control, which include, but are not limited to, the following:

- The Group has a present right to payment for the asset.
- The Group has transferred physical possession of the asset.

- The customer has accepted the asset.

The Group's revenue encompasses sale of semiconductor packages and solid-state devices.

4.15 Expense Recognition

Expense encompasses losses as well as those expenses that arise in the course of the ordinary activities of the Group.

The Group recognizes expenses in the consolidated statements of comprehensive income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

4.16 Foreign Currency Transactions

In preparing the consolidated financial statements of the Group, transactions in currencies other than the Group's functional currency, i.e. foreign currencies, are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise.

4.17 Related Parties and Related Party Transactions

A related party is a person or entity that is related to the Group that is preparing its consolidated financial statements. A person or a close member of that person's family is related to Group if that person has control or joint control over the Group, has significant influence over the Group, or is a member of the key management personnel of the Group.

An entity is related to the Group if any of the following conditions applies:

- The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- The entity is controlled or jointly controlled by a person identified above.
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- Management entity providing key management personnel services to a reporting entity.

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the Group and include that person's children and spouse or domestic partner; children of that person's spouse or domestic partner; and dependents of that person or that person's spouse or domestic partner.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

4.18 Taxation

Income tax expense represents the sum of current and deferred taxes.

4.18.01 Current Tax

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4.18.02 Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognized for taxable temporary differences. Deferred tax assets arising from deductible temporary differences are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4.18.03 Current and Deferred Taxes for the Period

Current and deferred taxes are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss, whether in other comprehensive income or directly in equity, in which case the tax is also recognized outside profit or loss.

4.18.04 Final Tax on Dividend

When an entity pays dividends to its shareholders, it may be required to pay a portion of the dividends to taxation authorities on behalf of shareholders. In many jurisdictions, this amount is referred to as a withholding tax. Such an amount paid or payable to taxation authorities is charged to equity as a part of the dividends.

4.19 Earnings per Share

The Group computes its basic earnings per share by dividing net income or loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the period.

4.20 Events after the Reporting Period

The Group identifies subsequent events as events that occurred after the reporting period but before the date when the consolidated financial statements were authorized for issue. Any subsequent events that provide additional information about the Group's position at the reporting period, adjusting events, are reflected in the consolidated financial statements, while subsequent events that do not require adjustments, non-adjusting events, are disclosed in the notes to consolidated financial statements when material.

4.21 Changes in Accounting Policies

The adoption of the new and revised standards and interpretations disclosed in Notes 2.01, was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

In the application of the Group's accounting policies, which are described in Note 4, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in consolidated financial statements.

5.01.01 Functional Currency

The following factors are considered by the Parent Company in determining the functional currency of a foreign operation, and whether its functional currency is the same as that of the reporting entity:

- a. whether the activities of the foreign operation are carried out as an extension of the reporting entity, rather than being carried out with a significant degree of autonomy. An example of the former is when the foreign operation only sells goods imported from the reporting entity and remits the proceeds to it. An example of the latter is when the operation accumulates cash and other monetary items, incurs expenses, generates income and arranges borrowings, all substantially in its local currency.
- b. whether transactions with the reporting entity are a high or a low proportion of the foreign operation's activities.
- c. whether cash flows from the activities of the foreign operation directly affect the cash flows of the reporting entity and are readily available for remittance to it.
- d. whether cash flows from the activities of the foreign operation are sufficient to service existing and normally expected debt obligations without funds being made available by the reporting entity.

The Group determines its functional currency based on the economic substance of the underlying circumstances relevant to them. The US Dollar (\$) is the currency that most faithfully represent the primary economic environment in which the Group operates and it is the currency that mainly influences the underlying transactions, events and conditions relevant to the Group. Hence, Management believes that US Dollar (\$) is the Group's functional currency since it represents the economic substance relevant to the Group.

5.01.02 Assessment of Contractual Terms of a Financial Asset

The Group determines whether the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In making its judgments, the Group considers whether the cash flows before and after the changes in timing or in the amount of payments represent only payments of principal and interest on the principal amount outstanding.

Management assessed that the contractual terms of its financial assets are solely payments of principal and interest and consistent with the basic lending arrangement. As of December 31, 2025 and 2024, the aggregate amounts of the aforementioned assets amounted to \$48,696,046 and \$51,659,132, respectively, as disclosed in Note 29.01.

5.01.03 Assessment on the Bifurcation of Embedded Derivative

The Group determines whether the embedded derivative component of the Group's Note Facility Agreement (NFA) should be modified in relation to changes in a variable, such as an interest rate, commodity price, credit rating, or foreign exchange rate.

The Group assessed that the embedded derivative in the NFA is closely related to the host contract, thus was not bifurcated from the host contract based on the provisions of PFRS 9. As of December 31, 2025 and 2024, carrying amounts of NFA long-term loans amounted to \$15,000,000 and \$18,510,327, respectively, as disclosed in Note 17.

5.01.04 Assessment of 30 days Rebuttable Presumption

The Company determines when a significant increase in credit risks occurs on its financial assets based on the credit management practice of the Company.

Management believes that the 30 days rebuttable presumption on determining whether credit risk has increased significantly or not is not applicable since based on the Group's historical experience credit risk has not increased significantly even if collections are more than 30 days past due.

5.01.05 Assessment of 90 days Rebuttable Presumption

The Group determines when a default occurs on its financial assets based on the credit management practice of the Group.

Management believes that the 90 days rebuttable presumption on determining whether financial assets are credit impaired or not is not applicable because based on the Group's historical experience and aging schedule, past due amounts even over 90 days are still collectible.

5.01.06 Assessment of Timing of Satisfaction of Performance Obligations

An entity satisfies a performance obligation by transferring control of a promised good or service to the customer, which could occur over time or at a point in time.

Management assessed that the performance obligation is satisfied at point in time from the sale of its semiconductor and solid-state devices. This is when there is a present right to payments of goods, transfer of physical possession of goods and acceptance of the same by its customers.

In 2025, 2024 and 2023, revenue recognized from such sale amounted to \$53,269,867, \$58,728,930 and \$72,843,922, respectively, as disclosed in Note 20.

5.01.07 Assessment of the Allocation of Transaction Price to Performance Obligations

A performance obligation is a vendor's promise to transfer a good or service that is 'distinct' from other goods and services identified in the contract.

Management assessed that allocation of transaction price is not applicable since the only obligation identified is the sale of semiconductor and solid-state devices.

5.01.08 Determining Whether or not a Contract Contains a Lease

Management assessed that its lease agreements as disclosed in Note 23 qualified as a lease since the contract contains an identified asset, the Group has the right to obtain substantially all of the economic benefits, and the Group has the right to direct the use of the identified asset throughout the period of use.

5.01.09 Determining whether or not it is Reasonably Certain that an Extension Option will be Exercised and Termination Option will be Exercised

Lease term is the non-cancellable period for which the Group has the right to use an underlying asset including optional periods when the Group is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term and the enforceability of the option. The option to extend the lease term should be included in the lease term if it is reasonably certain that the lessee will exercise the option and the option is enforceable. The Group is required to reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.

In both years, Management assessed that the lease term should only include the non-cancellable period since the option to extend is not enforceable under the Philippine laws.

5.01.10 Assessment of Classification of Spare Parts, Stand-by Equipment and Servicing Equipment as Property and Equipment or Inventory

The Group determines whether spare parts, stand-by equipment and servicing equipment qualifies as property and equipment or inventory. In making its judgments, the Group considers whether spare parts, stand-by equipment and servicing equipment are held for use in the production or supply of good and services, for rental to others or for administrative purposes and are expected to be used during more than one period or assets which are held for sale in the ordinary course of business, in the process of production of such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services. Spare parts, stand-by equipment and servicing equipment are classified as property and equipment if they are held for use in the production or supply of good and services, for rental to others or for administrative purposes and are expected to be used during more than one period. Spare parts, stand-by equipment and servicing equipment are classified as inventory if they are held for sale in the ordinary course of business, in the process of production of such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services. Whether spare parts, stand-by equipment and servicing equipment are property and equipment or inventory depend on the substance of the transaction rather than the form of the contract.

As of December 31, 2025 and 2024, Management assessed that the spare parts and others amounting to \$3,189,909 and \$3,040,297, respectively, qualify as inventories since these are being used in producing the Group's finished goods inventory, as disclosed in Note 9.

5.01.11 Uniform Accounting Policies

Consolidated financial statements are prepared under line-by-line basis for consolidation. Full amount of subsidiaries' accounts, irrespective of the percentage of ownership, are combined with those of the Group on a line-by-line bases by adding together similar or like items of assets, liabilities, revenues and expenses. Application of line-by-line basis for consolidation requires judgment in determining that the Parent and its subsidiaries have uniform accounting policy for like transactions and events in similar circumstances between the Parent and the subsidiaries. While the Group regularly conducts review of the subsidiaries' accounting policy to ensure the uniformity in accounting policy, there would be instances that the policy over these transactions would be different from that of the Parent. In the event that significant differences in the accounting policy for a given transaction exist between the Parent and its subsidiaries, the Parent makes appropriate adjustment in the financial statements of the subsidiary to conform to the Group's policy for the purpose of consolidation.

The consolidated financial statements are prepared under PFRS. Management assessed that the accounting policies of the Parent and its subsidiaries are substantially similar for like transactions and events, thus, no adjustment has been made in the consolidated financial statements.

5.01.12 Assessment of Control

The Group determines whether an entity qualifies as a subsidiary when it has control over an entity. The Group controls an entity when it has the three elements of control as disclosed in Note 4. In making its judgments, the Group considers all facts and circumstances when assessing control over an investee.

A reassessment of control is conducted when there are changes to one or more of the three (3) elements of control. Any changes from at least one of the elements would result to lose or gain of control over an entity.

The Group having one hundred percent (100%) ownership and voting interest, assessed that it has control over all of its subsidiaries since it has power over the subsidiaries, exposure or rights to variable returns from its involvement and ability to use its power to affect the component of its returns.

5.01.13 Aggregation of Operating Segments

In accordance with the provisions of PFRS 8, *Operating Segments*, the Group's reporting segment is based on the management approach with regard to the segment identification, under which information regularly provided to the chief operating decision maker for decision-making purposes is considered as decisive. The segments are also evaluated under the management approach.

The Group reports its segment based on the operating entities. The Management identifies its operating segments as generally based on nature and location of its customers. The Group has three (3) reportable segments: CEC, CATSI- Philippine Branch and Quintel. The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of net trading gains (losses), other income, equity in net earnings, operating expenses and income tax.

5.01.14 Assessment of the Capitalization of Product Development Cost

Product development cost pertain to the capitalized cost of developing certain packages or products for specific customers. Management believes that it is probable that future economic benefits that are attributable to product development cost will flow to the entity and the cost of the asset can be measured reliably, thus, met the requirements of PAS 38, *Intangible Assets*, for capitalization.

As of December 31, 2025 and 2024, carrying amounts of product development cost amounted to \$7,083,065 and \$7,533,857, respectively, as disclosed in Note 13.

5.02 Key Sources of Estimation Uncertainties

The following are the key assumptions concerning the future, and other key sources of estimated uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5.02.01 Estimating Expected Credit Losses of Financial Assets

The Group evaluates the expected credit losses related to its financial assets based on an individual assessment and available facts and circumstances, including, but not limited to historical loss experience and current and forecast macro-economic information.

The Group uses credit ratings, performance of banking industry, macro-economic and bank's financial information to assess the expected credit losses on its bank deposits. In view of the foregoing factors, Management believes that the expected credit loss is nil.

The Group uses historical experience and current and forecast macro-economic information to assess the expected credit losses on its trade and other receivables. In view of the foregoing factors, Management believes that the allowance for expected credit loss on trade and other receivables is \$741,012 as of December 31, 2025 and 2024, as disclosed in Notes 8 and 29.

As of December 31, 2025 and 2024, the Group's financial assets measured at amortized cost amounted to \$48,696,046 and \$51,659,132, respectively, as disclosed in Note 29.

5.02.02 Estimating Inventories at Net Realizable Values

Net realizable values of inventories are assessed regularly based on the prevailing selling prices of inventories less estimated costs to sell. The Group recognizes expense and provides allowance for decline in value of inventories whenever net realizable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes on price levels or other causes. Inventory items identified to be obsolete and unusable is written off and charged against allowance account. Increase in the net realizable values will increase the carrying amount through reduction of allowance for decline but only to the extent of original acquisition cost.

In 2025, 2024 and 2023, the Group recognized provision for inventory obsolescence amounting to \$362,221, \$1,024,332 and nil, respectively, as disclosed in Notes 9 and 21. As of December 31, 2025 and 2024, carrying amount of the Group's inventories amounted to \$66,486,241 and \$66,866,296, respectively, as disclosed in Note 9.

5.02.03 Reviewing Residual Values, Useful Lives and Depreciation Method of Property and Equipment

The residual values, useful lives and depreciation method of the Group's property and equipment are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change in, how an asset is used; significant unexpected wear and tear; technological advancement; and changes in market prices since the most recent annual reporting date. The useful lives of the Group's assets are estimated based on the period over which the assets are expected to be available for use. In determining the useful life of an asset, the Group considers the expected usage, expected physical wear and tear, technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output and legal or other limits on the use of the Group's assets. In addition, the estimation of the useful lives is based on Group's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets.

The Group uses a depreciation method that reflects the pattern in which it expects to consume the asset's future economic benefits. If there is an indication that there has been a significant change in the pattern used by which a Group expects to consume an asset's future economic benefits, the Group shall review its present depreciation method and, if current expectations differ, it shall change the depreciation method to reflect the new pattern.

In both years, Management assessed that there are no indications that there has been a significant change in the pattern used by the Group to consume assets' future economic benefits. As of December 31, 2025 and 2024, the carrying amount of depreciable property and equipment amounted to \$40,529,690 and \$42,417,564, respectively, as disclosed in Note 12.

5.02.04 Reviewing Residual Values, Useful Lives and Amortization Method of Product Development Costs and Technology Costs

The residual values, useful lives and amortization method of the Group's intangible assets are reviewed at least annually, and adjusted prospectively if appropriate, if there is an indication of a significant change in, how an asset is used; technological advancement; and changes in market prices since the most recent annual reporting date. Amortization begins when the intangible assets are available for use, i.e. when it is in the location and condition necessary for it to be usable in the manner intended by management. Amortization ceases when the asset is derecognized. The Group uses a straight-line method of amortization since it cannot determine reliably the pattern in which it expects to consume the asset's future economic benefits.

In both years, Management assessed that there were no significant changes on the estimates since the most recent annual reporting period. As of December 31, 2025 and 2024, the carrying value of product development costs and technology costs amounted to \$7,083,065 and \$7,533,857, respectively, as disclosed in Note 13.

5.02.05 Asset Impairment

The Group performs an impairment review when certain impairment indicators are present. Determining the fair value of prepayment and other current assets (except security deposits and loans to employees), property and equipment, ROU assets, intangible assets, and advances to suppliers and others presented under 'other non-current assets', which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements.

In assessing value in use, the estimated future cash flows shall be discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Group believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS Accounting Standards.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit (CGU) (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which goodwill has been allocated, an impairment loss is recognized immediately in the consolidated statements of comprehensive income. Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods. The Group performs its annual impairment test of goodwill at the reporting date.

The recoverable amounts of the CGUs have been determined based on value-in-use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The discount rates applied to cash flow projection is 10% in 2025, 2024 and 2023, and cash flows beyond the five (5) year-period was extrapolated using a steady growth rate of 3%-15% in all years.

Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount of the CGU to exceed its recoverable amount.

No impairment losses were recognized for goodwill, customer relationships and trademark for the years ended December 31, 2025 and 2024.

In both years, Management believes that there is no indication of impairment in the value of prepayment and other current assets (except security deposits and loans to employees), property and equipment, ROU assets, intangible assets, and advances to suppliers and others presented under 'other non-current assets'. As of December 31, 2025 and 2024, the aggregate carrying amounts of the foregoing assets amounted to \$143,028,007 and \$145,590,788, respectively, as disclosed in Notes 10, 12, 13, 14 and 15.

5.02.06 Post-employment Benefits

The determination of the retirement obligation and cost and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rates, mortality of plan members and rates of compensation increase. In accordance with PFRS Accounting Standards, actual results that differ from the assumptions and the effects of changes in actuarial assumptions are recognized directly as remeasurements in other comprehensive income. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension and other retirement obligations.

For the years ended December 31, 2025, 2024 and 2023, retirement benefits expense amounted to \$333,009, \$317,129 and \$280,474, respectively, as disclosed in Note 24. Retirement benefit obligation amounted to \$2,553,898 and \$2,623,077 as of December 31, 2025 and 2024, respectively, as disclosed in Note 24. Remeasurement losses (gains) amounted to \$(537,040), \$22,344 and \$909,164, in 2025, 2024, and 2023, respectively, as disclosed in Note 24.

5.02.07 Deferred Tax Assets

The Group reviews the carrying amount at reporting date and reduces deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized prior to its expiration. The Group has recognized deferred tax assets which pertains to retirement benefit obligations amounting to \$129,257 as of December 31, 2025 and 2024, as disclosed in Note 26.

Further, as of December 31, 2025 and 2024, the Group has also recognized deferred tax assets on NOLCO and accrued expenses recognized in business combination amounting to \$4,284,056.

Moreover, as of December 31, 2025 and 2024, the Group's NOLCO and MCIT for which no deferred taxes have been recognized, as disclosed in Note 26, are as follows:

	2025	2024
NOLCO	\$ 48,566,946	\$ 56,971,554
MCIT	5,181	4,864

Management believes that it may not be probable that sufficient future taxable profit will be available against which the deferred tax assets can be utilized.

5.02.08 Estimating the Appropriate Discount Rate to Use

The Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or if not, the Group uses the incremental borrowing rate.

Management used its incremental borrowing rate of 5.0% to 5.5% to measure the present value of its lease liabilities since the implicit rate was not readily available.

6. SEGMENT INFORMATION

Financial information on the Group's business segments as of and for the years ended December 31, 2025, 2024 and 2023 are presented below. The amounts disclosed were determined consistent with the measurement basis under PFRS Accounting Standards.

Revenue from contracts with customers for the year ended December 31, 2025 are as follows:

	CEC	CATSI -Philippine Branch	Quintel	Eliminations and Consolidation Adjustments	Consolidated
Discrete	\$ 8,981,292	\$ -	\$ -	\$ -	\$ 8,981,292
Integrated circuits	7,199,575	-	-	-	7,199,575
Dual and quad flat no-leads	6,911,046	-	-	-	6,911,046
Analog	-	6,198,875	-	-	6,198,875
6 port antennas	-	-	5,661,990	-	5,661,990
Hermetics	4,766,282	-	-	-	4,766,282
Multichips	4,360,254	-	-	-	4,360,254
New product	-	-	3,511,323	-	3,511,323
Microwave Network Inc.	-	2,895,802	-	-	2,895,802
Remec manufacturing services	-	704,042	-	-	704,042
Cougar	-	465,447	-	-	465,447
16 port antennas	-	-	264,015	-	264,015
Brackets	-	-	258,699	-	258,699
12 port antennas	-	-	192,754	-	192,754
NRE additional charging costs	-	140,386	-	-	140,386
Indoor radio frequency unit	-	87,155	-	-	87,155
Bridgewave	-	24,307	-	-	24,307
10 port antennas	-	-	6,617	-	6,617
Outdoor unit	-	610	-	-	610
Others	-	93,258	546,138	-	639,396
Total	\$ 32,218,449	\$ 10,609,882	\$ 10,441,536	\$ -	\$ 53,269,867

	CEC	CATSI -Philippine Branch	Quintel	Eliminations and Consolidation Adjustments	Consolidated
Segment depreciation and amortization	\$ 6,192,275	\$ 1,115,521	\$ 37,755	\$ -	\$ 7,345,551
Segment interest income	2,470	12,984	-	-	15,454
Segment interest expense	2,486,309	-	99,625	-	2,585,934
Segment profit (loss) before income tax	2,741,961	1,114,062	(1,610,553)	-	2,245,470
Segment provision for income tax	81,830	69,747	46,606	-	198,183
Segment profit (loss) after income tax	\$ 2,660,131	\$ 1,044,315	\$ (1,657,159)	\$ -	\$ 2,047,287

Other financial information of the operating segments as of December 31, 2025 is as follows:

	CEC	CATSI -Philippine Branch	Quintel	Eliminations and Consolidation Adjustments	Consolidated
Assets					
Current assets	\$ 345,567,405	\$ 54,857,410	\$ 7,305,059	\$ (290,084,906)	\$ 117,644,968
Non-current assets	127,804,161	20,418,400	3,684,322	(11,212,065)	140,694,818
	\$ 473,371,566	\$ 75,275,810	\$ 10,989,381	\$ (301,296,971)	\$ 258,339,786
Liabilities					
Current liabilities	\$ 165,113,246	\$ 60,263,060	\$ 21,817,236	\$ (206,912,746)	\$ 40,280,796
Non-current liabilities	3,627,449	-	-	3,237,230	6,864,679
	\$ 168,740,695	\$ 60,263,060	\$ 21,817,236	\$ (203,675,516)	\$ 47,145,475

Revenue from contracts with customers for the year ended December 31, 2024 are as follows:

	CEC	CATSI -Philippine Branch	Quintel	Eliminations and Consolidation Adjustments	Consolidated
Discrete	\$ 6,154,007	\$ -	\$ -	\$ -	\$ 6,154,007
Integrated circuits	6,228,588	-	-	-	6,228,588
Dual and quad flat no-leads	5,928,586	-	-	-	5,928,586
Analog	-	5,157,802	-	-	5,157,802
6 port antennas	-	210,627	11,107,398	-	11,318,025
Hermetics	5,164,021	-	-	-	5,164,021
Multichips	4,054,304	-	-	-	4,054,304
New product	-	-	7,220,214	-	7,220,214
Microwave Network Inc.	-	2,388,779	-	-	2,388,779
Remec manufacturing services	-	832,396	-	-	832,396
Cougar	-	358,790	-	-	358,790
8 port antennas	-	-	772,705	-	772,705
Brackets	-	-	897,079	-	897,079
12 port antennas	-	69	240,163	-	240,232
NRE additional charging costs	-	382,526	-	-	382,526
Indoor radio frequency unit	-	198,957	-	-	198,957
Bridgewave	-	4,119	-	-	4,119
10 port antennas	-	-	46,240	-	46,240
Outdoor unit	-	22,758	-	-	22,758
16 port antennas	-	183,795	27,063	-	210,858
Others	-	198,684	949,260	-	1,147,944
Total	\$ 27,529,506	\$ 9,939,302	\$ 21,260,122	\$ -	\$ 58,728,930

	CEC	CATSI -Philippine Branch	Quintel	Eliminations and Consolidation Adjustments	Consolidated
Segment depreciation and amortization	\$ 5,938,937	\$ 1,289,332	\$ 46,224	\$ -	\$ 7,274,493
Segment interest income	63,705	13,041	319	-	77,065
Segment interest expense	2,647,599	-	137,415	-	2,785,014
Segment profit before income tax	18,194,721	3,208,931	268,904	(16,000,000)	5,672,556
Segment provision for income tax	406,071	125,905	21,707	-	553,683
Segment profit after income tax	\$ 17,788,650	\$ 3,083,026	\$ 247,197	\$ (16,000,000)	\$ 5,118,873

Other financial information of the operating segments as of December 31, 2024 is as follows:

	CEC	CATSI -Philippine Branch	Quintel	Eliminations and Consolidation Adjustments	Consolidated
Assets					
Current assets	\$ 346,623,490	\$ 53,088,780	\$ 12,997,034	\$ (291,692,634)	\$ 121,016,670
Non-current assets	129,239,910	21,201,081	4,128,657	(11,340,609)	143,229,039
	\$ 475,863,400	\$ 74,289,861	\$ 17,125,691	\$ (303,033,243)	\$ 264,245,709
Liabilities					
Current liabilities	\$ 169,013,160	\$ 60,107,475	\$ 26,296,389	\$ (208,520,476)	\$ 46,896,548
Non-current liabilities	5,630,491	-	-	3,122,111	8,752,602
	\$ 174,643,651	\$ 60,107,475	\$ 26,296,389	\$ (205,398,365)	\$ 55,649,150

Revenue from contracts with customers for the year ended December 31, 2023 are as follows:

	CEC	CATSI -Philippine Branch	Quintel	Eliminations and Consolidation Adjustments	Consolidated
Discrete	\$ 7,654,784	\$ -	\$ -	\$ -	\$ 7,654,784
Integrated circuits	11,772,411	-	-	-	11,772,411
Dual and quad flat no-leads	6,566,077	-	-	-	6,566,077
Analog	-	4,832,708	-	-	4,832,708
6 port antennas	-	1,214,075	6,398,829	-	7,612,904
Hermetics	4,017,340	-	-	-	4,017,340
Multichips	6,005,384	-	-	-	6,005,384
New product	-	-	7,979,465	-	7,979,465
Microwave Network Inc.	-	1,883,274	-	-	1,883,274
Remec manufacturing services	-	1,576,991	-	-	1,576,991
Cougar	-	480,901	-	-	480,901
8 port antennas	-	1,006,590	1,016,495	-	2,023,085
Brackets	-	-	1,128,122	-	1,128,122
12 port antennas	-	2,425,769	21,067	-	2,446,836
NRE additional charging costs	-	261,206	-	-	261,206
Indoor radio frequency unit	-	87,544	-	-	87,544
Bridgewave	-	1,972	-	-	1,972
10 port antennas	-	543,624	54,979	-	598,603
Outdoor unit	-	46,654	-	-	46,654
16 port antennas	-	1,977,935	-	-	1,977,935
14 port antennas	-	274,405	-	-	274,405
Others	-	2,950,015	665,306	-	3,615,321
Total	\$ 36,015,996	\$ 19,563,663	\$ 17,264,263	\$ -	\$ 72,843,922

	CEC	CATSI -Philippine Branch	Quintel	Eliminations and Consolidation Adjustments	Consolidated
Segment depreciation and amortization	\$ 6,505,081	\$ 1,411,638	\$ 54,810	\$ -	\$ 7,971,529
Segment interest income	86,274	13,343	306	-	99,923
Segment interest expense	3,551,585	-	231,861	-	3,783,446
Segment profit before income tax	34,241,509	5,874,071	85,592	(31,000,000)	9,201,172
Segment provision for income tax	268,823	284,621	49,968	-	603,412
Segment profit after income tax	\$ 33,972,686	\$ 5,589,450	\$ 35,624	\$ (31,000,000)	\$ 8,597,760

Other financial information of the operating segments as of December 31, 2023 is as follows:

	CEC	CATSI -Philippine Branch	Quintel	Eliminations and Consolidation Adjustments	Consolidated
Assets					
Current assets	\$ 357,787,305	\$ 54,561,437	\$ 6,223,873	\$ (283,679,977)	\$ 134,892,638
Non-current assets	133,578,171	22,907,691	4,806,826	(11,426,826)	149,865,862
	\$ 491,365,476	\$ 77,469,128	\$ 11,030,699	\$ (295,106,803)	\$ 284,758,500
Liabilities					
Current liabilities	\$ 160,720,192	\$ 63,080,882	\$ 20,448,594	\$ (200,293,759)	\$ 43,955,909
Non-current liabilities	23,390,498	-	-	2,930,469	26,320,967
	\$ 184,110,690	\$ 63,080,882	\$ 20,448,594	\$ (197,363,290)	\$ 70,276,876

Inter-segment revenues, cost of sales, and operating expenses are eliminated on consolidation.

The Group's external customers are located in various countries, with the bulk of revenues contributed by customers located in Europe and the USA. Following shows the distribution of external customers by revenue contribution (amounts in thousands):

		2025		2024		2023
USA	\$	22,944	\$	35,971	\$	32,248
Europe		13,082		10,567		13,542
Asia		17,244		12,191		27,054
	\$	53,270	\$	58,729	\$	72,844

7. CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statements of cash flows, cash and cash equivalents include cash on hand, cash in banks and cash equivalents.

Cash and cash equivalents at the end of the reporting periods as shown in the consolidated statements of cash flows can be reconciled to the related items in the consolidated statements of financial position as follows:

		2025		2024
Cash on hand	\$	235	\$	236
Cash in banks		10,512,349		12,765,717
Cash equivalents		29,416		28,681
	\$	10,542,000	\$	12,794,634

Cash in banks earn interest at prevailing deposit rates. Cash equivalents earn 3.50% in both years.

Aggregate finance income earned and received amounted to \$2,982, \$64,275 and \$87,079 in 2025, 2024 and 2023, respectively.

In 2025, 2024 and 2023 unrealized foreign exchange gains (loss) recognized amounted to \$255,934, \$(351,916) and \$803,483, respectively.

8. TRADE AND OTHER RECEIVABLES – net

The Group's trade and other receivables are as follows:

		2025		2024
Trade	\$	28,304,632	\$	30,861,181
Allowance for expected credit losses (Note 29)		(741,012)		(741,012)
		27,563,620		30,120,169
Others		8,477,502		6,454,534
	\$	36,041,122	\$	36,574,703

Trade receivables are non-interest bearing and are generally on 30 to 120 days terms.

In 2025 and 2024, Quintel USA entered into an agreement whereby it could sell receivables due from a certain customer to a financial institution. In 2025 and 2024, the Group sold its receivables amounting to nil and \$13.5 million, respectively. Sale of receivables under this arrangement convey all rights to the financial institution without recourse at a discount of LIBOR plus 1.05%. Quintel USA incurred discounting fees and charges amounting to nil and \$70,336, pertaining to this arrangement in 2025, and 2024, respectively.

Aging of receivables that are past due but not impaired are as follows:

	2025	2024
0 to 30 days	\$ 1,931,813	\$ 1,262,033
31 to 60 days	1,401,289	1,490,128
61 to 90 days	1,214,982	1,014,797
More than 91 days	5,828,341	5,594,617
	\$ 10,376,425	\$ 9,361,575

One of the customers of the Group filed for bankruptcy in 2023, hence, trade receivable amounting to nil, \$1,152,822 and \$1,152,822 were written off in 2025, 2024 and 2023, as disclosed in Note 22.

Others include non-trade receivable from suppliers which are expected to be collected within one (1) year.

9. INVENTORIES – net

Details of the Group's inventories are as follows:

	2025	2024
Raw materials	\$ 51,743,585	\$ 49,516,594
Finished goods	9,073,780	11,722,242
Supplies and others	4,047,288	3,936,557
Spare parts and others	3,189,909	3,040,297
Work-in-process	613,232	469,938
	68,667,794	68,685,628
Allowance for inventory obsolescence	(2,181,553)	(1,819,332)
	\$ 66,486,241	\$ 66,866,296

The cost of inventories charged to expenses amounted to \$19,269,955, \$20,479,556, and \$31,586,219, in 2025, 2024 and 2023, respectively, as disclosed in Note 21.

Movements of allowance for inventory obsolescence are as follows:

	2025	2024
Balance, January 1	\$ 1,819,332	\$ 795,000
Provision for inventory obsolescence (Note 21)	362,221	1,024,332
	\$ 2,181,553	\$ 1,819,332

Inventories are expected to be recovered within one (1) year from the reporting dates.

10. PREPAYMENT AND OTHER CURRENT ASSETS

The details of the Group's prepayment and other current assets are shown below:

	2025	2024
Prepaid expenses	\$ 97,342	\$ 98,335
Advances to suppliers	3,983,969	4,079,963
Loans to employees	244,517	336,660
Security deposits	45,818	45,818
Others	20,268	34,113
	\$ 4,391,914	\$ 4,594,889

Advances to suppliers pertain mainly to down payments for production materials and services that are still to be delivered.

11. OTHER FINANCIAL ASSETS AT AMORTIZED COST

Other financial assets at amortized cost pertains to government bonds amounting to \$410,196 and \$415,427 as of December 31, 2025 and 2024, respectively.

On April 22, 2021, the Group acquired government bonds amounting to \$478,876 which will mature on February 24, 2028. The government bonds were purchased in compliance with the requirement for foreign corporations doing business in the Philippines to deposit with SEC securities worth at least \$8,909 or ₱500,000 and additional securities with market values equivalent to a certain percentage of the amount of Branch's gross income exceeds \$178,190 or ₱10,000,000. Effective interest rates per annum amounts to 3.57% in both years.

Finance income earned and received from the government bonds amounted to \$12,472, \$12,790 and \$12,844 in 2025, 2024 and 2023, respectively.

12. PROPERTY AND EQUIPMENT – net

The carrying amounts of the Group's property and equipment are as follows:

	Machinery and Equipment		Building and Improvements		Facility and Production Tools		Furniture, Fixtures, and Equipment		Transportation Equipment		Construction in Progress		Total
January 1, 2024													
Cost	\$	92,655,749	\$	9,387,572	\$	16,726,946	\$	1,912,433	\$	184,360	\$	346,699	\$ 121,213,759
Accumulated depreciation		(50,447,364)		(8,545,973)		(11,927,454)		(1,846,111)		(162,452)		-	(72,929,354)
Carrying amount		42,208,385		841,599		4,799,492		66,322		21,908		346,699	48,284,405
Movements during 2024													
Balance, January 1, 2024		42,208,385		841,599		4,799,492		66,322		21,908		346,699	48,284,405
Additions				-		158,374		15,488				-	173,862
Depreciation (Notes 21 and 22)		(3,726,829)		(409,647)		(1,242,782)		(53,753)		(10,301)		-	(5,443,312)
Disposal													
Cost		(778,020)		-		-		-		(84,696)		-	(862,716)
Accumulated depreciation		527,328		-		-		-		84,696		-	612,024
Balance, December 31, 2024		38,230,864		431,952		3,715,084		28,057		11,607		346,699	42,764,263
December 31, 2024													
Cost		91,877,729		9,387,572		16,885,320		1,927,921		99,664		346,699	120,524,905
Accumulated depreciation		(53,646,865)		(8,955,620)		(13,170,236)		(1,899,864)		(88,057)		-	(77,760,642)
Carrying amount		38,230,864		431,952		3,715,084		28,057		11,607		346,699	42,764,263
Movements during 2025													
Balance, January 1, 2025		38,230,864		431,952		3,715,084		28,057		11,607		346,699	42,764,263
Additions		500,000		2,412,000		184,226		20,489		-		-	3,116,715
Depreciation (Notes 21 and 22)		(3,527,343)		(389,577)		(1,037,597)		(43,348)		(6,724)		-	(5,004,589)
Disposal													
Cost		(2,134)		-		-		-		-		-	(2,134)
Accumulated depreciation		2,134		-		-		-		-		-	2,134
Balance, December 31, 2025		35,203,521		2,454,375		2,861,713		5,198		4,883		346,699	40,876,389
December 31, 2025													
Cost		92,375,595		11,799,572		17,069,546		1,948,410		99,664		346,699	123,639,486
Accumulated depreciation		(57,172,074)		(9,345,197)		(14,207,833)		(1,943,212)		(94,781)		-	(82,763,097)
Carrying amount	\$	35,203,521	\$	2,454,375	\$	2,861,713	\$	5,198	\$	4,883	\$	346,699	40,876,389

Additions in 2025, 2024 and 2023 amounting to \$3,116,715, \$173,862, and \$1,017,914, respectively, were all paid in cash.

In 2024, disposals include credit sale of equipment with carrying amount of \$250,692 for consideration of \$159,149 which resulted to a loss of \$91,543, as disclosed in Note 25.

In 2024, fully depreciated transportation equipment with original cost of \$84,696 was sold with proceeds amounting to \$22,423. The same amount was recognized as a gain, as disclosed in Note 25.

In 2025, the Group disposed of fully depreciated equipment with original cost of \$2,134. No gain or loss was recognized from the disposal.

In 2025, 2024 and 2023, depreciation amounted to \$5,004,589, \$5,443,312 and \$5,808,705, respectively, as disclosed in Notes 21 and 22.

Construction in progress pertains to the construction of Building 3 – Phase 2 which will cater additional capacity for the Group which was put on hold due to pandemic-related circumstances. The Group expect to continue the construction in 2026.

As of December 31, 2025 and 2024, fully depreciated assets with original cost of \$3,451,363, are still in use in the operations.

In both years, the Group determined that there is no indication that impairment occurred on its of property and equipment.

13. INTANGIBLE ASSETS – net

The carrying amounts of the Group’s intangible assets are as follows:

	2025	2024
Goodwill	\$ 55,541,157	\$ 55,541,157
Customer relationships	23,736,500	23,736,500
Trademark	7,472,800	7,472,800
Product development costs	7,083,065	7,533,857
	\$ 93,833,522	\$ 94,284,314

Goodwill

The goodwill acquired through business combination is only attributable to the Quintel business. As a result of the Quintel acquisition, the Group recognized goodwill amounting to \$55,541,157 as of December 31, 2025 and 2024.

Customer Relationships

Customer relationship represent Quintel’s established relationships with two of the largest telecon companies in the United States. Such relationships are deemed valuable given the length of their relationships (from as far back as 2008) and the difficulty in establishing connections. Management strongly believes that the relationships with their current customers will drive Quintel’s business in the long run.

The fair value of customer relationships is determined based on the discounted excess earnings, which is the difference between the post-tax cash flows attributable to the sales made to Quintel's current customers and the contributory asset charges used to generate the cash flows (i.e., multi-period excess earnings method). Customer relationships are estimated to have an indefinite useful life, and will be subject to yearly impairment testing.

Technology Costs

Technology costs with original cost of \$5,874,600 were fully amortized as of December 31, 2025 and 2024. The fair values of the Quintel's technology costs and trademark were determined based on discounted notional royalty savings after tax plus discounted tax amortization benefit resulting from the amortization of the required assets (i.e., relief from royalty method).

Trademark

Trademark is estimated to have an indefinite useful life.

The Group has determined that there is no indication that an impairment loss has occurred on its technology and trademark.

Product Development Cost

Movements of product development cost are as follows:

	2025	2024
Carrying amount		
Cost	\$ 14,500,114	\$ 14,638,758
Accumulated amortization	(6,966,257)	(6,489,852)
	7,533,857	8,148,906
Movements during the year		
Balance, January 1	7,533,857	8,148,906
Additions	1,879,944	1,105,024
Amortization (Notes 21)	(2,330,736)	(1,720,073)
Disposal		
Cost	-	(1,243,668)
Accumulated amortization	-	1,243,668
Balance, December 31	7,083,065	7,533,857
Carrying amount		
Cost	16,380,058	14,500,114
Accumulated depreciation	(9,296,993)	(6,966,257)
	\$ 7,083,065	\$ 7,533,857

Product development cost pertain to the capitalized cost of developing certain packages or products for the specific customers. The development cost met the requirements of PAS 38 for capitalization.

Additions in all years were paid in cash. Remaining useful lives of product development cost ranges from five (5) to ten (10) years as of December 31, 2025 and 2024.

The Group has determined that there is no indication that an impairment loss has occurred on its product development cost.

Software

As of December 31, 2025 and 2024, CEC has software with a total cost of \$39,278 which are fully amortized but are still used for in operations.

Impairment Testing of Goodwill, Customer Relationship and Trademark

Goodwill acquired through business combinations has been allocated to only one (1) CGU, which is the Group's Quintel business. The recoverable amount of CGU has been determined based on value-in-use calculations using cash flows projections from financial budgets covering a five-year period.

Key assumptions with respect to the calculation of value-in-use of the CGU as of December 31, 2025 and 2024 used by management in its cash flow projections to undertake impairment testing of goodwill are as follows:

	2025	2024
Discount rate	10%	10%
Terminal growth rate	1.5%	1.5%
Revenue growth rates	3%-15%	3%-15%

- Discount rate represents the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group's Quintel business, derived from weighted average cost of capital (WACC). The WACC takes into account both the cost of debt and equity. The cost of equity is calculated using the Capital Asset Pricing Model (CAPM).
- Terminal growth rate is the sustainable growth rate computed based on Quintel's comparable.
- Revenue growth rates are based on the most recent value achieved in the year preceding the start of the budget period, and adjusted for planned efficiency improvement, if any.

Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount of the CGU to exceed its recoverable amount.

No impairment losses were recognized for goodwill, customer relationships and trademark for the years ended December 31, 2025 and 2024.

14. RIGHT-OF-USE ASSETS – net

The details of the Group's ROU assets are as follows:

	2025	2024
January 1		
Cost	\$ 832,633	\$ 832,633
Accumulated depreciation	(734,888)	(623,780)
Carrying amount	97,745	208,853
Movements during the year		
Balance, January 1	97,745	208,853
Depreciation (Notes 21 and 22)	(10,226)	(111,108)
Carrying amount	87,519	97,745
December 31		
Cost	832,633	832,633
Accumulated depreciation	(745,114)	(734,888)
Carrying amount	\$ 87,519	\$ 97,745

As of December 31, 2025 and 2024, lease liabilities related to ROU assets amounted to \$80,604 and \$96,304, respectively, as disclosed in Note 18.

In both years, the Group determined that there is no indication that impairment occurred on its right-of-use assets.

15. OTHER NON-CURRENT ASSETS

Below is the composition of the Group's other non-current assets:

	2025	2024
Advances to suppliers	\$ 3,976,521	\$ 4,027,197
Rental deposits (Note 23)	1,071,863	1,086,200
Miscellaneous deposits	157,074	219,778
Others	152,477	204,858
	\$ 5,357,935	\$ 5,538,033

Advances to suppliers pertain to down payments for the acquisition of software and building expansion.

In 2025, 2024 and 2023 unrealized foreign exchange gain (loss) amounted to \$192,259, \$177,442 and \$(30,654), respectively.

Miscellaneous deposits pertain to refundable deposits with MERALCO for the installation of CEC's electrical meters and bill deposit equivalent to one (1) month energy consumption.

16. TRADE AND OTHER PAYABLES

The components of trade and other payables account are as follows:

	2025	2024
Trade	\$ 10,042,142	\$ 12,635,078
Accruals	2,637,241	3,640,738
Provisions	351,039	347,463
Statutory payables	243,866	268,069
	\$ 13,274,288	\$ 16,891,348

Trade payables are noninterest-bearing and are generally on 60 to 90 days terms.

Accruals comprise mainly of amounts accrued for payroll, utilities, communication, security, shuttle services and professional services. Accruals also include accrued finance cost amounting to \$111,661, \$264,391 and \$398,225 as of December 31, 2025, 2024 and 2023, respectively, as disclosed in Note 17.

Provisions pertain to the Group's estimate of the cost to repair or replace defective products in accordance with agreed specifications and potential liability for legal and other claims.

The movements in the provisions are as follows:

	2025	2024
Balance at January 1	\$ 347,463	\$ 626,248
Adjustments (Note 25)	3,576	(278,785)
Balance at December 31	\$ 351,039	\$ 347,463

17. LOANS PAYABLE

The Group's borrowings pertain to bank short-term and long-term loans.

	Current	Non-current	Total
December 31, 2025			
Short-term loans (Note 17.01)	\$ 8,218,587	\$ -	\$ 8,218,587
Long-term loans (Note 17.02)	16,068,209	1,333,333	17,401,542
	\$ 24,286,796	\$ 1,333,333	\$ 25,620,129
December 31, 2024			
Short-term loans (Note 17.01)	\$ 9,275,146	\$ -	\$ 9,275,146
Long-term loans (Note 17.02)	19,944,463	3,120,419	23,064,882
	\$ 29,219,609	\$ 3,120,419	\$ 32,340,028

17.01 Short-term Loans

Details of short-term loans are as follows:

	2025	2024
Bank loans		
Rizal Commercial Banking Corporation (RCBC)	\$ -	\$ 1,574,322
Land Bank of the Philippines (LBP)	2,891,648	3,815,241
Shinhan Bank – Manila Branch	800,000	1,300,000
Chang Hwa Bank (CHB)	1,125,000	-
Amalgamated Investment Bancorporation	3,401,939	2,585,583
	\$ 8,218,587	\$ 9,275,146

Movements of the short-term loans are as follows:

	2025	2024	2023
Balance at January 1	\$ 9,275,146	\$ 13,550,797	\$ 28,472,196
Proceeds from avilment of loan	4,085,583	2,585,583	14,739,352
Unrealized foreign exchange gain (loss)	(54,549)	(83,366)	78,122
Loan repayments	(5,087,593)	(6,777,868)	(29,738,873)
Balance at December 31	\$ 8,218,587	\$ 9,275,146	\$ 13,550,797

In 2025, 2024 and 2023, finance costs incurred and paid on short-term loans amounted to \$1,222,154, \$1,305,782 and \$1,528,593, respectively.

In both years, the Group is not required to maintain ratios to comply with the requirements of short-term loans.

The Group is in compliance with the debt covenants as of December 31, 2025 and 2024.

17.01.01 Bank Loans

Terms and conditions of short-term loans are as follows:

- Revolving loan facilities with RCBC, which have payment terms of 150 to 360 days, unsecured and charged interest of 4.75% to 7.912% in both years.
- Revolving loan facilities with LBP have payment terms of 180 days. The facilities charged interest of 9% per annum in both years.
- Loan agreement with Shinhan Bank – Manila Branch is unsecured, payable in one (1) year and has a fixed rate of 4.8% per annum. In 2021, the term of loan was extended until August 30, 2022 with interest of 3.75% per annum. In 2022, the term of loan was extended until August 30, 2023 with interest rate of 4.50% per annum. In 2023, the loan term was extended until November 30, 2024 with interest rate of 7.82% per annum. In 2024, the loan term was extended until August 30, 2025 with interest rate of 6.87% per annum.
- CHB granted a loan facility with the Group in 2025 amounting to \$1,500,000 with floating interest rate subject to quarterly repricing. Interest is payable on the last day of each interest period. The loan agreement is guaranteed by a related party.

17.01.02 Amalgamated Investment Bancorporation (AIB)

On December 26, 2024, the Group entered into a loan agreement AIB amounting to \$2,585,583 with a loan term of thirty-one (31) days with an interest rate of 10% per annum. In 2025, the Group availed additional short-term loans with AIB amounting to \$2,585,583. The Group paid a sum of \$1,714,678 and nil in 2025 and 2024, respectively. As of December 31, 2025 and 2024, short-term loan with AIB amounted to \$3,401,939 and \$2,585,583, respectively.

17.01.03 Philippine Commercial Capital Inc.

In 2023, the Group entered into various short-term loan agreements with an aggregate amount of \$14,684,975, loan terms ranging from 45 days to 344 days, unsecured with interest rates ranging from 5.51% to 8.45%. Payments to this loan in 2025, 2024 and 2023 amounted to nil, \$1,169,760 and \$13,515,215, respectively.

17.01.04 Commercial Paper

The Securities and Exchange Commission (the "Commission") has approved on February 19, 2020 the Company's Amended Registration of up to Two Billion Pesos (P2,000,000,000) or \$39,401,103 worth of Commercial Paper (CP), which is listed on the Philippine Dealing and Exchange Corp. on February 20, 2020. The Commission has subsequently issued a Certificate of Permit to Offer Securities for Sale authorizing the sale and distribution of the aforesaid securities. The CPs may be issued in lump-sum or in tranches and shall have an interest rate fixed prior to the issuance. The succeeding tranches, if any, shall be issued within three (3) years from the date of effectivity of the subject Amended Registration Statement.

The initial issuance of Series A, B and C will carry discount rates of 5.332%, 5.582%, and 5.832%, respectively, calculated on a true-discount basis. The initial issuance will have the following tenors: 91 days, 182 days, and 364 days for Series A, B and C, respectively. Multinational Investment Bancorporation as a Sole Arranger and Lead Underwriter.

On May 29, 2020, listing of re-issued CP maturing on February 18, 2021 amounted to P275,000,000 or \$5,421,176.

On July 15, 2020, listing of re-issued CP maturing on February 18, 2021 amounted to P494,000,000 or \$9,892,861.

On September 1, 2020, listing of reissued CP maturing on February 18, 2021 amounted to P545,200,000 or \$11,245,179.

The issuance of Series D and E will carry discount rates of 4.000% and 4.250%, respectively, calculated on a true-discount basis having the following tenors of 182 days and 364 days, respectively. Philippine Commercial Capital as a Sole Arranger and Lead Underwriter.

On April 28, 2021, listing of re-issued CP maturing on April 28, 2023 amounted to P1,000,000,000 or \$20,643,414.

The issuance of Series F and G will carry discount rates of 6.887% and 7.770%, respectively, calculated on a true-discount basis having the following tenors of 182 days and 364 days, respectively. Philippine Commercial Capital as a Sole Arranger and Lead Underwriter.

On December 6, 2022, listing of re-issued CP maturing June 6, 2023 amounted to P293,800,000 or \$5,235,210.

Also, on December 6, 2022, listing of re-issued CP maturing December 5, 2023 amounted to P304,600,000 or \$5,427,655.

17.02 Long-term Loans

Summary of long-term loans are as follows:

	Current	Non-current	Total
December 31, 2025			
2018 NFA (Note 17.02.01)	\$ 15,000,000	\$ -	\$ 15,000,000
KEB Hanah Bank Manila			
(Note 17.02.02)	1,068,209	-	1,068,209
First Commercial Bank., Ltd.			
(Note 17.02.03)	-	1,333,333	1,333,333
	\$ 16,068,209	\$ 1,333,333	\$ 17,401,542
December 31, 2024			
2018 NFA (Note 17.02.01)	\$ 18,510,327	\$ -	\$ 18,510,327
KEB Hanah Bank Manila			
(Note 17.02.02)	1,434,136	1,120,419	2,554,555
First Commercial Bank., Ltd.			
(Note 17.02.03)	-	2,000,000	2,000,000
	\$ 19,944,463	\$ 3,120,419	\$ 23,064,882

In 2025, 2024 and 2023, finance costs incurred on long-term loans amounted to \$1,359,570, \$1,474,606 and \$3,264,925, respectively.

As of December 31, 2025 and 2024, accrued finance cost amounted to \$111,661 and \$264,391, respectively, as disclosed in Note 16. In 2025, 2024 and 2023, finance cost paid amounted to \$1,422,627, \$1,608,440 and \$2,243,209, respectively.

In 2025, 2024 and 2023, availments of long-term loans amounted to nil, \$2,000,000 and \$4,499,073, respectively, while payment of long-term loans amounted to \$5,753,013, \$8,770,196 and \$7,574,322, respectively.

17.02.01 2018 NFA

Movements of 2018 NFA are as follows:

	2025	2024	2023
Balance at January 1	\$ 18,510,327	\$ 25,657,461	\$ 32,822,749
Loan repayments	(3,600,000)	(7,200,000)	(7,200,000)
Change in deferred finance cost	89,673	52,866	34,712
Balance at December 31	\$ 15,000,000	\$ 18,510,327	\$ 25,657,461

On April 12, 2018, the Group entered into a \$40,000,000 NFA with Bank of Philippine Islands and Rizal Commercial Banking Corporation (each a "Noteholder" and collectively, the "Noteholders"), RCBC Trust and Investments Group (Facility and Paying Agent) and RCBC Capital Corporation (Issue Manager). The NFA provided for the conversion of the outstanding balance of the Parent Company's short-term bridge loan facilities with the Noteholders amounting \$20,000,000 each Noteholder into long term credit facilities. The NFA provided for the issuance of 7-year fixed rate corporate note which bears interest of 6.25% per annum payable quarterly. The net proceeds from the issuance of the Notes shall be used to refinance the bridge loan facilities used to acquire the 100% ownership of Quintel Cayman.

Under the NFA, the Group shall pay the 30% of the loan outstanding on issue date in 24 equal consecutive quarterly commencing at the end of the 1st year until the end of the 28th quarter from the issue date. The remaining 70% of the loan outstanding on issue date shall be paid in a single balloon payment at maturity date.

The NFA contained an embedded derivative arising from voluntary prepayment option where the Group may redeem, in whole or in part, equivalent to an amount less than and in multiples of \$5,000,000 on any interest payment date beginning on the first anniversary of the issue date, by paying a prepayment penalty equivalent to 2% of the principal amount of the Notes being redeemed, together with any and all accrued interest up to the date of redemption at the applicable rate and any related breakage costs (calculated from such non-interest payment date to the immediately succeeding interest payment date) actually incurred by the relevant Noteholders, if the redemption was made on a non-interest payment date. The prepayment penalty shall not apply if the redemption is due to: (i) interest costs or (ii) illegality.

The Group assessed that the embedded derivative in the NFA is closely related to the host contract, thus was not bifurcated from the host contract based on the provisions of PFRS 9.

In accordance with the NFA, the following financial ratios must be maintained:

- Debt to equity ratio shall not, at any time, exceed 70:30;
- Debt service coverage ratio shall not, as of relevant testing date, be less than 1.15; and
- Current ratio shall not, at any time, be less than 1.10.

Equity is defined in the agreement as the aggregate of outstanding capital stock, additional paid-in capital stock, equity reserve and retained earnings at any date and as shown in the latest consolidated balance sheet of the Group. Debt, on the other hand, is defined in the agreement as the aggregate of all obligations (whether actual or contingent) of the Group to pay or repay money.

Debt service ratio is defined in the agreement as the result obtained by dividing (i) earnings before deducting interest expense, income tax, depreciation and amortization (EBITDA) and (ii) the amount of debt service. Debt service, on the other hand, is defined in the agreement as the aggregate of all payments for: (a) interest and principal payments due under the Agreement in the next twelve (12) months; (b) the principal and interest payments due in the next twelve (12) months of all interest-bearing debt with tenor of more than twelve (12) months, and (c) netting obligations of the Issuer due in the next twelve (12) months under permitted hedging arrangements, if applicable.

The carrying amounts of the loan from the 2018 NFA amounted to \$15,000,000 and \$18,510,327 as of December 31, 2025 and 2024, respectively.

The loan is due in 2025, however, the Group requested for loan extension until 2026.

17.02.02 KEB Hana Bank Manila

On August 7, 2023, the Group entered into a loan agreement with KEB Hana Bank Manila amounting to \$4,499,073 with a loan term of three (3) years with an interest rate of 8% per annum, payable quarterly. The Group made loan repayment amounting to \$1,486,346, \$1,570,195 and \$374,323 in 2025, 2024 and 2023, respectively. As of December 31, 2025 and 2024, loans from KEB Hana Bank amounted to \$1,068,209 and \$2,554,555, respectively.

17.02.03 First Commercial Bank., Ltd.

On October 9, 2024, the Group entered into a loan agreement with First Commercial Bank., Ltd. amounting to \$2,000,000 with a loan term of three (3) years with an interest rate of 6.5% per annum, payable quarterly. The Group partially paid the principal amounting to \$666,667 and nil in 2025 and 2024, respectively. As of December 31, 2025 and 2024, loans from First Commercial Bank amounted to \$1,333,333 and \$2,000,000, respectively.

18. LEASE LIABILITIES

The Group, as lessee, entered into leasing arrangements with its related parties as disclosed in Note 23. The following are the amounts of lease liabilities:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2025	2024	2025	2024
Not later than one (1) year	\$ 34,709	\$ 34,501	\$ 23,521	\$ 20,869
Later than one (1) year but not later than five (5) years	66,652	86,770	57,083	75,435
	101,361	121,271	80,604	96,304
Discount	(20,757)	(24,967)	-	-
Present value of minimum lease payments	80,604	96,304	80,604	96,304
Current lease liabilities	23,521	20,869	23,521	20,869
Non-current lease liabilities	\$ 57,083	\$ 75,435	\$ 57,083	\$ 75,435

Movement in the lease liabilities is as follows:

	2025	2024
Balance, January 1	\$ 96,304	\$ 219,831
Finance incurred	4,210	4,626
Finance cost paid	(4,210)	(4,626)
Lease payments	(15,700)	(123,527)
Balance, December 31	\$ 80,604	\$ 96,304

The Group used its incremental borrowing rate of 5.0% to 5.5% to measure the present value of its lease liabilities since the implicit rate was not readily available.

The Group is compliant with the terms and conditions of the lease contracts.

19. RELATED PARTY TRANSACTIONS

Nature of relationship of the Group and its related parties are disclosed below:

Related Parties	Nature of Relationship
Carmetheus Holdings, Inc.	Ultimate Parent
Camerton Inc. (CI)	Immediate Parent
Cayon Holdings, Inc. (Cayon)	Under Common Control
Cirtek Land Corporation (CLC)	Under Common Control
Stockholders	Key Management Personnel
Post-employment benefit plan	Has significant influence over the plan

19.01 Due from a Related Party

Balances of due from a related party as shown in the consolidated statements of financial position are as follows:

19.01.01 Under Common Control

Transactions with under common control are detailed as follows:

	December 31, 2025		December 31, 2024	
	Amount/ Volume	Outstanding Balance	Amount/ Volume	Outstanding Balance
Cayon				
Advances	\$ -	\$ 183,691	\$ -	\$ 186,148

The Group granted advances to Cayon to finance its working capital requirements. The amounts are unsecured and non-interest bearing, due and demandable and will be settled in cash. No guarantees have been received. In 2025, 2024 and 2023, the Group made partial collections amounting to \$2,457, \$8,198 and nil, respectively.

19.02 Due to Related Parties

Balances of due to related parties as shown in the consolidated statements of financial position are summarized per category as follows:

	2025	2024
Immediate Parent (Note 19.02.01)	\$ 2,000,000	\$ -
Under common control (Note 19.02.02)	613,117	612,475
Key management personnel (Note 19.02.03)	35,928	35,928
	\$ 2,649,045	\$ 648,403

19.02.01 Immediate Parent

Transaction with Immediate Parent pertains to advances received amounting to \$2,000,000 in 2025 which was used to partially pay off the maturing loan of the Parent Company. The amounts outstanding are non-interest bearing, unsecured, payable on demand, and will be settled in cash.

19.02.02 Under Common Control

Transactions with entities under common control are detailed as follows:

		December 31, 2025		December 31, 2024	
		Amount/ Volume	Outstanding Balances	Amount/ Volume	Outstanding Balances
CLC					
Rental	\$	-	\$ 475,234	\$ 6,157	\$ 476,678
Cayon					
Rental		-	135,797	8,718	135,797
Reimbursements		2,086	2,086	-	-
	\$	2,086	\$ 613,117	\$ 14,875	\$ 612,475

The following are the nature, terms and conditions:

a) Transactions with CLC

The Group had a lease agreement on the land where its manufacturing plant (Building 1) is located with CLC for a period of 16 years starting January 1, 2019. The lease agreement provided for an annual rental of \$0.01 Million subject to periodic adjustments upon mutual agreement of both parties. The total rent expense charged to operations amounted to \$0.01 million in both years.

b) Transactions with Cayon

The Group entered into an agreement with Cayon starting January 1, 2019 to lease the land where the Group's Building 2 is located. The agreement calls for a fixed annual rate of \$0.01 Million for a period of six (6) years and renewable thereafter by mutual agreement of the parties subject to such new terms and conditions as they may then be mutually agreed upon. Total rent expense charged to operations amounted to \$0.01 Million in both years. This was not renewed after its expiration in 2024.

In 2025, the Cayon paid certain expense on behalf of the Group amounting to \$2,086.

The amounts are unsecured, non-interest bearing and due and demandable and will be settled in cash. No guarantees have been given.

19.02.03 Key Management Personnel

Transaction with key management personnel pertains to advances granted to stockholders amounting to \$35,928 as of December 31, 2025 and 2024.

The amounts are unsecured, non-interest bearing and due and demandable and will be settled in cash. No guarantees have been given.

19.03 Remuneration of Key Management Personnel

Remunerations of key management personnel of the Group are detailed as follows:

	2025	2024	2023
Short-term benefits	\$ 1,238,532	\$ 1,254,686	\$ 1,301,037
Post-employment benefit	48,307	67,585	64,267
Balance at December 31	\$ 1,286,839	\$ 1,322,271	\$ 1,365,304

19.04 Transactions with Retirement Benefit Funds

The Group's retirement benefit fund is being maintained by the trustee bank. The fair value of the fund amounted to \$377,454 and \$424,168, as of December 31, 2025 and 2024, respectively, as disclosed in Note 24.02.05

20. REVENUE FROM CONTRACTS WITH CUSTOMERS

Below is the disaggregation of the Group's revenue from contracts with customers in 2025, 2024 and 2023, respectively:

	2025	2024	2023
Discrete	\$ 8,981,292	\$ 6,154,007	\$ 7,654,784
Integrated circuits	7,199,575	6,228,588	11,772,411
Dual and quad flat no-leads	6,911,046	5,928,586	6,566,077
Analog	6,198,875	5,157,802	4,832,708
6 port antennas	5,661,990	11,318,025	7,612,904
Hermetics	4,766,282	5,164,021	4,017,340
Multichips	4,360,254	4,054,304	6,005,384
New product	3,511,323	7,220,214	7,979,465
Microwave Network Inc.	2,895,802	2,388,779	1,883,274
Remec manufacturing services	704,042	832,396	1,576,991
Cougar	465,447	358,790	480,901
8 port antennas	264,015	772,705	2,023,085
Brackets	258,699	897,079	1,128,122
12 port antennas	192,754	240,232	2,446,836
NRE additional service costs	140,386	382,526	261,206
Indoor radio frequency unit	87,155	198,957	87,544
Bridgewave	24,307	4,119	1,972
10 port antennas	6,617	46,240	598,603
Outdoor unit	610	22,758	46,654
16 port antennas	-	210,858	1,977,935
14 port antennas	-	-	274,405
Others	639,396	1,147,944	3,615,321
	\$ 53,269,867	\$ 58,728,930	\$ 72,843,922

21. COST OF SALES

Components of cost of sales account are as follows:

	2025	2024	2023
Raw materials, spare parts, supplies and other inventories used, and changes in inventories (Note 9)	\$ 19,269,955	\$ 20,479,556	\$ 31,586,219
Salaries, wages and employees' benefits (Note 24)	7,761,676	7,246,624	7,396,412
Depreciation and amortization (Notes 12, 13 and 14)	7,307,278	7,225,247	7,911,486
Utilities	3,990,651	3,609,081	3,887,290
Inward freight and duties and others	2,075,679	1,565,142	976,359
	\$ 40,405,239	\$ 40,125,650	\$ 51,757,766

Provision for inventory obsolescence amounting to \$362,221, \$1,024,332 and nil is recognized in 2025, 2024 and 2023, respectively, as disclosed in Note 9, recognized as cost of sales.

22. OPERATING EXPENSES

The account is composed of the following expenses:

	2025	2024	2023
Salaries, wages and employees' benefits (Note 24)	\$ 3,684,581	\$ 3,840,330	\$ 4,109,212
Commissions	628,535	1,310,470	999,912
Professional fees	476,815	585,222	896,995
Utilities	465,639	435,052	401,827
Transportation and travel	254,184	304,167	218,875
Taxes and licenses	290,511	205,673	360,301
Supplies	151,687	169,280	231,450
Insurance	106,181	118,188	115,480
Entertainment, amusements and recreation	106,285	87,179	98,535
Depreciation and amortization (Notes 12,13 and 14)	38,273	49,246	60,043
Write-off of trade receivables (Note 8)	-	1,152,822	1,152,822
Others	1,641,169	1,220,838	390,376
	\$ 7,843,860	\$ 9,478,467	\$ 9,035,828

Professional fees pertain to retainer's fee, legal fees and consultancy fees.

Other expenses pertain to repairs and maintenance and bank charges.

23. LEASE AGREEMENTS

The Group has leases for its land. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the consolidated statements of financial position as a ROU assets and a lease liabilities. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group's sales) are excluded from the initial measurement of the ROU assets and lease liabilities.

23.01 The Group as a Lessee

23.01.01 Cirtek Land Corporation (CLC)

The Group entered into a lease agreement with CLC, a related party, for piece of land located at 116 East Main Avenue, Phase V SEZ, Laguna Technopark, Binan Laguna consisting of 6,674 square meters, more or less. On January 1, 2019, the Group entered into an agreement with CLC to lease the land where Building 1 is erected. The agreement calls for a fixed annual rate of \$12,189 for a period of 16 years and renewable thereafter by mutual agreement of the parties subject to such new terms and conditions as they may be mutually agreed upon. The Group is required to pay security deposit and advanced rental equivalent to one (1) month' rent amounting to \$1,016. These shall be applied to last one (1) month's rent and unpaid bills, or refunded upon termination of lease contract.

23.01.02 Cayon Holdings, Inc. (Cayon)

The Group entered into a lease agreement with Cayon, a related party, for piece of land located at 116 East Main Avenue, Phase V SEZ, Laguna Technopark, Binan Laguna consisting of 6,064 square meters, more or less. On January 1, 2019, the Group entered into an agreement with CHI to lease the land where Building 2 is erected. The agreement calls for a fixed annual rate of \$11,075 for a period of six (6) years and renewable thereafter by mutual agreement of the parties subject to such new terms and conditions as they may be mutually agreed upon. The Group is required to pay security deposit and advanced rental equivalent to one (1) month' rent amounting to \$923. These shall be applied to last one (1) month's rent and unpaid bills, or refunded upon termination of lease contract.

23.01.03 Eastman Kodak Company

On February 7, 2021, the Group entered into lease agreement with Eastman Kodak Company for a lease of manufacturing plant in Eastman Business Park, Rochester, Monroe County, New York. The agreement calls for a fixed annual rate of \$11,287 for a period of three (3) years and renewable thereafter by mutual agreement of the parties subject to such new terms and conditions as they may be mutually agreed upon. The agreement was extended until March 31, 2025. The lease contract is further extended to additional one (1) year. The Group did not recognize additional ROU assets and lease liabilities in 2025 related to this lease contract.

As of December 31, 2025 and 2024, the Group's ROU assets amounted to \$87,519 and \$97,745, respectively, as disclosed in Note 14. As of December 31, 2025 and 2024, lease liabilities amounted to \$100,265 and \$96,304, respectively, as disclosed in Note 18.

Rental security deposits amounted to \$1,071,863 and \$1,086,200 as of December 31, 2025 and 2024, respectively, as disclosed in Notes 15.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognized on consolidated financial statements as of December 31, 2025 and 2024.

ROU Assets	No. of Right-of-Use Assets Leased	Range of Remaining Term	Average Remaining Lease Term	No. of Leases with Extension Options	No. of Leases with Options to Purchase	No. of Leases with Variable Payments linked to an Index	No. of Leases with Termination Options
December 31, 2025							
Land	1	8 years	9 years	1	-	-	-
December 31, 2024							
Land	1	9 years	10 years	1	-	-	-
Manufacturing plant	1	0	0	-	-	-	-

ROU Assets

Additional information on the ROU assets by class of assets is as follows:

December 31, 2025

Asset	Carrying Amount	Additions	Depreciation	Impairment
Land	\$ 87,519	\$ -	\$ 10,226	\$ -

December 31, 2024

Asset	Carrying Amount	Additions	Depreciation	Impairment
Land	\$ 97,745	\$ -	\$ 10,226	\$ -
Manufacturing plant		-	100,882	-
	\$ 97,745	\$ -	\$ 111,108	\$ -

The right-of-use assets are included in the same line item as where the corresponding underlying assets would be presented if they were owned.

24. EMPLOYEE BENEFITS

Aggregate employee benefits expense comprised:

	2025	2024	2023
Short-term employee benefits (Note 24.01)	\$ 11,113,248	\$ 10,769,825	\$ 11,225,150
Retirement Employee benefits (Note 24.02)	333,009	317,129	280,474
	\$ 11,446,257	\$ 11,086,954	\$ 11,505,624

24.01 Short-term Employee Benefits

Short-term benefits as disclosed in Notes 21 and 22 comprised of:

	2025	2024	2023
Salaries, wages and other labor costs	\$ 9,555,408	\$ 9,118,877	\$ 9,667,310
Other employee benefits	1,557,840	1,650,948	1,557,840
	\$ 11,113,248	\$ 10,769,825	\$ 11,225,150

24.02 Retirement Employee Benefits

24.02.01 Defined Benefit Plan

CEC has a funded, noncontributory defined benefit retirement plan administered by the Board of Directors while CATSI – Philippine Branch has an unfunded and non-contributory defined benefit retirement plan, with both entities covering all regular employees. Retirement benefits costs are determined in accordance with an actuarial study and are based on the employees' years of service and monthly basic salary. CEIC has not established a retirement plan while the Parent Company and RBWRP have no employees.

Under the existing regulatory framework, R.A. 7641 requires provision for retirement pay to qualified private sector employees' in the absence of any retirement plan in the entity, provided, however, that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

24.02.02 Retirement Benefit Costs

Below are the summarized components of retirement benefit costs recognized in consolidated statements of comprehensive income:

	2025	2024	2023
Current service cost	\$ 184,922	\$ 178,493	\$ 149,109
Net interest cost	148,087	138,636	131,365
	\$ 333,009	\$ 317,129	\$ 280,474

24.02.03 Retirement Benefit Obligation

Below are the summarized components of retirement benefit obligation recognized in consolidated statement of financial position:

	2025	2024
Present value of defined benefit obligation	\$ 2,931,352	\$ 3,047,245
Fair value of plan assets	(377,454)	(424,168)
	\$ 2,553,898	\$ 2,623,077

24.02.04 Present Value of the Defined Benefit Obligation

Changes in the presented value of the defined benefit obligation are as follows:

	2025	2024
Opening present value defined benefit obligation	\$ 3,047,245	\$ 2,610,386
Current service cost	184,922	178,493
Interest cost	148,087	168,999
Benefits paid from working capital	(52,605)	(237,042)
Translation adjustments	140,743	304,065
Actuarial gains (loss)	(537,040)	(22,344)
	\$ 2,931,352	\$ 3,047,245

In 2025, 2024 and 2023, the Group recognized retirement benefit gain amounting to \$98,830, \$103,616 and \$1,026,226, respectively, as disclosed in Note 25. In 2025, 2024 and 2023, the Group paid retirement benefits from its working capital amounting to \$52,605, \$237,042 and nil, respectively.

24.02.05 Fair Value of Plan Assets

The Group has an agreement with an insurance company to fund the retirement benefits of its employees. The Group believes that the insurance coverage qualifies as plan assets because the proceeds of the policy can be used only to play or fund the retirement benefits. In 2025, 2024 and 2023, the Group made contributions to plan assets amounting to nil, \$98,299 and nil, respectively. As of December 31, 2025 and 2024, plan assets amounted to \$377,454 and \$424,168, respectively.

24.02.06 Remeasurement Losses (Gains)

In 2025, 2024 and 2023, remeasurement losses (gains) recognized in other comprehensive income amounted to \$(537,040), \$(22,344) and \$909,164, respectively. As of December 31, 2025 and 2024, other comprehensive loss and income amounted to \$825,727 and \$288,687, respectively.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2025	2024
Discount rate	6.30%	6.20%
Expected rate of salary increase	3.00%	3.00%

The sensitivity analysis of the defined benefit obligation of changes in the weighted principal assumption for 2025 and 2024 are as follows:

	Impact on Defined Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
2025			
Discount rate	100 BPS	Decreased by 8%	Increased by 9%
Salary increase rate	100 BPS	Increased by 10%	Decreased by 9%
2024			
Discount rate	100 BPS	Decreased by 8%	Increased by 10%
Salary increase rate	100 BPS	Increased by 10%	Decreased by 9%

There were no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis. The latest actuarial reports of the Group are as of December 31, 2024. The average duration of the defined benefit obligation at the end of the reporting date ranges from 19 to 22 years.

Expected maturity analysis of undiscounted benefit obligation is as follows:

	More than			Total
	Less than one (1) year	two (2) years but within five (5) years	More than five (5) years	
2025				
Undiscounted amount	\$ 291,463	\$ 984,561	\$ 9,426,584	\$ 10,702,608
2024				
Undiscounted amount	\$ 475,865	\$ 822,349	\$ 10,367,903	\$ 11,666,117

24.02.07 Defined Contribution Plan

Quintel USA has a retirement savings plan under Section 401(k) of the United States Internal Revenue Code. Employees are eligible to participate in the plan after completing three months of service. Quintel USA makes a matching contribution of 100% of each employee's contributions up to 4% of such employee's compensation.

Quintel USA made matching contributions amounting to \$.08 million in both years.

Quintel Technology, Ltd. has a defined contribution plan covering substantially all UK employees. In both years, Quintel Technology, Ltd. made contribution amounting to \$.02 million.

25. OTHER INCOME (EXPENSE) – net

The account is composed of the following:

	2025	2024	2023
Retirement benefit gain (Note 24)	\$ 98,830	\$ 103,616	\$ 1,026,226
Loss on sale of property and equipment (Notes 12) – net	-	(69,120)	-
Unrealized foreign exchange gain (loss) – net	(675,303)	(1,066,206)	(212,952)
Others – net	371,655	287,402	21,093
	\$ (204,818)	\$ (744,308)	\$ 834,367

Others include reversal (provision) of warranty claims amounting to \$(3,576), \$278,785 and \$(90,677) in 2025, 2024 and 2023, respectively, as disclosed in Note 16.

26. INCOME TAXES

26.01 CEC

On March 24, 1998, the Philippine Economic Zone Authority (PEZA) approved CEC's registration as an ecozone export enterprise at the Laguna Technopark for the manufacture of standard integrated circuits, discrete, hybrid and potential new packages.

Beginning October 30, 2002, the manufacture and export of integrated circuits, discrete and hybrid transferred to PEZA from Board of Investments (where originally registered) and became subject to the 5% gross income tax incentive, as defined under R.A. No. 7916, the law creating the PEZA.

The PEZA granted the Company an income tax holiday for its manufacture of plastic and ceramic leadless chip carriers in both years.

26.02 CATSI - Philippine Branch

CATSI - Philippine Branch was registered with PEZA as an Ecozone Export Enterprise to engage in the manufacture, fabrication and design of millimeter wave components and subsystems in a special economic zone to be known as the Carmelray Industrial Park I -Special Economic Zone (CIP I-SEZ and Laguna Technopark in accordance with the project study, representations, commitments and proposals set forth in its application forming integral parts, subject to the terms and conditions provided in its registration.

As a PEZA-registered entities, CEC and CATSI – Philippine Branch are entitled to tax incentives equivalent to 5% of the gross income earned on its registered activities after the income tax holiday (ITH) of four years.

The PEZA granted the Company an income tax holiday for its manufacture of ADI RF load boards and other analog device products in both years.

Details of income tax expense are as follows:

	2025		2024		2023	
Current	\$	198,183	\$	386,466	\$	617,337
Deferred		-		167,217		(13,925)
	\$	198,183	\$	553,683	\$	603,412

Composition of income tax expense are as follows:

	2025		2024		2023	
CEC	\$	81,830	\$	406,071	\$	268,823
CATS – Philippine Branch		69,747		125,905		284,621
Quintel		46,606		21,707		49,968
	\$	198,183	\$	553,683	\$	603,412

The provision for current income tax in 2025, 2024 and 2023 pertains to the special rate of 5% on taxable gross income of CEC and CATS - Philippine Branch.

Based on the National Internal Revenue Code Sec 27, MCIT of two percent (2%) of the gross income as of the end of taxable year is imposed on corporation beginning on the fourth taxable year immediately following the year in which such corporation started its commercial operation when the MCIT is greater than the regular corporate income computed for the taxable year. The Group is subject to MCIT beginning 2015.

The components of the deferred tax assets and liability of the Group as of December 31, 2025 and 2024 are as follows:

26.03 Deferred Tax Asset

	2025		2024	
Retirement benefit obligation	\$	129,257	\$	129,257

26.04 Deferred Tax Assets (Liability) Recognized in Business Combination

	2025		2024	
Intangible assets	\$	(7,204,421)	\$	(7,204,421)
NOLCO		3,528,204		3,528,204
Accrued expenses		755,852		755,852
	\$	(2,920,365)	\$	(2,920,365)

The Group's NOLCO and MCIT for which no deferred taxes have been recognized as the Management believes that it may not be probable that sufficient future taxable profit will be available against which the deferred tax assets can be utilized are as follows:

	2025	2024
NOLCO		
Parent Company	\$ 14,776,537	\$ 22,961,600
RBWRP	1,025,554	1,245,099
Quintel	32,764,855	32,764,855
Total NOLCO	\$ 48,566,946	\$ 56,971,554
MCIT	\$ 5,181	\$ 4,864

As of December 31, 2025 and 2024, the Parent Company and RBWRP incurred NOLCO and MCIT that can be claimed as deduction from future taxable income as follows:

Parent Company

Details of NOLCO not covered by Revenue Regulation (RR) No. 25-2020 are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2022	\$ 6,726,224	\$ -	\$ -	\$ 6,726,224	\$ -	2025
2023	2,906,204	-	-	-	2,906,204	2026
2024	2,299,898	-	-	-	2,299,898	2027
2025	2,379,774	-	-	-	2,379,774	2028
	\$ 14,312,100	\$ -	\$ -	\$ 6,726,224	\$ 7,585,876	

Details of NOLCO covered by Revenue Regulation No. 25-2020 is as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2020	\$ 3,838,613	\$ -	\$ -	\$ 3,838,613	\$ -	2025
2021	7,190,661	-	-	-	7,190,661	2026
	\$ 11,029,274	\$ -	\$ -	\$ 3,838,613	\$ 7,190,661	

Details of MCIT are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2023	\$ 4,409	\$ -	\$ -	\$ -	\$ 4,409	2026
2024	455	-	-	-	455	2027
2025	317	-	-	-	317	2028
	\$ 5,181	\$ -	\$ -	\$ -	\$ 5,181	

RBWRP

Details of NOLCO not covered by Revenue Regulation (RR) No. 25-2020 are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2022	\$ 218,593	\$ -	\$ -	\$ 218,593	\$ -	2025
2023	14,681	-	-	-	14,681	2026
2024	618	-	-	-	618	2027
2025	478	-	-	-	478	2028
	\$ 234,370	\$ -	\$ -	\$ 218,593	\$ 15,777	

Details of NOLCO covered by RR No. 25-2020 is as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2020	\$ 1,430	\$ -	\$ -	\$ 1,430	\$ -	2025
2021	1,009,777	-	-	-	1,009,777	2026
	\$ 1,011,207	\$ -	\$ -	\$ 1,430	\$ 1,009,777	

The Bureau of Internal Revenue (BIR) has issued Revenue Regulations (RR) No. 25-2020 to inform all concerned on the longer period for claiming NOLCO from taxable years 2020 and 2021.

Pursuant to Section 4 (bbb) of Bayanihan II and as implemented under RR No. 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss. Ordinarily, NOLCO can be carried over as deduction from gross income for the next three (3) consecutive years only.

Quintel USA

Quintel USA incurred NOLCO that can be claimed as deduction from future taxable income amounting to \$32,764,855.

	NOLCO	DTA	Expiration
Quintel USA	\$ 32,764,855	\$ 6,880,620	2027 to 2037

27. EARNINGS (LOSS) PER SHARE

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings (loss) per share are as follows:

	2025	2024	2023
Net income	\$ 2,047,287	\$ 5,118,873	\$ 8,597,760
Adjustment on dividends declared:			
Preferred B-2 shares	-	(6,113,736)	(6,113,739)
Preferred B-2B shares	-	(2,000,000)	(1,600,000)
Preferred B-2C shares	-	(974,443)	(1,217,130)
Preferred B-2D shares	-	(1,938,103)	(2,057,164)
Net income (loss) attributable to common shareholders of the Group	\$ 2,047,287	\$ (5,907,409)	\$ (2,390,273)
Weighted average number of ordinary shares for the purposes of basic earnings (loss) per share	668,505,825	668,505,825	668,505,825

The Group's earnings (loss) per share are \$0.0031, \$(0.0088) and \$(0.0036) in 2025, 2024 and 2023, respectively.

As of December 31, 2025 and 2024, the Group has no potential dilutive common shares.

The weighted average number of common shares outstanding used in the calculation of EPS is based on the outstanding shares of the Group as adjusted with the effects of shares held by a subsidiary.

28. FAIR VALUE MEASUREMENTS

28.01 Fair Value of Financial Assets and Liabilities

The carrying amounts and estimated fair values of the Group's financial assets and financial liabilities as of December 31, 2025 and 2024 are presented below:

	2025		2024	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
Financial Assets:				
Cash	\$ 10,542,000	\$ 10,542,000	\$ 12,794,634	\$ 12,794,634
Trade and other receivables – net	36,041,122	36,041,122	36,574,703	36,574,703
Due from a related party	183,691	183,691	186,148	186,148
Other current assets				
Loans to employees	244,517	244,517	336,660	336,660
Security deposits	45,818	45,818	45,818	45,818
Other financial assets at amortized cost	410,196	410,196	415,427	415,427
Other non-current assets				
Rental deposits	1,071,863	1,071,863	1,086,200	1,086,200
Miscellaneous deposits	157,074	157,074	219,778	219,778
	\$ 48,696,281	\$ 48,696,281	\$ 51,659,368	\$ 51,659,368
Financial Liabilities:				
Trade and other payables	\$ 12,679,383	\$ 12,679,383	\$ 16,275,816	\$ 16,275,816
Due to related parties	2,649,045	2,649,045	648,403	648,403
Loans	25,620,129	25,620,129	32,340,028	32,340,028
Lease liabilities	80,604	80,604	96,304	96,304
	\$ 41,029,161	\$ 41,029,161	\$ 49,360,551	\$ 49,360,551

As of December 31, 2025 and 2024, the carrying value of the Group's financial assets and liabilities are equal to or approximate their respective fair value.

Cash and cash equivalents, trade and other receivables, due from a related party, loans to employees presented under 'other current assets', trade payable and accruals, loans, and due to related parties.

The carrying amounts approximate fair value since these are mostly short-term in nature or due and demandable.

Other financial assets at amortized cost

The fair value of financial assets at amortized cost that are actively traded in organized financial markets is determined by reference to quoted market bid prices, at the close of business on the reporting date or last trading day as applicable (Level 1).

Miscellaneous deposits

The miscellaneous deposits are carried at cost since the timing and related amounts of future cash flows cannot be reasonably and reliably estimated for purposes of establishing its fair value using an alternative valuation technique.

Lease liabilities

The fair value of lease liabilities is based on the discounted value of future cash flows using the applicable rates for similar types of loans. The discount rate used was 5.0% to 5.5% in both years (Level 3).

Long-term Loans

The fair value of long-term loans are based on the discounted value of future cash flows using the applicable rates for similar types of loans. The discount rate used was 7.5% in both years (Level 3).

December 31, 2025					
	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value:					
Other financial assets at amortized cost	\$ 410,196	\$ -	\$ -	\$ 410,196	
Long-term loans	-	-	15,000,000	15,000,000	
December 31, 2024					
	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value:					
Other financial assets at amortized cost	\$ 415,427	\$ -	\$ -	\$ 415,427	
Long-term loans	-	-	18,510,327	18,510,327	

29. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's principal financial instruments comprise of cash, short term loans and long-term loans. The main purpose of these consolidated financial statements is to support the Group's operations. The Group has various other financial instruments such as trade and other receivables, due from a related party and loans to employees, security deposit (presented as part of prepayment and other current assets), other financial assets at amortized cost, rental deposits and miscellaneous deposits (presented under other noncurrent assets), trade and other payables, due to related parties which generally arise directly from its operations.

29.01 Risk Management

The BOD is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Group.

The main risks arising from the financial instruments of the Group are credit risk, liquidity risk and foreign currency risk. The Group's management reviews and approves policies for managing each of these risks and they are summarized below:

Credit Risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties failed to discharge their contractual obligations.

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit items are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

For cash in bank, other receivables, due from a related party, rental deposits, loans to employees and miscellaneous deposits, the Group applies the low credit risk simplification where the Group measures the ECL on a 12-month basis based on the probability of default and loss given default which are publicly available. The Group also evaluates the credit rating of the bank and other counterparties to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers its cash in banks as high grade since these are placed in financial institutions of high credit standing. For other receivables, amounts owed by related parties various deposits, loans to employees, the Group considers this as high to medium grade as the counterparties are of high credit standing. Accordingly, ECLs relating to those debt instruments round to nil.

For trade receivables, an impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for groupings of customers segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecast of future economic conditions.

In its ECL model, the Group relies on a broad range of forward-looking information as economic inputs, such as:

- Gross domestic products
- Inflation rates

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Based on the Group's credit risk experience, expected credit loss rate increases as the age of receivables increase.

On the other hand, the Group considers its amounts owed by related parties as medium grade due to assured collectability through information from the related parties' sources of funding. No ECLs relating to these debt instruments was recognized.

The aging per class of financial assets and expected credit loss as of December 31, 2025 and 2024 are follows:

December 31, 2025:

	12-Month ECL	Lifetime ECL Not Credit Impaired	Simplified Approach	Total
Amortized cost				
Cash in banks and cash equivalents	\$ 10,541,765	\$ -	\$ -	\$ 10,541,765
Trade and other receivables	-	-	36,041,122	36,041,122
Due from a related party	183,691	-	-	183,691
Other current assets:				
Loans to employees	244,517	-	-	244,517
Security deposits	45,818	-	-	45,818
Other financial assets at amortized cost	410,196	-	-	410,196
Other non-current assets				
Rental deposits	1,071,863	-	-	1,071,863
Miscellaneous deposits	157,074	-	-	157,074
	\$ 12,654,924	\$ -	\$ 36,041,122	\$ 48,696,046

Set out below is the information about the credit risk exposures of the Group's financial assets using a provision matrix as of December 31, 2025.

Trade receivables and other receivables

Days past due

	Current	<30 days	30-60 days	61-90 days	>91 days	Impaired Financial Assets	Totals
Expected credit loss rate	0%	0%	0%	0%	0%	100%	
Estimated total gross carrying amount at default	\$25,664,697	\$1,931,813	\$1,401,289	\$1,214,982	\$5,828,341	\$741,012	\$36,782,134
Expected credit loss	\$ -	\$ -	\$ -	\$ -	\$ -	\$741,012	\$ 741,012

December 31, 2024:

	12-Month ECL	Lifetime ECL Not Credit Impaired	Simplified Approach	Total
Amortized cost				
Cash in banks and cash equivalents	\$ 12,794,398	\$ -	\$ -	\$ 12,794,398
Trade and other receivables	-	-	36,574,703	36,574,703
Due from a related party	186,148	-	-	186,148
Other current assets:				
Loans to employees	336,660	-	-	336,660
Security deposits	45,818	-	-	45,818
Other financial assets at amortized cost	415,427	-	-	415,427
Other non-current assets				
Rental deposits	1,086,200	-	-	1,086,200
Miscellaneous deposits	219,778	-	-	219,778
	\$ 15,084,429	\$ -	\$ 36,574,703	\$ 51,659,132

Set out below is the information about the credit risk exposures of the Group's financial assets using a provision matrix as of December 31, 2024.

Trade receivables and other receivables

	Days past due					Impaired Financial Assets	Totals
	Current	<30 days	30-60 days	61-90 days	>91 days		
Expected credit loss rate	0%	0%	0%	0%	0%	100%	
Estimated total gross carrying amount at default	\$27,213,128	\$1,262,033	\$1,490,128	\$1,014,797	\$5,594,617	\$741,012	\$37,315,715
Expected credit loss	\$ -	\$ -	\$ -	\$ -	\$ -	\$741,012	\$ 741,012

December 31, 2025:

	Days Past due						Net of ECL
	Current	<30 days	30-60 days	61-90 days	>90 days	ECL	
Cash in banks and cash equivalents	\$10,541,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$10,541,765
Trade and other receivables	25,664,697	1,931,813	1,401,289	1,214,982	6,559,353	(741,012)	36,041,122
Due from a related party	183,691	-	-	-	-	-	183,691
Other current assets:							
Loans to employees	244,517	-	-	-	-	-	244,517
Security deposits	45,818	-	-	-	-	-	45,818
Other financial asset at amortized cost	410,196	-	-	-	-	-	410,196
Other noncurrent assets							
Rental deposits	1,071,863	-	-	-	-	-	1,071,863
Miscellaneous deposits	157,074	-	-	-	-	-	157,074
	\$38,319,621	\$1,931,813	\$1,401,289	\$1,214,982	\$6,559,353	\$(741,012)	\$48,696,046

December 31, 2024:

	Days Past due						Net of ECL
	Current	<30 days	30-60 days	61-90 days	>90 days	ECL	
Cash in banks and cash equivalents	\$12,794,398	\$ -	\$ -	\$ -	\$ -	\$ -	\$12,794,398
Trade and other receivables	27,213,128	1,262,033	1,490,128	1,014,797	6,335,629	(741,012)	36,574,703
Due from a related party	186,148	-	-	-	-	-	186,148
Other Current assets:							
Loans to employees	336,660	-	-	-	-	-	336,660
Security Deposit	45,818	-	-	-	-	-	45,818
Other financial asset at amortized cost	415,427	-	-	-	-	-	415,427
Other noncurrent assets							
Rental deposits	1,086,200	-	-	-	-	-	1,086,200
Miscellaneous deposits	219,778	-	-	-	-	-	219,778
	\$42,297,557	\$ 1,262,033	\$1,490,128	\$1,014,797	\$ 6,335,629	\$(741,012)	\$51,659,132

The tables below summarize the credit quality per class of the Group's financial assets that are neither past due nor impaired:

December 31, 2025

	Neither Past due nor Impaired			Total
	High Grade	Medium Grade	Low Grade	
Cash	\$10,542,000	\$ -	\$ -	\$10,542,000
Trade and other receivables	25,664,697	10,376,425	-	36,041,122
Due from a related party	-	183,691	-	183,691
Other current assets:				
Loans to employees	244,517	-	-	244,517
Security Deposit	45,818	-	-	45,818
Other financial assets at amortized cost	410,196	-	-	410,196
Other noncurrent assets:				
Rental deposits	1,071,863	-	-	1,071,863
Miscellaneous deposits	157,074	-	-	157,074
	\$38,136,165	\$10,560,116	\$ -	\$48,696,281

December 31, 2024

	Neither Past due nor Impaired			Total
	High Grade	Medium Grade	Low Grade	
Cash	\$ 12,794,634	\$ -	\$ -	\$ 12,794,634
Trade and other receivables	27,213,128	9,361,575	-	36,574,703
Due from a related party	-	186,148	-	186,148
Other current assets:				
Loans to employees	336,660	-	-	336,660
Security Deposit	45,818	-	-	45,818
Other financial assets at amortized cost	415,427	-	-	415,427
Other noncurrent assets:				
Rental deposits	1,086,200	-	-	1,086,200
Miscellaneous deposits	219,778	-	-	219,778
	\$ 42,111,645	\$ 9,547,723	\$ -	\$ 51,659,368

High grade – These are receivables which have a high probability of collection (the counterparty has the apparent ability to satisfy its obligation and the security on the receivables are readily enforceable).

Medium grade – These are receivables where collections are probable due to the reputation and the financial ability of the counterparty to pay and that have history of sliding beyond the credit terms but pay within 60 days.

Low grade – These are receivables where the counterparty's capability of honoring its financial obligation is doubtful.

Liquidity Risk

Liquidity risk is the risk that the Group may encounter difficulties in raising funds to meet commitments from financial instruments. Liquidity risk may result from a counterparty's failure on repayment of a contractual obligation or inability to generate cash inflows as anticipated.

The Group maintains sufficient cash to finance its operations and major capital expenditures and satisfy its maturing obligations. It may also from time to time seek other sources of funding, which may include debt or equity financing, including dollar and peso-denominated loans from Philippine banks, depending on its financing needs and market conditions.

The table below summarize the maturity analysis of the Group's financial assets used for liquidity management and financial liabilities based on contractual undiscounted payments:

December 31, 2025

	On Demand	Less than one (1) year	One (1) to two (2) years	More than two (2) years	Total
December 31, 2025					
Cash and cash equivalents	\$ 10,512,584	\$ 29,416	\$ -	\$ -	\$ 10,542,000
Trade and other receivables	-	36,041,122	-	-	36,041,122
Due from a related party	183,691	-	-	-	183,691
	\$ 10,696,275	\$ 36,070,538	\$ -	\$ -	\$ 46,766,813
Trade and other payables:					
Trade payables	\$ -	\$ 10,042,142	\$ -	\$ -	\$ 10,042,142
Accrued expense	-	2,637,241	-	-	2,637,241
Short-term loans	-	8,218,587	-	-	8,218,587
Due to related parties	2,649,045	-	-	-	2,649,045
Long-term debts	-	16,068,209	-	1,333,333	17,401,542
	\$ 2,649,045	\$ 36,966,179	\$ -	\$ 1,333,333	\$ 40,948,557

December 31, 2024

	On Demand	Less than one (1) year	One (1) to two (2) years	More than two (2) years	Total
December 31, 2024					
Cash and cash equivalents	\$ 12,765,953	\$ 28,681	\$ -	\$ -	\$ 12,794,634
Trade and other receivables	-	36,574,703	-	-	36,574,703
Due from a related party	186,148	-	-	-	186,148
	\$ 12,952,101	\$ 36,603,384	\$ -	\$ -	\$ 49,555,485
Trade and other payables:					
Trade payables	\$ -	\$ 12,635,078	\$ -	\$ -	\$ 12,635,078
Accrued expense	-	3,640,738	-	-	3,640,738
Short-term loans	-	9,275,146	-	-	9,275,146
Due to related parties	648,403	-	-	-	648,403
Long-term debts	-	19,944,463	1,120,419	2,000,000	23,064,882
	\$ 648,403	\$ 45,495,425	\$ 1,120,419	\$ 2,000,000	\$ 49,264,247

Foreign currency risk

The Group uses the US dollar as its functional currency and is therefore exposed to foreign exchange movements. The Group follows a policy to manage its currency risk by closely monitoring its cash flow position and by providing forecast on all other exposures in non-US dollar currencies.

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rate, with all other variables held constant, of the Group's income before income tax as of December 31, 2025 and 2024:

December 31, 2025				
		Original Currency in PHP		Total Dollar Equivalent
Financial Assets				
Cash and cash equivalents	P	57,669,545	\$	980,941
Financial assets at amortized cost		24,115,423		410,196
Other current assets		138,331,636		2,351,141
Other noncurrent assets		7,470,669		127,074
Total Financial Assets		227,587,273		3,869,352
Financial Liabilities				
Trade and other payables		179,931,117		3,060,574
Borrowings		78,386,666		1,333,333
Total Financial Liabilities		258,317,783		4,393,907
Net Financial Assets	P	(30,730,510)	\$	(524,555)
December 31, 2024				
		Original Currency in PHP		Total Dollar Equivalent
Financial Assets				
Cash and cash equivalents	P	56,637,642	\$	976,275
Financial assets at amortized cost		24,100,582		415,427
Other current assets		166,005,205		2,861,468
Other noncurrent assets		24,781,144		427,158
Total Financial Assets		271,524,573		4,680,328
Financial Liabilities				
Trade and other payables		205,396,984		3,540,315
Borrowings		212,800,000		3,668,080
Total Financial Liabilities		418,196,984		7,208,395
Net Financial Assets	P	(146,672,411)	\$	(2,528,067)

US Dollar

December 31, 2025					
			Foreign currency Appreciates by	Effect on Income Before Tax	
Peso denominated assets	+6%	\$		232,161	
Peso denominated liabilities	+6%			(263,634)	
		\$		(31,473)	
					\$ 31,473

December 31, 2024				
	Foreign currency Appreciates by	Effect on Income Before Tax	Foreign currency Depreciates by	Effect on Income Before Tax
Peso denominated assets	+6%	\$ 280,820	-6%	\$ (280,820)
Peso denominated liabilities	+6%	(432,504)	-6%	432,504
		\$ (151,684)		\$ 151,684

The change in currency rate is based on the Group's best estimate of its expected change considering the historical trends and experiences. There is no other effect on the Group's equity other than those already affecting income before tax.

30. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group's manages its capital structure, which pertains to its equity as shown in the consolidated statement of financial position, and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes in 2024.

The Group considers the following as capital:

	2025	2024
Common stock	\$ 14,562,067	\$ 14,562,067
Preferred stock	3,925,528	3,925,528
Additional paid-in-capital	186,184,391	186,184,391
Equity reserve	4,030,214	4,030,214
Remeasurement	825,727	288,687
Retained earnings	1,666,384	(380,903)
Parent company shares held by a subsidiary	-	(13,425)
	\$ 211,194,311	\$ 208,596,559

As of December 31, 2025 and 2024, the Group is subject to quantitative loan covenants and financial ratios on its long-term loans.

As of December 31, 2025 and 2024, the Group was able to meet its capital requirements and management objectives.

31. EQUITY

Components of issued capital are as follows:

	2025	2024	2023
Common shares (Note 31.01)	\$ 14,562,067	\$ 14,562,067	\$ 14,562,067
Preferred shares (Note 31.02)	3,925,528	3,925,528	3,925,528
Stock warrants	-	-	6,458,070
Additional paid-in capital	186,184,391	186,184,391	179,726,321
	\$ 204,671,986	\$ 204,671,986	\$ 204,671,986

31.01 Common Shares

Shown below are the details of common shares as of December 31, 2025, 2024 and 2023:

	2025		2024		2023	
	Shares	Amount	Shares	Amount	Shares	Amount
Authorized						
Common shares, P1.00 par value	1,200,000,000	\$ 24,053,400	1,200,000,000	\$ 24,053,400	1,200,000,000	\$ 24,053,400
Issued and fully paid	668,505,825	\$ 14,562,067	668,505,825	\$ 14,562,067	668,505,825	\$ 14,562,067

On November 18, 2011, the Group listed with the PSE its common stock, wherein it offered 42,163,000 shares to the public at issue price of P7 per share. The total proceeds with issuance of new shares amounted to P295.1 million (\$6.8 million). The Group incurred transaction costs incidental to the IPO amounting P47.3 million (\$1.1 million), which was charged against “Additional paid-in capital” in the 2011 consolidated statement of financial position. As of December 31, 2011, the Parent Company has 162,163,000 issued common shares.

As of December 31, 2025 and 2024, the carrying value of Group shares held by a subsidiary amounted to nil and \$13,425, respectively.

Stock Rights Offering

The Board of Directors and stockholders of Parent Company, in their special meetings held on September 28, 2020 and November 27, 2020, respectively, approved the following:

1. The approval to offer to all eligible stockholders of record of the Parent Company, as of the date to be set by its management in accordance with existing law and regulations (the 'Record Date'), rights to subscribe (the "Rights Offer") to the common shares of the Parent Company (the 'Rights Shares') with a bonus detachable warrant for each Rights Share (the 'Detachable Warrant'), subject to: (i) the approval of the increase in the Corporation's authorized capital stock; (ii) the registration or exemption requirements, whichever may be applicable, of the Securities and Exchange Commission ('SEC'); and (iii) the listing requirements of the Philippine Stock Exchange ('PSE').
2. The approval of the authority of any one (1) of the Chairman of the Board, the President, the Chief Financial Officer, and/or other senior officers of the Parent Company to fix the terms and conditions of the Rights Offer, including, but not limited to, the final issue size which shall be up to 250,000,000 common shares, the entitlement ratio, the offer price, the payment terms, the terms of the detachable warrant including the exercise price, the procedure for lodging the application to subscribe, the details and procedures for the various rounds of offer including the treatment of rump shares, as applicable, the Record Date and other relevant dates, and other terms, without the necessity of obtaining further approval from the stockholders and Board of Directors (BOD).

On January 6, 2021, the BOD passed resolutions approving a new the conduct of a Stock Rights Offering with issuance of bonus detachable warrants, which approval was refreshed on February 5, 2021.

On June 23, 2021, the Board of Directors of the Philippine Stock Exchange, Inc. in its meeting approved, the application of the Parent Company to list up to 250,000,000 common shares (the "Right Shares"), with a par value of ₱1.00 per share, to cover its Stock Rights Offering ("SRO") to all stockholders as of the proposed record date, at an Offer Price of ₱4.50 to ₱7.25 per Right Share, as well as its application to list up to 250,000,000 Bonus Detachable Warrants ("Detachable Warrants"), free of charge, with up to 250,000,000 underlying common shares at Exercise Price of ₱4.50 to ₱7.25.

The original offer period of the SRO is for the period of July 12 to 22, 2022. However, the Office of the President recently issued Proclamation No. 1189 declaring July 20, 2021 as a regular holiday in observance of Eid'l Adha. Thus, the Parent Company and the Joint Issue Managers and Lead Underwriters agreed to extend the offer period for the SRO until July 23, 2021 (originally set to end on July 22, 2021). The SEC-Markets and Securities Regulation Department confirmed to the Parent Company on July 16, 2021 that it has no objection to the extension of the offer period.

In 2021, proceeds from issuance of common stock amounted to \$20,864,536. Stock warrants were not exercised in 2024. The same amount was transferred to additional paid-in capital in 2024 because of expiration of stock warrants. As of December 31, 2025 and 2024, stock warrants amounted to nil.

31.02 Preferred Shares

Details of Group's redeemable preferred shares are as follows:

	2025		2024		2023	
	Shares	Amount	Shares	Amount	Shares	Amount
Authorized						
Preferred shares A, ₱0.10 par value	700,000,000	\$ 1,587,734	700,000,000	\$ 1,587,734	700,000,000	\$ 1,587,734
Preferred shares B-1, ₱1.00 par value	70,000,000	1,587,734	70,000,000	1,587,734	70,000,000	1,587,734
Preferred shares B-2, ₱1.00 par value	360,000,000	7,481,141	360,000,000	7,481,141	360,000,000	7,481,141
	1,130,000,000	10,656,609	1,130,000,000	10,656,609	1,130,000,000	10,656,609
Issued and fully paid						
Preferred shares A	700,000,000	946,863	700,000,000	946,863	700,000,000	946,863
Preferred shares B-1	70,000,000	342,399	70,000,000	342,399	70,000,000	342,399
Preferred shares B-2	67,000,000	1,326,733	67,000,000	1,326,733	67,000,000	1,326,733
Preferred shares B-2B	20,000,000	416,145	20,000,000	416,145	20,000,000	416,145
Preferred shares B-2C	16,936,400	332,093	16,936,400	332,093	16,936,400	332,093
Preferred shares B-2D	28,625,500	561,295	28,625,500	561,295	28,625,500	561,295
Balance, December 31	902,561,900	\$ 3,925,528	902,561,900	\$ 3,925,528	902,561,900	\$ 3,925,528

In 2015, the 400,000,000 preferred shares at par value of ₱0.10 were subscribed by Camerton, a principal shareholder of the Parent Company.

On September 8, 2017, the Parent Company's BOD, by majority vote, approved the amendment in the Parent Company's articles of incorporation to increase the Parent Company's authorized capital stock by ₱300,000,000, or:

- a) From ₱560,000,000, consisting of:
 - i. ₱520,000,000 worth of common shares divided in to 520,000,000 common shares with par value of ₱1.00 per share; and
 - ii. ₱40,000,000 worth of preferred shares divided into 400,000,000 Preferred A shares with par value of ₱0.10 per share.
- b) To ₱860,000,000 consisting of:
 - i. ₱520,000,000 worth of common shares divided into 520,000,000 common shares with par value of ₱1.00 per share;
 - ii. ₱70,000,000 worth of Preferred A shares divided into 700,000,000 preferred A shares with par value of ₱0.10 per share; and
 - iii. ₱270,000,000 worth of preferred B shares with par value of ₱1.00 per share. The Preferred B shares are further classified into the following series: (a) ₱70,000,000 worth of preferred B-1 shares, and (b) ₱200,000,000 worth of preferred B-2 shares, both having a par value of ₱1.00 per share.

On the same date, the additional 300,000,000 preferred A shares and 70,000,000 preferred B-1 shares shall be issued to and subscribed by Camerton at their par value of ₱0.10 per share and ₱1.00 per share, respectively. The Parent Company recognized preferred stock and additional paid-in capital amounting to \$0.1 million and \$0.3 million, respectively, net of subscriptions receivable. Preferred B-1 shares are not listed in the PSE.

On September 29, 2017, the Philippine SEC approved the Parent Company's application for the increase in authorized capital stock.

The features of the preferred A shares are (i) full voting rights, one vote for each share; (ii) preferred non-cumulative cash dividends at the rate of 1% of their par value per year, with no participation in further cash dividends which may be declared and paid to the common shares or any other class or series of shares; and (iii) the same stock dividends which may be declared and paid to the common shares or any other class or series of shares.

On September 15, 2017 and November 9, 2017, the Parent Company's BOD approved the following features, rights and privileges of preferred B-2 shares:

- a. Non-voting;
- b. Preferred, cumulative cash dividends of up to 6.125% of the issue price per year, at the discretion of the Parent Company's BOD, with no participation in further cash dividends which may be declared and paid to the common shares, provided that, other than the basis being their respective issue prices, the cash dividend rate for preferred B-1 shares and preferred A shares;
- c. The same stock dividends which may be declared and paid to the common shares;
- d. As and if approved by the Parent Company's BOD, redeemable in whole and not in part, at the sole option of the Parent Company at a price and at such time that the Parent Company's BOD shall determine;

In 2017, aggregate amount received from the issuance of preferred shares amounted to \$67,489,141. Related stock issuance cost amounted to \$775,635.

In 2018, partial payment received from subscription receivable on preferred shares A amounting to \$578,882.

The Board of Directors, in its special meeting held on September 1, 2020, approved the following:

1. The designation of Subseries of Preferred B-2 Shares Consisting of 33 Million Unissued Existing Preferred B-2 Shares to be denominated as Preferred B2 Subseries B Shares and to denominate the Preferred B2 shares issued in 2017 consisting of 67 Million Preferred B-2 Shares as Preferred B-2 Subseries A Shares.
2. Approval of the Terms and Conditions of the Preferred B-2 Subseries B Shares and the filing of Enabling Resolutions/Directors' Certificate with the Securities and Exchange Commission for the Preferred B-2 Subseries B Shares.
3. The offer for sale or subscription of up to 33 Million of its Preferred B-2 Subseries B Shares by way of private placement and offer to qualified buyers for an offer price of up to One US Dollar (\$1.00) per share, and the listing of such shares with the Philippine Stock Exchange.

On September 1, 2020, the Corporation disclosed that in its Special Meeting, the Board of Directors approved the following:

1. The designation of Subseries of Preferred B-2 Shares Consisting of 33 Million Unissued Existing Preferred B-2 Shares to be denominated as Preferred B-2 Subseries B Shares and to denominate the Preferred B-2 shares issued in 2017 consisting of 67 Million Preferred B2 Shares as Preferred B-2 Subseries A Shares.
2. Approval of the Terms and Conditions of the Preferred B-2 Subseries B Shares and the filing of Enabling Resolutions/Directors' Certificate with the Securities and Exchange Commission for the Preferred B-2 Subseries B Shares.
3. The offer for sale or subscription of up to 33 Million of its Preferred B-2 Subseries B Shares by way of private placement and offer to qualified buyers for an offer price of up to One US Dollar (\$1.00) per share, and the listing of such shares with the Philippine Stock Exchange.

On October 7, 2020, the SEC issued the Certificate of Filing of Enabling Resolution approving the Corporation's Enabling Resolutions designating the subseries of Preferred B-2 Shares, namely: Preferred B2 Subseries A and Preferred B2 Subseries B, and to allocate the 200,000,000 Preferred B-2 Shares as follows: (i) 67,000,000 Preferred B-2 Subseries A Shares, and (ii) 33,000,000 Preferred B-2 Subseries B Shares, and the balance of 100,000,000 Preferred B-2 Shares shall be designated by the Board in subseries at a future date.

The Board of Directors, in its special meeting held on November 10, 2020, approved the subscription by Camerton, Inc. of up to 33,000,000 Preferred B2 Subseries B Shares of the Company at the subscription price of One US Dollar (\$1.00) per share.

The Board of Directors of TECH, in its special meeting held on December 2, 2020, approved the setting of the Dividend Rate of the Preferred B-2 Subseries B Shares to 6% per annum.

On December 21, 2020, the execution of the Subscription Agreement between TECH and Camerton, Inc. for the issuance of a total of ₱20,000,000,000 Preferred B-2 Subseries B Shares.

Preferred Shares Offering

The Board of Directors of Parent Company, in its special meeting held on November 5, 2021, approved the following:

1. Approval of the allocation of additional Preferred Class B-2 Subseries C and D Shares

In line with the approved offering by way of primary offer of up to 70,000,000 cumulative, non-participating, non-voting, non-convertible, perpetual and redeemable peso-denominated Preferred Class B-2 shares with par value of Php 1.00 per share at an offer price of ₱50.00 per share, the Board approved the further allocation of the authorized and unissued Preferred Class B-2 Shares of Parent Company as follows: (i) up to 10,000,000 Preferred Class B-2 Subseries B Shares as Preferred Class B-2 Subseries C Shares; and (ii) up to 30,000,000 Preferred Class B-2 Shares as Preferred Class B-2 Subseries D Shares, bringing the total number of unissued and outstanding Preferred Class B-2 Subseries C Shares is up to 60,000,000 and the total number of unissued and outstanding Preferred Class B-2 Subseries D Shares is up to 50,000,000.

The Parent Company also clarified that the allocation of the up to 60,000,000 Preferred Class B-2 Subseries C Shares is not only as part of the Base Offer of 50,000,000 Preferred Class B-2 Shares but also in the event of oversubscription and that the allocation of up to 50,000,000 Preferred Class B-2 Subseries D Shares is not only in the event of oversubscription but as part of the Base Offer.

2. Approval of the updated terms and conditions of the Preferred Class B-2 Subseries C and D Shares

The Board approved the updated terms and conditions of the Preferred Class B-2 Subseries C and D Shares as set forth in PNB Capital and Investment Corporation's latest Indicative Term Sheet as of November 3, 2021.

3. Approval and clarification of the offering and listing of the Preferred Class B-2 Subseries C and D Shares

The Board approved and clarified its authority to offer for sale or subscription up to ₱2,500,000,000 or \$50,000,000 in aggregate issue value, consisting of up to 50,000,000 Preferred Class B-2 Shares, composed of Preferred Class B-2 Subseries C and/or D Shares (the "Base Offer Shares"), by way of private placement, offer to qualified buyers and/or public offering at an offer price of ₱50.00 per share and that in the event of oversubscription, PNB Capital, the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, in consultation with the Corporation, has the right (but not the obligation) to offer up to an additional 20,000,000 Preferred Class B-2 Shares, composed of Preferred Class B-2 Subseries C and/or D Shares (the "Oversubscription Shares"), equivalent to an additional aggregate issue value of up to ₱1,000,000,000 or \$20,000,000 at an offer price of ₱50.00 per share.

The Board also reiterated and clarified its authority to register the Base Offer Shares and/or Oversubscription Shares with the SEC and list the same in The Philippine Stock Exchange, Inc. ("PSE"), subject to compliance with SEC regulations and PSE listing rules.

On November 24, 2021, the SEC issued Order of Registration and Certificate of Permit to Sell in relation to the Company's registration of follow-on offering of 30,000,000 Preferred Class B-2 Shares (the "Base Offer Shares") with an over-subscription option of up to 20,000,000 Preferred Class B-2 Shares at an offer price of ₱50.00 per Preferred Class B-2 Shares and to be offered as either Subseries "C" or "D" (the "Offer").

The offer period will run from November 25, 2021 to December 3, 2021 with target issue date and listing date at the PSE on December 14, 2021.

31.03 Retained Earnings

The Group's BOD has declared the following dividends to its equity holders:

2025 Dividend Declaration

The Board of Directors of TECH, in its regular meeting held on January 20, 2025, approved the following:

Declaration of cash dividends of the following shares:

a. Preferred A Shares (Unlisted)

Declaration of cash dividend of USD 0.000012196 per share for each of the 700,000,000 issued and outstanding Preferred A Shares amounting to an aggregate sum of USD 8,537, for payment and distribution on March 8, 2025 to shareholders of record as of February 21, 2025. The cash dividend shall be paid in Philippine Pesos at the Bangko Sentral ng Pilipinas ("BSP") exchange rate one day prior to payment date.

b. Preferred B-1 Shares (Unlisted)

Declaration of cash dividend of ₱0.06125 per share for each of the 70,000,000 issued and outstanding Preferred B-1 Shares amounting to an aggregate sum of ₱4,287,500 for payment and distribution on March 8, 2025 to shareholders of record as of February 21, 2025.

c. Preferred B-2 Subseries A Shares ("Preferred B-2A shares")

Declaration of cash dividend of USD 0.0228125 per share for each of the 67,000,000 outstanding and issued Preferred B-2A shares amounting to an aggregate sum of USD 1,528,438, for each dividend period.

The schedule of the payment and distribution of the cash dividends of Preferred B-2A shares shall be made to the entitled shareholders on the following dates:

- i. March 10, 2025 to shareholders of record as of February 21, 2025;
- ii. June 9, 2025 to shareholders of record as of May 23, 2025;
- iii. September 8, 2025 shareholders of record as of August 22, 2025; and
- iv. December 9, 2025 shareholders of record as of November 24, 2025.

d. Preferred B-2 Subseries A Shares ("Preferred B-2A shares")

Declaration of cash dividend of USD 0.0228125 per share for each of the 67,000,000 outstanding and issued Preferred B-2A shares amounting to an aggregate sum of USD 1,528,438, for each dividend period.

The schedule of the payment and distribution of the cash dividends of Preferred B-2A shares shall be made to the entitled shareholders on the following dates:

- i. March 10, 2025 to shareholders of record as of February 21, 2025;
 - ii. June 9, 2025 to shareholders of record as of May 23, 2025;
 - iii. September 8, 2025 shareholders of record as of August 22, 2025; and
 - iv. December 9, 2025 shareholders of record as of November 24, 2025.
- e. Preferred B-2 Subseries B Shares ("Preferred B-2B shares")

Declaration of cash dividend of USD 0.025 per share for each of the 20,000,000 outstanding and issued Preferred B-2B shares amounting to an aggregate sum of USD 500,000, for each dividend period.

The schedule of the payment and distribution of the cash dividends of Preferred B-2B shares shall be made to the entitled shareholders on the following dates:

 - i. March 18, 2025 to shareholders of record as of March 3, 2025;
 - ii. June 18, 2025 to shareholders of record as of June 3, 2025;
 - iii. September 18, 2025 shareholders of record as of September 3, 2025; and
 - iv. December 18, 2025 shareholders of record as of December 3, 2025.
- f. Preferred B-2 Subseries C Shares and Preferred B-2 Subseries D Shares ("Preferred B-2C and Preferred B-2D shares")

Declaration of cash dividend of ₱1.7678125 per share for each of 16,936,400 outstanding and issued Preferred B-2 Subseries C Shares amounting to an aggregate sum of ₱29,940,380 and declaration of cash dividend of ₱0.968825 per share for each of the 28,625,500 outstanding and issued Preferred B-2 Subseries D Shares amounting to an aggregate sum of ₱27,733,100, for each dividend period.

The schedule of the payment and distribution of the cash dividends for each of Preferred B-2C and Preferred B-2D shares shall be made to the entitled shareholders on the following dates:

 - i. March 14, 2025 to shareholders of record as of February 27, 2025;
 - ii. June 16, 2025 to shareholders of record as of May 30, 2025;
 - iii. September 15, 2025 shareholders of record as of August 30, 2025; and
 - iv. December 15, 2025 shareholders of record as of November 28, 2025.

Suspension of Payment of Dividend Declared for 2025

In relation to the previous resolutions of the Board of Directors of TECH last January 20, 2025 approving the declaration of cash dividends for all the preferred shares of the Corporation, specifically Preferred A Shares (Unlisted), Preferred B-1 Shares (Unlisted), Preferred B-2 Subseries A Shares ("TCB2A"), Preferred B-2 Subseries B Shares ("TCB2B"), Preferred B-2 Subseries C Shares ("TCB2C"), and Preferred B-2 Subseries D Shares ("TCB2D") (collectively herein referred to as the "Preferred Shares"), to be distributed on their respective distribution dates in accordance with its respective Prospectuses, the Board of Directors of TECH, in its special meeting held on March 7, 2025, upon recommendation of management, approved the suspension of payment of the declared cash dividends until further notice for all TECH's Preferred Shares as part of the Company's strategy to manage liquidity and to preserve its resources to ensure long-term sustainability of its business.

Nonetheless, the Corporation maintains its commitment to fulfilling its obligations to pay its shareholders in accordance with the terms set out in the Prospectuses of the shares. This includes payment of all dividends due on all Preferred Shares of the Corporation, and payment of all arrears of dividends outstanding by reason of the suspension, on future dates to be set by the Corporation.

2024 Dividend Declarations

Date of Payment	Date of Record	Dividend per share	Shares outstanding	Total Dividends
March 8, 2024				
Preferred B-2	March 8, 2024	\$ 0.022812454	67,000,000	\$ 1,528,434
Preferred B-2B	March 18, 2024	0.025000000	20,000,000	500,000
Preferred B-2C	March 14, 2024	0.014628383	16,936,400	247,752
Preferred B-2D	March 14, 2024	0.017214069	28,625,500	492,761
June 8, 2024				
Preferred B-2	June 10, 2024	\$ 0.022812454	67,000,000	1,528,434
Preferred B-2B	June 18, 2024	0.025000000	20,000,000	500,000
Preferred B-2C	June 14, 2024	0.014628383	16,936,400	236,864
Preferred B-2D	June 14, 2024	0.017214069	28,625,500	471,109
September 8, 2024				
Preferred B-2	September 10, 2024	\$ 0.022812454	67,000,000	1,528,434
Preferred B-2B	September 18, 2024	0.025000000	20,000,000	500,000
Preferred B-2C	September 14, 2024	0.014730167	16,936,400	249,476
Preferred B-2D	September 14, 2024	0.017333881	28,625,500	496,191
December 8, 2024				
Preferred B-2	December 09, 2024	\$ 0.022812454	67,000,000	1,528,434
Preferred B-2B	December 18, 2024	0.025000000	20,000,000	500,000
Preferred B-2C	December 16, 2024	0.014191387	16,936,400	240,351
Preferred B-2D	December 16, 2024	0.016699866	28,625,500	478,042
				\$ 11,026,282

2023 Dividend Declarations

Date of Payment	Date of Record	Dividend per share	Shares outstanding	Total Dividends
March 8, 2023				
Preferred B-2	March 8, 2023	\$ 0.022812463	67,000,000	\$ 1,528,435
Preferred B-2B	March 20, 2023	0.015000000	20,000,000	300,000
Preferred B-2C	March 14, 2023	0.018249640	16,936,400	309,083
Preferred B-2D	March 14, 2023	0.018249640	28,625,500	522,405
June 8, 2023				
Preferred B-2	June 8, 2023	\$ 0.022812463	67,000,000	1,528,435
Preferred B-2B	June 19, 2023	0.015000000	20,000,000	300,000
Preferred B-2C	June 14, 2023	0.018062931	16,936,400	305,921
Preferred B-2D	June 14, 2023	0.018062931	28,625,500	517,060
September 8, 2023				
Preferred B-2	September 8, 2023	\$ 0.022812454	67,000,000	1,528,435
Preferred B-2B	September 18, 2023	0.025000000	20,000,000	500,000
Preferred B-2C	September 14, 2023	0.017555856	16,936,400	297,333
Preferred B-2D	September 14, 2023	0.017555872	28,625,500	502,546
December 9, 2023				
Preferred B-2	December 11, 2023	\$ 0.022812454	67,000,000	1,528,434
Preferred B-2B	December 18, 2023	0.025000000	20,000,000	500,000
Preferred B-2C	December 14, 2023	0.017996293	16,936,400	304,792
Preferred B-2D	December 14, 2023	0.017996293	28,625,500	515,153
				\$ 10,988,032

In 2025, 2024 and 2023, amounts of dividends declared were nil, \$11,026,282, and \$10,988,032, respectively.

In 2025, 2024 and 2023, cash dividends paid amounted to nil, \$11,026,282, and \$11,114,987, respectively.

Retained earnings are further restricted for the payment of dividends to the extent of unrealized foreign exchange gains except those attributable to cash, net fair value gain on investment properties, deferred income tax assets recognized that reduced the income tax expense and increased net income and retained earnings, and other unrealized gains or adjustments as of December 31, 2025 and 2024.

32. NON-CASH TRANSACTIONS

The Group entered into the following non-cash investing and financing activities which are not reflected in the statements of cash flows:

- In 2024, the Group sold some property and equipment on account with carrying amount of \$250,692 for consideration of \$159,149, as disclosed in Note 8, which resulted to a loss of \$91,543, as disclosed in Note 12.

33. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

Reconciliation of liabilities arising from financing activities is as follows:

	2025	2024
Beginning balance, January 1	\$ 32,700,723	\$ 43,951,065
Changes from financing cash flows		
Proceeds from short-term loans	4,085,583	2,585,583
Finance cost from loans	2,581,724	2,780,388
Advances received from a related party	2,000,000	-
Finance cost from lease liabilities	4,210	4,626
Dividends declared	-	11,026,282
Availment of long-term loans	-	2,000,000
Payment of cash dividends	-	(11,026,282)
Finance cost paid	(4,210)	(4,626)
Effect of foreign exchange on loans	(54,549)	(83,366)
Payments of lease liabilities	(15,700)	(123,527)
Finance costs paid	(2,644,781)	(2,914,222)
Payment of long-term loans	(5,753,013)	(8,717,330)
Payment of short-term loans	(5,087,593)	(6,777,868)
Ending balance, December 31	\$ 27,812,394	\$ 32,700,723

34. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 5, 2026.



REPORT ON THE SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
116 East Main Avenue Phase V-SEZ
Laguna Technopark, Biñan, Laguna

We have issued our report dated May 5, 2026 on the basic consolidated financial statements of **CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES** as of and for the year ended December 31, 2025. Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements of **CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES** as a whole. The information in the index to the consolidated financial statements and the supplementary schedules for the year ended December 31, 2025, which is not a required part of the consolidated financial statements, is required to be filed with the Securities and Exchange Commission. Such information is the responsibility of the Management of **CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES**. The information has been subjected to the auditing procedures applied in our audit of the basic consolidated financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

R.S. BERNALDO & ASSOCIATES

BOA/PRC No. 0300
Valid until November 19, 2026
SEC Group A Accreditation No. 0300-SEC
Valid until 2024 audit period (extended until 2025 audit period)
BSP Group B Accreditation No. 0300-BSP
Valid until 2026 audit period
BIR Accreditation No. 08-007679-000-2026
Valid from February 2, 2026 until February 1, 2029
IC Group A Accreditation No. 0300-IC
Valid until 2026 audit period
CDA CEA No. 013 - AF
Valid from August 28, 2025 to August 27, 2030

ROSE ANGELI S. BERNALDO

Managing Partner
CPA Certificate No. 114127
BOA/PRC No. 0300/P-006
Valid until November 19, 2026
SEC Group A Accreditation No. 114127-SEC
Valid until 2027 audit period
BSP Group B Accreditation No. 114127-BSP
Valid until 2025 audit period
BIR Accreditation No. 08-007679-001-2023
Valid from October 20, 2023 until October 19, 2026
Tax Identification No. 211-870-290
IC Group A Accreditation No. IC-EA-2025-0033-N
Valid until 2027 audit period
CDA CEA No. 1940
Valid from November 20, 2024 to November 19, 2029
PTR No. 10780860
Issued on January 20, 2026 at Makati City

May 5, 2026

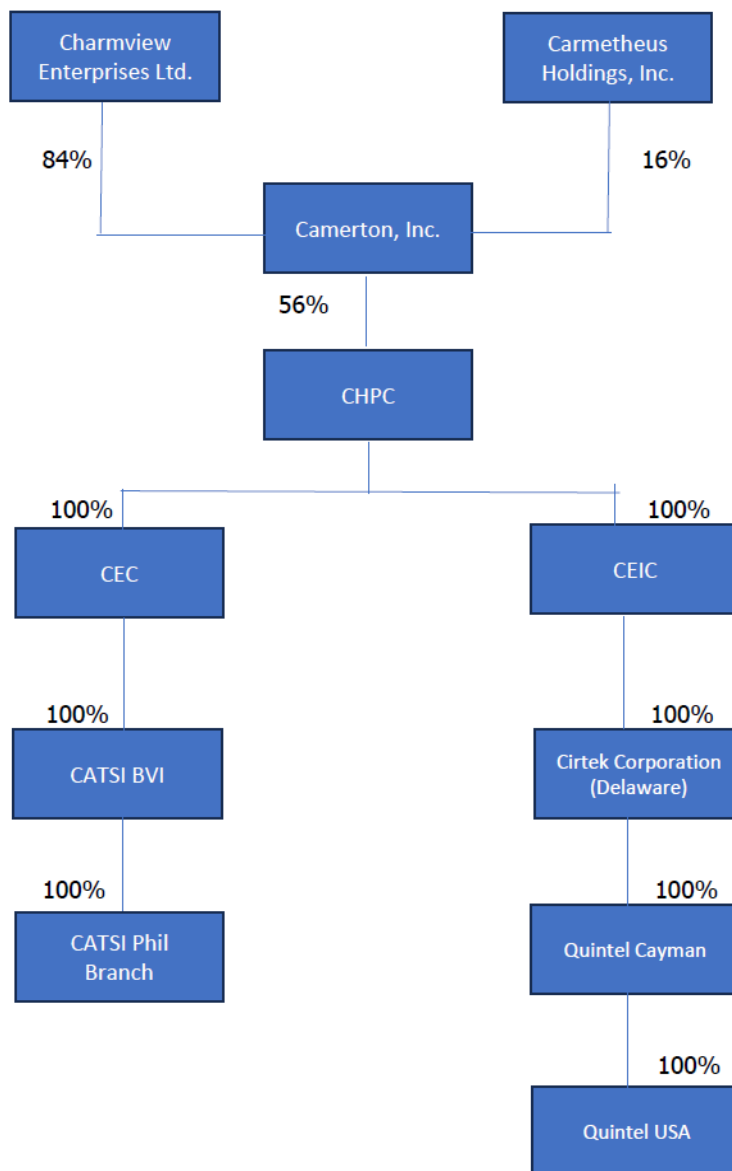
BOA/PRC No. 0300 • BIR Accredited • SEC Group A Accredited • BSP Group B Accredited • IC Group A Accredited

PKF R.S. Bernaldo & Associates is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule	Contents
<i>Index to the Consolidated Financial Statements</i>	
I	Map Showing the Relationships Between and Among the Companies in the Group, its Ultimate Parent Company and Co-subsiidiaries
II	Reconciliation of Retained Earnings Available for Dividend Declaration
III	Financial Soundness Indicators
IV	External Auditor Fee-Related Information
<i>Supplementary Schedules</i>	
A	Financial Assets
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
C	Amounts Receivable from Related Parties and Amounts Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements
D	Intangible Assets - Other Assets
E	Long-Term Debt
F	Indebtedness to Related Parties
G	Guarantees of Securities of Other Issuers
H	Gross and Net Proceeds by a Listed Company with recent Offering of Securities (COMMERCIAL PAPER)
I	Capital Stock

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
SCHEDULE I - MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG
THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT AND CO-SUBSIDIARIES
December 31, 2025



CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
SCHEDULE I - RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
December 31, 2025

Unappropriated Retained Earnings, beginning of reporting period (see Footnote 2)		11,306,042
Add: <u>Category A:</u> Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	-	
Effect of restatements of prior-period adjustments	-	
Others (describe nature)	-	
Sub-total	-	-
Less: <u>Category B:</u> Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	-	
Retained Earnings appropriated during the reporting period	-	
Effect of restatements of prior-period adjustments	-	
Others (describe nature)	-	
Sub-total	-	-
Unappropriated Retained Earnings, as adjusted		11,306,042
Add/Less: <u>Net Income (Loss)</u> for the current year		(2,386,634)
Less: <u>Category C.1:</u> Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	54,549	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	
Sub-total		54,549
Add: <u>Category C.2:</u> Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents but realized in the current reporting period (net of tax)	83,366	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	
Sub-total		83,366
Add: <u>Category C.3:</u> Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of Investment Property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	
Sub-total		-
Adjusted Net Income/Loss		8,948,225
Add: <u>Category D:</u> Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	
Sub-total	-	-
Add/Less: <u>Category E:</u> Adjustments related to relief granted by the SEC and BSP (see Footnote 3)		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	
Sub-total	-	-
Add/Less: <u>Category E:</u> Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others (describe nature)	-	
Sub-total	-	-
Total Retained Earnings, end of the reporting period available for dividend		8,948,225

FOOTNOTES

(1) The amount of retained earnings of a company should be based on its separate ("stand-alone") audited financial statements.

(2) Unappropriated Retained Earnings, beginning of reporting period refers to the ending balance as reported in the "Reconciliation of Retained Earnings Available for Dividend Declaration" of the immediately preceding period.

(3) Adjustments related to the relief provided by the SEC and BSP pertain to accounting relief (e.g. losses that are reported on a staggered basis) granted by the regulators. However, these are actual losses sustained by the Company and must be adjusted in the reconciliation to reflect the actual distributable amount.

(4) This Reconciliation of Retained Earnings Available for Dividend Declaration in pursuant to Sec. 42 of the Revised Corporation Code, which prohibits stock corporations to retain surplus profits in excess of one hundred (100%) percent of their paid-in capital and their power to declare dividends. However, this Reconciliation of Retained Earnings should not be used by the REIT companies as a basis to determine the amount of its distributable income or dividends to its shareholders. The determination of its distributable income should be in accordance with the REIT Act and Implementing Rules and Regulations.

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES**SCHEDULE III - FINANCIAL SOUNDNESS INDICATORS**

December 31, 2025 and 2024

Ratios	Formula	DECEMBER 31, 2025	December 31, 2024
	Current Assets/Current		
(i) Current Ratio	Liabilities	2.92	2.58
(ii) Debt/Equity Ratio	Bank Debts/Total Equity	0.12	0.21
(iii) Net Debt/Equity Ratio	Bank Debts less Cash & Equivalents/Total Equity	0.07	0.14
(iii) Assets to Equity Ratio	Total Assets/Total Equity	1.22	1.27
(iv) Interest Cover Ratio	EBITDA / Interest Expense	4.71	3.04
(v) Profitability Ratio			
GP Margin	Gross Profit/Revenues	0.24	0.32
Net Profit Margin	Net Income/Revenues	0.04	0.09
EBITDA Margin	EBITDA Revenues	0.23	0.14
Return on Assets	Net Income/Total Assets	0.01	0.02
Return on Equity	Net Income/Total Equity	0.01	0.02

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
SCHEDULE IV - EXTERNAL AUDITOR FEE-RELATED INFORMATION

For the Years Ended December 31, 2025 and 2024

(In Philippine Peso)

	2025	2024
Total Audit Fees (Section 2.1 a)	2,251,340	2,213,340
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	40,000	40,000
Total Non-audit Fees (Section 2.1 b)	40,000	40,000
TOTAL AUDIT AND NON-AUDIT FEES	2,291,340	2,253,340

Audit and Non-audit fees of other related entities (Section 2.1c)

	2025	2024
Audit fees	-	-
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
TOTAL AUDIT AND NON-AUDIT FEES OF OTHER RELATED ENTITIES	-	-

Section 2.1a: Disclose agreed fees (excluding out of pocket expenses and VAT) with the external auditor/audit firm and its network firms (as applicable) for the audit of the covered company's standalone and/or consolidated financial statements and the covered company's consolidated subsidiaries' financial statements on which the external auditor/audit firm expresses an opinion. These do not include fees for special purpose audit or review of financial statements.

Section 2.1b: Disclose charged or billed fees (excluding out of pocket expenses and VAT) by the external auditor/audit firm or a network firm (as applicable) for non-audit services to the covered company and its related entities over which the covered company has direct or indirect control that are consolidated in the financial statements on which the external auditor/audit firm expresses an opinion. These include other assurance services such as special purpose audit or review of financial statements.

Section 2.1c: Disclose fees for services (excluding out of pocket expenses and VAT) charged to any related entities of the covered company over which the covered company has direct or indirect control, which are not yet disclosed in (a) or (b), such as fees for services to any unconsolidated subsidiaries that meet the consolidation exemption criteria of Philippine Financial Reporting Standard (PFRS) 10 applicable to investment entities, if the external auditor/audit firm has reason to believe that these are relevant to the evaluation of the external auditor/audit firm's independence, as communicated by the external auditor/audit firm with the covered company's Those Charged with Governance or equivalent (e.g., Audit Committee).

Section 2.1d: As applicable, disclose any fee dependency situation or (a) the fact that the total fees received by the external auditor/audit firm from the covered company represent, or are likely to represent, more than 15% of the total fees received by the external auditor/audit firm for two consecutive years and (b) the year that this situation first arose, as communicated by the external auditor/audit firm with the covered company's Those Charged with Governance or equivalent (e.g., Audit Committee).

SCHEDULE A

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

	Name of issuing entity and association of each issue	Amount shown on the balance sheet	Value based on market quotations at end of reporting period	Income received or accrued
Cash and cash equivalents	N/A	\$ 10,542,000	\$ 10,542,000	\$ 2,982
Trade and other receivables	N/A	36,041,122	36,041,122	
Amounts owed by related parties	N/A	183,691	183,691	
Other current assets:			-	
Loans to employees	N/A	244,517	244,517	
Security deposits	N/A	45,818	45,818	
Other financial assets at amortized cost	N/A	410,196	410,196	12,472
Other noncurrent assets:			-	
Rental deposits	N/A	1,071,863	1,071,863	
Miscellaneous deposits	N/A	157,074	157,074	
		\$ 48,696,281	\$ 48,696,281	\$ 15,454

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES

**SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM DIRECTORS,
OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS
(OTHER THAN RELATED PARTIES)**

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Written-off /Reclassification	Current	Non-Current	Balance at end of period
Related parties under common control							
Cayon Holdings, Inc	\$ 186,148		\$ (2,457)		\$ 183,691		\$ 183,691
TOTAL	\$ 186,148	\$ -	\$ (2,457)	\$ -	\$ 183,691		\$ 183,691

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES

**SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH
ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025**

**Receivables from related parties which are eliminated during the consolidation
(under Trade and Other Receivables)**

Name and designation of debtor	Balance at beginning of period	Additions	Amount Collected	Amounts written off	Current
Quintel USA	\$ 1,915,702	\$ 155,287	\$ (1,164,460)		\$ 906,529

Amounts owed by related parties which are eliminated during the consolidation

Name and designation of debtor	Balance at beginning of period	Additions	Amount Collected	Amounts written off	Current
CHPC					
CEC	\$ 12,904,297	\$ -	\$ (1,077,020)		\$ 11,827,277
CEIC	75,237,938		-		75,237,938
CATS	24,799,021	-	(1,340,000)		23,459,021
RBWPI	212,371				212,371
Quintel	14,049,126		(13,581)		14,035,545
Total	\$ 127,202,753	\$ -	\$ (2,430,601)	\$ -	\$ 124,772,152
CEC					
CATSI	\$ 1,055,373	\$ 917,559			\$ 1,972,932
Total	\$ 1,055,373	\$ 917,559	\$ -	\$ -	\$ 1,972,932
CEIC					
CEC	\$ 29,615,286	\$ 421,434			\$ 30,036,720
CATS	2,508,521	493,551.00			3,002,072
Quintel	82,478,692				82,478,692
Total	\$ 114,602,498	\$ 914,985	\$ -	\$ -	\$ 115,517,483
RBW					
CATS	\$ 4,889,453		\$ (1,104)		\$ 4,888,349
Total	\$ 4,889,453	\$ -	\$ (1,104)	\$ -	\$ 4,888,349
TOTAL	\$ 247,750,078	\$ 1,832,544	\$ (2,431,705)	\$ -	\$ 247,150,917

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF INTANGIBLE ASSETS - OTHER ASSETS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

Intangibles Assets- Other Assets						
Description	Beginning Balance	Additions at Cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending Balance
Goodwill	\$ 55,541,157	\$ -	\$ -	\$ -	\$ -	\$ 55,541,157
Product development costs	7,533,857	1,879,944	(2,330,736)			7,083,065
Customer relationship	23,736,500					23,736,500
Trademark	7,472,800					7,472,800
Total	\$ 94,284,314	\$ 1,879,944	(2,330,736)	\$ -	\$ -	\$ 93,833,522

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES**SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT****AS OF DECEMBER 31, 2025**

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
Note Facility Agreement	\$ 40,000,000	\$ 15,000,000	\$ -
KEB Hanah Bank	4,499,073	1,068,209	-
First Commercial Bank	2,000,000	-	1,333,333
		\$ 16,068,209	\$ 1,333,333

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO RELATED PARTIES

LONG -TERM LOANS FROM RELATED COMPANIES

AS OF DECEMBER 31, 2025

Name of Related Parties	Balance at beginning of period	Balance at end of period
Not Applicable		

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF OTHER ISSUERS
AS OF DECEMBER 31, 2025

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount of guaranteed and outstanding	Amount owned by person of which statement is filed	Nature of guarantee
Not Applicable				

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK
AS OF DECEMBER 31, 2025

Capital Stock						
TITLE OF ISSUE	Number of shares authorized	Number of shares issued and outstanding as shown under the related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common stock	1,200,000,000	668,505,825	-	110,260,791	9	558,245,025
Preferred A shares	700,000,000	700,000,000	-	70,000,000	-	630,000,000
Preferred B-1 shares	70,000,000	70,000,000	-	70,000,000	-	-
Preferred B-2 shares	430,000,000	132,561,900	-	-	-	132,561,900
	2,400,000,000	1,571,067,725	-	250,260,791	9	1,320,806,925

COVER SHEET

for
UNAUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	1	0	2	1	3	7

Company Name

C	I	R	T	E	K		H	O	L	D	I	N	G	S		P	H	I	L	I	P	P	I	N	E	S			

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

Principal Office (No./Street/Barangay/City/Town) Province)

1	1	6		E	A	S	T		M	A	I	N		A	V	E	N	U	E	,		P	H	A	S	E		V	

S	E	Z	,		L	A	G	U	N	A		T	E	C	H	N	O	P	A	R	K	,		B	I	Ñ	A	N	

L	A	G	U	N	A																							

Form Type

1	7	-	Q

Department requiring the report

C	R	M	D

Secondary License Type, If Applicable

S	T	O	C	K		I	S	S	U	E	R	

COMPANY INFORMATION

Company's Email Address

N/A

Company's Telephone Number/s

(632) 7729-6205

Mobile Number

N/A

No. of Stockholders

28

Annual Meeting
Month/Day

29-May

Fiscal Year
Month/Day

31-Dec

CONTACT PERSON INFORMATION

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

Name of Contact Person

Brian Gregory Liu

Email Address

brian.liu@cirtek.ph

Telephone Number/s

(632) 7729-6205

Mobile Number

N/A

Contact Person's Address

116 East Main Ave., Phase V SEZ Laguna Technopark, Biñan Laguna

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

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

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, 2026
2. Commission identification number CS2011102137 3. BIR Tax Identification No 007-979-726

4. Exact name of issuer as specified in its charter **Cirtek Holdings Philippines Corporation**

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

6. Industry Classification Code: (SEC Use Only)

116 East Main Avenue, Phase V-SEZ Laguna Technopark, Binan Laguna 4024

7. Address of issuer's principal office Postal Code

8. Issuer's telephone number, including area code +63 2 7729 6206 +63 49 541 2317

9. Former name, former address and former fiscal year, if changed since last report: **n/a**

10. Securities registered pursuant to Sections 8 and 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 Shares</u>	668,505,825/ n/a

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

Yes [☒] No [☐]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange – Common Shares and Preferred B2 Shares
PDEX – Commercial Paper

12. Indicate by check mark whether the registrant:

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

Yes [☒] No [☐]

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

Yes [☒] No [☐]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please see attached

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

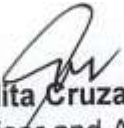
Please see attached

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer.:

Signature and Title


Emelita Cruzada
Chief Compliance Officer and Asst. Corporate Secretary

Date: May 05, 2026

Principal Financial/Accounting Officer/Controller:



Signature and Title.

Brian Gregory Liu
EVP & Chief Financial Officer

Date: May 05, 2026

CIRTEK HOLDINGS PHILIPPINES CORPORATION

TABLE OF CONTENTS

PART I – FINANCIAL STATEMENTS

1	Consolidated Balance Sheet	Schedule 1
2	Consolidated Statement of Comprehensive Income	Schedule 2
3	Consolidated Statement of Changes in Equity	Schedule 3
4	Consolidated Statement of Cash Flow	Schedule 4
5	Notes to Financial Statements	1

PART II – MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS

6	Management’s Discussion and Analysis of Financial Conditions	84

CIRTEKHOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In US Dollars)

	NOTES	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
A S S E T S			
Current Assets			
Cash	7	8,962,089	10,542,000
Trade and other receivables – net	8	36,888,554	36,041,122
Due from related parties	19	177,771	183,691
Inventories – net	9	68,337,931	66,486,241
Prepayment and other current assets	10	6,012,430	4,391,914
		120,378,775	117,644,968
Non-current Assets			
Other financial asset at amortized cost – net of current	11	410,196	410,196
Property, plant and equipment – net	12	39,800,309	40,876,389
Intangible assets – net	13	93,641,946	93,833,522
Right-of-use asset – net	14	73,884	87,519
Deferred tax assets	26	129,257	129,257
Other non-current assets	15	5,188,835	5,357,935
		139,244,427	140,694,818
TOTAL ASSETS		259,623,203	258,339,786
LIABILITIES AND STOCKHOLDERS' EQUITY			
L I A B I L I T I E S			
Current Liabilities			
Trade and other payables	16	14,543,902	13,274,288
Short-term loan	17	7,828,236	8,218,587
Long-term debt – current portion	17	15,691,381	16,068,209
Due to related parties	19	2,549,085	2,649,045
Lease liabilities – current portion	18	23,521	23,521
Income tax payable		61,729	47,146
		40,697,853	40,280,796
Non-current Liabilities			
Long-term debt – net of current portion	17	1,166,667	1,333,333
Lease liabilities – net of current portion	18	57,083	57,083
Retirement benefit obligation	24	2,497,229	2,553,898
Deferred tax liabilities		2,920,366	2,920,365
		6,641,344	6,864,679
TOTAL LIABILITIES		47,339,197	47,145,475
S T O C K H O L D E R S ' E Q U I T Y			
Common Stock	30	14,562,067	14,562,067
Preferred Stock	30	3,925,528	3,925,528
Additional Paid-in Capital	30	186,184,391	186,184,391
Equity Reserve	30	4,030,214	4,030,214
Remeasurement	30	825,727	825,727
Retained Earnings	30	2,756,079	1,666,384
Parent Company shares held by a subsidiary	30	-	-
TOTAL STOCKHOLDERS' EQUITY		212,284,006	211,194,311
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		259,623,203	258,339,786

See accompanying Notes to Interim Consolidated Financial Statements.

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In US Dollars)

For the Three Months Ended March 31			
	Notes	2026 (Unaudited)	2025 (Audited)
REVENUE FROM CONTRACTS WITH			
CUSTOMERS	20	13,956,204	13,126,848
COST OF SALES	21	10,386,514	9,836,748
		3,569,690	3,290,100
OPERATING EXPENSES	22	2,001,420	2,062,971
FINANCE COSTS	17-18	411,998	391,260
FINANCE INCOME	7, 11	(279)	(742)
OTHER INCOME (EXPENSE) – net	25	(52,270)	94,687
PROFIT BEFORE TAX		1,104,282	931,298
INCOME TAX EXPENSE (BENEFIT)	26	14,584	30,004
PROFIT		1,089,699	901,294
TOTAL COMPREHENSIVE INCOME		1,089,699	901,294
Basic Earnings per Share	27	0.0016	0.0013

See accompanying Notes to Interim Consolidated Financial Statements.

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In US Dollars)

For the Thre Months Ended March 31, 2026 (Unaudited)

	Note	Common Stock	Preferred Stock	Stock Warrants	Additional Paid- in Capital	Equity Reserve	Other Comprehensive Income Remeasurement-net	Retained Earnings	Parent Company shares held by a subsidiary	Total
Balance, December 31, 2025	24,31	14,562,067	3,925,528	-	186,184,391	4,030,214	825,727	1,666,384	-	211,194,311
Profit								1,089,699		1,089,699
Balance, March 31, 2026		14,562,067	3,925,528	-	186,184,391	4,030,214	825,727	2,756,079	-	212,284,006

For the Three Months Ended March 31, 2025 (Unaudited)

Balance, December 31, 2024		14,562,067	3,925,528	-	186,184,391	4,030,214	288,687	(380,903)	(13,425)	208,596,559
Profit								901,294		901,294
Balance, March 31, 2025		14,562,067	3,925,528		186,184,391	4,030,214	288,687	520,390	(13,425)	209,497,853

See accompanying Notes to Interim Consolidated Financial Statements.

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CASHFLOWS
(In US Dollars)

For The Three Months Ended March 31

	NOTES	2026 (Unaudited)	2025 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		1,104,282	931,298
Adjustments for:			
Depreciation and amortization	21,22	1,616,706	1,708,134
Finance costs from loans	17	411,998	391,260
Finance costs on lease liabilities	18	4,210	11,417
Provision for inventory obsolescence	9	153,935	
Finance income	7, 11	(279)	(742)
Retirement benefit costs	24	(82,984)	88,683
Net unrealized foreign exchange losses (gains)	25	132,456	38,099
Operating cash flows before changes in working capital		3,340,324	3,168,150
Decrease (Increase) in operating assets:			
Trade and other receivables		(847,432)	2,171,262
Inventories		(2,005,625)	(440,825)
Prepayments and Other current assets		(1,747,533)	(1,257,538)
Other non current assets		(301,365)	(63,165)
Net movement / amounts owed by and owed to related parties		5,920	-
Increase (Decrease) in trade and other payables		1,342,433	(3,268,182)
Cash generated from (used in) operations		(213,278)	309,702
Finance income received	7, 11	279	742
Income taxes paid		(14,582)	(30,003)
Net cash from (used in) operating activities		(227,581)	280,441
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Product development costs	13	(216,841)	(329,996)
Property, plant and equipment	12	(118,574)	(29,381)
Net cash from (used in) investing activities		(335,415)	(359,377)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from:			
Availment of short- term loan	17	-	2,585,583
Finance cost on lease liabilities	18	(4,210)	(11,417)
Lease liabilities	18		(110,221)
Finance costs on loans	17	(411,998)	(391,260)
Long-term loan	17	(520,468)	(2,143,418)
Short-term loan	17	(187,500)	(1,723,027)
Net movement in amounts owed by and owed to related parties	19	(133,929)	8,233
Net cash from financing activities		(1,258,105)	(1,785,527)
EFFECTS OF FOREIGN EXCHANGE RATE IN CASH		241,190	119,574
NET INCREASE (DECREASE) IN CASH		(1,579,911)	(1,744,889)
CASH AT BEGINNING OF YEAR		10,542,000	12,794,634
CASH AT END OF YEAR		8,962,089	11,049,744

See accompanying Notes to Interim Consolidated Financial Statements.

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of Three-Month Period Ended March 31, 2026

(With Comparative Audited Figures as of December 31, 2025 and Unaudited for the Three Months Periods Ended March 31, 2025)

1. CORPORATE INFORMATION AND STATUS OF OPERATION

Cirtek Holdings Philippines Corporation (TECH or the “Parent Company”) was incorporated under the laws of the Republic of the Philippines on February 10, 2011. The principal activities of the Parent Company are to invest in, purchase or acquire personal property of every kind, including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities.

The Parent Company was listed in the Philippine Stock Exchange (PSE) on November 18, 2011.

Prior to the listing, the Parent Company had undergone a corporate re-organization on March 1, 2011 which includes an acquisition from Cirtek Holdings, Inc. (CHI) of 155,511,952 common shares of Cirtek Electronics Corporation (CEC), and 50,000 shares of Cirtek Electronics International Corporation (CEIC), representing 100% of the outstanding capital stock of both companies. The above transaction was treated as a business combination of entities under common control and was accounted for similar to pooling-of-interests method.

Camerton, Inc. is the immediate parent of TECH, while Carmetheus Holdings, Inc. is the ultimate parent of TECH and its subsidiaries (the “Group”).

TECH, through its subsidiaries CEC and CEIC, is primarily engaged in two major activities: (1) the manufacture and sales of semiconductor packages as an independent subcontractor for outsourced semiconductor assembly, test and packaging services, and (2) the manufacture of value-added, highly integrated technology products. CEC provides turnkey solutions that include package design and development, wafer probing, wafer back grinding, assembly and packaging, final testing of semiconductor devices, and delivery and shipment to its customers’ end users. CEIC sells integrated circuits principally in the United States of America, and assigns the production of the same to CEC. In 2014, CEIC acquired Remec Broadband Wireless Inc. (RBWI or REMEC), renamed as Cirtek Advanced Technologies and Solutions, Inc. (CATS), a manufacturer of valued-added, highly integrated technology products. CATS offers complete “box build” turnkey manufacturing solutions to radio frequency, microwave and millimeter wave products used in the wireless industry such as telecommunication, satellite, aerospace and defense, and automotive wireless devices.

Incorporation of Cirtek Corporation and Cirtek Cayman Ltd. (CCL, Merger Subsidiary)

Cirtek Corporation was incorporated on July 7, 2017 under the laws of Delaware, USA, to engage in lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware. Cirtek Corporation is a wholly-owned subsidiary of CEIC.

In the same period, CCL was incorporated in the Cayman Islands. CCL is a wholly-owned subsidiary of Cirtek Corporation and was merged with Quintel Cayman Ltd. (Quintel) in accordance with the Agreement and Plan of Merger (“Agreement”) between the Parent Company and the previous stockholders of Quintel.

Acquisition of Quintel

On July 28, 2017, the Parent Company's Board of Directors (BOD), approved the acquisition of Quintel and its subsidiaries for \$83.2 million. Quintel is a leading innovator of spectrum and space-efficient base station antennas for wireless networks.

In accordance with the Agreement, CCL was merged with and into Quintel, with the latter surviving corporation. All outstanding shares, warrants, and stock options of the previous stockholders of Quintel were converted to a right to receive the consideration from TECH and Cirtek Corporation. As a result of the merger, each of CCL's one hundred (100) issued and outstanding shares shall be converted into and exchanged for one (1) validly issued, fully paid and non-assessable share of the surviving company. On the other hand, each of Quintel's issued and outstanding shares before the merger shall be cancelled and extinguished, and be converted automatically into the right to receive a portion of the purchase price.

The Group believes that Quintel's cutting edge research and development and product capabilities significantly add to and complement the Group's growing portfolio in wireless communication, and is aligned with its business focus on high-growth market segments. Furthermore, being the strategic manufacturing partner of Quintel products places the Group in a unique situation to achieve significant synergies through value engineering, research and development collaboration as well as cost reduction, resulting in high-quality, reliable and cost-competitive products.

On August 4, 2017, the Assistant Registrar of Companies for the Cayman Islands issued a Certificate of Merger stating that the companies have merged effective on said date.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Philippine Financial and Sustainability Reporting Standards Council (FSRSC) approved the issuance of new and revised Philippine Financial Reporting Standards (PFRS) Accounting Standards. The term "PFRS Accounting Standards" in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and Interpretations issued by the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the FSRSC and adopted by SEC.

These new and revised PFRS Accounting Standards prescribe new accounting recognition, measurement and disclosure requirements applicable to the Group. When applicable, the adoption of the new standards was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

2.01 New and Revised PFRS Accounting Standards Applied with No Material Effect on the Consolidated Financial Statements

The following new and revised PFRS Accounting Standards have been adopted in these consolidated financial statements. The application of these new and revised PFRS Accounting Standards has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to PAS 21, *Lack of Exchangeability*

The amendments contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The amendments cover the following areas:

- Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable if it can be exchanged for another currency through markets or mechanisms that establish enforceable rights and obligations without delay, while it is not exchangeable if an entity can only obtain a small amount of the other currency.
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency isn't exchangeable at a measurement date, an entity estimates the spot exchange rate as the rate that would have applied in an orderly transaction.
- Require the disclosure of additional information when a currency is not exchangeable - when a currency is not exchangeable, an entity discloses information to its consolidated financial statements, allowing users to assess its financial performance, position, and cash flows.

The amendments are effective to annual reporting periods beginning on or after January 1, 2025.

2.02 New and Revised PFRS Accounting Standards in Issue but Not Yet Effective

The Group will adopt the following standards and interpretations enumerated below when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended PFRS Accounting Standards, to have significant impact on the consolidated financial statements.

2.02.01 Standard Adopted by FSRSC and Approved by the Board of Accountancy (BOA)

- Amendments to PFRS 9 and PFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*

The amendments cover the following areas:

- Derecognition of a financial liability settled through electronic transfer – the amendments allow entities to discharge a financial liability settled in cash using an electronic payment system if specific criteria are met, and apply the recognition option to all settlements made through the same system.
- Classification of financial assets:
 - Contractual terms that are consistent with a basic lending arrangement – the amendments outline how entities can evaluate whether contractual cash flows of a financial asset align with a basic lending arrangement, illustrating this through examples of financial assets with or without principal and interest payments.
 - Assets with non-recourse features – the term 'non-recourse' is enhanced, defining a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

- Contractually linked instruments – the amendments clarify that not all transactions with multiple debt instruments meet classification criteria, and that instruments in the underlying pool can include financial instruments not covered by classification requirements.
- There are amendments in the required disclosure for financial assets and liabilities with contractual terms that reference a contingent event and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application of either all the amendments at the same time or only the amendments to the classification of financial assets is permitted.

An entity is required to apply the amendments retrospectively. An entity is not required to restate prior periods to reflect the application of the amendments, but may do so if, and only if, it is possible to do so without the use of hindsight.

- Annual Improvements to PFRS Accounting Standards - Volume 11

The International Accounting Standards Board (IASB) has published proposed narrow-scope amendments to PFRS Accounting Standards and accompanying guidance as part of its periodic maintenance of the Accounting Standards.

The proposed amendments included in the Exposure Draft *Annual Improvements to PFRS Accounting Standards—Volume 11* relate to:

- PFRS 1, *First-time Adoption of International Financial Reporting Standards, Hedge Accounting by a First-Time Adopter* – the amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of PFRS 1 and requirements for hedge accounting in PFRS 9, *Financial Instruments*.
- PFRS 7, *Financial Instruments: Disclosures*
 - Gain or Loss on Derecognition – the amendment addresses a potential confusion in paragraph B38 of PFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when PFRS 13, *Fair Value Measurement* was issued.
 - Disclosure of Deferred Difference Between Fair Value and Transaction Price – the amendment addresses an inconsistency between paragraph 28 of PFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of PFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.
 - Introduction and Credit Risk Disclosures – the amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7 and by simplifying some explanations.
- PFRS 9, *Financial Instruments*
 - Lessee derecognition of lease liabilities – the amendment addresses a potential lack of clarity in the application of the requirements in PFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of PFRS 9 includes a

cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of PFRS 9.

- Transaction price – the amendment addresses a potential confusion arising from a reference in Appendix A to PFRS 9 to the definition of ‘transaction price’ in PFRS 15, *Revenue from Contracts with Customers* while term ‘transaction price’ is used in particular paragraphs of PFRS 9 with a meaning that is not necessarily consistent with the definition of that term in PFRS 15.
- PFRS 10, *Consolidated Financial Statements, Determination of a ‘de facto agent’* – the amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of PFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.
- PAS 7, *Statement of Cash Flows, Cost Method* – the amendment addresses a potential confusion in applying paragraph 37 of PAS 7 that arises from the use of the term ‘cost method’ that is no longer defined in PFRS Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026 with earlier application permitted.

- PFRS 17, *Insurance Contracts*

PFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. It requires an entity that issues insurance contracts to report them on the balance sheet as the total of the fulfilment cash flows and the contractual service margin. It requires an entity to provide information that distinguishes two ways insurers earn profits from insurance contracts: the insurance service result and the financial result. It requires an entity to report as insurance revenue the amount charged for insurance coverage when it is earned, rather than when the entity receives premium. It requires that insurance revenue to exclude the deposits that represent the investment of the policyholder, rather than an amount charged for services. Similarly, it requires the entity to present deposit repayments as settlements of liabilities rather than as insurance expense.

PFRS 17 is effective for annual periods beginning on or after January 1, 2027. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2030, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030. Early application is permitted for entities that apply PFRS 9, *Financial Instruments* and PFRS 15, *Revenue from Contracts with Customers* on or before the date of initial application of PFRS 17.

An entity shall apply PFRS 17 retrospectively unless impracticable, except that an entity is not required to present the quantitative information required by paragraph 28(f) of PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* and an entity shall not apply the option in paragraph B115 for periods before the date of initial application of PFRS 17. If, and only if, it is impracticable, an entity shall apply either the modified retrospective approach or the fair value approach.

- Amendments to PFRS 17, *Insurance Contracts*

The amendments cover the following areas:

- Insurance acquisition cash flows for renewals outside the contract boundary;
- Reinsurance contracts held—onerous underlying insurance contracts;
- Reinsurance contracts held—underlying insurance contracts with direct participation features; and
- Recognition of the contractual service margin in profit or loss in the general model.

The amendments are effective to annual reporting periods beginning on or after January 1, 2027. However, all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030.

- *Amendment to PFRS 17, Initial Application of PFRS 17 and PFRS 9—Comparative Information*

The amendment is a transition option relating to comparative information about financial assets presented on initial application of PFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and Insurance contract liabilities, and therefore improve the usefulness of comparative information for users of consolidated financial statements.

PFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after January 1, 2025. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2027, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030.

- *PFRS 18, Presentation and Disclosure in Consolidated Financial Statements*

PFRS 18 supersedes PAS 1, *Presentation and Disclosure in Consolidated Financial Statements*. This new standard is a result of IASB's Primary Consolidated Financial Statements project, which aimed at improving comparability and transparency of communication in consolidated financial statements.

While several sections from PAS 1, have been retained with minimal changes in wording, PFRS 18 introduces new requirements for the presentation and disclosures in consolidated financial statements.

The new requirements include:

- Improved comparability in the statement of profit or loss (income statement);
- Enhanced transparency of management-defined performance measures; and
- More useful grouping of information in the consolidated financial statements.

Retrospective application is required in both annual and interim consolidated financial statements. PFRS 18 is effective beginning on or after January 1, 2027, with early application permitted.

- *PFRS 19, Subsidiaries without Public Accountability: Disclosures*

PFRS 19 allows eligible entities to provide reduced disclosures compared to the requirements in other PFRS Accounting Standards. Entities that elect PFRS 19 are still required to apply the recognition, measurement and presentation requirements of other PFRS Accounting Standards.

An entity may elect to apply the PFRS 19 if at the end of reporting period:

- It is a subsidiary as defined in PFRS 10, *Consolidated Financial Statements*;
- It does not have public accountability; and
- It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with PFRS Accounting Standards.

An eligible entity (including an intermediate parent) can apply PFRS 19 in its consolidated, separate or individual financial statements. PFRS 19 is applicable for both annual and interim reporting.

PFRS 19 is effective beginning on or after January 1, 2027, with early application permitted.

3. BASIS FOR THE PREPARATION AND PRESENTATION OF CONDOLIDATED FINANCIAL STATEMENTS

3.01 Statement of Compliance

The consolidated financial statements have been prepared in conformity with PFRS Accounting Standards and are under the historical cost convention, except for certain financial instruments that are carried at amortized cost, inventories carried at lower of cost or net realizable value.

3.02 Functional and Presentation Currency

Items included in the consolidated financial statements of the Group are measured using United States Dollar (\$), the currency of the primary economic environment in which the Group operates (the “functional currency”).

The Group chose to present its consolidated financial statements using its functional currency.

3.03 Basis of Consolidation

The consolidated financial statements comprise of the financial statements of the Parent Company and its subsidiaries as of March 31, 2026 and December 31, 2025:

	Country of Incorporation	Functional Currency	Percentage of Ownership			
			2026		2025	
			Direct	Indirect	Direct	Indirect
CEC	Philippines	USD	100%		100%	
CEIC	BVI	USD	100%		100%	
CATSI	BVI	USD		100%		100%
CATSI – Philippine Branch	Philippines	USD		100%		100%
RBWRP	Philippines	USD		100%		100%
	United States of					
Cirtek Corporation	America	USD		100%		100%
Quintel	Cayman Islands	USD		100%		100%
	United States of					
Quintel USA	America	USD		100%		100%

The consolidated financial statements incorporate the financial statements of the Parent Company and the entities controlled by the Parent Company (its subsidiaries) up to December 31 of each year. Control is achieved when the Parent Company has exposure or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over an investee. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one (1) or more of the three (3) elements of control. Subsidiaries are consolidated from the date when control is transferred to the Parent Company and ceases to be consolidated from the date when control is transferred out of the Parent Company.

At acquisition, the assets and liabilities and the contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the profit and loss in the period of acquisition.

Goodwill is initially measured at cost, being the excess of the aggregate of fair value of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Inter-group balances and transactions, including inter-group profits and unrealized profits and losses, are eliminated. When necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used in line with those used by the Group. All inter-group transactions, balances, income and expenses are eliminated during consolidation.

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 a deficit balance.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Parent Company and are presented in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from the Group's equity attributable to equity holders of the Parent Company.

A change in the ownership interest of a subsidiary, without a loss of control is accounted for as an equity transaction.

Upon the loss of control, the Group derecognizes the assets and liabilities of the former subsidiary from the consolidated statement of financial position. The Group recognizes any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant PFRSs. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with PFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. The Group recognizes the gain or loss associated with the loss of control attributable to the former controlling interest.

3.04 Current and Non-Current Presentation

The Group classifies an asset as current when:

- It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- It holds the asset primarily for the purpose of trading;
- It expects to realize the asset within twelve (12) months after the reporting period; or
- The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

The Group classifies all other assets as non-current.

The Group classifies a liability as current when:

- It expects to settle the liability in its normal operating cycle;

- It holds the liability primarily for the purpose of trading;
- The liability is due to be settled within twelve (12) months after the reporting period; or
- It does not have an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

4. MATERIAL ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Group in the preparation of its consolidated financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Business Combination

Business combination is a transaction or event in which an acquirer obtains control of one or more businesses. The Group accounts for each business combination by applying the acquisition method in accordance with PFRS 3. The Group elects to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as of the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group as an acquirer shall report in its consolidated financial statements provisional amounts for the items for which the accounting is incomplete.

During the measurement period, the Group as an acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about the facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, the Group as an acquirer shall also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the Group as an acquirer receives information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration that is classified as an asset or

liability that is a financial instrument and within the scope of PFRS 9 is measured at fair value with changes in fair value recognized either in profit or loss or other comprehensive income. If the contingent consideration is not within the scope of PFRS 9, it is measured in accordance with the appropriate PFRS Accounting Standards. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

The Group recognizes goodwill as of the acquisition date as the excess of (a) and over (b) below:

- a) The aggregate of:
 - i. The consideration transferred, which is generally measured at acquisition-date fair value;
 - ii. The amount of any non-controlling interest in the acquiree; and
 - iii. In a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.
- b) The net of the acquisition-date amounts the identifiable assets acquired and the liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

Common control combination is a business combination wherein the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. This means that the same party or parties have the ultimate control over the combining entities or businesses both before and after the business combination.

The Group applied pooling of interest method in accounting for common control business combinations. The assets and liabilities of the acquired entities and that of the Group are reflected at their carrying values at the stand-alone financial statements of the investee companies. The difference in the amount recognized and the fair value of the consideration given is accounted for as an equity transaction, i.e., as either a contribution or distribution of equity. Furthermore, when a subsidiary is disposed in a common control transaction without loss of control, the difference in the amount recognized and the fair value of consideration received is also accounted for as an equity transaction.

The Group records the difference as equity reserve and is presented as a separate component of equity in the consolidated statements of financial position. Comparatives

shall be restated to include balances and transactions as if the entities have been acquired at the beginning of the earliest period presented in the consolidated financial statements, regardless of the actual date of the combination.

4.02 Segment Information

An operating segment is a component of the Group: (a) that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the Group; (b) whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

The Group reports separately, information about an operating segment that meets any of the following quantitative thresholds: (a) its reported revenue, including both sales to external customers and inter-segment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments, provided that; (b) the absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount, of the combined reported profit of all operating segments that did not report a loss and the combined reported loss of all operating segments that reported a loss; and (c) its assets are 10% or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if management believes that information about the segment would be useful to users of the consolidated financial statements.

For management purposes, the Group is currently organized into three (3) business segments: CEC, CATSI - Philippine Branch and Quintel. These divisions are the basis on which the Group reports its primary segment information.

4.03 Financial Assets

4.03.01 Initial Recognition and Measurement

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

The Group measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At initial recognition, the Group measures receivables that do not have a significant financing component at their transaction price.

4.03.02 Classification

➤ Financial Asset at Amortized Cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

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

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

The Group's financial assets measured at amortized costs include cash in banks, cash equivalents, trade and other receivables, due from a related party, loans to employees and security deposits presented under 'prepayment and other current assets', other financial assets at amortized cost, rental deposits, loans to employees and miscellaneous deposits presented under 'other non-current assets'.

a) Cash in Banks and Cash Equivalents

Cash in banks are deposits held at call with banks that are subject to insignificant risk of change in value. This shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities of three (3) months or less from the date of acquisition and that are subject to insignificant risk of changes in value. This shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

b) Receivables

Receivables include trade and other receivables, due from a related party, rental deposits, loans to employees and security deposits. These are measured at amortized cost using the effective interest method, less any impairment. Finance income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Group has no financial assets measured at fair value either through profit or loss or other comprehensive income.

4.03.03 Effective Interest Method

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets and financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired.

4.03.04 Impairment

The Group shall measure expected losses of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable assumption that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Group adopted the following approaches in accounting for impairment.

➤ General Approach

The Group applied the general approach to cash in banks, cash equivalents, other receivables, due from a related party, rental deposits, security deposits,

other financial assets at amortized cost, loans to employees and miscellaneous deposit. At each reporting date, the Group measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. However, if the credit risk has not increased significantly, the Group measures the loss allowance equal to 12-month expected credit losses.

The Group compares the risk of default occurring as at the reporting date with the risk of default occurring as at the date of initial recognition and consider the macro-economic factors such as GDP, interest, and inflation rates, the performance of the counterparties' industry, and the available financial information of each counterparty to determine whether there is a significant increase in credit risk or not since initial recognition.

The Group determines that there has been a significant increase in credit risk when there is a significant decline in the factors.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition because the financial instrument is determined to have low credit risk at the reporting date.

The Group does not apply the 30 days past due rebuttable presumption because the Group determines that there have been no significant increases in credit risk even the amounts are past due for more than 30 days.

If the Group has measured the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date, that the credit quality improves (i.e. there is no longer a significant increase in credit risk since initial recognition), then the Group shall measure the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date.

The Group recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

The Group performs the assessment of significant increases in credit risk on an individual basis.

The Group does not apply the 90 days past due rebuttable presumption in determining whether a financial asset is credit-impaired or not since based on the Group's historical experience and aging schedules, past due amounts even over 90 days are still collectible.

The Group determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty; and
- A breach of contract, such as a default or past due event.
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

➤ **Simplified Approach**

The Group always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. The Group determines that a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

4.03.05 Derecognition

The Group derecognizes a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition. The difference between the carrying amount and the consideration received is recognized in profit or loss.

4.03.06 Write-off

The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

4.04 Inventories

Inventories includes raw materials, spare parts and other materials which are stated at the lower of cost or net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are determined using first-in, first-out (FIFO) method. For finished goods and work-in-process, costs are determined on a standard cost basis. Standard costs take into account normal levels of materials and supplies, labor, efficiency and capacity utilization. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

When the net realizable value of the inventories is lower than the cost, the Group provides for an allowance for the decline in the value of the inventory and recognizes the write-down as an expense in the statements of comprehensive income. The amount of reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

When inventories are used in operation or sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

4.05 Advances to Suppliers

Advances to suppliers represents down payments for production materials that are still to be delivered. These are initially recorded as asset and will be subsequently reclassified to appropriate account once delivery is made.

Advances to suppliers are classified in the consolidated statements of financial position as current assets when the expenses related to advances to suppliers are expected to be incurred within one (1) year or the Group's normal operating cycle whichever is longer. Otherwise, advances to suppliers are classified as non-current asset.

4.06 Property and Equipment

Property and equipment are initially measured at cost. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Subsequent to initial recognition, property and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

Major spare parts and stand-by equipment qualify as property and equipment when the Group expects to use them during more than one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property and equipment, they are accounted for as property and equipment.

Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

Buildings and improvements	5 to 25 years
Machinery and equipment	10 to 15 years
Facility and production tools	5 to 8 years
Furniture, fixtures and equipment	2 to 5 years
Transportation equipment	5 to 7 years

Construction in progress is a property under construction and development which is initially measured at cost. Cost includes construction costs, professional fees, taxes and licenses and other expenses which are directly related with the construction of the project. Subsequently, upon completion, this will form part of property and equipment and will be measured at cost less accumulated depreciation and accumulated impairment losses.

The residual value, useful lives and depreciation method of the Group's property and equipment is reviewed, and adjusted prospectively if appropriate, if there is an indication of a change since the last reporting date.

An item of property and equipment is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of a property and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss.

4.07 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible

assets, excluding capitalized development costs, are not capitalized and expenditure is recognized in profit or loss in the year in which the expenditure is incurred.

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

Intangible asset with finite life is amortized over its economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at each reporting date. 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 expense on intangible assets with finite lives is recognized in profit or loss.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit (CGU) level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the assessment can be supported. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

The Group recognizes an intangible asset acquired in a business combination if it is identifiable and distinguishable from goodwill. The Group considers an intangible asset is identifiable if:

- it is separable, i.e., there is evidence of exchange transactions for the asset or an asset of a similar type, even if those transactions are infrequent and regardless of whether the Group is involved in those transactions; or
- it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations ("contract legal" criterion).

The Group's intangible assets recognized from business combination pertain to customer relationships, trademark and technology costs. Trademark and customer relationships are estimated to have an indefinite useful life, and will be subject to yearly impairment testing. The Group estimates that technology costs will have an economic life of five (5) years.

4.07.01 Research and Development Costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit, which is estimated to be five (5) to ten (10) years. Amortization is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

4.08 Impairment of Assets

At each reporting date, the Group assesses whether there is any indication that any of its assets other than inventories, deferred tax assets, and financial assets that are within the scope of PFRS 9, *Financial Instruments*, may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income.

4.09 Borrowing Costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.10 Financial Liabilities

4.10.01 Initial Recognition and Measurement

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

At initial recognition, the Group measures a financial liability at its fair value minus, in the case of financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the liability.

4.10.02 Classification

The Group classifies all financial liabilities as subsequently measured at amortized, except for:

- financial liabilities at fair value through profit or loss;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts;

- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in a business combination.

The Group's financial liabilities at amortized cost pertain to trade and other payables (excluding provisions and statutory payables), short-term loans, long-term loans, lease liabilities and due to related parties.

The Group does not have financial liabilities at fair value through profit or loss in both years.

4.10.03 Derecognition

The Group removes a financial liability (or part of a financial liability) from its consolidated statements of financial position when, and only when, it is extinguished (i.e. when the obligation in the contract is discharged or cancelled or expired).

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4.11 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct costs.

Common shares, preferred shares and stock warrants are classified as equity.

4.12 Employee Benefits

4.12.01 Short-term Employee Benefits

The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term employee benefits given by the Group to its employees include salaries, wages and labor costs, and other employee benefits.

4.12.02 Defined Benefit Plans

CEC and CATS are covered by a noncontributory defined benefit retirement plan. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The cost of providing benefits under the defined benefit plans is actuarially determined using the Projected Unit Credit Method (PUCM).

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting date.

Defined benefit costs comprise the following:

- Service costs
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods. These are retained in other comprehensive income until full settlement of the obligation.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. The fair value of plan assets is based on market price information.

When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value and when, and only when reimbursement is virtually certain.

4.12.03 Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

The Group has a defined contribution plan covering substantially all employees of Quintel USA and Quintel Technology, Inc.

4.13 Provisions

Provisions are recognized when the Group has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.13.01 Warranties

Provisions for the expected cost for warranty obligations under local sale of goods legislation are recognized at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.

4.14 Revenue Recognition

The Group recognizes revenue when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

4.14.01 Performance Obligations Satisfied at a Point in Time

Revenue from sale of goods is recognized at a point in time when the goods have been transferred to the customer (i.e. upon delivery). The Group's normal credit term is 30 to 120 days upon delivery. Discounts, returns and other allowances are not significant to the Group. The Group considers indicators of the transfer of control, which include, but are not limited to, the following:

- The Group has a present right to payment for the asset.
- The Group has transferred physical possession of the asset.
- The customer has accepted the asset.

The Group's revenue encompasses sale of semiconductor packages and solid-state devices.

4.15 Expense Recognition

Expense encompasses losses as well as those expenses that arise in the course of the ordinary activities of the Group.

The Group recognizes expenses in the consolidated statements of comprehensive income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

4.16 Foreign Currency Transactions

In preparing the consolidated financial statements of the Group, transactions in currencies other than the Group's functional currency, i.e. foreign currencies, are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise.

4.17 Related Parties and Related Party Transactions

A related party is a person or entity that is related to the Group that is preparing its consolidated financial statements. A person or a close member of that person's family is related to Group if that person has control or joint control over the Group, has significant influence over the Group, or is a member of the key management personnel of the Group.

An entity is related to the Group if any of the following conditions applies:

- The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- The entity is controlled or jointly controlled by a person identified above.
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- Management entity providing key management personnel services to a reporting entity.

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the Group and include that person's children and spouse or domestic partner; children of that person's spouse or domestic partner; and dependents of that person or that person's spouse or domestic partner.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

4.18 Taxation

Income tax expense represents the sum of current and deferred taxes.

4.18.01 Current Tax

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4.18.02 Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income

Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognized for taxable temporary differences. Deferred tax assets arising from deductible temporary differences are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4.18.03 Current and Deferred Taxes for the Period

Current and deferred taxes are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss, whether in other comprehensive income or directly in equity, in which case the tax is also recognized outside profit or loss.

4.18.04 Final Tax on Dividend

When an entity pays dividends to its shareholders, it may be required to pay a portion of the dividends to taxation authorities on behalf of shareholders. In many jurisdictions, this amount is referred to as a withholding tax. Such an amount paid or payable to taxation authorities is charged to equity as a part of the dividends.

4.19 Earnings per Share

The Group computes its basic earnings per share by dividing net income or loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the period.

4.20 Events after the Reporting Period

The Group identifies subsequent events as events that occurred after the reporting period but before the date when the consolidated financial statements were authorized for issue. Any subsequent events that provide additional information about the Group's position at the reporting period, adjusting events, are reflected in the consolidated financial statements, while subsequent events that do not require adjustments, non-adjusting events, are disclosed in the notes to consolidated financial statements when material.

4.21 Changes in Accounting Policies

The adoption of the new and revised standards and interpretations disclosed in Notes 2.01, was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

In the application of the Group's accounting policies, which are described in Note 4, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is

revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in consolidated financial statements.

5.01.01 Functional Currency

The following factors are considered by the Parent Company in determining the functional currency of a foreign operation, and whether its functional currency is the same as that of the reporting entity:

- a. whether the activities of the foreign operation are carried out as an extension of the reporting entity, rather than being carried out with a significant degree of autonomy. An example of the former is when the foreign operation only sells goods imported from the reporting entity and remits the proceeds to it. An example of the latter is when the operation accumulates cash and other monetary items, incurs expenses, generates income and arranges borrowings, all substantially in its local currency.
- b. whether transactions with the reporting entity are a high or a low proportion of the foreign operation's activities.
- c. whether cash flows from the activities of the foreign operation directly affect the cash flows of the reporting entity and are readily available for remittance to it.
- d. whether cash flows from the activities of the foreign operation are sufficient to service existing and normally expected debt obligations without funds being made available by the reporting entity.

The Group determines its functional currency based on the economic substance of the underlying circumstances relevant to them. The US Dollar (\$) is the currency that most faithfully represent the primary economic environment in which the Group operates and it is the currency that mainly influences the underlying transactions, events and conditions relevant to the Group. Hence, Management believes that US Dollar (\$) is the Group's functional currency since it represents the economic substance relevant to the Group.

5.01.02 Assessment of Contractual Terms of a Financial Asset

The Group determines whether the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In making its judgments, the Group considers whether the cash flows before and after the changes in timing or in the amount of payments represent only payments of principal and interest on the principal amount outstanding.

Management assessed that the contractual terms of its financial assets are solely payments of principal and interest and consistent with the basic lending arrangement. As of March 31, 2026 and December 31, 2025, the aggregate amounts of the

aforementioned assets amounted to \$47,906,786 and \$48,696,046, respectively, as disclosed in Note 29.01.

5.01.03 Assessment on the Bifurcation of Embedded Derivative

The Group determines whether the embedded derivative component of the Group's Note Facility Agreement (NFA) should be modified in relation to changes in a variable, such as an interest rate, commodity price, credit rating, or foreign exchange rate.

The Group assessed that the embedded derivative in the NFA is closely related to the host contract, thus was not bifurcated from the host contract based on the provisions of PFRS 9. As of As of March 31, 2026 and December 31, 2025, carrying amounts of NFA long-term loans amounted to \$15,000,000, as disclosed in Note 17.

5.01.04 Assessment of 30 days Rebuttable Presumption

The Company determines when a significant increase in credit risks occurs on its financial assets based on the credit management practice of the Company.

Management believes that the 30 days rebuttable presumption on determining whether credit risk has increased significantly or not is not applicable since based on the Group's historical experience credit risk has not increased significantly even if collections are more than 30 days past due.

5.01.05 Assessment of 90 days Rebuttable Presumption

The Group determines when a default occurs on its financial assets based on the credit management practice of the Group.

Management believes that the 90 days rebuttable presumption on determining whether financial assets are credit impaired or not is not applicable because based on the Group's historical experience and aging schedule, past due amounts even over 90 days are still collectible.

5.01.06 Assessment of Timing of Satisfaction of Performance Obligations

An entity satisfies a performance obligation by transferring control of a promised good or service to the customer, which could occur over time or at a point in time.

Management assessed that the performance obligation is satisfied at point in time from the sale of its semiconductor and solid-state devices. This is when there is a present right to payments of goods, transfer of physical possession of goods and acceptance of the same by its customers.

In three months ended March 31, 2026 and 2025, revenue recognized from such sale amounted to \$13,956,204 and \$13,126,848, respectively, as disclosed in Note 20.

5.01.07 Assessment of the Allocation of Transaction Price to Performance Obligations

A performance obligation is a vendor's promise to transfer a good or service that is 'distinct' from other goods and services identified in the contract.

Management assessed that allocation of transaction price is not applicable since the only obligation identified is the sale of semiconductor and solid-state devices.

5.01.08 Determining Whether or not a Contract Contains a Lease

Management assessed that its lease agreements as disclosed in Note 25 qualified as a lease since the contract contains an identified asset, the Group has the right to obtain

substantially all of the economic benefits, and the Group has the right to direct the use of the identified asset throughout the period of use.

5.01.09 Determining whether or not it is Reasonably Certain that an Extension Option will be Exercised and Termination Option will be Exercised

Lease term is the non-cancellable period for which the Group has the right to use an underlying asset including optional periods when the Group is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term and the enforceability of the option. The option to extend the lease term should be included in the lease term if it is reasonably certain that the lessee will exercise the option and the option is enforceable. The Group is required to reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.

In both years, Management assessed that the lease term should only include the non-cancellable period since the option to extend is not enforceable under the Philippine laws.

5.01.10 Assessment of Classification of Spare Parts, Stand-by Equipment and Servicing Equipment as Property and Equipment or Inventory

The Group determines whether spare parts, stand-by equipment and servicing equipment qualifies as property and equipment or inventory. In making its judgments, the Group considers whether spare parts, stand-by equipment and servicing equipment are held for use in the production or supply of good and services, for rental to others or for administrative purposes and are expected to be used during more than one period or assets which are held for sale in the ordinary course of business, in the process of production of such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services. Spare parts, stand-by equipment and servicing equipment are classified as property and equipment if they are held for use in the production or supply of good and services, for rental to others or for administrative purposes and are expected to be used during more than one period. Spare parts, stand-by equipment and servicing equipment are classified as inventory if they are held for sale in the ordinary course of business, in the process of production of such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services. Whether spare parts, stand-by equipment and servicing equipment are property and equipment or inventory depend on the substance of the transaction rather than the form of the contract.

As of March 31, 2026 and December 31, 2025, Management assessed that the spare parts and others amounting to \$3,174,186 and \$3,189,909, respectively, qualify as inventories since these are being used in producing the Group's finished goods inventory, as disclosed in Note 9.

5.01.11 Uniform Accounting Policies

Consolidated financial statements are prepared under line-by-line basis for consolidation. Full amount of subsidiaries' accounts, irrespective of the percentage of ownership, are combined with those of the Group on a line-by-line bases by adding together similar or like items of assets, liabilities, revenues and expenses. Application of line-by-line basis for consolidation requires judgment in determining that the Parent and its subsidiaries have uniform accounting policy for like transactions and events in similar circumstances between the Parent and the subsidiaries. While the Group

regularly conducts review of the subsidiaries' accounting policy to ensure the uniformity in accounting policy, there would be instances that the policy over these transactions would be different from that of the Parent. In the event that significant differences in the accounting policy for a given transaction exist between the Parent and its subsidiaries, the Parent makes appropriate adjustment in the financial statements of the subsidiary to conform to the Group's policy for the purpose of consolidation.

The consolidated financial statements are prepared under PFRS. Management assessed that the accounting policies of the Parent and its subsidiaries are substantially similar for like transactions and events, thus, no adjustment has been made in the consolidated financial statements.

5.01.12 Assessment of Control

The Group determines whether an entity qualifies as a subsidiary when it has control over an entity. The Group controls an entity when it has the three elements of control as disclosed in Note 4. In making its judgments, the Group considers all facts and circumstances when assessing control over an investee.

A reassessment of control is conducted when there are changes to one or more of the three (3) elements of control. Any changes from at least one of the elements would result to lose or gain of control over an entity.

The Group having one hundred percent (100%) ownership and voting interest, assessed that it has control over all of its subsidiaries since it has power over the subsidiaries, exposure or rights to variable returns from its involvement and ability to use its power to affect the component of its returns.

5.01.13 Aggregation of Operating Segments

In accordance with the provisions of PFRS 8, *Operating Segments*, the Group's reporting segment is based on the management approach with regard to the segment identification, under which information regularly provided to the chief operating decision maker for decision-making purposes is considered as decisive. The segments are also evaluated under the management approach.

The Group reports its segment based on the operating entities. The Management identifies its operating segments as generally based on nature and location of its customers. The Group has three (3) reportable segments: CEC, CATSI- Philippine Branch and Quintel. The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of net trading gains (losses), other income, equity in net earnings, operating expenses and income tax.

5.01.14 Assessment of the Capitalization of Product Development Cost

Product development cost pertain to the capitalized cost of developing certain packages or products for specific customers. Management believes that it is probable that future economic benefits that are attributable to product development cost will flow to the entity and the cost of the asset can be measured reliably, thus, met the requirements of PAS 38, *Intangible Assets*, for capitalization.

As of March 31, 2026 and December 31, 2025, carrying amounts of product development cost amounted to \$6,891,489 and \$7,083,065, respectively, as disclosed in Note 13.

5.02 Key Sources of Estimation Uncertainties

The following are the key assumptions concerning the future, and other key sources of estimated uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5.02.01 Estimating Expected Credit Losses of Financial Assets

The Group evaluates the expected credit losses related to its financial assets based on an individual assessment and available facts and circumstances, including, but not limited to historical loss experience and current and forecast macro-economic information.

The Group uses credit ratings, performance of banking industry, macro-economic and bank's financial information to assess the expected credit losses on its bank deposits. In view of the foregoing factors, Management believes that the expected credit loss is nil.

The Group uses historical experience and current and forecast macro-economic information to assess the expected credit losses on its trade and other receivables. In view of the foregoing factors, Management believes that the allowance for expected credit loss on trade and other receivables is \$741,012 as of March 31, 2026 and December 31, 2025, as disclosed in Notes 8 and 29.

As of March 31, 2026 and December 31, 2025, the Group's financial assets measured at amortized cost amounted to \$47,906,786 and \$48,696,046, respectively, as disclosed in Note 29.

5.02.02 Estimating Inventories at Net Realizable Values

Net realizable values of inventories are assessed regularly based on the prevailing selling prices of inventories less estimated costs to sell. The Group recognizes expense and provides allowance for decline in value of inventories whenever net realizable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes on price levels or other causes. Inventory items identified to be obsolete and unusable is written off and charged against allowance account. Increase in the net realizable values will increase the carrying amount through reduction of allowance for decline but only to the extent of original acquisition cost.

In 2026 and 2025, the Group recognized provision for inventory obsolescence amounting to \$(153,935 and \$362,221, respectively, as disclosed in Notes 9 and 21. As of March 31, 2026 and December 31, 2025, carrying amount of the Group's inventories amounted to \$68,337,931 and \$66,486,241, respectively, as disclosed in Note 9.

5.02.03 Reviewing Residual Values, Useful Lives and Depreciation Method of Property and Equipment

The residual values, useful lives and depreciation method of the Group's property and equipment are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change in, how an asset is used; significant unexpected wear and tear; technological advancement; and changes in market prices since the most recent annual reporting date. The useful lives of the Group's assets are estimated based on the period over which the assets are expected to be available for use. In determining the useful life of an asset, the Group considers the expected usage, expected physical wear and tear, technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output and legal or other limits on the use of the Group's assets. In addition,

the estimation of the useful lives is based on Group's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets.

The Group uses a depreciation method that reflects the pattern in which it expects to consume the asset's future economic benefits. If there is an indication that there has been a significant change in the pattern used by which a Group expects to consume an asset's future economic benefits, the Group shall review its present depreciation method and, if current expectations differ, it shall change the depreciation method to reflect the new pattern.

In both years, Management assessed that there are no indications that there has been a significant change in the pattern used by the Group to consume assets' future economic benefits. As of March 31, 2026 and December 31, 2025, the carrying amount of depreciable property and equipment amounted to \$39,453,610 and \$40,529,690, respectively, as disclosed in Note 12.

5.02.04 Reviewing Residual Values, Useful Lives and Amortization Method of Product Development Costs and Technology Costs

The residual values, useful lives and amortization method of the Group's intangible assets are reviewed at least annually, and adjusted prospectively if appropriate, if there is an indication of a significant change in, how an asset is used; technological advancement; and changes in market prices since the most recent annual reporting date. Amortization begins when the intangible assets are available for use, i.e. when it is in the location and condition necessary for it to be usable in the manner intended by management. Amortization ceases when the asset is derecognized. The Group uses a straight-line method of amortization since it cannot determine reliably the pattern in which it expects to consume the asset's future economic benefits.

In both years, Management assessed that there were no significant changes on the estimates since the most recent annual reporting period. As of March 31, 2026 and December 31, 2025, the carrying value of product development costs and technology costs amounted to \$6,891,489 and \$7,083,065, respectively, as disclosed in Note 13.

5.02.05 Asset Impairment

The Group performs an impairment review when certain impairment indicators are present. Determining the fair value of prepayment and other current assets (except security deposits and loans to employees), property and equipment, ROU assets, intangible assets, and advances to suppliers and others presented under 'other non-current assets', which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements.

In assessing value in use, the estimated future cash flows shall be discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Group believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS Accounting Standards.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit (CGU) (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which goodwill has been allocated, an impairment loss is recognized immediately in the consolidated statements of comprehensive income. Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods. The Group performs its annual impairment test of goodwill at the reporting date.

The recoverable amounts of the CGUs have been determined based on value-in-use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The discount rates applied to cash flow projection is 10% in 2025, 2024 and 2023, and cash flows beyond the five (5) year-period was extrapolated using a steady growth rate of 3%-15% in all years.

Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount of the CGU to exceed its recoverable amount.

No impairment losses were recognized for goodwill, customer relationships and trademark for the three months ended March 31, 2026 and December 31, 2025.

In both years, Management believes that there is no indication of impairment in the value of prepayment and other current assets (except security deposits and loans to employees), property and equipment, ROU assets, intangible assets, and advances to suppliers and others presented under 'other non-current assets'. As of March 31, 2026 and December 31, 2025, the aggregate carrying amounts of the foregoing assets amounted to \$143,248,996 and \$143,028,007, respectively, as disclosed in Notes 10, 12, 13, 14 and 15.

5.02.06 Post-employment Benefits

The determination of the retirement obligation and cost and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rates, mortality of plan members and rates of compensation increase. In accordance with PFRS, actual results that differ from the assumptions and the effects of changes in actuarial assumptions are recognized directly as remeasurements in other comprehensive income. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension and other retirement obligations.

For the three months ended March 31, 2026 and December 31, 2025, retirement benefits expense amounted to \$82,984 and \$333,009, respectively, as disclosed in Note 24. Retirement benefit obligation amounted to \$2,497,229 and \$2,553,898 as of March 31, 2026 and December 31, 2025, respectively, as disclosed in Note 24.

5.02.07 Deferred Tax Assets

The Group reviews the carrying amount at reporting date and reduces deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized prior to its expiration. The Group has recognized deferred tax assets which pertains to retirement benefit obligations amounting to \$129,257 as of December 31, 2025 and 2024, as disclosed in Note 26.

Further, as of December 31, 2025 and 2024, the Group has also recognized deferred tax assets on NOLCO and accrued expenses recognized in business combination amounting to \$4,284,056.

Moreover, as of December 31, 2025 and 2024, the Group's NOLCO and MCIT for which no deferred taxes have been recognized, as disclosed in Note 26, are as follows:

	2025	2024
NOLCO	\$ 48,566,946	\$ 56,971,554
MCIT	5,181	4,864

Management believes that it may not be probable that sufficient future taxable profit will be available against which the deferred tax assets can be utilized.

5.02.08 Estimating the Appropriate Discount Rate to Use

The Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or if not, the Group uses the incremental borrowing rate.

Management used its incremental borrowing rate of 5.0% to 5.5% to measure the present value of its lease liabilities since the implicit rate was not readily available.

6. SEGMENT INFORMATION

Financial information on the Group's business segments as of and for the three months ended March 31, 2026 and 2025 are presented below. The amounts disclosed were determined consistent with the measurement basis under PFRS.

Revenue from contracts with customers for the three months ended March 31, 2026 are as follows:

	CIRTEK	CATS- Philippine Branch	Quintel	Eliminations and Consolidation Adjustments	Consolidated
Dual and quad flat no-leads	\$ 2,476,295	\$ -	\$ -	\$ -	\$ 2,476,295
Analog		2,410,896			2,410,896
Integrated circuits	1,993,288				1,993,288
Discrete	1,970,063				1,970,063
Multichips	1,600,827				1,600,827
Hermetics	1,429,329				1,429,329
Remec manufacturing services		617,936			617,936
New product			526,286		526,286
Microwave Network Inc		378,137			378,137
8 port antennas			195,536		195,536
Cougar		97,962			97,962
6 port antennas			67,490		67,490
Indoor radio frequency unit		43,310			43,310
Brackets			35,321		35,321
NRE+addtl charging costs/serv inc		20,367			20,367
12 port antennas			15,673		15,673
Service Income		15,636			15,636
Packetworx		3,760			3,760
10 port antennas			2,117		2,117
Skyware		500			500
Outdoor units		211			211
Others		-	55,262		55,262
Total	\$ 9,469,803	\$ 3,588,716	\$ 897,684	\$ -	\$ 13,956,204

	CIRTEK	CATS- Philippine Branch	Quintel	Eliminations and Consolidation Adjustments	Consolidated
Segment depreciation and amortization	\$ 933,983	\$ 271,619	\$ 4,493	\$ -	\$ 1,210,095
Segment interest income	141	138	-	-	279
Segment interest expense	411,998	-	-	-	411,998
Segment profit(loss) before income tax	\$ 1,107,004	\$ 956,273	\$ (958,994)	\$ -	\$ 1,104,282
Segment provision for income tax	14,584	-	-	-	14,584
Segment profit (loss) after income tax	\$ 1,092,420	\$ 956,273	\$ (958,994)	\$ -	\$ 1,089,699

Other financial information of the operating segments as of March 31, 2026 is as follows:

	CIRTEK	CATS- Philippine Branch	Quintel	Eliminations and Consolidation	Consolidated
Assets					
Current assets	\$ 330,222,944	\$ 56,663,262	\$ 6,666,965	\$ (273,174,396)	\$ 120,378,775
Non-current assets	144,070,202	20,077,783	3,545,727	(28,449,284)	139,244,427
	\$ 474,293,146	\$ 76,741,045	\$ 10,212,692	\$ (301,623,681)	\$ 259,623,203
Liabilities					
Current liabilities	\$ 147,928,523	\$ 60,772,021	\$ 21,999,549	\$ (190,002,240)	\$ 40,697,853
Non-current liabilities	3,404,112	-	-	3,237,232	6,641,344
	\$ 151,332,635	\$ 60,772,021	\$ 21,999,549	\$ (186,765,008)	\$ 47,339,197

Revenue from contracts with customers for the three months ended March 31, 2025 are as follows:

	CIRTEK		CATS- Philippine Branch		Quintel	Eliminations and Consolidation Adjustments		Consolidated
6 port antennas	\$	-	\$	-	\$ 3,524,255	\$	-	\$ 3,524,255
Analog				1,459,881				1,459,881
Discrete		1,378,423						1,378,423
Dual and quad flat no-leads		1,242,112						1,242,112
Integrated circuits		1,174,100						1,174,100
Hermetics		1,099,833						1,099,833
New product					1,002,054			1,002,054
Multichips		892,104						892,104
Microwave Network Inc				458,426				458,426
12 port antennas					175,513			175,513
Brackets					137,228			137,228
Cougar				134,881				134,881
Remec manufacturing services				98,303				98,303
NRE+addtl charging costs/serv inc				53,151				53,151
8 port antennas					46,436			46,436
Indoor radio frequency unit				14,716				14,716
Others				1,475	233,958			235,433
	\$	5,786,571	\$	2,220,833	\$ 5,119,444	\$	-	\$ 13,126,848

	CIRTEK	CATS- Philippine Branch	Quintel	Eliminations and Consolidation Adjustments	Consolidated
Segment depreciation and amortization	\$ 993,611	\$ 277,145	\$ 10,924	\$ -	\$ 1,281,680
Segment interest income	647	95	-	-	742
Segment interest expense	348,285	-	42,975	-	391,260
Segment profit(loss) before income tax	9,862	426,878	494,557	-	931,298
Segment provision for (benefit from) income tax	(290)	-	30,295	-	30,004
Segment profit (loss) after income tax	\$ 10,153	\$ 426,878	\$ 464,263	\$ -	\$ 901,294

Other financial information of the operating segments as of December 31, 2025 is as follows:

	CEC	CATSI -Philippine Branch	Quintel	Eliminations and Consolidation Adjustments	Consolidated
Assets					
Current assets	\$ 345,567,405	\$ 54,857,410	\$ 7,305,059	\$ (290,084,906)	\$ 117,644,968
Non-current assets	127,804,161	20,418,400	3,684,322	(11,212,065)	140,694,818
	\$ 473,371,566	\$ 75,275,810	\$ 10,989,381	\$ (301,296,971)	\$ 258,339,786
Liabilities					
Current liabilities	\$ 165,113,246	\$ 60,263,060	\$ 21,817,236	\$ (206,912,746)	\$ 40,280,796
Non-current liabilities	3,627,449	-	-	3,237,230	6,864,679
	\$ 168,740,695	\$ 60,263,060	\$ 21,817,236	\$ (203,675,516)	\$ 47,145,475

7. CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statements of cash flows, cash and cash equivalents include cash on hand, cash in banks and cash equivalents.

Cash and cash equivalents at the end of the reporting periods as shown in the consolidated statements of cash flows can be reconciled to the related items in the consolidated statements of financial position as follows:

	March 2026 (Unaudited)	December 2025 (Audited)
Cash in banks	\$ 8,933,389	\$ 10,512,349
Cash on hand	233	235
Cash equivalents	28,468	29,416
	\$ 8,962,089	\$ 10,542,000

Cash in banks earn interest at prevailing deposit rates. Cash equivalents earn 3.50% in both years.

Aggregate finance income earned and received amounted to \$279 and 2,978 in March 31, 2026 and December 31, 2025, respectively.

In 2026 and 2025 unrealized foreign exchange gains (loss) recognized amounted to \$241,190 and \$255,934, respectively.

8. TRADE AND OTHER RECEIVABLES – net

The Group's trade and other receivables are as follows:

	March 2026 (Unaudited)	December 2025 (Audited)
Trade receivables	\$ 29,133,706	\$ 28,304,632
Less: Allowance for expected credit losses (Note 29)	(741,012)	(741,012)
	28,392,693	27,563,620
Others	8,495,860	8,477,502
	36,888,554	\$ 36,041,122

Trade receivables are non-interest bearing and are generally on 30 to 120 days terms.

In 2024 and 2023, Quintel USA entered into an agreement whereby it could sell receivables due from a certain customer to a financial institution. In 2024 and 2023, the Group sold its receivables amounting to \$13.5 million and \$8.7 million, respectively. Sale of receivables under this arrangement convey all rights to the financial institution without recourse at a discount of LIBOR plus 1.05%. Quintel USA incurred discounting fees and charges amounting to \$70,336, pertaining to this arrangement in March 31, 2026 and December 31, 2025,, respectively.

One of the customers of the Group filed for bankruptcy in 2023, hence, trade receivable amounting to nil and nil was written off in 2026 and 2025 as disclosed in Note 22.

Others include non-trade receivable from suppliers which are expected to be collected within one (1) year.

9. INVENTORIES – net

Details of the Group's inventories are as follows:

		March 2026 (Unaudited)		December 2025 (Audited)
Raw materials	\$	52,652,425	\$	51,743,585
Finished goods		9,578,778		9,073,780
Supplies and others		4,149,042		4,047,288
Spare parts and others		3,174,186		3,189,909
Work-in-process		811,117		613,231
		70,365,549		68,667,794
Allowance for inventory obsolescence		(2,027,618)		(2,181,553)
	\$	68,337,931	\$	66,486,241

The cost of inventories charged to expenses amounted to \$5,984,714 and \$5,681,260, in the three months ended March 31, 2026 and 2025, respectively, as disclosed in Note 21.

Inventories are expected to be recovered within one (1) year from the reporting dates.

10. PREPAYMENT AND OTHER CURRENT ASSETS

The details of the Group's prepayment and other current assets are shown below:

		March 2026 (Unaudited)		December 2025 (Audited)
Advances to suppliers and others	\$	5,631,299	\$	3,983,969
Loans to employees		232,298		244,517
Prepaid expenses		70,042		97,342
Security deposits		45,818		45,818
Others		32,974		20,268
	\$	6,012,430	\$	4,391,914

Advances to suppliers pertain mainly to down payments for production materials and services that are still to be delivered.

11. OTHER FINANCIAL ASSETS AT AMORTIZED COST

Other financial assets at amortized cost pertains to government bonds amounting to \$410,196 and \$410,196 as of March 31, 2026 and December 31, 2025, respectively.

On April 22, 2021, the Group acquired government bonds amounting to \$478,876 which will mature on February 24, 2028. The government bonds were purchased in compliance with the requirement for foreign corporations doing business in the

Philippines to deposit with SEC securities worth at least \$8,909 or ₱500,000 and additional securities with market values equivalent to a certain percentage of the amount of Branch's gross income exceeds \$178,190 or ₱10,000,000. Effective interest rates per annum amounts to 3.57% in both years.

Finance income earned and received from the government bonds amounted to nil and \$12,472 in three months ended March 31, 2026 and December 31, 2025, respectively.

12. PROPERTY AND EQUIPMENT – net

The carrying amounts of the Group's property and equipment are as follows:

		March 2026 (Unaudited)	December 2025 (Audited)
Property, Plant and Equipment	\$	131,843,343	\$ 118,637,031
Less: Accumulated Depreciation		(92,043,034)	(77,760,642)
Property, Plant and Equipment - Net	\$	39,800,309	\$ 40,876,389
		-	-
Movements during the period:			
Balance, January 1	\$	40,876,389	\$ 42,764,263
Cost:			
Additions		118,574	3,116,715
Disposal/Reclassification		-	(2,134)
Accumulated Depreciation			
Depreciation - Notes 21, 22		(1,194,654)	(5,004,589)
Disposal		-	2,134
Carrying amount	\$	39,800,309	\$ 40,876,389

Additions in three months ended March 31, 2026 and December 31, 2025 amounting to \$118,574 and \$3,116,715 were all paid in cash.

In 2024, disposals include credit sale of equipment with carrying amount of \$250,692 for consideration of \$159,149, as disclosed in Note 8, which resulted to a loss of \$91,543, as disclosed in Note 25.

In 2024, fully depreciated transportation equipment with original cost of \$84,696 was sold with proceeds amounting to \$22,423. The same amount was recognized as a gain, as disclosed in Note 25.

In three months ended March 31, 2026 and December 31, 2025, depreciation amounted to \$1,194,654 and \$5,004,589, respectively, as disclosed in Notes 21 and 22.

Construction in progress pertains to the construction of Building 3 – Phase 2 which will cater additional capacity for the Group which was put on hold due to pandemic-related circumstances. The Group expect to continue the construction in 2026.

In both years, the Group determined that there is no indication that impairment occurred on its of property and equipment.

13. INTANGIBLE ASSETS – net

The carrying amounts of the Group's intangible assets are as follows:

		March 2026 (Unaudited)	December 2025 (Audited)
Goodwill	\$	55,541,157	\$ 55,541,157
Customer relationships		23,736,500	23,736,500
Trademark		7,472,800	7,472,800
Product development costs		6,891,489	7,083,065
	\$	93,641,946	\$ 93,833,522

Goodwill

The goodwill acquired through business combination is only attributable to the Quintel business. As a result of the Quintel acquisition, the Group recognized goodwill amounting to \$55,541,157 as of March 31, 2026 and December 31, 2025.

Customer Relationships

Customer relationship represent Quintel's established relationships with two of the largest telecon companies in the United States. Such relationships are deemed valuable given the length of their relationships (from as far back as 2008) and the difficulty in establishing connections. Management strongly believes that the relationships with their current customers will drive Quintel's business in the long run.

The fair value of customer relationships is determined based on the discounted excess earnings, which is the difference between the post-tax cash flows attributable to the sales made to Quintel's current customers and the contributory asset charges used to generate the cash flows (i.e., multi-period excess earnings method). Customer relationships are estimated to have an indefinite useful life, and will be subject to yearly impairment testing.

Technology Costs

Movements of technology costs are as follows:

		March 2026 (Unaudited)	December 2025 (Audited)
Carrying amount			
Cost	\$	5,874,600	\$ 5,874,600
Accumulated amortization		(5,874,600)	(5,874,600)
	\$	-	\$ -

The fair values of the Quintel's technology costs and trademark were determined based on discounted notional royalty savings after tax plus discounted tax amortization benefit resulting from the amortization of the required assets (i.e., relief from royalty method).

Trademark

Trademark is estimated to have an indefinite useful life.

The Group has determined that there is no indication that an impairment loss has occurred on its technology and trademark.

Product Development Cost

Movements of product development cost are as follows:

	March 2026 (Unaudited)	December 2025 (Audited)
Carrying amount		
Cost	\$ 15,458,059	\$ 14,500,114
Accumulated amortization	(8,374,995)	(6,966,257)
	7,083,065	7,533,857
Movements during the year		
Balance, January 1	7,083,065	7,533,857
Additions	216,841	1,879,944
Amortization - Notes 21	(408,417)	(2,330,736)
Balances	6,891,489	7,083,065
Carrying Amount		
Cost	15,674,900	16,304,053
Accumulated amortization	(8,783,411)	(9,220,988)
	\$ 6,891,489	\$ 7,083,065

Product development cost pertain to the capitalized cost of developing certain packages or products for the specific customers. The development cost met the requirements of PAS 38 for capitalization.

Additions in all years were paid in cash.

The Group has determined that there is no indication that an impairment loss has occurred on its product development cost.

Software

As of March 31, 2026 and December 31, 2025, CEC has software with a total cost of \$39,278 which are fully amortized but are still used for in operations.

Impairment Testing of Goodwill, Customer Relationship and Trademark

Goodwill acquired through business combinations has been allocated to only one (1) CGU, which is the Group's Quintel business. The recoverable amount of CGU has been determined based on value-in-use calculations using cash flows projections from financial budgets covering a five-year period.

Key assumptions with respect to the calculation of value-in-use of the CGU as of December 31, 2025 and 2024 used by management in its cash flow projections to undertake impairment testing of goodwill are as follows:

	2025	2024
Discount rate	10%	10%
Terminal growth rate	1.5%	1.5%
Revenue growth rates	3%-15%	3%-15%

- Discount rate represents the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group's Quintel business, derived from weighted average cost of capital (WACC). The WACC takes into account both the cost of debt and equity. The cost of equity is calculated using the Capital Asset Pricing Model (CAPM).
- Terminal growth rate is the sustainable growth rate computed based on Quintel's comparable.
- Revenue growth rates are based on the most recent value achieved in the year preceding the start of the budget period, and adjusted for planned efficiency improvement, if any.

Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount of the CGU to exceed its recoverable amount.

No impairment losses were recognized for goodwill, customer relationships and trademark for the years ended March 31, 2026 and December 31, 2025.

14. RIGHT-OF-USE ASSETS – net

The details of the Group's ROU assets are as follows:

	March 2026 (Unaudited)	December 2025 (Audited)
January 1		
Cost	\$ 832,633	\$ 832,633
Accumulated depreciation	(745,114)	(734,888)
Carrying amount	87,519	97,745
Movements during the year		
Balance, January 1	87,519	97,745
Depreciation - (Notes 21 and 22)	(13,635)	(10,226)
	73,884	87,519
Cost	832,633	832,633
Accumulated depreciation	(758,749)	(745,114)
Carrying amount	\$ 73,884	\$ 87,519

As of March 31, 2026 and December 31, 2025, lease liabilities related to ROU assets amounted to \$80,604 and \$100,265, respectively, as disclosed in Note 18.

In both years, the Group determined that there is no indication that impairment occurred on its right-of-use assets.

15. OTHER NON-CURRENT ASSETS

Below is the composition of the Group's other non-current assets:

		March 2026 (Unaudited)		December 2025 (Audited)
Advances to suppliers	\$	3,848,352	\$	3,976,521
Rental deposit		1,037,315		1,071,863
Miscellaneous deposits		152,978		157,074
Others		150,190		152,477
	\$	5,188,835	\$	5,357,935

Advances to suppliers pertain to down payments for the acquisition of software and building expansion.

Miscellaneous deposits pertain to refundable deposits with MERALCO for the installation of CEC's electrical meters and bill deposit equivalent to one (1) month energy consumption.

16. TRADE AND OTHER PAYABLES

The components of trade and other payables account are as follows:

		March 2026 (Unaudited)		December 2025 (Audited)
Trade	\$	11,078,822	\$	10,042,142
Accruals		2,953,658		2,637,241
Provisions		351,039		351,039
Statutory payables		160,383		243,866
	\$	14,543,902	\$	13,274,288

Trade payables are noninterest-bearing and are generally on 60 to 90 days terms.

Accruals comprise mainly of amounts accrued for payroll, utilities, communication, security, shuttle services and professional services. Accruals also include accrued finance cost amounting to nil and \$111,661 as of March 31, 2026 and December 31, 2025, respectively, as disclosed in Note 17.

Provisions pertain to the Group's estimate of the cost to repair or replace defective products in accordance with agreed specifications and potential liability for legal and other claims.

The movements in the provisions are as follows:

		March 2026 (Unaudited)		December 2025 (Audited)
Beginning at January 1	\$	351,039	\$	347,463
Adjustments (Note 25)				3,576
Balance at December 31	\$	351,039	\$	351,039

17. LOANS PAYABLE

The Group's borrowings pertain to bank short-term and long-term loans.

		Current		Non-current		Total
March 31, 2026 (Unaudited)						
Short-term loans (Note 18.01)	\$	7,828,236	\$	-	\$	7,828,236
Long-term loans (Note 18.02)		15,691,381		1,166,667		16,858,047
	\$	23,519,616	\$	1,166,667	\$	24,686,283
December 31, 2025 (Audited)						
Short-term loans (Note 17.01)	\$	8,218,587	\$	-	\$	8,218,587
Long-term loans (Note 17.02)		16,068,209		1,333,333		17,401,542
	\$	24,286,796	\$	1,333,333	\$	25,620,129

17.01 Short-term Loans

Details of short-term loans are as follows:

	March 2026 (Unaudited)	December 2025 (Audited)
Bank loans		
Landbank of the Philippines (LBP)	\$ 2,798,446	\$ 2,891,648
Shinhan Bank - Manila Branch	800,000	800,000
DLF	3,292,289	3,401,939
Chang Hwa Bank (CHB)	937,500	1,125,000
	\$ 7,828,236	\$ 8,218,587

Movements of the short-term loans are as follows:

	March 2026 (Unaudited)	December 2025 (Audited)
Balance at January 1	\$ 8,218,587	\$ 9,275,146
Proceeds from availment of loan	-	4,085,583
Unrealized foreign exchange gain (loss)	(202,852)	(54,549)
Loan repayments	(187,500)	(5,087,592)
Balance at March 31	\$ 7,828,236	\$ 8,218,587

In of March 31, 2026 and December 31, 2025, finance costs incurred and paid on short-term loans amounted to \$392,288 and \$1,222,154, respectively.

In both years, the Group is not required to maintain ratios to comply with the requirements of short-term loans.

The Group is in compliance with the debt covenants as of March 31, 2026 and December 31, 2025.

17.01.01 Bank Loans

Terms and conditions of short-term loans are as follows:

- Revolving loan facilities with RCBC, which have payment terms of 150 to 360 days, unsecured and charged interest of 4.75% to 7.912% in both years.
- Revolving loan facilities with LBP have payment terms of 180 days. The facilities charged interest of 9% per annum in both years.
- Loan agreement with Shinhan Bank – Manila Branch is unsecured, payable in one (1) year and has a fixed rate of 4.8% per annum. In 2021, the term of loan was extended until August 30, 2022 with interest of 3.75% per annum. In 2022, the term of loan was extended until August 30, 2023 with interest rate of 4.50% per annum. In 2023, the loan term was extended until November 30, 2024 with interest rate of 7.82% per annum. In 2024, the loan term was extended until August 30, 2025 with interest rate of 6.87% per annum.

17.01.02 Amalgamated Investment Bancorporation (AIB)

On December 26, 2024, the Group entered into a loan agreement AIB amounting to \$2,585,583 with a loan term of thirty-one (31) days with an interest rate of 10% per annum. In 2025, the Group availed additional short-term loans with AIB amounting to \$2,585,583. The Group paid a sum of \$1,714,678 in 2025.

17.01.03 Philippine Commercial Capital Inc.

In 2023, the Group entered into various short-term loan agreements with an aggregate amount of \$14,684,975, loan terms ranging from 45 days to 344 days, unsecured with interest rates ranging from 5.51% to 8.45%. Payments to this loan in 2025, 2024 and 2023 amounted to nil, \$1,169,760 and \$13,515,215, respectively.

17.01.04 Commercial Paper

The Securities and Exchange Commission (the "Commission") has approved on February 19, 2020 the Company's Amended Registration of up to Two Billion Pesos (P2,000,000,000) or \$39,401,103 worth of Commercial Paper (CP), which is listed on the Philippine Dealing and Exchange Corp. on February 20, 2020. The Commission has subsequently issued a Certificate of Permit to Offer Securities for Sale authorizing the sale and distribution of the aforesaid securities. The CPs may be issued in lump-sum or in tranches and shall have an interest rate fixed prior to the issuance. The succeeding tranches, if any, shall be issued within three (3) years from the date of effectivity of the subject Amended Registration Statement.

The initial issuance of Series A, B and C will carry discount rates of 5.332%, 5.582%, and 5.832%, respectively, calculated on a true-discount basis. The initial issuance will have the following tenors: 91 days, 182 days, and 364 days for Series A, B and C, respectively. Multinational Investment Bancorporation as a Sole Arranger and Lead Underwriter.

On May 29, 2020, listing of re-issued CP maturing on February 18, 2021 amounted to P275,000,000 or \$5,421,176.

On July 15, 2020, listing of re-issued CP maturing on February 18, 2021 amounted to P494,000,000 or \$9,892,861.

On September 1, 2020, listing of reissued CP maturing on February 18, 2021 amounted to P545,200,000 or \$11,245,179.

The issuance of Series D and E will carry discount rates of 4.000% and 4.250%, respectively, calculated on a true-discount basis having the following tenors of 182 days and 364 days, respectively. Philippine Commercial Capital as a Sole Arranger and Lead Underwriter.

On April 28, 2021, listing of re-issued CP maturing on April 28, 2023 amounted to P1,000,000,000 or \$20,643,414.

The issuance of Series F and G will carry discount rates of 6.887% and 7.770%, respectively, calculated on a true-discount basis having the following tenors of 182 days and 364 days, respectively. Philippine Commercial Capital as a Sole Arranger and Lead Underwriter.

On December 6, 2022, listing of re-issued CP maturing June 6, 2023 amounted to P293,800,000 or \$5,235,210.

Also, on December 6, 2022, listing of re-issued CP maturing December 5, 2023 amounted to P304,600,000 or \$5,427,655.

17.02 Long-term Loans

Summary of long-term loans are as follows:

	Current		Non-current		Total
March 31, 2026					
2018 NFA (Note 17.02.01)	\$	15,000,000	\$	-	\$ 15,000,000
KEB Hanah Bank Manila (Note 17.02.02)		691,381		-	691,381
First Commercial Bank., Ltd. (Note 17.02.03)		-		1,166,667	1,166,667
	\$	15,691,381	\$	1,166,667	\$ 16,858,047
December 31, 2025					
2018 NFA (Note 17.02.01)	\$	15,000,000	\$	-	\$ 15,000,000
KEB Hanah Bank Manila (Note 17.02.02)		1,068,209			1,068,209
First Commercial Bank., Ltd. (Note 17.02.03)		-		1,333,333	1,333,333
	\$	16,068,209	\$	1,333,333	\$ 17,401,542

In March 31, 2026 and December 31, 2025, finance costs incurred on long-term loans amounted to \$19,710 and \$1,359,570, respectively.

As of March 31, 2026 and December 31, 2025, accrued finance cost amounted to nil and \$111,661, respectively, as disclosed in Note 16. March 31, 2026 and December 31, 2025, finance cost paid amounted to \$411,998 and \$1,422,627, respectively.

In March 31, 2026 and December 31, 2025, availments of long-term loans amounted to nil, nil and nil, respectively, while payment of long-term loans amounted to \$520,468 and \$5,753,014, respectively.

17.02.01 2018 NFA

Movements of 2018 NFA are as follows:

	March 2026 (Unaudited)	December 2025 (Audited)
Balance at January 1	15,000,000	18,510,327
Loan repayments		(3,600,000)
Change in deferred finance cost		89,673
Balance at March 31	15,000,000	15,000,000

On April 12, 2018, the Group entered into a \$40,000,000 NFA with Bank of Philippine Islands and Rizal Commercial Banking Corporation (each a "Noteholder" and collectively, the "Noteholders"), RCBC Trust and Investments Group (Facility and Paying Agent) and RCBC Capital Corporation (Issue Manager). The NFA provided for the conversion of the outstanding balance of the Parent Company's short-term bridge loan facilities with the Noteholders amounting \$20,000,000 each Noteholder into long term credit facilities. The NFA provided for the issuance of 7-year fixed rate corporate note which bears interest of 6.25% per annum payable quarterly. The net proceeds from the issuance of the Notes shall be used to refinance the bridge loan facilities used to acquire the 100% ownership of Quintel Cayman.

Under the NFA, the Group shall pay the 30% of the loan outstanding on issue date in 24 equal consecutive quarterly commencing at the end of the 1st year until the end of the 28th quarter from the issue date. The remaining 70% of the loan outstanding on issue date shall be paid in a single balloon payment at maturity date.

The NFA contained an embedded derivative arising from voluntary prepayment option where the Group may redeem, in whole or in part, equivalent to an amount less than and in multiples of \$5,000,000 on any interest payment date beginning on the first anniversary of the issue date, by paying a prepayment penalty equivalent to 2% of the principal amount of the Notes being redeemed, together with any and all accrued interest up to the date of redemption at the applicable rate and any related breakage costs (calculated from such non-interest payment date to the immediately succeeding interest payment date) actually incurred by the relevant Noteholders, if the redemption was made on a non-interest payment date. The prepayment penalty shall not apply if the redemption is due to: (i) interest costs or (ii) illegality.

The Group assessed that the embedded derivative in the NFA is closely related to the host contract, thus was not bifurcated from the host contract based on the provisions of PFRS 9.

In accordance with the NFA, the following financial ratios must be maintained:

- Debt to equity ratio shall not, at any time, exceed 70:30;
- Debt service coverage ratio shall not, as of relevant testing date, be less than 1.15; and
- Current ratio shall not, at any time, be less than 1.10.

Equity is defined in the agreement as the aggregate of outstanding capital stock, additional paid-in capital stock, equity reserve and retained earnings at any date and as shown in the latest consolidated balance sheet of the Group. Debt, on the other hand, is defined in the agreement as the aggregate of all obligations (whether actual or contingent) of the Group to pay or repay money.

Debt service ratio is defined in the agreement as the result obtained by dividing (i) earnings before deducting interest expense, income tax, depreciation and amortization (EBITDA) and (ii) the amount of debt service. Debt service, on the other hand, is defined in the agreement as the aggregate of all payments for: (a) interest and principal payments due under the Agreement in the next twelve (12) months; (b) the principal and interest payments due in the next twelve (12) months of all interest-bearing debt with tenor of more than twelve (12) months, and (c) netting obligations of the Issuer due in the next twelve (12) months under permitted hedging arrangements, if applicable.

The carrying amounts of the loan from the 2018 NFA amounted to \$15,000,000 and \$15,000,000 as of March 31, 2026 and December 31, 2025, respectively.

The Group is compliant with the terms and conditions of the aforementioned loan agreement.

17.02.02 KEB Hana Bank Manila

On August 7, 2023, the Group entered into a loan agreement with KEB Hana Bank Manila amounting to \$4,499,073 with a loan term of three (3) years with an interest rate of 8% per annum, payable quarterly. The Group made loan repayment amounting to \$376,828 and \$1,486,346 in March 31, 2026 and December 31, 2025, respectively. As of March 31, 2026 and December 31, 2025, loans from KEB Hana Bank amounted to \$691,381 and \$1,068,209, respectively.

17.02.03 First Commercial Bank., Ltd.

On October 9, 2024, the Group entered into a loan agreement with First Commercial Bank., Ltd. amounting to \$2,000,000 with a loan term of three (3) years with an interest rate of 6.5% per annum, payable quarterly. The Group partially paid the principal amounting to \$166,666 and \$666,667 in March 31 2026 and December 31, 2025. As of March 31, 2026 and December 31, 2025, loans from First Commercial Bank amounted to \$1,166,667 and \$1,333,333, respectively.

18. LEASE LIABILITIES

The Group, as lessee, entered into leasing arrangements with its related parties as disclosed in Note 23. The following are the amounts of lease liabilities:

	Present Value of Minimum Lease Payments			
	Minimum Lease Payments		Payments	
	March 2026 (Unaudited)	December (Audited)	March 2026 (Unaudited)	December 2025 (Audited)
Not later than one (1) year	\$ 34,709	\$ 34,709	\$ 23,521	\$ 23,521
Later than one (1) year but not later than five (5) years	66,651	66,652	57,083	57,083
Later than five (5) years	-	-	-	-
	101,361	101,361	80,604	80,604
Discount	(20,757)	(20,757)		-
Present value of minimum lease payments	80,604	80,604	80,604	80,604
Current lease liabilities	23,521	23,521	23,521	23,521
Non-current lease liabilities	\$ 57,083	\$ 57,083	\$ 57,083	\$ 57,083

Movement in the lease liabilities is as follows:

	March 2026 (Unaudited)	December 2025 (Audited)
Balance, January 1	80,604	96,304
Finance incurred	4,210	4,210
Finance costs	(4,210)	(4,210)
Lease payments		(15,700)
Balances	80,604	80,604

The Group used its incremental borrowing rate of 5.0% to 5.5% to measure the present value of its lease liabilities since the implicit rate was not readily available.

The Group is compliant with the terms and conditions of the lease contracts.

19. RELATED PARTY TRANSACTIONS

Nature of relationship of the Group and its related parties are disclosed below:

Related Parties	Nature of Relationship
Carmetheus Holdings, Inc.	Ultimate Parent
Camerton Inc. (CI)	Immediate Parent
Cayon Holdings, Inc. (Cayon)	Under Common Control
Cirtek Land Corporation (CLC)	Under Common Control
Stockholders	Key Management Personnel
	Has significant influence over the plan
Post-employment benefit plan	

19.01 Due from a Related Party

Balances of due from a related party as shown in the consolidated statements of financial position are as follows:

19.01.01 Under Common Control

Transactions with under common control are detailed as follows:

	March 31, 2026 (Unaudited)		December 31, 2025(Audited)	
	Amount/ Volume	Outstanding Balance	Amount/ Volume	Outstanding Balance
Cayon				
Advances	\$ -	\$ 177,771	\$ -	\$ 183,691

The Group granted advances to Cayon to finance its working capital requirements. The amounts are unsecured and non-interest bearing, due and demandable and will be settled in cash. No guarantees have been received. In March 31 2026 and December 31, 2025. the Group made partial collections amounting to \$5,920 and \$2,457, respectively.

19.02 Due to Related Parties

Balances of due to related parties as shown in the consolidated statements of financial position are summarized per category as follows:

	March 2026 (Unaudited)	December 2025 (Audited)
Immediate Parent	\$ 1,917,693	\$ 2,000,000
Under common control (Note 19.02.01)	595,466	613,117
Key management personnel (Note 19.02.01)	35,928	35,928
Balances	\$ 2,549,087	\$ 2,649,045

19.02.01 Under Common Control

Transactions with under common control are detailed as follows:

		March 2025 (Unaudited)		December 2025 (Audited)	
		Amount/ Volume	Outstanding Balance	Amount/Volume	Outsanding Balance
Other related parties					
CLC	Rental	\$	461,089	\$	475,234
Cayon	Rental		134,377	2,086	137,883
		\$ -	\$ 595,466	\$ 2,086	\$ 613,117

The following are the nature, terms and conditions:

a) Transactions with CLC

The Group had a lease agreement on the land where its manufacturing plant (Building 1) is located with CLC for a period of 16 years starting January 1, 2019. The lease agreement provided for an annual rental of \$0.01 Million subject to periodic adjustments upon mutual agreement of both parties. The total rent expense charged to operations amounted to \$0.01 million in both years.

b) Transactions with Cayon

The Group entered into an agreement with Cayon starting January 1, 2019 to lease the land where the Group's Building 2 is located. The agreement calls for a fixed annual rate of \$0.01 Million for a period of six (6) years and renewable thereafter by mutual agreement of the parties subject to such new terms and conditions as they may then be mutually agreed upon. Total rent expense charged to operations amounted to \$0.01 Million in both years. This was not renewed after its expiration in 2024.

The amounts are unsecured, non-interest bearing and due and demandable and will be settled in cash. No guarantees have been given.

19.02.02 Key Management Personnel

Transaction with key management personnel pertains to advances granted to stockholders amounting to \$35,928 as of March 31, 2026 and December 31, 2025.

The amounts are unsecured, non-interest bearing and due and demandable and will be settled in cash. No guarantees have been given.

19.03 Remuneration of Key Management Personnel

Remunerations of key management personnel of the Group are detailed as follows:

	For the Three Months ended March 31	
	(Unaudited)	(Unaudited)
	2026	2025
Short-term benefits	\$ 780,117	\$ 664,843
Post-employment benefits	28,795	16,307
Balance at December 31	\$ 808,911	\$ 681,150

20. REVENUE FROM CONTRACTS WITH CUSTOMERS

Below is the disaggregation of the Group's revenue from contracts with customers in three months ended March 31, 2026 and 2025, respectively:

	For the Three Months ended March 31	
	(Unaudited)	(Unaudited)
	2026	2025
Dual and quad flat no leads	\$ 2,476,295	\$ 1,242,112
Analog	2,410,896	1,459,881
Integrated Circuits	1,993,288	1,174,100
Discrete	1,970,063	1,378,423
Multichips	1,600,827	892,104
Hermetics	1,429,329	1,099,833
Remec, manufacturing services	617,936	98,303
New product	526,286	1,002,054
Microwave Network Inc	378,137	458,426
8 port antennas	195,536	46,436
Cougar	97,962	134,881
6 port antennas	67,490	3,524,255
Indoor radio frequency	43,310	14,716
Brackets	35,321	137,228
NRE+addtl charging costs/serv inc	20,367	53,151
12 port antennas	15,673	175,513
Service Income	15,636	
Packetworx	3,760	
10 port antennas	2,117	
Skyware	500	
Outdoor units	211	
Others	55,262	235,433
	\$ 13,956,204	\$ 13,126,848

21. COST OF SALES

Components of cost of sales account are as follows:

	For the Three Months ended March 31	
	(Unaudited)	(Unaudited)
	2026	2025
Raw materials, spare parts, supplies and other inventories used and changes in inventories (Note 24)	\$ 5,984,714	\$ 5,681,260
Salaries, wages and employees' benefits (Note 24)	1,852,751	1,709,010
Depreciation and amortization (Notes 12, 13 and 14)	1,200,919	1,270,627
Utilities	949,870	610,128
Inward freight and duties and others	398,261	565,724
	\$ 10,386,514	\$ 9,836,748

Provision for inventory obsolescence amounting to \$(153,935) and \$362,221 is recognized in March 31, 2026 and December 31, 2025, respectively, as disclosed in Note 9, recognized as cost of sales.

22. OPERATING EXPENSES

The account is composed of the following expenses:

	For the Three Months ended March 31	
	(Unaudited)	(Unaudited)
	2026	2025
Salaries, wages and employees' benefits (Note 24)	\$ 992,726	\$ 1,046,622
Commissions	152,819	90,158
Utilities	113,229	104,273
Professional fees	110,628	113,239
Transportation and travels	51,537	62,745
Taxes and licenses	20,465	65,399
Office supplies	37,441	39,421
Insurance premiums	29,300	30,738
Entertainment, amusement and recreation	98,009	12,175
Depreciation and amortization (Notes 12, 13 and 14)	9,176	11,052
Others	386,090	487,149
	\$ 2,001,420	\$ 2,062,971

Professional fees pertain to retainer's fee, legal fees and consultancy fees.

Other expenses pertain to repairs and maintenance and bank charges.

23. LEASE AGREEMENTS

The Group has leases for its land. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the consolidated statements of financial position as a ROU assets and a lease liabilities. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group's sales) are excluded from the initial measurement of the ROU assets and lease liabilities.

23.01 The Group as a Lessee

23.01.01 Cirtek Land Corporation (CLC)

The Group entered into a lease agreement with CLC, a related party, for piece of land located at 116 East Main Avenue, Phase V SEZ, Laguna Technopark, Binan Laguna consisting of 6,674 square meters, more or less. On January 1, 2019, the Group entered into an agreement with CLC to lease the land where Building 1 is erected. The agreement calls for a fixed annual rate of \$12,189 for a period of 16 years and renewable thereafter by mutual agreement of the parties subject to such new terms and conditions as they may be mutually agreed upon. The Group is required to pay security deposit and advanced rental equivalent to one (1) month' rent amounting to \$1,016. These shall be applied to last one (1) month's rent and unpaid bills, or refunded upon termination of lease contract.

23.01.02 Cayon Holdings, Inc. (Cayon)

The Group entered into a lease agreement with Cayon, a related party, for piece of land located at 116 East Main Avenue, Phase V SEZ, Laguna Technopark, Binan Laguna consisting of 6,064 square meters, more or less. On January 1, 2019, the Group entered into an agreement with CHI to lease the land where Building 2 is erected. The agreement calls for a fixed annual rate of \$11,075 for a period of six (6) years and renewable thereafter by mutual agreement of the parties subject to such new terms and conditions as they may be mutually agreed upon. The Group is required to pay security deposit and advanced rental equivalent to one (1) month' rent amounting to \$923. These shall be applied to last one (1) month's rent and unpaid bills, or refunded upon termination of lease contract.

Rental security deposits amounted to \$1,037,315 and \$1,071,863 as of March 31, 2026 and December 31, 2025, respectively, as disclosed in Notes 15.

23.01.03 Eastman Kodak Company

On February 7, 2021, the Group entered into lease agreement with Eastman Kodak Company for a lease of manufacturing plant in Eastman Business Park, Rochester, Monroe County, New York. The agreement calls for a fixed annual rate of \$11,287 for a period of three (3) years and renewable thereafter by mutual agreement of the parties subject to such new terms and conditions as they may be mutually agreed upon. The agreement was extended until March 31, 2025.

As of March 31, 2026 and December 31, 2025, the Group's ROU assets amounted to \$73,884 and \$87,519, respectively, as disclosed in Note 14. As of March 31, 2026 and December 31, 2025, lease liabilities amounted to \$80,604 and \$100,265, respectively, as disclosed in Note 18.

24. EMPLOYEE BENEFITS

Aggregate employee benefits expense comprised:

	For the Three Months ended March 31	
	(Unaudited)	(Unaudited)
	2026	2025
Short-term benefits (Note 24.01)	\$ 2,762,492	\$ 2,726,948
Retirement benefits -(Note 24.02)	82,984	88,683
	<u>\$ 2,845,476</u>	<u>\$ 2,815,632</u>

24.01 Short-term Employee Benefits

Short-term benefits as disclosed in Notes 21 and 22 comprised of:

	For the Three Months ended March 31	
	(Unaudited)	(Unaudited)
	2026	2025
Salaries, wages and other labor costs	\$ 1,204,653	\$ 1,109,109
Other employee benefits	1,557,840	1,557,840
	<u>\$ 2,762,492</u>	<u>\$ 2,666,948</u>

24.02 Retirement Employee Benefits

24.02.01 Defined Benefit Plan

CEC has a funded, noncontributory defined benefit retirement plan administered by the Board of Directors while CATSI – Philippine Branch has an unfunded and non-contributory defined benefit retirement plan, with both entities covering all regular employees. Retirement benefits costs are determined in accordance with an actuarial study and are based on the employees' years of service and monthly basic salary. CEIC has not established a retirement plan while the Parent Company and RBWRP have no employees.

Under the existing regulatory framework, R.A. 7641 requires provision for retirement pay to qualified private sector employees' in the absence of any retirement plan in the entity, provided, however, that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

24.02.02 Retirement Benefit Costs

Below are the summarized components of retirement benefit costs recognized in consolidated statements of comprehensive income:

	March 31,2026	December 31, 2025
	(Unaudited)	(Audited)
Current service cost	\$ 82,984	\$ 184,922
Net interest cost		148,087
	<u>\$ 82,984</u>	<u>\$ 333,009</u>

24.02.03 Retirement Benefit Obligation

Below are the summarized components of retirement benefit obligation recognized in consolidated statement of financial position:

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Present value of defined benefit obligation	\$ 2,553,898	\$ 2,931,352
Fair value of plan assets	(56,669)	(377,454)
	\$ 2,497,229	\$ 2,553,898

25. OTHER INCOME (EXPENSE) – net

The account is composed of the following:

	For the Three Months ended March 31	
	(Unaudited)	(Unaudited)
	2026	2025
Foreign exchange gains (losses)- net	\$ 129,691	\$ 3,376
Others - net	(77,422)	(98,063)
	\$ 52,270	\$ (94,687)

26. INCOME TAXES

26.01 CEC

On March 24, 1998, the Philippine Economic Zone Authority (PEZA) approved CEC's registration as an ecozone export enterprise at the Laguna Technopark for the manufacture of standard integrated circuits, discrete, hybrid and potential new packages.

Beginning October 30, 2002, the manufacture and export of integrated circuits, discrete and hybrid transferred to PEZA from Board of Investments (where originally registered) and became subject to the 5% gross income tax incentive, as defined under R.A. No. 7916, the law creating the PEZA.

The PEZA granted the Company an income tax holiday for its manufacture of plastic and ceramic leadless chip carriers in both years.

26.02 CATSI - Philippine Branch

CATSI - Philippine Branch was registered with PEZA as an Ecozone Export Enterprise to engage in the manufacture, fabrication and design of millimeter wave components and subsystems in a special economic zone to be known as the Carmelray Industrial Park I -Special Economic Zone (CIP I-SEZ and Laguna Technopark in accordance with the project study, representations, commitments and proposals set forth in its application forming integral parts, subject to the terms and conditions provided in its registration.

As a PEZA-registered entities, CEC and CATSI – Philippine Branch are entitled to tax incentives equivalent to 5% of the gross income earned on its registered activities after the income tax holiday (ITH) of four years.

The PEZA granted the Company an income tax holiday for its manufacture of ADI RF load boards and other analog device products in both years.

Details of income tax expense are as follows:

	For the Three Months ended March 31			
	(Unaudited)		(Unaudited)	
	2026		2025	
Current	\$	14,584	\$	30,004
Deferred		-		-
	\$	14,584	\$	30,004

26.03 Deferred Tax Assets

	2025		2024	
Deferred income tax assets recognized in profit or loss:				
Retirement benefit obligation	\$	129,257	\$	129,257

The provision for current income tax in 2024, 2023 and 2022 pertains to the special rate of 5% on taxable gross income of CEC and CATS - Philippine Branch.

Based on the National Internal Revenue Code Sec 27, MCIT of two percent (2%) of the gross income as of the end of taxable year is imposed on corporation beginning on the fourth taxable year immediately following the year in which such corporation started its commercial operation when the MCIT is greater than the regular corporate income computed for the taxable year. The Group is subject to MCIT beginning 2015.

27. EARNINGS (LOSS) PER SHARE

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings (loss) per share are as follows:

	For the Three Months ended March 31			
	(Unaudited)		(Unaudited)	
	2026		2025	
Net income	\$	1,089,699	\$	901,294
Net income to attributable to common shareholders of the Group	\$	1,089,699	\$	901,294
Weighted average number of ordinary shares for the purpose of basic earnings per share		668,505,825		668,505,825

The Group's earnings (loss) per share are \$ 0.0016 and \$0.0031 in March 31, 2026 and December 31, 2025, respectively.

As of March 31, 2026 and December 31, 2025, the Group has no potential dilutive common shares.

The weighted average number of common shares outstanding used in the calculation of EPS is based on the outstanding shares of the Group as adjusted with the effects of shares held by a subsidiary.

28. FAIR VALUE MEASUREMENTS

28.01 Fair Value of Financial Assets and Liabilities

The carrying amounts and estimated fair values of the Group's financial assets and financial liabilities as of March 31, 2026 and December 31, 2025 are presented below:

	March 31, 2026 (Unaudited)		December 31, 2025 (Unaudited)	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
Financial Assets				
Cash	\$ 8,962,089	\$ 8,962,089	\$ 10,542,000	\$ 10,542,000
Trade and other receivables-ne	36,888,554	36,888,554	36,041,122	36,041,122
Due from a related parties	177,771	177,771	183,691	183,691
Other current assets:				
Loans to employees	232,298	232,298	244,517	244,517
Security deposits	45,818	45,818	45,818	45,818
Other financial assets at amortized cost	410,196	410,196	410,196	410,196
Other non-current assets:				
Rental deposits	1,037,315	1,037,315	1,071,863	1,071,863
Miscellaneous deposits	152,978	152,978	157,074	157,074
	\$ 47,907,019	\$ 47,907,019	\$ 48,696,281	\$ 48,696,281
Financial Liabilities:				
Trade payables	\$ 14,032,480	14,032,480	\$ 12,679,383	12,679,383
Due to related parties	2,549,085	2,549,085	2,649,045	2,649,045
Loans	24,686,283	24,686,283	25,620,129	25,620,129
Lease Liabilities	80,604	80,604	80,604	80,604
	\$ 41,348,452	\$ 41,348,452	\$ 41,029,161	\$ 41,029,161

As of March 31, 2026 and December 31, 2025, the carrying value of the Group's financial assets and liabilities are equal to or approximate their respective fair value.

Cash and cash equivalents, trade and other receivables, due from a related party, loans to employees presented under 'other current assets', trade payable and accruals, loans, and due to related parties.

The carrying amounts approximate fair value since these are mostly short-term in nature or due and demandable.

Other financial assets at amortized cost

The fair value of financial assets at amortized cost that are actively traded in organized financial markets is determined by reference to quoted market bid prices, at the close of business on the reporting date or last trading day as applicable (Level 1).

Miscellaneous deposits

The miscellaneous deposits are carried at cost since the timing and related amounts of future cash flows cannot be reasonably and reliably estimated for purposes of establishing its fair value using an alternative valuation technique.

Lease liabilities

The fair value of lease liabilities is based on the discounted value of future cash flows using the applicable rates for similar types of loans. The discount rate used was 5.0% to 5.5% in both years (Level 3).

Long-term Loans

The fair value of long-term loans are based on the discounted value of future cash flows using the applicable rates for similar types of loans. The discount rate used was 7.5% in both years (Level 3).

March 31, 2026 (Unaudited)					
	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value:					
Other financial assets at					
amortized cost	\$ 410,196	\$ -	\$ -	\$ 410,196	
Long-term loans	-	-	15,000,0000	15,000,0000	
December 31, 2025 (Audited)					
	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value:					
Other financial assets at					
amortized cost	\$ 410,196	\$ -	\$ -	\$ 410,196	
Long-term loans	-	-	15,000,0000	15,000,0000	

29. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's principal financial instruments comprise of cash, short term loans and long-term loans. The main purpose of these consolidated financial statements is to support the Group's operations. The Group has various other financial instruments such as trade and other receivables, due from a related party and loans to employees, security deposit (presented as part of prepayment and other current assets), other financial assets at amortized cost, rental deposits and miscellaneous deposits (presented under other noncurrent assets), trade and other payables, due to related parties which generally arise directly from its operations.

29.01 Credit Risk Management

The BOD is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Group.

The main risks arising from the financial instruments of the Group are credit risk, liquidity risk and foreign currency risk. The Group's management reviews and approves policies for managing each of these risks and they are summarized below:

Credit Risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties failed to discharge their contractual obligations.

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit items are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

For cash in bank, other receivables, due from a related party, rental deposits, loans to employees and miscellaneous deposits, the Group applies the low credit risk simplification where the Group measures the ECL on a 12-month basis based on the probability of default and loss given default which are publicly available. The Group also evaluates the credit rating of the bank and other counterparties to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers its cash in banks as high grade since these are placed in financial institutions of high credit standing. For other receivables, amounts owed by related parties various deposits, loans to employees, the Group considers this as high to medium grade as the counterparties are of high credit standing. Accordingly, ECLs relating to those debt instruments round to nil.

For trade receivables, an impairment analysis is performed at each reporting date using a provision matrix to measures ECLs. The provision rates are based on days past due for groupings of customers segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecast of future economic conditions.

In its ECL model, the Group relies on a broad range of forward-looking information as economic inputs, such as:

- Gross domestic products
- Inflation rates

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Based on the Group's credit risk experience, expected credit loss rate increases as the age of receivables increase.

On the other hand, the Group considers its amounts owed by related parties as medium grade due to assured collectability through information from the related parties' sources of funding. No ECLs relating to these debt instruments was recognized.

The aging per class of financial assets and expected credit loss as of March 31, 2026 and December 31, 2025 are follows:

March 31, 2026:

	12-Month ECL	Lifetime ECL Not Credit Impaired	Lifetime ECL Not Credit Impaired	Simplified Approach	Total
Amortized cost					
Cash and cash equivalents	\$ 8,961,857	\$ -	\$ -	\$ -	\$ 8,961,857
Trade and other receivables	-	-	-	36,888,554	36,888,554
Amounts owed by related parties	177,771	-	-	-	177,771
Other current assets:					
Loans to employees	232,298	-	-	-	232,298
Security deposits	45,818	-	-	-	45,818
Other financial assets at amortized cost	410,196	-	-	-	410,196
Rental deposits	1,037,315	-	-	-	1,037,315
Miscellaneous deposits	152,978	-	-	-	152,978
	\$ 11,018,232	\$ -	\$ -	\$ 36,888,554	\$ 47,906,786

Set out below is the information about the credit risk exposures of the Group's financial assets using a provision matrix as of March 31, 2026.

Trade receivables and other receivables

	Days past due					Impaired Financial Assets	Total
	Current	<30 days	30-60 days	61-90 days	>91 days		
Expected credit loss rate	0%	0%	0%	0%	0%	100%	
Estimated total gross carrying amount at default	\$ 26,510,873	\$ 1,731,813	\$ 1,051,289	\$ 1,414,982	\$ 6,179,597	741,012	37,629,566
Expected credit loss	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 741,012	\$ 741,012

December 31, 2025:

	12-Month ECL	Lifetime ECL Not Credit Impaired	Lifetime ECL Not Credit Impaired	Simplified Approach	Total
Amortized cost					
Cash and cash equivalents	\$ 10,541,765	\$ -	\$ -	\$ -	\$ 10,541,765
Trade and other receivables	-	-	-	36,041,122	36,041,122
Amounts owed by related parties	183,691	-	-	-	183,691
Other current assets:					
Loans to employees	244,517	-	-	-	244,517
Security deposits	45,818	-	-	-	45,818
Other financial assets at amortized cost	410,196	-	-	-	410,196
Other noncurrent assets:					
Rental deposits	1,071,863	-	-	-	1,071,863
Miscellaneous deposits	157,074	-	-	-	157,074
	\$ 12,654,923	\$ -	\$ -	\$ 36,041,122	\$ 48,696,046

Set out below is the information about the credit risk exposures of the Group's financial assets using a provision matrix as of December 31, 2025.

Trade receivables and other receivables

Days past due

	Current	<30 days	30-60 days	61-90 days	>91 days	Impaired Financial Assets	Total
Expected credit loss rate	0%	0%	0%	0%	0%	100.00%	
Estimated total gross carrying amount at default	\$ 25,664,697	\$ 1,931,813	\$ 1,401,289	\$ 1,214,982	\$ 5,828,341	\$ 741,012	\$ 36,782,134
Expected credit loss	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 741,012	\$ 741,012

March 31, 2026:

Days Past due

	Current	<30 days	30-60 days	61-90 days	>90 days	ECL	Net of ECL
Cash and cash equivalents	\$ 8,961,857	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,961,857
Trade and other receivables	26,510,873	1,731,813	1,051,289	1,414,982	6,920,609	(741,012)	36,888,554
Amounts owed by related parties	177,771	-	-	-	-	-	177,771
Other current assets:							
Loans to employees	232,298	-	-	-	-	-	232,298
Security deposits	45,818	-	-	-	-	-	45,818
Other financial assets at amortized cost	410,196	-	-	-	-	-	410,196
Other noncurrent assets:							
Rental deposits	1,037,315	-	-	-	-	-	1,037,315
Miscellaneous deposits	152,978	-	-	-	-	-	152,978
	\$ 37,529,105	\$ 1,731,813	\$ 1,051,289	\$ 1,414,982	\$ 6,920,609	\$ (741,012)	\$ 47,906,786

December 31, 2025:

Days Past due

	Current	<30 days	30-60 days	61-90 days	>90 days	ECL	Total
Cash and cash equivalents	\$ 10,541,765						\$ 10,541,765
Trade and other receivables	25,664,697	1,931,813	1,401,289	1,214,982	6,569,353	(741,012)	36,041,122
Amounts owed by related parties	183,691						183,691
Other current assets:							-
Loans to employees	244,517						244,517
Security deposits	45,818						45,818
Other financial assets at amortized cost	410,196						410,196
Other noncurrent assets:							-
Miscellaneous deposits	157,074						157,074
Rental deposits	1,071,863						1,071,863
	\$ 38,319,620	\$ 1,931,813	\$ 1,401,289	\$ 1,214,982	\$ 6,569,353	\$ (741,012)	\$ 48,696,046

The tables below summarize the credit quality per class of the Group's financial assets that are neither past due nor impaired:

March 31, 2026

Neither Past due nor Impaired

	High Grade	Medium Grade	Low Grade	Total
Cash and cash equivalents	\$ 8,962,089	\$ -	\$ -	\$ 8,962,089
Trade and other receivables	26,510,873	10,377,681	-	36,888,554
Due from related parties		177,771	-	177,771
Other current assets:				
Loans to employees	232,298	-	-	232,298
Security deposits	45,818	-	-	45,818
Other financial assets at amortized cost	410,196	-	-	410,196
Other noncurrent assets:				
Rental deposits	1,037,315	-	-	1,037,315
Miscellaneous deposits	152,978	-	-	152,978
	\$ 37,351,568	\$ 10,555,451	\$ -	\$ 47,907,019

December 31, 2025

Neither Past due nor Impaired

	High Grade	Medium Grade	Low Grade	Total
Cash and cash equivalents	\$ 10,542,000	\$ -	\$ -	\$ 10,542,000
Trade and other receivables	25,664,697	10,376,425	-	36,041,122
Due from parties		183,691	-	183,691
Other current assets:				
Loans to employees	244,517	-	-	244,517
Security deposits	45,818	-	-	45,818
Other financial assets at amortized cost	410,196	-	-	410,196
Other noncurrent assets:				
Miscellaneous deposits	157,074	-	-	157,074
Rental deposits	1,071,863	-	-	1,071,863
	\$ 38,136,164	\$ 10,560,116	\$ -	\$ 48,696,281

High grade – These are receivables which have a high probability of collection (the counterparty has the apparent ability to satisfy its obligation and the security on the receivables are readily enforceable).

Medium grade – These are receivables where collections are probable due to the reputation and the financial ability of the counterparty to pay and that have history of sliding beyond the credit terms but pay within 60 days.

Low grade – These are receivables where the counterparty's capability of honoring its financial obligation is doubtful.

Liquidity Risk

Liquidity risk is the risk that the Group may encounter difficulties in raising funds to meet commitments from financial instruments. Liquidity risk may result from a counterparty's failure on repayment of a contractual obligation or inability to generate cash inflows as anticipated.

The Group maintains sufficient cash to finance its operations and major capital expenditures and satisfy its maturing obligations. It may also from time to time seek

other sources of funding, which may include debt or equity financing, including dollar and peso-denominated loans from Philippine banks, depending on its financing needs and market conditions.

The table below summarize the maturity analysis of the Group's financial assets used for liquidity management and financial liabilities based on contractual undiscounted payments:

March 31, 2026

	On Demand	Less than one (1) year	One (1) to two (2) years	More than two (2) years	Total
Cash and cash equivalents	\$ 8,933,622	\$ 28,468	\$ -	\$ -	\$ 8,962,089
Trade and other receivables		36,888,554	-	-	36,888,554
Due from related parties	177,771	-	-	-	177,771
Other current assets:	\$ 9,111,392	\$ 36,917,022	\$ -	\$ -	\$ 46,028,414
Trade and other payables					-
Trade payables	\$ -	\$ 14,543,902	\$ -	\$ -	\$ 14,543,902
Accrued expenses	-	2,953,658	-	-	2,953,658
Short term loans	-	7,828,236	-	-	7,828,236
Due to related parties	2,549,085	-	-	-	2,549,085
Long term debts	-	15,691,381		1,166,667	16,858,047
	\$ 2,549,085	\$ 41,017,176	\$ -	\$ 1,166,667	\$ 44,732,928

December 31, 2025

	On Demand	Less than 1 year	1-2 years	>2 to 5 years	Total
Financial Assets					
Cash and cash equivalents	\$ 10,512,584	\$ 29,416			\$ 10,542,000
Trade and other receivables		36,041,122			36,041,122
Due from related parties	183,691				183,691
Other current assets:	\$ 10,696,274	\$ 36,070,538	\$ -	\$ -	\$ 46,766,813
Trade and other payables:					
Trade payables	\$ -	\$ 10,042,142			\$ 10,042,142
Accrued expenses		2,637,241			2,637,241
Short term loans		8,218,587			8,218,587
Due to related parties	2,649,045				2,649,045
Long term debts		16,068,209	-	1,333,333	17,401,542
	\$ 2,649,045	\$ 36,966,179	\$ -	\$ 1,333,333	\$ 40,948,557

Foreign currency risk

The Group uses the US dollar as its functional currency and is therefore exposed to foreign exchange movements. The Group follows a policy to manage its currency risk by closely monitoring its cash flow position and by providing forecast on all other exposures in non-US dollar currencies.

The change in currency rate is based on the Group's best estimate of its expected change considering the historical trends and experiences. There is no other effect on the Group's equity other than those already affecting income before tax.

30. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group's manages its capital structure, which pertains to its equity as shown in the consolidated statement of financial position, and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes in 2023.

The Group considers the following as capital:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Common stock	\$ 14,562,067	\$ 14,562,067
Preferred stock	3,925,528	3,925,528
Additional paid-in-capital	186,184,391	186,184,391
Equity reserve	4,030,214	4,030,214
Remeasurement	825,727	825,727
Retained Earnings	2,756,078	1,666,384
	\$ 212,284,006	\$ 211,194,311

As of March 31, 2026 and December 31, 2025, the Group is subject to quantitative loan covenants and financial ratios on its long-term loans.

As of March 31, 2026 and December 31, 2025, the Group was able to meet its capital requirements and management objectives.

31. EQUITY

Components of issued capital are as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Common shares (Note 31.01)	\$ 14,562,067	\$ 14,562,067
Preferred shares (Note 31.02)	3,925,528	3,925,528
Additional Paid-in Capital	186,184,391	186,184,391
	\$ 204,671,986	\$ 204,671,986

31.01 Common Shares

Shown below are the details of common shares as of March 31, 2026 and December 31, 2025:

	March 2026 (Unaudited)		December 2025 (Audited)	
	Shares	Amount	Shares	Amount
Authorized				
Common shares (P1.00 par value)	1,200,000,000	\$ 24,053,400	1,200,000,000	\$ 24,053,400
Issued and fully paid				
Common shares	668,505,825	14,562,067	668,505,825	14,562,067
Balances	668,505,825	\$ 14,562,067	668,505,825	\$ 14,562,067

On November 18, 2011, the Group listed with the PSE its common stock, wherein it offered 42,163,000 shares to the public at issue price of ₱7 per share. The total proceeds with issuance of new shares amounted to ₱295.1 million (\$6.8 million). The Group incurred transaction costs incidental to the IPO amounting ₱47.3 million (\$1.1 million), which was charged against “Additional paid-in capital” in the 2011 consolidated statement of financial position. As of December 31, 2011, the Parent Company has 162,163,000 issued common shares.

Stock Rights Offering

The Board of Directors and stockholders of Parent Company, in their special meetings held on September 28, 2020 and November 27, 2020, respectively, approved the following:

1. The approval to offer to all eligible stockholders of record of the Parent Company, as of the date to be set by its management in accordance with existing law and regulations (the 'Record Date'), rights to subscribe (the "Rights Offer") to the common shares of the Parent Company (the 'Rights Shares') with a bonus detachable warrant for each Rights Share (the 'Detachable Warrant'), subject to: (i) the approval of the increase in the Corporation's authorized capital stock; (ii) the registration or exemption requirements, whichever may be applicable, of the Securities and Exchange Commission ('SEC'); and (iii) the listing requirements of the Philippine Stock Exchange ('PSE').
2. The approval of the authority of any one (1) of the Chairman of the Board, the President, the Chief Financial Officer, and/or other senior officers of the Parent Company to fix the terms and conditions of the Rights Offer, including, but not limited to, the final issue size which shall be up to 250,000,000 common shares, the entitlement ratio, the offer price, the payment terms, the terms of the detachable warrant including the exercise price, the procedure for lodging the application to subscribe, the details and procedures for the various rounds of offer including the treatment of rump shares, as applicable, the Record Date and other relevant dates, and other terms, without the necessity of obtaining further approval from the stockholders and Board of Directors (BOD).

On January 6, 2021, the BOD passed resolutions approving a new the conduct of a Stock Rights Offering with issuance of bonus detachable warrants, which approval was refreshed on February 5, 2021.

On June 23, 2021, the Board of Directors of the Philippine Stock Exchange, Inc. in its meeting approved, the application of the Parent Company to list up to 250,000,000 common shares (the "Right Shares"), with a par value of ₱1.00 per share, to cover its Stock Rights Offering ("SRO") to all stockholders as of the proposed record date, at an Offer Price of ₱4.50 to ₱7.25 per Right Share, as well as its application to list up to 250,000,000 Bonus Detachable Warrants ("Detachable Warrants"), free of charge, with up to 250,000,000 underlying common shares at Exercise Price of ₱4.50 to ₱7.25.

The original offer period of the SRO is for the period of July 12 to 22, 2022. However, the Office of the President recently issued Proclamation No. 1189 declaring July 20, 2021 as a regular holiday in observance of Eid'l Adha. Thus, the Parent Company and the Joint Issue Managers and Lead Underwriters agreed to extend the offer period for the SRO until July 23, 2021 (originally set to end on July 22, 2021). The SEC-Markets and Securities Regulation Department confirmed to the Parent Company on July 16, 2021 that it has no objection to the extension of the offer period.

In 2021, proceeds from issuance of common stock amounted to \$20,864,536. Stock warrants were not exercised in 2024. The same amount was transferred to additional paid-in capital in 2024 because of expiration of stock warrants. As of March 31, 2026 and December 31, 2025, stock warrants amounted to nil.

31.02 Preferred Shares

Details of Group's redeemable preferred shares are as follows:

	March 2026 (Unaudited)		December 2025 (Audited)	
	Shares	Amount	Shares	Amount
Authorized				
Preferred shares A (P0.10 par value)	700,000,000	\$ 1,587,734	700,000,000	\$ 1,587,734
Preferred shares B-1 (P1.00 par value)	70,000,000	1,587,734	70,000,000	1,587,734
Preferred shares B-2 (P1.00 par value)	360,000,000	7,481,141	360,000,000	7,481,141
	1,130,000,000	10,656,609	1,130,000,000	10,656,609
Issued and fully paid				
Preferred shares A (P0.10 par value)	700,000,000	946,863	700,000,000	946,863
Preferred shares B-1 (P1.00 par value)	70,000,000	342,399	70,000,000	342,399
Preferred shares B-2 (P1.00 par value)	67,000,000	1,326,733	67,000,000	1,326,733
Preferred shares B-2B (P1.00 par value)	20,000,000	416,145	20,000,000	416,145
Preferred shares B-2C (P1.00 par value)	16,936,400	332,093	16,936,400	332,093
Preferred shares B-2D (P1.00 par value)	28,625,500	561,295	28,625,500	561,295
Balance, December 31				
Preferred shares A	700,000,000	946,863	700,000,000	946,863
Preferred shares B-1	70,000,000	342,399	70,000,000	342,399
Preferred shares B-2	67,000,000	1,326,733	67,000,000	1,326,733
Preferred shares B-2B	20,000,000	416,145	20,000,000	416,145
Preferred shares B-2C	16,936,400	332,093	16,936,400	332,093
Preferred shares B-2D	28,625,500	561,295	28,625,500	561,295
Balance, December 31	902,561,900	\$ 3,925,528	902,561,900	\$ 3,925,528

In 2015, the 400,000,000 preferred shares at par value of ₱0.10 were subscribed by Camerton, a principal shareholder of the Parent Company.

On September 8, 2017, the Parent Company's BOD, by majority vote, approved the amendment in the Parent Company's articles of incorporation to increase the Parent Company's authorized capital stock by ₱300,000,000, or:

- a) From ₱560,000,000, consisting of:
 - i. ₱520,000,000 worth of common shares divided in to 520,000,000 common shares with par value of ₱1.00 per share; and
 - ii. ₱40,000,000 worth of preferred shares divided into 400,000,000 Preferred A shares with par value of ₱0.10 per share.
- b) To ₱860,000,000 consisting of:
 - i. ₱520,000,000 worth of common shares divided into 520,000,000 common shares with par value of ₱1.00 per share;
 - ii. ₱70,000,000 worth of Preferred A shares divided into 700,000,000 preferred A shares with par value of ₱0.10 per share; and
 - iii. ₱270,000,000 worth of preferred B shares with par value of ₱1.00 per share. The Preferred B shares are further classified into the following series: (a) ₱70,000,000 worth of preferred B-1 shares, and (b) ₱200,000,000 worth of preferred B-2 shares, both having a par value of ₱1.00 per share.

On the same date, the additional 300,000,000 preferred A shares and 70,000,000 preferred B-1 shares shall be issued to and subscribed by Camerton at their par value of ₱0.10 per share and ₱1.00 per share, respectively. The Parent Company recognized preferred stock and additional paid-in capital amounting to \$0.1 million and \$0.3 million, respectively, net of subscriptions receivable. Preferred B-1 shares are not listed in the PSE.

On September 29, 2017, the Philippine SEC approved the Parent Company's application for the increase in authorized capital stock.

The features of the preferred A shares are (i) full voting rights, one vote for each share; (ii) preferred non-cumulative cash dividends at the rate of 1% of their par value per year, with no participation in further cash dividends which may be declared and paid to the common shares or any other class or series of shares; and (iii) the same stock dividends which may be declared and paid to the common shares or any other class or series of shares.

On September 15, 2017 and November 9, 2017, the Parent Company's BOD approved the following features, rights and privileges of preferred B-2 shares:

- a. Non-voting;
- b. Preferred, cumulative cash dividends of up to 6.125% of the issue price per year, at the discretion of the Parent Company's BOD, with no participation in further cash dividends which may be declared and paid to the common shares, provided that, other than the basis being their respective issue prices, the cash dividend rate for preferred B-1 shares and preferred A shares;
- c. The same stock dividends which may be declared and paid to the common shares;
- d. As and if approved by the Parent Company's BOD, redeemable in whole and not in part, at the sole option of the Parent Company at a price and at such time that the Parent Company's BOD shall determine;

In 2017, aggregate amount received from the issuance of preferred shares amounted to \$67,489,141. Related stock issuance cost amounted to \$775,635.

In 2018, partial payment received from subscription receivable on preferred shares A amounting to \$578,882.

The Board of Directors, in its special meeting held on September 1, 2020, approved the following:

1. The designation of Subseries of Preferred B-2 Shares Consisting of 33 Million Unissued Existing Preferred B-2 Shares to be denominated as Preferred B2 Subseries B Shares and to denominate the Preferred B2 shares issued in 2017 consisting of 67 Million Preferred B-2 Shares as Preferred B-2 Subseries A Shares.
2. Approval of the Terms and Conditions of the Preferred B-2 Subseries B Shares and the filing of Enabling Resolutions/Directors' Certificate with the Securities and Exchange Commission for the Preferred B-2 Subseries B Shares.
3. The offer for sale or subscription of up to 33 Million of its Preferred B-2 Subseries B Shares by way of private placement and offer to qualified buyers for an offer price of up to One US Dollar (\$1.00) per share, and the listing of such shares with the Philippine Stock Exchange.

On September 1, 2020, the Corporation disclosed that in its Special Meeting, the Board of Directors approved the following:

1. The designation of Subseries of Preferred B-2 Shares Consisting of 33 Million Unissued Existing Preferred B-2 Shares to be denominated as Preferred B-2 Subseries B Shares and to denominate the Preferred B-2 shares issued in 2017 consisting of 67 Million Preferred B2 Shares as Preferred B-2 Subseries A Shares.
2. Approval of the Terms and Conditions of the Preferred B-2 Subseries B Shares and the filing of Enabling Resolutions/Directors' Certificate with the Securities and Exchange Commission for the Preferred B-2 Subseries B Shares.
3. The offer for sale or subscription of up to 33 Million of its Preferred B-2 Subseries B Shares by way of private placement and offer to qualified buyers for an offer price of up to One US Dollar (\$1.00) per share, and the listing of such shares with the Philippine Stock Exchange.

On October 7, 2020, the SEC issued the Certificate of Filing of Enabling Resolution approving the Corporation's Enabling Resolutions designating the subseries of Preferred B-2 Shares, namely: Preferred B2 Subseries A and Preferred B2 Subseries B, and to allocate the 200,000,000 Preferred B-2 Shares as follows: (i) 67,000,000 Preferred B-2 Subseries A Shares, and (ii) 33,000,000 Preferred B-2 Subseries B Shares, and the balance of 100,000,000 Preferred B-2 Shares shall be designated by the Board in subseries at a future date.

The Board of Directors, in its special meeting held on November 10, 2020, approved the subscription by Camerton, Inc. of up to 33,000,000 Preferred B2 Subseries B Shares of the Company at the subscription price of One US Dollar (\$1.00) per share.

The Board of Directors of TECH, in its special meeting held on December 2, 2020, approved the setting of the Dividend Rate of the Preferred B-2 Subseries B Shares to 6% per annum.

On December 21, 2020, the execution of the Subscription Agreement between TECH and Camerton, Inc. for the issuance of a total of ₱20,000,000,000 Preferred B-2 Subseries B Shares.

Preferred Shares Offering

The Board of Directors of Parent Company, in its special meeting held on November 5, 2021, approved the following:

1. Approval of the allocation of additional Preferred Class B-2 Subseries C and D Shares

In line with the approved offering by way of primary offer of up to 70,000,000 cumulative, non-participating, non-voting, non-convertible, perpetual and redeemable peso-denominated Preferred Class B-2 shares with par value of Php 1.00 per share at an offer price of ₱50.00 per share, the Board approved the further allocation of the authorized and unissued Preferred Class B-2 Shares of Parent Company as follows: (i) up to 10,000,000 Preferred Class B-2 Subseries B Shares as Preferred Class B-2 Subseries C Shares; and (ii) up to 30,000,000 Preferred Class B-2 Shares as Preferred Class B-2 Subseries D Shares, bringing the total number of unissued and outstanding Preferred Class B-2 Subseries C Shares is up to 60,000,000 and the total number of unissued and outstanding Preferred Class B-2 Subseries D Shares is up to 50,000,000.

The Parent Company also clarified that the allocation of the up to 60,000,000 Preferred Class B-2 Subseries C Shares is not only as part of the Base Offer of 50,000,000 Preferred Class B-2 Shares but also in the event of oversubscription and that the allocation of up to 50,000,000 Preferred Class B-2 Subseries D Shares is not only in the event of oversubscription but as part of the Base Offer.

2. Approval of the updated terms and conditions of the Preferred Class B-2 Subseries C and D Shares

The Board approved the updated terms and conditions of the Preferred Class B-2 Subseries C and D Shares as set forth in PNB Capital and Investment Corporation's latest Indicative Term Sheet as of November 3, 2021.

3. Approval and clarification of the offering and listing of the Preferred Class B-2 Subseries C and D Shares

The Board approved and clarified its authority to offer for sale or subscription up to ₱2,500,000,000 or \$50,000,000 in aggregate issue value, consisting of up to 50,000,000 Preferred Class B-2 Shares, composed of Preferred Class B-2 Subseries C and/or D Shares (the "Base Offer Shares"), by way of private placement, offer to qualified buyers and/or public offering at an offer price of ₱50.00 per share and that in the event of oversubscription, PNB Capital, the Sole Issue Manager, Lead Underwriter and Sole Bookrunner, in consultation with the Corporation, has the right (but not the obligation) to offer up to an additional 20,000,000 Preferred Class B-2 Shares, composed of Preferred Class B-2 Subseries C and/or D Shares (the "Oversubscription Shares"), equivalent to an additional aggregate issue value of up to ₱1,000,000,000 or \$20,000,000 at an offer price of ₱50.00 per share.

The Board also reiterated and clarified its authority to register the Base Offer Shares and/or Oversubscription Shares with the SEC and list the same in The Philippine Stock Exchange, Inc. ("PSE"), subject to compliance with SEC regulations and PSE listing rules.

On November 24, 2021, the SEC issued Order of Registration and Certificate of Permit to Sell in relation to the Company's registration of follow-on offering of 30,000,000 Preferred Class B-2 Shares (the "Base Offer Shares") with an over-subscription option of up to 20,000,000 Preferred Class B-2 Shares at an offer price of ₱50.00 per Preferred Class B-2 Shares and to be offered as either Subseries "C" or "D" (the "Offer").

The offer period will run from November 25, 2021 to December 3, 2021 with target issue date and listing date at the PSE on December 14, 2021.

31.03 Retained Earnings

The Group's BOD has declared the following dividends to its equity holders:

2025 Dividend Declaration

The Board of Directors of TECH, in its regular meeting held on January 20, 2025, approved the following:

Declaration of cash dividends of the following shares:

a. Preferred A Shares (Unlisted)

Declaration of cash dividend of USD 0.000012196 per share for each of the 700,000,000 issued and outstanding Preferred A Shares amounting to an aggregate sum of USD 8,537, for payment and distribution on March 8, 2025 to shareholders of record as of February 21, 2025. The cash dividend shall be paid in Philippine Pesos at the Bangko Sentral ng Pilipinas ("BSP") exchange rate one day prior to payment date.

b. Preferred B-1 Shares (Unlisted)

Declaration of cash dividend of ₱0.06125 per share for each of the 70,000,000 issued and outstanding Preferred B-1 Shares amounting to an aggregate sum of ₱4,287,500 for payment and distribution on March 8, 2025 to shareholders of record as of February 21, 2025.

c. Preferred B-2 Subseries A Shares ("Preferred B-2A shares")

Declaration of cash dividend of USD 0.0228125 per share for each of the 67,000,000 outstanding and issued Preferred B-2A shares amounting to an aggregate sum of USD 1,528,438, for each dividend period.

The schedule of the payment and distribution of the cash dividends of Preferred B-2A shares shall be made to the entitled shareholders on the following dates:

- i. March 10, 2025 to shareholders of record as of February 21, 2025;
- ii. June 9, 2025 to shareholders of record as of May 23, 2025;
- iii. September 8, 2025 shareholders of record as of August 22, 2025; and
- iv. December 9, 2025 shareholders of record as of November 24, 2025.

d. Preferred B-2 Subseries A Shares ("Preferred B-2A shares")

Declaration of cash dividend of USD 0.0228125 per share for each of the 67,000,000 outstanding and issued Preferred B-2A shares amounting to an aggregate sum of USD 1,528,438, for each dividend period.

The schedule of the payment and distribution of the cash dividends of Preferred B-2A shares shall be made to the entitled shareholders on the following dates:

- i. March 10, 2025 to shareholders of record as of February 21, 2025;
 - ii. June 9, 2025 to shareholders of record as of May 23, 2025;
 - iii. September 8, 2025 shareholders of record as of August 22, 2025; and
 - iv. December 9, 2025 shareholders of record as of November 24, 2025.
- e. Preferred B-2 Subseries B Shares ("Preferred B-2B shares")

Declaration of cash dividend of USD 0.025 per share for each of the 20,000,000 outstanding and issued Preferred B-2B shares amounting to an aggregate sum of USD 500,000, for each dividend period.

The schedule of the payment and distribution of the cash dividends of Preferred B-2B shares shall be made to the entitled shareholders on the following dates:

 - i. March 18, 2025 to shareholders of record as of March 3, 2025;
 - ii. June 18, 2025 to shareholders of record as of June 3, 2025;
 - iii. September 18, 2025 shareholders of record as of September 3, 2025; and
 - iv. December 18, 2025 shareholders of record as of December 3, 2025.
- f. Preferred B-2 Subseries C Shares and Preferred B-2 Subseries D Shares ("Preferred B-2C and Preferred B-2D shares")

Declaration of cash dividend of ₱1.7678125 per share for each of 16,936,400 outstanding and issued Preferred B-2 Subseries C Shares amounting to an aggregate sum of ₱29,940,380 and declaration of cash dividend of ₱0.968825 per share for each of the 28,625,500 outstanding and issued Preferred B-2 Subseries D Shares amounting to an aggregate sum of ₱27,733,100, for each dividend period.

The schedule of the payment and distribution of the cash dividends for each of Preferred B-2C and Preferred B-2D shares shall be made to the entitled shareholders on the following dates:

 - i. March 14, 2025 to shareholders of record as of February 27, 2025;
 - ii. June 16, 2025 to shareholders of record as of May 30, 2025;
 - iii. September 15, 2025 shareholders of record as of August 30, 2025; and
 - iv. December 15, 2025 shareholders of record as of November 28, 2025.

Suspension of Payment of Dividend Declared for 2025

In relation to the previous resolutions of the Board of Directors of TECH last January 20, 2025 approving the declaration of cash dividends for all the preferred shares of the Corporation, specifically Preferred A Shares (Unlisted), Preferred B-1 Shares (Unlisted), Preferred B-2 Subseries A Shares ("TCB2A"), Preferred B-2 Subseries B Shares ("TCB2B"), Preferred B-2 Subseries C Shares ("TCB2C"), and Preferred B-2 Subseries D Shares ("TCB2D") (collectively herein referred to as the "Preferred Shares"), to be distributed on their respective distribution dates in accordance with its respective Prospectuses, the Board of Directors of TECH, in its special meeting held on March 7, 2025, upon recommendation of management, approved the suspension of payment of the declared cash dividends until further notice for all TECH's Preferred Shares as part of the Company's strategy to manage liquidity and to preserve its resources to ensure long-term sustainability of its business.

Nonetheless, the Corporation maintains its commitment to fulfilling its obligations to pay its shareholders in accordance with the terms set out in the Prospectuses of the shares. This includes payment of all dividends due on all Preferred Shares of the Corporation, and payment of all arrears of dividends outstanding by reason of the suspension, on future dates to be set by the Corporation.

2024 Dividend Declarations

Date of Payment	Date of Record	Dividend per share	Shares outstanding	Total Dividends
March 8, 2024				
Preferred B-2	March 8, 2024	\$ 0.022812454	67,000,000	\$ 1,528,434
Preferred B-2B	March 18, 2024	0.025000000	20,000,000	500,000
Preferred B-2C	March 14, 2024	0.014628383	16,936,400	247,752
Preferred B-2D	March 14, 2024	0.017214069	28,625,500	492,761
June 8, 2024				
Preferred B-2	June 10, 2024	\$ 0.022812454	67,000,000	1,528,434
Preferred B-2B	June 18, 2024	0.025000000	20,000,000	500,000
Preferred B-2C	June 14, 2024	0.014628383	16,936,400	236,864
Preferred B-2D	June 14, 2024	0.017214069	28,625,500	471,109
September 8, 2024				
Preferred B-2	September 10, 2024	\$ 0.022812454	67,000,000	1,528,434
Preferred B-2B	September 18, 2024	0.025000000	20,000,000	500,000
Preferred B-2C	September 14, 2024	0.014730167	16,936,400	249,476
Preferred B-2D	September 14, 2024	0.017333881	28,625,500	496,191
December 8, 2024				
Preferred B-2	December 09, 2024	\$ 0.022812454	67,000,000	1,528,434
Preferred B-2B	December 18, 2024	0.025000000	20,000,000	500,000
Preferred B-2C	December 16, 2024	0.014191387	16,936,400	240,351
Preferred B-2D	December 16, 2024	0.016699866	28,625,500	478,042
				\$ 11,026,282

2023 Dividend Declarations

Date of Payment	Date of Record	Dividend per share	Shares outstanding	Total Dividends
March 8, 2023				
Preferred B-2	March 8, 2023	\$ 0.022812463	67,000,000	\$ 1,528,435
Preferred B-2B	March 20, 2023	0.015000000	20,000,000	300,000
Preferred B-2C	March 14, 2023	0.018249640	16,936,400	309,083
Preferred B-2D	March 14, 2023	0.018249640	28,625,500	522,405
June 8, 2023				
Preferred B-2	June 8, 2023	\$ 0.022812463	67,000,000	1,528,435
Preferred B-2B	June 19, 2023	0.015000000	20,000,000	300,000
Preferred B-2C	June 14, 2023	0.018062931	16,936,400	305,921
Preferred B-2D	June 14, 2023	0.018062931	28,625,500	517,060
September 8, 2023				
Preferred B-2	September 8, 2023	\$ 0.022812454	67,000,000	1,528,435
Preferred B-2B	September 18, 2023	0.025000000	20,000,000	500,000
Preferred B-2C	September 14, 2023	0.017555856	16,936,400	297,333
Preferred B-2D	September 14, 2023	0.017555872	28,625,500	502,546
December 9, 2023				

Preferred B-2	December 11, 2023	\$ 0.022812454	67,000,000	1,528,434
Preferred B-2B	December 18, 2023	0.025000000	20,000,000	500,000
Preferred B-2C	December 14, 2023	0.017996293	16,936,400	304,792
Preferred B-2D	December 14, 2023	0.017996293	28,625,500	515,153
				\$ 10,988,032

In 2025, 2024 and 2023, amounts of dividends declared were nil, \$11,026,282, and \$10,988,032, respectively.

In 2025, 2024 and 2023, cash dividends paid amounted to nil, \$11,026,282, and \$11,114,987, respectively.

Retained earnings are further restricted for the payment of dividends to the extent of unrealized foreign exchange gains except those attributable to cash, net fair value gain on investment properties, deferred income tax assets recognized that reduced the income tax expense and increased net income and retained earnings, and other unrealized gains or adjustments as of March 31, 2026 and December 31, 2025.

32. NON-CASH TRANSACTIONS

The Group entered into the following non-cash investing and financing activities which are not reflected in the statements of cash flows:

- In 2024, the Group sold some property and equipment on account with carrying amount of \$250,692 for consideration of \$159,149, as disclosed in Note 8, which resulted to a loss of \$91,543, as disclosed in Note 12.

33. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 5, 2026.

Results of Operations

The Company's Consolidated Net Sales, Gross Profit, Net Income, EBITDA and EPS are provided in the following table:

For the Three Months Ended March 31		
	<i>2026</i>	<i>2025</i>
<i>In US\$ Thousands except EPS</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
NET SALES	\$13,956	\$13,127
COST OF SALES	10,387	9,837
GROSS PROFIT	3,569	3,290
NET INCOME	1,090	901
Basic/Diluted EPS	0.002	0.001
EBITDA	3,130	3,040

For the three-month period ending March 31, 2026 compared to the three-month period ending March 31, 2025

Revenue

The Company achieved a consolidated revenue of US\$14.0 million for the three months ending March 31, 2026, a increase of 6% from US\$13.1 million for the same period in 2025. The increase accounted for was mainly due to the increase in revenue from semiconductor and RF/MW/mmW business.

Revenue contribution from Quintel for the three-month period ending March 31, 2026 amounted to US\$898 thousand, a 82% decrease compared to US\$5.1 million in the same period in 2025.

Revenues from the RF/MW/mmW and antenna manufacturing business before consolidation for the three months ending March 31, 2026 amounted to US\$3.6 million, a 62% increase compared to the US\$2.2 million for same period in 2025.

Revenues from the semiconductor business amounted to US\$9.5 million in 2026 compared to US\$5.8 million for the same period in 2025, a 64% increase.

Cost of Sales and Gross Margin

The Company's cost of sales (COS) is composed of: raw materials, spare parts, supplies; direct salaries, wages and employees' benefits; depreciation and amortization; utility expenses directly attributable to production, freight and duties; and others. The Company's cost of sales increased by 6% to US\$10.4 million for the three months ending March 31, 2026 from US\$9.8 million for the same period in 2025.

The increase was mainly due to:

- Raw materials, spare parts, supplies and other inventories used increased by 5% to US\$6.0 million for the three months ending March 31, 2025, from US\$5.7 million for the same period in 2025.
- Salaries, wages and employees' benefits increased by 8% to US\$1.9 million for the three months ending March 31, 2025, from US\$1.7 million for the same period in 2025

- Utilities increased by 56% to US\$950 thousand for the three months ending March 31, 2026, from US\$610 thousand for the same period in 2025.

The Company's gross margin was 26% for the three months ending March 31, 2026 compared to the 25% gross margin recorded for the same period in 2025.

Operating Expenses

The Company's operating expenses for the three months ending March 31, 2026 amounted to US\$2.0 million, 3% lower compared to the US\$2.1 million recorded during the same period in 2025. The decrease was due to:

- Salaries, wages and employees' benefits decreased by 5% to US\$993 thousand for the three-months ending March 31, 2026, from US\$1.0 million for the same period in 2025.
- Taxes and licenses decreased by 69% to US\$20 thousand for the three months ending March 31, 2026, from US\$65 thousand for the same period in 2025.
- Transportation and travel decreased by 18% to US\$51 thousand for the three months ending March 31, 2026 from US\$62.7 thousand for the same period in 2025.
- Insurance decreased by 5% to US\$29 thousand for the three months ending March 31, 2026 from US\$30 thousand for the same period in 2025.
- Depreciation and amortization decreased by 17% to US\$9 thousand for the three months ending March 31, 2026 from US\$11 thousand for the same period in 2025.

Income Before Income Tax

For the three months ending March 31, 2026, the Company recorded a net income before income tax of US\$1.1 million, a increase of 19% compared with US\$ 931 thousand recorded for the same period in 2025.

Provision for / Benefit from Income Tax

Provision for income tax for the three months ending March 31, 2026 amounted to US\$14.6 thousand compared with a provision for income tax of US\$30 thousand for the same period in 2025.

Net Income After Tax

The Company's net income after tax for the three months ending March 31, 2026 amounted to US\$1.1 million, a increase of 21% compared with US\$901 thousand for the same period in 2025.

Total Comprehensive Income

The Company's total comprehensive income for the three months ending March 31, 2026 amounted to US\$1.1 million, a increase of 21% compared with US\$901 thousand for the same period in 2025.

.

Financial Condition

For the three-month period ending March 31, 2026 compared to the period ending December 31, 2025

Assets

The Company's cash and cash equivalent for the period ending 31 March 2026 amounted to US\$9.0 million, compared with US\$10.5 million for the period ending 31 December 2025, a decrease of US\$1.6 million or 15%.

Trade and other receivables for the period ending 31 March 2026 amounted to US\$36.9 million, compared with US\$36 million for the period ending 31 December 2025, a 2% increase.

Inventory levels for the period ending 31 March 2026 amounted to US\$68.3 million, 3% increased compared with US\$66.5 million for the period ending 31 December 2025.

Due from related parties for the period ending 31 March 2026 amounted to US\$0.18 million compared to US\$0.18 million for the period ending 31 December 2025.

Non-current assets, comprised of Other financial asset at amortized cost, investment property, property, plant and equipment (PPE), intangible assets, right-of-use-asset, deferred income taxes and other noncurrent assets for the period ending 31 March 2026 amounted to US\$139 million compared with US\$141 million for the period ending 31 December 2025.

Liabilities

The Company's current liabilities is comprised of trade and other payables, short-term loans, long-term debt – current portion, amounts owed to related parties, Dividend payable, Lease liability-current portion, deposit for future stock subscription and income tax payable. For the period ending 31 March 2026, current liabilities were at US\$41 million, compared with US\$40.3 million the period ending 31 December 2025, an increase of 1%.

For the period ending 31 March 2026, the Company's non-current liabilities, comprised of long-term debt – net of current portion, lease liability, retirement benefit obligation, and deferred income tax liability amounted to US\$6.6 million compared with US\$6.9 million for the period ending 31 December 2025, a 3% decreased.

Equity

The Company's shareholders' equity for the period months ending 31 March 2026 amounted to US\$212 million compared with US\$211 million for the period ending 31 December 2025

Liquidity and Capital Resources

For the three months ending March 31, 2026, the Company's principal sources of liquidity were cash from sales of its products, and bank credit facilities. The Company expects to meet its working capital, capital expenditure, dividend payment and investment requirements for the next 12 months primarily from the proceeds of the short-term credit facilities and cash flows from operations. It may also from time to time seek other sources of funding, which may include debt or equity financings, including dollar and peso-denominated loans from Philippine banks, depending on its financing needs and market conditions.

For the next 12 months, the Company plans to increase its production further by increasing volume deliveries to existing customers, entering into new production agreements, and expanding its customer base through new product introduction and aggressive sales and marketing activities.

The following table sets out the Company's cash flows for the three months ending March 31, 2026 and the same period in 2025.

In US\$ Thousands	For the three months ending March 31	
	2026	2025
Net cash flows provided by/ (used for) operating activities	(228)	280
Net cash flows provided by/ (used for) investing activities	(335)	(359)
Net cash flows provided by/ (used for) financing activities	(1,258)	(1,786)
Net increase (decrease) in cash equivalents	(1,580)	(1,745)

Net Cash Flows from Operating Activities

Net cash outflow from used for operating activities was (US\$ 228) thousand for the three months ending March 31, 2026, compared with US\$280 thousand for the same period in 2025.

For the three months ending March 31, 2026, net income before tax was US\$1.1 million. After adjustments for depreciation, interest income/expense, operating net unrealized foreign exchange gains, income before working capital was US\$3.3 million. Changes in working capital, interest received and income taxes resulted in a net cash flow from operating activities of US(\$228) thousand.

Investing Activities

Net cash outflow from investing activities amounted to US (\$335) million for the three months ending March 31, 2026. Investing activities mainly involved increase in PPE and increase in non-current assets.

Financing Activities

Net cash flow used in from financing activities for the three months ending March 31, 2026 amounted to US (\$1.3) million. Major financing activities involved proceeds from availment of commercial paper, payment of cash dividends, payment of interest, payment of short-term and long-term loans, and net movement in amounts owed by and owed to related parties. For the same period in 2025 net cash flow financing activities amounted to US\$ (\$1.8) million.

Material Changes to the Company's Unaudited Income Statement as of March 31, 2026 compared to the Reviewed Income Statement as of March 31, 2025 (increase/decrease of 5% or more)

- 6% increase in net sales
Sales increase for the business segments: CEC and CATSI
- 8% increase in Gross Profit
The increased in GP is due to lower sales brought about by the increase of revenue from Semiconductor business of 64% and increase in revenues from CATSI of 62%
- 19% increase in Income Before income Tax
Higher sales and higher operating profit margins
- 21% increase in Net Income After Tax
Higher sales and higher operating profit margins

Material Changes to the Company's Unaudited Balance Sheet as of March 31, 2026 compared to the Audited Balance Sheet as of December 31, 2025 (increase/decrease of 5% or more)

- 15% decrease in Cash and Cash Equivalent
Increase in working capital requirements
- 2% increase in Trade and Other Receivables – Net
More collection from customer
- 5% decrease in Short-term Loans
Payment of short-term credit

KEY PERFORMANCE INDICATORS

The Company's top five (5) key performance indicators are listed below:

Amounts in thousand US\$, except ratios, and were indicated	Full year 2024	2025 Full Year	2026 Three months
EBITDA	15,732	12,167	3,130
EBITDA Margin	25%	23%	22%
Sales Growth/(Decline)	(19%)	(9%)	6%
Current Ratio (x)	2.58x	2.92x	2.96x
Earnings per share (US\$)	(0.009)	0.0031	0.002

Note:

**Earnings per Share was calculated using CHPC's average outstanding common shares for the years 2026 and 2025*

***Earning per share was calculated less dividends for preferred shares which has a fixed amount per quarter*

EBITDA and EBITDA Margin

Earnings before interest, tax, depreciation and amortization (EBITDA) provides an indication of the rate of earnings growth achieved.

The EBITDA margin shows earnings before interest, tax, depreciation and amortization as a percentage of revenue. It is a measure of how efficiently revenue is converted into EBITDA.

EBITDA and EBITDA Margin are not measures of performance under PFRS, and investors should not consider EBITDA and EBITDA Margin in isolation or as alternatives to net income as an indicator of our Company's operating performance or to cash flow from operating, investing and financing activities as a measure of liquidity, or any other measures of performance under PFRS. Because there are various EBITDA and EBITDA Margin calculation methods, the Company's presentation of these measures may not be comparable to similarly titled measures used by other companies.

The following table sets out the Company's EBITDA after consolidation entries.

	For the years ended December 31		For Three Months Ended March 31
In US\$ 000	2024	2025	2026
Net income	5,119	2,047	1,090
Add back:			
Interest expense/income-net	2,785	2,586	412
Provision for / Benefit from income tax	554	198	15
Depreciation and Amortization	7,274	7,335	1,614
EBITDA	15,732	12,167	3,130

The table sets forth a reconciliation of the Company's consolidated EBITDA to consolidated net income.

	For the years ended December 31		For Three Months Ended March 31
In US\$ 000	2024	2025	2026
EBITDA	15,732	12,167	3,130
Deduct:			
Interest expense/income-net	2,785	(2,586)	(412)
Provision for / Benefit from income tax	554	(198)	(15)
Depreciation and amortization	7,274	(7,335)	(1,614)
Net Income	5,119	2,047	1,090

Sales growth

Sales growth is a key indicator of the Company's ability to grow the business

Current ratio

Current ratio measures a company's short-term liquidity, i.e. its ability to pay its debts that are due within the next 12 months. It is expressed as the ratio between current assets and current liabilities.

Earnings per share

Earnings per share show the Company's attributable profit earned per common share. At constant outstanding number of shares, as the Company's earnings increase, the earnings per share correspondingly increase.

Plan of Operation

- a. There are no known trends, events or uncertainties that will result in the Company's liquidity increasing or decreasing in a material way. There were no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation. There are no seasonal aspects that may have a material effect on the financial condition of the Company. The Company can satisfy its cash requirements for the next twelve months without raising additional funds. Nonetheless, the Company is looking to raise additional funds in the next twelve months to further increase its liquidity.
- b. The Company's investments in research and development carry significant cost. Such research and development are necessary to Quintel's product development and intellectual property creation leading to various patents that further improve Quintel's position as a leading innovator in the industry.
- c. As of this writing, there are no known expected purchase or sale of plant and significant equipment.
- d. As of this writing, there are no known expected significant changes in the number of employees.

FINANCIAL RISK DISCLOSURE

The Company is not aware of any known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.

The Company is not aware of any event that will trigger direct or contingent financial obligation that is material to the Company, including default or acceleration of any obligation.

The Company does not have any off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period.

The Company is not aware of any trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

The Company does not have any significant elements of income or loss that did not arise from its continuing operations.

The Company does not have any seasonal aspects that had a material effect on the financial conditions or results of operations.

As of March 31, 2026, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in

respect of the following:

- Any Known Trends, Events or Uncertainties (Material Impact on Liquidity) Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period; and
- Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures:
 - o Any Known Trends, Events or Uncertainties (Material Impact on Sales)
 - o Any Significant Elements of Income or Loss (from continuing operations)

CIRTEK HOLDINGS PHILIPPINES CORPORATION**FINANCIAL SOUNDNESS INDICATORS****MARCH 31, 2026 AND DECEMBER 31, 2025**

Ratios	Formula	MARCH 31, 2026	December 31, 2025
	Current Assets/Current		
(i) Current Ratio	Liabilities	2.96	2.92
(ii) Debt/Equity Ratio	Bank Debts ¹ / Total Equity	0.12	0.12
(iii) Net Debt/Equity Ratio	Bank Debts ¹ -Cash & Equivalents/Total Equity	0.12	0.12
(iii) Asset to Equity Ratio	Total Assets/Total Equity	1.22	1.22
(iv) Interest Cover Ratio	EBITDA ² /Interest Expense	7.60	4.71
(v) Profitability Ratios			
GP Margin	Gross Profit/Revenues	0.26	0.24
Net Profit Margin	Net Income/Revenues	0.08	0.04
EBITDA Margin	EBITDA/Revenues	0.22	0.23
Return on Assets	Net Income/Total Assets ³	0.00	0.01
Return on Equity	Net Income/Total Equity ³	0.01	0.01

1 Sum of short-term loans and long-term debts

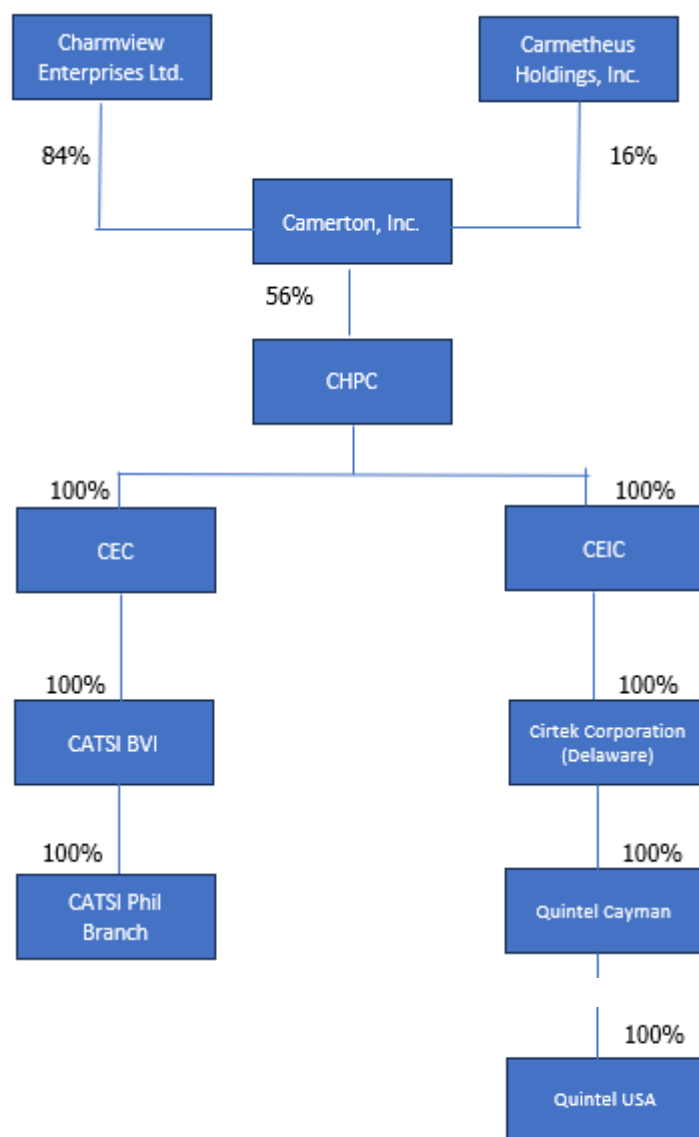
2 EBITDA is calculated as income before income tax plus depreciation and amortization and financial income (expense).

3 Based on balances as at March 31, 2026 and December 31, 2025

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES
AS OF AND FOR THE FIRST QUARTER ENDED MARCH 31, 2026

Schedule	Contents
<i>Index to the Consolidated Financial Statements</i>	
I	Map Showing the Relationships Between and Among the Companies in the Group, its Ultimate Parent Company and Co-subsiidiaries
II	Reconciliation of Retained Earnings Available for Dividend Declaration
III	Financial Soundness Indicators
<i>Supplementary Schedules</i>	
A	Financial Assets
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related parties)
C	Amounts Receivable from Related Parties and Amounts Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements
D	Intangible Assets - Other Assets
E	Long-Term Debt
F	Indebtedness to Related Parties
G	Guarantees of Securities of Other Issuers
H	Capital Stock

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
SCHEDULE I - MAP SHOWING THE RELATIONSHIPS BETWEEN AND
AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT
COMPANY AND CO-SUBSIDIARIES
MARCH 31, 2026



CIRTEK HOLDINGS PHILIPPINES CORPORATION
SCHEDULE II -RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
MARCH 31, 2026

Unappropriated retained earnings, beginning	\$ 8,948,225
Net income/(loss) actually earned during the period	(618,629)
Unrealized of foreign exchange gain, except cash - net	(132,719)
Appropriated retained earnings for working capital	(4,800,000)
Unappropriated retained earnings, ending	\$ 3,396,878

Note: The presentation of reconciliation of retained earnings is based on Financial Reporting Bulletin No. 14 dated January 24, 2013.

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
SCHEDULE III - FINANCIAL SOUNDNESS INDICATORS
MARCH 31, 2026 AND 2025

Ratios	Formula	MARCH 31, 2026	December 31, 2025
(i) Current Ratio	Current Assets/Current Liabilities	2.96	2.92
(ii) Debt/Equity Ratio	Bank Debts ¹ / Total Equity	0.12	0.12
(iii) Net Debt/Equity Ratio	Bank Debts ¹ -Cash & Equivalents/Total Equity	0.12	0.12
(iii) Asset to Equity Ratio	Total Assets/Total Equity	1.22	1.22
(iv) Interest Cover Ratio	EBITDA ² /Interest Expense	7.60	4.71
(v) Profitability Ratios			
GP Margin	Gross Profit/Revenues	0.26	0.24
Net Profit Margin	Net Income/Revenues	0.08	0.04
EBITDA Margin	EBITDA/Revenues	0.22	0.23
Return on Assets	Net Income/Total Assets ³	0.00	0.01
Return on Equity	Net Income/Total Equity ³	0.01	0.01

¹ Sum of short-term loans and long-term debts

² EBITDA is calculated as income before income tax plus depreciation and amortization and financial income (expense).

³ Based on balances as at March 31, 2026, and December 31, 2025

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS
AS OF AND FOR THE FIRST QUARTER ENDED MARCH 31, 2026

	Name of issuing entity and association of each issue	Amount shown on the balance sheet	Value based on market quotations at end of reporting period	Income received or accrued
Cash and cash equivalents	N/A	\$ 8,962,089	\$ 8,962,089	\$ 279
Trade and other receivables	N/A	36,888,554	36,888,554	
Amounts owed by related parties	N/A	177,771	177,771	
Other current assets:			-	
Loans to employees	N/A	232,298	232,298	
Security deposits	N/A	45,818	45,818	
Other financial assets at amortized cost	N/A	410,196	410,196	
Other noncurrent assets:			-	
Rental deposits	N/A	1,037,315	1,037,315	
Miscellaneous deposits	N/A	152,978	152,978	
		\$ 47,907,019	\$ 47,907,019	\$ 279

SCHEDULE B

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM
DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES, AND
PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
AS OF AND FOR THE FIRST QUARTER ENDED MARCH 31, 2026

Amounts owed by Related Parties							
Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Written- off/Reclass ification	Current	Non Current	Balance at the end of the period
Related parties under common control							
Cayon Holdings, Inc.	\$ 183,691	\$-	\$ -	\$ 5,920	\$ 177,771	-	\$ 177,771

SCHEDULE C

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM
RELATED PARTIES WHICH ARE ELIMINATED DURING THE
CONSOLIDATION OF FINANCIAL STATEMENTS
AS OF AND FOR THE FIRST QUARTER ENDED MARCH 31, 2026

Receivables from related parties which are eliminated during the consolidation
(under Trade and Other Receivables)

Name and designation of debtor	Balance at beginning of period	Additions	Amount collected	Amount written off	Current	Noncurrent	Balance at end of period
Quintel USA	\$906,529	\$-	\$(1,342)	-	\$-	-	\$905,187

Amounts owed by related parties which are eliminated during the consolidation

Name and designation of debtor	Balance at beginning of period	Additions	Amount Collected	Amounts written off	Current	Non-current	Balances at the end of period
CHPC							
CEC	\$ 11,827,276	\$ 1,368,664	\$ (1,207,805)		\$ 11,988,136		\$ 11,988,136
CEIC	75,237,940				75,237,940		75,237,940
CATS	23,459,021		(400,000)		23,059,021		23,059,021
RBWPI	212,371				212,371		212,371
Quintel	14,035,544				14,035,544		14,035,544
Total	\$ 124,772,152	\$ 1,368,664	\$ (1,607,805)	\$ -	\$ 124,533,012	\$ -	\$ 124,533,012
CEC							
CATSI	\$ 1,972,932	\$ 218,845	\$ (13,571)		\$ 2,178,207		\$ 2,178,207
Total	\$ 1,972,932	\$ 218,845	\$ (13,571)	\$ -	\$ 2,178,207	\$ -	\$ 2,178,207
CEIC							
CEC	\$ 30,036,719	\$ 1,979,633	\$ (1,745,301)		\$ 30,271,051		\$ 30,271,051
CATS	3,002,072	150,000.00	(22,032)		3,130,040		3,130,040
Quintel	82,478,692				82,478,692		82,478,692
Total	\$ 115,517,483	\$ 2,129,633	\$ (1,767,333)	\$ -	\$ 115,879,783	\$ -	\$ 115,879,783
RBW							
CATS	\$ 4,888,349		\$ (383)		\$ 4,887,966		\$ 4,887,966
Total	\$ 4,888,349	\$ -	\$ (383)	\$ -	\$ 4,887,966	\$ -	\$ 4,887,966
TOTAL	\$ 247,150,917	\$ 3,717,142	\$ (3,389,091)	\$ -	\$ 247,478,968	\$ -	\$ 247,478,969

SCHEDULE D

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF INTANGIBLE ASSETS - OTHER
ASSETS
AS OF MARCH 31, 2026

Intangible Assets - Other Assets						
Description	Beginning Balance	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending Balance
Goodwill	\$55,541,157	\$ –	\$ –	\$ –	\$ –	\$ 55,541,157
Product development costs	7,083,065	216,841	(408,417)	–	–	6,891,489
Customer relationships	23,736,500	–	–	–	–	23,736,500
Technology	–	–	–	–	–	–
Trademark	7,472,800	–	–	–	–	7,472,800
Total	\$93,833,522	\$216,841	(\$408,417)	\$ –	\$ –	\$93,641,946

SCHEDULE E

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT
AS OF MARCH 31, 2026

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
Note Facility Agreement	\$ 40,000,000	\$ 15,000,000	
KEB Hanah Bank	4,499,073	691,381	
First Commercial Bank	2,000,000		1,166,667
		\$ 15,691,381	\$ 1,166,667

SCHEDULE F

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO RELATED
PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
AS OF MARCH 31, 2026

Indebtedness to related parties (Long-term loans from related companies)		
Name of related party	Balance at beginning of period	Balance at end of period
Not Applicable		

SCHEDULE G

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF
OTHER ISSUERS
AS OF MARCH 31, 2026

Guarantees of Securities of Other Issuers				
Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is file	Nature of guarantee
Not Applicable				

SCHEDULE H

CIRTEK HOLDINGS PHILIPPINES CORPORATION AND SUBSIDIARIES**SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK**

AS OF MARCH 31, 2026

Capital Stock						
TITLE OF ISSUE	Number of shares authorized	Number of shares issued and outstanding as shown under the related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common stock	1,200,000,000	668,505,825	-	110,260,791	9	558,245,034
Preferred A shares	700,000,000	700,000,000	-	70,000,000	-	630,000,000
Preferred B-1 shares	70,000,000	70,000,000	-	70,000,000	-	-
Preferred B-2 shares	430,000,000	132,561,900	-	-	-	132,561,900