



NOTICE OF ANNUAL STOCKHOLDER'S MEETING

NOTICE IS HEREBY GIVEN that the annual stockholders' meeting of **LORENZO SHIPPING CORPORATION** will be on **28 August 2025, Thursday, 9:30 a.m.** and will be held virtually with the following Agenda:

AGENDA

- I. CERTIFICATION OF QUORUM
- II. APPROVAL OF MINUTES OF THE PREVIOUS STOCKHOLDER'S MEETING
- III. PRESIDENT'S REPORT AND FINANCIAL REPORT
- IV. RATIFICATION AND CONFIRMATION OF ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS
- V. APPOINTMENT OF EXTERNAL AUDITOR
- VI. INCREASE IN AUTHORIZED CAPITAL STOCK TO TWO BILLION PESOS AND AMENDMENT OF ARTICLES OF INCORPORATION
- VII. ELECTION OF DIRECTORS
- VIII. OTHER MATTER
- IX. ADJOURNMENT

Only stockholders of record at the close of business of **9 June 2025** are entitled to notice of, and to vote at, this meeting. Online registration will start on **4 August 2025**. Stockholders may only vote electronically or in absentia, subject to validation procedures. The rules and procedures for the conduct of the meeting through remote communication and for voting in absentia are set forth in this Information Statement.

Stockholders of record as of 9 June 2025 owning at least 5% of the total outstanding capital stock of the Company may submit proposals on items for inclusion in the agenda on or before **20 August 2025**.

All communications should be sent by email to zpcorp@zplaw.com.ph on or before the stipulated deadlines.

Makati City, 23 June 2025.

FOR THE BOARD OF DIRECTORS



AISSA V. ENCARNACION
Corporate Secretary

We are not soliciting your proxy. If you are unable to attend the meeting but would like to be represented thereat, please submit your proxy form and/or secretary's certificate to the Corporate Secretary on or before **14 July 2025, Monday, at 5:00 p.m.**

EXPLANATION OF AGENDA ITEMS

1. Certification of Quorum

The Corporate Secretary will certify the date the notice of the Annual Stockholders' Meeting was sent to all stockholders of record. The Corporate Secretary will also certify the existence of a quorum. The holders of record of the majority of the outstanding capital stock of the Company shall constitute a quorum.

Pursuant to Sections 23 and 57 of the Revised Corporation Code which allow voting in absentia and attendance, stockholders who vote in absentia and participate by remote communication shall be included in the determination of quorum.

2. Approval of Minutes of the Previous Stockholders' Meeting

Copy of the minutes of the Annual Stockholders' Meeting held on 25 June 2024 is available at the Company's website at www.lorenzoshopping.com.

A resolution approving the minutes will be presented to the stockholders for the approval of at least a majority of the outstanding capital stock present at the meeting.

3. President's Report and Financial Report

The President, Reynold John B. Madamba, will deliver a report to the stockholders on the performance of the Company in 2024, and the prospects for 2025. A resolution noting the President's Report will be presented to the stockholders.

The Chief Finance Officer, Ms. Amelita M. Intalan, will present highlights of the financial statements for 2024. The Chief Finance Officer will recommend the approval of the audited financial statements as of 31 December 2024 and their accompanying explanatory notes as audited by the Company's external auditor. A resolution approving the audited financial statements will be presented to the stockholders for the approval of at least a majority of the outstanding capital stock present at the meeting.

4. Ratification and Confirmation of Acts and Resolutions of the Board of Directors

The matters for ratification include all acts, transactions and resolutions of the Board of Directors, management and all the Committees done in the ordinary course of business from 25 June 2024 to 28 August 2025.

A resolution ratifying the said acts and resolutions will be presented to the stockholders for the approval of at least a majority of the outstanding capital stock present at the meeting.

5. Appointment of External Auditor

A resolution approving the recommendation of the Board of Directors to appoint SGV & Co. as the Company's external auditor will be presented to the stockholders for the approval by a vote of at least a majority of the outstanding capital stock present at the meeting.

6. Increase in Authorized Capital Stock to Two Billion Pesos and Amendment of Articles of Incorporation

On 30 May 2025 the Board of Directors approved the increase of the Company's Authorized Capital Stock from Nine Hundred Ninety-One Million One Hundred Eighty-Three

Thousand Nine Hundred Ninety-Nine Pesos (PhP 991,183,999.00) divided into Nine Hundred Ninety-One Million One Hundred Eighty-Three Thousand Nine Hundred Ninety-Nine (991,183,999) Common Shares to Two Billion Pesos (PhP2,000,000,000.00) divided into Two Billion (2,000,000,000) Common Shares, with a par value of One Peso (PhP 1.00) per share, and the corresponding amendment to Article VII of the Company's Articles of Incorporation in order to effectuate the foregoing.

A resolution approving the increase of the Company's Authorized Capital Stock and the amendment to Article VII of the Company's Articles of Incorporation, will be presented for approval of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Company.

7. Election of Directors

The stockholders must elect 7 members of the Board of Directors with at least two independent directors. The Corporate Governance Committee reviewed and evaluated the candidates for election to the Board of Directors. The Corporate Governance Committee nominated the independent directors and will recommend the election of the regular directors.

In the voting of directors, each stockholder entitled to vote may cast the votes to which the number of shares he owns entitles him, for as many persons as there are to be elected as directors, or he may 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 may see fit, provided that the whole 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.

The candidates who garner the highest number of votes shall be declared elected directors of the Company.

8. Consideration of such other business that may properly come

The Chairperson will open the floor to comments and questions from the stockholders. Only queries from stockholders emailed to the Office of the Corporate Secretary will be entertained.

9. Adjournment



LORENZO SHIPPING CORPORATION

PROXY FORM

The undersigned (the "Principal") hereby constitutes and appoints _____ [Name of Proxy] or in his absence, the Chairman of the meeting, as his/her attorney-in-fact and proxy (the "Proxy"), so that the Proxy or any other person empowered by the Proxy, shall have, without need of further authorization from the Principal, full power and authority to represent and vote all of the shares of stock of the Principal in LORENZO SHIPPING CORPORATION (the "Corporation") or _____ shares at the annual stockholders' meetings of the Corporation on 28 August 2025, or any adjournment thereof, on the following matters, as fully and to all intents and purposes as such Principal might do if present and acting in person.

	AGENDA ITEM	APPROVE	DISAPPROVE	ABSTAIN
1	APPROVAL OF MINUTES OF THE PREVIOUS STOCKHOLDERS' MEETING			
2	APPROVAL OF THE PRESIDENT'S REPORT			
3	APPROVAL OF THE FINANCIAL REPORT			
4	RATIFICATION AND CONFIRMATION OF ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS SINCE THE LAST ANNUAL STOCKHOLDERS' MEETING			
5	APPOINTMENT OF EXTERNAL AUDITOR			
6	INCREASE IN AUTHORIZED CAPITAL STOCK AND AMENDMENT OF ARTICLES OF INCORPORATION			
7	ELECTION OF DIRECTORS	NUMBER OF VOTES		
1	Doris Teresa Magsaysay-Ho			
2	Antony Louis Marden			
3	Reynold John B. Madamba			
4	Michael L. Escaler			
5	Deogracias N. Vistan – Independent Director			

6	Rene J. Buenaventura – Independent Director	
7	Virgilio L. Peña – Independent Director	

Voting Instructions: Please refer to Item 19 of the Information Statement on the manner of voting. For proposals 1 to 5 above, kindly place a check mark (/) on the space provided whether you approve, disapprove, or abstain from voting. For proposal 6, each holder of common stock is entitled to seven (7) votes per share. **If you are giving directed/non-discretionary proxy**, write the number of votes to confer upon each nominee on the blank space provided. If you wish to withhold the authority to vote for any nominee, kindly strike out the name of the nominee. **In the absence of any instruction for proposals 1 to 5, your votes will be cast in favor of the proposals.**

If you wish to grant full discretion to your proxy, please tick the box below.

FULL DISCRETION

☐

Signature of Stockholder over Printed Name: _____

Number of shares held: _____

Date: _____

Witness: _____

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SECURITIES AND EXCHANGE COMMISSION
PRELIMINARY 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: **LORENZO SHIPPING CORPORATION**

3. Province, country or other jurisdiction of incorporation or organization: **METRO MANILA, PHILIPPINES**

4. SEC Identification Number: **48909**

5. BIR Tax Identification Code: **000-628-958-000**

6. Address of principal office: **20TH Floor Times Plaza Bldg., United Nations Ave., Ermita, Manila, 1000**

7. Registrant's telephone number, including area code: **(632) 8567-2180**

8. Date, time, and place of the meeting of security holders: **28 August 2025, 9:30 A.M. via digital remote communication (Zoom Platform)**

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **1 August 2025**

10. 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 Stock

990,173,999

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. - Common Shares**

PART I.

A. GENERAL INFORMATION

Item 1. Date, Time, and Place of Meeting of Security Holders.

Date of the Meeting	:	28 August 2025
Time of Meeting	:	09:30 A.M.
Principal Format	:	Virtual Meeting (via remote communication)
Place of Meeting	:	20 th Floor, Times Plaza Building, United Nations Avenue, Ermita, Manila 1000 <i>via</i> digital remote Communication (Zoom Platform)
Registrant's Mailing Address	:	20 th Floor, Times Plaza Building, United Nations Avenue, Ermita, Manila 1000

The date of the annual stockholders' meeting under the Company's By-Laws is on 26 June 2025. The Company's Board postponed the meeting to 28 August 2025 to provide the Company more time to comply with reportorial requirements.

The approximate date on which the Information Statement shall be first sent or given to security holders is on 1 August 2025.

Item 2. Dissenters' Right of Appraisal

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

- a. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- b. In case of sale, lease, exchange, transfer, mortgage, pledge, or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code;
- c. In case of merger or consolidation;
- d. In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

Under Section 81 of the Revised Corporation Code, dissenting stockholder who votes against the proposed corporate action, may exercise his / her appraisal right by making a written demand on the Company within thirty (30) days after the date on which the vote was taken, provided that failure to make the demand within such period shall be deemed a waiver of the appraisal right.

If the proposed corporate action is implemented or effected, the Company shall pay to such dissenting stockholder, upon surrender of the certificate(s) of stock representing his shares within ten (10) days after demanding payment of his shares, the fair value thereof.

In case of disagreement as to the fair value of the shares, the same shall be determined in accordance with the procedure set forth in Section 81 of the Revised Corporation Code. No payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment. Upon payment of the shares, the dissenting stockholder shall forthwith transfer his shares to the Company.

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

No director or officer of the Company since the beginning of the last fiscal year, nominee for election as director, or associate of the foregoing persons, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than election to office.

No director of the Company has informed it in writing that he/she intends to oppose any action to be taken by the Company at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

a. Voting securities entitled to be voted at the meeting as of 30 April 2025

Title of Each Class	Number of Outstanding Shares	Number of Votes
Common Stock	990,173,999	One (1) vote per share

The Corporation has only common securities.

b. Record Date

Only stockholders of record on the books of the Company at the close of business day of 9 June 2025 will be entitled to vote at the Annual Stockholders' Meeting.

c. Election of Directors and Voting Rights (Cumulative Voting)

In the election of the directors, each Stockholder may vote the shares registered in his name in person or by proxy 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 / Beneficial Owners and Management

(1) Security Ownership of Certain Record / Beneficial Owners as of 30 April 2025

As of 30 April 2025, the following stockholders are the only owners of more than 5% of the Company's voting capital stock, whether directly or indirectly, as record owner or beneficial owner:

Title of Class	Names and Addresses of Record Owners and Relationship with Corporation	Names of beneficial owner and relationship with record owner	Citizen ship	Number of Shares Held	% to Total Outstanding
Common	National Marine Corporation ("NMC") 21 st Floor Times Plaza, U.N. Ave cor. Taft Ave. Ermita, Manila Parent corporation of the Company	Doris Teresa Magsaysay Ho – President of NMC Antony Louis Marden – Director of NMC Both are authorized to vote the shares of NMC in Lorenzo Shipping Corporation		712,052,504	49.765%
Common	PCD Nominee Corporation* PDS Group 29th Floor, BDO Equitable Tower, 8751 Paseo De Roxas, Makati City	National Marine Corporation ("NMC") Shares lodged with BA Securities, Inc.		102,053,051	10.31%
Common		Various clients		141,697,635	14.31%

*PCD Nominee Corporation (PCNC) is a wholly owned subsidiary of Philippine Depository and Trust, Inc. (PDTC) and is the registered owner of the shares in the books of the Company's transfer agent. PDTC participants deposit eligible securities in PCD through a process called lodgment, where legal title to the securities is transferred and held in trust by PCNC and trading participants.

Other than National Marine Corporation, there are no other beneficial owners of more than five percent (5%) of the Company's voting stock known to the Company.

(2) Security Ownership of Management as of 30 April 2025.

The following table provides the beneficial ownership of the shares held by each director and officer of the company.

Title of Class	Name of Beneficial Owner	Amount & Nature of Beneficial Ownership		Citizenship	Percent of Class
DIRECTORS					
Common	Doris Magsaysay Ho	1	Direct		0.00%
Common	Antony Louis Marden	1	Direct		0.00%
Common	Michael L. Escaler	48,250	Direct		0.01%
Common	Deogracias N. Vistan	3,750	Direct		0.00%
Common	Rene Buenaventura	1,000	Direct		0.00%
Common	Virgilio L. Peña	1,000	Direct		0.00%
Common	Reynold John B. Madamba	1,000	Direct		0.00%
OFFICERS					
Common	Celeste A. Villa-Real	0	-		0
Common	Annabelle Lopez	0	-		0
Common	Amelita M. Intalan	0	-		0
Common	Katherine M. Dela Cruz	0	-		0
Common	Larizza Gail B. Palorma (Resigned as of 2 June 2025)	0	-		0
Common	Aissa V. Encarnacion	0	-		0
Common	Cris Marco V. Banaag	0	-		0
Common	Directors & Officers as a Group	55,002	Direct		0.01%

(3) Voting Trust Holders of 5% or More

As of 30 April 2025, no person holds more than five percent (5%) of the Company's outstanding capital stock under a voting trust.

(4) Changes in Control

Since the beginning of the fiscal year, there was no arrangement executed which may have resulted to a change in control in the company.

(5) Security Ownership of Foreigners

As of 30 April 2025, 869,272 shares, which is equivalent to 0.09% of the total outstanding stock of the Company, are owned by foreigners.

Item 5. Directors and Executive Officers

a. Incumbent Directors, Including Independent Directors and Executive Officers

The Company's Articles of Incorporation provides for seven (7) members of the Board. The term of office of the directors of the Company is one (1) year and they are to serve as such until the election and qualification of their successors. The following are the incumbent members of the Board of Directors:

Name	Citizenship	Age	Term	Position/Committee Membership
Doris Teresa Magsaysay Ho			2005 to present	Chairperson Executive Committee
Antony Louis Marden			2005 to present	Vice Chairperson Executive Committee Audit Committee Related Party Transactions Committee Corporate Governance Committee Risk Oversight Committee
Michael L. Escaler			2002 to present	Audit Committee Related Party Transactions Committee Corporate Governance Committee Risk Oversight Committee
Reynold John B. Madamba			2018 to present	President Chief Operating Officer Member of the Executive Committee
Deogracias N. Vistan (Independent Director)			2002 to present	Audit Committee (Chairman) Related Party Transactions Committee Corporate Governance Committee Risk Oversight Committee
Rene J. Buenaventura (Independent Director)			2018 to present	Audit Committee Related Party Transactions Committee Corporate Governance Committee (Chairman) Risk Oversight Committee (Chairman)

Virgilio Peña (Independent Director)		2019 to present	Audit Committee Related Party Transactions Committee (Chairman) Corporate Governance Committee Risk Oversight Committee
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The following are the key officers of the Corporation:

Name	Citizenship	Age	Position/Committee Membership
Doris Teresa Magsaysay Ho			Chairperson
Antony Louis Marden			Vice Chairperson
Reynold John B. Madamba			President Chief Operating Officer
Amelita M. Intalan			Chief Finance Officer Treasurer Chief Risk Officer
Aissa V. Encarnacion			Corporate Secretary Corporate Information Office
Cris Marco V. Banaag			Assistant Corporate Secretary
Celeste A. Villa-Real			Head of Operations
Annabelle Lopez Lee			Head of Marketing
Katherine M. Dela Cruz			Chief Audit Executive
Larizza Gail B. Palorma (Resigned as of 2 June 2025)			Compliance Officer

The profiles of each of the Company's Directors, Executive Officers, and Other Officers is attached hereto as **Annex "A."**

The Secretary's Certificate certifying that no directors or officers are connected with any government agencies or their instrumentalities is attached hereto as **Annex "B."**

The attendance record of the Company's Directors in the Board Meetings and Committee Meetings is attached hereto as **Annex "C."**

The Certificate of Independent Director of each independent director is attached hereto as **Annex "D."**

b. Nomination and Election of Directors

Pursuant to Rule 38 of the Securities Regulations Code, and paragraph 11 of Article II of the Company's By-Laws, the nomination of all of the members of the Company's Board of Directors, including independent directors, shall be conducted by the Corporate Governance Committee prior to the annual stockholders' meeting in accordance with the following procedure:

- (1) All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity of the would-be nominees and shall be submitted to the Corporate Governance Committee and the Corporate Secretary at least 45 days before the date of the actual meeting.
- (2) The Corporate Governance Committee shall pre-screen the qualifications and prepare a Final List of all Candidates.
- (3) After the nomination, the Corporate Governance Committee shall prepare a Final List of Candidates to be submitted to the Board of Directors, which shall contain all the information regarding the background and the experience of the nominees required to be ascertained and made known under the Securities Regulation Code and relevant rules and regulations.
- (4) Said Final List of Candidates shall be disclosed in the reports required by law, rules and regulations to be submitted to the Securities Exchange Commission, Philippine Stock Exchange and all stockholders.
- (5) Only nominees whose names appear on the Final List of Candidates shall be eligible for election as directors. No other nominations shall be entertained after the Final List of Candidates shall have been prepared.

The Corporate Governance Committee is composed of Mr. Rene J. Buenaventura, Chairman of the Committee, with Messrs. Deogracias N. Vistan, Virgilio L. Peña, Antony Louis Marden, and Michael Escaler, as members.

Candidate for Nomination as Director	Age	Citizenship	No. of Years as a Director of the Company	Nominating Stockholder	Relationship
Doris Teresa Magsaysay Ho			19	Antony Louis Marden	None
Antony Louis Marden			19	Doris Teresa Magsaysay Ho	None
Michael L. Escaler			22	Doris Teresa Magsaysay Ho	None
Reynold John B. Madamba			6	Doris Teresa Magsaysay Ho	None
Deogracias N. Vistan (Independent Director)			22	Doris Teresa Magsaysay Ho	None
Rene J. Buenaventura (Independent Director)			6	Doris Teresa Magsaysay Ho	None

Virgilio L. Peña (Independent Director)	82	Filipino	4	Doris Teresa Magsaysay Ho	None
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DORIS TERESA MAGSAYSAY HO:

Doris Ho is the Chief Executive Officer of A. Magsaysay, Inc. and the Magsaysay Group of Companies. She also serves as Chair, Director, Trustee or Member of various organizations, such as: Lorenzo Shipping Corporation, Fairmont Shipping (HK) Limited, Steamship Mutual Underwriting Association as well as Asia Society Philippine Foundation, Inc., Asia Society (New York), Makati Business Club, Metropolitan Museum Manila, Philippine Business for Education, Philippine Business for Social Progress, among others. She obtained her Master's Degree at Pratt Institute and is a graduate of Manhattanville College.

Ms. Ho has been honored with the following awards: Lloyd's List Asia Lifetime Achievement Award 2011; Global Filipino Executive of the Year in 2012; Seatrade Personality of the Year Award in 2018, MVP Grand Bossing Award 2018, and Shero of the Year by the Asia CEO Awards in 2019. In November, 2015, the Office of the President of the Philippines conferred upon Ms. Ho the Order of Gawad Mabini with the rank of "Commander."

ANTONY LOUIS MARDEN:

Antony Louis Marden is the President of FIM Limited and a Director of: G.E. Marden & Co., Ltd, National Marine Corporation, and the NMC Group of Companies. Mr. Marden studied Chinese & Politics at Leeds University and has worked in the shipping business for 40 years.

MICHAEL L. ESCALER:

Michael L. Escaler is the Chairman and CEO of All Asian Countertrade Inc. He is also the Chairman of Pampanga Sugar Development Co. Inc. (PASUDECO), Balibago Waterworks Systems Inc., South Balibago Resources Inc., Megaworld Capital Town Inc., All Asian Bioethanol Corporation, Eaglehigh Farm Services Corporation, and Sweet Crystals Integrated Sugar Mill Corporation. He is the Chairman, President, and CEO of Okeelanta Corporation. He is the President of San Fernando Electric Company (SFELAPCO), Stanwich Philippines Inc., Pampanga Energy Ventures Inc., Metro Clark Waste Management Inc., JSY Countertrading Inc., and KSY Transport Services Inc.

A sugar trader in New York and London from 1974 to 1993, he began his career at Nissho-Iwai of America for two years and left for ACLI International. Later on, he transferred to Philipp Brothers as Vice-President. Thereafter, he started his own trading company in the Philippines.

He graduated cum laude from the Ateneo de Manila University with a degree of Bachelor of Arts in Economics. He obtained his Master in Business Administration in International Marketing in New York University. A Philanthropist, he supports various charities including Habitat for Humanity, Coca Cola Foundation, PGH Medical Foundation, Mano Amiga Academy and Productive Internships in Dynamic Enterprise (PRIDE).

REYNOLD JOHN B. MADAMBA:

Mr. RJ Madamba is the President of the Company. Concurrently, he holds the position of Liner Head at Magsaysay Shipping and Logistics and acts as the Chief Operating Officer at NMC Container Lines, Inc. Prior to his current roles, he served as the Vice President and Chief Operating Officer of Orca Cold Chain Division within ISOC Holdings, Inc. between 2017 and 2018. His previous experiences also include a tenure as the General Manager at Icebox Logistics Services, Inc. from 2011 to 2017, as well as serving as Secretary and Director at the Cold Chain Association of the Philippines from 2015 to 2018. Mr. Madamba commenced his career journey at American President Lines (APL) in 1996, ultimately serving as the Branch Manager for Davao and General Santos before departing in 2011.

Graduating with a degree in Management Economics from Ateneo de Manila University in 1996, Mr. Madamba has consistently pursued professional development opportunities. He completed a Perishables Transport course at the University of California-Davis in 2001 and pursued MBA units at the University of the Philippines' College of Business Administration from 2001 to 2002. Additionally, he successfully finished Carrier-Transcold's Technical Service Training in 2009. In 2010, he participated in the Rotary Club's Group Study Exchange Program in British Columbia, Canada, and achieved the distinction of being the Class Valedictorian of the Dale Carnegie Leadership Training for Managers in 2012.

Drawing from over 28 years of extensive experience in both domestic and international container liner shipping, Mr. Madamba's expertise encompasses various domains such as branch management, freight forwarding, customer service, reefer sales, container yard operations, equipment maintenance and repair, vessel operations, trucking, finance, and customer relationship management (CRM).

DEOGRACIAS N. VISTAN:

Mr. Vistan is a respected veteran banker whose last major stint was as President and CEO of Equitable PCI Bank Corporation in 2001-2002. He distinguished himself in the same position in Solidbank Corporation from 1992 to 2000 and as President and Vice-Chairman of the Land Bank of the Philippines from 1986 to 1992. Before that, he occupied various senior management positions in Citibank (Manila) where he started his banking career.

Presently, he also serves as a member of the Executive Advisory Council of Mitsubishi Motors Philippines Corporation, a role he has maintained since 2015. In 2020, he wrote a textbook on banking, *The Business of Banking: Structure and Profitability, Risks and Controls*. In 2022, he authored another textbook, *The Filipino Entrepreneur: Opportunities and Strategies In A Growth Economy*. Both books are now being used by a number of colleges and universities in the Philippines.

He graduated with a double degree in Business Administration and Humanities from the De La Salle University and finished his Master in Business Administration at the Wharton Graduate School of the University of Pennsylvania.

Given the financial challenges faced by the Company since 2022, the board recommends the re-election of Mr. Vistan and maintaining the same independent directors. The shipping industry demands extensive experience and training for incoming directors, particularly for those who are new to the shipping industry. Mr. Vistan's experience and extensive knowledge in banking coupled with his in-depth knowledge of the shipping industry is crucial at this point. The board deems it necessary to retain or extend the services of Mr. Deogracias N. Vistan as Independent Director due to his invaluable expertise and experience.

RENE J. BUENAVENTURA:

Mr. Rene J. Buenaventura has been the Vice Chairman of the Equicom Group of Companies since 2007. The Equicom Group includes various companies in healthcare, banking and finance and information technology. He is Vice Chairman of Equicom Savings Bank and Algo Leasing and Finance Inc., Director and Executive Committee Member of Maxicare Healthcare Corporation and Director of Equicom Information Technology Inc. He is a member of the Board of Trustees of the Equitable Foundation. He is also an Independent Director of UBS Investment Phils. Inc, DDMP REIT Inc., and GT Capital Holdings Inc. He was a former President of Equitable PCI Bank. He attended the Advance Management Program for Overseas Bankers in Wharton School, University of Pennsylvania. He finished his MBA and AB-BSC in De La Salle University. He is a Certified Public Accountant.

VIRGILIO L. PEÑA:

Mr. Virgilio L. Peña is presently the Chairman of Altius Phils, Inc. and President of Mano Amiga Academy, a school committed to providing high quality K to 12 education to less privileged families. He continues to serve in the Board of Everest Academy Manila – a Catholic international school in the Bonifacio Global City owned by the Regnum Christi and the Legionaries of Christ.

He is a member of the Board of Trustees and Assistant Treasurer of the Philippine Cancer Society and the Chairman of 3Peas in a Pod, Inc. – a family-owned business in the food industry.

The Certificate of Independent Director (Nominee) of each nominee for independent directorship is attached as **Annex “E.”**

c. Significant Employees

No person, who is not a director or an executive officer, is expected to make a significant contribution to the business of the Company. Neither is the business highly dependent on the services of key personnel.

d. Family Relationships

None of the above-named directors and/or executive officers of the Company are related, either by consanguinity or affinity, to the fourth civil degree.

e. Involvement in Certain Legal Proceedings

To the knowledge and/or information of the Company, the above-named directors and executive officers of the Company are not, presently or during the last five (5) years, involved or have been involved in any material legal proceeding affecting/involving themselves and/or their property before any court of law or administrative body in the Philippines or elsewhere. To the knowledge and/or information of the Company, the said persons have not been convicted by final judgment of any offense punishable by the laws of the Republic of the Philippines or of the laws of any other nation/country.

To the knowledge and/or information of the Company, the incumbent directors and executive officers of the Company are not, presently or during the last five (5) years, involved or have been involved in any of the following:

- any bankruptcy petition filed by or against any business of which any of its incumbent directors or executive officers was a general partner or an executive officer either at the time of bankruptcy or within two years prior to that time;
- any conviction by final judgment in a criminal proceeding, domestic or foreign, or any criminal proceeding, domestic or foreign, pending against any of the incumbent directors or executive officers;
- any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court or competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the incumbent directors or executive officers in any type of business, securities, commodities, or banking activities; and
- any finding by a domestic or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, that any of the incumbent directors or executive officers has violated a securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

The Company is the defendant in several pending legal cases involving claims for damages arising from the ordinary course of business and trade and those arising from its relationship with its employees, as the latter's employer. Management opines, however, that the ultimate liability that may result from these lawsuits and claims, if any, would not adversely affect the financial position and operating results of the Company.

f. Certain Relationships and Related Transactions

Transactions between related parties are accounted for at arms' length prices or on terms similar to those offered to non-related entities in an economically comparable market. The following is the list of transactions during the past two (2) years to which the Company is a party, and in which certain entities/persons or group have a direct or indirect material interest.

Contracts, Agreements or Transactions between the related parties:

Related Party	Relationship	Agreement/ Transaction	Amount			
			2023		2024	
			Revenue	Purchase of Services	Revenue	Purchase of Services
A. Magsaysay, Inc. (AMI)	The ultimate parent corporation of the Company.	Service fees for the centralized services of legal services, human resource organizational management, central purchasing unit, internal audit and I.T. services.	P-	P8,102,230	P-	P8,000,000
National Marine Corporation (NMC)	The parent corporation of the Company.	Service fee charges under a service-level agreement	-	19,302,387	-	14,302,387

NMC Container Lines, Inc	A wholly owned subsidiary of NMC.	Fees for sea transport services and container van rental	-	265,585,148	-	311,378,796
Magsaysay Shipmanagement Inc.	An associate company of NMC	Fees for vessel maintenance and ship/ crew management services.	-	26,432,220	-	27,291,276
Marine Fuels Philippines, Inc. (MFPI)	A wholly owned subsidiary of NMC.	Cost of fuel purchase	-	516,100,257	-	323,354,111
Roadlink Solutions, Inc. (RLSI)	A wholly owned subsidiary of NMC.	Logistics, cargo handling, and cargo trucking services, whenever required	362,500	55,521,457	450,000	26,949,386
One Stop Logistics Solutions, Inc. (OLSI) is	A wholly owned subsidiary of NMC.	Cost of logistics services purchase and Freight revenue for cargo loading and storage	36,560,622	723,735	38,815,061	395,589
One Stop Warehousing Solutions, Inc. (OWSI)	A wholly owned subsidiary of NMC.	Cost of warehousing space, whenever required	-	-	-	-
NMC Ship Agency and Brokerage Inc. (NAB)	A wholly owned subsidiary of NMC.	Fees for services rendered as shipping agent, whenever required	-	738,987	-	917,299
Icebox Logistics Services, Inc. (ILSI)	A subsidiary of NMC.	Freight revenue for logistic services and cargo loading	44,249,466	-	46,923,907	-
Other Shareholders	Businesses owned by various shareholders or directors of the Company and has transactions with the Company in the regular course of business.	Transactions in the regular course of business	-	13,769,193	-	18,055,251

A more detailed discussion of the related party transactions of the Company is set forth in Note 25 off the Audited Financial Statements for the period ended 31 December 2024, attached hereto as **Annex “H.”**

g. Disagreement with a Director

No director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual stockholders’ meeting because of a disagreement with the Company on any matter relating to the Company's operations, policies or practices.

Item 6. Compensation of Directors and Executive Officers**a. Executive Compensation**

NAME	PRINCIPAL POSITION
Doris Teresa M. Ho	- Chairman of the Board
Antony Louis Marden	- Vice Chairman of the Board
Reynold John B. Madamba	- President
Michael L. Escaler	- Member of the Board
Deogracias N. Vistan	- Lead Independent Director
Virgilio L. Peña	- Independent Director
Rene J. Buenaventura	- Independent Director
Celeste A. Villa-Real	- Head of Operations
Annabelle Lopez	- Head of Marketing

The aggregate total compensation for the Top 5 Executive Officers of the Company is shown below:

		COMPENSATION	BONUSES	TOTAL
Top 5 Executive Officers, as a group	2025 (Estimate)			
	2024 (Actual)			
	2023 (Actual)			
	2022 (Actual)			

b. Employment Contracts and Termination of Employment and Change-in-Control Arrangements.

Other than the employment contracts with the President, Head of Operations and Head of Marketing, there are no special arrangements, special employment contracts, or change in control arrangements with its directors or officers. The stockholders elected all its directors and the board of directors appointed its current senior officers.

c. Warrants and Options Outstanding

The Company has not at any time granted any warrant or stock option.

d. Bonuses

No action will be taken with regard to any bonus, profit sharing, pension/retirement plan, granting of extension of any option, warrant or right to purchase any securities.

Item 7. Independent Public Accountants

a. Independent Auditor

SyCip Gorres Velayo & Co. ("SGV & Co.") is the Company's independent auditor. The appointment of the external auditor and engagement partner is consistent with SRC Rule 68. The engagement partner or signing partner is rotated after every seven (7) years of engagement. A two-year cooling-off period is observed in the re-engagement of the same signing partner.

A representative of SGV & Co. is expected to be present at the virtual Annual Meeting and will have an opportunity to make a statement if he or she so desires. The representative will also be available to respond to appropriate questions from the stockholders.

There has been no event in the past where SGV & Co. had any disagreement with the Company with regard to any matter relating to accounting principles or practices or financial statement disclosure or auditing scope or procedure.

The Board of Directors of the Company, upon the recommendation of the Audit Committee, will endorse to the stockholders the appointment of SGV & Co. as the independent auditor for the current year.

Mr. Peter John Ventura is the partner in charge of the Company's audit commencing 2020. He is the partner in charge for the audit of the company covering financial year 2024, and the same partner is recommended for the 2025 audit of the Company.

The Chairman of the Audit Committee is Mr. Deogracias N. Vistan, and the members are Messrs. Antony Louis Marden, Michael L. Escaler, Rene J. Buenaventura, and Virgilio Peña.

b. External Audit Fees

The aggregate fees billed for professional services rendered by the external auditors amounted to P1,603,800.00 in 2024 and 2023, excluding Value-Added Tax.

The Company's Audit and Audit-related fees are disclosed in the Company's Annual Report.

The Company has not engaged the professional services of an external auditor which will fall under "Tax Fees" or "All Other Fees."

The Audit Committee selects the external auditor and makes the recommendation to the Board. The stockholders approve the appointment of the external auditor during the annual stockholders' meeting.

Item 8. Compensation Plans

No action is to be taken with respect to any plan pursuant to which cash or noncash compensation may be paid or distributed.

The Company does not have any stock option, warrants or rights plan or any other type of compensation plan.

C. ISSUANCE AND EXCHANGE OF SECURITIES

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

No action will be taken with respect to the authorization or issuance of any securities otherwise for exchange for outstanding securities of the Company.

Item 10. Modification or Exchange of Securities

No action will be taken with respect to the modification of any class of securities of the Company or the issuance or authorization for issuance of one class of securities of the Company in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

None, inasmuch as no action is to be taken with respect to any matter specified in Items 9 or 10 above.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

No action will be taken with respect to any of the following:

- (a) the merger or consolidation of the Company into or with any other person or of any other person into or with the Company;
- (b) the acquisition by the Company or any of its security holders of securities of another person;
- (c) the acquisition by the Company of any other ongoing business or of the assets thereof; and
- (d) the sale or other transfer of all or substantially all of the assets of the Company;
or
- (e) the liquidation or dissolution of the Company.

Item 13. Acquisition or Disposition of Property

No action will be taken with respect to the acquisition or disposition by the Company of any property.

Item 14. Restatement of Accounts

No action will be taken with respect to the restatement of any asset, capital, or surplus account of the Company.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The Board of Directors of the Company recommends a vote for confirmation, ratification, and approval of the following:

- a) Minutes of the 25 June 2024 Annual Stockholders' Meeting covering the following matters:

- (i) Call to Order
- (ii) Proof of Notice and Certification of Quorum
- (iii) Approval of the Minutes of 2023 Annual Stockholders' Meeting
- (iv) President's Report and Financial Report
- (v) Approval of the Audited Financial Statements as of 31 December 2023
- (vi) Ratification and Confirmation of Acts and Resolutions of the Board of Directors and Management
- (vii) Appointment of External Auditor
- (viii) Election of Directors
- (ix) Adjournment

A copy of the minutes of the meeting of the last annual stockholders' meeting including all matters required under Section 49 of the Revised Corporation Code may be accessed through this link.

- b) Annual Report of Management and Audited Financial Statements for fiscal year ending 31 December 2024.

The Management Report is attached hereto as **Annex "G."**

The Audited Financial Statements for the period ended 31 December 2024 is attached hereto as **Annex "H."**

The Statement of Management's Responsibility is attached hereto as **Annex "I."**

Item 16. Matters Not Required to be Submitted

Other than those specified herein, there are no matters or actions to be taken up in the meeting with respect to any matter which is not required to be submitted to a vote of security holders.

Item 17. Amendment of Charter, Bylaws or Other Documents

On 30 May 2025 the Board of Directors approved the increase of the Company's Authorized Capital Stock from Nine Hundred Ninety-One Million One Hundred Eighty-Three Thousand Nine Hundred Ninety-Nine Pesos (PhP 991,183,999.00) divided into Nine Hundred Ninety-One Million One Hundred Eighty-Three Thousand Nine Hundred Ninety-Nine (991,183,999) Common Shares to Two Billion Pesos (PhP2,000,000,000.00) divided into Two Billion (2,000,000,000) Common Shares, with a par value of One Peso (PhP 1.00) per share, and the corresponding amendment to Article VII of the Company's Articles of Incorporation in order to effectuate the foregoing.

In accordance with the requirements under Section 15 of the Corporation Code, a resolution approving the increase of the Company's Authorized Capital Stock and the amendment to Article VII of the Company's Articles of Incorporation, will be presented for approval of stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Company.

A copy of the proposed amendment to Article VII of the Company's Articles of Incorporation is attached hereto as **Annex "J."**

Item 18. Other Proposed Action

- a) Ratification of all acts of the Board of Directors and of Management during the past year. These acts are covered by resolutions of the Board of Directors duly adopted in the normal course of trade or business, such as approval of the 2024 Audited Financial Statements, 2025 annual operating plan and budget, opening of bank accounts and designation of bank signatories, securing government permits and licenses, appointment of officers, Committee Chairperson, Members, and external auditors, creation of Committees, filing of cases, execution of contracts, procurement of loans, sale, and/or acquisition of assets, all done in the ordinary course of business of the Company;
- b) Election of seven (7) members of the Board of Directors including three (3) independent directors;
- c) Appointment of external auditor.

Item 19. Voting Procedures

Voting in the 2025 Annual Stockholder's Meeting will be conducted virtually.

The procedures for registration, participation and voting in the 2025 Annual Stockholders Meeting of the Company is attached hereto as **Annex "K."**

For items other than election of the Directors, the stockholder may vote: "Approve", "Disapprove", or "Abstain". The vote shall be considered as cast for all the stockholder's shares.

In the election of the directors, each Stockholder may vote the shares registered in his name 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.

The Corporate Secretary will tabulate the votes and report the results during the meeting.

Item 20. Participation via Remote Communication

The Company will conduct the entire meeting virtually and will only allow attendance by remote communication.

To enable the Company to identify the stockholders participating by remote communication and record their presence for purposes of quorum, the stockholders must register by sending an e-mail to the Company's Corporate Secretary at zpcorp@zplaw.com.ph from **4 August 2025**. Stockholders may email questions or comments to zpcorp@zplaw.com.ph on or before 20 August 2025 at 5:00 p.m. The detailed instructions for participating via remote communication are set in the procedures for registration, participation and voting attached hereto as **Annex "K."**

Item 21. Stockholder Proposals for Inclusion in the Agenda

Stockholders of record as of 9 June 2025 owning at least 5% of the total outstanding capital stock of the Company may submit proposals on items for inclusion in the agenda on or before 20 August 2025.

UNDERTAKING TO PROVIDE ANNUAL REPORT

UPON THE WRITTEN REQUEST OF THE STOCKHOLDER, THE COMPANY UNDERTAKES TO FURNISH SECURITY HOLDERS WITHOUT CHARGE, AND UPON THEIR WRITTEN REQUEST, A COPY OF THE COMPANY'S ANNUAL REPORT (SEC FORM 17-A).

COPIES OF OTHER EXHIBITS MAY BE PROVIDED UPON WRITTEN REQUEST AND UPON THE PAYMENT OF NOMINAL CHARGES TO DEFRAY ADMINISTRATIVE COSTS AND EXPENSES SUBJECT TO CONDITIONS AS THE BOARD OF DIRECTORS MAY PROMULGATE. STOCKHOLDERS CAN ACCESS THE ANNUAL REPORT UPLOADED IN ITS WEBSITE: <https://www.lorenzoshipping.com/>

SUCH WRITTEN REQUEST FOR A COPY OF SEC FORM 17-A SHALL BE DIRECTED TO: AISSA V. ENCARNACION, CORPORATE INFORMATION OFFICER, 5th FLOOR, MONTEPINO BUILDING, 138 AMORSOLO CORNER GAMBOA, LEGASPI VILLAGE, MAKATI CITY OR SEND AN EMAIL THROUGH zpcorp@zplaw.com.ph.

ALL STOCKHOLDERS OF RECORD AND THOSE ACTING AS FIDUCIARIES, NOMINEES, TRUSTEES OR SIMILAR CAPACITIES IN BEHALF OF BENEFICIAL OWNERS WHO ARE NOT OF RECORD, MAY ALSO REQUEST TO THE PERSON AND AT THE ADDRESS PROVIDED ABOVE, AS MANY COPIES OF THIS INFORMATION STATEMENT AND/OR SEC FORM 17-A FOR DISTRIBUTION TO SUCH BENEFICIAL OWNERS, AND UPON RECEIPT OF SUCH WRITTEN REQUEST, THE COMPANY UNDERTAKES TO SUPPLY THE REQUESTED MATERIAL IN A TIMELY MANNER.

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 Makati, on JUN 23 2025

LORENZO SHIPPING CORPORATION

By:



AISSA V. ENCARNACION
Corporate Secretary

ANNEX “A”

PROFILES OF DIRECTORS AND OFFICERS

BOARD OF DIRECTORS

DORIS TERESA MAGSAYSAY HO, [REDACTED] Chairperson of the Board

Doris Ho is the Chief Executive Officer of A. Magsaysay, Inc. and the Magsaysay Group of Companies. She also serves as Chair, Director, Trustee or Member of various organizations, such as: Lorenzo Shipping Corporation, Fairmont Shipping (HK) Limited, Steamship Mutual Underwriting Association as well as Asia Society Philippine Foundation, Inc., Asia Society (New York), Makati Business Club, Metropolitan Museum Manila, Philippine Business for Education, Philippine Business for Social Progress, among others. She obtained her Master's Degree at Pratt Institute and is a graduate of Manhattanville College.

ANTONY LOUIS MARDEN [REDACTED] Vice Chairman of the Board, Member of the Executive, Audit, Related Party Transactions, and Corporate Governance and Risk Oversight Committees

Antony Louis Marden is the President of FIM Limited and a Director of: G.E. Marden & Co., Ltd, National Marine Corporation, and the NMC Group of Companies. Mr. Marden studied Chinese & Politics at Leeds University and has worked in the shipping business for more than 40 years.

MICHAEL L. ESCALER [REDACTED] Director and Member of the Audit, Related Party Transactions, Corporate Governance and Risk Oversight Committees

Michael L. Escaler is the Chairman and CEO of All Asian Countertrade Inc. He is also the Chairman of Pampanga Sugar Development Co. Inc. (PASUDECO), Balibago Waterworks Systems Inc., South Balibago Resources Inc., Megaworld Capital Town Inc., All Asian Bioethanol Corporation, Eaglehigh Farm Services Corporation, and Sweet Crystals Integrated Sugar Mill Corporation. He is the Chairman, President, and CEO of Okeelanta Corporation. He is the President of San Fernando Electric Company (SFELAPCO), Stanwich Philippines Inc., Pampanga Energy Ventures Inc., Metro Clark Waste Management Inc., JSY Countertrading Inc., and KSY Transport Services Inc.

A sugar trader in New York and London from 1974 to 1993, he began his career at Nissho-Iwai of America for two years and left for ACLI International. Later on, he transferred to Philipp Brothers as Vice-President. Thereafter, he started his own trading company in the Philippines.

He graduated cum laude from the Ateneo de Manila University with a degree of Bachelor of Arts in Economics. He obtained his Master in Business Administration in International Marketing in New York University. A Philanthropist, he supports various charities including Habitat for Humanity, Coca Cola Foundation, PGH Medical Foundation, Mano Amiga Academy and Productive Internships in Dynamic Enterprise (PRIDE).

REYNOLD JOHN B. MADAMBA, [REDACTED] Director, President, Chief Operating Officer, and Member of the Executive Committee

Mr. RJ Madamba is the President of the Company. Concurrently, he holds the position of Liner Head at Magsaysay Shipping and Logistics and acts as the Chief Operating Officer at NMC Container Lines, Inc. Prior to his current roles, he served as the Vice President and Chief Operating Officer of Orca Cold Chain Division within ISOC Holdings, Inc. between 2017 and 2018. His previous experiences also include a tenure as the General Manager at Icebox Logistics Services, Inc. from 2011 to 2017, as well as serving as Secretary and Director at the Cold Chain Association of the Philippines from 2015 to 2018. Mr. Madamba commenced his career journey at American President Lines (APL) in 1996, ultimately serving as the Branch Manager for Davao and General Santos before departing in 2011.

Graduating with a degree in Management Economics from Ateneo de Manila University in 1996, Mr. Madamba has consistently pursued professional development opportunities. He completed a Perishables Transport course at the University of California-Davis in 2001 and pursued MBA units at the University of the Philippines' College of Business Administration from 2001 to 2002. Additionally, he successfully finished Carrier-Transcold's Technical Service Training in 2009. In 2010, he participated in the Rotary Club's Group Study Exchange Program in British Columbia, Canada, and achieved the distinction of being the Class Valedictorian of the Dale Carnegie Leadership Training for Managers in 2012.

Drawing from over 28 years of extensive experience in both domestic and international container liner shipping, Mr. Madamba's expertise encompasses various domains such as branch management, freight forwarding, customer service, reefer sales, container yard operations, equipment maintenance and repair, vessel operations, trucking, finance, and customer relationship management (CRM).

DEOGRACIAS N. VISTAN, [REDACTED] Lead Independent Director, Chairman of the Audit Committee and Member of the Related Party Transactions, and Corporate Governance and Risk Oversight Committees

Mr. Vistan is a respected veteran banker whose last major stint was as President and CEO of Equitable PCI Bank Corporation in 2001-2002. He distinguished himself in the same position in Solidbank Corporation from 1992 to 2000 and as President and Vice-Chairman of the Land Bank of the Philippines from 1986 to 1992. Before that, he occupied various senior management positions in Citibank (Manila) where he started his banking career.

Presently, he also serves as a member of the Executive Advisory Council of Mitsubishi Motors Philippines Corporation, a role he has maintained since 2015. In 2020, he wrote a textbook on banking, *The Business of Banking: Structure and Profitability, Risks and Controls*. In 2022, he authored another textbook, *The Filipino Entrepreneur: Opportunities and Strategies In A Growth Economy*. Both books are now being used by a number of colleges and universities in the Philippines.

He graduated with a double degree in Business Administration and Humanities from the De La Salle University and finished his Master in Business Administration at the Wharton Graduate School of the University of Pennsylvania.

RENE J. BUENAVENTURA, [REDACTED] Independent Director, Chairman of the Corporate Governance and Risk Oversight Committees and Member of Audit and Related Party Transactions Committees

Mr. Rene J. Buenaventura has been the Vice Chairman of the Equicom Group of Companies since 2007. The Equicom Group includes various companies in healthcare, banking and finance and information technology. He is Vice Chairman of Equicom Savings Bank and Algo Leasing and Finance Inc., Director and Executive Committee Member of Maxicare Healthcare Corporation and Director of Equicom Information Technology Inc. He is a member of the Board of Trustees of the Equitable Foundation. He is also an Independent Director of UBS Investment Phils. Inc, DDMP REIT Inc. and GT Capital Holdings Inc. He was a former President of Equitable PCI Bank. He attended the Advance Management Program for Overseas Bankers in Wharton School, University of Pennsylvania. He finished his MBA and AB-BSC in De La Salle University where he graduated Summa Cum Laude. He is a Certified Public Accountant.

VIRGILIO L. PEÑA, [REDACTED] Independent Director, Chairman of the Related Party Transactions Committee and Member of Audit and Corporate Governance and Risk Oversight Committees

Mr. Virgilio L. Peña is presently the Chairman of Altius Phils, Inc. and President of Mano Amiga Academy, a school committed to providing high quality K to 12 education to less privileged families. He continues to serve in the Board of Everest Academy Manila – a Catholic international school in the Bonifacio Global City owned by the Regnum Christi and the Legionaries of Christ.

He is a member of the Board of Trustees and Assistant Treasurer of the Philippine Cancer Society and the Chairman of 3Peas in a Pod, Inc. – a family owned business in the food industry.

KEY OFFICERS

AMELITA M. INTALAN, [REDACTED] Chief Finance Officer, Treasurer, & Chief Risk Officer

Ms. Intalan is currently the Chief Finance Officer of Lorenzo Shipping Corporation. She is also the Chief Finance Officer of the Magsaysay Shipping and Logistics Group. She was Chief Finance Officer of various companies, including Generali Life Assurance Philippines, Inc. and Philam Plans, Inc., as well as, Treasurer and Head of Treasury and Administration of the Philippine American Life & General Insurance Co. (Philam Life), Philam Equitable Life Assurance Corporation (PELAC), and, a number of Philam Life subsidiaries. She also was the Assistant Treasurer and Head of Treasury of BPI-Philam Life Assurance Corporation. Ms. Intalan was a member of the Board of Directors of various Philam Life affiliated companies.

Ms. Intalan obtained her Bachelor of Science in Business Administration & Accountancy from the University of the Philippines in Diliman, Quezon City and passed her CPA Licensure Examinations in 1979. She was a full scholar of European Economic Community (EEC) for a management in joint venture program conducted by INSEAD in 1990.

AISSA V. ENCARNACION, [REDACTED] Corporate Secretary

Atty. Encarnacion has been the Corporate Secretary of the Philippine Stock Exchange and SCCP since February 2004 and a non-voting member of the Nominations and Elections Committee. She is a Partner of Zamora and Poblador Law Offices. She is a professorial lecturer at the University of the Philippines College of Law and Cesar Virata School of Business. Before she assumed her present PSE post, she was the Assistant Corporate Secretary of the Exchange from 2000 to 2003 and Acting Corporate Secretary from 2003 to February 2004. She is a member of the Board of Directors of various private companies, a Trustee of Empowering Brilliant Minds Foundation, Inc. and acts as Corporate Secretary for various companies. Prior to joining her present law firm, she was a Senior Associate of the Bengzon Narciso Cudala Jimenez & Liwanag Law Offices. She received her Bachelor of Laws and Bachelor of Science in Business Administration degrees from the University of the Philippines.

CRIS MARCO V. BANAAG, [REDACTED] Assistant Corporate Secretary

Atty. Banaag is the Assistant Corporate Secretary of the Company. He is a junior associate of the Zamora and Poblador Law Offices. He graduated cum laude from the University of the Philippines in 2016 with a degree in Bachelor of Arts in Creative Writing, obtained his Juris Doctor degree from the same university in 2021, and was admitted to the Philippine Bar in 2022.

CELESTE A. VILLA-REAL, [REDACTED] Head of Operations

Ms. Villa-Real was appointed Head of Operations of LSC effective 16 July 2019. Prior to her appointment as Head of Operations, she was the Operations Planning Manager of LSC from 2007 to 2019. She started her career with LSC in 2000 as a Marketing Executive and moved to become Marketing Manager in 2005. Before joining LSC, she worked as Senior Marketing Assistant under the customer service and sales team of Maxicare Healthcare Corporation.

Ms. Villa-Real graduated from the De La Salle University, Manila with a degree in Bachelor of Science in Commerce major in Business Management in 1998.

ANNABELLE LOPEZ LEE, [REDACTED] Head of Sales & Marketing

Ms. Lopez joined Lorenzo Shipping Corporation as Business Development Manager in 2018 and was later promoted as Sales & Marketing Head effective March 18, 2019. Prior her post, she was the Sales Manager of One Stop Logistics Solutions, Inc. (a Magsaysay & Shipping Logistics company) from 2014 to 2018.

She started her career in the shipping industry with Aboitiz Transport System Corp. (2GO Group) in 2002, managing special accounts in Manila and later on moved to Cagayan de Oro as Area Sales Manager for Northern Mindanao & eventually appointed as Branch Manager handling both sales & operations. After spending 10 years in the shipping world, she transitioned to the FMCG industry – Unilever RFM Ice Cream, handling Cabinet Management Unit from 2012-2014.

She graduated with a degree in Commerce Major in Business Administration from University of Santo Tomas in 1999 where she also took up some MBA units from 2003-2006.

KATHERINE M. DELA CRUZ [REDACTED] **Chief Audit Executive**

Ms. Katherine M. Dela Cruz holds the position of Internal Audit Head at A. Magsaysay Inc. Prior to her appointment as Head, she was the Audit Manager of A. Magsaysay Inc. in-charge for providing audit services to LSC. She started her career with LSC in 2008 as Audit Officer and moved to become the Internal Audit Manager in 2009. In 2015, she took on an expanded role as Internal Audit Manager for Magsaysay Transport and Logistics. Before joining LSC, she had a short stint as Controls and Compliance Supervisor of Shell Shared Services Center and as Audit Supervisor at Zuellig Pharma Corporation from 2000-2008.

Ms. Dela Cruz graduated from Pamantasan ng Lungsod ng Maynila with a degree in Bachelor of Science in Accountancy in 1999. She is a Certified Public Accountant and a member of Philippine Institute of Public Accountants (PICPA) and Institute of Internal Auditors (IIA).

LARIZZA GAIL B. PALORMA, [REDACTED] **Compliance Officer**

Resigned as of 2 June 2025

Atty. Palorma is the Compliance Officer of the Company. She is Deputy Legal Counsel for the Magsaysay Group of Companies. She serves as an in-house counsel mainly handling the corporate legal affairs as well as monitoring regulatory compliance of companies within the Group. Atty. Palorma received her Juris Doctor degree from San Beda University – Manila.

ANNEX "B"

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

SECRETARY'S CERTIFICATE

I, AISSA V. ENCARNACION, Filipino, of legal age, and with office address at [REDACTED]
[REDACTED] being the duly elected and qualified Corporate Secretary of Lorenzo Shipping Corporation (the "Corporation"), a corporation duly organized and existing under Philippine laws, with office address the [REDACTED]
[REDACTED] hereby depose and state:

1. I hereby certify that no director or officer of the Corporation is connected with any government agencies or government instrumentalities; and
2. The foregoing information is in accordance with the records of the Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand this JUN 23 2025
at Makati City, Metro Manila.

[REDACTED]
AISSA V. ENCARNACION
Corporate Secretary

SUBSCRIBED AND SWORN TO before me this JUN 23 2025 **MAKATI CITY**, affiant is personally known to me and presented to me her Tax Identification Card No. [REDACTED]
[REDACTED]

[REDACTED]
Series of 2025.



[REDACTED]
Notary Public
Until December 31, 2025
Roll of Attorneys No. 91971
P.T.R. No. 10466905; 01.02.2025; Makati City
I.B.P. No. 497264; 01.03.2025; Makati City
ACLE Compliance No. VIII-0024221; 03.16.2025
Notarial Commission No. M-966
5F Montepino Bldg., 138 Amorsolo St.
Legaspi Village, Makati City

ANNEX “C”

ATTENDANCE OF DIRECTORS

The following is the attendance of the board of directors of the Company in board meetings held from January 2024 to December 2024:

Name of Director	Total Attendance	Total Absences	Total Meetings
Doris Magsaysay Ho (Chairman)	9	0	9
Antony Louis Marden	9	0	9
Reynold John B. Madamba	9	0	9
Deogracias N. Vistan	9	0	9
Rene J. Buenaventura	9	0	9
Virgilio L Peña	9	0	9
Michael Escaler	7	2	7

The following is the attendance of the board of directors of the Company in committee meetings held in 2024:

AUDIT COMMITTEE

Name of Director	Total Attendance	Total Absences	Total Meetings
Antony Louis Marden	2	1	3
Deogracias N. Vistan (Chairman)	3	0	3
Rene J. Buenaventura	3	0	3
Virgilio L. Peña	3	0	3
Michael Escaler	2	1	3

RELATED PARTY TRANSACTIONS COMMITTEE

Name of Director	Total Attendance	Total Absences	Total Meetings
Antony Louis Marden	1	1	2
Deogracias N. Vistan	2	0	2
Rene J. Buenaventura	2	0	2
Virgilio L. Peña	2	0	2
Michael Escaler	1	1	2

CORPORATE GOVERNANCE COMMITTEE

Name of Director	Total Attendance	Total Absences	Total Meetings
Antony Louis Marden	1	1	2
Deogracias N. Vistan	2	0	2
Rene J. Buenaventura	2	0	2
Virgilio L. Peña	2	0	2
Michael Escaler	1	1	2

RISK OVERSIGHT COMMITTEE

Name of Director	Total Attendance	Total Absences	Total Meetings
Antony Louis Marden	1	1	2
Deogracias N. Vistan	2	0	2
Rene J. Buenaventura	2	0	2
Virgilio L. Peña	2	0	2
Michael Escaler	1	1	2

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **DEOGRACIAS N. VISTAN**, Filipino, of legal age and a resident of [REDACTED] after having been duly sworn to in accordance with law, do hereby declare that:

1. I am an Independent Director of Lorenzo Shipping Corporation and have been its independent director since 2002.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Mitsubishi Motors Philippines Corporation	Executive Advisory Council	2014 to Present
RBB Foundation, Inc.	Trustee	2009 to Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Lorenzo Shipping Corporation as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of the Lorenzo Shipping Corporation or any of its related companies.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service/affiliated with a government agency or Government-Owned and Controlled Corporation ("GOCC").

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 Lorenzo Shipping Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this JUN 23 2025 at MAKATI CITY

DEOGRACIAS N. VISTAN

JUN 23 2025

MAKATI CITY

SUBSCRIBED AND SWORN to before me this _____ at _____, affiant personally appeared before me and exhibited to me his Tax Identification No. [REDACTED]

Doc. No.: 68
Page No.: 15
Book No.: I
Series of 2025.



[REDACTED]
Until December 31, 2026
Roll of Attorneys No. 92380
P.T.R. No. 10527289; 03.06.2025; Makati City
I.B.P. No. 523501; 01-31-2025; Quezon City
Admitted to the Bar in 2025
Notarial Commission No. A-403
5F Montepino Bldg., 138 Amorsolo St.
Legaspi Village, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **DEOGRACIAS N. VISTAN**, [REDACTED] of legal age and a resident of [REDACTED] after having been duly sworn to in accordance with law, do hereby declare that:

1. I am an Independent Director of Lorenzo Shipping Corporation and have been its independent director since 2002.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Mitsubishi Motors Philippines Corporation	Executive Advisory Council	2014 to Present
RBB Foundation, Inc.	Trustee	2009 to Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Lorenzo Shipping Corporation as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of the Lorenzo Shipping Corporation or any of its related companies.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service/affiliated with a government agency or Government-Owned and Controlled Corporation ("GOCC").

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 Lorenzo Shipping Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this JUN 23 2025 at MAKATI CITY

DEOGRACIAS N. VISTAN

JUN 23 2025

MAKATI CITY

SUBSCRIBED AND SWORN to before me this _____ at _____, affiant personally appeared before me and exhibited to me his Tax Identification No. [REDACTED]

Series of 2025.



Until December 31, 2026
 Roll of Attorneys No. 92380
 P.T.R. No. 10527289; 03.06.2025; Makati City
 I.B.P. No. 523501; 01-31-2025; Quezon City
 Admitted to the Bar in 2008
 Notarial Commission No. 12-003
 5F Montepino Bldg., 138 Amorsolo Rd.
 Legaspi Village, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RENE J. BUENAVENTURA** [REDACTED] of legal age and a resident of No. [REDACTED] after having been duly sworn to in accordance with law, do hereby declare that:

1. I am an Independent Director of Lorenzo Shipping Corporation and have been its independent director from 2018 to present.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Equitable Foundation, Inc.	Trustee	2002 to Present
Canyon Crest Holdings Corporation	President	2006 to Present
Gramercy Holdings Corporation	President	2006 to Present
Equicom Manila Holdings, Inc.	Vice Chairman	2006 to Present
GO KIM PAH Foundation, Inc.	Trustee	2006 to Present
Equicom, Inc.	Director	2007 to Present
Equicom Property Holdings, Inc.	Director	2007 to Present
Cliveden Management Corp.	President	2007 to Present
Maxicare Healthcare Corporation	Adviser	2007 to Present
Pin An Holdings Corporation	Director	2007 to Present
ALGO Leasing and Finance, Inc.	Vice Chairman	2008 to Present
Equicom Savings Bank	Vice Chairman	2008 to Present
UBS Investments Philippines, Inc.	Independent Director	2010 to Present
Hengrave Holdings Corporation	President	2013 to Present
Equicom Services Inc.	Adviser	2014 to Present
SteelAsia Manufacturing Corporation	Director	2016 to Present
SteelAsia Development & Management Corporation	Director	2016 to Present
Candelaria Street	Director	2016 to Present
Consumer CreditScore Philippines, Inc.	Director	2016 to Present
GT Capital Holdings, Inc.	Independent Director	2018 to Present
DDMP REIT Inc.	Independent Director	2020 to Present
DDMP REIT Property Managers, Inc.	Independent Director	2020 to Present
DDMP REIT Fund Managers, Inc.	Independent Director	2020 to Present
Maxicare Life Insurance Corporation	Adviser	2022 to Present
101 Global Holdings Corporation	Independent Director	2025 to Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Lorenzo Shipping Corporation as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of Lorenzo Shipping Corporation or any of its related companies.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service/affiliated with a government agency or Government-Owned and Controlled Corporation ("GOCC").

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.

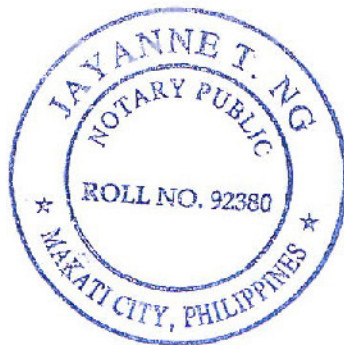
8. I shall inform the Corporate Secretary of Lorenzo Shipping Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this JUN 23 2025 at MAKATI CITY


RENE J. BUENAVENTURA

SUBSCRIBED AND SWORN to before me this JUN 23 2025 at MAKATI CITY
affiant personally appeared before me and exhibited to me his Passport ID No. 
valid until 4 April 2032.


Series of 2025.




JAYANNE T. NG
Notary Public
Until December 31, 2026
Roll of Attorneys No. 92380
P.T.R. No. 10527289; 03.06.2025; Makati City
I.B.P. No. 523501; 01-31-2025; Quezon City
Admitted to the Bar in 2025
Notarial Commission No. M-405
5F Montepino Bldg., 138 Amorsolo Rd.
Legaspi Village, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **VIRGILIO L. PEÑA** [REDACTED] of legal age and a [REDACTED]
[REDACTED] after having been duly sworn to in accordance with
law, do hereby declare that:

1. I am an Independent Director of Lorenzo Shipping Corporation and have been its independent director since 2019 to present.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Mano Amiga Academy	Chairman and President	October 2016 to present
Altius Philippines, Inc.	Chairman	April 2009 to present
Everest Academy Manila	Director	April 2007 to present
Philippine Cancer Society	Director and Assistant Treasurer	May 2014 to present
3Peas in A Pod Inc.	Chairman	January 2012 to present
Management Association of the Philippines	Life Member	January 1991 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Lorenzo Shipping Corporation as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of Lorenzo Shipping Corporation or any of its related companies.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service/affiliated with a government agency or Government-Owned and Controlled Corporation ("GOCC").

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 Lorenzo Shipping Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this JUN 23 2025 at MAKATI CITY

[REDACTED]
VIRGILIO L. PEÑA

Annex "E"

CERTIFICATION OF INDEPENDENT DIRECTOR (NOMINEE)

I, **DEOGRACIAS N. VISTAN**, [REDACTED] of legal age and a resident of [REDACTED] after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of Lorenzo Shipping Corporation and have been its independent director since 2002.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Mitsubishi Motors Philippines Corporation	Executive Advisory Council	2014 to Present
RBB Foundation, Inc.	Trustee	2009 to Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Lorenzo Shipping Corporation as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of the Lorenzo Shipping Corporation or any of its related companies.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service/affiliated with a government agency or Government-Owned and Controlled Corporation ("GOCC").

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 Lorenzo Shipping Corporation of any changes in the abovementioned information within five days from its occurrence.

JUN 23 2025
Done this _____ at **MAKATI CITY**

DEOGRACIAS N. VISTAN

MAKATI CITY

SUBSCRIBED AND SWORN to before me this **JUN 23 2025** at _____
affiant personally appeared before me and exhibited to me his Tax Identification No. [REDACTED]

[REDACTED]
Series of 2025.



[REDACTED]
Until December 31, 2026
Roll of Attorneys No. 92380
P.T.R. No. 10527289; 03.06.2025; Makati City
L.B.P. No. 523501; 01-31-2025; Quezon City
Admitted to the Bar in 2025
Notarial Commission No. M-457
5F Montepino Bldg., 138 Amorin St.,
Legaspi Village, Makati City

Annex "E-1"

CERTIFICATION OF INDEPENDENT DIRECTOR (Nominee)

I, **RENE J. BUENAVENTURA** [REDACTED] of legal age and a resident of [REDACTED] after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of Lorenzo Shipping Corporation and have been its independent director from 2018 to present.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Equitable Foundation, Inc.	Trustee	2002 to Present
Canyon Crest Holdings Corporation	President	2006 to Present
Gramercy Holdings Corporation	President	2006 to Present
Equicom Manila Holdings, Inc.	Vice Chairman	2006 to Present
GO KIM PAH Foundation, Inc.	Trustee	2006 to Present
Equicom, Inc.	Director	2007 to Present
Equicom Property Holdings, Inc.	Director	2007 to Present
Cliveden Management Corp.	President	2007 to Present
Maxicare Healthcare Corporation	Adviser	2007 to Present
Pin An Holdings Corporation	Director	2007 to Present
ALGO Leasing and Finance, Inc.	Vice Chairman	2008 to Present
Equicom Savings Bank	Vice Chairman	2008 to Present
UBS Investments Philippines, Inc.	Independent Director	2010 to Present
Hengrave Holdings Corporation	President	2013 to Present
Equicom Services Inc.	Adviser	2014 to Present
SteelAsia Manufacturing Corporation	Director	2016 to Present
SteelAsia Development & Management Corporation	Director	2016 to Present
Candelaria Street	Director	2016 to Present
Consumer CreditScore Philippines, Inc.	Director	2016 to Present
GT Capital Holdings, Inc.	Independent Director	2018 to Present
DDMP REIT Inc.	Independent Director	2020 to Present
DDMP REIT Property Managers, Inc.	Independent Director	2020 to Present
DDMP REIT Fund Managers, Inc.	Independent Director	2020 to Present
Maxicare Life Insurance Corporation	Adviser	2022 to Present
101 Global Holdings Corporation	Independent Director	2025 to Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Lorenzo Shipping Corporation as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of Lorenzo Shipping Corporation or any of its related companies.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service/affiliated with a government agency or Government-Owned and Controlled Corporation ("GOCC").

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 Lorenzo Shipping Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this JUN 23 2025 at MAKATI CITY

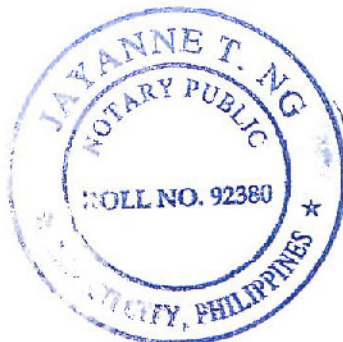
[REDACTED]

RENE J. BUENAVENTURA

SUBSCRIBED AND SWORN to before me this JUN 23 2025 at MAKATI CITY
affiant personally appeared before me and exhibited to me his Passport ID No. [REDACTED]
valid until 4 April 2032.

[REDACTED]

Series of 2025.



[REDACTED]

JAYANNE T. NG
Notary Public
Until December 31, 2026
Roll of Attorneys No. 92380
P.T.R. No. 10527289; 03.06.2025; Makati City
I.B.P. No. 523501; 01-31-2025; Quezon City
Admitted to the Bar in 2025
Notarial Commission No. M-435
5F Montepino Bldg., 138 Asonso St.,
Legaspi Village, Makati City

**CERTIFICATION OF INDEPENDENT DIRECTOR
(Nominee)**

I, **VIRGILIO L. PEÑA** of legal age and a resident of [REDACTED] after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of Lorenzo Shipping Corporation and have been its independent director since 2019 to present.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Mano Amiga Academy	Chairman and President	October 2016 to present
Altius Philippines, Inc.	Chairman	April 2009 to present
Everest Academy Manila	Director	April 2007 to present
Philippine Cancer Society	Director and Assistant Treasurer	May 2014 to present
3Peas in A Pod Inc.	Chairman	January 2012 to present
Management Association of the Philippines	Life Member	January 1991 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Lorenzo Shipping Corporation as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of Lorenzo Shipping Corporation or any of its related companies.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service/affiliated with a government agency or Government-Owned and Controlled Corporation ("GOCC").

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 Lorenzo Shipping Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this JUN 23 2025 at

MAKATI CITY

[REDACTED]
VIRGILIO L. PEÑA

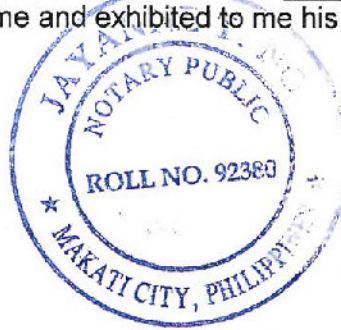
JUN 23 2025

MAKATI CITY

SUBSCRIBED AND SWORN to before me this _____ at _____
affiant personally appeared before me and exhibited to me his Senior Citizen ID No. _____



Series of 2025.



Until December 31, 2026
Roll of Attorneys No. 92380
P.T.R. No. 10527289; 03.06.2025; Makati City
I.B.P. No. 523501; 01-31-2025; Quezon City
Admitted to the Bar in 2025
Notarial Commission No. M-405
5F Montepino Bldg., 138 Amorsolo St.,
Legaspi Village, Makati City

ANNEX "F"

(DRAFT)

MINUTES OF THE 2024 ANNUAL MEETING OF THE STOCKHOLDERS OF LORENZO SHIPPING CORPORATION

Held on 25 June 2024
through Video Conferencing on Zoom Platform

I. CALL TO ORDER

The Chairperson, Ms. Doris Teresa Magsaysay Ho, called the meeting to order at 9:00 a.m. and presided over the same.

II. PROOF OF NOTICE AND CERTIFICATION OF QUORUM

The Corporate Secretary, Aissa V. Encarnacion, certified that notices, including the required Information Statement, were first published and sent to stockholders of record of the Company on 27 May 2024. The Corporate Secretary further certified that at least 68.37% of the aggregate number of shares issued, outstanding and entitled to vote, or at least 379,209,563 shares, were present virtually in person or by proxy based on duly recorded proxies and the list of stockholders who registered, and therefore, a quorum existed for the stockholders to transact business. A copy of the list of stockholders present in person or by proxy is attached hereto as **Annex "A."**

The Chairman thus declared that the stockholders may proceed to transact business.

The Corporate Secretary informed the Chairman that the meeting is being conducted virtually in its entirety and voting was done electronically. She then presented the ASM Virtual Rules, a copy of which is attached hereto as **Annex "B."**

III. APPROVAL OF THE MINUTES OF THE 2023 ANNUAL STOCKHOLDERS' MEETING

The Corporate Secretary presented the resolution approving the minutes of the annual stockholders' meeting held last 10 August 2023. She reported that the resolution was approved by a vote of the stockholders, voting electronically, representing 68.37% of the stockholders present and by proxy, as tabulated by the Office of the Corporate Secretary.

45 Upon the vote of the stockholders representing 68.37% of the total out-
46 standing capital stock registered, the following resolution was approved:

47
48 **Resolution No. 1 series of 2024**

49
50 “RESOLVED, That the stockholders of Lorenzo Shipping
51 Corporation (the “Corporation”) approve, as they hereby approve,
52 the minutes of the annual stockholders’ meeting held last 10 Au-
53 gust 2023.”

54
55 **IV. PRESIDENT’S REPORT AND FINANCIAL REPORT**

56
57 The Chairman then introduced the Company’s President, Mr. Reynold
58 John B. Madamba. The President presented the President’s Report to the
59 stockholders. Copies of the President’s Report and Annual Report are attached
60 hereto as **Annexes “C”** and **“D,”** respectively.

61
62 The Chairman then called on the Company’s Treasurer, Ms. Amelita M.
63 Intalan to present the Financial Report. The Treasurer stated that the Financial
64 Report containing the audited financial statements as of 31 December 2023 (the
65 “2023 AFS”) was attached to the Definitive Information Statement and distribut-
66 ed to the stockholders. A copy of the 2023 AFS is attached hereto as **Annex “E.”**
67 The Treasurer then stated that any queries with regard to the Financial Report
68 may be directed to Management or to the external auditor, Sycip, Gorres, Velayo
69 & Co.

70
71 The President’s Report and Financial Report were duly noted.

72
73 The President recommended the approval of the 2023 Annual Report and
74 AFS.

75
76 Upon vote of the stockholders representing 68.37% of the total outstand-
77 ing capital stock registered, the following resolution was approved:

78
79 **Resolution No. 2 series of 2024**

80
81 “RESOLVED, That the stockholders of Lorenzo Shipping
82 Corporation (the “Corporation”) approve, as they hereby ap-
83 prove, the Corporation’s Annual Report and Audited Financial
84 Statements as of 31 December 2023, as audited by the Corpora-
85 tion’s external auditor, and the accompanying explanatory
86 notes.”

V. **RATIFICATION AND CONFIRMATION OF ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS AND MANAGEMENT**

The Chairman stated that next on the agenda is the ratification of the acts executed by the Board of Directors and Officers from the last stockholders' meeting to date. She mentioned that the stockholders were earlier furnished copies of the acts and resolutions of the Board of Directors for the period from the last stockholders' meeting held on 10 August 2023 to date.

The Corporate Secretary stated that the resolutions for ratification were culled from the minutes of the meetings of the board of directors covering said period, as well as various disclosures made by the Company. She said that Management likewise requests that the stockholders ratify all acts of Management in implementation of the resolutions of the board of directors and of various committees.

The Corporate Secretary presented the resolution approving the acts and resolutions of the board of directors and of Management for the period stated.

Upon vote of the stockholders representing 68.37% of the total outstanding capital stock registered, the following resolution was approved:

Resolution No. 3 series of 2024

"RESOLVED, That the stockholders of Lorenzo Shipping Corporation (the "Corporation") approve and ratify, as they hereby approve and ratify, all the acts of Management and the Board of Directors as disclosed in the corporate records."

VI. **APPOINTMENT OF EXTERNAL AUDITOR**

The Chairman stated that the next item in the agenda is the appointment of the external auditor of the Company. She stated that the Audit Committee endorsed to the Board of Directors, and the Board of Directors is now recommending the re-appointment of Sycip, Gorres, Velayo & Co. as the external auditor of the Company for the year 2024 and the approval of the corresponding fee. She informed the stockholders that the Chairman of the Audit Committee is Mr. Degracias N. Vistan, who is an independent director of the Company, as well as the members of the Audit Committee, were present at the meeting.

The Corporate Secretary presented the resolution approving the appointment of Sycip, Gorres, Velayo & Co. as the Company's external auditor for 2024 and the fixing of the fee.

Upon vote of the stockholders representing 68.37% of the total outstanding capital stock registered, the following resolution was approved:

Resolution No. 4 series of 2024

“RESOLVED, That the stockholders of Lorenzo Shipping Corporation (the “Corporation”) approve, as they hereby approve, the appointment of Sycip, Gorres, Velayo & Co. as external auditor for the year 2024, and the corresponding fee.”

VII. ELECTION OF DIRECTORS

The Chairman stated that the next item in the agenda is the election of directors. She stated that according to the Company’s By-Laws and prevailing rules of the Securities and Exchange Commission, the stockholders have to elect seven (7) directors, at least three (3) of whom are independent directors, who shall serve for one year or until their successors have been duly elected and qualified. The following were nominated as directors:

Directors

1. Doris Teresa Magsaysay Ho
2. Antony Louis Marden
3. Michael L. Escaler
4. Reynold John B. Madamba

Independent Directors

1. Deogracias N. Vistan
2. Rene J. Buenaventura
3. Virgilio L. Peña

As tabulated by the Office of the Corporate Secretary, the following directors were elected, who shall serve as directors for the year 2024 to 2025 and/or until their successors have been elected and/or qualified:

Directors

1. Doris Teresa Magsaysay Ho
2. Antony Louis Marden
3. Michael L. Escaler
4. Reynold John B. Madamba

Independent Directors

1. Deogracias N. Vistan
2. Rene J. Buenaventura
3. Virgilio L. Peña

VIII. OTHER MATTERS

The Chairman said that the Company requested the stockholders to e-mail the Company their questions. She said that the Company will endeavor to answer some of these questions at the meeting.

The Corporate Secretary stated that the Company did not receive any questions from the stockholders.

IX. ADJOURNMENT

The Chairman thanked everyone for joining the virtual stockholders' meeting and informed them that they may e-mail the Corporate Secretary at the e-mail address being flashed on the screen. She also said that the video recording of the meeting will be posted on the Company's website.

In the absence of any other business to be discussed, the meeting was adjourned at 9:30 a.m.

DIRECTORS PRESENT:

Doris Teresa Magsaysay Ho - Chairman
Antony Louis Marden - Vice-Chairman
Reynold John B. Madamba - President
Michael L. Escaler - Director
Deogracias N. Vistan - Lead Independent Director
Rene J. Buenaventura - Independent Director
Virgilio L. Peña - Independent Director

AISSA V. ENCARNACION
Corporate Secretary

220 ATTEST:

221

222

223

224 **DORIS TERESA MAGSAYSAY HO**

225 *Chairman*

ANNEX “G”

MANAGEMENT REPORT

General Nature and Scope of Business

Description of Business

A. Business Development

1. Form and year of organization

Lorenzo Shipping Corporation (LSC) was incorporated on 17 October 1972 by the Go Family headed by Jose D. Go, Sr., primarily to engage in domestic inter-island cargo handling business. The Company has been an active participant in containerized cargo business and has played a significant role in the domestic shipping industry.

2. The Company has no record of any bankruptcy, receivership or similar proceedings during the past three years.

3. Material reclassification, merger or purchase or sale of significant amount of assets.

The Company has not undergone any material reclassification, merger, consolidation nor purchase nor sale of a significant amount of its assets that are not in the ordinary course of business.

B. Business of Issuer

1. Description of Registrant

i. Lorenzo Shipping Corporation was founded and incorporated in 1972. The Company owns and operates vessels with which it provides domestic inter-island cargo liner services to the general public. The Company's business focus has evolved from that of being a break-bulk cargo carrier to a fully containerized cargo shipping company.

Lorenzo Shipping Corporation owns a fleet of four (4) vessels and three (3) vessels under a transport service contract. All vessels are deployed to the key ports in Manila, Visayas and Mindanao. The Company's vessels have a capacity ranging from 426 TEUs to 797 TEUs with speeds of 11 knots to 15 knots. LSC owns various equipment and facilities to efficiently handle customers' cargoes including a) land-based equipment such as forklifts, top lifts and trucks and b) container yards and warehouses in its branches and agencies.

ii. The Company is engaged solely in domestic inter-island cargo liner services. Thus, the foreign sales requirement is not applicable.

iii. Lorenzo Shipping Corporation markets its services through a network of branches and agencies nationwide. The network is comprised of seven branches: Cebu, Davao, General Santos, Cotabato, Iloilo, Cagayan de Oro, Bacolod and two agencies: Zamboanga and Dumaguete. Manila operations, under the Corporate Office, handles all inbound and outbound volume in Manila.

LSC provides 20-foot and 40-foot dry containers to its customers in which they can load their cargoes to various ports. LSC also carries rolling cargoes such as

heavy equipment, trucks and vehicles as well as non-containerized cargoes such as steel products and bridging materials.

- iv. Competitive business conditions and the registrant's competitive position in the industry and methods of competition:

LSC is one of the key players in the domestic containerized cargo shipping industry. It operates in the major ports of the country and deploys a fleet of seven (7) vessels. LSC prides itself as a reliable transport provider and through its various affiliate companies, is able to offer door-to-door shipping services.

LSC considers other containerized cargo shipping companies as its competitors such as 2GO Group, Inc. (2GO), Philippine Span Asia Carrier Corp. (PSACC), Solid Shipping Lines, Inc. and Oceanic Container Lines, Inc. among others. 2GO caters to both passenger and cargo market while the rest are cargo carriers.

Competition among domestic lines is intense, given the overcapacity of vessels aggravated by new entrants in the industry in the previous years. The industry is also governed by the rules and regulations of the Maritime Industry Authority (MARINA).

LSC is a member of the Philippine Liner Shipping Association (PLSA) whose members account for around 80% of the total containerized volumes nationwide.

- v. Sources and availability of raw materials and the names of principal suppliers:

Major suppliers of fuel, spare parts, container vans and others.

Name of Supplier	Items Supplied
Marine Fuels Philippines	Fuel
NMC Container Lines Inc.	Transport service and container rental
Petrophilippines Co Inc	Fuel
Manila North Harbour Port Inc.	Arrastre, stevedoring, storage, rental and weighing charges
Shaw Autogas Incorporated	Fuel
Pioneer Insurance & Surety Corporation	Insurance
Ecology Marine Corporation	Fuel
Mindanao International Container Terminal Services Incorporated	Arrastre and stevedoring charges
Melcon Development Corporation	Rental
Central Inter-Transport Logistics Corp.	Arrastre, stevedoring, wharfage, rentals and hustling charges
Herma Shipyard, Inc.	Vessel repair
Sacortoza Enterprises	Hauling Services
Roadlink Solutions Inc.	Hauling Services
Cebu South Harbor And Container Terminal Corporation	Arrastre, stevedoring and rentals
Magsaysay Shipmanagement Inc.	Shipmanagement
Transpartner Trucking Services	Hauling Services
Globalport Zamboanga Terminal Inc	Arrastre and stevedoring charges
Total Way Company Inc	Hauling Services
BREDCO	Arrastre and stevedoring charges
FNT Trucking Services	Hauling Services

vi. Major customers/clients of LSC

Top 20 Customers

- | | |
|---|---|
| 1. Coca-Cola Beverage Philippines, Inc. | 11. Cargill Philippines, Inc. |
| 2. Nestle Philippines, Inc. | 12. One Stop Logistics Solutions, Inc. |
| 3. Pepsi-Cola Products Phils. Inc. | 13. Unilever Philippines, Inc. |
| 4. Deco Arts Marketing Inc. | 14. Bits + Blocks |
| 5. Lamsan Inc. | 15. Liwayway Marketing |
| 6. Icebox Logistics Services, Inc. | 16. Excelogistics, Inc. |
| 7. DJ Fast Forwarders, Inc. | 17. Prince Retail Merchandising Inc. |
| 8. URC Group | 18. Pioneer Float Glass Manufacturing, Inc. |
| 9. Century Pacific Food, Inc. | 19. Tanduary Distillers Inc. |
| 10. Del Monte Philippines, Inc. | 20. Panasonic Manufacturing Philippines Corporation |

The business is not dependent upon a single customer or a few customers, the loss of any or more of which will not have material adverse effect on the Company.

vii. The business of the Company is not in any way dependent on related parties' transactions.

viii. Licenses, Concessions, Labor contracts, including duration;

a) *Maritime Industry Authority (MARINA) registration*

LSC vessels are duly registered with MARINA and subjected to regular MARINA survey and International Safety Management (ISM) Code audits to ascertain its adherence to vessel and manning safety standards. The Company has been granted a company Certificate of Public Convenience (CPC) for the five (5) vessels under RA 9295 valid for 25 years from June 7, 2005 to June 7, 2030 by the MARINA to service domestic ports of call.

For the transport service contract with NMCCLI, the vessels are duly registered with MARINA and are subject to regular MARINA survey and ISM audits to ascertain adherence to vessel and manning safety standards. To comply with the revised RA 9295 IRR issued in 2014, the Company applied and has been granted a Revalidated Certificate of Public Convenience (CPC) valid from October 22, 2015 to June 7, 2030 by the MARINA to service domestic ports of call.

b) *Labor contracts*

For sea-based employees, the Collective Bargaining Agreement with licensed crew members has been in effect from 01 September 2020 up to 31 August 2025, and with unlicensed crew members from 16 September 2020 up to 15 September 2025. The economic provisions of both Agreements were concluded in December 2023.

For land-based employees, the Collective Bargaining Agreement was no longer present since its dissolution on 30 October 2020 under Case No. NCR-CFO-C-01-01-10-20.

c) *Licenses and Franchises*

For licenses and franchises of vessels, while principal terms are anchored solely on the seaworthiness of the vessel (of which the registrant is already ISM-Certified by the regulatory authority) only the following expiration dates are disclosed:

M/V LORCON MANILA* (sold on Nov. 2024)

Certificates and Licenses	Date Issued	Date Expiry	Status
Certificate of Ownership (CO)	04/03/24		Permanent
Certificate of Vessel Registry (CVR)	04/03/24		Permanent
Certificate of Public Convenience (CPC)	10/22/15	06/07/30	Valid
Cargo Ship Safety Certificate	05/08/24	11/14/24	Expired
Coastwise License (CWL)	09/11/24	09/08/25	Valid
Radio Station License (RSL)	09/11/23	09/25/25	Valid
Coastwise Loadline Certificate (CLLC)	11/24/21	11/14/26	Valid

M/V LORCON GENERAL SANTOS

Certificates and Licenses	Date Issued	Date Expiry	Status
Certificate of Ownership (CO)	11/13/24		Permanent
Certificate of Vessel Registry (CVR)	11/13/24		Permanent
Certificate of Public Convenience (CPC)	10/22/15	06/07/30	Valid
Cargo Ship Safety Certificate	01/22/25	07/19/25	Valid
Coastwise License (CWL)	06/28/24	08/15/25	Valid
Radio Station License (RSL)	08/01/24	08/16/26	Valid
Coastwise Loadline Certificate (CLLC)	06/29/21	07/19/25	Valid

M/V LORCON DUMAGUETE

Certificates and Licenses	Date Issued	Date Expiry	Status
Certificate of Ownership (CO)	04/03/24		Permanent
Certificate of Vessel Registry (CVR)	04/03/24		Permanent
Certificate of Public Convenience (CPC)	10/22/15	06/07/30	Valid
Cargo Ship Safety Certificate	08/12/24	02/28/25	In process
Coastwise License (CWL)	04/17/24	05/13/25	Valid
Radio Station License (RSL)	08/15/24	05/16/26	Valid
Coastwise Loadline Certificate (CLLC)	05/26/21	02/28/25	In process

M/V LORCON BACOLOD

Certificates and Licenses	Date Issued	Date Expiry	Status
Certificate of Ownership (CO)	06/10/14		Permanent
Certificate of Vessel Registry (CVR)	06/10/14		Permanent

Certificate of Public Convenience (CPC)	10/22/15	06/07/30	Valid
Cargo Ship Safety Certificate	02/19/25	02/04/30	Valid
Coastwise License (CWL)	05/14/24	06/09/25	Valid
Radio Station License (RSL)	06/04/24	06/12/26	Valid
Coastwise Loadline Certificate (CLLC)	02/18/25	02/04/30	Valid

M/V LORCON ILOILO

Certificates and Licenses	Date Issued	Date Expiry	Status
Certificate of Ownership (CO)	05/07/15		Permanent
Certificate of Vessel Registry (CVR)	05/07/15		Permanent
Certificate of Public Convenience (CPC)	10/22/15	06/07/30	Valid
Cargo Ship Safety Certificate	04/17/24	03/31/29	Valid
Coastwise License (CWL)	04/17/24	05/13/25	Valid
Radio Station License (RSL)	04/05/24	05/14/26	Valid
Coastwise Loadline Certificate (CLLC)	04/16/24	04/02/29	Valid

M/V GENERAL NATIVIDAD

Certificates and Licenses	Date Issued	Date Expiry	Status
Certificate of Public Convenience (CPC)	06/25/15	03/29/35	Valid
Cargo Ship Safety Certificate	09/05/24	01/22/25	In process
Coastwise License (CWL)	06/13/24	07/29/25	Valid
Radio Station License (RSL)	06/26/24	07/16/26	Valid
Coastwise Loadline Certificate (CLLC)	04/21/22	01/22/25	In process

M/V GENERAL EVANGELISTA

Certificates and Licenses	Date Issued	Date Expiry	Status
Certificate of Public Convenience (CPC)	06/25/15	03/29/35	Valid
Cargo Ship Safety Certificate	01/11/24	01/14/28	Valid
Coastwise License (CWL)	11/19/24	12/18/25	Valid
Radio Station License (RSL)	11/28/24	11/23/25	Valid
Coastwise Loadline Certificate (CLLC)	01/26/23	01/14/28	Valid

M/V RASALAS

Certificates and Licenses	Date Issued	Date Expiry	Status
Certificate of Public Convenience (CPC)	06/25/15	03/29/35	Valid

Cargo Ship Safety Certificate	05/24/24	05/28/25	Valid
Coastwise License (CWL)	05/27/24	06/14/25	Valid
Radio Station License (RSL)	06/10/24	05/22/26	Valid
Coastwise Loadline Certificate (CLLC)	06/26/23	06/20/28	Valid

- ix. The Company has no pending request for approval from any government body.
- x. There is no record of cost incurred for research and development.
- xi. Costs and effects of compliance with environmental laws

The Company complies with the Anti-Pollution Act, which requires the control of smoke emission coming from the vessels and disallows spilling or dumping of oil into the sea. The Company complies with such regulations through the effective utilization of equipment such as bridge sludge tank. However, the cost of such equipment is not separately accounted for in the Company's books. The cost of compliance is not significant in amount.

- xii. Total number of employees and number of full time employees
As of 31 December 2024, the total sea-based manpower is 55 and the total land-based manpower is 180.

Properties

The description, ownership, and limitation on ownership of the principal properties of the Company are shown below.

A. Vessel in Operations:

VESSEL/YEAR BUILT		OWNERSHIP STATUS	GRT & DWT IN METRIC TON		CAPACITY IN TEUs/LIEN	SERVICE ROUTE
LORCON MANILA	1996	COMPANY-OWNED	4,328	5,998	426	MNL-CEB-TAG-ILO-BCD-MNL (until August only)
LORCON GENERAL SANTOS	2000	COMPANY-OWNED	5,234	6,030	510	MNL-BCD-ILO-DVO-MNL
LORCON ILOILO	2003	COMPANY-OWNED	4,462	5,608	505 MORTGAGED	MNL-CEB-TAG-ILO-BCD-MNL
LORCON BACOLOD	1999	COMPANY-OWNED	4,450	5,607	431	MNL-CEB-TAG-ILO-BCD-MNL
LORCON DUMAGUETE	1999	COMPANY-OWNED	7,970	9,823	797	MNL-DVO-ZAMGES-CBO-CEB-MNL
GENERAL EVANGELISTA	1997	SEA TRANSPORT SERVICE	5,025	5,450	516	MNL-TAG-CBU-MNL
GENERAL NATIVIDAD	1999	SEA TRANSPORT SERVICE	4,450	5,603	433	MNL-BCD-ILO-DVO-MNL

RASALAS	2002	SEA TRANSPORT SERVICE	7,016	9,131	515	MNL-DVO-ZAM- GES-CBO-CEB- MNL
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The limitations are those that are usual to ordinary mortgages of chattel and real properties.

The Company owns a land in Bacolod with a total area of 6,282 square meters located at Bredco 2, Reclamation Area, Bacolod City.

The Company has no intention of acquiring properties not in the ordinary course of business in the next twelve months.

B. Company Leases:

The Company leases from various entities the following properties for its operations, to wit:

1. A container yard covering an area of 2,000 square meters located at Polloc Port, Parang, Maguindanao, Cotabato City. As stipulated, the contract is valid for a period of one (1) year commencing January 1, 2024, until December 31, 2024.
2. An office space with an area of approximately 58.495 square meters located at Door No. 7, Ground Floor, Waterside Living Complex Bldg., Julio Pacana St, Brgy. 23, Cagayan de Oro City.
3. A container yard with an office covering an area of 30,000 square meters located at Phividec Estate of Misamis Oriental (PIE-MO), Municipalities of Tagaloan and Villanueva, Province of Misamis Oriental. The contract is valid for a period of ten (10) years commencing September 1, 2018, and ending on August 31, 2028.
4. A container yard covering an area of 10,000 square meters located at Barangay Tangke, Talisay City, Cebu. The contract is valid for a period of one (1) year from January 1 to December 31, 2024.
5. A parcel of land with a building consisting of approximately 5,814 square meters, more or less, located at P.I. Compound, Barangay Labangal, General Santos City. The contract is valid for a period of five (5) years commencing March 1, 2021, until February 28, 2026.
6. A container yard with an area of 7,000 square meters located at Barangay Balabago, Jaro, Iloilo City. The contract is valid for a period of five (5) years commencing September 1, 2019, until August 31, 2024. The contract has been renewed for a period of two (2) years from September 1, 2024 to August 31, 2026
7. A container office located in Barangay Balabago, Jaro, Iloilo City with an area of approximately 150 square meters. The contract is valid until August 31,

2024. The contract has been renewed for a period of two (2) years from September 1, 2024 to August 31, 2026

8. An office space covering an area of 811.74 square meters located at Times Plaza Building, U.N. Ave. Cor. Taft Ave., Ermita, Manila. The contract is for the period September 1, 2020, to August 31, 2027.
9. In Zamboanga, a container yard covering an area of 10,000 square meters located at Lot 387-A-2, San Roque, Zamboanga City. The contract is valid for a period of one (1) year commencing on February 01, 2024 until January 31, 2025.
10. A container yard located at Bacong, Negros Oriental covering an area of 8,832 sqm. The contract is valid for five (5) years commencing January 1, 2023, until 31 December 2025.
11. A container yard and a container office, with an area of 13,000 square meters located at #15 Old Airport Road, Km. 9, Sasa, Davao City. The contract is for five (5) years from 01 April 2019 until 31 March 2024. The contract has been renewed for a total area of 17,084 square meters for a period of five (5) years commencing on April 1, 2024 until March 31, 2029.
12. A 4-unit office space with 25 square meters per unit at Manila North Harbor, Tondo Manila. Contract is for a period one (1) year commencing on March 1, 2024 until February 28, 2025.
13. A container yard and office covering 13,731.58 square meters with address at North Bay NBBS, Navotas City. The contract commenced on February 1, 2023 until January 31, 2027. A lease of an additional 1,000 square meter area commencing on August 15, 2024 is covered by an addendum to the existing lease contract valid until January 31, 2027.

MANAGEMENT DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

INTERIM PERIOD ENDING 31 MARCH 2025

Results of Operations

Lorenzo Shipping Corporation's (LSC or the "Company") total revenues for the three months ended March 31, 2025, amounted to P425.01 million, which was P210.39 million lower than the revenue reported in the same period in 2024. TEU volumes were lower by 27.79% compared to last year's period. The decrease was due to fewer voyages brought about by reduced fleet capacity.

The Company ended Q1 with a gross loss of P119.82 million. There was a decrease in direct costs amounting to P113.66 compared to last year's period.

General and administrative expenses were P38.97 million, which was P3.82 million lower than last year's P42.79 million.

Net finance costs amounted to P15.20 million for the three months, which was 2% higher or P.28 million higher than the P14.91 million of the same period in 2024 due to loan borrowings.

In 2025, the Company posted a net "other income" of P1.52 million, which is P6.29 million higher than in 2024. The increase was attributable to claims proceeds in 2025 compared with 2024.

Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA) amounted to a negative P104.20 million in 2025 compared with P23.98 million in 2024.

Considering the above, LSC's operating results for the three months ending on March 31, 2025, were a net income after tax loss of P172.77 million compared with a net loss of P86.21 million over the same period in 2024. The loss resulted in an equivalent loss per share of negative P0.19 in the first quarter of 2025 compared with a loss per share of P0.16 over the same period in 2024.

Financial Position

As of March 31, 2025, total assets amounted to P2.73 billion, which was P17.74 million or 1% higher than at the end of December 31, 2024. Cash, trade and other accounts receivables, and other current assets increased from P799.81 million at the end of 2024 to P858.06 million by March 31, 2025.

Total non-current assets decreased by P40.51 million at the end of the 1st Quarter of 2025 from P1.91billion as of the end of 2024 to P1.87 billion, coming from reductions in property and equipment.

Total Liabilities increased by 3% or P82.21 million from P2.51 billion at the end of 2024 to P2.59 billion by March 2025. Principal loan repayments during the first quarter of 2025 amounted to P53.31 million. Lease liability paid amounted to P12.48 million during the first quarter of 2025. LSC's total loans declined by P8.31 million from P485.62 million at the end of 2024 to P477.31 by March 31, 2025.

The net loss of the 1st quarter increased the retained earnings deficit of LSC to P1.30 billion from P1.13 billion at the end of 2024. As of March 31, 2025, the total Stockholder's Equity stood at P136.12 million.

Top Five Performance Indicators

The following key results determine LSC's financial performance:

1. Current ratio – this represents the ratio between current assets and current liabilities, which measures the liquidity and efficiency of LSC's ability to pay off its short-term liabilities with its current assets.
2. Debt to equity ratio – measures the financial leverage of LSC, how much debt is used to finance assets relative to the amount of value represented in shareholders' equity.
3. Net revenues – mainly composed of freight services recognized based on cargo loaded during the year, taking into account all direct costs related to the cargo and capacity costs incurred during the year.
4. Net income before tax – is a quick indicator of the financial health of LSC.
5. Accounts receivables (A/R) turnover – measures how efficiently LSC collects its receivables.

The table below represents the key performance indicators of LSC over the last three (3) years:

Performance Indicators	First Quarter		Full Year	
	2024	2023	2023	2022
Current Ratio	0.47	0.55	0.49	0.49
Debt-to-equity-ratio	6.95	6.23	5.63	6.68
Net revenues	P635.41 million	P905.13 million	P3.280 billion	P3.299 billion
Net income (loss) before tax	(P85.56 million)	P68.07 million	P105,141,635	P18,681,648
A/R turnover	0.99	1.04	4.25	4.32

Performance Indicators	1 st Quarter		Full Year	
	2025	2024	2024	2023
Current Ratio	0.40	0.47	0.39	.49
Debt-to-equity-ratio	19.4	6.95	12.51	5.63
Net Revenues	P425.01 million	P635.41 million	P2.339 billion	P3.280 billion
Net income (loss) before tax	(P172.47 million)	(P85.56 million)	(P543.46 million)	P105.14 million
A/R Turnover	0.85	0.99	4.10	4.25

Key Variables and Other Qualitative and Quantitative Factors

- i. LSC is unaware of any event that will trigger direct or contingent financial obligations that are material to LSC, including any default or acceleration of an obligation.
- ii. LSC is unaware of any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of LSC with unconsolidated entities or other persons created during the reporting period.
- iii. LSC is not aware of any material commitments for capital expenditures.
- iv. LSC is unaware of any known trends, events, or uncertainties that have had or are reasonably expected to have a material favorable or unfavorable impact on net sales, revenues, or income from continuing operations.
- v. LSC is not aware of any significant elements of income or loss that did not arise from the registrant's continuing operations.
- vi. LSC is unaware of any seasonal aspects that had a material effect on the financial condition or results of operations.

Plan of Operation

To get back to profitability, the company is focusing on consistently meeting its vessel schedules through a comprehensive rehabilitation of vessels and land-based equipment, as it continuously implements operational efficiency measures such as system upgrades, quality initiatives, cost rationalization, and asset optimization. The plan of the operation for the succeeding quarters includes the following:

1. Our top priority is vessel maintenance and equipment reliability to improve customer experience in cargo deliveries by sea and land.
2. Voyage optimization through the employment of yield management strategies to ensure maximum margins per completed sailing.
3. Process improvements assisted by innovation and technology to achieve operational efficiencies.
4. Subsisting progress in billing and collection to enhance cash flows for sustaining

- payables to vendors, suppliers, and service providers.
5. Development of land- and sea-based employees' physical, mental, and emotional welfare to maintain high morale and maximize productivity.
 6. Adopting risk-mitigation measures and continuously strengthening statutory compliance to guarantee business continuity.

CALENDAR YEAR 2024

Results of Operations

Lorenzo Shipping Corporation ("LSC") recorded P2.34 billion in total freight revenues in 2024, 29% or P0.94 billion lower than the P3.28 billion revenues in 2023. Total operating expense was P2.54 billion, a decrease of 12% from last year of P2.89 billion.

The Company ended with a Gross Profit (Loss) of (P198.95) million, a decrease of 151% from P391.28 million in 2023.

General and Administrative expenses decreased by P23 million from P217 million in 2023 to P194 million in 2024.

Net Finance Costs amounted to P70.42 million, which was higher by 3% or P1.78 million versus last year's P68.64.

Net Other Income (Charges) was (P79.40) million in 2024, lower by P79.42 million than P.019 million net other income in 2023. The Company's "Other Income (Charges)" in 2024 was from the net loss from the sale of the vessel.

LSC's Net Income (Loss) After Tax was (P541.78) million, a decrease in net income of 666% from P95.79 million net income in 2023. The income (loss) resulted in an equivalent loss per share of (P0.98) and P0.17 in 2024 and 2023, respectively.

Financial Condition

The total resources of the Company stood at P2.71 billion as of December 31, 2024, or P383.85 million lower than P3.09 billion as of 2023. Current assets amounted to P.799 billion and P1.015 billion in 2024 and 2023, respectively. The net decrease in current assets was primarily due to the following:

- Increase in cash from P99.13 million to P102.80 million
- Decrease in trade and other receivables from P647.30 million to P494.98 million
- Decrease in inventories from P61.47 million to P49.22 million.
- Decrease in prepayments and other current assets from P203.54 million to P148.73 million.

Total Non-Current Assets decreased in 2024 to P1.91 billion from P2.07 billion in 2023. The Company's property and equipment costs decreased primarily due to the amortization of assets. Other Non-Current Assets increased to P732.60 million in 2024 from P651.29 million in 2023 due to accumulated creditable withholding taxes.

Total Liabilities decreased by P0.12 billion this year from P2.63 billion in 2023 to P2.51 billion at the end of 2024.

Accounts payable and other current liabilities decreased to P1.49 billion in 2024 from P1.58 billion in 2023.

Total bank borrowings as of 2024 amounted to P485.62 million, consisting of short-term & current borrowings of P453.32 million and long-term & non-current borrowings of P32.30 million. In comparison, as of December 2023, total borrowings were P480.80 million, consisting of short-term & current borrowings of P409.08 million and long-term & non-current borrowings of P71.71 million.

Obligations under finance lease reclassified to lease liability under new accounting standards (PFRS16) stood at the end of 2024 at P51.44 million and P182.54 million of current and non-current portions, respectively.

Retirement benefit obligation at the end of 2024 was P106.65 million.

The negative operating results of the Company in 2024 increased the deficit to P1.13 billion from the P589.82 million deficit in 2023. The revaluation surplus stood at P77.35 million. Considering its capitalization of P1.285 billion, the Company's Total Equity at the end of 2024 amounted to P200.60 million.

The current ratio as of December 2024 stood at 0.39 and 0.49 in 2023. Debt-to-Equity ratios were at 12.51 and 5.63 in 2024 and 2023, respectively. The Company's creditor banks requiring maintenance of specific financial ratios provided a waiver on the breach of debt covenants for the period ending 31 December 2024.

The book value per share was at P0.24 and P0.84 in 2024 and 2023, respectively.

Top Five Performance Indicators

The following key results determine LSC's financial performance:

1. Current Ratio – represents the ratio between current assets and current liabilities, which measures liquidity and efficiency of LSC's ability to pay off its short-term liabilities with its current assets.
2. Debt-to-Equity Ratio – measures the financial leverage of LSC, how much debt is used to finance assets relative to the amount of value represented in shareholders' Equity.
3. Net Revenues – mainly composed of freight services recognized based on cargo loaded during the year, taking into account all direct costs related to the cargo and capacity costs incurred during the year.
4. Net Income Before Tax – is a quick indicator of the financial health of LSC.
5. Accounts Receivable (A/R) turnover – measures how efficiently LSC collects its receivables.

The table below represents the key performance indicators of LSC over the last three (3) years:

Performance Indicators	Full Year		
	2024	2023	2022
Current ratio	0.39	0.49	0.49
Debt-to-equity ratio	12.51	5.63	6.68
Net revenues	P2.339 billion	P3.280 billion	P3.299 billion
Net income (loss) before tax	(P543.459) million	P105.141 million	P18.682 million
A/R turnover	4.10	4.82	4.52

Key Variables and Other Qualitative and Quantitative Factors

- i. LSC is not aware of any event that will trigger direct or contingent financial obligations to LSC, including any default or acceleration of an obligation.
- ii. LSC is not aware of any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of LSC with unconsolidated entities or other persons created during the reporting period.
- iii. LSC is not aware of any material commitments for Capital Expenditures.
- iv. LSC is not aware of any known trends, events, or uncertainties that have had or are reasonably expected to have a material favorable or unfavorable impact on net sales, revenues, or income from continuing operations.
- v. LSC is not aware of any significant elements of income or loss that did not arise from the registrant's continuing operations.
- vi. LSC is not aware of any seasonal aspects that had a material effect on the financial condition or results of operations.

Plan of Operation

In its quest to get back to profitability, the Company is focusing on restoring schedule integrity through a comprehensive rehabilitation of vessel and land-based equipment as it continuously implements operational efficiency measures such as systems upgrade, quality initiatives, cost rationalization, and asset optimization. The plan of operation for the succeeding year includes the following:

7. Our top priority is vessel maintenance and equipment reliability to improve customer experience in cargo deliveries by sea and land.
8. Voyage optimization through the employment of yield management strategies to ensure maximum margins per completed sailing.
9. Process improvements assisted by innovation and technology to achieve operational efficiencies.
10. Subsisting progress in billing and collection in order to enhance cash flows for sustaining payables to vendors, suppliers, and service providers.
11. Development of land- and sea-based employees' physical, mental, and emotional welfare to maintain high morale and maximize productivity.
12. Adopting risk-mitigation measures and continuously strengthen statutory compliance to guarantee business continuity.

CALENDAR YEAR 2023

Results of Operations

Lorenzo Shipping Corporation ("LSC") recorded P3.28 billion in total freight revenues in 2023, 1% or P0.18 Billion lower than the P3.30 billion revenues in 2022. Total operating expense was P2.89 billion, a decrease of 6% from last year of P3.06 billion.

The Company ended with a Gross Profit of P391.28 million, an increase of 67% from P234.39 million in 2022.

General and Administrative expenses increased by P31 Million from P186 million in 2022 to P217 million in 2023.

Net Finance Costs amounted to P68.64 million, which was higher by 35% or P17.84 million versus last year's P50.81 due to an increase in interest rates.

Net Other Income was P.019 million in 2023, lower by P21.30 million than P21.32 million in 2022. The Company's "Other Income" in 2023 was from insurance proceeds and other cargo-related claims.

LSC's Net Income After Tax was P95.79 million, an increase in net income of 415% from P18.60 million net income in 2022. The income (loss) resulted in an equivalent loss per share of P0.17 and P0.03 in 2023 and 2022, respectively.

Financial Condition

The total resources of the Company stood at P3.09 billion as of December 31, 2023, or P162.97 million higher than P2.93 billion as of 2022. Current assets amounted to P1.015 billion and P1.029 billion in 2023 and 2022, respectively. The net decrease in current assets was primarily due to the following:

- Increase in cash from P62.53 million to P99.13 million
- Decrease in trade and other receivables from P743.76 million to P647.40 million
- Decrease in inventories from P78.45 million to P61.47 million.
- Increase in prepayments and other current assets from P134.98 million to P203.54 million.

Total Non-Current Assets increased in 2023 to P2.07 billion from P1.90 billion in 2022. The Company's property and equipment costs increased primarily due to acquisition of new assets. Other Non-Current Assets increased to P651.29 million in 2023 from P610.34 million in 2022 due to accumulated creditable withholding taxes.

Total Liabilities increased by P0.77 billion this year from P2.55 billion in 2022 to P2.63 billion at the end of 2023.

Accounts payable and other current liabilities decreased to P1.58 billion in 2023 from P1.65 billion in 2022.

Total bank borrowings as of 2022 amounted to P480.80 million, consisting of short-term & current borrowings of P409.08 million and long-term & non-current borrowings of P71.71 million. In comparison, as of December 2022, total borrowings were P560.45 million, consisting of short-term & current borrowings of P422.22 million and long-term & non-current borrowings of P138.23 million.

Obligations under finance lease reclassified to lease liability under new accounting standards (PFRS16) stood at the end of 2023 at 65.25 million and P164.30 million of current and non-current portions, respectively.

Retirement benefit obligation increased at the end of 2023, due to the increase of employees as a result of personnel transfers from the related party.

The positive operating results of the Company in 2023 reduced the retained deficit to P589.82 million from the P685.61 million retained deficit in 2022. The revaluation surplus stood at P72.64. Considering its capitalization of P1.015 billion, the Company's Total Equity at the end of 2023 amounted to P466.54 million.

The current ratio as of December 2022 stood at 0.49, the same as the result in 2022. Debt-to-Equity ratios were at 5.63 and 6.68 in 2023 and 2022, respectively. The Company's creditor banks requiring maintenance of specific financial ratios provided a waiver on the breach of debt covenants for the period ending 31 December 2023.

Book value per share in this period increased to P0.84 versus P0.69 in the prior period.

Top Five Performance Indicators

The following key results determine LSC's financial performance:

1. Current Ratio – represents the ratio between current assets and current liabilities, which measures liquidity and efficiency of LSC's ability to pay off its short-term liabilities with its current assets.
2. Debt-to-Equity Ratio – measures the financial leverage of LSC, how much debt is used to finance assets relative to the amount of value represented in shareholders' Equity.
3. Net Revenues – mainly composed of freight services recognized based on cargo loaded during the year, taking into account all direct costs related to the cargo and capacity costs incurred during the year.
4. Net Income Before Tax – is a quick indicator of the financial health of LSC.
5. Accounts Receivable (A/R) turnover – measures how efficiently LSC collects its receivables.

The table below represents the key performance indicators of LSC over the last three (3) years:

Performance Indicators	Full Year		
	2023	2022	2021
Current ratio	0.49	0.49	0.52
Debt-to-equity ratio	5.63	6.68	7.47
Net revenues	P3.280 billion	P3.299 billion	P2.871 billion
Net income (loss) before tax	P105.141 million	P18.682 million	(P88.408 million)
A/R turnover	4.82	4.52	4.11

Key Variables and Other Qualitative and Quantitative Factors

- i. LSC is not aware of any event that will trigger direct or contingent financial obligations to LSC, including any default or acceleration of an obligation.
- ii. LSC is not aware of any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of LSC with unconsolidated entities or other persons created during the reporting period.
- iii. LSC is not aware of any material commitments for Capital Expenditures.
- iv. LSC is not aware of any known trends, events, or uncertainties that have had or are reasonably expected to have a material favorable or unfavorable impact on net sales, revenues, or income from continuing operations.
- v. LSC is not aware of any significant elements of income or loss that did not arise from the registrant's continuing operations.
- vi. LSC is not aware of any seasonal aspects that had a material effect on the financial condition or results of operations.

Plan of Operation

Gainful commercial results and a significantly higher net income compared to the previous year is a reflection of very profitable operations. Despite some difficulties during the latter part of 2023 which saw a decline in domestic consumption due to continuous inflationary increases, the Company endured and persevered to carry on with its strategic plan. Hoping to ride the momentum in the succeeding years, the team will relentlessly seek to find opportunities for improvement.

1. Sustaining schedule and service reliability brought about by regular maintenance of vessels and equipment in order to assure heightened customer experience remains to be one of the Company's top priorities.
2. Sales and Marketing to focus on high-yield cargoes and shipping routes to ensure healthy margins and profitability.
3. Carry on with institutionalized cost-rationalization programs to guarantee efficiency.
4. Augmentation of innovation and digital tools for maximum productivity.
5. Commence training and development of personnel for skills enhancement and fulfillment, including identification of deserving employees for career advancement.
6. Continue to keep track of billing and collection processes to safeguard necessary liquidity that supports day-to-day operations.

Perpetual monitoring of statutory compliance and risk-mitigation to maintain quality standards essential for delivering programs and projects that exceed the expectations of our stakeholders and customers.

CALENDAR YEAR 2022

Results of Operations

Lorenzo Shipping Corporation ("LSC") recorded P3.30 billion in total freight revenues in 2022, 15% or P0.43 Billion higher than the P2.87 billion revenues in 2021. Total operating expense was P3.06 billion, an increase of 9% from last year of P2.82 billion. The increase in freight revenue was attributable to a series of cost-recovery initiatives which resulted in an increase in freight per TEU.

The Company ended with a Gross Profit of P234.39 million, an increase of 355% from P51.46 million in 2021.

General and Administrative expenses increased by P44 Million from P142 million in 2021 to P186 million in 2022.

Net Finance Costs amounted to P50.80 million, which was higher by 7% or P3.36 Million versus last year's P47.44 due to an increase in interest rates.

Net Other Income was P21.32 million in 2022, lower by P28.35 million than P49.67 million in 2021. The Company's "Other Income" in 2022 was from insurance proceeds and other cargo-related claims.

LSC's Net Income After Tax was P18.60 million, an increase in net income of 122% from P84.58 net loss million in 2021. The income (loss) resulted in an equivalent loss per share of P0.03 and (P0.15) in 2022 and 2021, respectively.

Financial Condition

The total resources of the Company stood at P2.93 billion as of December 31, 2022, or P77.06 million higher than P2.85 billion as of 2021. Current assets amounted to P1.029 billion and P1.014 billion in 2022 and 2021, respectively. The net increase in current assets was primarily due to the following:

- Decrease in cash from P131.88 million to P62.53 million
- Increase in trade and other receivables from P781.20 million to P822.58 million
- Increase in inventories from P63.35 million to P78.45 million.
- Increase in prepayments and other current assets from P38.39 million to P65.58 million.

Total Non-Current Assets increased in 2022 to P1.90 billion from P1.84 billion in 2021. The Company's Property and equipment costs decreased primarily due to amortization and depreciation. Other Non-Current Assets increased to P610.34 million from P548.15 million in 2021 due to accumulated creditable withholding taxes.

Total Liabilities increased by P0.03 billion this year from P2.52 billion in 2021 to P2.55 billion at the end of 2022.

Accounts payable and other current liabilities increased to P1.65 billion in 2022 from P1.46 billion in 2021.

Total bank borrowings as of 2022 amounted to P560.45 million, consisting of short-term & current borrowings of P422.22 million and long-term & non-current borrowings of P138.23 million. In comparison, as of December 2021, total borrowings were P699.11 million, consisting of short-term & current borrowings of P461.87 million and long-term & non-current borrowings of P237.24 million.

Obligations under finance lease reclassified to lease liability under new accounting standards (PFRS16) stood at the end of 2022 at 33.83 million and P53.80 million of current and non-current portions, respectively.

Retirement benefit obligation decreased at the end of 2022, mainly due to the availments by eligible employees.

The positive operating results of the Company in 2022 reduced the retained deficit to P685.61 million from the P704.21 million retained deficit in 2021. The revaluation surplus increased by P14.13 million as of December 2022 due to an increase in the fair market value of land based on the recent independent appraisal report. Considering its capitalization of P1.015 billion, the Company's Total Equity at the end of 2022 amounted to P381.50 million.

The current ratio as of December 2022 stood at 0.49 compared with 0.52 at the end of 2021. Debt-to-Equity ratios were at 6.68 and 7.47 in 2022 and 2021, respectively. The Company's creditor banks requiring maintenance of specific financial ratios provided a waiver on the breach of debt covenants for the period ending 31 December 2022.

Book value per share in this period declined to P0.69 versus P0.61 in the prior period.

Top Five Performance Indicators

The following key results determine LSC's financial performance:

1. Current Ratio – represents the ratio between current assets and current liabilities, which measures liquidity and efficiency of LSC's ability to pay off its short-term liabilities with its current assets.
2. Debt-to-Equity Ratio – measures the financial leverage of LSC, how much debt is used to finance assets relative to the amount of value represented in shareholders' Equity.
3. Net Revenues – mainly composed of freight services recognized based on cargo loaded during the year, taking into account all direct costs related to the cargo and capacity costs incurred during the year.
4. Net Income Before Tax – is a quick indicator of the financial health of LSC.
5. Accounts Receivable (A/R) turnover – measures how efficiently LSC collects its receivables.

The table below represents the key performance indicators of LSC over the last three (3) years:

Performance Indicators	Full Year		
	2022	2021	2020
Current ratio	0.49	0.52	0.50
Debt-to-equity ratio	6.68	7.47	5.99
Net revenues	P3.299 billion	P2.871 billion	P2.657 billion
Net income (loss) before tax	P18.682 million	(P88.408 million)	(P61.562 million)
A/R turnover	4.32	4.11	3.02

Key Variables and Other Qualitative and Quantitative Factors

- i. LSC is not aware of any event that will trigger direct or contingent financial obligations to LSC, including any default or acceleration of an obligation.
- ii. LSC is not aware of any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of LSC with unconsolidated entities or other persons created during the reporting period.
- iii. LSC is not aware of any material commitments for Capital Expenditures.
- iv. LSC is not aware of any known trends, events, or uncertainties that have had or are reasonably expected to have a material favorable or unfavorable impact on net sales, revenues, or income from continuing operations.
- v. LSC is not aware of any significant elements of income or loss that did not arise from the registrant's continuing operations.
- vi. LSC is not aware of any seasonal aspects that had a material effect on the financial condition or results of operations.

Plan of Operation

Despite cargo volume significantly increasing in 2022 compared to the pandemic years of 2021 and 2020, the Company faced the enormous challenge of recovering from the drastic escalation in cost brought about by unstable fuel price changes, elevated inflation, peso depreciation, high-interest rates, and inefficiencies brought about by port congestion. The first three quarters of the year were focused on various strategies aimed at overcoming these difficulties to ensure viable operations. These initiatives bore fruit in the fourth quarter as the Company began to manifest signs of recovery with the hope that it could be sustained in the succeeding years.

13. Reliable vessel schedule and consistency of services will continue to be one of the Company's top priorities as demand increases along with growth in domestic consumption.
14. Load factor optimization and yield management are critical in ensuring positive margins.
15. Activities directed at the development of skills and talent of personnel should greatly contribute to motivation and the general well-being of the workforce.
16. Continuous improvement, process enhancement, and quality assurance solutions are conceived and implemented to certify maximum efficiency.
17. Ongoing drive for innovation and digitalization will guarantee productivity and elevated customer experience.
18. Statutory compliance and risk-mitigation measures are established to ensure sustainability.

MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

1) Principal market where the registrant's common equity is traded.

The common stock of LSC is listed in The Philippine Stock Exchange, Inc.

Stock Prices

The high and low prices of LSC's shares in the stock exchange for each quarter of fiscal years 2022, 2023, 2024, and 2025 are as follows:

2022	High	Low
Q1	0.85	0.85
Q2	0.68	0.63
Q3	0.55	0.53
Q4	0.455	0.450
2023	High	Low
Q1	0.91	0.485
Q2	0.75	0.63
Q3	0.65	0.53
Q4	0.66	0.55
2024	High	Low
Q1	0.71	0.54
Q2	0.67	0.46

Q3	0.54	0.52
Q4	1.05	0.70
2025	High	Low
Q1	0.96	0.75

In 2024, the highest and lowest prices of LSC's shares were P1.05 and P0.46 respectively. The stock price of LSC closed at P0.77 on the last trading date 26 March 2025.

The number of shareholders of record as of 30 April 2025 is 894. The total number of shares issued and outstanding as of 30 April 2025 is 991,183,999 with a par value of P1.00.

The top twenty (20) shareholders of the Company as of 30 April 2025 are as follows:

	STOCKHOLDER'S NAME	NATIONALITY	NO. OF SHARES HELD	PERCENTAGE OVER TOTAL ISSUED AND OUTSTANDING
1	NATIONAL MARINE CORPORATION	FILIPINO	435,531,748	43.491%
	NATIONAL MARINE CORPORATION	FILIPINO	276,520,756	27.898%
2	PCD NOMINEE CORPORATION (FILIPINO)	FILIPINO	243,750,686	24.592%
3	PROFESSIONAL MARKETING INSIGHTS INC.	FILIPINO	11,500,000	1.160%
4	OSCAR Y. GO	FILIPINO	6,637,157	0.670%
5	JOSE GO JR.	FILIPINO	6,208,500	0.626%
6	JULIO D. SY JR.	FILIPINO	2,187,500	0.221%
7	PCD NOMINEE CORPORATION (NON-FILIPINO)	OTHER ALIEN	601,771	0.061%

8	JONATHAN D. SY	FILIPINO	312,500	0.032%
9	EMERGING MARKET CAPITAL HOLDINGS	SINGAPOREAN	250,000	0.030%
	JOHNNY S. LIM	FILIPINO	250,000	0.025%
	LILIAN SO LIM	FILIPINO	250,000	0.025%
	FRANCISCO LIM LAO	FILIPINO	250,000	0.025%
	JOSE JUAN POU	FILIPINO	250,000	0.025%
10	WILLINGTON CHUA	FILIPINO	237,500	0.024%
11	DIANA F. MALIG	FILIPINO	214,456	0.022%
12	REGINA CAPITAL DEV. CORP. 000351	FILIPINO	199,000	0.020%
13	RCBC SECURITIES, INC.	FILIPINO	193,750	0.020%
14	PAC SALLY C. ONG	FILIPINO	175,000	0.018%
15	LUIS M. CAMUS	FILIPINO	125,000	0.013%
	SIEWNGAN PHILIP LOW	FILIPINO	125,000	0.013%

	REGINALDO A. OBEN	FILIPINO	125,000	0.013%
	WALFRIDO R. PATAWARAN	FILIPINO	125,000	0.013%
	PHIEK LIAN GO SO	FILIPINO	125,000	0.013%
	TEGO HOLDINGS, INC.	FILIPINO	125,000	0.013%
16	JACINTO V. ROSALES JR.	FILIPINO	100,000	0.010%
17	CARMEN C. ALABADA	FILIPINO	62,500	0.006%
	ANGELITA B. FLORES	FILIPINO	62,500	0.006%
	ANGELITA B. FLORES	FILIPINO	62,500	0.006%
	GERARDO R. FLORES	FILIPINO	62,500	0.006%
	GERARDO R. FLORES	FILIPINO	62,500	0.006%
	HOUSE OF INVESTMENTS, INC.	FILIPINO	62,500	0.006%
	JULIETA R. OFILADA	FILIPINO	62,500	0.006%
	JULIETA R. OFILADA	FILIPINO	62,500	0.006%

	RENATO REYES	FILIPINO	62,500	0.006%
	ELAINE VILLAR RIVILLA	FILIPINO	62,500	0.006%
	SUN HUNG KAI SEC. (PHILS) INC. A/C GA209	FILIPINO	62,500	0.006%
	FELISA Y. TAN	FILIPINO	62,500	0.006%
18	VICKY L. CHAN	FILIPINO	60,000	0.006%
19	MARINO OLONDRIZ Y CIA	FILIPINO	58,750	0.006%
20	STEPHANIE HAGEDORN	FILIPINO	50,000	0.005%
	YVETTE MARIE HAGEDORN	FILIPINO	50,000	0.005%
	ALFONSO R. REYNO JR.	FILIPINO	50,000	0.005%
	PEPITA P. YOUNG	FILIPINO	50,000	0.005%

Dividend Policy

LSC adopts a policy for the declaration of dividends from the net profits of the corporation at such time or times and such percentage as the Board of Directors may deem proper. However, no dividends shall be declared that will impair the capital of the Company.

2) Recent Sales of Unregistered Securities

Within the past five (5) years, there has been no sale of the Company's Securities which were not registered under the Securities Regulations Code.

3) Description of Registrant's Securities

On 27 December 2025 the Corporation issued 270 million common shares from the Company's unissued authorized capital stock, at its par value of P1.00 per share, for a total amount of P270 million, in favor of National Marine Corporation. On 24 April 2025, the Corporation issued 165,531,748 common shares from the Corporation's remaining unissued authorized capital stock, at its par value of P1.00 per share, for a total amount of P165,531,748, in favor of National Marine Corporation. The transactions are exempt from registration, pursuant to Section 10.1(k) of the Securities Regulation Code.

DISCUSSION ON COMPLIANCE WITH LEADING PRACTICES ON CORPORATE GOVERNANCE

LSC, its board of directors, and management, including all employees, are committed to enhancing the company's value through effective corporate governance. This commitment is reflected in our efforts to:

1. Foster sound, prudent, and effective management practices;
2. Streamline the distribution of information for efficiency and accuracy;
3. Develop and enact effective risk mitigation and management plans;
4. Deliver precise and reliable financial and operational information;
5. Uphold integrity and ensure compliance with all laws, rules, regulations, and contracts in every transaction.

To fully comply with adopted leading practices on good governance, the company has undertaken or will undertake the following measures:

1. Integrated Annual Corporate Governance Report. The 2024 Annual Corporate Governance Report of LSC shall be filed with the SEC and posted in the Company's corporate website www.lorenzoshipping.com, in compliance with SEC Memorandum Circular No. 15, Series of 2017.
2. Corporate Governance Manual. On July 13, 2020, the Corporate Governance Manual of LSC, superseding its 2017 Corporate Governance Manual, took effect. The Company's Compliance Officer regularly monitors regulatory compliance, reports to the Board, and coordinates with its Corporate Secretary, Securities and Exchange Commission, and Philippine Stock Exchange, in terms of the compliance requirements of the company. LSC strives, and is committed, to implement best corporate governance practices in all its processes and attainment of its goals and objectives.
3. Board of Directors.
 - a. LSC's Board of Directors is composed of experts with years of professional experience, who offer diverse insights, which allow a holistic and thorough examination affecting the Company. The Board is responsible for the Company's overall management and directions, and they meet on a regular basis, to review the company's operational and financial updates. The Board may also meet, whenever necessary, should important matters requiring their expertise and/or approval arise.
 - b. LSC's Board is composed of seven (7) directors, three (3) of whom are independent directors. They are elected during the Annual Stockholders' Meeting, and they shall hold office until the next succeeding annual meeting and until their successors shall have been elected and qualified.
 - c. LSC's Board is compliant with the annual requirement of attendance in corporate governance training.

4. Audit Committee

- a. LSC's audit committee assists the Board by overseeing the Corporation's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. They provide independent and objective insights to the management in terms of financial matters, business operations, and utilization and safeguarding of company's assets.
- b. The Audit Committee is composed of five (5) Board members, including the three (3) independent directors, one of whom serves as the committee chairman. Mr. Deogracias Vistan is the Audit Committee Chairman, and the committee members are: Mr. Antony Marden, Mr. Michael Escaler, Mr. Rene Buenaventura, and Mr. Virgilio Peña. The Audit Committee is required to meet at least four (4) times a year (quarterly).

5. Corporate Governance Committee.

- a. LSC's Corporate Governance Committee is responsible for the compliance and proper observance of corporate governance principles by the Company and its management. The Committee assists the Board in the performance of its corporate governance responsibilities, oversee the implementation of corporate governance manual and policies, evaluate the manual and ensure it remains appropriate considering the Company's size, complexity, and business strategy.
- b. The Corporate Governance Committee is composed of five (5) members, with three (3) independent directors, including its Chairman. The Committee Chairman is Mr. Rene Buenaventura, and the members are Mr. Deogracias Vistan, Mr. Virgilio Peña, Mr. Antony Marden, and Mr. Michael Escaler.

6. Risk Oversight Committee

- a. LSC's Risk Oversight Committee is responsible for the oversight of the company's enterprise risk management system. The Committee assists the Board in ensuring that there is an effective and integrated risk management process in place. The committee also conducts regular discussions on the company's prioritized and residual risk exposures based on the risk management reports, and assess how these risks can be mitigated or managed.
- b. The Risk Oversight Committee is composed of five (5) members, with three (3) independent directors, including its Chairman. The Committee Chairman Mr. Rene Buenaventura, and the members are Mr. Deogracias Vistan, Mr. Virgilio Peña, Mr. Antony Marden, and Mr. Michael Escaler.

7. Related Party Transactions Committee

- a. LSC's Related Party Transactions Committee is responsible for reviewing all material Related Party Transaction of the company. The committee shall assist the Board by evaluating, on an ongoing basis, existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, related party transactions are monitored, and subsequent changes in relationships with counterparties are captured. The Committee also evaluates all material related party transactions to ensure that these are not undertaken on more favorable economic terms.
- b. The Related Party Transactions Committee is composed of five (5) members, with three (3) independent directors, including its Chairman. The Committee Chairman is Mr. Virgilio Peña, and the members are Mr. Deogracias Vistan, Mr. Rene Buenaventura, Mr. Antony Marden, and Mr. Michael Escaler.

8. Executive Officers. LSC's executive officers are responsible for the Company's operations and day-to-day management.
9. Deviation from the Company's Manual of Corporate Governance. As of the date of this report, the Management is preparing the company's Retirement and Succession Policy as well as its succession plan, which will be geared towards promoting growth and dynamism in the Corporation.
10. Continuing Improvements for Corporate Governance. LSC will continue to improve its policies, systems, and processes, and ensure that the Board, officers, management and employees remain abreast of any regulations or issuances that will affect the company. LSC is committed to adhere to good governance practices in its operations while achieving its goals.

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

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COMPANY INFORMATION

corporatesecretary@msl.com.ph

(02) 8527-5555

+639178157290

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6/25

12/31

CONTACT PERSON INFORMATION	
NAME	_____
PHONE	_____
EMAIL	_____
ADDRESS	_____
CITY	_____
STATE	_____
ZIP	_____

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Amelita M. Intalan	amelita.intalan@msl.com.ph	(02) 8527-5555	09989682949

	CONTACT PERSON's ADDRESS	

20th Floor Times Plaza Building, United Nations Avenue, Ermita, Manila

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-out. 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.



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Lorenzo Shipping Corporation
20th Floor Times Plaza Building
United Nations Avenue, Ermita, Manila

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lorenzo Shipping Corporation (the Company), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2024 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 Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



Assessment of Going Concern Basis

The Company incurred net loss of ₱541.78 million in 2024 resulting to a deficit of ₱1.13 billion as of December 31, 2024. In addition, the Company's current liabilities exceeded its current assets by ₱1.27 billion as of December 31, 2024.

The financial statements had been prepared on a going concern basis. Management's assessment of the Company's ability to generate sufficient funding is based on assumptions such as forecasted revenue, operating costs and capital expenditures, that are subject to a higher level of estimation uncertainty especially given the current economic conditions which have been impacted by the volatility in fuel prices and the feasibility of the sources of financing. Since the going concern assessment involves significant management judgments and estimates, we consider this as a key audit matter.

Refer to Notes 1 and 4 to the financial statements for the disclosures on the going concern assessment, including the discussion of the Company's future plans.

Audit response

We obtained an understanding of management's going concern assessment, including the cash flow projection prepared by management and approved by the Board of Directors. We evaluated the key assumptions such as forecasted revenue, operating costs, capital expenditures, and the other sources of financing, that were used by management in the Company's cash flows forecast for the next 12 months from the end of the reporting period. We evaluated these key assumptions by reference to historical information and relevant market data and by taking into consideration the current economic conditions including the impact of the volatility of fuel prices and the actions undertaken and the planned strategies by management in relation to the Company's operating and financing activities. We obtained the letters of financial support from the Company's related parties and agreed the details of the terms of the credit facilities against supporting documentation. We also assessed the adequacy of the related disclosures in the notes to the financial statements.

Impairment of Property and Equipment

As of December 31, 2024, the Company's property and equipment amounted to ₱1.17 billion, which comprise 43% of the Company's total assets. The Company is affected by the volatility in fuel prices in the market and competitive pricing on container line cargoes shipping, resulting to loss in 2024 and the historical loss on sale of vessel and vessel tools and equipment. In the event that an impairment indicator is identified, the assessment of the recoverable amount of the property and equipment requires significant judgment and involves estimation and assumptions about the discount rate, revenue growth rates, operating costs, and capital expenditures. In addition, because of the volatility in fuel prices, there is heightened level of uncertainty on the future economic outlook and market forecast. Hence, such assessment is a key audit matter.

Refer to Notes 3 and 4 to the financial statements for the relevant accounting policies and discussion of significant accounting judgment and estimates and Note 9 for the detailed disclosures about the carrying amounts of the vessels in operations and related equipment.



Audit Response

We have evaluated the methodology and the assumptions used. These assumptions include the revenue growth rates, operating costs, capital expenditures and discount rates. We tested the mathematical accuracy of the financial model and compared the key assumptions in the financial projection, such as the revenue growth rates, operating costs, and capital expenditures, against the historical experience of the Company and market information, taking into consideration the impact associated with the volatility in fuel prices. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Company's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically those that have the most significant effect on the determination of the recoverable amount of property and equipment.

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, 2024, but does not include the 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, 2024 are expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 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 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 Financial Statements

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

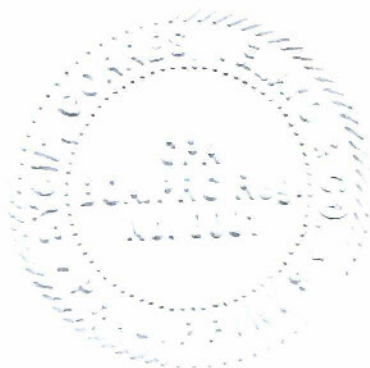
Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 31 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Lorenzo Shipping Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Peter John R. Ventura.

SYCIP GORRES VELAYO & CO.

[REDACTED]
Peter John R. Ventura
Partner
CPA Certificate No. 0113172
Tax Identification No. 301-106-741
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-158-2024, October 2, 2024, valid until October 1, 2027
PTR No. 10465400, January 2, 2025, Makati City

April 14, 2025



LORENZO SHIPPING CORPORATION
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	₱102,795,802	₱99,128,666
Trade and other receivables (Note 6)	494,982,314	647,299,769
Contract assets (Note 6)	4,087,974	4,041,317
Inventories (Note 7)	49,219,101	61,474,637
Prepayments and other current assets (Note 8)	148,726,399	203,538,050
Total Current Assets	799,811,590	1,015,482,439
Noncurrent Assets		
Property and equipment (Note 9):		
At cost	986,073,911	1,240,672,522
At revalued amount	182,178,000	175,896,000
Computer software (Note 10)	2,164,932	3,060,765
Deferred tax assets - net (Note 22)	6,721,640	6,995,849
Other noncurrent assets (Note 11)	732,597,858	651,292,082
Total Noncurrent Assets	1,909,736,341	2,077,917,218
TOTAL ASSETS	₱2,709,547,931	₱3,093,399,657
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 12)	₱1,482,267,586	₱1,585,687,460
Short-term borrowings (Note 13)	413,912,279	341,963,292
Current portion of:		
Long-term borrowings (Note 13)	39,410,790	67,120,578
Long-term borrowing - related party (Note 25)	83,504,119	24,814,918
Lease liabilities (Note 26)	51,448,615	65,247,182
Total Current Liabilities	2,070,543,389	2,084,833,430
Noncurrent Liabilities		
Noncurrent portion of:		
Long-term borrowings (Note 13)	32,301,991	71,712,782
Long-term borrowing - related party (Note 25)	116,906,331	200,410,450
Lease liabilities (Note 26)	182,544,108	164,296,787
Retirement benefit obligation (Note 18)	106,653,471	105,611,008
Total Noncurrent Liabilities	438,405,901	542,031,027
Total Liabilities	2,508,949,290	2,626,864,457

(Forward)



	December 31	
	2024	2023
Equity		
Common stock - ₱1 par value (Note 23)		
Authorized - 991,183,999 shares		
Issued - 825,652,251 shares and		
555,652,251 shares in 2024 and 2023	₱825,652,251	₱555,652,251
Additional paid-in capital	459,791,492	459,791,492
Revaluation increment (Note 9)	77,354,523	72,643,023
Actuarial losses on defined benefit obligation (Note 18)	(27,469,474)	(28,605,970)
Deficit	(1,131,604,301)	(589,819,746)
Treasury shares at cost	(3,125,850)	(3,125,850)
Total Equity	200,598,641	466,535,200
TOTAL LIABILITIES AND EQUITY	₱2,709,547,931	₱3,093,399,657

See accompanying Notes to Financial Statements.



LORENZO SHIPPING CORPORATION
STATEMENTS OF INCOME

	Years Ended December 31		
	2024	2023	2022
FREIGHT REVENUE (Note 14)	₱2,339,869,416	₱3,280,896,707	₱3,299,471,438
DIRECT COSTS			
Cost of services (Note 15)	2,302,238,022	2,640,300,101	2,824,867,551
Terminal expenses (Note 16)	236,581,959	249,314,899	240,214,878
	2,538,819,981	2,889,615,000	3,065,082,429
GROSS PROFIT	(198,950,565)	391,281,707	234,389,009
GENERAL AND ADMINISTRATIVE EXPENSES (Note 17)	(194,688,745)	(217,516,154)	(186,221,167)
FINANCE COSTS AND OTHER CHARGES (Note 20)	(70,419,593)	(68,643,755)	(50,805,414)
OTHER INCOME (CHARGES) - net (Note 21)	(79,400,774)	19,837	21,319,220
INCOME (LOSS) BEFORE INCOME TAX	(543,459,677)	105,141,635	18,681,648
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 22)			
Current	–	39,999,876	10,161,699
Deferred	(1,675,122)	(30,644,596)	(10,080,260)
	(1,675,122)	9,355,280	81,439
NET INCOME (LOSS)	(₱541,784,555)	₱95,786,355	18,600,209
EARNINGS (LOSS) PER SHARE (Note 24)			
Basic and diluted	(₱0.66)	₱0.17	₱0.03

See accompanying Notes to Financial Statements



LORENZO SHIPPING CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended December 31		
	2024	2023	2022
NET INCOME (LOSS)	(₱541,784,555)	₱95,786,355	₱18,600,209
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Items that will not be reclassified to statements of income:</i>			
Actuarial gains (loss) on retirement benefit obligation, net of tax (Note 18)	1,136,496	(10,755,006)	11,918,989
Revaluation increment, net of tax (Note 9)	4,711,500	–	14,134,500
Total other comprehensive income (loss) for the year, net of tax	5,847,996	(10,755,006)	26,053,489
TOTAL COMPREHENSIVE INCOME (LOSS)	(₱535,936,559)	₱85,031,349	₱44,653,698

See accompanying Notes to Financial Statements.



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

	Common Stock	Additional Paid-in Capital	Revaluation Increment (Note 9)	Actuarial Gains (Losses) on Retirement Benefit Obligation (Note 18)	Deficit (Note 28)	Treasury Shares	Total
Balances at January 1, 2022	₱555,652,251	₱459,791,492	₱58,508,523	(₱29,769,953)	(₱704,206,310)	(₱3,125,850)	₱336,850,153
Net income	–	–	–	–	18,600,209	–	18,600,209
Other comprehensive income	–	–	14,134,500	11,918,989	–	–	26,053,489
Total comprehensive income	–	–	14,134,500	11,918,989	18,600,209	–	44,653,698
Balances at December 31, 2022	555,652,251	459,791,492	72,643,023	(17,850,964)	(685,606,101)	(3,125,850)	381,503,851
Net income	–	–	–	–	95,786,355	–	95,786,355
Other comprehensive loss	–	–	–	(10,755,006)	–	–	(10,755,006)
Total comprehensive income (loss)	–	–	–	(10,755,006)	95,786,355	–	85,031,349
Balances at December 31, 2023	555,652,251	459,791,492	72,643,023	(28,605,970)	(589,819,746)	(3,125,850)	466,535,200
Issuance of common stock (Note 23)	270,000,000	–	–	–	–	–	270,000,000
Net loss	–	–	–	–	(541,784,555)	–	(541,784,555)
Other comprehensive income	–	–	4,711,500	1,136,496	–	–	5,847,996
Total comprehensive income (loss)	270,000,000	–	4,711,500	1,136,496	(541,784,555)	–	(265,936,559)
Balances at December 31, 2024	₱825,652,251	₱459,791,492	₱77,354,523	(₱27,469,474)	(₱1,131,604,301)	(₱3,125,850)	₱200,598,641

See accompanying Notes to Financial Statements.



LORENZO SHIPPING CORPORATION
STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	(P543,459,677)	P105,141,635	P18,681,648
Adjustments for:			
Depreciation and amortization (Notes 9 and 10)	248,254,430	214,977,951	158,480,103
Finance costs and other charges (Note 20)	70,419,593	68,643,755	50,805,414
Net change in retirement benefit obligation	1,782,161	6,218,312	2,588,595
Loss (gain) on disposal of property and equipment - net (Note 21)	93,452,270	(697,008)	—
Unrealized foreign exchange loss (gain) - net	694,543	(638,368)	3,500,355
Interest income (Note 21)	(49,343)	(91,621)	(117,002)
Operating income (loss) before working capital changes	(128,906,023)	393,554,656	233,939,113
Decrease (increase) in:			
Trade and other receivables	153,093,084	107,990,420	(98,091,122)
Contract assets	(46,657)	5,377,126	56,709,008
Inventories	12,255,536	16,971,823	(15,091,655)
Prepayments and other current assets	(18,899,948)	(84,799,289)	(27,193,639)
Other noncurrent assets	(81,305,776)	(64,711,918)	(62,181,056)
Increase in accounts payable and other current liabilities	(103,419,874)	37,511,206	190,865,540
Net cash flows from (used in) operations	(93,518,059)	411,894,024	278,956,189
Interest received	49,343	91,621	117,002
Net cash flows from (used in) operating activities	(93,468,716)	411,985,645	279,073,191
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property and equipment (Note 9)	(87,973,667)	(133,897,026)	(116,693,694)
Computer software	—	—	(4,479,168)
Proceeds from disposal of property and equipment (Note 9)	77,984,993	864,928	—
Net cash flows used in investing activities	(9,988,674)	(133,032,098)	(121,172,862)

(Forward)



	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from (payments of) short-term borrowings (Note 13)	₱71,948,987	₱21,322,376	(₱47,631,444)
Proceeds from share issuance (Note 23)	270,000,000	—	—
Payments of:			
Long-term borrowings (Notes 13 and 25)	(92,092,697)	(126,564,767)	(91,277,778)
Principal portion of lease liabilities (Note 26)	(70,877,664)	(68,819,135)	(36,035,387)
Finance costs and other charges (Notes 13, 20 and 26)	(70,262,393)	(69,738,324)	(49,424,649)
Net cash flows generated from (used in) financing activities	108,716,233	(243,799,850)	(224,369,258)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,258,843	35,153,697	(66,468,929)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(1,591,707)	1,448,210	(2,889,181)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	99,128,666	62,526,759	131,884,869
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	₱102,795,802	₱99,128,666	₱62,526,759

See accompanying Notes to Financial Statements.



LORENZO SHIPPING CORPORATION

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information and Status of Operations

Corporate Information

Lorenzo Shipping Corporation (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on October 17, 1972 primarily to engage in domestic inter-island cargo shipping activities.

The Company is majority-owned by National Marine Corporation (NMC), a domestic holding company. A. Magsaysay, Inc. (AMI) is the ultimate parent of the Company.

The Company's common shares of stock are traded in the Philippine Stock Exchange (PSE).

The Company is a holder of several Certificates of Convenience and special permits issued by the Maritime Industry Authority to service certain domestic ports of call.

The Company's registered and principal business address is 20th Floor Times Plaza Building, United Nations Avenue, Ermita, Manila.

Status of Operations

The Company incurred net loss of ₱541.78 million in 2024. The Company has a deficit of ₱1.13 billion and ₱589.82 million as of December 31, 2024 and 2023, respectively. In addition, the Company's total current liabilities exceeded its total current assets by ₱1.27 billion and ₱1.07 billion as of December 31, 2024 and 2023, respectively.

Management believes that with the Company's available unused credit facilities, the continued financial support from and deferral of payment of payables to its affiliates and continued revenue enhancement programs (i.e. rate adjustments and recovery charges, among others) and cost reduction initiatives (i.e. fuel consumption rationalization, technological enhancements, among others) to further improve the results of its operations, the Company will be able to generate sufficient cash flows from its operations to meet its obligations as and when they fall due. As such, the financial statements have been prepared on a going concern basis of accounting.

The financial statements of the Company as of December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 were approved and authorized for issuance by the Board of Directors on April 14, 2025.

2. Basis of Preparation, Statement of Compliance and Changes in Accounting Policies and Disclosures

Basis of Preparation

The accompanying financial statements have been prepared under the historical cost basis except for land which is carried at revalued amounts. The financial statements are presented in Philippine peso (Peso), which is the Company's functional and presentation currency, and rounded to the nearest millions, except when otherwise indicated.



Statement of Compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amended standards effective in 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The adoption of these amended standards did not have an impact on the financial statements of the Company:

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Company intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Company's financial statements.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

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*

3. **Material Accounting Policy Information**

Financial Instruments – Initial Recognition and Subsequent Measurement

a. Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost,



fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

As at December 31, 2024 and 2023, the Company does not have financial assets at FVOCI and FVTPL.

Subsequent measurement – Financial assets at amortized cost

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

The Company's financial assets at amortized cost includes cash and cash equivalents, trade and other receivables, security deposits included under other noncurrent assets.

Impairment

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company 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 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies the simplified approach in calculating ECLs, as permitted by PFRS 9. Therefore, the Company does not track changes in credit risk, but instead, recognizes a loss allowance based on the financial asset's lifetime ECL at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For cash and cash equivalents, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and considered to be low credit risk investments.

For other debt financial instruments such as other receivables and security deposits included under other noncurrent assets, the Company applies the general approach. Therefore, the Company track changes in credit risk at every reporting date.



The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

b. Financial liabilities

Initial recognition and measurement

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

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

The Company's financial liabilities include accounts payable and other current liabilities, borrowings, lease liabilities and long-term borrowing to a related party.

Subsequent measurement

After initial recognition, loans and borrowings and payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of income when the liabilities are derecognized as well as through the EIR amortization process.

Inventories

Inventories are valued at the lower of cost and net realizable value (NRV). Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Materials and spare parts	- purchase cost using first-in, first-out method
Fuel, diesel and lubricants	- purchase cost using first-in, first-out method

Net realizable value is the estimated replacement cost.

An allowance for losses and obsolescence is determined based on a regular review and management evaluation of movement and condition of spare parts and supplies.

Property and Equipment

Property and equipment, except for land, are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and any accumulated impairment in value. Such cost includes the cost of replacing part of the property and equipment when that cost is incurred, if the recognition criteria are met.

Land is initially measured at cost. After initial recognition, land is measured at fair value less any accumulated impairment in value. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. All of the Company's land properties had been revalued as determined by an independent firm of appraisers. The appraisal increment, net of the related tax effect, is credited to the "Revaluation increment" account included as other comprehensive income in the statement of comprehensive income and as other component of equity in the equity section of the statement of financial position, except to the extent



that it reverses a revaluation decrease of the same asset previously recognized in the statement of income, in which case the increase is recognized in the statement of income.

A revaluation deficit is recognized in the statement of income, except that a deficit directly offsetting a previous surplus on the same asset is directly offset against the surplus in the asset revaluation reserve. Upon disposal, any revaluation increment relating to the particular asset being sold is transferred to retained earnings.

The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Company. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged in the statement of income in the period in which the costs are incurred.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

Depreciation is computed on a straight-line basis less its residual value over the estimated useful life (EUL) as follows:

Category	Number of Years
Land improvements	3
Vessels, excluding drydocking costs and vessel tools and equipment	35*
Drydocking costs	3
Container vans and improvements	5-10
Buildings, warehouses, terminal premises and equipment and leasehold improvements	3-10
Office furniture and equipment	5
Transportation equipment	5
Vessel tools and equipment	5

**From the time the vessel was built*

Major overhaul costs incurred during drydocking of vessels are capitalized and depreciated over a 3-year period or the next drydocking, whichever comes first. When significant drydocking costs are incurred prior to the expiry of the 3-year depreciation period, the remaining costs of the previous drydocking are written off in the period of the subsequent drydocking. Drydocking costs are recorded as part of "Vessels" under property and equipment.

Leasehold improvements are depreciated over their estimated useful lives or the term of the lease, whichever is shorter.

Fully depreciated property and equipment are retained in the accounts until these are no longer in use. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from the continued use of the item.

Any gain or loss arising on derecognition of the property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of income in the year the asset is derecognized.

The carrying amounts of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.



Impairment of Nonfinancial Assets

The carrying values of the Company's nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If such indication exists, the Company estimates the asset's recoverable amount. If the carrying value exceeds the estimated recoverable amount, the assets or CGU is written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use (VIU). The fair value less cost to sell is the amount obtainable from the sale of an asset in an arms' length transaction between knowledgeable, willing parties, less costs of disposal. 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 risk specific to the asset. Impairment losses are recognized in the statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment loss may no longer exists or may have decreased. In such case, the recoverable amount is estimated. Any previously recognized impairment loss is reversed only when there is a change in estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. Accordingly, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount of that would have been determined, net of depreciation and amortization, had no impairment loss been recognized in prior years. Such reversal is recognized in the statement of income unless the asset is carried at its revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal, the depreciation or amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for the goods and services. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 4.

The specific recognition criteria for each type of revenue are as follows:

Ocean freight

Revenues derived from ocean freight services are recognized when the related services are rendered over time based on the on the estimated period travelled (number of days) of the cargoes or goods delivered over the period of the date of acceptance up to the delivery date.

Other vessel revenue - Trucking

Revenue from trucking services are recognized when the related services are rendered over time based on the timing of delivery (number of days) of the cargoes to the customer.

Other vessel revenues - Storage

Storage fees for each container van are recognized over time based on the number of days storage is availed of.

Other vessel revenues - Port charges

Revenues from port charges such as arrastre, wharfage, Lift On - Lift Off (LOLO), stevedoring and weighing fee, etc. are recognized over time based on the timing of the service performance (number of days).



Contract Balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liability

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company 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 Company performs under the contract.

Provisions

Provisions are recognized only when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Taxes

Current income tax

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

Deferred income tax

Deferred tax is provided using the liability method on temporary differences at the statement of financial position 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.

Deferred income tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits and unused tax losses, to the extent that it is probable that taxable income will be available against which the deductible temporary differences, and the carryforward benefits of unused tax credits and unused tax losses 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 income nor taxable income or loss.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable income 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 year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of income.

Value-added Tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

For its VAT-registered activities, when VAT from sale of services (Output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as VAT payable in the statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sale of services (Output VAT), the excess is recognized as an asset in the statement of financial position up to the extent of the recoverable amount.

Capital Stock

Capital stock is determined using the par value shares that have been issued. When the Company issues more than one class of stock, a separate account is maintained for each class of stock and number of shares issued.

The Company's capital stock pertains to common stock. Direct costs incurred related to the issuance of new common stock such as accounting and legal fees, printing costs and taxes are shown in equity as deduction, net of tax, from proceeds.

When the shares are sold at a premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account. When the shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received.

In case the shares are issued to extinguish or settle the liability of the Company, the shares shall be measured either at fair value of the share issued or fair value of the liability settled, whichever is more reliably determinable.

Retirement Benefit Obligation

The retirement benefit obligation 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 (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

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 the statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the



discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the statement of income.

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

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. 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.

Earnings (Loss) per Share (EPS)

Basic EPS is calculated by dividing net income (loss) for the year attributable to common shareholders by the number of shares issued and outstanding at the end of the year after giving retroactive effect to regular stock dividends declared and stock rights exercised during the year, if any.

Leases

Company as a lessee

ROU assets

The Company recognizes ROU assets (included in 'Property and equipment') at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and 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.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term as follows:

Category	Number of Years
Container Yard	2-7
'	2-5
Warehouse and Equipment	4-4.5
Office Space	2-7



ROU asset is subject to impairment in accordance with the Company's policy on impairment of nonfinancial assets.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of container yard, container van, warehouse and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of that are considered of low value.

Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Contingencies

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

Segment Reporting

The Company and its branches and agencies are operating as one reportable segment engaged in domestic inter-island cargo shipping activities within the Philippines. Therefore, neither business nor geographical segment information is presented.

Events After the Reporting Period

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

4. Significant Accounting Judgments and Estimates

The preparation of the accompanying financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the financial statements and the accompanying notes. The judgments and estimates used in the



accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of date of the financial statements. Actual results could differ from such estimates.

Judgments

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

Use of going concern assumption

The use of the going concern assumption involves management making judgments, at a particular point in time, about the future outcome of events or conditions that are inherently uncertain. Management's assessment requires significant judgement that are based on assumptions which are subject to a higher level of estimation uncertainty due to the current economic conditions. Management takes into account a whole range of factors which include, but are not limited to, the forecasted level of revenue, gross margin, operating cost, capital expenditures, and maturity profile of debt and interest repayments and timing of significant cash flows used in the forecast, and the other potential sources of financing given the economic uncertainties caused by the volatility of fuel prices. The Company has no plans to liquidate. Management believes that it will be able to generate future income and obtain sources of financing. Accordingly, the financial statements are prepared on a going concern basis since management has future plans, including revenue enhancements and cost reduction programs, with regards to the Company as disclosed in Note 1.

Revenue from contracts with customers

The Company applied the judgment that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- *Identifying performance obligations in a bundled freight revenue*

The Company determined that the following performance obligations are capable of being distinct: (1) ocean freight revenue, (2) trucking services, (3) port charges, (4) storage. The Company has determined that these services are capable of being distinct in the context of the contract.

Consequently, the Company allocated a portion of the transaction price to the different performance obligations, taking into consideration its stand-alone rates.

Estimations

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date that have a significant risk causing material adjustments to the carrying amounts of the assets and liabilities within the next financial years are discussed below:

Provision for ECL on trade receivables and contract assets

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customers that have similar loss patterns (i.e., customer type and rating).

The provision matrix is initially based on the Company's historical observed default rates. The Company then calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (e.g. consumer price index) are expected to deteriorate over the next year which can lead to an increased number of defaults in the shipping and logistics sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.



The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The carrying values of trade receivables and contract assets amounted to ₱406.20 million and ₱568.06 million as of December 31, 2024 and 2023, respectively (see Note 6).

Estimation of impairment of property and equipment

The Company assesses at the end of each reporting period whether there is any indication that the property and equipment and other non-financial assets may be impaired. If such indication exists, the Company shall estimate the recoverable amount of the asset, which is the higher of an asset's fair value less costs to sell and its VIU. In estimating the VIU, the Company is required to make an estimate of the expected future cash flows from the CGU and also to choose an appropriate discount rate in order to calculate the present value of those cash flows.

Determining the recoverable amounts of property and equipment, which involves the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the use of estimates and assumptions that can materially affect the Company's financial statements. Future events could indicate that these property and equipment are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations of the Company. Refer to Note 9 for the assumptions used.

The carrying values of property and equipment, excluding land, amounted to ₱986.07 million and ₱1.24 billion as of December 31, 2024 and 2023, respectively (see Note 9).

Fair value of land properties

The Company carries its land properties at revalued amount with changes in fair value recognized in OCI. The fair value of the Company's land is based on the valuation carried out by independent appraiser. The valuation was arrived by reference to market evidence of transaction prices of similar properties.

External appraisers used market approach to value the land properties by using sales comparison method in particular. The valuation analysis involved key assumptions such as listing prices of reasonably comparable properties and adjustments related to the characteristics of the land properties such as size, location, utility, and other relevant conditions. The key assumptions used to determine the fair value of the land properties are provided in Note 9.

Revaluation increment on land properties recognized under equity amounted to ₱77.35 million and ₱72.64 million, net of the applicable tax, as at December 31, 2024 and 2023, respectively. Net book values of revalued land properties amounted to ₱182.18 million and ₱175.90 million as of December 31, 2024 and 2023, respectively (see Note 9).

Realizability of deferred tax assets

The Company reviews the carrying amounts of deferred tax assets at reporting date and reduces it to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Significant management judgment is required to determine the amount of deferred income tax assets that can be recognized based upon the likely timing and level of future taxable profits together with future tax planning strategies.



As at December 31, 2024 and 2023, the Company recognized deferred tax assets amounting to ₱85.56 million and ₱85.09 million (see Note 22).

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. The Company estimates the incremental borrowing rate using observable inputs like the risk-free rate and adjust it for factors such as the credit rating of the Company and the terms and conditions of the lease.

The Company's lease liabilities amounted to ₱233.99 million and ₱229.54 million as of December 31, 2024 and 2023, respectively (see Note 26).

Retirement benefit obligation

The cost of the defined benefit obligation plan and the present value of the pension obligation are determined using an actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The carrying amount of the Company's retirement benefit obligation amounted to ₱106.65 million and ₱105.61 million as of December 31, 2024 and 2023, respectively (see Note 18).

5. Cash and Cash Equivalents

	2024	2023
Cash on hand	₱1,268,000	₱728,000
Cash in banks	100,995,944	97,868,808
Cash equivalents	531,858	531,858
	₱102,795,802	₱99,128,666

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are short term deposits made for varying periods of up to three (3) months and earns interest at the respective short-term deposit rates.

Interest income, amounted to ₱0.05 million, ₱0.09 million and ₱0.12 million in 2024, 2023 and 2022, respectively (see Note 21).

6. Trade and Other Receivables and Contract Assets

	2024	2023
Trade:		
Third parties	₱540,161,839	₱662,716,609
Related parties (Note 25)	23,675,646	54,836,252

(Forward)



	2024	2023
	₱563,837,485	₱717,552,861
Less allowance for ECL	161,721,556	153,528,677
	402,115,929	564,024,184
Non-trade - related parties (Note 25)	17,986,888	20,904,133
Others	74,879,497	62,371,452
	₱494,982,314	₱647,299,769

Trade receivables are noninterest-bearing and have varying credit terms.

Non-trade receivables include advances to related parties for the rental of container yard, container vans, cost sharing of office space. These receivables are noninterest-bearing and collectible on demand.

Others include dues from social security system, claims, advances to employees, insurance and others. These receivables are noninterest-bearing.

The Company has contract assets amounting to ₱4.09 million and ₱4.04 million as of December 31, 2024 and 2023, respectively, which is net of allowance for ECL of ₱0.04 million and ₱0.07 million, respectively.

The rollforward of allowance for ECL on trade receivables and contract assets follows:

	December 31, 2024		
	Trade Receivables	Contract Assets	Total
Beginning balances	₱153,528,677	₱72,118	₱153,600,795
Provision (reversal) for the year			
- net (Note 17)	11,666,127	(30,800)	11,635,327
Write off	(3,473,248)	—	(3,473,248)
Ending balances	₱161,721,556	₱41,318	₱161,762,874

	December 31, 2023		
	Trade Receivables	Contract Assets	Total
Beginning balances	₱198,342,159	₱2,108,840	₱200,450,999
Provision (reversal) for the year			
- net (Note 17)	18,599,127	(2,036,722)	16,562,405
Write off	(63,412,609)	—	(63,412,609)
Ending balances	₱153,528,677	₱72,118	₱153,600,795

7. Inventories

As of December 31, 2024 and 2023, fuel, diesel and lubricants amounted to ₱49.22 million and ₱61.47 million, respectively. These are carried at cost, which is lower than the net realizable value.



Fuel and supplies inventories recorded as expenses in 2024, 2023 and 2022 are as follows (see Notes 15, 16 and 17):

	2024	2023	2022
Cost of services (Note 15)	₱708,167,567	₱774,171,490	₱944,173,818
Terminal expenses (Note 16)	41,926,206	61,373,424	61,934,774
General and administrative expenses (Note 17)	3,318,114	3,711,409	3,226,453
Total	₱753,411,887	₱839,256,323	₱1,009,335,045

8. Prepayments and Other Current Assets

	2024	2023
Advances to suppliers	₱67,815,888	₱84,863,585
Input VAT	66,958,848	76,088,568
Prepaid expenses	12,029,598	12,388,589
CWTs	83,997	28,359,240
Others	1,838,068	1,838,068
	₱148,726,399	₱203,538,050

CWTs represent the current portion of the amount withheld by the Company's customers in relation to its sale of services. These are recognized when the related sales are earned and are utilized as tax credits against income tax due as allowed by the Philippine taxation laws and regulations.

Prepaid expenses include prepaid insurance and prepaid importation charges.



9. **Property and Equipment**

a. At Cost

December 31, 2024

Cost	Vessels and Drydocking Costs	Container Vans and Improvements	Buildings, Warehouses, and Terminal Premises	Leasehold improvement	Machinery and Equipment	Office Furniture and Equipment	Transportation Equipment	Vessel Tools and Equipment	Construction-in-Progress	ROU Assets	Total
Balances at January 1, 2024	₱2,285,940,658	₱420,125,232	₱18,737,915	₱65,166,025	₱296,168,592	₱80,778,061	₱34,090,218	₱392,639,763	₱-	₱392,850,544	₱3,986,497,008
Additions	50,339,581	-	267,858	-	588,000	896,290	1,336,971	26,063,558	8,481,409	76,223,582	164,197,249
Disposals	(395,297,740)	-	-	-	(1,514,424)	(407,947)	(728,571)	(107,577,227)	-	-	(505,525,909)
Derecognition	-	-	-	-	-	-	-	-	-	(55,228,820)	(55,228,820)
Balances at December 31, 2024	1,940,982,499	420,125,232	19,005,773	65,166,025	295,242,168	81,266,404	34,698,618	311,126,094	8,481,409	413,845,306	3,589,939,528
Accumulated depreciation											
Balances at January 1, 2024	1,403,103,033	393,839,479	14,985,347	60,286,277	260,296,305	78,319,597	27,732,495	328,181,194	-	179,080,759	2,745,824,486
Depreciation for the year (Notes 15, 16 and 17)	139,191,369	-	1,075,533	731,181	2,363,627	1,368,659	1,352,661	23,359,733	-	77,915,834	247,358,597
Derecognition	-	-	-	-	-	-	-	-	-	(55,228,820)	(55,228,820)
Disposals	(240,976,685)	-	-	-	(1,385,829)	(407,946)	(655,714)	(90,662,472)	-	-	(334,088,646)
Balances at December 31, 2024	1,301,317,717	393,839,479	16,060,880	61,017,458	261,274,103	79,280,310	28,429,442	260,878,455	-	201,767,773	2,603,865,617
Net book values	₱639,664,782	₱26,285,753	₱2,944,893	₱4,148,567	₱33,968,065	₱1,986,094	₱6,269,176	₱50,247,639	₱8,481,409	₱212,077,533	₱986,073,911

December 31, 2023

Cost	Vessels and Drydocking Costs	Container Vans and Improvements	Buildings, Warehouses, and Terminal Premises	Leasehold improvement	Machinery and Equipment	Office Furniture and Equipment	Transportation Equipment	Vessel Tools and Equipment	Construction-in-Progress	ROU Assets	Total
Balances at January 1, 2023	₱2,162,349,079	₱421,964,466	₱15,255,771	₱65,023,167	₱296,168,592	₱79,519,775	₱28,369,682	₱378,383,212	₱14,554,928	₱193,120,622	₱3,654,709,294
Additions	110,287,465	-	2,142,858	142,858	-	1,258,286	5,720,536	14,256,551	88,472	209,688,638	343,585,664
Disposals	-	(1,839,234)	-	-	-	-	-	-	-	-	(1,839,234)
Derecognition	-	-	-	-	-	-	-	-	-	(10,193,187)	(10,193,187)
Modification	-	-	-	-	-	-	-	-	-	234,471	234,471
Reclassification	13,304,114	-	1,339,286	-	-	-	-	-	(14,643,400)	-	-
Balances at December 31, 2023	2,285,940,658	420,125,232	18,737,915	65,166,025	296,168,592	80,778,061	34,090,218	392,639,763	-	392,850,544	3,986,497,008
Accumulated depreciation											
Balances at January 1, 2023	1,290,504,490	395,466,833	13,799,147	59,149,946	256,942,894	76,868,287	27,446,384	301,376,879	-	122,052,009	2,543,606,869
Depreciation for the year (Notes 15, 16 and 17)	112,598,543	43,960	1,186,200	1,136,331	3,353,411	1,451,310	286,111	26,804,315	-	67,221,937	214,082,118
Derecognition	-	-	-	-	-	-	-	-	-	(10,193,187)	(10,193,187)
Disposals	-	(1,671,314)	-	-	-	-	-	-	-	-	(1,671,314)
Balances at December 31, 2023	1,403,103,033	393,839,479	14,985,347	60,286,277	260,296,305	78,319,597	27,732,495	328,181,194	-	179,080,759	2,745,824,486
Net book values	₱882,837,625	₱26,285,753	₱3,752,568	₱4,879,748	₱35,872,287	₱2,458,464	₱6,357,723	₱64,458,569	₱-	₱213,769,785	₱1,240,672,522



b. ROU Assets

The following are the leased assets that qualify under the criteria of PFRS 16 as at December 31, 2024 and 2023:

	Container Yards	Office Space	Container Vans	Warehouse and Equipment	Total
Cost					
Balances at January 1, 2024	₱81,960,350	₱40,527,414	₱97,507,726	₱172,855,054	₱392,850,544
Additions	69,354,992	1,028,558	—	5,840,032	76,223,582
Derecognition	(54,480,091)	(748,729)	—	—	(55,228,820)
Balances at December 31, 2024	96,835,251	40,807,243	97,507,726	178,695,086	413,845,306
Accumulated depreciation					
Balances at January 1, 2024	51,910,411	19,573,750	52,985,000	54,611,598	179,080,759
Depreciation for the year	20,205,162	6,053,631	13,162,065	38,494,976	77,915,834
Derecognition	(54,480,091)	(748,729)	—	—	(55,228,820)
Balances at December 31, 2024	17,635,482	24,878,652	66,147,065	93,106,574	201,767,773
Net book values	₱79,199,769	₱15,928,591	₱31,360,661	₱85,588,512	₱212,077,533

	Container Yards	Office Space	Container Vans	Warehouse and Equipment	Total
Cost					
Balances at January 1, 2023	₱75,402,865	₱39,544,214	₱58,594,714	₱19,578,829	₱193,120,622
Additions	6,557,485	748,729	49,106,199	153,276,225	209,688,638
Derecognition	—	—	(10,193,187)	—	(10,193,187)
Modification	—	234,471	—	—	234,471
Balances at December 31, 2023	81,960,350	40,527,414	97,507,726	172,855,054	392,850,544
Accumulated depreciation					
Balances at January 1, 2023	34,424,457	13,491,556	54,557,167	19,578,829	122,052,009
Depreciation for the year	17,485,954	6,082,194	8,621,020	35,032,769	67,221,937
Derecognition	—	—	(10,193,187)	—	(10,193,187)
Balances at December 31, 2023	51,910,411	19,573,750	52,985,000	54,611,598	179,080,759
Net book values	₱30,049,939	₱20,953,664	₱44,522,726	₱118,243,456	₱213,769,785

c. At Revalued Amount

The Company accounts for its Bacolod land properties using the revaluation model. The carrying amount of the land at revalued amount as at December 31, 2024 and 2023 amounted to ₱182.18 million and ₱175.90 million, respectively.

Movements in the revaluation increment net of tax, recognized directly in equity are as follows:

	2024	2023
Balances at beginning of year	₱72,643,023	₱72,643,023
Additions	4,711,500	—
Balances at end of year	₱77,354,523	₱72,643,023

The Company engaged independent appraiser to determine the fair value of the following properties:

Location	Area in Square Meters	2024	2023	Highest and Best Use
Bacolod				
Lot 1	3,782	₱109,678,000	₱105,896,000	Commercial warehousing/ logistics facility
Lot 2	2,500	72,500,000	70,000,000	Commercial warehousing/ logistics facility
		₱182,178,000	₱175,896,000	



The fair values were estimated through the market approach by using sales comparison method in particular. The valuation analysis involved key assumptions such as listing prices of reasonably comparable properties and adjustments related to the characteristics of the land properties such as size, location, utility, and other relevant conditions.

Key unobservable inputs (Level 3) used to measure the fair value of the land is the price per square meter ranging from ₱29,000 and ₱28,000 in 2024 and 2023, depending on the property.

Significant increases (decreases) in estimated price per square meter in isolation would result in a significantly higher (lower) fair value on a linear basis.

The Company uses the land as a container yard for shipments not directly delivered to the customer's warehouse and awaiting for loading to the vessels. Having the use of the land as a container yard and warehouse facility reduces the cost of rent from other warehouse or container yard. In addition, the land is located within a port related development, where the prevailing land use for related activities, as well as the neighboring area, are in the nature of commercial warehousing and logistics facilities. Thus, the Company assessed that the highest and best use of the property does not differ from their current use.

If the land properties were measured using the cost model, the carrying value of the land would be ₱79.04 million as at December 31, 2024 and 2023.

- d. To ensure the maintenance of the vessels in accordance with international standards, the Company has availed of the services of a related party to oversee the regular upgrading and maintenance of the vessels (see Note 25).
- e. The balances of property and equipment as of December 31, 2024 and 2023 includes fully-depreciated assets still in use amounting to ₱0.79 billion and ₱1.76 billion, respectively.
- f. Certain vessels with carrying values of ₱286.31 million and ₱304.06 million as of December 31, 2024 and 2023, respectively, are used as chattel mortgage securities for long-term borrowings (see Note 13).

In October 2024, the Company sold one of its vessels, MV Lorcon Manila, due to continuous drydocking and repairs with proceeds amounting to ₱77.97 million, resulting in loss on disposal of ₱93.26 million. The Company also had disposals of various property and equipment with proceeds amounting to ₱0.01 million, ₱0.86 million and nil in 2024, 2023 and 2022, respectively, resulting in gain on disposal of nil, ₱0.70 million and nil in 2024, 2023 and 2022, respectively.

- g. The Company performed impairment testing on its property and equipment in 2024 and 2023. The recoverable amount of the CGU has been determined based on a VIU calculation using cash flow projections from financial budgets approved by the board of directors. The projected cash flows have been updated to reflect the demand for services taking into consideration the impact of the rising fuel prices. The Company's entire container vessels' operation is determined to be its CGU.

The pre-tax discount rate applied to cash flow projection is 10.3% in 2024 and 9.6% in 2023. As a result of this analysis, management concluded that the property and equipment is not impaired.



The calculation of VIU of the CGU is most sensitive to the following assumptions:

- Revenue growth rates
- Discount rate

Revenue growth rates

Average growth rate in revenues is based on the Company's expectation of market developments and the changes in the environment in which it operates. The Company uses revenue growth rates of 2.80%, based on past historical performance as well as expectations on the results of its strategies.

Discount rate

The discount rate used is the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Company used discount rate based on the Company's WACC. The rate used to discount the future cash flows is based on risk-free interest rates in the relevant markets where the Company is domiciled taking into consideration the debt premium, market risk premium, gearing, corporate tax rate and asset beta. Discount rates used by the Company are 9.4% in 2024 and 8.8% in 2023.

Capital expenditure

In computing the value-in-use, estimates of future cash flows include future cash outflows necessary to maintain the level of economic benefits expected to arise from the asset in its current condition. Capital expenditures that improve or enhance the asset's performance therefore are not included. This enhancement capital expenditure, such as maintenance, is excluded from value-in-use analysis since this has not yet been incurred as at valuation date.

- h. Construction in progress pertains to on-going vessel drydocking of MV Lorcon General Santos and MV Lorcon Bacolod amounting to ₱13.30 million and Cebu Office renovation amounting to ₱1.25 million as at December 31, 2022. The renovation of the Cebu Office was completed on December 31, 2023 and the drydocking of MV Lorcon General Santos and MV Lorcon Bacolod were completed on September 30, 2023. Construction in progress pertains to on-going vessel drydocking of MV Lorcon Bacolod amounting to ₱8.48 million as at December 31, 2024. During the year, MV Lorcon Iloilo and MV Lorcon Dumaguete were drydocked from January 3, 2024 to March 11, 2024.

10. Computer Software

	2024	2023
Cost	₱4,479,168	₱4,479,168
Accumulated amortization:		
Beginning balances	1,418,403	522,570
Amortization (Note 16)	895,833	895,833
Ending balances	2,314,236	1,418,403
Net book values	₱2,164,932	₱3,060,765

Computer software pertain to acquired Synchronized Access and Integrated Link (SAIL) used for the Company's operation. No impairment loss was recognized for software and licenses since management believes that the future benefits will accrue to the Company over the assets' remaining useful life.



Computer software is amortized on a straight-line basis over its estimated useful economic life of five (5) years and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

11. Other Noncurrent Assets

	2024	2023
CWTs - net of current portion	₱599,964,702	₱526,253,103
Deferred input VAT	115,541,477	108,036,651
Deposits - net of allowance for impairment loss amounting to ₱4.10 million in 2024 and 2023	16,566,402	16,477,051
Others	525,277	525,277
	₱732,597,858	₱651,292,082

CWTs represent the noncurrent portion of the amount withheld by the Company's customers in relation to its sale of services. These are classified as noncurrent due to assessment of the Company that these CWTs are not realizable within 12 months after the reporting date.

Deferred input VAT relates primarily to the major capital expenditures and dry docking of vessels.

Deposits consist of amounts paid for rental deposits which are refundable at the end of the lease term.

12. Accounts Payable and Other Current Liabilities

	2024	2023
Trade:		
Third parties	₱613,744,373	₱548,950,185
Related parties (Note 25)	437,397,900	539,274,054
Output VAT payable	52,620,215	90,952,770
Deferred output VAT	30,742,044	65,549,598
Accrued expenses:		
Outside services	30,852,255	55,788,153
General and administrative	47,880,047	52,957,020
Repairs, maintenance and supplies for vessels	27,404,396	15,363,660
Hustling, trucking and labor services	—	4,188,311
Other taxes payable	5,558,918	8,201,117
Other accrued expenses	10,879,057	4,027,727
Amounts owed to related parties (Note 25)	208,402,088	192,894,192
Others	16,786,293	7,540,673
Total	₱1,482,267,586	₱1,585,687,460

Trade payables are non-interest bearing and are normally settled within 12 months from the end of the reporting period.

Output VAT payable pertains to VAT liabilities for the Company's billed services as at reporting date.

Deferred output VAT from uncollected services, prior to the effectivity of Republic Act No. 11976, otherwise known as the Ease of Paying Taxes Act (EoPT), shall be recognized as application to input once collected from customers.



Accrued expenses are obligations on the basis of normal credit terms and do not bear interest. These pertain to accruals made based on prior month's billings and/or contracts of the Company and are normally settled within 12 months from the end of the reporting period.

Outside services includes cargo and port expenses incurred in relation to the Company's normal shipping operations.

Others include payroll-related expenses incurred but not yet paid and accruals for payment to retired employees outside of the retirement fund.

13. Borrowings

Short-term borrowings consist of:

	2024	2023
Bank of the Philippine Islands (BPI)	₱166,885,000	₱168,885,000
Banco de Oro Unibank Inc. (BDO)	85,587,279	97,878,292
Metropolitan Bank and Trust Company (MBTC)	61,440,000	34,200,000
Chinabank Corporation (CBC)	100,000,000	41,000,000
	₱413,912,279	₱341,963,292

Movements in short-term debt recognized in the statement of financial position are as follows:

	2024	2023
Balances at beginning of year	₱341,963,292	₱320,640,916
Net availments	71,948,987	21,322,376
Balances at end of year	₱413,912,279	₱341,963,292

Short-term borrowings from local banks, with maturity ranging from 28 to 365 days, bear annual interest at 7.50% to 8.84% and 5.90% to 8.50% in 2024 and 2023, respectively. Short-term borrowings are generally not secured, however, the Company's short-term loan with Banco de Oro Unibank Inc. (BDO) is secured by the Company's trade receivables.

Long-term borrowings consist of:

	2024	2023
Balance of loan obtained from RCBC of ₱137.00 million, availed last May 6, 2020 and will mature on May 6, 2027. The loan is payable monthly in 72 equal monthly installments starting May 6, 2021. Annual interest rate is equal to the BVAL plus 2.5% spread. Interest rate ranges from 8.78% to 9.00% in 2024, 4.46% to 8.78% in 2023 and 4.33% to 4.46% in 2022.	₱55,180,555	₱78,013,890

(Forward)



	2024	2023
Balance of loan obtained from China Banking Corporation (CBC) of ₱200.00 million, availed of last September 9, 2015 and will mature on September 9, 2025. The loan is payable quarterly in 36 equal quarterly installments starting December 9, 2016. Annual interest rate is equal to 90-day BVAL rate plus 1.25% inclusive of GRT and BSP overnight borrowing rate plus spread of 0.125% inclusive of GRT, whichever is higher, subject to quarterly repricing. Interest rate ranges from 8.00% to 7.50% in 2024, 6.00% to 8.00% in 2023 and 4.75% to 6.00% in 2022.	₱16,666,667	₱38,888,889
Balance of loan obtained from CBC of ₱200.00 million, maturing on October 22, 2024 and payable quarterly in 36 equal quarterly installments starting January 22, 2016. Annual interest rate is equal to BVAL rate plus 1.25% inclusive of Gross Receipts Tax rate (GRT) and Bangko Sentral ng Pilipinas (BSP) overnight borrowing rate plus spread of 0.125% inclusive of GRT, whichever is higher, subject to quarterly repricing. Interest rate ranges from 7.75% in 2024, 5.20% to 7.75% in 2023 and 4.75% to 5.25% in 2022.	–	22,222,222
	71,847,222	139,125,001
Less deferred financing costs	(134,441)	(291,641)
	71,712,781	138,833,360
Less current portion	(39,410,790)	(67,120,578)
Noncurrent portion	₱32,301,991	₱71,712,782

Movements in long-term debt recognized in the statement of financial position are as follows:

	2024	2023
Balances at beginning of year	₱138,833,360	₱239,807,730
Amortization of deferred financing cost	157,200	303,408
Payments	(67,277,779)	(101,277,778)
Balances at end of year	₱71,712,781	₱138,833,360

As of December 31, 2024 and 2023, the Company did not meet the minimum current, debt-to-equity and debt service coverage ratios required under the Company's long-term loan agreement with RCBC. Prior to year-end, the Company's lender issued a waiver of default action against the breach of loan covenants as of December 31, 2024 and 2023. Accordingly, the Company continues to pay long-term loans based on original credit terms.

These long-term borrowings are secured by chattel mortgages on certain vessels with carrying values of ₱286.31 million and ₱304.06 million as of December 31, 2024 and 2023, respectively (see Note 9).

Deferred financing costs were incurred in connection with the financing arrangement. These costs are amortized using the effective interest method over the term of the related loans.



Rollforward analysis of deferred financing costs follow:

	2024	2023
Balances at beginning of year	₱291,641	₱595,049
Amortization for the year	(157,200)	(303,408)
Balances at end of year	₱134,441	₱291,641

Interest paid on short-term and long-term borrowings amounted to ₱41.94 million, ₱42.28 million and ₱40.56 million in 2024, 2023 and 2022, respectively.

14. Freight Revenue

Disaggregated Revenue Information

Set out below is the disaggregation of the Company's revenue from contracts with customers.

	2024	2023	2022
Ocean freight	₱1,501,219,132	₱2,096,438,386	₱2,205,498,246
Other vessel revenues:			
Trucking	309,542,921	388,921,901	396,298,920
Port charges	519,944,922	776,641,858	674,273,456
Storage	9,162,441	18,894,562	23,400,816
	₱2,339,869,416	₱3,280,896,707	₱3,299,471,438

Contract Balances

Trade receivables

The Company's trade receivables, net of allowance for ECL, amounted to ₱402.12 million and ₱564.02 million as at December 31, 2024 and 2023, respectively (see Note 6).

Contract assets

The Company's contract assets amounted to ₱4.09 million and ₱4.04 million as at December 31, 2024 and 2023, respectively (see Note 6).

Performance obligations and timing of revenue recognition

The Company's performance obligations represent ocean freight and other vessel related revenues such as trucking, port charges and storage which are generally satisfied over time once the related services are performed.

15. Cost of Services

	2024	2023	2022
Materials, supplies and facilities (Note 7)	₱708,167,567	₱774,171,490	₱944,173,818
Outside services			
Trucking	350,432,678	542,147,275	508,604,057
Sea transport service	286,952,927	240,240,433	290,155,909
Arrastre	168,242,479	222,233,257	245,603,760
Cargo charges	115,296,623	180,587,115	166,445,156

(Forward)



	2024	2023	2022
Craneage	₱105,525,049	₱130,319,247	₱126,477,316
Stevedoring charges	70,900,666	78,094,631	90,732,493
Vessel related charges	70,738,185	66,308,390	63,992,034
Container rental (Note 26)	40,491,881	39,580,855	45,281,883
Depreciation (Note 9)	162,551,102	139,402,857	115,788,872
Personnel cost (Note 19)	63,835,780	72,514,476	60,218,006
Vessel insurance	61,737,598	63,605,044	55,354,943
Voyage	60,207,933	75,762,708	84,010,994
Taxes and licenses	4,090,196	2,596,670	3,873,633
Others	33,067,358	12,735,653	24,154,677
	₱2,302,238,022	₱2,640,300,101	₱2,824,867,551

16. Terminal Expenses

	2024	2023	2022
Depreciation (Notes 9 and 10)	₱78,811,668	₱68,117,771	₱36,312,643
Personnel cost (Note 19)	44,753,736	40,537,547	26,003,526
Materials, supplies and facilities (Note 7)	41,926,206	61,373,424	61,934,774
Outside services	34,528,741	34,658,963	32,824,323
Rental (Note 26)	16,938,873	23,105,188	62,920,932
Lift-on/lift-off (LOLO) charges	3,158,291	6,800,122	6,658,927
Others:			
Utilities	5,842,993	5,851,626	6,188,800
Taxes and licenses	2,138,136	1,679,578	878,204
Office supplies	1,994,465	1,479,932	2,798,307
Container van insurance	1,564,793	581,744	486,046
Other terminal charges	4,924,057	5,129,004	3,208,396
	₱236,581,959	₱249,314,899	₱240,214,878

Outside services include security and temporary services.

17. General and Administrative Expenses

	2024	2023	2022
Personnel cost (Note 19)	₱70,974,080	₱68,838,936	₱45,667,045
Outside services	40,748,730	45,972,785	39,352,354
Taxes and licenses	35,309,254	43,306,081	26,754,637
Provision for ECL on trade receivables and contract assets (Note 6)	11,635,327	16,562,405	42,851,653
Communication, light and water	7,387,161	7,316,530	7,221,105
Depreciation (Note 9)	6,891,660	7,457,323	6,378,588
Transportation and travel	4,557,389	5,882,870	2,485,773
Service fees	4,276,604	2,251,049	2,219,180
Supplies (Note 7)	3,318,114	3,711,409	3,226,453

(Forward)



	2024	2023	2022
Employees' training and staff meeting	₱2,036,154	₱2,567,103	₱946,890
Entertainment, amusement and recreation	1,376,339	1,061,330	625,291
Repairs and maintenance	1,227,107	1,896,590	2,110,792
Rental (Note 26)	1,216,236	1,539,850	1,868,495
Advertising	479,576	223,597	161,830
IT subscription licenses	175,593	176,800	259,564
Others	3,079,421	8,751,496	4,091,517
	₱194,688,745	₱217,516,154	₱186,221,167

18. Retirement Benefit Obligation

The existing regulatory framework, Republic Act 7641, *Retirement Pay Law*, requires a 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.

The Company maintains a funded, tax qualified, non-contributory retirement plan (the Plan) covering all its eligible employees. Under the provisions of the plan, the normal retirement age is 60 for sea-based employees with completion of at least 5 years of service and age of 60 for shore-based employees hired before August 1, 2021 and age of 60 and 5 years of service for shore-based employees hired on or after August 1, 2021. Hired before August 1, 2021, shore-based employees at age 50 with at least 10 years of credited services can avail of an early retirement and at age 55 and 15 years of credited service for those hired on or after August 1, 2021.

The Company's retirement benefit fund ("Fund") is in the form of a trust being maintained and managed by BPI Asset Management.

The following tables summarize the components of net benefit expense recognized in the statements of income and the funded status and amounts recognized in the statements of financial position for the Plan.

Retirement expense recognized in the statements of income:

	2024	2023	2022
Current service cost	₱7,043,694	₱5,049,501	₱5,786,942
Net interest cost	5,681,751	4,802,581	3,825,733
	₱12,725,445	₱9,852,082	₱9,612,675



Actuarial losses (gains) recognized in other comprehensive income are as follows:

	2024	2023	2022
Actuarial losses (gains) on defined benefit obligation due to:			
Changes in financial assumptions	(P410,565)	P7,417,343	(P12,446,508)
Experience adjustments	(1,353,406)	3,753,132	311,320
Return on assets excluding amount included in net interest cost	248,644	146,096	216,199
	(P1,515,327)	P11,316,571	(P11,918,989)

Cumulative re-measurement effects recognized in OCI:

	2024	2023
Balances at beginning of year	(P29,167,535)	(P17,850,964)
Actuarial gains (losses)	1,515,327	(11,316,571)
	(27,652,208)	(29,167,535)
Income tax effect	182,734	561,565
	(P27,469,474)	(P28,605,970)

Movements in the retirement benefit obligation are as follows:

	2024	2023
Balances at beginning of year	P105,611,008	P76,547,471
Benefits paid	(10,943,284)	(3,633,770)
Current service cost	7,043,694	5,049,501
Net interest cost	5,681,751	4,802,581
Actual return excluding amount included in net interest cost	248,644	146,096
Actuarial losses (gains) due to:		
Changes in financial assumptions	(410,565)	7,417,343
Experience adjustments	(1,353,406)	3,753,132
Transferred obligation	775,629	11,528,654
	P106,653,471	P105,611,008

Retirement benefit obligation as presented in the statement of financial position:

	2024	2023
Present value of defined benefit obligation	P107,282,522	P106,218,365
Fair value of plan assets	(629,051)	(607,357)
Retirement benefit obligation	P106,653,471	P105,611,008

Changes in the present value of the defined benefit obligation are as follows:

	2024	2023
Balances at beginning of year	P106,218,365	P77,127,709
Current service costs	7,043,694	5,049,501
Interest cost	5,952,089	4,975,796

(Forward)



	2024	2023
Actuarial losses (gains) due to:		
Changes in financial assumptions	(P410,565)	P7,417,343
Experience adjustments	(1,353,406)	3,753,132
Benefits paid for voluntary separation	(10,943,284)	(3,633,770)
Net acquired obligation due to employee transfers	775,629	11,528,654
Balances at end of year	P107,282,522	P106,218,365

Changes in the fair value of plan assets are as follows:

	2024	2023
Balances at beginning of year	P607,357	P580,238
Interest income included in net interest cost	270,338	173,215
Actual return excluding amount included in net interest cost	(248,644)	(146,096)
Balances at end of year	P629,051	P607,357

The fair value of plan assets pertained to cash and fixed-income investments by each class as at the end of the reporting period are as follows:

	2024	2023
Cash and fixed-income investments	P629,051	P607,357

All equity instruments held have quoted prices in active market. The remaining plan assets do not have quoted market prices in active market. The plan assets have diverse investments and do not have any concentration risk.

The principal assumptions used as of December 31, 2024 and 2023 in determining pension benefit obligations for the Company's Plan are shown below:

	2024	2023
Discount rate	6.12%	6.06%
Salary increase rate:		
Land-based	3.00%	3.00%
Sea-based	3.00%	3.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of December 31, 2024 and 2023, assuming all other assumptions were held constant:

As of December 31, 2024

	Increase (decrease)	Effect on defined benefit obligation
Discount rate	+100 basis points	(P6,713,735)
	-100 basis points	P7,564,572
Salary increase rate	+100 basis points	P8,222,337
	-100 basis points	(P7,396,479)



As of December 31, 2023

	Increase (decrease)	Effect on defined benefit obligation
Discount rate	+100 basis points	(P7,038,544)
	-100 basis points	P7,958,766
Salary increase rate	+100 basis points	P8,650,938
	-100 basis points	(P7,756,789)

The Company expects to contribute P22,923,565 to the retirement fund in 2025.

The average duration of the defined benefit obligation is 8.82 years and 9.34 years as of December 31, 2024 and 2023, respectively.

19. Personnel Cost

	2024	2023	2022
Salaries and wages	P119,318,957	P144,224,688	P100,313,535
Other employee benefits	47,519,194	27,814,189	21,962,367
Retirement expense (Note 18)	12,725,445	9,852,082	9,612,675
	P179,563,596	P181,890,959	P131,888,577

20. Finance Costs and Other Charges

	2024	2023	2022
Interest expense on:			
Borrowings:			
Short -term borrowings	P41,175,667	P34,897,094	P20,849,601
Long-term borrowings	9,558,970	15,731,507	20,594,869
Lease liabilities (Note 26)	18,779,648	16,877,602	6,708,995
Bank and other financing charges	905,308	1,137,552	2,651,949
	P70,419,593	P68,643,755	P50,805,414

21. Other Income (Charges) - Net

	2024	2023	2022
Gain (loss) on disposal of property and equipment (Note 9)	(P93,452,270)	P697,008	P—
Income (loss) from insurance claims	9,456,764	(2,278,737)	23,028,583
Rental income and others	5,547,798	3,127,353	2,733,078
Net foreign exchange losses	(1,002,409)	(1,617,408)	(4,559,443)
Interest income from bank deposits (Note 5)	49,343	91,621	117,002
	(P79,400,774)	P19,837	P21,319,220



Income from insurance claims refers to shipping, container LOLO and other claims, which are part of the normal operating cycle of the Company, collected during the year.

22. Income Taxes

The Company's current provision for income tax represents regular corporate income tax (RCIT) in 2024, 2023 and 2022.

The reconciliation of income tax computed at the statutory income tax rate to provision for (benefit from) income tax as shown in the statements of income is as follows:

	2024	2023	2022
Income tax at statutory income tax rate	(P135,864,919)	P26,285,409	P4,670,412
Additions to (reductions in) income tax resulting from:			
Movement of unrecognized deferred tax assets	130,494,168	(37,826,883)	(9,692,528)
Nondeductible expenses	3,707,965	20,919,659	5,132,806
Interest income subjected to final tax	(12,336)	(22,905)	(29,251)
	(P1,675,122)	P9,355,280	P81,439

The components of the deferred income taxes are as follows:

	2024	2023
<i>Deferred income taxes recognized in the statement of income:</i>		
Deferred tax assets:		
Lease liabilities	P58,498,180	P57,385,992
Retirement benefit obligation	26,480,635	25,841,187
Unrealized foreign exchange losses	397,929	59,534
Accrual for incentive bonus	—	1,239,324
	85,376,744	84,526,037
Deferred tax liabilities		
Right-of-use assets	(53,019,384)	(53,442,446)
Unrealized foreign exchange gains	—	(362,054)
Deferred financing costs	(33,612)	(72,912)
	(53,052,996)	(53,877,412)
<i>Deferred income taxes recognized directly in equity:</i>		
Deferred income tax liability on revaluation increment on land	(25,784,841)	(24,214,341)
Deferred tax asset related to retirement benefit obligation	182,733	561,565
	(25,602,108)	(23,652,776)
Net deferred tax assets	P6,721,640	P6,995,849



No deferred income tax assets were recognized on the following deductible temporary differences because management believes that it is not probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized:

	2024	2023
Allowance for impairment losses on:		
NOLCO	₱514,547,141	₱—
Trade and other receivables	161,762,874	₱153,600,795
Deposit	4,105,842	4,105,842
	₱680,415,857	₱157,706,637

As of December 31, 2024, the Company has incurred NOLCO which can be claimed as deduction for the regular taxable income for the next three (3) consecutive taxable years as follows:

Year incurred	Availment period	Amount	Applied	Balance
2024	2025-2027	₱514,547,141	₱—	₱514,547,141

23. Equity

Capital Stock

On July 22, 1996, the Company listed its common stock with the PSE, wherein it offered 300,751,880 shares to the public at the issue price of ₱5.96 per share.

On September 4, 2006, the SEC approved the increase in the Company's authorized capital stock from ₱700.0 million divided into 400.0 million common shares, and 300.0 million preferred shares, both with a par value of ₱1.0 per share, to ₱1.0 billion divided into 895,058,756 common shares and 104,941,244 preferred shares, both with a par value of ₱1.00 per share. In separate meetings, the BOD and the shareholders resolved that the increase of the authorized capital stock shall be funded by the declaration of stock dividends equivalent to 75,187,967 common shares with a par value of ₱1.00 per share. On October 3, 2006, the PSE approved the application of the Company to list additional shares relating to the issuance of stock dividends.

On December 29, 2006, certain shareholders owning 96,125,243 preferred shares opted to convert their shares into 1 common share per 1 preferred share, plus stock dividends equivalent to 86.96% common share for every preferred share (equivalent to 83,587,161 shares). The Company filed Form 10.1 with SEC for the exemption from registration requirements of the converted 96,125,243 preferred shares into 179,712,404 common shares.

On September 21, 2007, the SEC approved the amendment of Article VII of the Company's Articles of Incorporation through the retirement of 8,816,001 preferred shares and conversion of 96,125,243 preferred shares into common shares resulting in the reduction of the Company's authorized capital stock to 991,183,999 with par value of ₱1.00 per share.

On November 28, 2007, the PSE has approved the Company's application to list additional 96,125,243 common shares to cover the underlying common shares for the conversion of a total of 96,125,243 preferred shares at a conversion rate of one (1) common share for every one (1) convertible preferred share. In addition, the PSE has approved the application of the Company to list additional 83,587,161 common shares, with a par value of ₱1.00 per share, to cover the 86.96% stock dividend declaration to the stockholders who opted to convert their preferred shares to common shares in 2007.



On December 26, 2024, the Company received ₱270 million capital infusion from NMC through issuance of additional shares from the unissued portion of the authorized capital stock to help settle its existing liabilities and for other general corporate purposes. The BOD approved the issuance of 270,000,000 common shares at its par value of ₱1.00 per share.

Presented below is the reconciliation of common stock as of December 31, 2024 and 2023:

	2024	2023
Authorized shares - ₱1 par value	991,183,999	991,183,999
Issued shares, beginning	555,652,251	555,652,251
Additions during the year	270,000,000	—
Issued shares, ending	825,652,251	555,652,251
Shares reacquired	1,010,000	1,010,000

The Company has 894 and 899 shareholders as of December 31, 2024 and 2023, respectively.

24. Earnings (Loss) Per Share

Following are the bases for the computation of loss per share as of December 31:

	2024	2023	2022
Net income (loss) available to common shareholders	(₱541,784,555)	₱95,786,355	₱18,600,209
Weighted average number of outstanding common shares	824,642,251	554,642,251	554,642,251
Basic and diluted earnings (loss) per share	(₱0.66)	₱0.17	₱0.03

For the years ended December 31, 2024, 2023 and 2022 there were no shares of stock that have a potentially dilutive effect on the basic earnings (loss) per share of the Company.

25. Related Party Transactions

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities.

Transactions with related parties are accounted for based on the nature and substance of the agreement, and financial effects are included in the appropriate asset, liabilities, income and expense accounts.

Approval Requirements and Limits on the Amount and Extent of Related Party Transactions

Material related party transactions (MRPT) refers to any related party transactions, either individually, or in aggregate over a twelve (12)-month period with the same related party, amounting to ten percent (10%) or higher of the Company's total assets based on its latest audited financial statements.

All individual MRPT's shall be approved by at least two-thirds (2/3) vote of the BOD, with at least a majority of the Independent Directors voting to approve the MRPT. In case that a majority of the



Independent Directors' vote is not secured, the MRPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock.

Aggregate RPT transactions within a 12 -month period that meets or breaches the materiality threshold shall require the same BOD approval mentioned above.



The following are the more significant related party transactions and balances as of and for the years ended December 31, 2024, 2023 and 2022 not separately shown elsewhere in the financial statements.

Related Parties	Year	Revenue	Purchases	Insurance, Rental, and Other Services	Trade Receivables (Note 6)	Non-Trade Receivables (Note 6)	Trade Payables (Note 12)	Amounts owed to related parties (Note 12)	Terms	Conditions
<i>Ultimate Parent</i>										
A. Magsaysay, Inc. (AMI)	2024	₱-	₱-	₱8,000,000	₱-	₱-	₱12,159,772	₱32,957,527	Various; Payable within the following month	Unsecured;
	2023	₱-	₱-	₱8,102,230	₱-	₱-	₱14,419,803	₱20,406,132		
	2022	₱-	₱-	₱9,056,382	₱-	₱-	₱9,373,716	₱21,926,844		
<i>Parent:</i>										
NMC	2024	-	-	14,302,387	6,296,252	10,929,148	1,086,197	52,638,144	Various; Payable within the following month	Unsecured;
	2023	-	-	19,302,387	-	8,442,513	289,945	52,602,853		No impairment for receivables
	2022	-	-	13,116,866	-	8,081,289	122,940	52,483,726		
<i>Affiliates:</i>										
One Stop Logistics Solutions, Inc. (OLSI)	2024	38,815,061	395,589	-	9,383,939	84,538	203,126	1,054,111	Logistics services - Payable within the month	Unsecured;
	2023	36,560,622	723,735	-	17,383,999	-	-	1,054,111		No impairment for receivables
	2022	25,832,154	2,206,854	-	1,363,097	-	2,925,719	1,054,111		
One Stop Warehousing Solutions, Inc. (OWSI)	2024	-	-	-	684,672	-	-	1,808,799	Warehousing solutions - Payable within the month	Unsecured;
	2023	-	-	-	701,614	-	28,856,761	1,808,799		No impairment for receivables
	2022	-	-	-	292,110	-	28,856,761	1,808,799		
NMC Container Lines, Inc. (NMCCLI)	2024	-	-	311,378,796	-	45,398	64,509,331	100,138,952	Sea transport service/ Container van rental - Payable within the following month	Unsecured;
	2023	-	-	265,585,148	26,049,982	11,354,530	-	100,792,108		No impairment for receivables
	2022	-	-	315,340,059	47,724,127	24,757	-	140,222,524		
Magsaysay Shipmanagement, Inc. (MSI)	2024	-	-	27,291,276	-	625,542	66,863,822	375	Vessel maintenance and ship/crew management services - Payable within the following month	Unsecured;
	2023	-	-	26,432,220	-	600,850	72,589,619	18,735		No impairment for receivables
	2022	-	-	24,029,306	-	600,850	71,498,696	-		
Roadlink Solution Inc (RLSI)	2024	450,000	-	26,949,386	406,724	5,820,811	-	-	Trucking services; Payable in 30 days	Unsecured;
	2023	362,500	-	55,521,457	211,239	23,327	2,333,404	-		No impairment for receivables
	2022	-	-	71,226,450	289,763	94,878	8,700,192	-		
Marine Fuels Philippines, Inc. (MFPI)	2024	-	314,758,267	8,595,844	-	-	285,892,339	15,084,137	Fuel - Payable in 30 days	Unsecured
	2023	-	507,753,113	8,347,144	-	-	415,957,471	15,084,136		
	2022	-	241,625,156	-	-	-	526,419,057	3,760,950		



Related Parties	Year	Revenue	Purchases	Insurance, Rental, and Other Services	Trade Receivables (Note 6)	Non-Trade Receivables (Note 6)	Trade Payables (Note 12)	Amounts owed to related parties (Note 12)	Terms	Conditions
NMC Ship Agency and Brokerage Inc (NAB)	2024	₱-	₱-	₱917,299	₱-	₱-	₱835,202	₱-	Shipping Agent	Unsecured;
	2023	₱-	₱-	₱738,987	₱260,700	₱-	₱695,432	₱-	- Payable in 30	No impairment for
	2022	₱-	₱-	₱1,081,856	₱260,700	₱-	₱1,596,746	₱-	days	receivables
Icebox Logistics Services, Inc. (ILSI)	2024	46,923,907	-	2,147,803	6,867,099	24,541	406,373	33,750	Logistics services;	Unsecured;
	2023	44,249,466	-	-	10,228,718	26,003	406,373	-	- Payable within the following month	No impairment for receivables
	2022	75,218,864	-	-	20,260,611	23,157	406,373	-	-	
Global Process Manager Inc. (GPMI)	2024	-	-	11,203,130	-	206,910	3,041,687	3,180,287	Various; Payable within the following month	Unsecured
	2023	-	-	11,424,930	-	206,910	3,191,960	-	-	
	2022	-	-	10,319,190	-	206,910	3,399,389	-	-	
Other shareholders:	2024	-	6,833,383	18,738	36,960	250,000	2,400,051	1,506,006	Various; Collectible/ payable within the following month	Unsecured;
	2023	-	2,297,638	46,625	-	250,000	533,286	1,127,318	-	No impairment for
	2022	-	1,971,594	210,675	29,192	250,000	782,939	3,079,507	-	receivables
Total	2024	₱86,188,968	₱321,987,239	₱410,804,659	₱23,675,646	₱17,986,888	₱437,397,900	₱208,402,088		
	2023	₱81,172,588	₱510,774,486	₱395,501,128	₱54,836,252	₱20,904,133	₱539,274,054	₱192,894,192		
	2022	₱101,051,018	₱245,803,604	₱444,380,784	₱70,219,600	₱9,281,841	₱654,082,528	₱224,336,461		



Magsaysay Group of Companies

- AMI, ultimate parent, service fees paid to AMI for the centralized services of legal services, human resource organizational management, central purchasing unit and I.T. services.
- The Company has a service-level agreement with NMC, the parent company, covering certain services. Service fee charges to operations amounted to ₱14.30 million, ₱19.30 million and ₱13.12 million in 2024, 2023 and 2022, respectively.

In 2024 and 2023, the Company has advances from NMC amounting to ₱38.18 million, which is due and demandable, unsecured and payable in cash.

- NMCCLI and MFPI are subsidiaries of NMC. NMCCLI has a sea transport service agreement with the Company while MFPI supplies fuel to the Company.
- The Company has service level agreement with GPPI for financing services. The service fees charged to operations amounted to ₱11.20 million, ₱11.42 million and ₱10.32 million in 2024, 2023 and 2022, respectively.
- MSI under common control with AMI. The Company entered into a ship management and vessel maintenance agreement with MSI whereby the Company appointed MSI as the manager of its vessels. The agreement is renewable annually.
- OLSI, a wholly-owned subsidiary of NMC, is engaged in warehousing, project and rolling cargo handling and other cargo related services.
- ILSI is a subsidiary of NMC. ILSI purchases container cargo slots (with power supply) on Company vessels for their refrigerated containers.
- NAB, RLSI and OWSI are wholly-owned subsidiaries of NMC.

Long-term borrowing with a related party

On December 31, 2022, the Company has assessed that it will not be able to settle its trade payable amounting to ₱150,305,719, to MFPI (a wholly owned subsidiary of NMC) within the next twelve (12) months from the reporting period. Both entities agreed to convert the said amount to long-term, which is to be settled within two (2) years starting January 2023. In 2022, both parties agreed to revise the term of the loan to three (3) years and the repayment period to start in January 2024. The long-term payable is interest bearing at the prevailing market interest. On December 31, 2023, the Company and MFPI agreed to convert additional ₱100,206,638, which is to be settled within three (3) years starting January 2025. The long-term payable is interest bearing at the prevailing market interest.

Movements in other noncurrent liabilities in the statement of financial position are as follows:

	2024	2023
Balances at beginning of year	₱225,225,368	₱150,305,719
Conversion	—	100,206,638
Payments	(24,814,918)	(25,286,989)
Balances at ending of year	200,410,450	225,225,368
Less current portion	83,504,119	24,814,918
Noncurrent portion	₱116,906,331	₱200,410,450



The long-term payable bear annual interest at 7.25% to 8.00%, 4.46% to 7.25% and 4.00% to 4.46% in 2024, 2023 and 2022, respectively. Interest expense on long term loans amounted to ₱16.42 million, ₱8.046 million and ₱5.92 million in 2024, 2023 and 2022, respectively.

Other Shareholders

- Other related parties mentioned are businesses owned by various shareholders or directors of the Company and has transactions with the Company in the regular course of business.

All transactions with related parties are settled in cash.

Compensation of Key Management Personnel

	2024	2023	2022
Short-term employee benefits	₱19,773,939	₱20,182,324	₱18,983,477
Post-employment benefits	2,215,016	1,552,773	1,535,303
	₱21,988,955	₱21,735,097	₱20,518,780

26. Leases

Company as a lessee

The Company has lease contracts for various items of container yard, container vans, warehouse and equipment used in its operations. Leases of container yards generally have lease terms between 1.5 and 7 years, container vans generally have lease terms of 2 and 5 years, warehouse and equipment generally have lease terms between 4 and 4.5 years and office space has a lease term of 2 and 7 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company also has certain leases on container yards, container vans, warehouse and equipment with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

The following are the amounts recognized in the statement of income:

	2024	2023	2022
Depreciation of ROU assets (Note 9)	₱77,915,834	₱67,221,937	₱35,790,071
Expenses relating to short-term leases included in:			
Cost of services (Note 15)	40,491,881	39,580,855	45,281,883
Terminal expenses (Note 16)	16,938,873	23,105,188	62,920,932
General and administrative expenses (Note 17)	1,216,236	1,539,850	1,868,495
Interest expense on lease liabilities (Note 20)	18,779,648	16,877,602	6,708,995
Unrealized foreign exchange loss (gain)	(897,164)	809,842	611,174
Total amount recognized in statements of income	₱154,445,308	₱149,135,274	₱153,181,550



The rollforward analysis of lease liabilities are as follows:

	2024	2023
At January 1	₱229,543,969	₱87,630,153
Additions (Note 9)	76,223,582	209,688,638
Interest expense (Note 20)	18,779,648	16,877,602
Unrealized foreign exchange loss	(897,164)	809,842
Modification	—	234,471
Payments	(89,657,312)	(85,696,737)
As at December 31	₱233,992,723	₱229,543,969

Lease liabilities are presented in the statements of financial position as follows:

	2024	2023
Lease liabilities - current portion	₱51,448,615	₱65,247,182
Lease liabilities - noncurrent portion	182,544,108	164,296,787
	₱233,992,723	₱229,543,969

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 4).

Shown below is the maturity analysis of the undiscounted lease payments as of December 31, 2024 and 2023:

	2024	2023
Within 1 year	₱98,087,786	₱80,328,339
More than 1 years to 2 years	91,422,991	75,366,439
More than 2 years to 3 years	42,319,257	70,067,355
More than 3 years to 4 years	25,513,678	27,220,693
More than 4 years to 5 years	2,642,895	9,722,725

27. Financial Instruments

Financial Risk Management Objectives and Policies

Risk management is carried out by the Management Committee (ManCom) under policies approved by the Executive Committee (ExCom) and the BOD. Audit Committee identifies, evaluates, and hedges financial risks in close cooperation with the Company's ManCom. ExCom and BOD approve written principles provided by ManCom for overall risk management, as well as written policies, covering specific ones such as internal control policies, freight policies, purchasing policies and operational policies among others.

The Company's principal financial liabilities consist of accounts payable and other current liabilities, borrowings and lease liabilities. The main purpose of these financial instruments is to raise funds for the Company's operations. The Company has various financial assets such as cash and cash equivalents, trade and other receivables and deposits included under other noncurrent assets which arise directly from its operations.



The Company's activities expose it to a variety of financial risks. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. Consistent with prior year, the Company's policies for managing each of these risks are summarized below:

Interest rate risk

The Company depends on funds procured from external sources to meet substantial capital expenditure requirements. The Company reviews its exposure to interest rate risk through quarterly monitoring of actual figures against projections. Management believes that cash generated from operations is sufficient to pay its obligations under the loan agreements as they fall due.

The following tables set out the undiscounted amounts as of December 31, 2024 and 2023 by maturity, of the Company's financial instruments that are exposed to interest rate risk:

Floating Rate		Within 1 Year	1-2 Years	2-5 Years	Over 5 Years	Total
Long-term borrowings	2024	₱82,817,762	₱66,151,095	₱135,188,195	₱—	₱284,157,052
	2023	₱80,166,026	₱52,388,248	₱248,289,483	₱—	₱380,843,757
Short-term borrowings	2024	413,912,279	—	—	—	413,912,279
	2023	341,963,292	—	—	—	341,963,292

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year.

Fixed Rate		Within 1 Year	1-2 Years	2-4 Years	Over 4 Years	Total
Lease liabilities	2024	₱98,087,786	₱91,422,991	₱67,832,935	₱2,642,895	₱259,986,607
	2023	₱80,328,339	₱75,366,439	₱97,288,048	₱9,722,725	₱262,705,551

Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument.

The other financial instruments of the Company that are not included in the above tables are noninterest-bearing and are therefore not subject to interest rate risk.

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the Company's income before tax (through the impact on floating rate borrowings):

	Year	Increase/Decrease in Basis Points	Effect on Income Before Tax
Interest-bearing loans and borrowings	2024	+32	(₱2,899,571)
		-32	2,899,571
	2023	+250	(₱17,580,260)
		-250	17,580,260

The sensitivity of the Company's income is the effect of assumed changes in interest rates based on the bank's projection of 90-day interest rates using a combination of technical analysis and trending techniques.



There is no other impact on the Company's equity other than those already affecting the statement of income.

Foreign currency risk

The Company's foreign currency risk results primarily from the foreign exchange rate movements of the Philippine peso against foreign currencies. The Company resolved to mitigate this risk by taking advantage of market trends. Such trends are used to determine the proper timing of foreign currency transactions in order to realize a foreign currency gain.

The following table demonstrates the sensitivity to a reasonable change in the Philippine peso exchange rate in relation to foreign currencies based on the bank's projection of foreign currency fluctuations, with all variables held constant, of the Company's income before tax:

	Effect on Income Before Tax		Effect on Loss Before Tax
	2024	2023	2022
US Dollar			
Strengthened (2024: 5%, 2023: 6%, 2022: 6%)	(P2,566,894)	(P4,030,456)	(P2,002,294)
Weakened (2024: 5%, 2023: 6%, 2022: 6%)	2,566,894	4,030,456	2,002,294
Euro			
Strengthened (2024: 7%, 2023: 9%, 2022: 11%)	(280,380)	(903,025)	(338,593)
Weakened (2024: 7%, 2023: 9%, 2022: 11%)	280,380	903,025	338,593

There is no other impact on the Company's equity other than those already affecting the statement of income.

The Company's foreign currency denominated monetary assets and liabilities as of December 31 consist of:

	2024	
	US Dollar	Euro
Current assets	\$545,706	€-
Current liabilities	(850,580)	(66,234)
Noncurrent liabilities	(582,634)	-
Net foreign currency denominated liabilities	(887,508)	(66,234)
Exchange rate used	57.85	60.47
Peso equivalent	(P51,342,338)	(P4,005,170)

	2023	
	US Dollar	Euro
Current assets	\$35,524	€-
Current liabilities	(666,079)	(165,469)
Noncurrent liabilities	(582,634)	-
Net foreign currency denominated liabilities	(1,213,189)	(165,469)
Exchange rate used	55.37	60.64
Peso equivalent	(P67,174,275)	(P10,034,040)

The Company had a net unrealized foreign exchange loss of P0.69 million in 2024, net unrealized foreign exchange gain of P0.64 million in 2023 and net foreign exchange loss of P3.50 million in 2022, respectively.



Credit risk

Credit risk is defined as the risk of loss arising from the default of an individual, counterparty or issuer not being able to or unwilling to honor its contractual obligations. The Company's exposure to this risk is primarily due to its transactions with its trading customers.

The Company counters this risk by trading only with recognized, creditworthy third parties. It employs standard process in granting credit lines to customers. It performs thorough evaluation of its customers' operations and financial standing to ensure that its customers are able to meet its contractual obligation.

Trade and other receivables

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and controls relating to customer credit risk management. The Company monitors receivable balances and ensures that customers are able to settle their obligation within the agreed terms. Its Credit and Collection Department is responsible for the collection of these receivables and ensures that customers are able to settle their obligation.

Cash in banks

Credit risk from cash in banks is managed by the Company's treasury department in accordance with the Company's policy.

The Company has the following financial assets that are subject to the expected credit loss model:

General Approach

- *Cash in banks.* The ECL relating to the cash of the Company is minimal as these are deposited in reputable banks which have good credit rating, and are considered to have lower credit risk.
- *Other receivables.* The Company did not recognize any allowance to receivable from counterparties based on benchmarking / use of external supplementary data. This assessment is undertaken each financial year through examination of the financial position of the related parties and the markets in which the related parties operates.
- *Refundable Deposits.* Refundable deposits are deposited with a third party which have good credit standing and are considered to have lower credit risk, hence, probability of default is expected to be less likely.

Simplified Approach

- *Trade receivables and contract assets.* The Company applied the simplified approach under PFRS 9, using a 'provision matrix', in measuring expected credit losses which uses a lifetime expected loss allowance for receivables. The expected loss rates are based on the payment profiles of revenues/sales over a period of at least 24 months before the relevant reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers/counterparties to settle the receivables. The Company has identified the core inflation rate to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.



Amounts in millions	2024							
	Trade receivables							
	Days Past Due							
	Contract assets	Current*	1-30 days	31-60 days	61-90 days	Over 90 days	Specific identification	Total
Expected loss rate	1.00%	0.97%	2.56%	5.55%	9.32%	13.81%	100%	
Estimated gross carrying amount at default	₱4.13	₱329.78	₱45.99	₱7.89	₱3.80	₱22.99	₱153.39	₱567.97
Expected credit loss	₱0.04	₱3.09	₱1.17	₱0.44	₱0.35	₱3.17	₱153.39	₱161.65

*includes accrued receivables

Amounts in millions	2023							
	Trade receivables							
	Days Past Due							
	Contract assets	Current*	1-30 days	31-60 days	61-90 days	Over 90 days	Specific identification	Total
Expected loss rate	1.75%	1.42%	3.82%	8.16%	13.31%	19.25%	100%	
Estimated gross carrying amount at default	₱4.11	₱410.43	₱69.96	₱28.29	₱1.59	₱80.20	₱127.08	₱721.66
Expected credit loss	₱0.07	₱5.82	₱2.67	₱2.31	₱0.21	₱15.44	₱127.08	₱153.60

*includes accrued receivables

Concentration of risk arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic feature that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions, such as fluctuations in currencies or interest rates. The Company has no significant concentration of credit risk.

The Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of its financial assets.

The following table shows the Company's maximum exposure to credit risk:

	2024	2023
Cash in banks and cash equivalents	₱101,527,802	₱98,400,666
Trade and other receivables:		
Trade	402,115,929	564,024,184
Non-trade	17,986,888	20,904,133
Receivables from officers and employees	2,771,211	3,487,903
Other receivables	54,166,267	38,176,501
Deposits included in "Other noncurrent assets"	18,404,470	16,477,051
	₱596,972,567	₱741,470,438

Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or meet its financial obligations when they fall due. To mitigate exposure to such risk, the Company regularly monitors its cash position and loan due dates to ensure sufficient fund for working capital and to meet obligations as they fall due.

The tables below summarize the maturity profile of the Company's financial liabilities as of December 31, 2024 and 2023 based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Company's financial assets in order to provide a complete view of the Company's contractual commitments.



The analysis into relevant maturity grouping is based on the remaining period at the end of the reporting period to the contractual maturity dates:

2024				
	Less than 6 Months	6 Months to 1 Year	Over 1 Year	Total
Financial liabilities:				
Short-term borrowings*	₱416,625,113	₱—	₱—	₱416,625,113
Long-term borrowings*	24,411,739	18,143,614	33,670,774	76,226,127
Long-term borrowing - related party*	43,317,762	43,317,762	125,674,305	212,309,829
Lease liabilities	41,788,958	56,298,828	161,898,821	259,986,607
Accounts payable and other current liabilities**	1,393,346,410	—	—	1,393,346,410
	₱1,919,489,982	₱117,760,204	₱321,243,900	₱2,358,494,086
Financial assets:				
Cash	₱102,795,802	₱—	₱—	₱102,795,802
Trade and other receivables:				
Trade	307,430,376	94,685,553	—	402,115,929
Non-trade	17,986,888	—	—	17,986,888
Receivables from officers and employees	2,771,211	—	—	2,771,211
Other receivables	54,166,267	—	—	54,166,267
Deposits	485,100	1,352,968	16,566,401	18,404,469
	₱485,635,644	₱96,038,521	₱16,566,401	₱598,240,566

*Including interest

**Excluding statutory liabilities

2023				
	Less than 6 Months	6 Months to 1 Year	Over 1 Year	Total
Financial liabilities:				
Short-term borrowings*	₱343,923,208	₱—	₱—	₱343,923,208
Long-term borrowings*	37,709,981	36,569,462	76,226,128	150,505,571
Long-term borrowing - related party*	12,888,248	12,888,248	215,942,260	241,718,756
Lease liability	41,788,958	38,539,381	182,377,212	262,705,551
Accounts payable and other current liabilities**	1,420,983,975	—	—	1,420,983,975
	₱1,857,294,370	₱87,997,091	₱474,545,600	₱2,419,837,061
Financial assets:				
Cash	₱99,128,666	₱—	₱—	₱99,128,666
Trade and other receivables:				
Trade	436,887,456	127,136,728	—	564,024,184
Non-trade	20,904,133	—	—	20,904,133
Receivables from officers and employees	3,487,903	—	—	3,487,903
Other receivables	38,176,501	—	—	38,176,501
Deposits	485,100	1,352,968	16,477,051	18,315,119
	₱599,069,759	₱128,489,696	₱16,477,051	₱744,036,506

*Including interest

**Excluding statutory liabilities

To address the negative gaps, the Company can utilize its available unused credit lines, obtain continued financial support from its related parties, collection of insurance claims and various revenue enhancement programs and cost reduction initiatives to further improve the results of operations.



Classification and Fair Values of Financial Instruments

Set out below is a comparison by category of carrying amounts and fair values of the Company's financial instruments that are carried in the financial statements.

	Carrying Amount		Fair Value	
	2024	2023	2024	2023
<i>Amortized cost:</i>				
Deposits	₱16,566,401	₱16,477,051	₱16,566,401	₱16,477,051
<i>Other financial liabilities:</i>				
Long-term borrowings	71,712,781	138,833,360	71,712,781	128,909,769
Other noncurrent liabilities	175,595,532	200,410,450	175,595,532	200,410,450
	₱247,308,313	₱339,243,810	₱247,308,313	₱329,320,219

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents, trade and other receivables, contract assets, accounts payable and other current liabilities, and short-term borrowings

The management assessed that the fair values of cash and cash equivalents, trade and other receivables, contract assets, accounts payable and other current liabilities, short-term borrowings and long-term borrowings reclassified to current due to breach of contract terms approximate their carrying amount largely due to the relatively short-term maturity of these financial instruments.

Deposits included in "Other noncurrent assets"

The fair value of deposits under other noncurrent assets is estimated by discounting future cash flows using prevailing interest rates.

Long-term borrowings

The carrying amount of long-term borrowings approximate its fair value due to quarterly repricing of interest.

Other noncurrent liabilities

The carrying amount of other noncurrent liabilities approximate its fair value due to quarterly repricing of interest.

Fair value hierarchy

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

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



As of December 31, 2024 and 2023, the Company held the following financial instruments that are carried at amortized cost but for which fair values are required to be disclosed:

December 31, 2024

	Total	Level 1	Level 2	Level 3
Disclosed at fair value:				
Deposits included in "Other noncurrent assets"	₱16,566,401	₱—	₱—	₱16,566,401
Long-term borrowings	71,712,781	—	—	71,712,781

December 31, 2023

	Total	Level 1	Level 2	Level 3
Disclosed at fair value:				
Deposits included in "Other noncurrent assets"	₱16,477,051	₱—	₱—	₱16,477,051
Long-term borrowings	138,833,360	—	—	138,833,360

There were no transfers between Level 1 and Level 2 fair value measurement, and there were no transfers into and out of Level 3 fair value measurement.

28. Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximize shareholder value.

The Company monitors capital using debt-to-equity ratio (see Note 13). Capital includes equity attributable to common shareholders, share premium and accumulated earnings. Debt includes all liabilities, current and long-term interest-bearing loans and borrowings and retirement obligation.

	2024	2023
Short-term borrowings and accounts payable and other current liabilities	₱1,896,179,865	₱1,927,650,752
Long-term borrowings	71,712,781	138,833,360
Long term payable to related party	200,410,450	225,225,368
Lease liabilities	233,992,723	229,543,969
Retirement benefit obligation	106,653,471	105,611,008
Total debt	2,508,949,290	2,626,864,457
Common stock	825,652,251	555,652,251
Additional paid-in capital	459,791,492	459,791,492
Actuarial losses on defined benefit plan	(27,469,474)	(28,605,970)
Treasury shares	(3,125,850)	(3,125,850)
Revaluation increment	77,354,523	72,643,023
Deficit	(1,131,604,301)	(589,819,746)
Total equity	200,598,641	466,535,200
Total debt and equity	₱2,709,547,931	₱3,093,399,657



The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may declare dividends, reacquire outstanding shares, or issue new shares.

No changes were made in the objectives, policies or processes on capital management during the years ended December 31, 2024 and 2023.

29. Other Matters

Contingencies

In the ordinary course of business, the Company is a defendant in various litigations and claims. The Company has an ongoing case with the Court of Tax Appeals (CTA). As of October 8, 2021, the CTA En Banc issued a resolution in favor of the Company, rendering the BIR assessment void and denying the “motion for reconsideration”. The Company’s legal counsel expects that the BIR will exhaust its legal remedies and will elevate the case to the Supreme Court of the Philippines.

On March 21, 2022, the Supreme Court (SC) issued a Notice of Resolution granting BIR’s Motion for Extension to File Petition for Review.

On October 20, 2023, the Supreme Court (SC) issued a Notice of Resolution that the BIR has failed to file the intended petition for review on certiorari within a period granted in the Resolution dated March 21, 2022 which expired on December 6, 2021. The Court resolved to declare the case closed and terminated.

30. Notes to Statement of Cash Flows

<i>Changes in liabilities arising from financing activities</i>	January 1, 2024	Cash flows	Foreign exchange Movement	Others	December 31, 2024
Interest payable	₱4,389,216	(₱70,262,393)	₱–	₱70,419,593	₱4,546,416
Short-term borrowings	341,963,292	71,948,987	–	–	413,912,279
Current portion of:					
Long-term borrowings	67,120,578	(67,277,779)	–	39,567,991	39,410,790
Long-term borrowing – related party	24,814,918	(24,814,918)	–	83,504,119	83,504,119
Lease liabilities	65,247,182	(70,877,664)	(897,164)	57,976,261	51,448,615
Noncurrent portion of:					
Long-term borrowings	71,712,782	–	–	(39,410,791)	32,301,991
Long-term borrowing with related party	200,410,450	–	–	(83,504,119)	116,906,331
Lease liabilities	164,296,787	–	–	18,247,321	182,544,108
Total liabilities from financing activities	₱939,955,205	(₱161,283,767)	(₱897,164)	₱146,800,375	₱924,574,649

<i>Changes in liabilities arising from financing activities</i>	January 1, 2023	Cash flows	Foreign exchange Movement	Others	December 31, 2023
Interest payable	₱5,483,785	(₱69,738,324)	₱–	₱68,643,755	₱4,389,216
Short-term borrowings	320,640,916	21,322,376	–	–	341,963,292
Current portion of:					
Long-term borrowings	101,581,177	(101,277,778)	–	66,817,179	67,120,578
Long-term borrowing – related party	–	(25,286,989)	–	50,101,907	24,814,918
Lease liabilities	33,832,479	(68,819,135)	809,842	99,423,996	65,247,182
Noncurrent portion of:					
Long-term borrowings	138,226,553	–	–	(66,513,771)	71,712,782

(Forward)



<i>Changes in liabilities arising from financing activities</i>	January 1, 2023	Cash flows	Foreign exchange Movement	Others	December 31, 2023
Long-term borrowing with related party	₱150,305,719	₱—	₱—	₱50,104,731	₱200,410,450
Lease liabilities	53,797,674	—	—	110,499,113	164,296,787
Total liabilities from financing activities	₱803,868,303	(₱243,799,850)	₱809,842	₱379,076,910	₱939,955,205

<i>Changes in liabilities arising from financing activities</i>	January 1, 2022	Cash flows	Foreign exchange movement	Others	December 31, 2022
Interest payable	₱4,103,020	(₱49,424,649)	₱—	₱50,805,414	₱5,483,785
Short-term borrowings	368,272,360	(47,631,444)	—	—	320,640,916
Current portion of:					
Long-term borrowings	93,594,418	(91,277,778)	—	99,264,537	101,581,177
Lease liabilities	44,694,345	(36,035,387)	611,174	24,562,347	33,832,479
Noncurrent portion of:					
Long-term borrowings	237,245,215	—	—	(99,018,662)	138,226,553
Long-term borrowing with related party	—	—	—	150,305,719	150,305,719
Lease liabilities	59,326,677	—	—	(5,529,003)	53,797,674
Total liabilities from financing activities	₱807,236,035	(₱224,369,258)	₱611,174	₱220,390,352	₱803,868,303

Others include the effect of reclassification of non-current portion of long-term borrowings, effect of accrued but not yet paid interest, additions to lease liabilities and amortization of deferred transaction costs.

31. Supplementary Information Required Under Revenue Regulations (RR) 15-2010

In compliance with the requirements set forth by RR 15-2010 hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year.

VAT

The National Internal Revenue Code of 1997 provides for the imposition of VAT on sales of goods and services. Accordingly, the Company's sales are subject to output VAT while its importations and purchases from other VAT-registered individuals or corporations are subject to input VAT. R.A. No. 9337 increased the VAT rate from 10.0% to 12.0%, effective February 1, 2006.

The Company is a VAT-registered company with output VAT declaration for the year ended December 31, 2024 as follows:

	Net sales/ receipts	Output VAT
Taxable sales	₱2,617,180,316	₱314,061,638
Zero-rated sales/receipts	58,739,641	—
	₱2,675,919,957	₱314,061,638

The Company's sales that are subjected to VAT are reported under "Freight Revenue" and "Rental and Miscellaneous Income".

The Company's sales of services prior to April 27, 2024, are based on actual collections from its customers. Following the implementation of Republic Act No. 11976, otherwise known as the Ease of Paying Taxes Act, on April 27, 2024, amount of sales from services reported in the Company's filed quarterly VAT returns from such effectivity date onwards are based on actual billed revenues.



The movement in input VAT during the year is summarized below:

Balance at January 1	₱1,486,611
Current year's purchases:	
Services lodged under direct costs	272,840,302
Capital goods subject to amortization	4,487
Capital goods not subject to amortization	—
From importation	3,308,585
	277,639,985
Claims for tax credit/refund and other adjustments	50,760,286
Input tax application against output VAT	(261,441,423)
Balance at December 31	₱66,958,848

Importations

The landed cost of the Company's importations amounted to ₱27,571,513 for the year.

Documentary Stamp Taxes

The documentary stamp taxes (DST) accrued during the year on the bill of lading amounted to ₱1,107,900.

Other Taxes and Licenses:

Details of other taxes and licenses for the year ended December 31, 2024 follows:

DST on Banks, Loans, and Leases	₱6,697,734
Custom duties	4,090,196
Fringe benefits	1,155,329
License and permit fees	824,949
Real property tax	562,639
Others	28,206,739
	₱41,537,586

Withholding Taxes

Details of withholding taxes for the year ended December 31, 2024 follows:

Expanded withholding taxes	₱46,736,944
Tax on compensation and benefits	12,152,145
Final withholding taxes	2,185,932
	₱61,075,021

2018 Tax Assessment

On February 28, 2024, the Company settled deficiency taxes on withholding tax on compensation, expanded withholding tax and miscellaneous taxes amounting to ₱1,019,325, inclusive of penalties.

On June 28, 2024, the Company settled deficiency taxes on income tax, documentary stamp tax and miscellaneous tax amounting to ₱15,261,318, inclusive of penalties.

2021 Tax Assessment

On May 31, 2024, the Company settled deficiency taxes on VAT amounting to ₱ 3,001,828, inclusive of penalties.

The Company is currently not involved in any tax cases, preliminary investigations, litigation or prosecution in courts outside of BIR.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

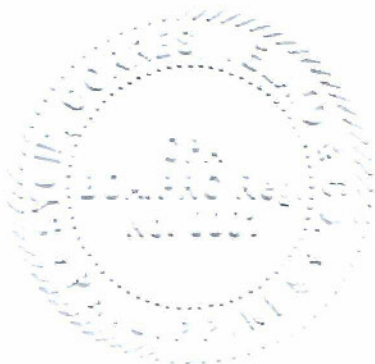
The Board of Directors and Stockholders
Lorenzo Shipping Corporation
20th Floor Times Plaza Building
United Nations Avenue, Ermita, Manila

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Lorenzo Shipping Corporation (the Company) as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated April 14, 2025. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.


Peter John R. Ventura
Partner
CPA Certificate No. 0113172
Tax Identification No. 301-106-741
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-158-2024, October 2, 2024, valid until October 1, 2027
PTR No. 10465400, January 2, 2025, Makati City

April 14, 2025



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Board of Directors and Stockholders
Lorenzo Shipping Corporation
20th Floor Times Plaza Building
United Nations Avenue, Ermita, Manila

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Lorenzo Shipping Corporation (the Company) as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated April 14, 2025. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information contained in the attached statements of financial position as of December 31, 2024 and 2023 and statements of income for each of the three years in the period ended December 31, 2024 of the vessel operations of the Company in this Annual Report is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information as set forth in this Annual Report required by Section 17 (h) of Commonwealth Act No. 146 as amended. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Peter John R. Ventura

Partner

CPA Certificate No. 0113172

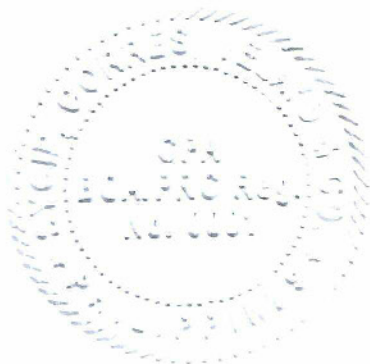
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April 14, 2025





Building a better
working world

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INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
Lorenzo Shipping Corporation
20th Floor Times Plaza Building
United Nations Avenue
Ermita, Manila

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Lorenzo Shipping Corporation (the Company) as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated April 14, 2025. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Peter John R. Ventura
Partner

CPA Certificate No. 0113172

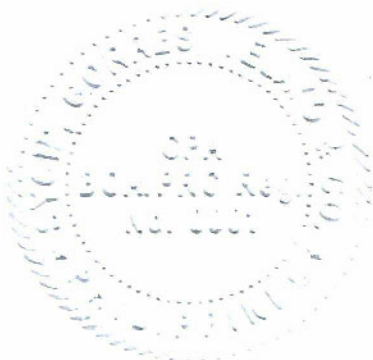
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PTR No. 10465400, January 2, 2025, Makati City

April 14, 2025



LORENZO SHIPPING CORPORATION

INDEX TO THE SUPPLEMENTARY SCHEDULES

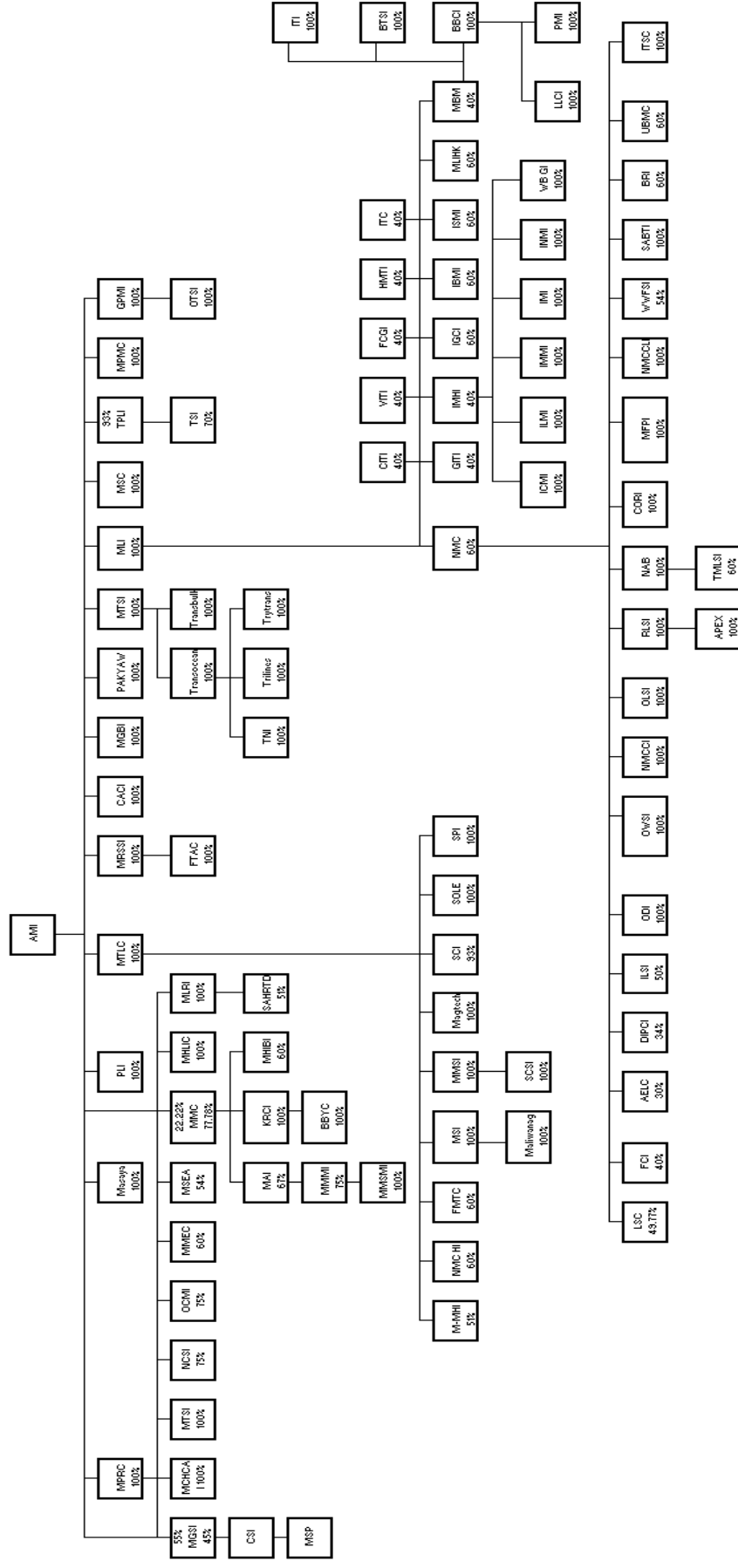
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SCHEDULE I
RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
As at December 31, 2024

LORENZO SHIPPING CORPORATION
20th Floor Times Plaza Building, United Nations Avenue, Ermita Manila

Unappropriated Retained Earnings, beginning of reporting period		(₱622,632,029)
Add: Net loss for the current year		(₱541,784,555)
Less: <u>Category C1</u>: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents		672,873
Less: <u>Category F</u>: Other items should be excluded from the determination of the amount available for dividends distribution		
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(261,481)	
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 liabilities	1,535,250	
Subtotal		1,273,769
Total Retained Earnings, end of the reporting period available for dividend		(₱1,166,363,226)

SCHEDULE II
MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANY AND ITS ULTIMATE PARENT COMPANY, MIDDLE PARENT, SUBSIDIARIES OR CO-SUBSIDIARIES, ASSOCIATES, WHEREVER LOCATED OR REGISTERED
PURSUANT TO REVISED SRC RULE 68
DECEMBER 31, 2024



Abbreviation	Company Name
AMI	A. Magsaysay, Inc.
MASAYA	Masaya Realty Company, Inc.
PLI	Peoplelink, Incorporated
MRSSI	Magsaysay Resources and Support Services, Inc.
FTAC	Fairex Trading Asia Corporation
CACI	CreativesAsia Company, Inc.
MGBI	Magsaysay Global BPO, Inc.
PAKYAW	Pakyaw.Com, Inc.
MSC	Magsaysay Shipping Corporation
MPMC	Magsaysay Property Management Corporation
GPMI	Global Process Manager, Inc.
TPLI	TravelPeople Ltd, Inc.
TSI	TravelServices, Inc.
MLHK	Magsaysay Lines, Inc. - Hong Kong
MPRC	Magsaysay People Resources Corp.
MGSI	Magsaysay Global Services, Inc.
CSI	Careline Services, Inc.
MSP	Medical Staffing Pro
MCHCAI	Magsaysay Center of Hospitality and Culinary Arts Inc.
NCSI	Navia Crewing Services, Inc.
MSEA	Magsaysay Seacor, Inc.
MHLIC	Magsaysay Human Language Institute Corp
MLRI	Magsayay Learning Reasources, Inc.
SAHRTDI	Star of Asia Human Resource Training and Development, Inc.
MMC	Magsaysay Maritime Corporation
MAI	Magsaysay Agencies, Inc.
MMMI	Magsaysay MOL Marine, Inc.
MMSMI	Magsaysay MOL Ship Management, Inc.
KRCI	Kaligayahan Realty Co., Inc.
BBYC	Boracay Beach and Yatch Club, Inc.
MHIBI	Magsaysay Houlder Insurance Brokers, Inc.
MLI	Magsaysay Lines, Inc.
MTSI	Magsaysay Trade and Shipping, Inc.
TRANSOCEAN	Transocean Transport Corporation
TRANSBULK	Transbulk Shipping Corp
TNI	Transportes Navieros, Inc
TRILINES	Trilines Shipping, Inc.
TRYTRANS	Trytrans Shipping Corporation
IGCI	Isla Gas Carriers Inc.
IBMI	Isla Bohol Maritime Inc.
ISMI	Isla Samar Maritime Inc.
NMC	National Marine Corporation
LSC	Lorenzo Shipping Corporation
FCI	Fastcranes, Inc.
AELC	Asiaport Equipment and Logistics Corporation
DIPCI	Dapitan Integrated Port Complex, Incorporated
ILSI	Icebox Logistics Services, Inc.
ODI	One Stop Distribution, Inc.
OWSI	One Stop Warehousing Solutions, Inc.
NMC CI	NMC Chartering Co., Inc.
OLSI	One Stop Logistics Solutions, Inc.
RLSI	Road Link Solutions, Inc.
CORI	Clean Oil Resources, Inc.

Abbreviation	Company Name
MFPI	Marine Fuels Philippines, Inc.
NMC CLI	NMC Container Lines, Inc.
WWFSI	World Wide Food Supply, Inc.
SABTI	Southeast Asian Bunkers and Terminals, Inc.
ITSC	Islas Tankers Seatransport Corporation
NAB	NMC Ship Agency and Brokerage, Inc.
BRI	Bestenergy Resources, Inc.
UBMC	Union Bulk Maritime Corporation
APEX	Apex Equipment Corporation
TMLSI	T.M Logistics Solutions, Inc.
MTLC	Magsaysay Transport and Logistics Corp.
NMC HI	NMC Holdings, Inc.
FMTC	Filipinas Maritime Transport Corporation
MSI	Magsaysay Shipmanagement, Inc.
MMSI	Magsaysay Marine Services, Inc.
MALIWANAG	Maliwanag Realty Company, Inc.
SCSI	SC Ship Services, Inc.
MAGTECH	Magtech Solutions and Marine Consultancy Services, Inc.
SCI	Sun Cruises, Inc.
SOLE	Sole Cruises, Inc.
SPI	Storage Philippines, Inc.
MBM	MBM Maritime Holdings, Inc.
BBCI	Batangas Bay Carriers, Inc.
LLCI	Laguna Lake Carriers, Inc.
PMI	Paros Maritime, Inc.
IMHI	Islas Maritime Holdings, Inc.
BTSI	Batangas Trader Shipping, Inc.
ITI	Isla Tankers, Inc.
CITI	Cuyo Island Tankers, Inc.
FGCI	Filipinas Gas Carriers, Inc.
GITI	Guimaras Island Tankers, Inc.
HMTI	Harvest Moon Tankers, Inc.
ICMI	Isla Cebul Maritime Inc.
ILMI	Isla Luzon Maritime Inc.
IMMI	Isla Mindanao Maritime Inc.
IMI	Isla Mindoro Maritime Inc.
INMI	Isla Negros Maritime Inc.
ITC	Isla Tankers Shipping Copr.
WB GI	WB Gas, Inc.
VITI	Verde Island Tankers, Inc.
OCMI	Orione Crewing Management, Inc.
MMEC	MM Empower Corp.
M-MHI	Magsaysay-Mlg Holdings, Inc.

SCHEDULE III
LORENZO SHIPPING CORPORATION
SCHEDULE A
FINANCIAL ASSETS
December 31, 2024

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the statement of financial position	Income received and accrued
Cash and cash equivalents:	₱—	₱102,795,802	₱49,343
Trade and other receivables:	—		—
Trade	—	402,115,929	—
Non-trade	—	17,986,888	—
Insurance claims	—	—	—
Receivables from officers and employees	—	2,771,211	—
Other receivables	—	54,166,267	—
Deposits	—	18,404,469	—
Total	₱—	₱598,240,566	₱49,343

LORENZO SHIPPING CORPORATION

SCHEDULE B

AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

December 31, 2024

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
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NOT APPLICABLE

LORENZO SHIPPING CORPORATION

SCHEDULE C

AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED
DURING CONSOLIDATION
December 31, 2024

Name and Designation of Debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
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NOT APPLICABLE

LORENZO SHIPPING CORPORATION
SCHEDULE D
INTANGIBLE ASSETS - OTHER ASSETS
December 31, 2024

Description	Beginning balance	Additions at Cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending balance
Computer software	₱3,060,765	₱-	(₱895,833)	₱-	₱-	₱2,164,932

LORENZO SHIPPING CORPORATION
SCHEDULE E
LONG TERM DEBT
December 31, 2024

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt"		Amount shown caption "Long-term Debt"	Notes
China Banking Corporation	200,000,000		16,666,667	—	Balance of loan obtained from China Banking Corporation (CBC) of ₱200.00 million, availed of last September 9, 2015 and will mature on September 9, 2025. The loan is payable quarterly in 36 equal quarterly installments starting December 9, 2016. Annual interest rate is equal to 90-day BVAL rate plus 1.25% inclusive of GRT and BSP overnight borrowing rate plus spread of 0.125% inclusive of GRT whichever is higher, subject to quarterly repricing.

Forward

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt"	Amount shown caption "Long-term Debt"	Notes
Rizal Commercial Banking Corporation	137,000,000	22,833,333	32,347,222	Balance of loan obtained from RCBC of ₱137.00 million, availed last May 6, 2020 and will mature on May 6, 2027. The loan is payable monthly in 72 equal monthly installments starting May 6, 2021. Annual interest rate is equal to the BVAL plus 2.5% spread.
Total	₱337,000,000	₱39,500,000	₱32,347,222	

LORENZO SHIPPING CORPORATION
SCHEDULE F
INDEBTEDNESS TO RELATED PARTIES (LONG - TERM LOANS FROM RELATED COMPANIES)
December 31, 2024

Name of the Related Party	Balance at beginning of period	Balance at end of period
Marine Fuel Philippines, Inc.	₱200,410,450	₱175,595,532

LORENZO SHIPPING CORPORATION
SCHEDULE G
GUARANTEES OF SECURITIES OF OTHER ISSUERS
December 31, 2024

Name of the issuing entity of securities guaranteed by the company for which the 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 lifted	Nature of guarantee
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NOT APPLICABLE

LORENZO SHIPPING CORPORATION
SCHEDULE H
CAPITAL STOCK
December 31, 2024

Title of issue	Number of shares authorized	Number of shares issued and outstanding and shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	No of shares held by			Treasury Shares
				Affiliates	Directors, Officers and Employees	Others	
Common shares	991,183,999	825,652,251	–	722,982,361	248,002	101,411,888	1,010,000

LORENZO SHIPPING CORPORATION
SCHEDULE SHOWING FINANCIAL SOUNDNESS
PURSUANT TO REVISED SRC RULE 68
DECEMBER 31, 2024, 2023 and 2022

Ratio	Formula	2024	2023	2022
Current/Liquidity ratios:				
Current ratio	Current assets divided by current liabilities	0.39	0.49	0.49
	Cash and cash equivalents plus trade and other receivables plus contract assets divided by current liabilities			
Quick ratio		0.29	0.36	0.39
Solvency ratios and debt to equity ratio:				
Debt-to-equity ratio	Total debt divided by total equity	12.51	5.63	6.68
Solvency ratio	Total assets divided by total debt	1.08	1.18	1.15
Financial leverage ratios:				
Asset-to-equity ratio	Total asset divided by total equity	13.51	6.63	7.68
	Earnings before interests and taxes divided by total interest expense			
Interest rate coverage ratio		-6.82	2.56	-1.39
Profitability ratios:				
Return on assets	Net income (loss) divided by total asset	-20.00%	3.10%	0.63%
Return on equity	Net income (loss) divided by total equity	-270.08%	20.53%	4.88%
Net profit margin	Net income (loss) divided by total revenue	-23.15%	2.92%	0.56%

LORENZO SHIPPING CORPORATION
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
DECEMBER 31, 2024

	Current year (2024)	Prior Year (2023)
Total Audit Fees (Section 2.1a)	₱1,603,800	₱1,603,800
Non-audit services fees:		
Tax services	–	1,080,000
Total Non-audit fees (Section 2.1b)	–	1,080,000
Total Audit and Non-audit fees ¹	₱1,603,800	₱2,683,800

¹The above fees are based on engagement agreements signed with SGV &Co. within the year reported and are exclusive of 12% VAT and out-of-pocket expenses.

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of *Lorenzo Shipping Corporation* (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023 in accordance with the prescribed financial reporting framework, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Sycip Gorres Velayo & Co., the independent auditor appointed by the stockholders has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature


DORIS TERESA M. HO
Chairman of the Board


REYNOLD JOHN B. MADAMBA


AMELITA M. INTALAN
Chief Financial Officer

SUBSCRIBE AND SWORN

ON THIS

14 APR 2025

Signed this _____ day of _____

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ANNEX “J”

Proposed Amendment to the Articles of Incorporation of Lorenzo Shipping Corporation *For Increase in Authorized Capital Stock*

ARTICLE VII

BEFORE:

SEVENTH: That the authorized capital stock of the corporation is NINE HUNDRED NINETY ONE MILLION ONE HUNDRED EIGHTY THREE THOUSAND NINE HUNDRED NINETY NIE PESOS (PHP991,183,999.00) in lawful money of the Philippines divided into NINE HUNDRED NINETY NINE ONE MILLION ONE HUNDRED EIGHTY THREE THOUSAND AND NNINE HUNDRED NINETY NINE (991,183,999) common shares, with a par value of One Pesos (PHP1.00) per share. (As amended by a majority vote of the Corporation's Board of Directors and by the Stockholders owning at least 2/3 of the outstanding capital stock, at separate meetings held on 29, March 2007, and 5 June 2007.)

Holders of shares shall have no pre-emptive rights to additional subscriptions or increase in capital stock, water such shares of capital stock are now or hereafter authorize by the Corporation. (As amended on 23 March 1999 and 01 June 1999 by the Board of Directors and Stockholders, respectively, at separate meetings.)

That no transfer of stock which will reduce the ownership of Filipino citizens to less than the percentage required under applicable laws shall be allowed or permitted to be recorded in the proper books of the corporation, and this restriction shall be indicated the stock certificate.

AFTER:

SEVENTH: That the authorized capital stock of the corporation is **TWO BILLION PESOS (PHP2,000,000,000.00)** in lawful money of the Philippines divided into **TWO BILLION (2,000,000,000)** common shares, with a par value of One **Peso** (PHP1.00) per share.

Holders of shares shall have no pre-emptive rights to additional subscriptions or increase in capital stock, **whether** such shares of capital stock are now or hereafter authorized by the Corporation.

That no transfer of stock which will reduce the ownership of Filipino citizens to less than the percentage required under applicable laws shall be allowed or permitted to be recorded in the proper books of the corporation, and this restriction shall be indicated **in** the stock certificate.

ANNEX “K”

Rules for Registration, Voting in Absentia and Participation in Meeting

REGISTRATION

1. The annual stockholders’ meeting (“ASM”) of Lorenzo Shipping Corporation (“LSC”) shall be conducted entirely via remote communication through the Zoom Platform.
2. Only Stockholders of record (“Stockholder”) can participate in the ASM through remote communication and vote in absentia on the matters in the Agenda, provided the Stockholder has:
 - 2.1. Complied with the registration requirement; and
 - 2.2. Such registration has passed validation process.
3. Stockholders may register by sending an e-mail to the Company’s Corporate Secretary at zpcorp@zplaw.com.ph.
4. The e-mail must include the following information:
 - 4.1. Individual Stockholders with the shares recorded in their name:
 - 4.1.1. Name of the Stockholder in record;
 - 4.1.2. Valid and active e-mail address of Stockholder;
 - 4.1.3. Valid and active cellular phone number of Stockholder;
 - 4.1.4. Copy of a valid government issued ID, showing photo and personal details, preferably with residential address;
 - 4.1.5. Stockholders with joint accounts shall further submit scanned copy of an authorization letter signed by all stockholders, identifying who among them is authorized to cast the vote for the account;
 - 4.1.6. Individual stockholders who will appoint a proxy shall submit the duly accomplished and signed proxy, and scanned copy of the Proxy’s valid government-issued ID showing photo and personal details.
 - 4.2. Individual Stockholder under a Broker account:
 - 4.2.1. Valid and active e-mail address of Stockholder;
 - 4.2.2. Valid and active cellular phone number of Stockholder;
 - 4.2.3. Broker’s Certification on the Stockholder’s number of shareholdings. **IMPORTANT:** To facilitate the verification of your account, please make sure that you copy the stock and transfer agent, BDO, through: bdo-stock-transfer@bdo.com.ph on all email correspondence with the Broker regarding request for Broker’s Certification; and
 - 4.2.4. Scanned copy of the Stockholder’s and Broker’s valid government-issued ID showing photo and personal details, preferably with residential address;
 - 4.2.5. Individual stockholders who will appoint a proxy shall submit the duly accomplished and signed proxy, and scanned copy of the Proxy’s valid government-issued ID showing photo and personal details.
 - 4.3. Corporate Stockholders

- 4.3.1. Duly accomplished and signed Proxy;
- 4.3.2. Board Resolution or Secretary's Certificate stating that the person signing the proxy is authorized by the governing board or has the power under its by-laws, constitutive documents of such corporation, association, or partnership, to sign the Proxy;
- 4.3.3. Valid and active cellular phone number of the Stockholder's Representative;
- 4.3.4. Valid and active e-mail address of the Stockholder's Representative;
- 4.3.5. Scanned copy of the valid government-issued ID of the person signing the Certification in item 3.3.2 showing photo and personal details; and
- 4.3.6. Scanned copy of the Proxy's valid government-issued ID showing photo and personal details.
- 4.3.7. If the Corporate Stockholder is under a broker account, the requirements in 4.2.3 and 4.2.4 must also be complied with.

LSC reserves the right to request additional information and original signed copies of the documents forming part of the Registration Requirements at a later time (Please note that LSC will request for consent to process personal information pursuant to the Data Privacy Act.)

- 5. Stockholders who will not send an e-mail with the foregoing required information will not be registered and consequently will not be able to vote electronically or in absentia.
- 6. Once validated, the Stockholder will receive an email containing the following:
 - 6.1. Confirmation and acceptance of their registration;
 - 6.2. Ballots attached as a pdf file; and
 - 6.3. The username and password required to access the Zoom Platform for the ASM.

VOTING

- 7. Stockholders or proxy holders with successful and validated registration ("Registered Stockholder") may cast their votes on all agenda items indicated in the Notice of the Meeting.
- 8. The Registered Stockholders may vote as follows in their ballots:
 - 8.1. For all items on the ballot, except for the Election of Directors, the Registered Stockholder is provided with the option to cast their vote as follows: "For," "Against," or "Abstain." To cast their vote, the Registered Stockholder must mark the appropriate box on the Ballot that corresponds to their chosen option. The Registered Stockholder's vote applies to all of their shares.
 - 8.2. For the Election of Directors, the Registered Stockholder entitled to vote: (i) may vote such number of shares owned for as many persons as there are Directors to be elected; or (ii) may cumulate said shares and give one candidate as many votes as the number of Directors to be elected multiplied by the number of their shares; or (iii) may distribute them on the same principle among as many candidates as may be seen fit. To cast their vote, the Registered Stockholder must indicate the number of shares they are voting for the specific nominee.
- 9. The Registered Stockholder must submit their completed ballots by sending them via email to the Corporate Secretary at zpcorp@zplaw.com.ph on the day of the ASM.

10. The Company's stock transfer agent and Office of the Corporate Secretary will tabulate all votes received and will validate the results.
11. Except for the election of directors, all the items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock present at the meeting. For the Election of Directors, the top seven (7) nominees with the most number of votes are elected.
12. For any questions or inquiries, including request for assistance in the registration process, please contact our Office of the Corporate Secretary through zpcorp@zplaw.com.ph

PROXY GUIDELINES

1. Identification

Stockholders opting to attend through proxy shall fill up the proxy form uploaded in the website <https://www.lorenzoshopping.com/en/index.php/investor-relations> or as duly sent by zpcorp@zplaw.com.ph upon the Stockholders' proper registration. Proxy forms must be duly signed, dated and sent by the Stockholder on or before, **14 July 2025 at 05:00 p.m.** to zpcorp@zplaw.com.ph or delivered at the 5th Floor, Montepino Building, 138 Amorsolo St., Corner Gamboa, Legazpi Village, Makati City.

2. Submission of the Proxy

- 12.1. The proxy form must be completed, signed and dated by the shareholder or his duly authorized representative.
- 12.2. If the shares of stock are owned by two or more joint owners, the proxy form must be signed by all of the joint owners.
- 12.3. If the shares of stock are owned in an "and/or" capacity, the proxy form must be signed by either one of the owners.
- 12.4. If the shares of stock are owned by a corporation, association, or partnership, the proxy form must be accompanied by a certification, signed by a duly authorized officer, partner or representative of such corporation, association, or partnership, to the effect that the person signing the proxy form has been authorized by the governing body or has the power pursuant to its Bylaws, constitutive documents or duly approved policies of such corporation, association, or partnership, for such purpose.
- 12.5. A proxy form given by a broker or dealer in respect of shares of stock carried by such broker or dealer for the account of a customer must be supported by a sworn certification that the same is given with the express prior authorization of such customer.
- 12.6. If any customer of a broker or dealer who is the beneficial owner of shares of stock executes a sub-proxy, the broker or dealer shall certify that the signature on the sub-proxy is the true and genuine signature of its customer.

3. Revocation of Proxy

An owner of shares of stock who has given a proxy has the power to revoke it by a written instrument duly signed and dated, which must be received at the Company's principal office not later than 3 days prior to the meeting. A proxy is also considered

revoked if an individual stockholder attends the meeting in person and expresses his intention to vote in person.

4. Validation of Proxies

Proxy validation will be held at the 5th Floor, Montepino Building, 138 Amorsolo St., Corner Gamboa, Legazpi Village, Makati City, on **16 July 2025 at 10:00 a.m.** Validation of proxies will be done by the Office of the Corporate Secretary, in accordance with the procedure and B.D.O. as the stock transfer agent, pursuant to guidelines set out in the Company's Bylaws and Rule 20.11.2 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code.

LORENZO SHIPPING CORPORATION

PROXY FORM

The undersigned (the "Principal") hereby constitutes and appoints _____ [Name of Proxy] or in his absence, the Chairman of the meeting, as his/her attorney-in-fact and proxy (the "Proxy"), so that the Proxy or any other person empowered by the Proxy, shall have, without need of further authorization from the Principal, full power and authority to represent and vote all of the shares of stock of the Principal in LORENZO SHIPPING CORPORATION (the "Corporation") or _____ shares at the annual stockholders' meetings of the Corporation on 28 August 2025, or any adjournment thereof, on the following matters, as fully and to all intents and purposes as such Principal might do if present and acting in person.

	AGENDA ITEM	APPROVE	DISAPPROVE	ABSTAIN
1	APPROVAL OF MINUTES OF THE PREVIOUS STOCKHOLDERS' MEETING			
2	APPROVAL OF THE PRESIDENT'S REPORT			
3	APPROVAL OF THE FINANCIAL REPORT			
4	RATIFICATION AND CONFIRMATION OF ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS SINCE THE LAST ANNUAL STOCKHOLDERS' MEETING			
5	APPOINTMENT OF EXTERNAL AUDITOR			
6	INCREASE IN AUTHORIZED CAPITAL STOCK AND AMENDMENT OF ARTICLES OF INCORPORATION			
7	ELECTION OF DIRECTORS	NUMBER OF VOTES		
1	Doris Teresa Magsaysay-Ho			
2	Antony Louis Marden			
3	Reynold John B. Madamba			
4	Michael L. Escaler			
5	Deogracias N. Vistan – Independent Director			
6	Rene J. Buenaventura – Independent Director			
7	Virgilio L. Peña – Independent Director			

Voting Instructions: Please refer to Item 19 of the Information Statement on the manner of voting. For proposals 1 to 5 above, kindly place a check mark (/) on the space provided whether you approve, disapprove, or abstain from voting. For proposal 6, each holder of

common stock is entitled to seven (7) votes per share. **If you are giving directed/non-discretionary proxy**, write the number of votes to confer upon each nominee on the blank space provided. If you wish to withhold the authority to vote for any nominee, kindly strike out the name of the nominee. **In the absence of any instruction for proposals 1 to 5, your votes will be cast in favor of the proposals.**

If you wish to grant full discretion to your proxy, please tick the box below.

FULL DISCRETION

☐

Signature of Stockholder over Printed Name: _____

Number of shares held: _____

Date: _____

Witness: _____