

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended
Mar 31, 2025
2. SEC Identification Number
AS95003836
3. BIR Tax Identification No.
004-780-008-000
4. Exact name of issuer as specified in its charter
Upson International Corp.
5. Province, country or other jurisdiction of incorporation or organization
Metro Manila, Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
Unit 2308, 23/F Capital House Tower 1, 9th Avenue corner 34th Street, Bonifacio Global City,
Taguig City
Postal Code
1635
8. Issuer's telephone number, including area code
+632 8526 7152
9. Former name or former address, and former fiscal year, if changed since last report
-
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	3,125,001,300

11. Are any or all of registrant's securities listed on a Stock Exchange?
☒ Yes ☐ No
 If yes, state the name of such stock exchange and the classes of securities listed therein:
 Philippine Stock Exchange, Inc. / Common Shares

12. Indicate by check mark whether the registrant:

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

☒ Yes ☐ No

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

☒ Yes ☐ No

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

Upson International Corp.
UPSON

PSE Disclosure Form 17-2 - Quarterly Report
References: SRC Rule 17 and
Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Mar 31, 2025
Currency (indicate units, if applicable)	PhP

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Mar 31, 2025	Dec 31, 2024
Current Assets	6,076,334,128	5,862,284,849
Total Assets	7,738,310,624	7,282,637,656
Current Liabilities	4,378,810,314	4,028,890,309
Total Liabilities	4,501,343,108	4,175,174,709
Retained Earnings/(Deficit)	1,298,780,556	1,171,188,419
Stockholders' Equity	3,236,967,516	3,107,462,947
Stockholders' Equity - Parent	3,221,599,968	3,094,007,831
Book Value per Share	1.04	0.99

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	3,113,063,346	2,602,895,498	3,113,063,346	11,435,255,269
Gross Expense	2,991,032,170	2,499,841,568	2,991,032,170	10,987,430,253
Non-Operating Income	84,523,799	76,171,045	84,523,799	341,307,910
Non-Operating Expense	46,920,176	38,352,140	46,920,176	152,538,293
Income/(Loss) Before Tax	159,634,799	140,872,835	159,634,799	636,594,633
Income Tax Expense	30,130,230	28,477,863	30,130,230	154,962,749
Net Income/(Loss) After Tax	129,504,569	112,394,972	129,504,569	481,631,884
Net Income Attributable to Parent Equity Holder	127,592,137	112,394,972	127,592,137	480,176,768
Earnings/(Loss) Per Share (Basic)	0.04	0.04	0.04	0.15

Earnings/(Loss) Per Share (Diluted)	0.04	0.04	0.04	0.15
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	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.04	0.04
Earnings/(Loss) Per Share (Diluted)	0.04	0.04

Other Relevant Information
Please note that as of March 31, 2024, the Company has no subsidiaries yet. Hence, the numbers under Previous Year (3 Months) refer to the Parent Company only.

Filed on behalf by:	
Name	Darwin Mendoza
Designation	Compliance Officer

Upson International Corp. and Subsidiaries

(Doing Business Under the Name and Style of Octagon Computer Superstore; Microvalley Computer Superstore; Gadget World; Octagon Mobile; Uniso; Gadget King and Lamp Light)

Interim Consolidated Financial Statements

As at March 31, 2025 (Unaudited) and December 31, 2024 (Audited)

and for the Consolidated Three Months Ended March 31, 2025 (Unaudited) and for the Parent Three Months Ended March 31, 2024 (Unaudited) and for the Year Ended December 31, 2024 (Audited)

COVER SHEET

SEC Registration Number

A S 9 5 0 0 3 8 3 6

COMPANY NAME

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

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Form Type

1 7 - Q

Department requiring the report

C R M D

Secondary License Type, If Applicable

N / A

COMPANY INFORMATION

Company's Email Address

d_uy@octagon.com.ph

Company's Telephone Number/s

(02) 8526-7152

Mobile Number

0920 960 9377

No. of Stockholders

10

Annual Meeting (Month / Day)

May 25

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Ms. Anita Lim

Email Address

a_lim@octagon.com.ph

Telephone
Number/s

(02) 8526-7152

Mobile Number

—

CONTACT PERSON'S ADDRESS

Unit 2308, 23/F Capital House Tower 1, 9th Avenue corner 34th Street, Bonifacio Global City, Taguig City

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

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **March 31, 2025**

2. Commission identification number **AS95003836**

3. BIR Tax Identification No **004-780-008-000**

4. Exact name of issuer as specified in its charter

UPSON INTERNATIONAL CORP.

(Doing Business under the Name and Style of Octagon Computer Superstore; Microvalley Computer Superstore; Gadget World; Octagon Mobile; Uniso; Gadget King and Lamp Light)

5. Province, country or other jurisdiction of incorporation or organization **Manila City, Philippines**

6. Industry Classification Code: (SEC Use Only)

7. **Unit 2308, 23/F Capital House Tower 1, 9th Avenue corner 34th Street, Bonifacio Global City, Taguig City**

Address of issuer's principal office

Postal Code **1635**

8. Issuer's telephone number, including area code: **(02) 85267152**

9. **Not Applicable**

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

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

Title of each Class

Number of shares of common
stock outstanding and amount
of debt outstanding

Common

3,125,001,300

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

Yes ☒ No ☐

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange (PSE)

Common Shares

12. Indicate by check mark whether the registrant:

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

Yes ☒ No ☐ **Report: 17-Q**

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

Yes ☒ No ☐

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PART I – FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

The condensed interim consolidated financial statements as at March 31, 2025 (Unaudited) and December 31, 2024 (Audited) and for the consolidated three months ended March 31, 2025 and the Parent for the three months ended March 31, 2024 (Unaudited) and for the year ended December 31, 2024 (Consolidated-Audited) and the related notes to condensed interim consolidated financial statements of Upson International Corp. (referred to as “UIC” or the “Parent Company”) and its subsidiaries, (collectively referred to as the “Group”) are filed as part of this Form 17-Q on pages 2 to 21.

For the purposes of segment reporting, the Group has no other reportable segment other than the trading business.

There are no other material events subsequent to the end of this interim period that have not been reflected in the condensed unaudited interim consolidated financial statements filed as part of this report.

UPSON INTERNATIONAL CORP.

(Doing Business Under the Name and Style of Octagon Computer Superstore; Microvalley Computer Superstore; Gadget World; Octagon Mobile: Uniso: Gadgetking and Lamp Light)

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<i>Note</i>	Unaudited March 31, 2025	Audited December 31, 2024
ASSETS			
Current Assets			
Cash and cash equivalents	4	P 955,702,607	P 889,350,473
Trade and other receivables	5	245,518,044	323,636,707
Inventories	6	4,578,098,851	4,478,855,523
Other current assets	7	297,014,626	170,442,146
Total Current Assets		6,076,334,128	5,862,284,849
Noncurrent Assets			
Property and equipment	8	1,267,737,331	909,145,428
Right-of-use assets	16	336,692,026	415,453,570
Noncurrent portion of refundable lease deposits	7	37,089,516	77,828,402
Net deferred tax assets	17	20,457,623	17,925,407
Total Noncurrent Assets		1,661,976,496	1,420,352,807
TOTAL ASSETS	P	7,738,310,624	P 7,282,637,656
LIABILITIES AND EQUITY			
Current Liabilities			
Bank loans and trust receipt payables	10	P 2,822,513,688	P 2,502,957,649
Trade and other payables	9	1,239,924,288	1,187,613,676
Current portion of lease liabilities	16	256,633,361	301,608,037
Income tax payable		59,738,977	36,710,947
Total Current Liabilities		4,378,810,314	4,028,890,309
Noncurrent Liabilities			
Lease liabilities - net of current portion	16	72,227,888	97,662,654
Retirement liability		50,304,906	48,621,746
Total Noncurrent Liabilities		122,532,794	146,284,400
Total Liabilities		4,501,343,108	4,175,174,709
Equity			
Capital stock		625,000,260	625,000,260
Additional paid-in capital		1,305,308,048	1,305,308,048
Retained Earnings		1,298,780,556	1,171,188,419
Accumulated remeasurement losses on retirement liability		(7,488,896)	(7,488,896)
Equity attributable to equity holders of the Parent Company		3,221,599,968	3,094,007,831
Non-controlling interest		15,367,548	13,455,116
Total Equity		3,236,967,516	3,107,462,947
TOTAL LIABILITIES AND EQUITY	P	7,738,310,624	P 7,282,637,656

See Notes to Condensed Interim Consolidated Financial Statements

*The Consolidated financial statements were prepared effective May 24, 2024, the date of incorporation of subsidiaries.

UPSON INTERNATIONAL CORP.

(Doing Business Under the Name and Style of Octagon Computer Superstore; Microvalley Computer Superstore
Gadget World; Octagon Mobile: Uniso: Gadgetking and Lamp Light)

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Unaudited		Audited	
		Consolidated	Parent	Consolidated	
	Note	March 31, 2025	March 31, 2024	December 31, 2024	
SALES		P 3,113,063,346	P 2,602,895,498	P 11,435,255,269	
COST OF SALES	6	2,444,374,984	2,051,680,152	9,062,980,868	
GROSS PROFIT		668,688,362	551,215,346	2,372,274,401	
OPERATING EXPENSES	12	(546,657,186)	(448,161,416)	(1,924,449,385)	
FINANCE COST	10	(46,920,176)	(38,352,140)	(152,538,293)	
OTHER INCOME	13	84,523,799	76,171,045	341,307,910	
INCOME BEFORE INCOME TAX		159,634,799	140,872,835	636,594,633	
PROVISION FOR INCOME TAX					
Current		32,662,446	30,306,628	153,602,522	
Deferred		(2,532,216)	(1,828,765)	1,360,227	
		30,130,230	28,477,863	154,962,749	
NET INCOME		129,504,569	112,394,972	481,631,884	
OTHER COMPREHENSIVE INCOME					
Not to be reclassified to profit or loss in subsequent periods					
Remeasurement loss on retirement liability					
net of deferred income tax	15	-	-	(674,191)	
TOTAL COMPREHENSIVE INCOME		P 129,504,569	P 112,394,972	P 480,957,693	
Net income Attributable to:					
Equity holders of the Parent Company		P 127,592,137	P 112,394,972	P 480,176,768	
Non-controlling interests		1,912,432	-	1,455,116	
		P 129,504,569	P 112,394,972	P 481,631,884	
Net comprehensive income Attributable to:					
Equity holders of the Parent Company		P 127,592,137	P 112,394,972	P 479,502,577	
Non-controlling interests		1,912,432	-	1,455,116	
		P 129,504,569	P 112,394,972	P 480,957,693	
Basic diluted earning per share		P 0.04	P 0.04	P 0.15	

See Notes to Condensed Interim Consolidated Financial Statements

* The Consolidated financial statements were prepared effective May 24, 2024, the date of incorporation of subsidiaries

UPSON INTERNATIONAL CORP.

(Doing Business Under the Name and Style of Octagon Computer Superstore; Microvalley Computer Superstore
Gadget World; Octagon Mobile: Uniso: Gadgetking and Lamp Light)

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

			Unaudited			Audited
			Consolidated		Parent	Consolidated
	Note		March 31, 2025		March 31, 2024	December 31, 2024
CAPITAL STOCK	11	P	625,000,260	P	625,000,260	P 625,000,260
ADDITIONAL PAID-IN CAPITAL	11		1,305,308,048		1,305,308,048	1,305,308,048
RETAINED EARNINGS	11					
UNAPPROPRIATED						
Balance at beginning of period			1,171,188,419		800,511,729	800,511,729
Net income			127,592,137		112,394,972	480,176,768
Reversal of appropriation			-		78,000,000	78,000,000
Cash dividends - ₱0.04 per share in 2023			-		(187,500,078)	(187,500,078)
Balance at end of period			1,298,780,556		803,406,623	1,171,188,419
ACCUMULATED REMEASUREMENT						
LOSSES ON RETIREMENT LIABILITY	15					
Balance at beginning of period			(7,488,896)		(6,814,705)	(6,814,705)
Remeasurement gain (loss)			-		-	(674,191)
Balance at end of period			(7,488,896)		(6,814,705)	(7,488,896)
EQUITY ATTRIBUTABLE TO EQUITY						
HOLDERS OF THE PARENT COMPANY			3,221,599,968		2,726,900,226	3,094,007,831
NON-CONTROLLING INTERESTS	11					
Balance at beginning of period			13,455,116		-	-
Additions			-		-	12,000,000
Net income			1,912,432		-	1,455,116
Balance at end of year			15,367,548		-	13,455,116
		P	3,236,967,516	P	2,726,900,226	P 3,107,462,947

See Notes to Condensed Interim Consolidated Financial Statements

* The Consolidated financial statements were prepared effective May 24, 2024, the date of incorporation

UPSON INTERNATIONAL CORP.

(Doing Business Under the Name and Style of Octagon Computer Superstore; Microvalley Computer Superstore Gadget World; Octagon Mobile: Uniso: Gadgetking and Lamp Light)

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

		Unaudited		Audited	
		Consolidate		Parent	Consolidated
	Not	March 31,		March 31, 2024	December 31,
	e	2025			2024
CASH FLOWS FROM OPERATING ACTIVITIES					
Income before income tax	P	159,634,799	P	140,872,835	P 636,594,633
Adjustments for: Depreciation and amortization	8	121,623,216		99,883,330	408,059,413
Finance costs	10	46,920,176		38,352,140	152,538,293
Interest income	4	(1,668,470)		(8,763,836)	(27,085,544)
Retirement expense	15	1,683,160		1,462,958	5,851,832
Provision for inventory obsolescence	12	-		-	7,645,875
Gain on lease modification	16	(376,034)		-	(70,171)
Operating income before working capital changes		327,816,847		271,807,427	1,183,534,331
Decrease (Increase) in: Trade and other receivables		69,111,761		8,668,591	(149,762,918)
Inventories		(99,243,328)		69,415,581	(1,135,675,714)
Other current assets		(85,833,594)		(22,876,344)	(28,316,584)
Increase (decrease) in trade and other payables		50,347,370		(385,062,967)	(133,162,984)
Net cash generated from operations		262,199,056		(58,047,712)	(263,383,869)
Income tax paid		(9,634,416)		(7,628,387)	(134,067,564)
Interest received		10,675,372		6,617,169	34,269,459
Net cash provided by (used in) operating activities		263,240,012		(59,058,930)	(363,181,974)
CASH FLOW FROM AN INVESTING ACTIVITIES					
Additions to property and equipment	8	(377,578,786)		(51,581,172)	(194,533,011)
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from: Bank loans and trust receipts availments	10	908,924,402		619,406,043	2,883,052,863
Additions to non-controlling interests	11	-		-	12,000,000
Payments of: Bank loans and trust receipts	10	(589,368,363)		(462,208,874)	(2,147,709,079)
Lease liabilities	16	(90,958,410)		(78,413,796)	(339,065,432)
Dividends	21	-		(187,500,078)	(187,500,078)
Interest	21	(47,906,721)		(30,272,912)	(134,586,318)
Net cash provided by (used in) financing activities		180,690,908		(138,989,617)	86,191,956
NET INCREASE (DECREASE) IN CASH AND CASH					
EQUIVALENTS		66,352,134		(249,629,719)	(471,523,029)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		889,350,473		1,360,873,502	1,360,873,502
CASH AND CASH EQUIVALENTS AT END					
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P	955,702,607	P	1,111,243,783	P 889,350,473
NON-CASH FINANCIAL INFORMATION					
Additions and modifications to ROU assets	16	P 14,832,301	P	(258,803,190)	P (434,237,135)
Additions and modifications to lease liabilities	16	14,456,268		258,803,190	434,081,464
Capitalized borrowing costs	8	-		-	9,042,488

See Notes to Condensed Interim Consolidated Financial Statements

* The Consolidated financial statements were prepared effective may 24, 2024, the date of incorporation of subsidiaries.

UPSON INTERNATIONAL CORP.

(Doing Business Under the Name and Style of Octagon Computer Superstore; Microvalley Computer Superstore; Gadget World; Octagon Mobile; Uniso; Gadget King and Lamp Light)

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Upson International Corp. (Doing Business Under the Name and Style of Octagon Computer Superstore; Microvalley Computer Superstore; Gadget World; Octagon Mobile; Uniso; Gadget King and Lamp Light) (herein referred to as UIC or the “Parent Company”) and its subsidiaries, collectively referred to as the “Group”, were incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on the following dates:

	Date of Incorporation
Parent Company	April 19, 1995
Subsidiaries -	
iStudio Technologies Philippines Corporation (iStudio)	May 24, 2024
Upson Global Inc. (UGI)	July 10, 2024

The Parent Company and iStudio are primarily engaged in the business of buying, selling, distributing, marketing, at wholesale and retail all kinds of goods, commodities, wares and merchandise such as but not limited to computer hardware equipment, telecommunications and other similar products.

UGI is primarily engaged in the business of buying, selling, distributing, franchising, marketing, at wholesale and retail kinds of goods, commodities, wares and merchandise such as but not limited to water filtration and purification devices and systems, household, commercial, and industrial appliances and equipment, telecommunications other similar products.

In May 2024, the Parent Company incorporated iStudio with 52% ownership interest amounting to ₱26.0 million. In July 2024, the Parent Company incorporated UGI with 90% ownership interest amounting to ₱90.0 million (see Note 3).

The Parent Company’s registered office address is Unit 2308, 23/F Capital House Tower 1, 9th Avenue corner 34th Street, Bonifacio Global City, Taguig City.

Initial Public Offering (IPO)

On February 2, 2022, the BOD approved the amendments to the Parent Company’s Articles of Incorporation which included a five-to-one share split whereby one share at ₱1.00 par value a share will be converted to five shares at ₱0.20 par value a share. The SEC approved the share split on April 12, 2022.

The change in capital stock was pursuant to the public offering of the Parent Company’s shares with the Philippine Stock Exchange (PSE). On January 27, 2023, the PSE approved the Parent Company’s application for IPO. Subsequently, on March 20, 2023, the SEC issued the Certificate of Permit to Offer Securities for Sale for the initial listing of the Parent Company’s shares consisting of 625,001,000 primary common shares with an over-allotment option of 62,500,000 secondary common shares at an offer price of ₱2.40 a share. On April 3, 2023, the Parent Company’s shares of stock were listed under the Main Board of the PSE.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

The unaudited condensed interim consolidated financial statements of the Group have been prepared on the historical cost basis of accounting, except for lease liabilities and retirement liability which are measured at present value, and are presented in Philippine Peso, the Group's functional and presentation currency. All values represent absolute amounts except when otherwise stated.

The unaudited condensed interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2024.

The unaudited condensed interim consolidated financial statements of the Group for the Three months ended March 31, 2025 have been prepared in accordance with PAS 34, *Interim Financial Reporting* and in compliance with Philippine Financial Reporting Standards (PFRS). This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretation from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council (formerly Financial Reporting Standards Council) and adopted by the SEC, including SEC pronouncements.

Adoption of Amendments to PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRS effective for annual periods beginning and after January 1, 2024:

- Amendments to PFRS 16, Leases - Lease Liability in a Sale and Leaseback - The amendments clarify that the liability that arises from a sale and leaseback transaction, that satisfies the requirements in PFRS 15, Revenue from Contracts with Customers, to be accounted for as a sale, is a lease liability to which PFRS 16 applies and give rise to a right-of-use asset. For the subsequent measurement, the seller-lessee shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying this subsequent measurement does not prevent the seller-lessee from recognizing any gain or loss relating to the partial or full termination of a lease. Any gain or loss relating to the partial or full termination of the lease does not relate to the right of use retained but to the right of use terminated. The amendments must be applied retrospectively. Earlier application is permitted.
- Amendments to PAS 1, Noncurrent Liabilities with Covenants - The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Company shall also apply Amendments to PAS 1 - Classification of Liabilities as Current or Noncurrent for that period.
- Amendments to PAS 7, Statement of Cash Flows and PFRS 7, Financial Instrument: Disclosures - Supplier Finance Arrangements - The amendments introduced new disclosure requirements to enable users of the financial statements assess the effects of supplier finance arrangements on the liabilities, cash flows and exposure to liquidity risk. The amendments also provide transitional relief on certain aspects, particularly on the disclosures of comparative information. Earlier application is permitted.

The adoption of the amended PFRS did not materially affect the condensed interim consolidated financial statements of the Company. Additional disclosures were included in the condensed interim consolidated financial statements, as applicable.

New and Amendments to PFRS in Issue But Not Yet Effective or Adopted

Relevant new amendments to PFRS, which are effective as at March 31, 2025 have been applied in preparing the condensed interim consolidated financial statements, are summarized below.

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

- Amendments to PAS 21, The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability - The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

Deferred effectivity -

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

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

3. Acquisition of Subsidiaries

On May 24, 2024, the Parent Company incorporated iStudio with 52% ownership interest or 26.0 million common shares with a par value of ₱1.00 per common share amounting to ₱26.0 million. On July 10, 2024, the Parent Company incorporated UGI with 90% ownership interest or 90.0 million common shares with a par value of ₱1.00 per common share amounting to ₱90.0 million.

4. Cash and Cash Equivalents

This account consists of:

	March 31, 2025	December 31, 2024
	(Unaudited)	(Audited)
Cash on hand	₱2,518,931	₱2,611,864
Cash in banks	651,732,171	585,287,104
Cash equivalents	301,451,505	301,451,505
	₱955,702,607	₱889,350,473

Cash in banks earn interest at prevailing bank deposit rates. Cash equivalents pertain to time deposit with maturity term of three months and earns interest at 5.25% to 6.00% per annum.

5. Trade and Other Receivables

This account consists of:

		March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade		₱206,755,903	₱284,735,673
Advances to:			
Stockholder	14	31,791,848	31,791,848
Officers and employees		4,265,417	2,001,418
Suppliers		2,453,696	3,033,601
Accrued interest receivable	4	251,180	2,074,167
		₱245,518,044	₱323,636,707

Trade receivables are noninterest-bearing and are generally settled within three (3) to 30 days after the reporting period. No ECL was recognized for trade receivables for the three months ended March 31, 2025 and for the year ended December 31, 2024.

Advances to suppliers pertain to advance payments for purchases of inventory and are immediately applied against billings for inventory delivered.

Advances to officers and employees pertain to noninterest-bearing advances subject to liquidation and are generally liquidated in the subsequent period.

6. Inventories

This account consists of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
At cost:		
Computers and peripherals	₱2,748,236,616	₱2,742,915,960
Accessories	739,526,407	727,139,593
Mobile phones	817,166,436	633,575,525
Printers and scanners	248,172,657	340,011,731
Consumables	80,134,659	94,627,582
Water filtration and purification device	4,276,944	-
	4,637,513,719	4,538,270,391
Less allowance for inventory obsolescence	(59,414,868)	(59,414,868)
At net realizable value	₱4,578,098,851	₱4,478,855,523

Movements in the allowance for inventory obsolescence are as follows:

		March 31, 2024 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of period		₱59,414,868	₱51,768,993
Provision for (reversal of) inventory obsolescence	12	-	7,645,875
Balance at end of period		₱59,414,868	₱59,414,868

The Group's inventories are stated at NRV as at March 31, 2025 and December 31, 2024. Based on management assessment, the allowance for inventory obsolescence is adequate to cover for possible losses.

Under the terms of agreements, merchandise inventories amounting to ₱558.9 million and ₱2,583.1 million as at March 31, 2025 and December 31, 2024, respectively, were covered by trust receipts issued by local banks (see Note 10).

Cost of inventories sold during the year follows:

	Three Months Ended March 31		Year Ended
	2025	2024	December 31
	(Unaudited)	(Unaudited)	(Audited)
Inventories at beginning of period	₱4,538,270,391	₱3,402,594,677	₱3,402,594,677
Purchases	2,543,618,312	1,982,264,571	10,198,656,582
Cost of goods available for sale	7,081,888,703	5,384,859,248	13,601,251,259
Less inventories at end of period	(4,637,513,719)	(3,333,179,096)	(4,538,270,391)
	₱2,444,374,984	₱2,051,680,152	₱9,062,980,868

7. Other Current Assets

This account includes:

		March 31, 2025	December 31, 2024
	<i>Note</i>	(Unaudited)	(Audited)
Refundable lease deposits	<i>16</i>	₱249,561,350	₱243,801,968
Prepayments		48,220,318	4,468,580
Input VAT		36,322,474	-
		334,104,142	248,270,548
Less non-current portion of refundable lease deposits		37,089,516	77,828,402
		₱297,014,626	₱170,442,146

Prepayments pertain to advance payment of rent under short-term leases and business permits.

8. Property and Equipment

Movements of this account are presented below:

	March 31, 2025 (Unaudited)							Total
	Leasehold Improvements	Land	Building	Store Furniture and Fixtures	Transportation Equipment	Furniture and Fixtures	CIP	
Cost								
Balance at beginning of year	687,123,753	201,025,000	208,474,487	187,850,225	151,661,594	113,556,988	238,881,541	1,788,573,588
Additions	9,361,997	303,142,857	49,107,143	3,562,154	-	3,742,212	17,704,911	386,621,274
Reclassifications	8,871,429					107,345	(8,978,774)	-
Balance at end of year	705,357,179	504,167,857	257,581,630	191,412,379	151,661,594	117,406,545	247,607,678	2,175,194,862
Accumulated Depreciation and Amortization								
Balance at beginning of year	511,423,068	-	32,542,233	109,912,605	126,910,308	98,639,946	-	879,428,160
Depreciation and amortization	18,327,214		2,494,420	3,388,330	1,911,910	1,907,497		28,029,371
Balance at end of year	529,750,282	-	35,036,653	113,300,935	128,822,218	100,547,443	-	907,457,531
Carrying Amount	175,606,897	504,167,857	222,544,977	78,111,444	22,839,376	16,859,102	247,607,678	1,267,737,331

	December 31, 2024 (Audited)							Total
	Leasehold Improvements	Land	Building	Store Furniture and Fixtures	Transportation Equipment	Furniture and fixtures	CIP	
Cost								
Balance at beginning of year	609,482,926	201,025,000	208,474,487	143,360,783	133,324,094	110,010,869	179,319,930	1,584,998,089
Additions	11,251,587	-	-	44,489,442	18,337,500	3,546,119	125,950,851	203,575,499
Reclassification	66,389,240	-	-	-	-	-	(66,389,240)	-
Disposal	-	-	-	-	-	-	-	-
Balance at end of year	687,123,753	201,025,000	208,474,487	187,850,225	151,661,594	113,556,988	238,881,541	1,788,573,588
Accumulated Depreciation and Amortization								
Balance at beginning of year	448,924,870	-	24,281,885	89,095,323	112,642,606	90,634,481	-	765,579,165
Depreciation and amortization	62,498,198	-	8,260,348	20,817,282	14,267,702	8,005,465	-	113,848,995
Balance at end of year	511,423,068	-	32,542,233	109,912,605	126,910,308	98,639,946	-	879,428,160
Carrying Amount	175,700,685	201,025,000	175,932,254	77,937,620	24,751,286	14,917,042	238,881,541	909,145,428

Construction in progress represents the accumulated costs incurred in the construction of a warehouse and store branches which are expected to be completed in 2025. As at March 31, 2025, the estimated total cost to complete the warehouse and store branches amounted to ₱25.5 million. In 2024, borrowing costs amounting to ₱9.0 million were capitalized using the capitalization rate of 7.74% (see Note 10).

The Group's building with a carrying amount of ₱155.9 million and ₱157.7 million as at March 31, 2025 and December 31, 2024, respectively, was used as collateral for a related party's outstanding loan with a local bank (see Note 14).

Fully depreciated property and equipment still being used by the Group amounted to ₱329.1 million and ₱322.2 million as at March 31, 2025 and December 31, 2024, respectively.

Depreciation and amortization are recognized from:

		Three Months Ended March 31	Year Ended December 31
		2024	2024
	Note	(Unaudited)	(Audited)
ROU assets	16	₱93,593,845	₱294,210,418
Property and equipment		28,029,371	113,848,995
		₱121,623,216	₱408,059,413

Depreciation and amortization are charged to the following (see Note 12):

		Three Months Ended March 31	Year Ended December 31
		2025	2024
		(Unaudited)	(Audited)
Selling and marketing expenses		₱100,629,454	₱318,696,401
General and administrative expenses		20,993,762	89,363,012
		₱121,623,216	₱408,059,413

9. Trade and Other Payables

This account consists of:

		March 31, 2025	December 31, 2024
	Note	(Unaudited)	(Audited)
Trade		₱1,162,023,156	₱1,142,591,736
Statutory payables		55,513,959	25,567,738
Advances from a related party	14	-	26,299
Accrued expenses		12,195,829	8,164,973
Retention payables		8,033,831	5,678,831
Others		2,157,513	5,584,099
		₱1,239,924,288	₱1,187,613,676

Trade payables are noninterest-bearing, unsecured and payable in cash within 90 days.

Statutory payables include VAT payable, withholding taxes payable and payables to other government agencies which are normally settled in the following month.

Accrued expenses pertain to interests, contracted and other services, professional fees and utilities which are settled within the next reporting period.

Retention payables pertain to the amounts retained by the Group from payments to contractors for the construction contracts. These are deducted as a percentage of the amount certified as due to the

contractor and paid upon final acceptance of the constructed property.

Others pertain to refundable customer deposits and other non-trade payables.

10. Bank Loans and Trust Receipts Payable

Movements in this account are as follows:

	March 31, 2025 (Unaudited)		
	Bank Loans	Trust Receipts	Total
Balance at beginning of period	₱1,216,666,667	1,286,290,982	₱2,502,957,649
Availments	350,000,000	558,924,402	908,924,402
Payments	(200,000,000)	(389,368,363)	(589,368,363)
Balance at end of period	₱1,366,666,667	₱1,455,847,021	₱2,822,513,688

	December 31, 2024 (Audited)		
	Bank Loans	Trust Receipts	Total
Balance at beginning of year	₱916,666,667	₱850,947,198	₱1,767,613,865
Availments	300,000,000	2,583,052,863	2,883,052,863
Payments	-	(2,147,709,079)	(2,147,709,079)
Balance at end of year	₱1,216,666,667	₱1,286,290,982	₱2,502,957,649

As at March 31, 2025 and December 31, 2024, the bank loans and trust receipts have terms of three months to one year, subject to refinancing upon approval of the creditor bank. Interest rates on bank loans and trust receipts range from 5.63% to 8.00% in 2025 and in 2024.

Trust Receipts

Under the terms of agreements, merchandise inventories amounting to ₱558.9 million and ₱2,583.1 million as at March 31, 2025 and December 31, 2024, respectively, were covered by trust receipts issued by local banks (see Note 6).

Covenants

As at March 31, 2025, the Group's bank loans were not covered by any covenants.

Details of finance costs charged for operations are as follows:

	Note	Three Months Ended March 31		Year Ended
		2025 (Unaudited)	2024 (Unaudited)	December 31 2024 (Audited)
Interest on trust receipts		₱21,527,719	₱14,320,047	₱63,929,788
Interest on bank loans		19,299,757	16,843,281	68,590,006
Accretion of interest on lease liabilities	16	6,092,700	7,188,812	29,060,987
		46,920,176	38,352,140	161,580,781
Less capitalized borrowing cost		-	-	(9,042,488)
		₱46,920,176	₱38,352,140	₱152,538,293

In 2024, borrowing costs amounting to ₱9.0 million using a capitalization rate of 7.74% were capitalized (see Note 8). No finance costs were capitalized for the three months ended March 31, 2025 and 2024.

11. Equity

Capital Stock

Details of capital stock follow:

	March 31, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Shares	Amount	Shares	Amount
Authorized:				
Balance at beginning and end of period	6,250,000,000	₱1,250,000,000	6,250,000,000	₱1,250,000,000
Issued and outstanding:				
Balance at beginning of period	3,125,001,300	₱625,000,260	3,125,001,300	₱625,000,260
Subscription	-	-	-	-
Balance at end of period	3,125,001,300	₱625,000,260	3,125,001,300	₱625,000,260

IPO

On April 3, 2023, the Parent Company completed the IPO of its 625,001,000 common shares at an offer price of ₱2.40 a share (see Note 1). The net proceeds from the IPO amounting to ₱1,401.8 million, net of offer expenses of ₱98.2 million, were intended for the Parent Company's store network expansion and store improvement program. The unapplied proceeds as at March 31, 2025 amounted to ₱145.0 million and are maintained in the Parent Company's cash in bank and cash equivalents.

Additional paid-in capital, which represents the excess of the offer price over the par value of the shares issued, net of directly attributable stock issuance costs of ₱69.7 million, amounted to ₱1,305.3 million.

Details of the additional paid-in capital are as follows:

	Amount
Additional paid-in capital	₱1,375,002,200
Less stock issuance costs:	
Underwriting and selling fees	49,107,219
Professional fees	15,332,630
Others	5,254,303
	₱1,305,308,048

Retained Earnings

Dividend Declaration

Details of the cash dividends declared by the Group in 2024 and 2023 are as follows:

Date of BOD approval	Stockholders of record	Dividend per share	Amount
February 28, 2024	March 13, 2024	₱0.06	₱187,500,078
July 12, 2023	July 26, 2023	₱0.04	₱138,000,057

As of March 31, 2024, the cash dividends were completely distributed to the stockholders.

Non-controlling Interests

The Group's non-controlling interests represent ownership of non-controlling interests' stockholders of iStudio and UGI aggregating to ₱14.0 million and ₱13.5 as at March 31, 2025 and December 31, 2024, respectively.

Movements during the period are as follows:

	Amount
Additions during the period	₱12,000,000
Net loss attributable to non-controlling interests	1,912,432
	₱13,912,432

12. Operating Expenses

This account consists of:

	Three Months Ended March 31	Year Ended December 31
	2025	2024
	(Unaudited)	(Unaudited)
		2024
		(Audited)
Selling and marketing expenses	₱442,810,890	₱353,365,131
General and administrative expenses	103,846,296	94,796,285
	₱546,657,186	₱1,924,449,385

Selling and marketing expenses consist of:

		Three Months Ended March 31	Year Ended December 31
		2025	2024
		(Unaudited)	(Unaudited)
			2024
			(Audited)
Merchant discount		₱105,657,688	₱77,790,856
Depreciation and amortization	8	100,629,454	77,180,162
Personnel costs		93,870,304	74,856,251
Rent	16	55,177,718	50,532,779
Utilities		39,591,855	34,070,018
Contracted and other services		41,550,539	33,383,872
Freight and delivery		2,979,410	2,826,448
Advertising		2,053,360	1,603,573
Retirement expense	15	1,300,562	1,121,172
Provision for inventory obsolescence	6	–	–
		₱442,810,890	₱353,365,131
			₱1,557,868,348

General and administrative expenses consist of:

		Three Months Ended March 31	Year Ended December 31
		2025	2024
		(Unaudited)	(Unaudited)
			2024
			(Audited)
Personnel costs		₱27,614,641	₱22,819,672
Taxes and licenses		27,041,903	28,637,143
Depreciation and amortization	8	20,993,762	22,703,168
Repairs, warranties and maintenance		5,323,674	4,421,114
Transportation and travel		5,037,954	3,548,747
Professional fees		4,101,150	3,199,264
Stationery and supplies		3,447,245	3,871,053
Representation		788,020	1,131,539
Retirement expense	15	382,598	341,786
Others		9,115,349	4,122,799
		₱103,846,296	₱94,796,285
			₱366,581,037

Personnel costs consist of:

	Three Months Ended March 31		Year Ended December 31
	2025	2024	2024
	(Unaudited)	(Unaudited)	(Audited)
Salaries and wages	₱108,956,273	₱89,828,164	₱393,613,526
Employee benefits	12,528,672	7,847,759	53,439,656
	₱97,675,923	₱97,675,923	₱394,459,753

13. Other Income

This account consists of:

		Three Months Ended March 31		Year Ended December 31
		2025	2024	2024
	Note	(Unaudited)	(Unaudited)	(Audited)
Realized foreign exchange gain		₱6,969,292	₱7,205,362	₱8,828,916
Interest income	4	1,668,470	8,763,836	27,085,544
Gain on lease modification	16	376,034	—	70,171
Others		75,510,003	60,201,847	305,323,279
		₱84,523,799	₱76,171,045	₱341,307,910

Others mainly pertain to income from product advertising or promotional support from suppliers.

14. Related Party Transactions

The Group has transactions with related parties as follows:

Nature of Transaction		Transactions during the Period			Outstanding Balance
		January 1 to March 31, 2025 (Unaudited)	January 1 to December 31, 2024 (Audited)	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade and Other Receivables (see Note 5)					
	Advances for business development				
Stockholder		₱—	₱31,791,848	₱31,791,848	₱31,791,848
Trade and Other Payables					
Entity under common control	Purchase of property	₱306,250,000	₱	₱324,395,506	
Lease Arrangement (see Note 16)					
	ROU Asset amortization	(₱17,170,338)	(₱66,983,862)	₱50,087,819	₱67,547,562
Entity under common control	Lease liability payment	(17,726,999)	(71,317,521)	51,892,661	70,011,098

Terms and Conditions

Advances to a Stockholder

Advances to a stockholder are unsecured, noninterest-bearing advances for ordinary travel or business expenses which are subsequently liquidated.

Advances from a Related Party

Advances from a related party are unsecured, noninterest-bearing, due and demandable and are settled in cash.

The Group's building with a carrying amount of ₱155.9 million and ₱157.7 million as at March 31, 2025 and December 31, 2024, respectively, was used as collateral for a related party's outstanding loan with a local bank (see Note 8).

Compensation of Key Management Personnel

The remuneration of the key management personnel of the Group are set out below:

	Three Months Ended March 31	Year Ended December 31	
	2025	2024	2024
	(Unaudited)	(Unaudited)	(Audited)
Short-term employee benefits	₱1,713,465	₱1,713,465	₱6,853,860
Post-employment benefits	166,407	166,407	665,628
	₱1,879,872	₱1,879,872	₱7,519,488

15. Retirement Liability

The Group has an unfunded, non-contributory defined benefit plan covering substantially all qualified employees. The retirement liability is based on years of service and compensation based on the last year of employment as determined by an external actuary. The latest actuarial valuation was dated December 31, 2024.

There are no unusual or significant risks to which the retirement liability exposes the Group. However, in the event a benefit claim arises under the retirement liability, the benefit shall immediately be due and payable by the Group.

Retirement expense recognized in the statements of comprehensive income is as follows:

	Three Months Ended March 31	Year Ended December 31	
	2025	2024	2024
	(Unaudited)	(Unaudited)	(Audited)
Current service cost	₱941,678	₱813,958	₱3,255,830
Interest cost	741,482	649,000	2,596,002
	₱1,683,160	₱1,462,958	₱5,851,832

Retirement expense is charged to the following (see Note 12):

	Three Months Ended March 31	Year Ended December 31	
	2025	2024	2024
	(Unaudited)	(Unaudited)	(Audited)
Selling and marketing expenses	₱1,300,562	₱1,121,172	₱4,484,267
General and administrative expenses	382,598	341,786	1,367,565
	₱1,683,160	₱1,462,958	₱5,851,832

The components of retirement liability recognized in the statements of financial position are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of period	₱48,621,746	₱41,870,993
Current service cost	941,678	3,255,830
Interest cost	741,482	2,596,002
Remeasurement gain	–	898,921
Balance at end of period	₱50,304,906	₱48,621,746

The assumptions used to determine retirement liability are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Discount rate	6.10%	6.20%
Salary increase rate	3.00%	3.00%

The sensitivity analyses based on reasonably possible changes of the assumptions as at March 31, 2024 follow:

	Basis Points	Effect on Present Value of Retirement Liability
Discount rate	+100	(₱3,500,309)
	-100	10,635,182
Salary increase rate	+100	10,799,332
	-100	(3,745,548)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The Company does not maintain a fund for its retirement liability. While funding is not a requirement of the law, there is a risk that the Company may not have the cash if several employees retire within the same year.

The weighted average duration of the defined benefit plan at the end of the reporting period is 15 years.

Details of accumulated remeasurement loss on retirement liability recognized in equity are as follows:

	March 31, 2025 (Unaudited)		
	Cumulative Remeasurement Loss	Deferred Tax (see Note 17)	Cumulative Remeasurement Loss, Net of Tax
Balance at beginning and end of period	₱9,985,194	(₱2,496,298)	₱7,488,896

	December 31, 2024 (Audited)		
	Cumulative Remeasurement Loss	Deferred Tax (see Note 17)	Cumulative Remeasurement Loss, Net of Tax
Balance at beginning of year	₱9,086,273	(₱2,271,568)	₱6,814,705
Remeasurement gain	898,921	(224,730)	674,191
Balance at end of year	₱9,985,194	(₱2,496,298)	₱7,488,896

Retirement expense is charged to the following (see Note 12):

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The Group does not maintain a fund for its retirement liability. While funding is not a requirement of the law, there is a risk that the Group may not have the cash if several employees retire within the same year.

The weighted average duration of the defined benefit plan at the end of the reporting period is 15 years.

16. Lease Commitments

Short-term Lease

The Group leases certain office, store and advertisement spaces for a period of less than one (1) year at a fixed rental based on agreement with the lessors.

Rent expense on short-term leases is charged to the following (see Note 12):

	Three Months Ended March 31		Year Ended December 31
	2025 (Unaudited)	2024 (Unaudited)	2024 (Audited)
Selling and marketing expenses	₱55,177,718	₱50,532,779	₱200,452,585
General and administrative expenses	—	—	—
	₱55,177,718	₱50,532,779	₱200,452,585

Long-term Lease

The Group has non-cancellable lease agreements with a related party and third parties for its warehouse, office, parking lots and store spaces for more than 12 months for which ROU assets and corresponding lease liabilities are recognized.

ROU Assets

The balance of and movements in ROU assets are as follows:

		March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
	Note		
Cost			
Balance at beginning of period		₱1,684,558,558	₱1,250,321,423
Additions		15,833,479	436,096,715
Effect of lease modification		(1,001,178)	(1,859,580)
Balance at end of period		1,699,390,859	1,684,558,558
Accumulated amortization			
Balance at beginning of period		1,269,104,988	974,894,570
Amortization	8	93,593,845	294,210,418
Balance at end of period		1,362,698,833	1,269,104,988
Carrying Amount		₱336,692,026	₱415,453,570

Refundable Lease Deposits

Lease deposits, which are refundable at the end of the lease term if unutilized, aggregate ₱249.6 million and ₱243.8 million as at March 31, 2025 and December 31, 2024, respectively (see Note 7).

Lease Liabilities

The balance and movements in lease liabilities are as follows:

		March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
	Note		
Balance at beginning of period		₱399,270,691	₱275,193,672
Additions		15,833,479	436,011,215
Payments		(90,958,410)	(339,065,432)
Accretion	10	6,092,700	29,060,987
Effect of lease modification		(1,377,211)	(1,929,751)
Balance at end of period		328,861,249	399,270,691
Current portion		256,633,361	301,608,037
Noncurrent portion		₱72,227,888	₱97,662,654

Incremental borrowing rate ranging from 3.4% to 7.0% was applied to determine the discounted amount of lease liabilities in 2025 and 2024.

The future minimum lease payments and present value as at March 31, 2025 is as follows:

	Minimum Lease Payments	Present Value
Not later than one year	₱267,818,966	₱256,633,361
Later than one year but not more than five years	76,144,408	72,227,888
	₱343,963,374	₱328,861,249

17. Income Taxes

The provision for current income tax pertains to regular corporate income tax (RCIT) for the three months ended March 31, 2025 and for the year ended December 31, 2024.

The Group's net deferred tax assets in the statements of financial position consist of the following:

	Unaudited March 31, 2025		Audited December 31, 2024	
Deferred tax assets				
Retirement liability	P	10,079,928	P	9,659,138
Allowance for inventory obsolescence		14,853,717		14,853,717
Impact of PFRS 16 -UIC		(1,885,072)		(4,090,102)
Impact of PFRS 16 -UGI		(58,098)		35,506
		22,990,475		20,458,259
Deferred tax liability				
Capitalized borrowing costs		5,029,151		5,029,151
		17,961,324		15,429,108
Deferred tax assets - OCI				
Retirement liability		2,496,299		2,496,299
	P	20,457,623	P	17,925,407

18. Basic and Diluted Earnings per Share Computation

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

	Unaudited		Audited
	January 1 to March 31, 2025	January 1, to March 31, 2024	December 31, 2024
Net income	₱127,592,137	₱112,620,362	₱481,631,884
Divided by weighted average number of outstanding shares	3,125,001,300	3,125,001,300	3,125,001,300
	₱0.04	₱0.04	₱0.15

The Company has no dilutive potential shares for the three months ended March 31, 2025 and 2024, and for the year ended December 31, 2024.

19. Operating Segment Information

For management purposes, the Group is organized into operating segments based on brand names. However, due to the similarity in the economic characteristics, such segments have been aggregated into a single operating segment for external reporting purposes.

Sales reflected in the consolidated statements of comprehensive income are all from external customers and within the Philippines, which is the Group's domicile and primary place of operations. Additionally, the Group's noncurrent assets are also primarily acquired, located and used within the Philippines. Sales are attributable to revenue from the general public, which are generated through the Company's store outlets. Consequently, the Group has no concentrations of revenue from a single customer in 2025 and 2024.

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

The following discussion and analysis relate to the unaudited interim consolidated financial position and results of operations of the Group and should be read in conjunction with the accompanying unaudited interim consolidated financial statements and related notes. The Group cautions that its business and financial performance is subject to certain risks and uncertainties. In evaluating the Group’s business, investors should carefully consider all the information contained in “Risk Factors.”

2.1 OVERVIEW

Upson International Corp. (Doing Business Under the Name and Style of Octagon Computer Superstore; Microvalley Computer Superstore; Gadget World; Octagon Mobile; Uniso; Gadget King and Lamp Light) (herein referred to as UIC or the “Parent Company”) and its subsidiaries, collectively referred to as the “Group”, were incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on the following dates:

	Date of Incorporation
Parent Company	April 19, 1995
Subsidiaries -	
iStudio Technologies Philippines Corporation (iStudio)	May 24, 2024
Upson Global Inc. (UGI)	July 10, 2024

The Company is a premier retailer of information technology products, specializing in the wholesale and retail distribution of computer hardware, software, telecommunications equipment, and other electronic merchandise. Upson has established strategic partnerships with globally recognized brands, including Acer, Asus, Lenovo, Apple, HP, Dell, Brother, Epson, Sony, Samsung, and Sandisk, among others. Upson caters to a broad consumer spectrum, with target customers being home users, small-medium businesses, gamers, professionals, and students, among others. The Company currently offers our products through our prime stores, concept stores, mobile stores, and online through the Company’s website and well-known e-commerce platforms such as Lazada, Pick-a-roo, and Shopee, to broaden the sales channels, deepen customer engagement and to be able to cater to the growing customer base, as well as their evolving needs. The Company has been expanding store network and retail formats.

According to a study by the University of Asia and the Pacific – Center for Research and Communication Foundation, Inc. (“CRC”) (2022), our Company is the largest in terms of store network and sales amongst mall-based consumer electronics retailers. As of March 31, 2025, we have a total of 247 branches nationwide, of which 33 are stand-alone stores, while 214 are mall-based stores. Our regional network of stores is found in the National Capital Region (79), North Luzon (44), South Luzon (48), Visayas (29), North Mindanao (26), and South Mindanao (21).

Our stores are in highly visible locations, mostly in retail spaces inside shopping malls and high-traffic areas of information technology hubs and consumer electronics shops. We ensure that our stores have good ventilation and air conditioning, well-lit areas, neatly organized and optimized-positioned products, and well-trained staff. Our stores provide direct access to our network-wide merchandise mix and attentive services from our multi-skilled staff, which we believe creates the pleasant in-person shopping experience that consumers expect.

In addition to our physical store network, our Company also leases a total of Eight (8) warehouses. These are located in Manila (3), Cebu (1), Cagayan de Oro (1), Davao City (1), Iloilo (1), and Cabanatuan (1).

Octagon is our flagship brand among our prime stores. It offers our complete line and assortment of hardware and software products that span across nine major categories.

Microvalley on the other hand is a specialty store for do-it-yourself components and customization of personal computers as well as gaming-specific PCs and peripherals for the growing gaming market.

Gadget King is our Company's specialty store featuring IT accessories and peripherals.

Octagon Mobile is our specialty store focusing on communication and connectivity devices such as mobile phones, tablets, networking products, and mobile-related accessories.

In May 2024, Upson incorporated iStudio Technologies Philippines Corporation (iStudio) with 52% ownership interest amounting to ₱26.0 million. In July 2024, Upson incorporated Upson Global Inc. (UGI) with 90% ownership interest. Upson subscribed UGI's shares of 90.0 million shares at ₱1.0 par value or amounting to ₱90.0 million and paid amounting to ₱50.0 million.

iStudio is primarily engaged in the business of buying, selling, distributing, marketing, at wholesale and retail all kinds of goods, commodities, wares and merchandise such as but not limited to computer hardware equipment, telecommunications and other similar products. iStudio operates five (5) Apple stores under the iStudio Plus brand.

UGI is primarily engaged in the business of buying, selling, distributing, franchising, marketing, at wholesale and retail all kinds of goods, commodities, wares and merchandise such as but not limited to water filtration and purification devices and systems, household, commercial, and industrial appliances and equipment, telecommunications and other similar products.

The Parent Company's registered office address is Unit 2308, 23/F Capital House Tower 1, 9th Avenue corner 34th Street, Bonifacio Global City, Taguig City.

On January 27, 2023, the PSE approved the Parent Company's application for IPO. Subsequently, on March 20, 2023, the SEC issued the Certificate of Permit to Offer Securities for Sale for the initial listing of the Parent Company's shares consisting of 625,001,000 primary common shares with an over-allotment option of 62,500,000 secondary common shares at an offer price of ₱2.40 a share. On April 3, 2023, the Parent Company's shares of stock were listed under the Main Board of the PSE.

2.2 RESULT OF OPERATION

Unaudited Interim Consolidated Statements of Comprehensive Income

	For the three months ended March 31		
	Consolidated	Parent	% Change
	2025	2024	
Sales	₱ 3,113,063,346	₱ 2,602,895,498	19.60%
Cost of sales	2,444,374,984	2,051,680,152	19.14%
Gross income	668,688,362	551,215,346	21.31%
Operating expenses	(546,657,186)	(448,161,416)	21.98%
Finance costs	(46,920,176)	(38,352,140)	22.34%
Other income	84,523,799	76,171,045	10.97%
Income before income tax	159,634,799	140,872,835	13.32%
Provision for income tax			
Current	32,662,446	30,306,628	7.77%
Deferred	(2,532,216)	(1,828,765)	38.47%
	30,130,230	28,477,863	5.80%
Total Comprehensive Income	₱ 129,504,569	₱ 112,394,972	15.22%
Basic diluted earning per share	₱ 0.04	₱ 0.04	

2.3 OPERATING RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 COMPARED WITH MARCH 31, 2024

During the three months ended March 31, 2025, the Group's operation resulted to a net comprehensive income of ₱129.5 million.

Sales for the consolidated three months ended March 31, 2025 increased by 19.60% compared with the parent sales for the three months ended March 31, 2024. The increase is mainly due to 6.46% store network growth from 232 to 247 stores in 2024 and 2025, respectively. The gross profit ratio is 21.48% and 21.18% as at March 31, 2025 for the Group and March 31, 2024 for the Parent, respectively.

The Group's operating expenses mainly consist of personnel costs, depreciation and amortization, merchant discount, rent, utilities, and contracted and other services.

In 2025, the Group availed loans and trust receipts amounting to ₱908.9 million resulting to higher finance costs. Interest rates range from 5.88% to 8.00% in 2025 and 2024.

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

EBITDA for the three months ended March 31, 2025 was ₱328.2 or 10.54% of net sales. This figure reflects a 17.58% incline from the ₱279.1 million or 10.72% of net sales, recorded for the comparative period ended March 31, 2024.

The increase in EBITDA was driven by the improvement of the Group's operations following its store network expansion.

Considered as the key financial and operating data of the Group as shown below:

Key Financial and Operating Data	For the three months ended March 31	
	2025 (Group)	2024 (Parent)
Sales (₱ millions)	₱3,113.1	₱2,602.9
Sales Growth (%)	19.60%	8.60%
Gross Profit Margin (%)	21.48%	21.18%
Net Comprehensive Income (₱ millions)	129.5	112.4
Net Profit Margin (%)	4.16%	4.32%
Store Count	249	231
Gross Selling Space (sq. m.)	30,487	28,502
Increase (Decrease) in Gross Selling Space (%)	5.1%	6.00%

The following presents the sales mix of the Group:

Category	For the three months ended March 31	
	2025	2024
NOTE	49.83%	49.35%
PRT	13.83%	13.32%
MOBILE	10.72%	12.51%
DIY	8.99%	8.42%
ACCESSORIES	8.85%	9.34%
INK	2.90%	3.17%
PERIPHERALS	1.91%	1.69%
TABLET	1.71%	0.90%
UNITS	1.25%	1.30%
	100.00%	100.00%

The following outlines the quarterly trend in same-store sales, which measures the average sales per store per day for all stores operating for more than twelve months.

SSSG	Q1	Q2	Q3	Q4	FY
2025	6.74%	N/A	N/A	N/A	N/A
2024	3.12%	10.45%	10.78%	4.95%	6.78%

2.4 FINANCIAL CONDITION

Unaudited Interim Consolidated Statements of Financial Position

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	% Change
Total Current Assets	₱6,076,334,128	₱5,862,284,849	3.65%
Total Assets	7,738,368,722	7,282,637,656	6.26%
Current Liabilities	4,378,810,314	4,028,890,309	8.69%
Total Liabilities	4,501,343,108	4,175,174,709	7.81%
Total Equity	3,236,967,516	3,107,462,947	6.26%
Current assets/Total assets	78.52%	80.50%	(2.45%)
Current ratio	1.39	1.46	(4.63%)
Debt to equity ratio	1.39	1.34	3.50%

The net increase in current assets mainly pertains to purchases of inventories during the first quarter of 2025 in preparation for expected demands for the incoming quarters and the additional refundable deposits for the new stores opened during the year.

The noncurrent assets of the Group mainly consist of property and equipment and ROU assets. The net increase is mainly caused by the purchase of warehouses for the Company's logistic requirements and the acquisition of store furniture and fixtures, transportation equipment and on-going construction of warehouses.

The liabilities of the Group mainly consist of bank loans and trust receipts payable, trade payables to suppliers, and lease liabilities. The net increase in liabilities is mainly caused by the additional proceeds of trust receipts payable related to on-going expansion of new store spaces and inventory buildup program.

2.5 LIQUIDITY and CAPITAL RESOURCES

The table below shows the Group's cash flows for the three months ended March 31, 2025 and the Parent for the three months ended March 31, 2024.

Unaudited Interim Consolidated Statements of Cash Flows

	For the three months ended March 31		
	2025	(Parent 2024)	% change
Net cash provided by (used in) operating activities	₱263,240,012	(₱59,058,930)	545.72%
Cash used in an investing activity	(377,578,786)	(51,581,172)	632.01%
Net cash provided by (used) in financing activities	180,690,908	(138,989,617)	230.00%
Net increase (decrease) in cash	66,352,134	(249,629,719)	126.58%
Cash at beginning of period	889,350,473	1,360,873,502	(34.65%)
Cash at end of period	₱955,702,607	₱1,111,243,783	(14.00%)

The Group has assessed that it has sufficient resources to finance its working capital requirements. All funding for the Group's operations for the next nine months shall be internally generated.

For the three months ended March 31, 2025, the cash used in an investing activity pertains to expenditures for additional property and equipment following the store network expansion program which includes improvements in the supply chain and logistics.

The net cash used in financing activities mainly pertains to dividend distribution, lease payments and loan repayments, net of loan availments in 2025.

2.6 DISCUSSION AND ANALYSIS OF MATERIAL EVENTS AND UNCERTAINTIES

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Group's liquidity increasing or decreasing in any material way.

There are no events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other person created during the year.

There are no material commitments for capital expenditures other than those performed in the ordinary course of trade of business in line with the Group's store network expansion program.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the revenues or income from continuing operations.

The Group experiences the first quarter of the year as a regular season relating to increased sales resulting from the normal shopping season.

2.7 FINANCIAL SOUNDNESS INDICATORS

All secondary licensees of the Commission (financing companies, broker dealer of securities and underwriters) and public companies are required to include a schedule showing financial soundness indicators in two comparative periods, as follows:

Ratio	Formula	March 31, 2024 (Unaudited)	December 31, 2024 (Audited)
Current/Liquidity Ratio			
	Current assets	₱6,076,334,128	₱5,862,284,849
	Divided by: Current liabilities	4,378,810,314	4,028,890,309
	Current/Liquidity ratio	1.39:1.00	1.46:1.00
Solvency Ratio			
	Net income before depreciation and amortization	₱251,127,785	₱889,691,297
	Divided by: Total liabilities	4,501,343,108	4,175,174,709
	Solvency ratio	0.06:1.00	0.21:1.00
Debt-to-Equity Ratio			
	Total liabilities	₱4,501,343,108	₱4,175,174,709
	Divided by: Total equity	3,236,967,516	3,107,462,947
	Debt-to-Equity ratio	1.39:1.00	1.34:1.00
Asset-to-Equity Ratio			
	Total assets	₱7,738,310,624	₱7,282,637,656
	Divided by: Total equity	3,236,967,516	3,107,462,947
	Asset-to-Equity ratio	2.39:1.00	2.34:1.00
Interest Rate Coverage Ratio			
	Income before interest and taxes	₱206,554,975	₱789,132,926
	Divided by: Interest expense	46,920,176	152,538,293
	Interest Rate Coverage ratio	4.40:1.00	5.17:1.00
Return on Assets Ratio			
	Net income	₱129,504,569	₱481,631,884
	Divided by: Total assets	7,738,310,624	7,282,637,656
	Return on Assets ratio	0.02:1.00	0.07:1.00
Return on Equity Ratio			
	Net income	129,504,569	₱481,631,884
	Divided by: Total equity	3,236,967,516	3,107,462,947
	Return on Equity ratio	0.04:1.00	0.15:1.00
Net Profit Margin			
	Net income	₱129,504,569	₱481,631,884
	Divided by: Revenues	3,113,063,346	11,435,255,269
	Net Profit Margin	0.04:1.00	0.04:1.00

2.8 RISK

Overview

The Group's activities expose it to a variety of financial risks: market risk which includes credit risk, liquidity risk and interest rate risk. The Group's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Group. The BOD reviews and approves the policies for managing each of these risks.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. Financial assets that potentially subject the Group to credit risk consist primarily of cash in banks, short-term investment, trade receivables and refundable lease deposits.

Risk Management. To manage credit risk, the Group deals only with reputable banks and creditworthy third parties. Sales to retail customers are required to be settled in cash or through major credit cards, further mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers and/or specific industry sectors.

The table below shows the maximum gross exposure of the Group to credit risk:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash in banks and cash equivalents	₱953,183,676	₱886,738,609
Trade receivables	206,785,903	284,735,673
Accrued interest receivable	251,180	2,074,167
	₱1,160,220,759	₱1,173,548,449

As at March 31, 2025 and December 31, 2024, the amount of cash in banks, cash equivalents, trade receivables and accrued interest receivable are neither past due nor impaired and were classified as "High Grade". High grade financial assets are those accounts with counterparties who are not expected by the Group to default in settling its obligations, thus credit risk exposure is minimal. This normally includes large prime financial institutions and companies. Credit quality was determined based on the credit standing of the counterparty.

Security. The Group does not hold collateral as security.

Impairment. Impairment analysis for trade receivables is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due for the Group based on customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if collection cannot be made despite exhausting all extra-judicial and legal means of collection.

There are no guarantees against trade receivables, but these are due from credit card companies and creditworthy third parties, and are generally collectible within three (3) to thirty (30) days from transaction date. Historical information and present circumstances do not indicate any significant risk of impairment. Thus, management did not recognize allowance for ECL.

For other financial assets at amortized cost which mainly comprise of cash in banks, cash equivalents and accrued interest receivable, the Group applies the general approach in measuring ECL. Management assessed that the application of the general approach does not result in significant expected credit losses and thus, did not recognize allowance for ECL.

The Group assessed that the credit risk on the financial assets has not increased significantly since initial recognition because cash in banks, cash equivalents and accrued interest receivable are deposited with reputable counterparty banks, which exhibit good credit ratings.

The following table summarizes the impairment analysis of the Group's financial assets at amortized cost. It indicates whether the financial assets at amortized cost were subject to a 12-month ECL or lifetime ECL allowance and, in the latter case, whether they were credit-impaired.

March 31, 2025 (Unaudited)				
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired	Total
Cash in banks and cash equivalents	₱953,183,676	₱–	₱–	₱953,183,676
Trade receivables	–	206,785,903	–	206,785,903
Accrued interest receivable	251,180	–	–	251,180
	₱953,434,856	₱206,785,903	₱–	₱1,160,220,759

December 31, 2024 (Audited)				
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired	Total
Cash in banks	₱886,738,609	₱–	₱–	₱886,738,609
Trade receivables	–	284,735,673	–	284,735,673
Accrued interest receivable	2,074,167	–	–	2,074,167
	₱888,812,776	₱284,735,673	₱–	₱1,173,548,449

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The tables below detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

March 31, 2025 (Unaudited)				
	1 to 6 Months	6 Months to 1 Year	More than 1 Year	Total
Trade and other payables*	₱1,176,376,498	₱8,033,831	₱–	₱1,184,410,329
Bank loans and trust receipts payable	1,455,847,021	1,366,666,667	–	2,822,513,688
Lease liabilities	167,261,916	100,557,050	76,144,408	343,963,374
	₱2,799,485,435	₱1,475,257,548	₱76,144,408	₱4,350,887,391

*Excluding statutory payables.

December 31, 2024 (Audited)				
	1 to 6 Months	6 Months to 1 Year	More than 1 Year	Total
Trade and other payables*	₱1,156,367,107	₱5,678,831	₱–	₱1,162,045,938
Bank loans and trust receipts payable	1,286,290,982	1,216,666,667	–	2,502,957,649
Lease liabilities	178,011,796	140,371,731	99,431,282	417,814,809
	₱2,620,669,885	₱1,362,717,229	₱99,431,282	₱4,082,818,396

*Excluding statutory payables.

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates.

The Group's bank loans and trust receipts payable to local banks are subject to a repricing interest rate with and are exposed to fair value interest rate risk. The repricing of these instruments is done on a semiannual basis.

The Group regularly monitors interest rate movements and on the basis of current and projected economic and monetary data, decides on the best alternative to take. No sensitivity analysis is needed as future interest rate changes are not expected to significantly affect the Group's net income.

These bank loans and trust receipts are promissory notes under loan facilities which mature within 90 days to one year as at March 31, 2025 and December 31, 2024, and bear an effective interest rate ranging from 5.88% to 8.00% in 2025 and 2024.

2.9 AGING ANALYSIS OF TRADE AND OTHER RECEIVABLES

The tables below detail the Group's aging analysis of trade and other receivables.

March 31, 2025 (Unaudited)							
Past Due							
	Total	Current	0-30 days	31-60 days	61-90 days	91-120 days	More than 120 days
Trade	₱206,755,903	₱206,755,903	₱–	₱–	₱–	₱–	₱–
Advances to:			–	–	–	–	–
Stockholder	31,791,848	31,791,848	–	–	–	–	–
Officers and employees	4,265,417	4,265,417	–	–	–	–	–
Suppliers	2,453,696	2,453,696	–	–	–	–	–
Accrued interest receivable	251,180	251,180	–	–	–	–	–
	₱245,518,044	₱245,518,044	₱–	₱–	₱–	₱–	₱–

December 31, 2024 (Audited)							
Past Due							
	Total	Current	0-30 days	31-60 days	61-90 days	91-120 days	More than 120 days
Trade	₱284,735,673	₱284,735,673	₱–	₱–	₱–	₱–	₱–
Advances to:			–	–	–	–	–
Stockholder	31,791,848	31,791,848	–	–	–	–	–
Suppliers	3,033,601	3,033,601	–	–	–	–	–
Officers and employees	2,001,418	2,001,418	–	–	–	–	–
Accrued interest receivable	2,074,167	2,074,167	–	–	–	–	–
	₱323,636,707	₱323,636,707	₱–	₱–	₱–	₱–	₱–

PART II - OTHER INFORMATION

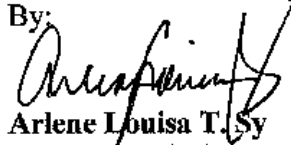
There is no other information not previously reported in SEC Form 17-C that needs to be reported in this section.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, this issuer has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: **UPSON INTERNATIONAL CORP. (Doing Business under the Name and Style of Octagon Computer Superstore; Microvalley Computer Superstore; Gadget World; Octagon Mobile; Uniso; Gadget King and Lamp Light)**

By:



Arlene Louisa T. Sy
President and Chief Executive Officer



Marcos A. Legaspi
Chief Finance Officer