



SECURITIES AND EXCHANGE COMMISSION

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Company Information

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SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A, AS AMENDED

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended
Dec 31, 2025
2. SEC Identification Number
147584
3. BIR Tax Identification No.
002-727-376-000
4. Exact name of issuer as specified in its charter
PREMIERE HORIZON ALLIANCE CORPORATION
5. Province, country or other jurisdiction of incorporation or organization
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
Unit 1705, East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City
Postal Code
1605
8. Issuer's telephone number, including area code
0286327715
9. Former name or former address, and former fiscal year, if changed since last report
Not Applicable
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 STOCK P 0.25 PAR VALUE	5,708,359,504
AMOUNT DEBT OF OUTSTANDING	709,846,259

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:

-

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 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

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form

-

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes No

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

(a) Any annual report to security holders

-

(b) Any information statement filed pursuant to SRC Rule 20

-

(c) Any prospectus filed pursuant to SRC Rule 8.1

-

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.



**Premiere Horizon Alliance Corporation
PHA**

**PSE Disclosure Form 17-1 - Annual Report
References: SRC Rule 17 and
Section 17.2 and 17.8 of the Revised Disclosure Rules**

For the fiscal year ended	Dec 31, 2025
Currency	Php 000

Balance Sheet

	Year Ending	Previous Year Ending
	Dec 31, 2025	Dec 31, 2024
Current Assets	1,329,984	1,441,538
Total Assets	5,600,997	5,344,897
Current Liabilities	1,143,875	906,475
Total Liabilities	2,499,755	2,275,495
Retained Earnings/(Deficit)	486,698	499,942
Stockholders' Equity	3,101,242	3,069,402
Stockholders' Equity - Parent	2,561,233	2,574,966
Book Value Per Share	0.54	0.54

Income Statement

	Year Ending	Previous Year Ending
	Dec 31, 2025	Dec 31, 2024
Gross Revenue	106,311	225,136
Gross Expense	400,213.	293,623
Non-Operating Income	535,386	705,779
Non-Operating Expense	102,840	94,879
Income/(Loss) Before Tax	138,644	542,413
Income Tax Expense	107,576	206,161
Net Income/(Loss) After Tax	31,068	336,252
Net Income/(Loss) Attributable to Parent Equity Holder	-14,506	264,327
Earnings/(Loss) Per Share (Basic)	-0	0.05
Earnings/(Loss) Per Share (Diluted)	-0	0.05

Financial Ratios

	Formula	Fiscal Year Ended	Previous Fiscal Year
		Dec 31, 2025	Dec 31, 2024
Liquidity Analysis Ratios:			
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	1.16	1.59
Quick Ratio	(Current Assets - Inventory - Prepayments) / Current Liabilities	1.16	1.59
Solvency Ratio	Total Assets / Total Liabilities	2.24	2.35
Financial Leverage Ratios			
Debt Ratio	Total Debt/Total Assets	0.45	0.43
Debt-to-Equity Ratio	Total Debt/Total Stockholders' Equity	0.81	0.74
Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	2.35	6.72
Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	1.81	1.74
Profitability Ratios			
Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service / Sales	0.26	0.38
Net Profit Margin	Net Profit / Sales	0.29	1.49
Return on Assets	Net Income / Total Assets	0.01	0.06

Return on Equity	Net Income / Total Stockholders' Equity	0.01	0.11
Price/Earnings Ratio	Price Per Share / Earnings Per Common Share	23.7	2.95

Other Relevant Information

-

Filed on behalf by:

Name	Geronimo Halili
Designation	Director/SEC Compliance Officer

COVER SHEET

1 4 7 5 8 4

S.E.C. Registration
Number

P R E M I E R E H O R I Z O N A L L I A N C E

C O R P O R A T I O N

(Company's Full Name)

U N I T 1 7 0 5 , 1 7 T H F L O O R , E A S T

T O W E R , T E K T I T E T O W E R S ,

E X C H A N G E R O A D , O R T I G A S C E N T E R ,

P A S I G C I T Y , M E T R O M A N I L A

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

GERONIMO B. HALILI

Contact Person

(02) 8632-7715

Company Telephone
Number

1 2

Month

3 1

Day

SEC Form 17-A

FORM TYPE

0 5

Month Day

Annual
Meeting

Secondary License Type, If Applicable

Dept. Requiring this
Doc.

Amended Articles
Number/Section

Total No. of
Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning
purposes.

Premiere Horizon Alliance Corporation

(Company's Full Name)

**Unit 1705, East Tower, Tektite Towers, Exchange Road,
Ortigas Center, Pasig City, Metro Manila**

(Company's Address)

(02) 8632-7715

(Telephone Numbers)

31 December

(Fiscal Year Ending)

Form 17-A Annual Report

(Form Type)

Form 17-A Annual Report

(Amendment Designation, if applicable)

31 December 2025

(Period Ended Date)

Publicly Listed Corporation

(Secondary License Type and File Number)

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A**

**ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE
AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES**

1. Date of Report (Date of earliest event reported): **31 December 2025**
2. SEC Identification Number: **147584**
3. BIR Tax Identification Number: **002-727-376-000**
4. Exact name of issuer as specified in its charter: **PREMIERE HORIZON ALLIANCE
CORPORATION**
5. Province, country or other jurisdiction of incorporation: **Metro Manila, Philippines**
6. Industry Classification Code: (SEC Use Only).
7. Address of principal office: **Unit 1705, East Tower, Tektite Towers,
Exchange Road, Ortigas Center, Pasig City,** Postal Code **1605**
8. Issuer's telephone number, including area code: **(02) 8632-7715**
9. Former name or former address, if changed since last report: **N/A**
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 Stock Php0.25 Par Value	
Number of Shares of Common Stock Outstanding	5,708,359,504
Amount of Debt Outstanding	Php709,846,259.00

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

Yes No

Name of Stock Exchange: **Philippine Stock Exchange**

Class of securities listed: **Common shares**

2,254,117,253 common shares have been listed with the Philippine Stock Exchange.

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and sections 26 and 141 of the Corporation Code of the Philippines during the preceding 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 90 days:

Yes No

PART I - BUSINESS AND GENERAL INFORMATION

Item 1: BUSINESS

Background

Premiere Horizon Alliance Corporation (“PHA” or “Parent Company”), was registered with the Philippines Securities and Exchange Commission (SEC) on 13 January 1988 and listed in the Philippine Stock Exchange (PSE) on 5 May 1997. The Parent Company’s primary purpose was to engage in business activities relating to entertainment, gaming, hotel, and leisure. In 2011, the SEC approved the change in the Parent Company’s secondary purpose and authorized the Parent Company to expand to the mining and real estate industries.

On 7 April 2016 and 26 May 2016, the Board of Directors (BOD) and stockholders, respectively, approved the amendments to the Articles of the Incorporation of the Parent Company to change its primary purpose to that of an investment holding company, and to relegate the primary purpose to the secondary purposes and the renumbering thereof. The amendments to the Articles of Incorporation were approved by the SEC on August 10, 2016.

The Parent Company’s registered address and principal place of business is at Unit 1705, East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City.

Description of Subsidiaries

Below are the Parent Company’s subsidiaries with its respective percentage ownership on 31 December 2025.

	Percentage of Ownership	
	Direct	Indirect
West Palawan Premiere Development Corp. (WPPDC)	100	
Treasure Cove at Nagtabon Beach, Inc. (TCNBI)*		100
Premiere Georesource and Development Inc. (PGDI)	69	
Pyramid Hill Mining & Industrial Corp. (PHMIC)*		68
Palawan Star Mining Ventures, Inc. (PSMVI)*		68
Goshen Land Capital, Inc. (GLCI)	55	
Concepts Unplugged Business Environment Solutions (CUBES), Inc.*	51	
Premiere Horizon Business Services, Inc. (PHBSI)*	100	
PH Mining and Development Corporation (PHMDC)*	100	
PH Agriforest Corporation (PHAC)*	100	
PH Big Bounty Entertainment, Inc. (PBBEI)*	100	
Digiwave Solutions Incorporated (DSI)*	100	
Premiere e-Teleservices, Inc. (PeTI)*	100	

*Non-operating subsidiaries

WPPDC

On 9 August 2016, the Parent Company established a 100% subsidiary, WPPDC, to subsidiarize the land holdings PHA owned. WPPDC has an authorized capital stock of Php 700 million, subscribed capital of Php 440 million and a paid-up capital of Php 440 million.

WPPDC was incorporated for the purpose of acquiring by purchase, lease, donation, or otherwise and own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop, and hold for investment or otherwise real estate of all kinds.

PGDI

On 24 April 2012, the Parent Company obtained the approval of the Board of Directors to acquire 66.9% of PGDI (formerly “Redstone Construction and Development Corporation”) and increase its ownership in PGDI to 80% in February 2015.

PGDI is primarily engaged in mining related services, such as hauling and excavation for mining companies.

GLCI

On 4 June 2015, PHA bought 55% of GLCI for Php 440 million, Php 140 million secondary and Php 300 million primary.

GLCI is one of the biggest real estate developers in Northern Luzon and pioneered vertical condominium developments in Metro Baguio. GLCI develops innovative master planned communities of low to mid-rise residential and commercial condominiums. The company also develops residential housing subdivisions in Baguio City and in Central and Northern Luzon.

Summary of Business Transactions

In May 2008, the Parent Company acquired Digiwave Solutions Inc. (DSI), a corporation engaged in the development of gaming software and the operation of internet casino stations.

On 29 December 2011, the Parent Company's name was changed to Premiere Horizon Alliance Corporation and added the businesses of mining, real estate, information technology and other related business. The Parent Company also lowered the par value of its shares from Php 1.00 to Php 0.25, thus decreasing its authorized capital stock from Php 1,800,000,000.00 to Php 563,556,000.00.

In February 2015, PHA completed the acquisition of 51% of Concepts Unplugged Business Environment Solutions, Inc. (CUBES) amounting to Php 40 million.

In 2018, PHA entered into a Memorandum of Agreement (“MOA”) with the shareholders of PHMIC and PSMVI wherein PHA was granted the sole and exclusive

right to acquire up to 100% of the total issued and outstanding common shares of PHMIC and PSMVI. PHA subsequently assigned its rights to PGDI.

On 20 March 2018, the BOD of the Parent Company approved the issuance of property dividends consisting of 268 million shares of stock with the new par value of Php 0.10 per share of the Parent Company's subsidiary, PGDI and cash dividends of Php 0.001482 per share, or a total of Php 2.95 million to be applied to the payment of any applicable withholding taxes on the property and cash dividends so declared.

Furthermore, the BOD of PHA also approved the grant of 268 million detachable nil-paid warrants that entitle the warrant holder to acquire one PGDI share from PHA for each warrant held. The warrants shall be applied for listing in the PSE. As at 31 December 2018, the SEC's approval on the property and cash dividends was still pending; hence, the property dividends were cancelled on 12 December 2024 due to lack of regulatory approvals.

Furthermore, the BOD of PGDI approved the amendment of the Parent Company's Articles of Incorporation. The amendment included the following:

- (a) Change of name from Redstone Construction & Development Corporation to PGDI
- (b) Amendment of primary and secondary purposes;
- (c) Change in number of directors from five (5) to nine (9);
- (d) Additional provisions regarding pre-emptive rights and lock-up requirements; and
- (e) Increase in the authorized capital stock from Php 100.00 million divided into 100.00 million shares with par value of Php 1 per shares, to Php 650 million divided into 6.5 billion shares with par value of Php 0.10 per share.

Out of the Php 550 million increase in authorized capital stock, Php 137.5 million worth of shares were subscribed, of which Php 55 million were fully paid through stock dividends, and Php 82.5 million were paid through conversion of advances to equity. The amendment was approved by the SEC on 13 September 2018.

Furthermore, PGDI entered into a Deed of Assignment (DOA) with PHMIC and PSMVI wherein PGDI assigned advances to PHMIC and PSMVI amounting to Php 220 million and Php 170 million, respectively, for conversion to equity through application of advances as payment for PGDI subscription. The valuation of advances converted to equity was approved by the SEC on July 11, 2018.

On 28 August 2018, the BOD of the Parent Company approved the conversion of its advances to PGDI to equity shares allowing PGDI to own up to 100% of PHMIC and PSMVI. As of 31 December 2018, PGDI had acquired 98.88% of PHMIC and 98.55% of PSMVI through conversion of its advances to equity amounting to Php 220.00 million and Php 170.0 million, respectively. The valuation of advances converted to equity was approved by the SEC on 20 November 2018.

On 17 January 2019, PHA entered into a MOA with Sama Global Investments (“Sama”) for a EUR 250 million investment with an interest rate of 1.25% p.a. to be paid by the year 2027. Beginning 23 March 2019 a series of remittance efforts begun. Follow-ups and communication letters were sent to Sama for the remittance of the funds as agreed upon in the MOA. By 17 August 2019, a final notice was sent by PHA to Sama regarding their failure to deliver their obligation under the MOA. On 26 August 2019, an official notification was sent by Sama to PHA stating among others the renegotiation of the MOA. Since then, no communication has been received by PHA on the status of the MOA.

On 29 October 2020, PHA entered into a MOA with an investor group led by Mr. Marvin Dela Cruz for the equity infusion through subscription of 2,803,030,303 shares or up to 55% ownership of PHA at Php 0.33 per share for a total consideration of Php 925 million, wherein Php 300.00 million will be paid in cash and the balance of Php 625 million would be paid via a combination of cash and/or infusion of Squidpay Technology, Inc. (“SPTI”) shares over a period of 2 years, with the intention of making SPTI a subsidiary of PHA.

On the same day, the BOD of PHA approved the amendment of the articles of incorporation and increase of the authorized capital stock from Php 563,556,000.00 divided into 2,254,224,000 shares with a par value of Php 0.25 per share, to Php 1,500,000,000.00 divided into 6,000,000,000 shares with a par value of Php 0.25 per share. The BOD also approved the issuance of 303,030,304 shares worth up to Php 100 million out of the increase in authorized capital stock to existing creditors at a price of Php 0.33 per share.

Year 2022

On 23 February 2022, the BOD of PHA approved convertible loans amounting to Php 150 million. The convertible loans were for a period of 2 years with an interest rate of 8% per annum. The interest was to be paid quarterly, with the principal to be paid in full at maturity. Within the life of the loan, the investors had the option to convert the outstanding loan principal and accrued interest to shares of PHA to be issued from PHA's unsubscribed capital at a conversion strike price of Php0.95 per share. The strike price of Php0.95 was based on a 54% premium over the 30- day 17 February 2022.

On 9 February 2022, PHA's stock transfer agent issued 70,835,000 common shares to LDA Capital Limited, a global investment group, as part of the subscription agreement signed by both parties on 15 October 2021. LDA Capital Limited's subscription price was at Php 1.01 which resulted to an increase in equity by Php 71,543,350.00.

On 12 April 2022, PHA issued a total of 540,983,008 common shares in favor of convertible notes holders at a conversion price of Php.70 per share. This resulted to an increase in equity by Php 377,335,648.08, net of the documentary stamp tax and the total outstanding shares reaching 5,708,359,504.

On 6 October 2022, PHA received a notice from Nuovo Gran CT Inc. (“NGCTI”) through its counsel, the Divina Law Office, alleging that NGCTI’s application for a Writ of Preliminary Attachment (“WPA”) against the properties of SPTI and Marvin C. Dela Cruz has been granted by the Regional Trial Court, Manila, Branch 45 on 28 September 2022. Related to this, PHA received a copy of the following on 7 October 2022: Amended Summons dated 6 October 2022 for the case entitled Nuovo Gran CT, Inc. vs. Squidpay Technology, Inc., Marvin C. Dela Cruz and Premiere Horizon Alliance Corporation, the corresponding Amended Complaint for the same case, the Writ of Preliminary Attachment dated 6 October 2022, and the Notice of Garnishment dated 6 October 2022. PHA reiterated in its disclosure on 14 October 2022 that these legal proceedings do not affect the operations and plans of PHA.

On 14 October 2022, PHA announced that during its special board meeting held on 13 October 2022, the BOD decided to no longer pursue its planned acquisition of 33% in SPTI. The decision of the BOD was made following the determination that purchasing SPTI was no longer in the best interest of PHA and its shareholders given SPTI’s inability to operate a viable business. The planned acquisition of 33% of SPTI was announced on 18 November 2021, at a time when the demand for e-wallets was rapidly rising. SPTI was earlier granted its Operator of Payment System (“OPS”) license, followed by its Electronic Money Issuer (“EMI”) license.

On 2 November 2022, the BOD also approved the extension of the deadline to pay the unpaid subscription balances under the MOA dated 29 October 2020 from 29 October 2022 to 27 December 2022. As previously disclosed on 29 October 2020, PHA and an investor group led by Mr. Marvin Dela Cruz entered into a MOA for an equity infusion through a total subscription of 2,803,030,303 common shares.

Year 2023

In February 2023, the BOD approved a call for payment on the remaining unpaid shares, and on 11 April 2023, the BOD authorized the sale of the delinquent shares at a public auction on 11 May 2023.

1,389,802,253 shares out of the total unpaid shares of 1,457,756,139 were sold and fully collected on 07 July 2023.

In January 2023, the Group acquired listed shares for Php 25.8 million. These were subsequently sold in September 2023 for a total consideration of Php 8.6 million, resulting to a loss of Php 17.2 million.

Year 2024

On May 27, 2024, at the special meeting of the BOD of the Parent Company, the Board approved the Rescission of the Contract to Sell dated December 17, 2017, entered into with its subsidiary, West Palawan Premiere (WPPDC), for the purchase of approximately 500 hectares property in Brgy. Bacungan, Puerto Princesa City, Palawan for a total consideration of Php 450 million.. The rescission resulted to the recognition of loss on

sale of property in the statements of comprehensive income in the amount of Php 23,047,300.

On 16 May 2024, at the special meeting of the BOD of the Corporation, approval was secured for the reversal of the Assignment of Rights and Undertaking to Execute Deed of Assignment and Transfer of Rights made between PHA and WPPDC covering four (4) parcels of land with a total area of 1,728,824 sqm, after discovery of anomalies in the registration documents of these rights. The rescission resulted to the recognition of loss on sale of property in the statements of income in the amount of Php 87.3 million.

On 2 December 2024, the PSE issued a Notice of Approval for the listing of additional shares totaling 1,202,271,236 common shares as a result of the debt-to-equity conversion and private placement.

On 11 December 2024, following the absence of necessary regulatory approvals, the BOD approved the cancellation of the declaration of the property dividends amounting to Php 39.8 million, which was declared on 20 March 2018 and includes property dividends consisting of 268,000,000 shares of PGDI with a fair value of Php 36.8 million and cash dividends of Php 3.0 million.

Year 2025

In 2025, PHBSI, a subsidiary of the Parent Company proposed the execution of a management services contract with PHA to manage, preserve, enhance, and commercially develop the dormant film-related intellectual property owned by PHA, including the licensing, digitization, and distribution of PHA's fully depreciated film library.

On 6 April 2026, the proposed arrangement was approved by PHA's Board and Officers. Key matters include the recitals and purpose, appointment and scope of management, related party transaction compliance, management fees and expenses, ownership, the authority and exclusivity of PHSBI in representing PHA in domestic and international business transactions, were finalized as stated in the management agreement. The contract term of five (5) years, subject to renewal unless otherwise terminated by the Parent Company's Board.

As of December 31, 2025, PHA had the following subsidiaries and affiliates:

Operating subsidiaries and affiliates:

- (a) PGDI (formerly Redstone Construction and Development Corporation (PGDI)) - its primary purpose is to engage in, conduct, manage, operate, and carry on the business of construction works for mining, real estate development, environmental protection and remediation, dam, dikes, flood control, and reclamation and to engage in quarrying, hauling, earthmoving, and heavy equipment rentals and all other earthmoving works. PGDI owns 98.88% of PHMIC and 98.55% of PSMVI. Both mining companies are located south of Palawan province.

- (b) WPPDC - its primary purpose is to acquire by purchase, lease, donation, or otherwise and own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise real estate of all kinds, whether improve, manage or otherwise dispose of buildings, houses, equipment, and other structures of whatever kind, together with their maintenances.
- (c) GLCI – it is a PHA subsidiary based in Baguio City engaged in real estate development in Northern Luzon. Incorporated in 2007, GLCI focused initially on residential subdivisions in prime locations all over the city. To further provide affordable yet quality homes for the ordinary Filipino, GLCI added master planned condominium communities in its home offerings. These maximized land use and better living for residents because GLCI's master-planned communities provide security, convenient access to commercial districts and property management services.

Non-operating subsidiaries and affiliates

- (a) CUBES
- (b) DSI (formerly Digigames Inc.-DSI)
- (c) PBBEI¹
- (d) PHBSI (Formerly La Prima Hotel Imperiale, Inc.)
- (e) PHAC
- (f) PHMDC
- (g) PeTI
- (h) PSMVI
- (i) PHMIC
- (j) TCNBI

The Group revenues in 2025 were driven by the following subsidiaries:

Company	In Million (Php)	Percentage Contribution
GLCI	64.99	61.13 %
WPPDC	-	-
PGDI	41.32 ²	38.87 %
Total	106.31	100%

¹ PBBEI, PHBSI, PHAC, PHMDC are still in pre-operating stage

Management's Discussion and Analysis and Plan of Operation

Our discussions in the foregoing sections of this report may contain forward-looking statements that reflect our current views with respect to the Group's future plans, events, operational performance, and desired results. These statements, by their very nature, contain substantial elements of risks and uncertainties. Actual results may be different from our forecasts.

Furthermore, the information contained herein should be read in conjunction with the accompanying audited consolidated financial statements and related notes. Our financial statements, and the financial discussions below, have been prepared in accordance with Philippine Financial Reporting Standards.

The group disposed fully depreciated heavy equipment with cost of Php 79.6 million. Gain on disposal amounted to Php 9.3 million.

PHA did not acquire any plant or significant equipment but sold equipment as scrap for Php 9.3 million. It also does not expect to purchase or sell any plant or significant equipment in the next twelve (12) months.

There are no significant changes in the number of employees of PHA. The Company also does not expect any significant changes in the number of its employees in the next twelve (12) months.

For 2026, the initiatives of the Group include:

- to tighten financial controls to improve performance;
- to enhance corporate governance to meet new reporting standards;
- to strength risk management processes to mitigate legal, regulatory, operational and market risks and take precautions to manage uncertainties; and
- to adopt a dual business strategy to take advantage of both development and divestment opportunities.

In 2025, the Group pursued the following initiatives:

- streamlined management and reduced operating expenses;
- took advantage of the falling Peso rate trend to re-negotiate interest rates on loans and borrowings;
- gave priority to projects with high growth potentials, and short payback period; and
- diversified new funding sources and partnerships.

In 2024, the Group undertook the following initiatives:

- improved its financial position;
- strengthened its business;
- infused the company with new ideas and talents; and
- improved our governance and investor relations.

In 2023, the Group undertook the following initiatives:

- PHA called for payment on the remaining unpaid shares and authorized the sale of the delinquent shares at a public auction on May 11, 2023. 1,389,802,253 shares out of total unpaid shares of 1,457,756,139 were sold and fully collected on July 07, 2023;
- reduced its loans (short-term, long-term, and callable loans) by Php 337.94 million;
- collect from its subscription receivables the amount of Php 537.14 million; and
- availed short-term and long-term loans.

Status of Operations and Management Plans

The Group reported a liquidity gap on currently maturing liabilities amounting to Php 238.7 million in 2023. The liquidity gap on currently maturing liabilities is the excess of current financial liabilities against current financial assets. These events and conditions indicate that a material uncertainty existed that may cast significant doubt on the Group's ability to continue as a going concern, and therefore, the Group may not be able to realize its assets and discharge its liabilities in the normal course of business.

The year 2023 marked the start of the operations of PGDI as a corporation. PGDI inked a new 3-year hauling contract with Cagdianao Mining Corporation (CMC) in Valencia, in the island province of Dinagat. The operation was delayed due to documentary requirements that must be complied with due to the change in name to PGDI. As a consequence, the revenue was not reached due to lower tonnage and lower rates, which caused a loss for this year.

In 2023, Management undertook a combination of initiatives to address the abovementioned going concern issue, to wit:

- a. reduction and efficient management of operating expenses;
- b. negotiate interest reduction and/or principal payment extensions and deferrals;
- c. secure all the unsecured loans with the assets of the Group;
- d. divest a portion of the Group's assets and investments to generate cash;
- e. abstain financial support from shareholders and/or officers for gap funding of operations; and
- f. actively seek out partnerships and new investors as a way of generating funds.

The year 2024 was a continuation of the projects that GLCI started in 2021. The construction of the Stanford Residences continued and the residential lot subdivisions have also been mostly sold out, and land development started with a projected turnover for the following year. GLCI has also expanded its reach with the establishment of sales branches in Pangasinan and Tarlac.

On the other hand, PGDI disengaged from the CMC in relation to the remaining two (2) year contract due to decreased tonnage and continued lower rates, which was not profitable to pursue. PGDI negotiated a 3-year limonite hauling contract with Taganito Mining Corporation, another subsidiary of Nickel Asia Corp. in Claver, Surigao del Norte. Despite the delay in operations and poor weather conditions at the beginning of 2024, PGDI handled 600K metric tonnages of ore during the 2024 mining season. PGDI

also replaced 2/3 of its dump trucks. In addition, all the non-refurbishable equipment were be sold as scrap and excess usable equipment were sold as used equipment.

In 2025, GLCI completed the Stanford Residences and continued the strategy to explore new business opportunities beyond Baguio City. It kick-started the construction of the New Clark Garden Residences (NCGR) project, Phase 1 located in Aranguren, Capas, Tarlac consisting of 8 buildings with a total of 280 residential units.

In June 2025, PGDI's business was affected by continued decline of the global nickel price where PGDI generated a gross profit through tightened cost control measures. PGDI appointed external consultants to renew its mineral production sharing agreements (MPSA).

Plan of Operations for Year 2026

WPPDC

On the tourism and infrastructure side, WPPDC shall embark on developing its 17.84 hectares property and tourism estate. A portion of this land will be converted from agricultural land use to residential/commercial land use. Of the total land area, 4,297 square meters shall be developed into a 10-storey condominium and commercial building. The mobilization and construction period shall be within the period 2025 to 2030.

PGDI

PGDI was granted a three (3) year limonite hauling contract with a minimum of 600,000 wmt for the mining period from March to October, 2026, with Taganito Mining Corporation (TMC), a subsidiary of Nickel Asia Corp., in Claver, Surigao del Norte. However, as in the past 3 years, the weather had always been a continuing issue. At present, our operations have not fully started due to weather disturbance.

The contract will expire at the end of 2026 and PGDI is in negotiations with TMC to extend the contract for another three-year term. The global nickel price rebounded by more than 15% in the first quarter of 2026 whereby PGDI is actively pursuing additional third-party ore-hauling opportunities. In addition, PGDI will continue to renew the two MPSAs for its limestone mines in Palawan.

GLCI

GLCI will continue its expansion strategy outside of Metro Baguio. These include the development of (1) the 280-units NCGR project located in Aranguren, Capas, Tarlac, and (2) the 179 residential lot Sta. Cecilia Village Calasiao project located in Buenlag, Calasiao, and (3) the 367 residential lot Sta. Cecilia Village Basista, located in Mapolopolo, Basista, in Pangasinan.

Other Developmental Business Activities/ Subsequent Events

The Group continues to identify other businesses that will generate more revenues. It is now looking at various business opportunities in energy and other tourism-related industries.

The new management of PHA is exploring ways to rekindle and reintroduce more than three hundred (300) films in its library assets, recognizing their potential commercial viability alongside their profound heritage and cultural significance. PHA has appointed intellectual property and marketing consultants to analyze and select films that can be showcased commercially through cost-efficient restoration, digitization, and strategic distribution in the Philippines and abroad. Regarded as cultural treasures, these films embody the enduring nostalgia of classic Filipino cinema for audiences both locally and overseas. As this review advances, PHA is at the cusp of determining which titles could be sustainably positioned for licensing or distribution, guided by market relevance and long-term value. Any resulting financial returns will be directed toward supporting operations and reinvested into ongoing preservation and digitization efforts, in line with PHA's continued collaboration with the Film Development Council of the Philippines (FDCP) to safeguard and promote Philippine film heritage for future generations.

Item 2: PROPERTIES

PHA purchased its present office headquarters at Unit 1705, East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City on August 14, 2014.

The Company has accumulated a total of four hundred thirty-eight (438) titles in its Film Library since 31 December 2003, with a total production and acquisition cost of Php 235.8 million.

On 22 May 2014, PHA completed the transfer of the foreclosed 500-hectare property in Brgy. Bacungan, Puerto Princesa, Palawan in its name. PHA sold the land to its 100% subsidiary WPPDC and is currently valued at about Php 2.1 billion. At the special meeting of the BOD of the Corporation held on 27 May 2024, the Directors approved the Rescission of the Contract to Sell dated 17 December 2017. The land in Palawan is carried at fair value. The Company, through WPPDC, has acquired a 5-hectare beachfront property in Nagtabon Puerto Princesa.

As of 31 December 2024, the hauling and mineral extraction operation of PGDI has 15 dump trucks, 5 back hoes, 7 support equipment and 5 service vehicles.

Item 3: LEGAL PROCEEDINGS

ITEM 3: LEGAL CASES AND CONTINGENCIES

The Group is involved in legal proceedings relating to transactions with stockholders and former officers, as well as compliance with corporate rules and regulations. As of 31 December 2025 the details of these legal proceedings are as follows:

Parent Company

- A. *“Augusto Antonio C. Serafica, Jr., Raul Ma. F. Anonas, and Andres A. Del Rosario vs. Premiere Horizon Alliance Corporation (PHA or the “Corporation”)) and the Corporate Secretary, SEC MSRD PIR Case No. 2026-0001 For: Inspection and/or Reproduction of Corporate Records.*

On 19 December 2025, petitioners and stockholders Serafica, Anonas and Del Rosario (“Requesting Stockholders”) sent the Corporation’s Board of Directors (Board) a demand to inspect corporate books and records. The Board responded through the corporate secretary on 19 January 2026 affirming the right of the stockholders thereto and confirming that it will grant access to the corporation’s books and records, subject to the execution of the Confidentiality and Non-Disclosure Agreement (CNDA) in order to protect the rights of the Corporation, as provided in Section 73 of the Revised Corporation Code. The petitioners objected to the CNDA. As a result, they have yet to exercise their right to inspection.

On 14 March 2026, the petitioners filed a verified petition with the Securities and Exchange Commission alleging that respondents have violated their right to inspect the corporate books and records of PHA and praying that administrative sanctions be imposed upon its directors and officers for said violation. Summonses were sent to the Corporation, its President, Mr. Eugenio T. Tan, and Corporate Secretary, Atty. Mabalot (“Respondents”) on 20 April 2026, ordering the Respondents to file their verified Answer within 30 days.

The pending administrative case does not involve fraud, insolvency, financial distress, or any matter affecting the Corporation’s operations, financial condition, or ability to comply with its obligations as a listed issuer. Rather, it concerns a procedural disagreement relating to the exercise of stockholders’ inspection rights under the Revised Corporation Code. The Corporation reiterates its recognition of the Requesting Shareholders’ right to inspect its books and records. For avoidance of doubt, the Corporation did not deny the request for inspection. As explained, the Board expressly acknowledged such right and agreed to grant access, subject only to the execution of a CNDA to protect confidential and commercially sensitive information. The therefore pertains only to the scope and terms of the proposed CNDA.

- B. *“Augusto Antonio C. Serafica, Jr. vs. Premiere Horizon Alliance Corporation and Eugenio T. Tan, Civil Case No. R-MKT-25-00902-CV, RTC Makati, Branch 237.*

This is a civil case for collection of sum of money with damages filed by Serafica against PHA and Mr. Tan for the amount of Php 56,232,153.41, exclusive of damages, attorney’s fees, and litigation expenses and costs. It was alleged by Serafica that, during his term as President of PHA, he had to make personal advances in favor of the corporation to allow it to continue its business pursuits and operations while dealing with liquidity issues.

In response to the said allegations, PHA filed its *Answer with Counterclaims* dated 18 August 2025, interposing the defense that it does not owe any money to Serafica because the amounts allegedly advanced by the latter also came from the corporation itself. The pre-trial for this case has been terminated. Considering that the parties are currently discussing the possibility of amicable settlement, the initial presentation of plaintiff's evidence is set on 14 May 2026.

- C. *“Carlos Cruz and Belina Cruz v. Premiere Georesources and Development Inc., Premiere Horizon Alliance Corporation, Roberto B. Ortiz, Andres A. Del Rosario and Raul M. Anonas.* Civil Case No. R-QZN-22-11507-CB, Regional Trial Court of Quezon City, Branch 92

This is a civil case for Damages with prayer for Temporary Restraining Order and/or Writ of Preliminary Injunction filed by Carlos C. Cruz (“Carlos”) and Belina Cruz (“Belina”) [collectively, “Spouses Cruz”], against PGDI, PHA, as well as individual defendants Roberto Ortiz (“Ortiz”), in his capacities as the Chairman of PGDI’s Board of Directors (BOD) and PHA’s President, Andres A. Del Rosario (“Del Rosario”), in his capacities as PGDI’s Chief Finance Officer and PHA’s Assistant Treasurer, and Raul Ma. M. Anonas (“Anonas”), in his capacity as PHA’s Executive Vice-President [collectively, the “defendants”].

Sps. Cruz alleged that PHA and PGDI, together with the individual defendants, caused them to suffer damages through unreasonable, irresponsible, false and malicious accusations and demands made by the latter in the Letters dated 22 April 2022, 04 May 2022 and 18 May 2022 (“PHA Letters”) and Letters dated 31 August 2022, 06 October 2022, and 13 October 2022 (“PGDI Letters”) (collectively, “PHA/PGDI Letters”), and as a consequence of what transpired during the Special Meeting of PGDI’s BOD on 08 September 2022 (“PGDI Meeting”). These PHA/PGDI Letters refer to the various notices to explain issued against Sps. Cruz relating to the unauthorized and irregular deposit of collections from Cagdianao Mining Corporation (CMC) to the old account of Redstone Construction & Development Corporation (RCDC) instead of the new account of PGDI.

In response to these allegations, PHA and PGDI, together with the individual defendants, insisted that none of the PHA/PGDI Letters were embarrassing or defamatory but instead, mere opportunities granted to Sps. Cruz to explain their side and offer documents or proof that they did not violate their duties as PGDI’s president and director. Given that no damages can proceed from defendants’ right to seek clarification and explanation regarding the issues tackled in the PHA/PGDI Letter, the Sps. Cruz are not entitled to claim for damages. In addition, the defendants filed a *Counterclaim*, seeking to recover the damages suffered by PGDI/PHA as a result of the acts committed by Sps. Cruz:

1. Actual and/or Compensatory Damages in the amount of Ten Million Eight Hundred Nineteen Thousand Two Hundred Eighty-One Pesos (Php10,819,281.00) representing the damages suffered by PGDI due to plaintiff Carlos’ devaluation, decommissioning, and sale of heavy and transportation equipment for an insignificant amount without the knowledge, consent or authorization of PGDI’s BOD.

2. Actual and/or Compensatory Damages in the amount of Thirty- Four Million Four Hundred Twenty Thousand Pesos (Php34,420,000.00) representing the unsupported and unliquidated advances made by plaintiff Carlos from 2016 up to 30 June 2022.
3. Actual and/or Compensatory Damages in the amount of Two Hundred Thirty-Eight Million Four Hundred Seventy-Eight Thousand Seven Hundred Sixty-Eight Pesos and 72/100 Centavos (Php238,478,768.72), more or less, which represents the funds belonging to PGDI that were deposited in the private-personal bank account of plaintiff Belina.
4. Moral Damages in the amount of Five Hundred Thousand Pesos (Php500,000.00) for each individual defendants Ortiz, Anonas, and Del Rosario due to the mental stress, serious anxiety, besmirched reputation, and wounded feelings that they have suffered when plaintiffs dragged them into this frivolous suit, despite knowing that these individual defendants merely acted within their rights to send the PHA/PGDI Letters as part of their duties as responsible corporate officers.
5. Exemplary Damages in the amount of at least Two Million Pesos (Php2,000,000.00), by way of example or correction for the public good, for plaintiffs' repeated acts of causing the transfer of PGDI's corporate funds to plaintiff Belina's personal-private bank account in UCPB in violation of plaintiff Carlos' fiduciary duties of loyalty, transparency, accountability, and good faith to PGDI.

The case is scheduled for production of documents on 3 June 2026, while pre-trial will be scheduled immediately thereafter.

D. "*Augusto Antonio C. Serafica, Jr. vs. Premiere Horizon Alliance Corp. (PHA), Eugenio T. Tan, Raul Ma. F Anonas, Andres A. Del Rosario, Brandon P. Leong, Geronimo B. Halili, Esteban G. Peña Sy, Gloria Victoria Y. Taruc, Ernest Sze Lok Yeung, and Marian Peña*, NPS Docket No. XV-14-INV-23H-01089 Department of Justice- Manila;

In August of 2023, Mr. Serafica filed a *Complaint* for Estafa under par. 315 (b) of the Revised Penal Code against the officers and directors of the PHA in relation to the *Put Option Agreement* entered into by the corporation with LDA Capital Limited (LDA), a corporation based in the British Virgin Islands. This Put Option Agreement is intended to provide a safety net for the option holder (PHA) that there is a guaranteed buyer (LDA) for their asset at a certain price.

Mr. Serafica alleged that, in order to assist the Corporation in meeting the condition of the Put Option Agreement, he entered into a *Master Agreement for Share Collateral Transactions* with LDA where he undertook to provide freely and tradable listed shares to LDA as the investor. In relation thereto, Mr. Serafica claimed that he allowed up to a maximum of Fifty-Five Million (55,000,000) of his shares to be borrowed by PHA, until the authorized capital stock of PHA is increased, to allow the additional capital infusion by LDA. To effect this arrangement, Mr. Serafica entered into a *Share Lending Agreement* with PHA where he agreed to lend the said shares on behalf of PHA for a period of six (6) months, with the latter's obligation to return said shares to him after the indicated period. In his *Complaint*, Mr. Serafica alleged that, out of the 35,000,000

shares (Subject Shares) that he delivered, only Ten Million (10,000,000) shares were returned to him, leaving a balance of Twenty-Five Million (25,000,000). However, despite demand, these shares were not returned to him.

In response to these allegations, the officers and directors of PHA collectively put forth several defenses, emphasizing that the present case is merely a harassment suit, as it was made in response to the Estafa case filed by PHA against Mr. Serafica, and that they do not have any active participation in the transactions regarding the Subject Shares. In fact, most of the signatories to the contracts involving the same. Respondents also emphasized that there is sufficient justification for the non-return of the Subject Shares as the share listing application is still pending with the PSE and that the return of the subject shares needs the approval of LDA.

The Office of the City Prosecutor of Pasig City (“OCP-Pasig”) dismissed the case filed by Mr. Serafica based on insufficiency of evidence. Pertinently, the OCP-Pasig held that there was no evidence presented to prove that the Subject Shares were not utilized in accordance with the pertinent contracts.

The *Complaint* as well as the subsequent *Motion for Reconsideration* filed by Mr. Serafica were both dismissed by the OCP-Pasig City. Mr. Serafica then filed a *Petition for Review* with the Department of Justice-Manila (DOJ) to assail such dismissal last August 2024. In response thereto, the individual officers and directors of PHA have filed their respective *Comments/Opposition*, highlighting the fact that Mr. Serafica failed to raise any new substantial matter that will warrant the reversal of the case dismissal. The case is now deemed submitted for resolution.

- E. *“People of the Philippines vs. Augusto Antonio Serafica, Jr., Raul Ma. Anonas & Andres Del Rosario, Crim Case No. R-PSEG-26-0006-CR, Regional Trial Court Branch 167-Pasig (RTC Pasig)*

This a criminal case for Estafa under Articles 315 (1) (b) filed against PHA’s former officers, Messrs. Augusto Antonio C. Serafica, Jr. (“Serafica”), Raul Ma. F. Anonas (“Anonas”), and Andres A. Del Rosario (“Del Rosario”) and is now pending before the RTC Pasig. This criminal case stemmed from PHA’s internal audit, which exposed certain anomalous transactions involving an elaborate scheme, where accused Serafica, with the indispensable cooperation of accused Anonas and Del Rosario, siphoned money from PHA and used the same to purchase shares in his own name. The scheme involved the recording of check payments to PHA from third parties as advances or loans under accused Serafica’s name. By making it appear that PHA was indebted to him, accused Serafica was able to obtain money, amounting to Php 66,000,000.00, which was done by issuing PHA checks in his favor, allegedly as payment for his advances or loans, and using the proceeds thereof as payment for his subscriptions.

In the same manner, all of the accused filed a *Motion to Defer Proceedings*, arguing that the matters raised in the collection case filed by Serafica before RTC Makati, specifically those pertaining to the Php 66,000,000 civil liability, constitute a prejudicial question that warrant the suspension of the instant

proceedings. In response thereto, PHA filed a *Consolidated Opposition*, arguing that there is no prejudicial question to speak of considering that the RTC Makati already dismissed the counterclaims filed by PHA.

The RTC Pasig eventually denied both accused's *Motion to Defer Proceeding* on the ground of prejudicial question, as well as their subsequent *Motion for Reconsideration*. However, the RTC-Pasig, Branch 167 granted the *Motion for Voluntary Inhibition* filed by accused Anonas and Del Rosario causing the case to be re-raffled to RTC-Pasig, Branch 155. As it stands, the RTC-Pasig, Branch 155 has yet to issue an Order setting the case for arraignment and pre-trial

- F. *“People of the Philippines vs. Raul Ma. Anonas, & Andres Del Rosario. Crim Case No. R-PSG-26-00007-CR, Regional Trial Court Branch 167-Pasig (“RTC Pasig”).*

This a criminal case for Estafa under Articles 315 (2) (a) filed against PHA's former officers, Raul Ma. F. Anonas (“Anonas”), and Andres A. Del Rosario (“Del Rosario”) which is also pending before the RTC Pasig.

This criminal case stemmed from PHA's internal audit, which exposed certain anomalous transactions involving an elaborate scheme, where accused Anonas, with the indispensable cooperation of accused Del Rosario, siphoned money from PHA by making it appear that PHA has a valid obligation to one Angelica San Luis in the amount of Php 12,300,000, despite the absence of any loan agreement or promissory note as proof of such obligation. Thereafter, accused Anonas used the check payment issued by PHA to Ms. San Luis as payment for his own subscriptions with the company.

- G. *Premiere Horizon Alliance Corp. vs Augusto Antonio Serafica, Jr. Raul Ma. Anonas, & Andres Del Rosario. NPS Docket No. XV-14-INV-25H-02476-02478 Department of Justice*

In relation to the above-mentioned cases, this is a *Petition for Review* filed by all of the accused, questioning the findings of the Office of the City Prosecutor-Pasig City (“OCP-Pasig”) which indicted accused Serafica, Anonas and Del Rosario for the crime of Estafa under Article 315 (1) (b) and accused Anonas and Del Rosario for the crime of Estafa under Article 315 (2) (1) of the Revised Penal Code.

By way of summary, all of the accused argue that there was an apparent haste on the part of OCP-Pasig in resolving the present *Complaint-Affidavit* and that OCP-Pasig erred in finding that they are liable for the crimes charged against them. In response to the *Petition for Review* filed by accused Anonas and Del Rosario, PHA filed its *Verified Comment* last 2 February 2026. Meanwhile, PHA also filed its *Comment* to the *Petition for Review* filed by accused Serafica on 18 February 2026. The case has been submitted for resolution.

- H. *Premiere Horizon Alliance Corporation and People of the Philippines v. Hon. Ira Fritzie C. Cruz-Rojo, in her capacity as Presiding judge of the Regional Trial Court of Pasig-City Branch 67, Augusto Antonio Serafica, Jr. and Marvin C. Dela Cruz. C.A. GR No. 182115 (formerly Crim Case No. R-PSG-22-00208-C) Court of Appeals-Manila (from Regional Trial Court- Pasig Branch 67)*

In relation to the above-mentioned cases, this is a *Petition for Certiorari* filed by the Corporation, assailing the *Orders* issued by the RTC Pasig, Branch 67 (“Dismissal Orders”), ordering the dismissal of the Estafa case against Mr. Serafica and Mr. Dela Cruz, citing as sole basis thereto the *Decision* issued by the Court of Appeals in CA-G.R. No. 183768, despite the fact that the same has yet to attain finality and tackles an entirely different issue regarding the determination of executive probable cause.

Both parties have already filed their respective *Memoranda* and the case is now submitted for Decision.

Management, in consultation with its legal counsels, believes that the outcome of these proceedings will not have a material adverse effect on the financial position and performance of the Company.

There are also other pending minor legal cases against the non-operating subsidiaries of the Group. Based on the facts of these cases, management believes that its positions have legal merits and the resolution thereof will not materially affect the Group’s financial position and result of operations.

SUBSEQUENT EVENTS

Non-adjusting events

On 12 January 2026, the Parent Company received the resolution of the Office of the Prosecutor of Pasig City (OPPC) issued on 25 September 2025, on the criminal complaint filed by PHA against respondents Augusto Antonio C. Serafica (“Serafica”), Jr., Andres A. Del Rosario (“Del Rosario”) and Raul Ma. F. Anonas (“Anonas”) (collectively, the “Respondents”). The OPPC found that the evidence at hand sufficiently established a *prima facie* case and recommended that Respondents be indicted as follows: The Respondents, acting in conspiracy with each other, committed the crime of estafa by misappropriation under Article 315 par. 1(b) of the RPCB) Messrs. Anonas and Del Rosario, acting in conspiracy with each other, committed the crime of estafa by deceit under Article 315 par. 2(a) of the RPC(Crim Case No.R-PSG-26-0007-CR). The OPPC recommended that the charge for qualified theft and violation of Section 168 of the RCC be dismissed.

On 19 December 2025, petitioners and stockholders Serafica, Anonas and Del Rosario (“Requesting Stockholders”) sent the Corporation’s Board of Directors (Board) a demand to inspect corporate books and records. The Board responded through the corporate secretary on 19 January 2026 affirming the right of the stockholders thereto and confirming that it will grant access to the corporation’s books and records, subject to the execution of the Confidentiality and Non-Disclosure Agreement (CNDA) in order to protect the rights of the Corporation, as provided in Section 73 of the Revised Corporation Code. The petitioners objected to the CNDA. As a result, they have yet to exercise their right to inspection.

On 14 March 2026, the petitioners filed a verified petition with the Securities and Exchange Commission alleging that respondents have violated their right to inspect the

corporate books and records of PHA and praying that administrative sanctions be imposed upon its directors and officers for said violation (MSRD PIR Case No. 2026-0001). Summonses were sent to the Corporation, its President, Mr. Eugenio T. Tan, and Corporate Secretary, Atty. Jarodelyn Mabalot (“Respondents”) on 20 April 2026, ordering the Respondents to file their verified Answer within 30 days.

The Parent Company reiterates its recognition of the Requesting Shareholders’ right to inspect its books and records. For avoidance of doubt, the Corporation did not deny the request for inspection. As explained, the Board expressly acknowledged such right and agreed to grant access, subject only to the execution of a CNDA to protect confidential and commercially sensitive information. The therefore pertains only to the scope and terms of the proposed CNDA.

These events do not require adjustment in the financial statements but is disclosed to ensure users are informed of material developments after year-end.

In 2025, Premiere Horizon Business Services, Inc., a subsidiary of the Company proposed the execution of a Management Services Contract with PHA to manage, preserve, enhance, and commercially develop the dormant film-related intellectual property (IP) owned by PHA, including the licensing, digitization, and distribution of PHA’s fully depreciated film library.

On April 06, 2026, the proposed arrangement was approved by the Company’s Board of Directors and Officers. Key matters include the recitals and purpose, appointment and scope of management, related party transaction compliance, management fees and expenses, ownership, the authority and exclusivity of the Company in representing the Company in domestic and international business transactions were finalized as stated in the management agreement. The contract term of five (5) years, subject to renewal unless otherwise terminated by the Company’s Board.

Adjusting events

Management has evaluated subsequent events up to 14 April 2026 the date the financial statements were approved and authorized for issue by the Board of Directors. No events occurred after the reporting date that would require adjustment to or disclosure in the financial statements.

Item 4: SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Except for matters taken up during the Annual Stockholders’ Meeting, there were no other matters submitted to a vote of security holders during the period covered by this Report. The last annual stockholders’ meeting of the Corporation was held on 24 November 2025.

PART II - OPERATION AND FINANCIAL INFORMATION

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

Market Information

The common shares of the Parent Company are traded on the PSE under the symbol "PHA".

The following table indicates the quarterly high and low sale price of PHA's common shares for the last two fiscal years:

Quarter	2025		2024		2023	
	High	Low	High	Low	High	Low
First	0.1830	0.1700	0.234	0.161	0.420	0.280
Second	0.2480	0.1720	0.222	0.168	0.305	0.236
Third	0.2900	0.1900	0.205	0.165	0.242	0.186
Fourth	0.3750	0.2110	0.209	0.17	0.208	0.160

Stock Prices as of the latest trading date:

29 December 2025- Common share Php 0.2370

Stock prices as of the latest practicable date in 2026:

31 March 2026 - Common share Php 0. 0.1750

Holder

The Parent Company has an authorized capital stock of Php 1,500,000,000.00 divided into 6,000,000,000 common shares with a par value of Php 0.25 per share. As of 31 December 2025, it has 145 stockholders.

The top 20 stockholders as of 31 December 2025 are as follows:

	Name of Stockholder	Number of Shares	Percentage Ownership
1	PCD NOMINEE CORPORATION	2,846,680,621	49.87%
2	ERNEST SZE LOK YEUNG	1,389,802,353	24.35%
3	MARIAN PENA	794,214,976	13.91
4	AUGUSTO ANTONIO C. SERAFICA, JR.	200,000,000	3.50%
5	KENNETH SEE	101,930,830	1.79%
6	PCD NOMINEE CORPORATION (NON-FILIPINO)	89,774,821	1.57%
7	LDA CAPITAL LIMITED	70,835,000	1.24%
8	RAUL MA. F. ANONAS	37,272,728	0.65%

9	S CAPITAL CORP	36,000,000	0.63%
10	ROBERTO B. ORTIZ	33,986,943	0.60%
11	AUGUSTO M. COSIO, JR.	33,976,943	0.60%
12	KATHRYN YU CHENG SEE	25,303,030	0.44%
13	ANDRES A. DEL ROSARIO	25,303,030	0.44%
14	PAUL DAVID P. JAMLANG	15,151,516	0.27%
15	ANTONIO ONG	1,500,000	0.03%
16	RENATO Y. CHUA	1,050,000	0.02%
17	MONACO HOLDINGS, INC	1,000,000	0.02%
18	RAUL A. ALON	500,000	0.01%
19	LILY ROSE DE LEON	475,000	0.01%
20	SHIRLEY Y. SEE	300,000	0.01%

Dividends

PHA did not declare dividends in the years 2023 and 2024, 2025.

Under the By-Laws of the Parent Company, dividends shall be declared only from surplus profits and shall be payable at such time and in such amounts as the BOD shall determine as they deem proper; Provided, however, that no stock dividends shall be issued without the approval of the stockholders representing not less than two-thirds (2/3) of all stock then outstanding and entitled to vote at a general meeting of the Company or at a special meeting called for the purpose. No dividends shall be declared that impair the capital of PHA. Other than the aforesaid, there are no other restrictions that would limit or would likely to limit in the future the ability of the Company to pay dividends on common equity.

Recent Sales of Unregistered or Exempt Securities Including Recent Issuance of Securities Constituting an Exempt Transaction

There were no recent sales of unregistered or exempt securities, nor recent issuance of securities constituting an exempt transaction.

On March 2022, the SEC approved the conversion of loans from certain creditors to subscribed shares of 540,983,008 with par value of Php 0.25 per share and at a subscription price of Php 0.70 per share. Following this subscription, the outstanding shares of PHA was at 5,708,359,504 shares.

In February 2023, the BOD approved a call for payment on the remaining unpaid shares and on April 11, 2023, the BOD authorized the sale of the delinquent shares at a public auction on May 11, 2023.

1,389,802,253 shares out of total unpaid shares of 1,457,756,139 were sold and fully collected on July 07, 2023.

Item 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

Discussion and analysis of the Group and its majority-owned subsidiaries' top five (5) key performance indicators, including the manner by which the Group calculates or identify the indicators on a comparative basis.

The Group, with its subsidiaries, uses the following key performance indicators: Revenues, Net Income, Debt-to-Equity Ratio, Current Ratio and Return on Assets.

Presented below is the comparative table of the Group's performance using the top 5 key performance indicators for the year ended 31 December 2025 and 31 December 2024:

		Formula	For the year ended 31 December	
			2025 (Audited)	2024 (Audited)
1	Revenues		106,311,225	225,136,322
2	Net Income (Loss)		31,067,533	336,251,738
3	Debt - to - Equity Ratio	Total Liabilities/ Total Stockholders' Equity	0.81:1.00	0.74:1.00
4	Current Ratio	Current Assets/ Current Liabilities	1:16:1.00	1.59:1.00
5	Return on Assets	Net Income/ Total Assets	0.01:1.00	0.06:1.00

Results of Operations

31 December 2025

In 2025, the Group posted a net income of Php 31.0 million as compared to Php 336.2 million in 2024, which resulted to a material decrease of Php 305.1 million or 91%.

Material Changes - Increase/ Decrease of 5% or more (2025 versus 2024)

- **Revenues** decreased by Php 118.8 million or 53%, primarily attributable to the following:
 - GLCI - decrease in real estate primarily driven by the ongoing development and conversion of properties for GLCI's new projects in New Clark and Basista, Pangasinan.
 - WPPDC - no recognition of revenue considering that no sale of real property occurred during the period.
 - PDGI- minor decrease in revenue was due to lower services rendered for the period.
 - Among the companies, only PGDI and GLCI had active operations, while WPPDC however active, was dependent on the availability of the market for its property sales.

- **Cost of Sales and Services** decreased by Php 60 million, or 43%, mainly due to following:
 - For GLCI, the cost of real estate sold decreased significantly due to the fewer units sold for the year in relation to the on-going development of its new projects.
 - For PGDI, there was a significant decrease in the cost of services due to the reduction in personnel costs, depreciation, repairs, and maintenance expenses.
 - For WPPDC, relative to no sale of real estate property occurred, there were no cost of sales allocated during the period

- **Gross Profit** decreased by Php 58.81 million or 68.09%.

- **General and administrative expenses** decreased by Php 166.6 million or 107.58% mainly due to the following:
 - Provision of expected credit losses increased by Php 146.7 million or 100% attributed to the recognition of allowance for long outstanding and/or unsubstantiated balances for receivables and due from related parties.
 - Professional and legal fees increased by Php 18.2 million or 32.08% due to additional hired officers, consultants, and payment of legal fees.
 - Taxes and licenses increased by Php 3.2 million or 30.42% primarily from the payment of documentary stamp tax of GLCI from bank loan availments and transfer of titles for their on-going projects.
 - Success fees decreased by Php 8.4 million or by 100%, which amount pertained to the success fee on the subscription of shares of Ms. Marian Peña (“Ms. Peña”), which was recognized only for the year 2024 as a clean-up adjustment.

- **Other Income (Charges)** recorded a net decrease of Php 178.3 million, or 29.20%.

Key changes on the account are as follows:

- Gain on fair value of investment property decreased by Php 276.8 million, or 37.31%, as compared to the prior year, due to lower results of valuation of the investment properties of the Group, specifically for WPPDC, PHA, and GLCI.
 - The increase in other charges by Php 106.3 million or 283.69%, was primarily attributable to the recognition of a loss on disposal of PHA’s investment property in 2024.
-
- **Income before tax**, amounted to Php 138.6 million compared to Php 542.4 million in the prior year, representing a material decrease of Php 403.7 million or 74.44%. Consequently, the provision for income tax decreased relative to 2024.

Basic loss per share for 2025 amounted to negative Php 0.0025 compared to positive Php 0.0463 in 2024, indicating a decline in financial performance compared to the previous year.

31 December 2024

The Group sustained a comprehensive income during the year amounting to Php 264.3 million, which has increased by Php 231.7 million or 600% as compared to the prior year.

Material Changes - Increase/ Decrease of 5% or more (2024 versus 2023)

- **Revenues** decreased by Php 309.2 million or 58%. This was primarily attributable to the decrease in sale of real estate for GLCI, as there was only one project (Stanford) sold during the year. For PGDI, the minor decrease in revenue was due to relocation to a new mining area resulting to two (2) months loss of income. Only PGDI and GLCI had active operating activity, WPPDC's sale of property depends on the availability of the market.
- **Cost of sales and services** decreased by Php 188.9 million or 58% due to the following:
 1. Decrease in the cost of real estate sold for GLCI, as only one property (Stanford) was sold in the current year.
 2. Significant decrease in the cost of services for PGDI due to reduction in personnel cost, depreciation, and repairs and maintenance.
- **Gross Profit** decrease in revenue naturally decreased gross profit by Php 120.28 million or 58.2%.
- **General and administrative expenses** had a net decrease of Php 39.7 million or 20.40% due to the following:
 1. Commissions decreased by Php 2.1 million or 19.10%. This was relative to the completion of the GLCI real estate units and only one property was sold during the year.
 2. Entertainment and representation decreased by Php 2.2 million or 33.69% primarily attributable to the decrease in expenditures of the account for PGDI.
 3. Taxes and licenses net decrease by Php 3.4 million or 24%, attributable to the following:
 - *GLCI's* taxes and licenses increased by Php 4.2 million which was due to higher revenue recognized in the prior year resulting to higher assessment of business permit for the current year.
 - *WPPDC's* taxes and licenses decreased by Php 2.4 million due to lower assessment of business permit and related fees for the current year.
 - *DSI's* taxes and licenses decreased by Php 4.5 million as DSI paid tax assessment for the year 2023.
 - *PGDI's* taxes and licenses decreased by Php 1.1 million due to lower assessment of business permit and related fees for the current year.
 4. Commitment fees decreased by Php 12.5 million or 100%. This amount pertained to fee paid to LDA Capital Limited (LDA) in 2023 relative to the Put Option Agreement executed by the Group in 2021.

5. Arranger fee decreased by Php 17.2 million or 100%. This amount pertained to cost incurred for the auction of shares (*PHA shares sold to Mr. Ernest Yeung*)
 6. Success fee increased by Php 8.4 million or 100%. This amount pertained to the success fee on the subscription of shares of Ms. Marian Pena, which was recognized only during the year (clean-up adjustment)
 7. Impairment loss decreased by Php 3 million or 88% as no additional allowance was provided for other assets during the year. Impairment loss in 2023 pertained to write-off for the receivables in PAGCOR of Digiwave and impairment of film rights of PHA – Parent.
 8. Other expenses decreased by Php 4.1 million or 33.65% primarily attributable to the loss on settlement incurred by Digiwave in 2023.
- **Other Income (Charges)** – net increase of Php 587.8 million or 1,440% as compared to prior year. Key changes on the account were as follows:
1. Gain on fair value change of investment property increased by Php 603.6 million or 436% as compared to prior year due to higher result of the valuation of the investment properties of the Group (for WPPDC, PHA, GLCI).
 2. Increase in other charges by Php23 million or 160% as a result of (net effect):
 - (a) loss on disposal of investment property (unaccounted property) of PHA – Parent amounting to Php110.3 million.
 - (b) sale of heavy equipment and reversal of liabilities for PGDI resulting to income of Php33.6 million.
 - (c) reversal of long outstanding payable, forfeited sales, and income from repairs and installation yielded a Php31.8 million increase for Goshen’s other income.
- **Unrealized gain on fair valuation of investment properties** increased by Php603.6 million or above 100% primarily due to the yearly changes in the fair valuation of Group’s investment properties in Palawan and Baguio.
- **Net other income (charges)** increased by Php23.05 million. The amount is mainly attributable to prior year adjustments in 2024.

31 December 2023

The Group reported a revenue of Php534.35 million and a net income of Php6.93 million for the year 2023.

Material Changes - Increase/ Decrease of 5% or more (2023 versus 2022)

- **Real estate sales** posted an increase of Php139.55 million or 41.91% brought by the higher percentages of completion met for construction projects in 2023 relative to 2022.
- **Revenue from mining-related services decreased by Php50.30 million or 44.85%**, primarily due to lower tonnage hauled in 2023.

- **Cost of real estate sales** posted an increase of Php 79.52 million or 54.03% brought by the higher percentage of completion met for construction projects in 2023 relative to 2022.
- **Cost of services** decreased by Php 51.94 million due to lower operating costs resulting from production volume.
- **General and administrative expenses** decreased by Php 20.93 million or 9.53% mainly because of the lower costs incurred in the current year related to personnel costs, entertainment costs, and commitment fees.
- **Unrealized gain on fair valuation of investment properties** decreased by Php 184.58 million primarily due to the yearly changes in the fair valuation of the Group's investment properties in Palawan. Price per square meter in 2023 was Php 420.00, while the price per square meter in 2022 and 2021 was Php 393.00 and Php 330.00, respectively.
- **Impairment losses** pertain to the provision for impairment of intangible assets.
- **Interest expense** decreased by Php 11.57 million, primarily coming from the lower interest charges due to the repayment of the principal.
- **Others under other income and expenses** for the year 2023 mainly pertained to the loss on a stock transaction as a result of the acquisition of listed shares, which were subsequently sold.

Financial Condition

31 December 2025

The Parent Company's Financial Position as of 31 December 2025 was as follows: total assets of P5,600,977,277 financed by total liabilities of Php 2,499,754,951 and total stockholders' equity of Php 3,101,242,326. The non-current assets amounted to Php 4,271,012,971 consisting of deferred exploration costs, investment properties, property and equipment, goodwill and intangible assets, right-of-use assets, deferred tax assets and other non-current assets. On the other hand, current assets stood at Php 1,329,984,306.

Material Changes - Increase/ Decrease of 5% or more (2025 versus 2024)

- **Cash** decreased by Php 29.3 million or 48.58%, mainly due to payments on short-term loans, acquisitions of fixed assets, and write-off of unliquidated cash balances.
- **Receivables** including contract assets, decreased by Php 266 million or 52.47%, due to the following:
 - Recognition of allowances for expected credit losses
 - Reclassification of certain balances to contract assets; and

- Improvement of GLCI's collection drive during the period.
- **Real Estate for Sale** increased by Php 174.3 million or 66.47%, mainly due to on-going development of GLCI's new projects in New Clark and Basista, Pangasinan.
- **Investment Properties** increased by Php 465.2 million or 14.53%, due to higher property valuation rates in 2025. No new investment property purchases were made during 2025.
- **Deferred Tax Liabilities** increased by Php 53.2 million or 7.37%, due to recognition of the tax effects on investment property revaluation.
- **Trade and other payables** increased by Php 152.8 million or 29.75% primarily attributable to the recognition of the GLCI's accrued expenses for the development of its on-going projects.
- **Shor-Term Payables** increased by Php 41.1 million or 25.61%, mainly due to loan availments from officers, shareholders, and third parties to finance the working capital of the group.
- **Loans Payable**, both Current & Non-Current, decreased by Php 72 million or 10.40%, attributed to the payments made during the year.

December 2024

PHA recorded total assets of Php 5,406,783,645 financed by total liabilities of Php 2,337,381,640 and total stockholders' equity of Php 3,005,029,282. Non-current assets amounted to Php 3,274,738,079 consisting of contract assets (net of current), deferred exploration costs, investment properties, property and equipment, goodwill and intangible assets, right-of-use assets, deferred tax assets and other noncurrent assets. Current assets stood at Php 2,132,045,566.

Material Changes - Increase/ Decrease of 5% or more (2024 versus 2023)

- **Cash** decreased by Php 76 million or 56% primarily due to financing of operations, as recorded sales/receivables were not immediately collected. Net cash used in operating activities amounted to Php 172.95 million, while cash flow used in investing activities amounted to Php 48.42 million. Cash flows generated by financing activities amounted to Php 145.30 million. Lower cashflow was due to revenue slump.
- **Receivables** (including contract assets) had a net increase of Php 139.9 million or 26.71% due to recognition of receivables from old management officers (clean-up adjustments) and remaining receivables from customers of Stanford Project.
- **Contract assets (current)** increased by Ph p54.53 million or 14.19%. Contract assets represent the right to consideration for assets already delivered by the Company in excess of the amount recognized as contracts receivable. Contract

assets are reclassified to contracts receivable when monthly amortization of customer is due for collection.

- **Real estate for sale** increased by Php 46.46 million or 6.29% as compared to the prior year. This increase was primarily attributable to the valuation gain on inventory remeasurement for GLCI. GLCI is developing existing land holdings and has yet to construct new buildings for sale. Other current assets as of 31 December 2024 and 31 December 2023, amounted to Php 183.58 million and Php 193.63 million, respectively, which showed a decrease of Php 10.06 million or 5.19%. The net decrease primarily came from the input VAT and impairment losses recognized during the period.
- **Other current assets** decreased by Php 10.06 million or 5.19%. The net decrease primarily came from the Input VAT and impairment losses recognized during the period.
- **Property and equipment** had a net increase of Php 36.9 million or 130%. This was attributable to the purchase of heavy equipment by PGDI amounting to Php 42.7 million and land improvements of WPPDC amounting to Php 13.3 million, net of depreciation recognized during the period.
- **Investment properties** increased by Php 516.7 million or 24% as a result of higher valuation made for the year 2024. There were no purchases of investment property during the year. Accordingly, deferred tax liabilities increased by Php 185.2 million or 31% relative to the recognition of the tax effect of the valuation of the investment property.
- **Short-term loans** increased by Php 51.3 million or 36.56% primarily attributable to availment of loans from officers and shareholders, and third-parties to finance the working capital requirements of the Group.
- **Contract liabilities** decreased by Php 4.47 million. The net decrease was brought mainly by the decrease in real estate buyers' deposits from January to December of 2024.
- **Loan payables** (current and noncurrent) increased by Php 95.4 million or 19.67% due to additional availment made during the year, primarily to finance the operating requirements of the Group.
- **Long-term loans** increased by Php 68.18 million or 17.53%, mainly brought by the availment of loan to finance the real estate development projects of the Group in 2024.
- **Retained Earnings** increased by Php 367.23 million due to the net income incurred for the period ended 31 December 2024.
- **Dividend payables** decreased by Php 39.8 million and Php 26.9 million, respectively, or 100% from prior years. This was due to the reversal of the dividend declaration of the Parent Company, and the reversal of the Contract to

Sell real property between PHA and WPPDC, from which capital gains tax payable arose.

31 December 2023

The financial position of PHA as of 31 December 2023 showed total assets of Php 4,678,546,931. Non-current assets amounted to Php 2,702,555,380. The non-current assets consisted of investment properties, deferred exploration costs, property and equipment, contract assets (net of current portion), deferred taxes and other assets. Current assets as of 31 December 2023 stood at Php 1,975,991,551.

Material Changes – Increase/Decrease of 5% or more (2023 versus 2022)

- **Cash** increased by Php 66.82 million from Php 69.73 million of 2022. Net cash used in operating activities amounted to Php 378.66 million while cash flow used in investing activities amounted to Php 9.24 million. Cash flows generated by financing activities amounted to Php 454.73 million.
- **Receivables** increased by Php 81.51 million mainly because of the upward movement in contract receivables which arose from sale of real estate properties. These receivables are collectible in monthly installment over a period of one to 10 years and bear annual effective interest rates ranging from 8.00% to 16.00%.
- **Contract assets (current portion)** posted an increase of Php 349.51 million. Contract assets represent the right to consideration for assets already delivered by PHA in excess of the amount recognized as contracts receivable. Contract assets are reclassified to contracts receivable when monthly amortization of customer is due for collection.
- **Real estate for sale** decreased by Php 72.67 million primarily due to the higher percentage of completion met for construction projects in 2023.
- **Other current assets** increased by 11.48% mainly because of the upward movement in the input VAT from Php 47.81 million in 2022 to Php 55.12 million of the current year.
- **Noncurrent assets** increased by Php 65.06 primarily due to the material upward movement in investment properties from Php 2.02 billion in 2022 to Php 2.16 billion in 2023 because of the yearly changes in the fair valuation of the Group's investment properties in Palawan. However, contract assets (net of current portion) decreased by Php 65.97 million which countered the material increase of investment properties.
- **Short-term loans** decreased by 43.53% from Php 428.75 million of prior year as a result of principal loan repayment in 2023.

- **Long-term loans** increased by Php 105.02 million or 27.64% mainly brought by the availment of loans to finance the real estate development projects of the Group in 2023.
- **Contract liabilities** declined by Php 14.38 million. The contract liabilities mainly pertain to the payments received by the Group from the real estate customers for which revenue recognition has not yet commenced and payments in excess of percentage of completion.
- **Noncurrent liabilities** increased by Php 307.30 million mainly because of the long-term loan availments and increase in deferred tax liabilities.
- **Capital stock** increased by Php 406.85 million or 40.38% as a result of the collection of subscription receivables.
- **Additional paid-in capital** increased by Php 130.19 million brought by the collection of subscription receivables.
- **Retained earnings** decreased by 19.97% as a result of the net loss attributable to equity holders of PHA.

Item 7: FINANCIAL STATEMENTS

The Parent Company's Audited Consolidated Financial Statements are annexed as part of this Annual Report.

Item 8: INFORMATION ON INDEPENDENT AUDITOR AND OTHER RELATED MATTERS

(1) External Auditor's Fees and Services

a.) Audit Fees

PHA engaged Valdes Abad & Company, CPA's ('Valdes') as external auditor for the years 2025 and 2024. For the year 2023, the company engaged Reyes Tacandong & Co. (RT) as its group external auditor to conduct the financial audit of the group, which includes the Parent Company and its subsidiaries, both operating and non-operating.

The annual billings for the service of the auditors were Php 2.15 million, Php 2.24 million, and Php 2.11 million, VAT exclusive, for the years 2025, 2024, and 2023, respectively.

RT was disengaged effective 31 January 2025. Ms. Grace M. Albunian was the handling partner.

As a background, RT was appointed as PHA's external auditor in the Annual Stockholder's Meeting on 28 June 2024. PHA's Audit and Risk Oversight

Committee (AROC) found that RT subsequently became the external auditor of Marcventures Holdings Inc., and Bright Kindle Resources & Investments Inc., companies where Mr. Serafica, an individual currently entangled in litigation with the Company, is President. To PHA, this poses a potential conflict of interest, considering that RT will be in possession of documents and sensitive information from both opposing parties. In the interest of maintaining the highest standards of oversight and corporate governance, and as a preventive measure, the Board, upon the recommendation of the AROC, resolved to replace RT with an equally competent and independent external auditor.

The change was effected to ensure full independence from Mr. Serafica and in the exercise of the Company's management prerogative as well as to prevent any perceived conflict of interest.

The reason for such change of external auditor is the perceived conflict of interest, which resulted in the loss of trust and confidence by the new management, as previously reported to the SEC and PSE.

b. Tax Fees

No tax-related services were engaged during the year.

c. All Other Fees

In 2025, PHA engaged the forensic services of Navarro Amper & Co. (Deloitte Philippines) to conduct an independent investigation in support of the Company's application with the PSE concerning the trading of shares. The fees paid for the engagement amounted to Php 5 million.

In 2024, RT was engaged for the special audit of PHA in relation to the validation of payments for subscription of shares, and of WPPDC in relation to payment in its capital investments and sale of land. PHA and WPPDC were billed in the aggregate amounts of Php 400,000 and Php 300,000, respectively.

(2) Changes in and Disagreements with Independent Auditors on Accounting and Financial Disclosure

The Parent Company did not have any material disagreements on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure with its previous external auditor, RT, nor with its current auditor, Valdes.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9: DIRECTORS EXECUTIVE OFFICERS AND CONTROL PERSONS

The Parent Company's Board of Directors is responsible for the overall management and direction of the Company. There are nine (9) members of PHA's Board of Directors, three (3) of whom are independent directors. All directors were elected during the annual meeting of stockholders held on 24 November 2025 for the term 2025 to 2026.

1. Directors

Name	Mc	Citizenship	Position
Esteban G. Peña Sy	78	Filipino	Director
Eugenio T. Tan	63	Filipino	Director
Marian Peña	75	Filipino	Director
Brandon Benito P. Leong	41	Filipino	Director
Ernest Sze Lok Yeung	57	British	Director
Geronimo B. Halili	56	Filipino	Director
Maria Clara A. Camacho	70	Filipino	Independent Director
Orlando B. Mercado	79	Filipino	Independent Director
Steven Cesar G. Virata	68	Filipino	Independent Director

The following is a brief profile of the incumbent directors and executive officers of the Company, indicating their respective business experience for the past five (5) years:

Esteban G. Peña Sy

Director

Mr. Peña Sy (age 78) has served as a Regular Director of PHA since January 2023. He is the incumbent Chairman of the Board, elected during the Organizational Meeting of the Board on 24 November 2025.

He is currently also a Director and the President of Philippine Plaza Holdings Inc., the company behind Sofitel Philippine Plaza, and Mabuhay Holdings Corp., a publicly-listed company. Throughout his storied career, he has held key positions in various companies, including the Ayala Group of Companies. There, he was Assistant Vice President for the Bank of the Philippine Islands; Head of the Business Development Group for the Island Development Bank of Brunei; and Assistant Director for Ayala International Finance Ltd. (Hong Kong) and Ayala International (Hong Kong) Ltd.

Mr. Peña Sy was also the Assistant Secretary General of the Federation of Filipino-Chinese Chambers of Commerce and Industry from 1972-79, before becoming its Executive Director from 1980-86. Shortly after, Mr. Peña Sy co-founded the Pan Asian Management Group (Hong Kong).

Over the past few decades, he served as Managing Director for its various subsidiaries, such as AI Financial Services Ltd., Pan Asian Management Ltd., and Pan Asian Oasis Telecom Ltd; and as Director for Jiangsu Pan Asian Cable Co. Ltd. Owing to his work with the group, he was accredited by the Hong Kong Securities and Futures Commission as an Investment Adviser. Prior to his work with PHA, he was the Director and Chairman of Philippine InfraDev Holdings, Inc. (formerly IRC Properties, Inc.) Mr. Peña Sy graduated from the University of the Philippines with a degree in Economics and completed the 43rd Program for Management Development at Harvard Business School.

Eugenio T. Tan

Director

Mr. Tan (age 63) has served as a Regular Director of PHA since 2021. He has also been elected as the President & CEO of PHA since August 03, 2023. He was a former co-CEO of the Oriental Patron Asia Limited where he managed corporate finance, capital markets, M&A, sales and distribution businesses and private investment business lines of 28-year-old Greater China firm. He was previously the Co-CEO of Shanxi Securities International, where he was responsible for building the ECM/DCM/M&A and primary distribution for Shanxi Securities internationally.

Mr. Tan also held senior management roles in the following companies: Managing Director and Head, Investment Banking and Equity Capital Markets – Asia of the Oppenheimer Investments Asia Limited (2013 –2016), Managing Director, Greater China of Rothschild (Hong Kong) Limited (2010 – 2012). Managing Director of Argyle Street Management (2007- 2010), Managing Director and Head, Financial Institutions Group – Asia, ex-Japan of HSBC Investment Bank (2003 – 2007), Managing Director and Head, Financial Institutions Group – Asia, ex-Japan of HSBC Investment Bank (2003 – 2007), Director and Head, Financial Institutions Group—Asia, ex-Japan of Salomon Smith Barney (1999 – 2002), Director and Head, Equity Capital Markets of ING Barings (1995 – 1998), Associate/Vice President, Global Finance/Corporate Finance. (New York) of Goldman, Sachs & Co. (1990 – 1994), Management Associate/Manager, Institutional Bank of Citibank, N.A. (1985 – 1988). Mr. Tan is also currently the Industrial Zone Task Force Director of Hong Kong Trade and Development Council which advises the Hong Kong government on SME businesses. He was also the Independent Director of KGI Securities (Taiwan) Co. Ltd (2010 – 2013) and KGI Securities (Thailand) Pcl (2008 – 2010), Independent Advisor of Power Sector Asset and Liabilities Management Corporation (2008- 2010).

Mr. Tan holds a Business Administration and Accountancy degree, from the University of the Philippines where he graduated Summa Cum Laude. Mr. Tan obtained his Master of Business Administration degree in Stanford Graduate School of Business, Palo Alto, CA (1988 – 1990) and graduated with distinction and was an Arjay Miller Scholar and Deloitte and Touche Accounting Awardee.

Marian Peña*Director*

Ms. Peña (age 75) has served as a Regular Director of PHA since August 03, 2023 and also currently serves as the Company's Executive Vice President. She is currently the Chairperson and Chief Executive Officer of Eastern Securities Development Corporation ("ESDC") and Nuovo Gran CT. She is an entrepreneur with more than 20 years of business experience in China, HK and the Philippines. She received her Bachelor's Degree Major in Business Administration from St. Theresa's College.

Brandon Benito P. Leong*Director*

Mr. Leong (age 41) has served as a Regular Director of PHA since December 2020. He is the incumbent Treasurer of the Company, elected on 24 November 2025. He is also a Director and Operations Head for Eastern Securities Development Corporation ("ESDC"), a proud member of the PSE, multi-generation, stalwart securities brokerage in continuous operation since 1977. ESDC is a full service, online brokerage with over 5 billion pesos in assets under management. Mr. Leong assists PHA in navigating its industry's increasingly complex regulatory landscape while maintaining a high level of business efficiency. He ensures financial innovation provides optimal shareholder value while never compromising core principles of the Parent Company, investor protections and values of the Philippine capital markets. Mr. Leong provides market education, financial literacy and fintech consultation for teams and organizations seeking to create their digital footprint in Philippines' financial landscape. Mr. Leong brings his unique background in both finance and technology to provide insights and solutions to the challenging interface between customers and the organizations aspiring to deliver innovative financial services. Mr. Leong is a graduate of the University of California Irvine with a degree in Sociology and Business.

Ernest Sze Lok Yeung*Director*

Mr. Ernest Yeung (age 57) has served as Regular Director of PHA since 3 August 2023. He is a veteran in corporate strategy, project finance, private equity and asset management whereby he held key positions at Changsheng Fund Management, Manulife Asset Management, DBS Bank, PSEG, HSBC, Nomura Securities, JP Morgan and the Swire Group in Hong Kong, Singapore and China. He received a master's degree in accounting and finance from the London School of Economics and Political Science, as well as bachelor's degrees in law and science from Beijing University and King's College, London respectively. He is also a Chartered Alternative Investment Analyst, a Chartered Fellow of the Chartered Institute of Securities and Investment of UK and a member of the Royal Society of Chemistry.

Atty. Geronimo B. Halili*Director*

Atty. Halili (age 56) has served as a Regular Director of PHA since 26 January 2023. An established lawyer, he is currently the Proprietor at G. B. Halili Law Office since 2015.

Atty. Halili began his career as a law intern in the Office of Supreme Court Justice Jose A. R. Melo in 1993. Three years later, he passed the Philippine Bar Examinations in the Top 16. He went on to become a Senior Associate at Y. F. Busmente & Associates Law Offices, and then a Partner at Halili Certeza Matibag Law Offices.

Atty. Halili graduated from the Philippine School of Business Administration with a degree in Accountancy and from San Beda College with a degree in Commerce – Major in Business Management. He proceeded to obtain his Law Degree from the Ateneo de Manila School of Law.

Maria Clara (“Kim”) A. Camacho

Independent Director

Ms. Camacho (age 70) was elected as an Independent Director on November 24, 2025. She graduated from Radcliffe College, Harvard University in 1977 with a degree in AB Economics (cum laude) and earned her MBA from Harvard Business School in 1980. She briefly worked with Seagrams Latin America in New York in Marketing before returning to the Philippines in late 1981. She joined National Development Company where she handled the first commercial paper issuance by a Philippine company in the USA, worked on the rehabilitation of CDCP and was OIC of Marina Properties Corporation. She later founded and managed an award-winning fashion accessories manufacturing and exporting business. Ms. Camacho also worked in real estate development with Carmelray and Rockwell Land. She opened the Sotheby’s office in the Philippines and was the country representative. She was a member of the Advisory Board of RCBC for ten years.

Ms. Camacho is an international art collector and a member of the Board of Trustees of the Yuchengco Museum and the Asia Pacific Acquisition Committee of the Tate Modern in London.

Orlando B. Mercado

Independent Director

Mr. Mercado (79) was elected as an Independent Director on 24 November 2025. He is a former Senator, Secretary of Defense, and Ambassador. He is a veteran broadcaster and professor of political science, communication, and business management.

He served as the Secretary General of the Eastern Regional Organization for Public Administration, based at the National College of Public Administration, University of the Philippines - Diliman from 2010 to 2021.

He is currently a member of the faculty of the Ateneo School of Government, an Eminent Fellow and member of the Academic Council of the Development Academy of the Philippines (DAP) and teaches MBA courses at FEU Makati. In addition, he serves as Chairman of the Multi-Sectoral Advisory Board of the Education, Training, and Doctrine Command of the Armed Forces of the Philippines and writes a weekly column for The Manila Times. He earned his Bachelor of Arts in Political Science, Master of Arts in Communication, and Doctor of Philosophy in Political Science all from the University of the Philippines.

Steven Cesar G. Virata

Independent Director

Mr. Virata (68) was elected as an Independent Director on November 24, 2025. He brings over three decades of leadership experience, with strong qualifications in aviation management, aviation training, airport development, and real estate development and property management.

His aviation career spans operational, commercial, and executive roles, as President & COO of OMNI Aviation Corp. and OMNI Tristar Holdings Corp., leading aviation training operations and the development of an industrial aviation park. He has held key positions in Pacific Airways, Air Ads Inc., and Big A Aviation, and has provided consultancy services to Pacific Global One, Cavite Holdings (Sanglely International Airport), and C. Miller Aero Services. In 2024, he was appointed Executive Director of FEATI Schools Inc.'s aviation division, an IATA Authorized Training Center, and Executive Director of the Philippine Association of Aviation Colleges & Institutions.

In real estate, he served as Executive Vice President of Victoria Araneta Properties Inc., President of Rainbows' End Subdivision Association, and currently as Trustee & President of Windsor Tower Condominium Association and President of ATAR IV Property Holdings Co. Inc. He also leads SG Virata Consult OPC and has held various roles in investment and holding companies. In 2024, he became President of the Equestrian Association of the Philippines and a Channel Partner of Berde Renewables Inc. He graduated from the University of the Philippines with a Bachelor's Degree in Architecture.

The following are the Corporate Secretary and Assistant Corporate Secretary of the Corporation, respectively, who were elected as such on January 27, 2025:

Jarodelyn N. Mabalot

Corporate Secretary

Atty. Mabalot (age 34) obtained her Juris Doctor degree from the University of Santo Tomas in 2016, where she ranked sixth in her class and her Legal Management degree from the same university where she graduated Magna Cum Laude.

Atty. Mabalot became a partner in Divina Law in January 2025. As a member of the Corporate and Special Project Groups, her key areas of practice are labor law compliance, corporate governance, regulatory practice, cross border transactions, and data privacy. She provides legal services to highly specialized industries, particularly healthcare, insurance, financial institutions, and food and beverage.

Atty. Mabalot is a co-author of the Compendious Bar Reviewer on Labor Law (2023-2025 editions).

Nasha Jemimah R. Reyes-Ferrer

Assistant Corporate Secretary

Atty. Reyes-Ferrer (age 34) obtained her Juris Doctor degree in 2016, and bachelor's degree in business administration (Cum Laude) from the University of the Philippines-Diliman.

Atty. Reyes-Ferrer became a partner at DivinaLaw in January 2024 and has been a key member of the Firm's Corporate and Special Projects Group since 2017. Her practice areas include corporate governance, regulatory compliance, corporate services, foreign investments, estate planning, and mergers & acquisitions.

Atty. Reyes-Ferrer is also a Certified Compliance Officer (Center for Global Best Practices) and Chartered Trust and Estate Planner (American Academy of Financial Management). Additionally, she is a co-author of the Compendious Bar Reviewer on Political Law and the Compendious Bar Reviewer on Legal and Judicial Ethics (2023-2025 Editions).

1. Executive Officers

The officers of the company are as follows:

Esteban Peña-Sy	Chairman
Eugenio T. Tan	President & CEO
Marian Peña	Executive Vice President
Orlando S. Mercado	Lead Independent Director
Ernest Sze Lok Yeung	Group Chief Financial Adviser
Brandon P. Leong	Treasurer
Helenita D. Ong	Assistant Treasurer
Christina P. Leong	Chief Investment Officer, Chief Information Officer, and Investor Relations Officer
Geronimo B. Halili	Compliance Officer
Mariflor M. Sandoval	Senior Vice President
Ma. Wincel D. Chang	Data Privacy Officer
Jarodelyn N. Mabalot	Corporate Secretary
Nasha Jemimah R. Reyes-Ferrer	Assistant Corporate Secretary

Significant Employees

No single employee is expected to make a significant contribution to the business since the employees of the company are expected to work together as a team in order to achieve the corporation's set goals. All of the Company's employees are considered significant in their own particular way.

Family Relationship

There are no family relationships up to the fourth civil degree either by consanguinity or affinity among the directors or officers herein listed other than Ms. Marian Pena, Director, her son, Mr. Brandon Benito P. Leong, Director and her daughter, Ms. Christina P. Leong, Chief Investment Officer.

Involvement in Certain Legal Proceedings

The Parent Company is not aware of the occurrence, as of the date hereof and during the past five (5) years preceding this date, of any of the following events which it believes to be material to the evaluation of the ability or integrity of any of its directors, nominees for election as director, or executive officers:

1. Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
2. Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
3. Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
4. Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

Item 10: COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Directors

Each director receives an average of Php 22,222.22 per meeting for their attendance at each board meeting.

Executive Officers

The annual compensation of the Company's executive officers for the last two (2) fiscal years before the reporting period and the ensuing year 2026 (estimate) are as follows:

Name	Position	Year	Salary (in million)	Bonus (in million)	Other Annual Compensa tion (in million)
Esteban Pena Sy	Chairman	2026 (estimate)	0.36	-	0.02
		2025	1.44		0.36
Eugenio T. Tan (Appointed August 3, 2023)	President & CEO	2026 (estimate)	0.90	-	-
		2025			
		2024	3.60	0.30	
		2023			0.40
Christina P. Leong (Appointed 20 May 2022, January 21, 2025, and April 14, 2025, respectively)	Chief Investment Officer/Investor Relations Officer/Chief Information Officer	2026 (estimate)	0.40	-	-
		2025	0.37	-	-
		2024	1.50	0.12	0.26
		2023	1.50	0.12	
Mariflor M. Sandoval (Appointed August 20, 2024)	SVP/CFO GLCI	2026 (estimate)	1.20	-	-
		2025	3.60	0.30	-
		2024	1.20	0.20	0.24
Emmanuel G. Herbosa (Resigned October 23, 2025)	Chairman	2025	0.60	-	-
		2024	1.50	0.12	-
		2023	0.72	-	0.04
Roberto B. Ortiz (Resigned Aug. 3, 2023)	President & CEO	2023	2.03	-	-
Augusto M. Cosio Jr.(Resigned August 3, 2023)	Chairman	2023	0.88		
Raul Ma. F. Anonas (Removed as EVP and replaced as COO/CIO April 14, 2025)	EVP/COO/CIO	2025	0.45	-	-
		2024	1.80	0.15	0.40
		2023	1.80	0.15	-
Brandon Benito P. Leong	Treasurer	2026 (estimated)	0.38	-	-
		2025	1.50	0.12	
		2024	1.50	0.12	0.21
		2023	1.50	0.12	

Ernest Sze Lok Yeung (Appointed August 18, 2023)	Chief Financial Adviser	2026 (estimated)	0.45	-	-
		2025	2.88	0.15	
		2024	3.60	0.30	0.08
		2023	0.30	-	-
Adrian Geovanni F. Luzuriaga (Resigned August 18, 2023)	Chief Financial Adviser	2023	-	-	-
Andres A. Del Rosario (Replaced April 14, 2025)	SVP/ Assistant Treasurer	2025	0.30	-	-
		2024	1.20	0.10	0.73
		2023	1.60	0.10	-

Item 11: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Record and Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners of more than 5% of voting securities

The following are the registered and beneficial owners of more than 5% of the voting securities as of 31 December 2025:

Title of Class	Name, address of record owner and relationship with issuer	Name of Beneficial owner and relationship with record owner (direct)	Citizenship	No. of Shares	Percentage
Common	PCD Nominee Corporation G/F Makati Stock Exchange 6767 Ayala Avenue Makati City Stockholder	PCD Nominee Corp. is the record owner* *The Corporation has no information of any beneficial owner holding more than 5% interest in shares lodged under PCD Nominee Corp. The Corporation has not been informed of the identities of the designated proxies authorized to vote the shares.	Filipino	2,846,680,621	49.87%
Common	Stockholder	Ernest Sze Lok Yeung	British	1,389,802,353	24.35%
Common	Stockholder	Marian Peña	Filipino	794,214,976	13.91%

While there have been no legal proceedings to date regarding the ownership of shares of stock of PHA, there is one (1) case that may cause material changes in the ownership of shares of stock:

- a) PHA received a Notice of Garnishment, dated 5 June 2025, upon all personal properties of Mr. Dela Cruz in the Company's possession or under its control, including but not limited to stocks, and interests in stocks and shares, in the amount of Php 10 million plus interests, pursuant to the Writ of Execution issued by the Metropolitan Trial Court, Branch 12, in connection with the case against Mr. Dela Cruz for violation of B.P. 22, entitled *People of the Philippines vs. Marvin Cruz Dela Cruz*, M-MNL-23-01485-CR.

(2) Security Ownership of Management

The following are the security ownership of the directors and executive officers² of the Parent Company as of **31 December 2025**:

Title of Class	Name of Beneficial Owner; Relationship with Issuer	Amount and Nature of Beneficial Ownership (direct & indirect)	Citizenship	Percentage held
Common	Ernest Sze Lok Yeung Director	1,389,802,353 (D) 9,900 (I)	British	24.35%
Common	Marian Pena Director	794,214,976 (D) 70,000,00 (I)	Filipino	15.14%
Common	Brandon Benito P. Leong, Director	2,000 (D)	Filipino	0.00%
Common	Eugenio T. Tan, Director	20,100,000 (D)	Filipino	0.35%
Common	Geronimo B. Halili Director	10,000 (D)	Filipino	0.00%
Common	Esteban G. Pena Sy, Director	10,000 (D)	Filipino	0.00%
Common	Maria Clara A. Camacho, Director	10,000 (I)	Filipino	0.00%
Common	Orlando S. Mercado Director	10,000 (I)	Filipino	0.00%
Common	Steven Cesar G. Virata, Director	10,000 (I)	Filipino	0.00%
Common	Christina P. Leong, Chief Investment Officer, Chief Information Officer, Investor Relations Officer	69,734,519(I)	Filipino	1.22%
Common	Helenita D. Ong	12,675,000(I)	Filipino	0.22%
TOTAL				41.28%

² Officers not included in the table holds no security ownership in the Company

(3) Voting trust Holders of 5% or More

There are no persons holding five percent (5%) or more of a class under a voting trust or similar arrangement.

(4) Changes in Control

There has been no change in control as of the date of this Annual Report.

Item 12: CERTAIN RELATIONSHIPS AND RELATED TRANSACTION

Certain Relationships and Related Transactions. (to be updated once we have the accounts)

In the ordinary course of business, the Group has transactions with related parties which consist mainly of extension or availment of non-interest bearing advances and interest-bearing short-term and long-term loans. Related party transactions amounting to 10% or higher of the Group's consolidated total assets are subject to the approval of the Board.

See Note 18, Related Party Transaction disclosure, of the notes to the Consolidated Financial Statements.

PART IV: CORPORATE GOVERNANCE

Item 13: COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE

Corporate governance refers to the structures and processes for the direction and control of the Company, and concerns the relationships among the management, Board of Directors, shareholders and other stakeholders. The Company recognizes good corporate governance as essential in performing its obligations to its stockholders. To this end, the Company aims to strengthen its corporate governance to accomplish its corporate goals along with its guarantee to increase stockholder value.

The original Manual of Corporate Governance was adopted on 1 July 2002. Pursuant to SEC Memorandum No. 6, PHA amended its Manual of Corporate Governance on 5 June 2025. The BOD and Key Management officers of PHA have attended Corporate Governance seminars and will continue to do so on an annual basis.

The Parent Company has also established an evaluation system to measure or determine the level of compliance of the BOD and top-level management with its Revised Manual of Corporate Governance, which includes the continuous monitoring of the Board members' attendance in its board meetings and various committee meetings. The Certification on the Attendance of the individual members of the BOD is submitted annually to the SEC and the PSE. Moreover, the attendance and participation

of the members of the BOD and the senior management of the Parent Company in seminars and trainings in corporate governance are also monitored and submitted to the SEC and PSE.

The BOD and Management, employees and shareholders believe that corporate governance is a necessary component of sound strategic business management and will therefore undertake every effort necessary to continuously create awareness within the organization.

The Company's Integrated Annual Corporate Governance Report (I-ACGR) has been submitted in compliance with SEC Memorandum Circular No. 15, series of 2017.

PART V: EXHIBITS AND SCHEDULES

Item 14: EXHIBITS AND REPORTS ON SEC FORM 17-C

- (a) Exhibits: None
- (b) Reports on SEC Form 17-C

The Company filed reports with the following dates under SEC Form 17-C within the calendar year ending 31 December 2025 and during the last six-month period covered by this report.

Report	Date
Amended Results of Organizational Meeting	24 November 2025
Results of Organizational Meeting	24 November 2025
Results of Annual or Special Stockholders Meeting	24 November 2025
Change in Directors and/or Officers	23 October 2025
Notice of Annual or Special Stockholders' Meeting	22 August 2025
Change in Directors and/or Officers	13 August 2025
Material Information/Transactions	13 August 2025
Material Information/Transactions	8 August 2025
Results of Annual or Special Stockholders Meeting	31 July 2025
Change in External Auditor	31 July 2025
Notice of Annual or Special Stockholders' Meeting	5 June 2025
Postponement of Annual Stockholders' Meeting	5 June 2025
Change in Directors and/or Officers	16 May 2025
Postponement of Annual Stockholders' Meeting	15 May 2025
Notice of Annual or Special Stockholders' Meeting	15 May 2025
Notice of Annual or Special Stockholders' Meeting	14 April 2025
Postponement of Annual Stockholders' Meeting	14 April 2025
Press Release	2 April 2025
Results of Annual or Special Stockholders Meeting	28 March 2025
Material Information/Transactions	25 February 2025
Notice of Annual or Special Stockholders' Meeting	27 February 2025
Notice of Annual or Special Stockholders' Meeting	14 February 2025
Notice of Annual or Special Stockholders' Meeting	10 February 2025

Notice of Annual or Special Stockholders' Meeting	6 February 2025
Notice of Annual or Special Stockholders' Meeting	6 February 2025
Material Information/Transactions	25 February 2025
Change in Corporate Contact Details and/or Website	27 January 2025
Change in Directors and/or Officers	27 January 2025
Change in Directors and/or Officers	21 January 2025
Change in External Auditor	15 January 2025

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, in the City of PASIG CITY on 14 MAY 2026, 2026

PREMIERE HORIZON ALLIANCE CORPORATION

Issuer

SIGNATURES


ESTEBAN PEÑA SY

Chairman of the Board


EUGENIO T. TAN

President & CEO


ERNEST SZE LOK YEUNG

Group Financial Adviser


BRANDON BENITO P. LEONG

Treasurer


JARODELYN MABALOT

Corporate Secretary

SUBSCRIBED AND SWORN to before me this PASIG CITY day of 14 MAY 2026, 2026, affiant(s) exhibiting to me his _____, as follows:

NAME	COMPETENT IDENTIFICATION NO.
ESTEBAN PEÑA SY	PASSPORT NO. P8276657A
EUGENIO T. TAN	SCA ID NO. 110845
BRANDON BENITO P. LEONG	CRN 0113-0306684-7
ERNEST SZE LOK YEUNG	SSRV NO. 069945
JARODELYN MABALOT	PASSPORT NO. P9934269V

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Page No. 64
Book No. XL
Series of 2026

NOTARY PUBLIC
ATTY. ROMEO MANUEL JOSHUA R. MOVIL

Notary Public for Pasig City
Suite 07 Unit G06 West Tower, Tektite Towers,
Exchange Road, Pasig City
Roll of Attorney No. 66667

Appointment No. 116 (2025-2026) valid until 31 December 2026
IBP Member No. 539938 Pasig/ 28 February 2025
PTR No. 3039044; 09 Jan. 2026; Pasig City
MCLE Compliance No. VIII-0027774 valid until 14 Apr.



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph



The following document has been received:

Receiving: ICTD ERMD

Receipt Date and Time: May 13, 2026 02:38:22 AM

Company Information

SEC Registration No.: 0000147584

Company Name: PREMIERE HORIZON ALLIANCE CORPORATION

Industry Classification: O92190

Company Type: Stock Corporation

Document Information

Document ID: OST105132026811361645

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2025

Submission Type: Parent

Remarks: None

Acceptance of this document is subject to review of forms and contents



STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

The management of **Premiere Horizon Alliance Corporation (the Parent)** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2025 and 2024 in accordance with the prescribed financial reporting framework indicated therein, 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.

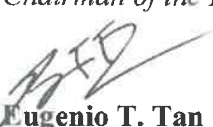
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company to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

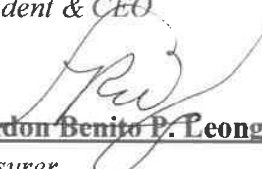
The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

Valdes Abad & Company, CPA's, the independent auditor appointed by the stockholders, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.


Esteban Pena Sr.
Chairman of the Board


Eugenio T. Tan
President & CEO


Brandon Benito P. Leong
Treasurer

Signed this 14th day of April 2026

Doc. No. 283
Page No. 51
Book No. XXXX
Series of 2026

SUBSCRIBED AND SWORN TO BEFORE ME
AFFIANT EXHIBITING HIS/HER _____
ID WITH NO. _____ THIS
20 APR 2026 _____ AT PASIG CITY


ATTY. ROMEO MANUEL JOSHUA R. MOVIDO
Notary Public for Pasig City.
Unit 701 Manila Luxury Condominium, Pearl Drive
cor. Gold Loop, Ortigas Center Pasig City
Roll of Attorney No. 66667

Appointment No. 116 (2025-2026) valid until 31 December 2026
IBP Member No. 1046696 Q.C./June 23, 2024
PTR No. 3960771; Jan 8, 2024; Pasig City
MCLE Compliance No. VIII-0027774/valid until 14 April 2028

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
PREMIERE HORIZON ALLIANCE CORPORATION
Unit E-1705, 17F, East Tower, Philippine Stock Exchange Center, Exchange Road,
Ortigas Center, Pasig City

Opinion

We have audited the financial statements of **PREMIERE HORIZON ALLIANCE CORPORATION** (the "Company") which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of comprehensive income and statements of changes in equity, and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024 and of its financial performances and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Philippine Financial Reporting 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; to design and perform audit procedures responsive to those risks; and to obtain audit evidence that is sufficient and appropriate to provide a basis for the auditor's 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. In circumstances when the auditor also has a responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, the auditor shall omit the phrase that the auditor's consideration of internal control is 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 the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the 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 be reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Bureau of Internal Revenue Requirement

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on Note 24 to the financial statements are presented for purposes of filing with the Bureau of Internal Revenue and are not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our 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.

VALDES ABAD & COMPANY, CPAs

BOA/PRC Reg. No. 0314

Issued on July 15, 2024, Valid until July 14, 2027

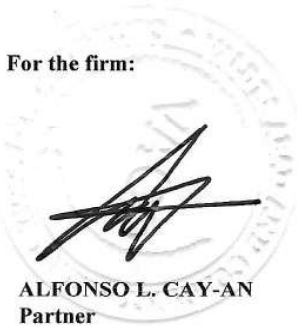
SEC Accreditation No. 0314 - SEC, Group A

Valid for 2022 – 2026 audit periods

BIR Accreditation No. 08-002126-000-2024

Issued on April 05, 2024, Valid until April 04, 2027

For the firm:



ALFONSO L. CAY-AN

Partner

CPA Registration No. 99805, Valid until December 14, 2026

TIN No. 213-410-741-000

PTR No. 10777156, Issued Date: January 13, 2026, Makati City

BOA/PRC Reg. No. 0314 / P-004

Issued on July 15, 2024, Valid until July 14, 2027

SEC Accreditation No. 99805 - SEC, Group A

Valid for 2022 – 2026 audit periods

BIR Accreditation No. 08-002126-005-2024

Issued on April 05, 2024, Valid until April 04, 2027

Makati City, Philippines
April 15, 2026

PREMIERE HORIZON ALLIANCE CORPORATION
SEPARATE STATEMENTS OF FINANCIAL POSITION
(In Philippine Peso)

ASSETS	Note	December 31	
		2025	2024
CURRENT ASSETS			
Cash	5	1,043,530	1,940,389
Receivables - net	6	150,990	142,333
Prepayments and other current assets	7	18,449,602	16,021,436
Total Current Assets		19,644,122	18,104,158
NON-CURRENT ASSETS			
Non-current receivables - net	8	158,893,948	167,278,387
Due from related parties - net	17	94,960,574	92,236,349
Investment in subsidiaries - net	11	1,451,089,545	1,451,743,810
Investment in property	10	2,599,695,000	2,499,707,700
Property and equipment - net	9	669,729	1,192,013
Other noncurrent assets	12	17,331,429	17,736,930
Total Non-Current Assets		4,322,640,225	4,229,895,189
TOTAL ASSETS		4,342,284,347	4,247,999,347
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts and other payables	13	279,009,686	268,310,045
Short-term loans	14	145,071,532	148,968,862
Total Current Liabilities		424,081,218	417,278,907
NON-CURRENT LIABILITIES			
Non-current payables	15	72,966,721	73,166,721
Due to related parties	17	485,547,031	446,839,309
Retirement liability	16	557,197	1,207,985
Deferred tax liability	19	547,852,692	525,448,546
Total Non-Current Liabilities		1,106,923,641	1,046,662,561
EQUITY			
Capital stock	20	1,414,348,522	1,414,348,522
Additional paid-in capital	20	582,882,377	582,882,377
Retained earning		812,663,630	786,047,596
Cumulative remeasurement gains on retirement liability	16	1,384,959	779,384
Total Equity		2,811,279,488	2,784,057,879
TOTAL LIABILITIES AND EQUITY		4,342,284,347	4,247,999,347

See Separate Notes to Financial Statements

PREMIERE HORIZON ALLIANCE CORPORATION
SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
(In Philippine Peso)

For the Years Ended December 31,	Notes	2025	2024
EXPENSES			
Provision for expected credit losses	8, 17	10,772,645	-
Professional and legal fees		50,747,401	25,433,998
Representation expense		6,198,333	3,050,000
Personnel costs		2,503,968	3,578,046
Transportation and travel		2,100,665	2,726,307
Taxes and licenses	25	1,444,974	1,171,481
Utilities		1,035,780	987,698
Impairment loss on investment in subsidiaries		654,265	-
Depreciation	9	603,445	1,832,584
Rent		435,622	586,397
Communication		410,932	600,265
Impairment loss on film rights	12	405,501	405,501
Office supplies		183,590	227,301
Repairs and maintenance		131,943	17,154
Insurance		99,254	128,731
Trainings and seminar		48,229	127,536
Success and commitment fees		-	8,409,294
Miscellaneous		1,716,055	136,507
		<u>79,492,602</u>	<u>49,418,800</u>
OTHER INCOME (CHARGES) - NET			
Gain on change in fair value of investment property	10	99,987,300	2,100,755,000
Interest income on related party	17	3,492,873	-
Unrealized gain on foreign exchange		13,345	-
Bank interest income	5	870	14,969
Interest expense on loans and share lending agreement	14	(38,504,924)	(35,791,022)
Other income	18	62,058,868	10,570,245
Loss on sale of property	10	-	(110,354,878)
		<u>127,048,332</u>	<u>1,965,194,314</u>
INCOME BEFORE INCOME TAX		47,555,730	1,915,775,514
INCOME TAX EXPENSE	19	<u>22,202,289</u>	<u>525,188,750</u>
NET INCOME		25,353,441	1,390,586,764
OTHER COMPREHENSIVE INCOME			
Remeasurement gain on defined benefit obligation, net of tax	16	605,575	-
TOTAL COMPREHENSIVE INCOME		<u>25,959,016</u>	<u>1,390,586,764</u>
BASIC EARNINGS PER SHARE	20	<u>0.005</u>	<u>0.244</u>

See Separate Notes to Financial Statements

PREMIERE HORIZON ALLIANCE CORPORATION

SEPARATE STATEMENTS OF CHANGES IN EQUITY

(In Philippine Peso)

For the Years Ended December 31,	Notes	2025	2024
CAPITAL STOCK			
Balance at beginning and end of the year	20	1,414,348,522	1,414,348,522
ADDITIONAL PAID-IN CAPITAL			
Balance at beginning and end of the year	20	582,882,377	582,882,377
DEFICIT			
Balance at beginning of the year		786,047,596	(638,889,168)
Prior period adjustment	20	1,262,593	(5,450,000)
Reversal of dividend declaration	20	-	39,800,000
As restated balance		787,310,189	(604,539,168)
Net income during the year		25,353,441	1,390,586,764
Balance at end of the year		812,663,630	786,047,596
CUMULATIVE REMEASUREMENT GAINS ON RETIREMENT LIABILITY			
Balance at beginning of the year	16	779,384	779,384
Net remeasurement gain		605,575	-
Balance at end of the year		1,384,959	779,384
EQUITY		2,811,279,488	2,784,057,879

See Separate Notes to Financial Statements

PREMIERE HORIZON ALLIANCE CORPORATION

SEPARATE STATEMENTS OF CASH FLOWS

(In Philippine Peso)

For the Years Ended December 31,	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		47,555,730	1,915,775,514
Adjustments for:			
Prior period adjustments	20	1,262,593	548,250
Interest expense	14	38,504,924	35,791,022
Interest income	5	(3,493,743)	(14,969)
Depreciation	9	603,445	1,832,584
Impairment on investment in subsidiaries		654,265	-
Impairment on film rights	12	405,501	405,501
Retirement benefits cost		156,645	-
Written-off payables	18	(54,508,868)	-
Unrealized gain on property valuation	10	(99,987,300)	(2,100,755,000)
Operating loss before working capital changes		<u>(68,846,808)</u>	<u>(146,417,098)</u>
Changes in assets and liabilities:			
Receivables	6	8,375,782	(92,487,103)
Prepayments and other current assets	7	(24,630,455)	(126,086)
Deferred tax asset		(2,794,537)	-
Accounts and other payables	13	26,503,585	59,464,425
Deferred tax liability		<u>24,996,825</u>	<u>-</u>
Net cash generated from operations		<u>(36,395,608)</u>	<u>(179,565,862)</u>
Interest received	5	<u>3,493,743</u>	<u>14,969</u>
Net Cash from Operating Activities		<u>(32,901,865)</u>	<u>(179,550,893)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment of advances to related parties	17	(2,724,225)	(3,682,847)
Acquisitions of property and equipment	9	<u>(81,161)</u>	<u>(312,053)</u>
Net Cash from Investing Activities		<u>(2,805,386)</u>	<u>(3,994,900)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Availment of short-term loans	14	1,500,000	15,000,000
Due to related parties	17	38,707,722	125,134,964
Payments of short-term loans	14	<u>(5,397,330)</u>	<u>-</u>
Net Cash from Financing Activities		<u>34,810,392</u>	<u>140,134,964</u>
NET DECREASE IN CASH		(896,859)	(43,410,829)
CASH AT BEGINNING OF YEAR	5	1,940,389	45,351,218
CASH AT END OF YEAR	5	1,043,530	1,940,389

See Separate Notes to Financial Statements

PREMIERE HORIZON ALLIANCE CORPORATION

NOTES TO SEPARATE FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE 1 – GENERAL INFORMATION

PREMIERE HORIZON ALLIANCE CORPORATION (PHA or the “Company”), was registered with the Philippine Securities and Exchange Commission (SEC) on January 13, 1988 and listed in the Philippine Stock Exchange (PSE) on May 5, 1997. The Company’s primary and secondary purpose is to engage in business activities relating to entertainment, gaming, hotel, and leisure and to expand to mining and real estate industries, respectively.

On August 10, 2016, the SEC approved the change in the Company’s primary purpose to that of an investment holding company and the secondary purpose to engaging in business activities relating to entertainment, gaming, hotel, and leisure.

The Company’s registered address and principal place of business is at Unit E-1705, 17F, East Tower, Philippine Stock Exchange Center, Exchange Road, Ortigas Center, Pasig City.

As at December 31, 2025 and 2024, the subsidiaries of the Company, which are all incorporated in the Philippines, are as follows:

Subsidiary	Industry	Percentage of Ownership		
		Direct	Indirect	Total
West Palawan Premiere Development Corp. (WPP)	Real estate	100	-	100
Treasure Cove at Nagtabon Beach, Inc (TCNBI)	Real estate	-	100	100
Premiere Georesources and Development Inc. (PGDI)	Mining	69	-	69
Pyramid Hill Mining & Industrial Corp. (PHMIC)	Mining	-	68	68
Palawan Star Mining Ventures, Inc (PSMVI)	Mining	-	68	68
Goshen Land Capital, Inc (GLCI)	Real estate	55	-	55
Concepts Unplugged: Business Environment Solutions (CUBES), Inc.	Management investment and/or technical solutions	51	-	51
Premiere Horizon Business Services, Inc. (PHBSI)	Human resources management	100	-	100
PH Mining and Development Corporation (PHMDC)	Mining	100	-	100
PH Agriforest Corporation (PHAC)	Forestry	100	-	100
PH Big Bounty Entertainment, Inc (PBBEI)	Amusement	100	-	100
Digiwave Solutions Incorporated (DSI)	Information Technology	100	-	100
Premiere e-Teleservices, Inc. (PeTI) * Non-operating	Entertainment	100	-	100

Corporate Developments

In 2021, a new investor group subscribed to 2,803,030,303 shares, equivalent to 55% ownership in PHA at ₱0.33 a share for ₱925 million. PHA received ₱371.1 million of the subscription as at December 31, 2022 (see Note 20). Part of the arrangement was the infusion of the shares of SquidPay Technology, Inc. (SPTI) with the intention of making SPTI a subsidiary.

On October 13, 2022, the BOD decided it will no longer pursue the acquisition of SPTI. In February 2023, the BOD approved a call for payment on all unpaid subscriptions.

On May 11, 2023, of the 1,457,756,130 shares considered delinquent after a 30 days compliance period, 1,389,802,253 were sold to a private investor for ₱344.8 million (see Note 20).

NOTE 2 – SUMMARY OF MATERIAL ACCCOUNTING POLICY INFORMATION

Basis of preparation and statement of compliance

The separate financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standard (PFRS). This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial reporting Interpretations Committee (IFRIC).

The Company also prepares and issues consolidated financial statements for the same period in accordance with PFRS. In the consolidated financial statements, the subsidiary undertakings have been fully consolidated. Users of these separate financial statements should read them together with the consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated financial performance and consolidated cash flows of PHA and its subsidiaries. The consolidated financial statements may be obtained at the Company's registered office address and at the SEC.

Measurement bases

The separate financial statements are presented in Philippine Peso (Peso), the Company's functional currency. All amounts are rounded to the nearest Peso unless otherwise stated.

The separate financial statements of the Company have been prepared on a historical cost basis except for retirement liability which measured at the present value of defined benefit obligation.

Historical cost is generally based on the fair value of the consideration given in exchange of assets and fair value of the consideration received in exchange for incurring a liability.

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

The Company uses market observable data to a possible extent when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values are included in Note 3, Financial Instruments

Going concern assumption

The preparation of the accompanying condensed separate financial statements of the Company is based on the premise that the Company operates on a going concern basis, which contemplate the realization of assets and settlement of liabilities in the normal course of business. The management does not intend to liquidate.

Use of judgment and estimates

The preparation of the Company's separate financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Company's separate financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Company's significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an on-going basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revision to accounting estimates is recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where significant judgments and estimates have been made in preparing the separate financial statements and their effects are disclosed in Note 4.

Adoption of new and revised accounting standards

The accounting policies adopted in the preparation of the Company's separate financial statements are consistent with those of the previous financial year except for the adoption of the following new and amended standards and interpretations. The adoption of these new and amended standards and interpretations did not have significant impact on the Company separate financial statements unless otherwise stated.

Effective beginning on or after January 1, 2025

Amendments to PAS 21 - Lack of Exchangeability. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

Standards and Interpretations Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on the financial statements. The Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2026

Amendments to PFRS 9 and PFRS 7, Classification and Measurement of Financial Instruments PFRS 9 and PFRS 7

The standard provides a robust and transparent framework for classifying, measuring, and disclosing financial instruments in Philippine financial reporting. The amendments enhance clarity, improve alignment with PFRS, and strengthen investor confidence through better disclosure of risks and valuation practices.

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards - Volume 11
 - Amendments to PAS 7, *Cost Method*
 - 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"*

Volume 11 provides targeted, minor amendments to improve clarity, consistency, and cross-references across PFRS standards without introducing substantive new requirements. Compliance ensures alignment with contemporary PFRS interpretations and reduces the risk of misapplication.

The Company is currently assessing the impact of adopting these standards on its financial statements.

Effective beginning on or after January 1, 2027

PFRS 18, Presentation and Disclosure in Financial Statements

The new standard impacts the classification of profit or loss items (i.e. into operating, investing, and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e. operating profit, and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures.

PFRS 19, Subsidiaries without Public Accountability.

The standard allows eligible subsidiaries to apply PFRS accounting principles with significantly reduced disclosure requirements, offering practical and cost relief while maintaining transparency for users. It is particularly relevant for subsidiaries whose parents report publicly under PFRS, allowing consistent financial reporting across the group with a streamlined, user-focused disclosure approach

Deferred effectivity

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

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

On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2026 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

The revised, amended, and additional disclosures or accounting changes provided by the standards and interpretations will be included in the financial statements in the year of adoption, if applicable.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of recognition. The Company recognizes a financial asset or a financial liability in the separate statements of financial position when it became a party to the contractual provisions of a financial instruments. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable is done using settlement date accounting.

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

Classification of financial instruments. The Company classifies its financial assets at initial recognition under the following categories: (a) Financial assets at FVPL, (b) financial assets at amortized cost and, (c) financial assets at fair value through other comprehensive income (FVOCI). The classification of a financial asset largely depends on its contractual cash flow characteristics and the Company's business model for managing them.

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

There were no reclassifications of financial assets in 2025 and 2024.

Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost.

As at December 31, 2025 and 2024, the Company does not have financial assets and liabilities at FVPL and financial assets at FVOCI.

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

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

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process.

Classified under this category are the Company's cash, receivables (excluding advances to officers and employees), dividends receivable, due from related parties, note receivable and security deposits (presented as part of "Other current assets" account).

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

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

As at December 31, 2025 and 2024, classified under this category are the Company's short-term loans, accounts and other payables (excluding statutory payables), due to related parties, and dividend payable.

Impairment of financial assets at amortized cost

The Company records an allowance for expected credit loss (ECL) on financial assets at amortized cost 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. The difference is then discounted at an approximation to the asset's original effective interest rate. 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.

The Company measures loss allowances at an amount equivalent to the 12-month ECL for financial assets on which credit risk has not increased significantly since initial recognition or that are determined to have low credit risk at reporting date. Otherwise, impairment loss will be based on lifetime ECL.

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

If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognized in profit or loss to the extent that the carrying amount of the asset does not exceed its amortized cost at reversal date.

A financial asset is written-off when there is no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Derecognition of financial assets and liabilities

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

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

When the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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

Offsetting financial assets and liabilities

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

Classification of financial instrument between liability and equity

A financial instrument is classified as a liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the company; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

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

Cash

Cash includes cash on hand and in banks which are measured at face value.

Cash funds are set aside for current purposes such as petty cash fund. Cash in banks include demand deposits which are unrestricted as to withdrawal.

Receivables

Receivables are amounts due from officers and employees. If collection is expected in one year or less (or in the normal operating cycle of the business longer), they are classified as current assets. Otherwise, they are presented as non-current assets. Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate (EIR) method, less provision for impairment.

Other current assets

This account mainly consists of excess of input value-added tax (VAT) over output VAT, creditable withholding taxes (CWT), and prepayments.

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

- Where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- Receivables and payables that are stated with the amount of tax included.

The net amount of tax recoverable from the taxation authority is included as part of the "Other current assets" account in the separate statement of financial position.

CWTs. CWTs represent the amount withheld by the company's customers in relation to its income. CWTs can be utilized as payment for income taxes, provided that these are properly supported by certificates of creditable tax withheld at source, subject to the rules on Philippine income taxation. CWTs are stated at their net realizable amount.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The initial cost of property and equipment consists of its purchase price, including import duties, nonrefundable taxes, and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Such cost includes the cost of replacing part of such property and equipment when that cost is incurred, if the recognition criteria are met.

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to profit or loss in the period when the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of property and equipment.

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

Depreciation is computed on the straight-line basis over the estimated useful lives of the depreciable assets. The depreciation periods for property and equipment, based on the above policies, are as follows:

<u>Assets</u>	<u>Useful life (years)</u>
Office space	10
Office space improvements	5
Furniture and fixtures	5
Office equipment	5
Transportation equipment	5

The estimated useful lives and depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Fully depreciated assets are retained in the accounts until these are no longer in use.

Investment properties

Investment properties comprise of land for future development held by the Company for capital appreciation. Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date, as determined by independent appraisers. Gains and losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which these arise.

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

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

Film rights

Film rights include the unamortized cost of completed theatrical films and television projects, as well as film rights acquired. Film rights principally consist of direct production costs, production overhead, development and pre-production costs, and are stated at cost less accumulated amortization and any impairment in value.

Amortization of film and television production costs starts when a film is released and revenues on that film are recognized. Amortization is made in proportion to the actual income earned during the year as against total estimated income. The total estimated income is subject to periodic evaluation by management based on actual income generated from those films.

Investments in subsidiaries

Investments in subsidiaries are accounted for using the cost method. A subsidiary is an entity controlled by the company. The Company controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to elements evidencing control.

Under the cost method, the company recognizes income from the investment only to the extent that the Company received distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a reduction of the cost of the investment.

An assessment of the carrying amount of the investment is performed when there is an indication that the investment has been impaired.

Impairment of nonfinancial assets

Nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's fair value less costs of disposal and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the

estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or within the normal operating cycle of the business if longer); otherwise, they are presented as noncurrent liabilities.

Accrued expenses are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with supplier including amounts due to employees. It is necessary to estimate the amounts of accruals; however, the uncertainty is generally much less than for provision.

Government dues and remittances include withholding income taxes which represent taxes retained by the Company for an item of income required to be remitted to the Bureau of Internal Revenue (BIR). The obligation of the Company to deduct and withhold the taxes arises at the time the income payment is paid or payable, or the income payment is accrued or recorded as an expense or asset, whichever comes first. The term "payable" refers to the date the obligation becomes due, demandable, or legally enforceable.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Capital stock and additional paid-in capital

Capital stock is measured at par value for all shares issued or subscribed. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as additional paid-in capital. The equity component of convertible instruments is also included in additional paid-in capital.

Incremental costs directly attributable to the issue of new capital stock are recognized as a deduction, net of tax, from the equity under the "Stock issuance costs" account.

Subscriptions receivable

Subscriptions receivable pertains to the uncollected consideration from the subscribed shares.

Deficit

Deficit represents the cumulative balance of the Company's results of operations, net of dividends declared to date.

Cumulative remeasurement gains on retirement liability

This pertains to accumulated remeasurement gains on retirement liability, which are not recognized in profit or loss. Remeasurement gains or losses earned or incurred during the year are classified as other comprehensive income or loss and presented after net income in the separate statement of comprehensive income. The cumulative remeasurement gains or losses are separately presented in the equity section of the separate statement of financial position.

Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The company has generally concluded that it is the principal in its revenue arrangements.

The following specific recognition criteria must also be met before revenue is recognized:

- *Interest income.* Interest income is recognized as the interest accrues using the effective interest rate.
- *Other income.* Income from other sources is recognized when earned.

Expense recognition

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in a decrease in equity, other than those relating to distributions to equity participants.

General and administrative expenses. General and administrative expenses constitute costs of administering the business. These are expensed as incurred.

Other Charges. Other charges include other expenses, which are incidental to the Company's business operations, and are recognized in the separate statement of comprehensive income when incurred.

Leases

Company as a lessee. The Company applies the short-term lease recognition exemption to its short-term leases of commercial spaces (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). Lease payments on short-term leases are recognized as an expense on a straight-line basis over the lease term.

Employee benefits

Short-term benefits. The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before 12 months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

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

Retirement benefits. The Company has an unfunded, non-contributory defined benefit plan covering all qualified employees. The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method, which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The retirement liability is the aggregate of the present value of the retirement liability, which is determined by discounting the estimated future cash outflows using an interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability.

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
- Interest on the defined benefit liability
- Remeasurement of defined benefit liability

Service costs, which include current service costs, past service costs, and gains or losses on non-routine settlements, are recognized as expenses in profit or loss. Past service costs are recognized when a plan amendment or curtailment occurs. These amounts are periodically calculated by independent qualified actuaries.

Interest on the defined benefit liability is the change during the period in the defined benefit liability that arises from the passage of time. This is determined by applying the discount rate based on government bonds to the defined benefit liability. Interest on the defined benefit liability is recognized as an expense in profit or loss.

Remeasurements, comprising actuarial gains and losses, are recognized immediately in other comprehensive income in the period in which they arise. These remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognized the related restructuring costs.

Actuarial valuations are performed with sufficient regularity to ensure that the amounts recognized in the financial statements do not differ materially from the amounts determined at the reporting date.

Income taxes

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

Deferred tax. Deferred tax is provided on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except for:

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

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits (excess of minimum corporate income taxes or MCIT over regular corporate income taxes or RCIT), and unused tax losses (net operating loss carryover or NOLCO) only if it is probable that sufficient future taxable profit will be available against which these amounts can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to utilize all or part of the deferred tax assets. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it becomes probable that sufficient future taxable profit will allow recovery of the deferred tax asset.

Deferred tax assets and liabilities are measured at the tax rates expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or as other comprehensive income.

Offsetting. Current tax assets and current tax liabilities, or deferred tax assets and deferred tax liabilities, are offset if, and only if an enforceable right exists to set off the amounts; and it can be demonstrated, without undue cost or effort, that the Company plans either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Related parties and transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions; or a member of the key management personnel of the reporting entity is involved. Parties are also considered related if they are subject to common control or common significant influence.

Related party transactions consist of transfers of resources, services, or obligations between the Company and its related parties. Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related parties in an economically comparable market.

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

Provisions

Provisions are recognized 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.

Provisions are made using the best estimates of the amount required to settle the obligation and are discounted to present values using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period these arise.

Contingencies

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

Events after the reporting date

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

NOTE 4 – SIGNIFICANT JUDGMENTS, ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the separate financial statements in accordance with PFRS requires management to exercise judgment, make estimates, and use assumptions that affect amounts of assets, liabilities, income, and expenses reported in the separate financial statements. The judgment, estimates, and assumptions used in the separate financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the separate financial statements. While management believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

Judgment

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

Going concern

As of December 31, 2025 and 2024, the Company's primary objective is to ensure its ability to continue as a going concern and that it maintains the resources to continue their business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Evaluating contingencies

There are ongoing legal proceedings involving the Company, which management believes would not have a material adverse impact on the Company's financial position and results of operations. The estimate of probable costs for the resolution of possible claims has been developed in consultation with legal counsel handling the Company's defense in these matters and is based upon an analysis of potential results (see Note 21).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Determining impairment of receivables, dividends receivable, and due from related parties

The impairment provisions for financial assets are based on assumptions about the risk of default and expected loss rates. The Company uses judgment in making these assumptions and selected inputs to the impairment calculation, based on the Company's past history, existing market conditions, as well as forward-looking estimates at the end of each reporting period.

Provision for ECL amount to ₱10,772,645 and nil as of December 31, 2025 and 2024, respectively. The carrying amounts of receivables (excluding advances to officers and employees), dividends receivable, and due from related parties, including details of the related allowances for impairment losses, are disclosed in Notes 8 and 17.

Estimating the useful lives of property and equipment

The Company estimates the useful lives of property and equipment based on the period over which these assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limits on the use of these assets. In addition, estimation of the useful lives is based on a collective assessment of industry practice, internal technical evaluation, and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

There were no changes in the estimated useful lives of property and equipment in 2025 and 2024. The carrying amounts of property and equipment are disclosed in Note 9.

Determining the impairment of nonfinancial assets

The Company assesses whether there are any indicators of impairment for all nonfinancial assets at each reporting date. Investments in subsidiaries, property and equipment, and other assets (excluding security deposit) are reviewed for impairment when there are indicators that the carrying amounts may not be recoverable. Film rights are reviewed annually for impairment while they are still not yet available for use. Determining the value in use of these nonfinancial assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the separate financial statements. Future events could cause the Company to conclude that such nonfinancial assets are impaired. Any resulting impairment loss could have a material adverse impact on the Company's separate financial statements.

Provision for impairment loss amounted to ₱405,501 in 2025 and 2024 (Note 12). The carrying amounts of other assets (excluding security deposits), property and equipment, investments in subsidiaries, film rights, and are disclosed in Notes 9, 10, and 11.

Determining the retirement benefits cost

The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions, including the determination of discount rates, future salary increases, and mortality rates. Due to the complexity of the valuation, the underlying assumptions, and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Retirement liability amounted to ₱557,197 and ₱1,207,985 as at December 31, 2025, and 2024, respectively (see Note 16).

Assessing the realizability of deferred tax assets

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

As at December 31, 2025 no deferred tax assets were recognized for NOLCO, excess MCIT over RCIT, and other deductible temporary differences (see Note 19). Management believes that it is not probable that sufficient taxable income will be available to allow all these deferred tax assets to be utilized.

Determining fair value measurement of investment properties

The determination of fair values requires significant judgment, including the selection of valuation techniques and assumptions.

Management believes that the valuation assumptions used are measurable and appropriate under circumstances.

NOTE 5 – CASH

This account consists of:

<u>Particulars</u>	<u>2025</u>	<u>2024</u>
Cash on hand	₱ 65,000	₱ 130,681
Cash in banks	<u>978,530</u>	<u>1,809,708</u>
Total	₱ <u>1,043,530</u>	₱ <u>1,940,389</u>

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

Interest income arises from the following:

<u>Particulars</u>	<u>2025</u>	<u>2024</u>
Due from related parties	₱ 3,492,873	₱ 10,570,245
Cash in banks	<u>870</u>	<u>14,969</u>
Total	₱ <u>3,493,743</u>	₱ <u>10,585,214</u>

NOTE 6 – RECEIVABLES - NET

As of December 31, 2025 and 2024, this account consists of advances to officers and employees amounted to ₱150,990 and ₱142,333.

Receivables are non-interest bearing and normally collectible within sixty (60) days.

As of the period ended December 31, 2025, allowance for bad debts amounted to nil. The Company believes that the balances are fully collectible thus no allowance for impairment was recognized for the year ended December 31, 2025.

NOTE 7 – PREPAYMENTS AND OTHER CURRENT ASSETS

These accounts consist of:

<u>Particulars</u>	<u>2025</u>	<u>2024</u>
Input VAT (Note 24)	₱ 14,297,949	₱ 11,918,373
Creditable withholding tax	2,259,728	3,571,029
Security deposits	320,629	320,629
Deferred MCIT (Note 19)	1,522,706	211,405
Prepayments	<u>48,590</u>	<u>-</u>
Total	₱ <u>18,449,602</u>	₱ <u>16,021,436</u>

Security deposits pertain to the deposits paid by the Company to certain lessors at the inception of the lease contracts, to be refunded at the end of the lease term.

Prepayments include prepaid rent, which will be amortized within three to 12 months at the end of the financial reporting date.

NOTE 8 – NON-CURRENT RECEIVABLES - NET

This account consists of:

Particulars	2025	2024
Receivables from related parties	P 8,553,587	P 8,553,587
Advance to officers and employees	<u>159,350,588</u>	<u>159,350,588</u>
Less: Allowance for ECL	<u>(9,010,227)</u>	<u>(625,788)</u>
Net	<u>P 158,893,948</u>	<u>P 167,278,387</u>

Receivables from related parties include the consideration from the sale of investment properties with a total area of 499.99 hectares to West Palawan Premiere Development Corp., for a total consideration of P449.0 million, payable on an installment basis in three years ending 2021 (see Note 10 and 17).

At the special meeting of the Board of Directors of the Corporation held on May 27, 2024, the Directors approved the Rescission of the Contract to Sell dated December 17, 2017, resulting to reversal of the receivables.

In 2024, the Company performed a clean-up of its accounts which resulted to identification of receivables from various individuals and former officers; these balances arose from creation of duplicate transaction, reclassification of balances, and offsetting. As a result of the internal investigation and evidences that these balances existed at the end of the reporting period, the Company has provided adjustments to record the amount as advances to officers and employees.

The Company is undergoing further review and revisiting of contracts, agreements, and other executed documents arising from the transactions for which the receivables were recognized. The Company is exploring all courses of action to recover these balances.

In December 2017, the BOD of PHBSI and PHAFC declared cash dividends payables to its stockholders of record as of date. Dividends receivable of the Company from both subsidiaries amounted to nil and P5.5 million as of December 31, 2025 and 2024, respectively. In 2024, the non-operating subsidiaries reversed the dividend declaration due to lack of funds.

Movements in the allowance for expected credit losses are as follows:

Particulars	2025	2024
Balance at beginning of year	P 625,788	P 625,788
Provision	<u>8,384,439</u>	<u>-</u>
Total	<u>P 9,010,227</u>	<u>P 625,788</u>

NOTE 9 – PROPERTY AND EQUIPMENT - NET

As of December 31, 2025, the movement of the account is as follows:

Particulars	Beginning	Addition	Deduction/ Adjustment	Ending
Cost				
Office space	₱ 13,881,990	₱ -	₱ -	₱ 13,881,990
Office space improvements	6,719,078	-	704,620	6,014,458
Furniture and fixtures	1,349,731	-	-	1,349,731
Transportation equipment	23,784,784	-	11,789,823	11,994,961
Office equipment	2,486,224	81,161	216,745	2,350,641
Software	822,620	-	-	822,620
Total	₱ 49,044,428	₱ 81,161	₱ 12,711,188	₱ 36,414,401
Accumulated depreciation				
Office space	₱ 14,113,357	₱ -	₱ -	₱ 14,113,357
Office space improvements	6,719,078	-	704,620	6,014,458
Furniture and fixtures	1,349,731	-	-	1,349,731
Transportation equipment	22,905,227	415,630	11,789,823	11,531,034
Office equipment	2,035,111	174,315	216,745	1,992,681
Software	729,911	13,500	-	743,411
Total	₱ 47,852,415	₱ 603,445	₱ 12,711,188	₱ 35,744,672
Net Book Value	₱ 1,192,013			₱ 669,729

As of December 31, 2024, the movement of the account is as follows:

Particulars	Beginning	Addition	Deduction/ Adjustment	Ending
Cost				
Office space	₱ 13,881,990	₱ -	₱ -	₱ 13,881,990
Office space improvements	6,719,078	-	-	6,719,078
Furniture and fixtures	1,349,731	-	-	1,349,731
Transportation equipment	23,784,784	-	-	23,784,784
Office equipment	2,224,672	261,553	-	2,486,225
Software	772,120	50,500	-	822,620
Total	₱ 48,732,375	₱ 312,053	₱ -	₱ 49,044,428
Accumulated depreciation				
Office space	₱ 12,493,791	₱ 1,071,316	₱ 548,250	₱ 14,113,357
Office space improvements	6,719,078	-	-	6,719,078
Furniture and fixtures	1,349,731	-	-	1,349,731
Transportation equipment	22,323,746	581,481	-	22,905,227
Office equipment	1,877,240	157,871	-	2,035,111
Software	707,995	21,916	-	729,911
Total	₱ 45,471,581	₱ 1,832,584	₱ 548,250	₱ 47,852,415
Net Book Value	₱ 3,260,794			₱ 1,192,013

In 2025, the Company disposed a motor vehicle with cost and accumulated depreciation both amounted to ₱11,789,823 and computer software with cost and accumulated depreciation both amounted to ₱704,620. The assets were no longer in use and no gain was recognized on the disposal made.

In 2025, the Company corrected the adjustment made in 2020 to office space improvements with a cost and accumulated depreciation both amounted to ₱216,745.

The Company has not recognized an impairment loss for the property and equipment for the years 2025 and 2024. The management believed that the fair value of property and equipment exceeded its cost.

There were no property and equipment pledged as security or collateral for any of the liabilities of the Company.

NOTE 10 – INVESTMENT PROPERTY

On December 17, 2017, the Company entered into a Contract to Sell with its subsidiary, West Palawan Premiere (WPP), for the purchase of approximately 500 has. property in Brgy. Bacungan, Puerto Princesa City, Palawan for a total consideration of ₱450 million.

At the special meeting of the Board of Directors of the Corporation held on May 27, 2024, the Directors approved the Rescission of the Contract to Sell, resulting to recognition of the investment property in the books of the Company. The rescission resulted to the recognition of loss on sale of property in the statements of comprehensive income in the amount of ₱23,047,300.

The balance of the account as of December 31, 2025 and 2024, both amounted to ₱2,599,695,000 and ₱2,499,707,700, respectively. Movement is shown below:

Particulars	2025	2024
Cost, beginning	₱ 2,499,707,700	₱ 398,952,700
Gain on valuation	<u>99,987,300</u>	<u>2,100,755,000</u>
Cost, end	₱ <u>2,599,695,000</u>	₱ <u>2,499,707,700</u>

The fair values of the investment properties as of December 31, 2025 and 2024 were determined based on valuations performed by independent qualified appraiser, Asian Appraisal Company, Inc. using the Market Approach. In this approach, the value of the land was based on sales and listings of comparable property registered within or nearby the vicinity. The technique of this approach requires the adjustments of comparable property by reducing reasonable comparative sales and listing to a common denominator. This was done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity of the property and were premised on the factors of location, size and shape of the lot, time, element and others.

The selling price is adjusted for certain external and internal factors ranging from negative 5% to positive 35%. Under the Market Approach, a higher estimated price per sqm of the subject property would yield higher fair value.

Significant unobservable inputs used in the valuation include:

Input	Range
Price per sqm	₱ 520
Discount rate	5% to 35%
Capitalization rate	0.97%

The fair value of investment properties is classified under level 3 of the fair value hierarchy due to the significance of the unobservable inputs.

During the year ended December 31, 2025, the Company recognized a net fair value gain of ₱99.9 million arising from the remeasurement of investment properties. Due to the materiality of this change, the Company provides enhanced disclosure to improve transparency regarding the valuation process and underlying assumptions.

The Company assessed the competence reasonableness of the fair value of investment properties by comparing the appraised values with recent acquisition costs, where applicable, and noted no material inconsistencies.

Management also assessed the competence, independence, and objectivity of the appraiser and reviewed the valuation methodologies and assumptions used.

NOTE 11 – INVESTMENTS IN SUBSIDIARIES - NET

As at December 31, 2025 and 2024, details of investments in subsidiaries accounted for under the cost method are as follow:

Particulars	2025	2024
WPP	₱ 440,000,000	₱ 440,000,000
GLCI	427,000,000	427,000,000
PGDI	403,707,804	403,707,804
DSI	179,786,001	179,786,001
CUBES	79,879,414	79,879,414
PHMDC	3,062,500	3,062,500
PBBEI	1,250,005	1,250,005
PeTI	62,500	62,500
PHBSI	62,500	62,500
PHAC	62,500	62,500
Total	1,534,873,224	1,534,873,224
Less: Allowance for impairment losses	83,783,679	83,129,414
Net	₱ 1,451,089,545	₱ 1,451,743,810

WPP

WPP is incorporated for the purpose of acquiring by purchase, lease, donation, or otherwise, and owning, using, improving, developing, subdividing, selling, mortgaging, exchanging, leasing, developing, and holding for investment or otherwise real estate of all kinds.

WPP's subsidiary, TCNBI, is engaged in the business of owning and operating hotels and other resort developments.

GLCI

GLCI is a real estate developer based in Baguio City and develops innovative, master-planned communities of low- to mid-rise residential and commercial condominiums, including dormitories.

PGDI

PGDI is primarily engaged in mining-related services such as hauling and excavation for mining companies.

PGDI's subsidiaries, PHMIC and PSMVI, are holders of Mineral Production Sharing Agreements (MPSAs) covering approximately 10,384 hectares, containing probable commercial-quality limestone deposits located in the mineralized area of Southern Palawan. As at December 31, 2025, PHMIC and PSMVI are under the exploration stage and in the process of renewing their exploration period, subject to evaluation and approval of the Mines and Geosciences Bureau (MGB) upon submission of requirements.

DSI

DSI previously operated e-Games stations, with its primary purpose to carry out information technology and other related businesses.

CUBES

CUBES is primarily engaged in providing management, investment, and/or technical solutions to commercial, industrial, and other types of enterprises. In May 2017, CUBES' operation was discontinued and put on hold due to operational issues. As of December 31, 2024, CUBES has not yet resumed its operations, and management is currently assessing its options on whether to continue its operations or sell its equipment to prospective buyers.

PHMDC, PBBEI, PeTI, PHBSI, and PHAC are engaged in business activities relating to entertainment, gaming, and human resources management consulting. As of December 31, 2025, these subsidiaries have not started commercial operations.

Details of the allowance for impairment are as follows:

Particulars	CUBES	PHBSI	PeTI	PHMDC	PHAC	PBBEI	Total
Balance at beginning and end of year	<u>₱79,879,414</u>	<u>₱62,500</u>	<u>₱62,500</u>	<u>₱3,062,500</u>	<u>₱62,500</u>	<u>₱654,265</u>	<u>₱83,783,679</u>

NOTE 12 – OTHER NONCURRENT ASSETS

These accounts consist of:

Particulars	2025	2024
Film rights	₱ 1,622,007	₱ 2,027,508
Idle property	<u>15,709,422</u>	<u>15,709,422</u>
Total	₱ <u>17,331,429</u>	₱ <u>17,736,930</u>

The movements of the film rights are as follows:

Particulars	2025	2024
Cost		
Balance at beginning and end of year	₱ <u>59,641,480</u>	₱ <u>59,641,480</u>
Accumulated Impairment Losses		
Balance at beginning of year	<u>57,613,972</u>	57,208,471
Impairment	<u>405,501</u>	<u>405,501</u>
Balance at end of year	<u>58,019,473</u>	<u>57,613,972</u>
Carrying Amount	₱ <u>1,622,007</u>	₱ <u>2,027,508</u>

Film rights pertain to the unamortized cost of completed theatrical films and television projects and film rights acquired by the Company when it was still active in the entertainment business.

In assessing the impairment of film rights, the Company uses the income approach – discounted cash flow method, which assumes that the going rate per film of ₱0.8 million declines by 10.00% per year as observed in the price trends from 1998 up to the current year.

Idle property represents cumulative payments of the Company for purchase of four (4) land rights in 2015 and 2016, for which the titles and registration has yet to be obtained by the Company. These land rights were sold to WPP by the Company in 2016 for future development or resale resulting to recognition of realized gain on sale amounting to ₱87.3 million.

At the special meeting of the Board of Directors of the Corporation held on May 16, 2024, the Directors approved the reversal of the Assignment of Rights and Undertaking to Execute Deed of Assignment and Transfer of Rights made between PHA and WPP covering the four (4) parcel of land with total area of 1,728,824 sqm, after discovery of anomalies in the registration documents of these rights. The rescission resulted to the recognition of loss on sale of property in the statements of income in the amount of ₱87.3 million.

As of December 31, 2025 the balance of the idle property amounted to ₱15,709,422.

NOTE 13 – ACCOUNTS AND OTHER PAYABLES

This account consists of:

Particulars	2025	2024
Accrued expenses	₱ 199,110,620	₱ 189,460,353
Account payable	28,228,725	38,681,348
Advances from officers and shareholders	27,818,758	16,719,600
Statutory liabilities	10,851,583	10,448,744
Others	<u>13,000,000</u>	<u>13,000,000</u>
Total	₱ <u>279,009,686</u>	₱ <u>268,310,045</u>

In 2025, the Company performed a detailed review of long outstanding accounts payable balances in accordance and certain balances were identified as no longer representing present obligations of the Company due to the absence of supporting documentation, lack of supplier confirmation, and prolonged inactivity. Based on management's assessment, these balances no longer meet the definition of a liability.

Accordingly, such payables were derecognized during the year, with the resulting gain recognized in profit or loss under "Other Income." The Company believes that this treatment appropriately reflects the substance of the transactions and results in a fair presentation of the Company's financial position and performance. (Note 18)

Pursuant to the Board of Directors' resolution and discussions in the meeting held on June 5, 2025, the Company approved the transfer amounted to amounted to ₱13,450,000 of previously accrued interest and the reclassification of the settled and fixed amount to Accounts Payable, consistent with the enforceable amount required to be paid under the Sheriff's instruction. Accordingly, accrued interest previously recognized beyond the enforceable and demandable amount was reversed, and the principal obligation, together with the approved interest thereon, was reclassified from Accrued Interest Payable to Accounts Payable.

Accrued expenses pertain to accrual of interest, salaries and benefits, professional fees and other taxes which are expected to be settled within 12 months from the end of the reporting period.

Accounts payable arises from regular transactions with contractors and suppliers. These are noninterest-bearing and are normally settled on a 15 to 60-day terms.

Advances from officers and shareholder represents additional funds from the Company's officers and shareholders to be used in its ongoing projects.

Statutory liabilities pertain to withholding taxes and other amounts payable to the Philippine Government. These are noninterest-bearing and are generally in 30 to 45 days.

Other payable represents the liability of the Company to individuals arising from repayment of loan by way of dacion en pago. These are noninterest-bearing and are due upon demand.

NOTE 14 – SHORT-TERM LOANS

As of December 31, this account consists of:

Particulars	2025	2024
Third parties	₱ 26,486,006	₱ 26,486,006
Shareholders and officers	107,482,856	107,482,856
Banks	<u>11,102,670</u>	<u>15,000,000</u>
Total	₱ <u>145,071,532</u>	₱ <u>148,968,862</u>

Short-term loans are unsecured and were obtained to finance the working capital requirements of the Company. These are payable within 180 to 360 days with interest rates ranging from 8.0% to 12.0% per annum.

Short-term loans are unsecured and were obtained to finance the working capital requirements of the Company. Details of interest expense are as follows:

Particulars	2025	2024
Share lending agreement	P 24,070,896	P 24,075,180
Short-term loans	12,402,857	11,715,842
Related party	<u>2,031,171</u>	<u>-</u>
Total	P <u>38,504,924</u>	P <u>35,791,022</u>

NOTE 15 – NON-CURRENT PAYABLES

This account consists of:

Particulars	2025	2024
Third parties	P 35,667,380	P 35,667,380
Shareholders	<u>37,299,341</u>	<u>37,499,341</u>
Total	P <u>72,966,721</u>	P <u>73,166,721</u>

Certain accounts and other payables previously classified as current have been reclassified to non-current liabilities as of December 31, 2025. The reclassification was made because the settlement of these obligations is presently deferred due to the on-going legal proceedings, and management does not expect settlement to occur within twelve (12) months after the reporting period. (Note 21)

NOTE 16 – RETIREMENT LIABILITY

The Company has an unfunded non-contributory defined benefit plan covering all regular employees. Benefits are based on the employee's years of service and final plan salary.

Under the existing regulatory framework, Republic Act 7641, *The 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.

Retirement benefit cost recognized as part of "Personnel costs" in the separate statements of comprehensive income consists of:

Particulars	2025	2024
Interest expense on defined benefit obligation	P 73,204	P -
Service cost	<u>83,441</u>	<u>-</u>
Total	P <u>156,645</u>	P <u>-</u>

Remeasurement gains on defined benefit obligation recognized in 2025 and 2024 under OCI in the separate statements of comprehensive income:

Particulars	2025	2024
Actuarial gains (losses) due to:		
Experience adjustments	₱ 467,960	₱ -
Changes in financial assumptions	<u>(339,473)</u>	<u>-</u>
Remeasurement gains on defined benefit obligation	807,433	-
Income tax effect	<u>201,858</u>	<u>-</u>
Remeasurement gains	₱ 605,575	₱ -

Cumulative remeasurement gains recognized in other comprehensive income follows:

2025			
Particulars	Cumulative Remeasurement gains	Deferred Tax	Net
Balance at beginning of year	₱ 1,040,180	₱ (260,796)	₱ 779,384
Remeasurement gains/(loss)	<u>807,433</u>	<u>(201,858)</u>	<u>605,575</u>
Balance at end of year	₱ 1,847,613	₱ 462,654	₱ 1,384,959
2024			
Particulars	Cumulative Remeasurement gains	Deferred Tax	Net
Balance at beginning of year	₱ 1,040,180	₱ (260,796)	₱ 779,384
Remeasurement gains	<u>-</u>	<u>-</u>	<u>-</u>
Balance at end of year	₱ 1,040,180	₱ (260,796)	₱ 779,384

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

Particulars	2025	2024
Balance at beginning of year	₱ 1,207,985	₱ 1,207,985
Actuarial losses (gains) due to:		
Experience adjustments	(339,473)	-
Changes in financial assumptions	(467,960)	-
Interest expense on defined benefit obligation		-
Service cost	83,441	-
Benefits paid	<u>73,204</u>	<u>-</u>
Balance at end of year	₱ 557,197	₱ 1,207,985

The cost of defined benefit pension plans as well as the present value of the pension liabilities is determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used to determine pension for the Company are as follows:

Particulars	2025	2024
Discount rate	6.42%	6.06%
Salary increase rate	2.00%	5.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

Particulars	Increase (Decrease)	Effect on the retirement benefit obligation	
		2025	2024
Discount rate	+100bps	₱ (69,637)	₱ (172,547)
	-100bps	81,534	378,442
Salary increase	+100bps	84,472	286,443
	-100bps	₱ (73,075)	₱ (243,508)

The Company does not have a formal retirement plan where its retirement obligation could have been funded. As at December 31, 2025, the Company has no expected benefit payments in the next 12 months.

NOTE 17 – RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Company has transactions with related parties which consist mainly of extension or availment of noninterest bearing advances and interest-bearing short-term and long-term loans.

Transactions and outstanding balances with related parties are as follows:

Related Party	Nature of Transaction	Transactions		Outstanding Balance		Terms and Conditions
		2025	2024	2025	2024	
Receivables						
Subsidiary	Sale of land	₱	₱ (449,000,000)	₱ -	₱ -	Unsecured, due and demandable, noninterest bearing
	Interest receivable		-	625,788	625,788	Unsecured, due and demandable, noninterest bearing
Officers and shareholders	Advances	(312)	32,467,258	7,930,363	7,930,675	Unsecured, due and demandable, noninterest bearing
Less: Allowance for ECL		-	-	(625,788)	(625,788)	
Net		<u>(312)</u>	<u>(416,532,742)</u>	<u>7,930,363</u>	<u>7,930,675</u>	
Dividend receivable						
Subsidiaries	Cash dividends	₱	₱ (5,450,000)	₱ -	₱ -	Unsecured, due and demandable, noninterest bearing
Note receivable						
Subsidiary	Note receivable	₱ -	₱ -	₱ 35,558,000	₱ 35,558,000	Unsecured and subjected to 8% interest per annum
Less: Allowance for ECL		-	-	(35,558,000)	(35,558,000)	
Net		<u>₱ -</u>	<u>₱ -</u>	<u>₱ -</u>	<u>₱ -</u>	
Due from Related Parties						
Subsidiaries	Advances	₱ 5,112,431	₱ 3,930,086	₱ 111,924,751	₱ 106,812,320	Unsecured, due and demandable, noninterest bearing
Less: Allowance for ECL		(2,388,206)	(247,239)	(16,964,177)	(14,575,971)	
Net		<u>₱ 2,724,225</u>	<u>₱ 3,682,847</u>	<u>₱ 94,960,574</u>	<u>₱ 92,236,349</u>	
Short-term loans						
Officers and shareholders		₱ -	₱ 101,432,856	₱ 138,832,856	₱ 138,832,856	Unsecured and subject to 6% interest per annum, 180-360 days

Related Party	Nature of Transaction	Transactions		Outstanding Balance		Terms and Conditions
		2025	2024	2025	2024	
<i>Accounts and other payables</i>						
Officers and shareholders	Advances	₱ <u>11,099,158</u>	₱ <u>-</u>	₱ <u>27,818,758</u>	₱ <u>16,719,600</u>	Unsecured and subject to 6% interest per annum, 180-360 days
<i>Due to related parties</i>						
Subsidiaries	Advances	₱ <u>38,707,722</u>	₱ <u>125,134,964</u>	₱ <u>485,547,031</u>	₱ <u>446,839,309</u>	Unsecured, due and demandable, noninterest bearing

The Company, in the ordinary course of business, has entered into transactions with its related parties which consists mainly of the following:

- In December 2017, the Company sold its investment property located in Bacungan, Puerto Princesa, Palawan to WPP for a total consideration of ₱449 million which remain outstanding as at December 31, 2023 (see note 8).

At the special meeting of the Board of Directors of the Corporation held on May 27, 2024, the Directors approved the Rescission of the Contract to Sell, resulting to the reversal of the receivables.

- In December 2017, the BOD of PHBSI and PHAFC declared cash dividends payable to its stockholders of record as of date. Dividends receivable of the Company from both subsidiaries amounted to ₱5.5 million as of December 31, 2024 and 2023.

In 2024, the non-operating subsidiaries reversed the dividend declaration due to lack of funds.

- The Company has extended a loan to CUBES. The loan is due and payable on demand and bear an interest of 8.00% per annum. The Company waived interest on this loan. In 2022, the Company provided the outstanding balance of ₱35.6 million with full impairment.
- In 2024, the Company charged interest income on its due from related parties amounting to ₱10.5 million (see Note 5).

Summary of allowance for impairment losses income on related party balance as at December 31, 2025 and 2024 is as follows:

Particulars	2025	2024
Allowance for impairment losses on:		
Note receivable	₱ <u>35,558,000</u>	₱ 35,558,000
Due from related parties	<u>16,964,177</u>	14,575,971
Receivables	<u>625,788</u>	<u>625,788</u>
Total	₱ <u>53,147,965</u>	₱ <u>50,759,759</u>

Impairment assessment on related party receivables is undertaken each financial period through examining the financial position of the related party and the market in which the related party operates. Settlement of the outstanding balances normally occur in cash, unless otherwise stated.

Compensation of Company's Key Management Personnel

Compensation of the Company's key management personnel consists of short-term employee benefits amounting to ₱2.01 million and ₱19.2 million in 2025 and 2024, respectively. There are no post-employment benefits in 2025 and 2024. There are no agreements between the Company and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the Company's retirement plan.

NOTE 18 – OTHER INCOME

For the year ended December 31, 2025 and 2024, this account consists of other income amounted to ₱62,058,868 and ₱10,570,245, respectively.

In 2025, the Company wrote-off long outstanding payables amounted to ₱54,508,868 as part of the clean up of the accounts performed by the Company (Note 13).

NOTE 19 – INCOME TAXES

On January 5, 2024, Ease of Paying Taxes (EOPT) Act was passed into law. The EOPT Act introduced significant amendments to the National Internal Revenue Code of 1997 (“The Code”) which are intended to protect and safeguard taxpayer rights and welfare to modernize tax administration by providing mechanisms that encourage easy compliance at the best cost and resources, and to update the tax system and adopt best practices.

The amendments include the following:

- File and pay anywhere mechanism. Taxes shall be paid either electronically or manually at the time the return is filed.
- Classification of taxpayers into micro, small, medium and large taxpayers.
- Withholding of tax on income payments only when payable.
- Imposing value-added tax (VAT) on services, based on gross sales, no longer on gross receipts.
- VAT invoices are sufficient to substantiate input VAT arising from the purchase at both goods and services.
- Removal of “business style” as a VAT invoicing requirement.
- Removal of withholding tax as requirement for deductibility of income payments.

On November 8, 2024, the President signed the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act into law (Republic Act No. 12066). The CREATE MORE Act aims to generate jobs and spur economic growth. It builds on the earlier CREATE Act by enhancing the tax regime and incentive framework to attract both domestic and international investments, particularly, in strategic industries. The features include.

- Registered business enterprises under the Enhanced Deduction Regime subject to the 20% corporate income tax rate
- Sales to export-oriented enterprises (70% export sales) Value-Added Tax (VAT) zero-rated if directly attributable to export activities
- Export sales as defined under Executive Order No. 226 generally omitted from enumeration of VAT zero-rated sales
- Sales to bonded manufacturing warehouses of export-oriented enterprises are VAT zero-rated
- Additional due process requirements in the processing of input VAT refund claims
- Mandatory issuance of electronic invoices (e-Invoices) for certain taxpayers
- Additional deduction for micro/small taxpayers and medium/large using e-Invoices
- The 5% Special Corporate Income Tax is in lieu of all taxes including local fees and charges
- Additional deductions for export and domestic market enterprises under the Enhanced Deductions Regime
- Local government units may impose local taxes on RBEs up to 2% of gross income

The reconciliation of benefit from income tax computed at the statutory income tax rate to the provision for income tax follows:

Particulars	2025	2024
Tax expense (benefit) from income tax at statutory tax rate	₱ 11,888,932	₱ 478,943,879
Change in unrecognized deferred tax assets	8,919,083	45,410,228
Tax effects of:		
Nondeductible expense	1,394,492	838,385
Income subjected to final tax	<u>(218)</u>	<u>(3,742)</u>
Total	₱ 22,202,289	₱ 525,188,750

As at December 31, 2025 and 2024, the Company's deferred tax liability arises from actuarial gains on retirement liability amounting to ₱201,858 and nil, respectively. (Note 16)

The Company did not recognize deferred tax assets on the following temporary differences, NOLCO and excess MCIT over RCIT because the management believes that it is not probable that sufficient future taxable income will be available to allow part of the deferred tax assets to be utilized:

Particulars	2025	2024
NOLCO	₱ 707,937,345	₱ 672,261,013
Allowance for impairment losses on:		
Investments in subsidiaries	83,783,679	83,129,414
Film rights	9,729,896	9,324,395
Note receivable	35,558,000	35,558,000
Due from related parties	16,964,177	14,575,971
Receivables	625,788	625,788
Input VAT	39,637	39,637
Other noncurrent assets	662,061	662,061
Retirement liability	-	1,782,160
Excess MCIT over RCIT	<u>452,707</u>	<u>227,282</u>
Total	₱ 855,753,290	₱ 818,185,721

The details of the Company's unused NOLCO which can be claimed as deduction from future taxable income during the stated validity are as follows:

Year incurred	Valid Until	Beginning Balance	Incurred	Expired	Ending Balance
2025	2028	₱ -	₱ 35,676,332	₱ -	₱ 35,676,332
2024	2027	181,640,913	-	-	181,640,913
2023	2026	114,503,989	-	-	114,503,989
2022	2025	127,377,788	-	-	127,377,788
2021	2026	120,338,515	-	-	120,338,515
2020	2025	<u>128,399,808</u>	<u>-</u>	<u>-</u>	<u>128,399,808</u>
Total		₱ 672,261,013	₱ 35,676,332	₱ -	₱ 707,937,345

The details of the Company's excess MCIT over RCIT which can be claimed as deduction against income tax liability during the stated validity are as follows:

Year incurred	Valid Until	Beginning Balance	Incurred	Expired	Ending Balance
2025	2028	₱ -	₱ 1,311,302	₱ -	₱ 1,311,302
2024	2027	211,405	-	-	211,405
2023	2026	101,317	-	-	101,317
2022	2025	2,028	-	-	2,028
2021	2024	123,937	-	123,937	-
		₱ <u>438,687</u>	₱ <u>1,311,302</u>	₱ <u>123,937</u>	₱ <u>1,626,052</u>

The movement of deferred tax asset (liability) is as follows:

Particulars	Tax Base (Movement)	Tax Rate	Tax Effect		Ending Balance
			Beginning Balance	Movement	
Impairment on film rights	₱ 405,501	25%	-	101,375	101,375
Allowance for expected credit losses	10,772,645	25%	-	2,693,162	2,693,162
Retirement liability	(1,846,617)	25%	(259,796)	(201,858)	(461,654)
Change in fair value on property valuation	(2,200,742,300)	25%	(525,188,750)	(24,996,825)	(550,185,575)
	₱ <u>(2,191,410,771)</u>		₱ <u>(525,448,546)</u>	₱ <u>(22,404,146)</u>	₱ <u>(547,852,692)</u>

NOTE 20 – EQUITY

Capital Stock

The details and movements of the Company's number of common shares follow:

	2025		2024	
	Number of Shares	Amount	Number of Shares	Amount
Authorized - ₱0.25 par value per share				
Balance at beginning of year	6,000,000,000	₱ 1,500,000,000	6,000,000,000	₱ 1,500,000,000
Increase in authorized capital stock	-	-	-	-
	<u>6,000,000,000</u>	<u>₱ 1,500,000,000</u>	<u>6,000,000,000</u>	<u>₱ 1,500,000,000</u>
Issued and fully paid				
Balance at beginning of year	5,640,405,618	₱ 1,410,101,404	3,456,388,489	₱ 864,097,122
Shares fully paid during the year	-	-	2,184,017,129	546,004,282
Additional subscription	-	-	-	-
Balance at end of year	<u>5,640,405,618</u>	<u>₱ 1,410,101,404</u>	<u>5,640,405,618</u>	<u>₱ 1,410,101,404</u>
Subscribed but not yet fully paid				
Balance at beginning of year	67,953,886	₱ 16,988,472	2,251,971,015	₱ 562,992,754
Shares fully paid during the year	-	-	(2,184,017,129)	(546,004,282)
Balance at end of year	<u>67,953,886</u>	<u>₱ 16,988,472</u>	<u>67,953,886</u>	<u>₱ 16,988,472</u>
Less subscriptions receivable				
Balance at beginning of year		₱ 12,741,354		₱ 419,593,050
Collection		-		(406,851,696)
Balance at end of year		<u>₱ 12,741,354</u>		<u>₱ 12,741,354</u>
Issued and subscribed	<u>5,708,359,504</u>	<u>₱ 1,414,348,522</u>	<u>5,708,359,504</u>	<u>₱ 1,414,348,522</u>

On May 2, 1997, the Company had its shares listed at the Philippine Stock Exchange, where 520.0 million common shares were offered at ₱1.00 a share. The Company has 145 existing shareholders as at December 31, 2025 and 2024, respectively.

Share Subscription Agreement

On October 29, 2020, the Company entered into a Memorandum of Agreement with an investor group for an equity infusion through a subscription of 2,803,030,303 shares or 55% ownership in the Company at ₱0.33 per share for ₱950.0 million. Of the consideration, ₱300.0 million was in cash and the balance of ₱625.0 million was a combination of cash and/or infusion of SPTI shares over a period of two years, with the intent of making SPTI a subsidiary of the Company. The Company received ₱371.1 million from the subscription.

On October 13, 2022, the BOD decided that it will no longer pursue its planned acquisition of 33% of SPTI.

Of the 2,803,030,303 shares subscribed by the investor group, 1,678,372,199 shares remained unpaid, with unpaid subscriptions of ₱553.9 million. In February 2023, the BOD approved a call for payment on the remaining unpaid shares. After a 30 days-compliance period, 1,457,756,139 shares with unpaid balance of ₱357.3 million were considered delinquent shares. On April 11, 2023 the BOD authorized the sale of the delinquent shares at a public auction on May 11, 2023.

Of the delinquent shares, 1,389,802,253 were sold to a private investor for ₱344.8 million. These were fully collected on July 7, 2023.

Additional Paid-in-Capital

Additional paid-in capital includes paid-in capital in excess of par amounting to ₱564.2 million as at December 31, 2025 and 2024, respectively, and the equity component of the issued convertible loans amounting to ₱18.7 million at December 31, 2025 and 2024.

Subscription Receivable

Movements in subscription receivable, which is treated as a deduction against capital stock and APIC, are as follows:

	2025			2024		
	Capital Stock	APIC	Total	Capital Stock	APIC	Total
Balance at beginning of year	₱ 12,741,354	₱ 4,077,233	₱ 16,818,587	₱ 12,741,354	₱ 4,077,233	₱ 16,818,587
Collection	-	-	-	-	-	-
Balance at end of year	₱ 12,741,354	₱ 4,077,233	₱ 16,818,587	₱ 12,741,354	₱ 4,077,233	₱ 16,818,587

Share Lending Agreement

On July 20, 2021, the Board of Directors (BOD) of the Company approved a Put Option Agreement with LDA Capital Limited (LDA) for equity financing of up to ₱2.5 billion over the next 36 months.

In August 2021, the Company issued a Put Option Notice (PON) to LDA for 190,000,000 listed shares. A group of stockholders (referred to as the Share Lenders) lent 210,000,000 shares to the Company. Out of the total shares, 190,000,000 shares were designated as Collateral Shares for the PON. The remaining 20,000,000 shares were transferred to an Options Shares Securities Account held by LDA to meet the Company's obligations to sell option shares and to secure the payment of any portion of the commitment fee.

In consideration for the lending of shares by the Share Lender to LDA on behalf of the Company pursuant to the Put Option Agreement, the Company shall pay the Share Lender a lending fee equivalent to 18.0% per annum, based on the market prices of the shares at the time of transfer. The lending fees accrued and recognized as part of the "Interest Expense" account amounted to ₱24 million and ₱30.0 million in 2024 and 2023, respectively.

On October 15, 2021, LDA subscribed to 70,835,000 new primary shares of the Company at a subscription price of ₱1.01 per share. The subscription price, totaling ₱71.4 million, was fully paid and recognized as "Deposit for Future Stock Subscription" pending the finalization of the terms and conditions of the subscription.

In 2025 and 2024, the Company recognized commitment fees to LDA amounting to nil for both years.

Deposit for Future Stock Subscription

In 2021, the convertible notes holders exercised their rights to convert the principal of ₱354.0 million and accrued interest of ₱24.7 million to equity of the Company at a conversion price of ₱0.70 a share, equivalent to

540,938,008 shares. The amount was initially recognized as "Deposit for future stock subscription" and was issued on March 22, 2022, when the SEC issued the Certificate of Approval of Valuation of shares.

In December 2, 2024, the Philippine Stock Exchange ("PSE") issued a Notice of Approval for the listing of additional shares totaling 1,202,271,236 common shares as a result of the debt-to-equity conversion and private placement.

On November 17, 2021, the BOD approved the increase in the Company's authorized capital stock from ₱1.5 billion, divided into 6,000,000,000 common shares at ₱0.25 par value per share, to ₱2.5 billion, divided into 10,000,000,000 shares at ₱0.25 par value per share. This was ratified by the shareholders on December 17, 2021.

As of the report date, the application for the increase in authorized capital stock has yet to be filed with the SEC.

Dividends Payable

Dividends payable amounting to ₱39.8 million pertain to the dividends declared on March 20, 2018. This includes property dividends consisting of 268,000,000 shares of PGDI with a fair value of ₱36.8 million and cash dividends of ₱3.0 million.

In a meeting held on December 11, 2024, following the absence of necessary regulatory approvals, the Board of Directors approved the cancellation of the declaration of the property dividends amounting to ₱39.8 million.

Retained Earnings

The retained earnings as at December 31, 2025 includes unrealized fair value gain on investment properties, net of tax, amounting to ₱1,575 million, which are not available for dividend declaration. After considering the reconciling items, the Company has no available retained earnings for dividend declaration as at December 31, 2025.

Prior Period Adjustments

The prior period adjustments as at December 31, 2025 and 2024 includes adjustments amounted to ₱1,262,593 and ₱5,450,000, respectively. The adjustments are as follows:

- In 2025, advances to officers were adjusted for Php169,600 to close the expenses paid to vendor, Due from PGDI by Php1,066,658 for the cost paid by parent company for the MPSA projects and the adjustment of Php26,335 as the payment to registry of deeds for the annotation of real estate mortgage.
- In 2024, property and equipment was adjusted for the amount of ₱548,250 to correct the accumulated depreciation of office space (Note 9).

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains strong credit standing and healthy capital ratios to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions. The Company considers its equity as capital and is not subject to externally imposed capital requirements.

No changes were made to the Company's capital management objectives, policies, or processes in 2025 and 2024.

Basic and Diluted EPS Attributable to Equity Holders of the Parent Company

Basic earnings per share is calculated by dividing the net income (loss) of the Company for the year over the weighted average number of common shares outstanding during the year.

Particulars	2025	2024
Net income (loss)	₱ 25,959,016	₱ 1,390,586,764
Weighted average number of outstanding common shares*	<u>5,708,359,504</u>	<u>5,708,359,504</u>
Basic and Diluted Earnings (Loss) Per Share	<u>₱ 0.005</u>	<u>₱ 0.244</u>

*The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions and new subscriptions during the year.

The weighted average number of common shares outstanding are computed as follows:

Particulars	2025	2024
Number of shares at beginning of year	5,708,359,504	5,708,359,504
Weighted average number of Parent Company shares issued during the year	-	-
Weighted average common shares	5,708,359,504	5,708,359,504

Diluted EPS is computed similar to the computation of the basic EPS except that the net income (loss) and the weighted average number of shares outstanding should be adjusted for the effects of all dilutive potential common shares. The effect of the conversion option of the convertible loans is anti-dilutive in 2025 and 2024. Thus, the basic and diluted EPS are the same in 2025 and 2024.

NOTE 21 – LEGAL CASES AND CONTINGENCIES
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The Company is involved in legal proceedings relating to transactions with stockholders and former officers, as well as compliance with corporate rules and regulations. As of December 31, 2025, the details of these legal proceedings are as follows:

- a. *Augusto Antonio C. Serafica Jr. (Plaintiff) vs. Premiere Horizon Alliance Corp, Eugenio T. Tan, Raul Ma. F. Anonas, Andres A. Del Rosario, Brandon P. Leong, Geronimo B. Halili, Esteban G. Pena Sy, Gloria Victoria Y. Taruc, Ernest Sze Lok Yeung, and Marian Pena* NPS Docket No XV-14-INV-23H-01089

This involves the alleged Twenty-Five Million PHA shares supposedly valued at Four Million Seven Hundred Fifty Thousand Pesos that were not returned by the Company to the Plaintiff. The Office of the City Prosecutor of Pasig City (OCP – Pasig) dismissed the case based on insufficiency of evidence. Pertinently, the OCP – Pasig held that there was no evidence presented to prove that the subject shares were not utilized in accordance with the pertinent contracts.

The *Complaint* as well as the subsequent *Motion for Reconsideration* filed by the plaintiff were both dismissed by the OCP – Pasig. Plaintiff filed a *Petition for Review* with the Department of Justice – Manila to assail such dismissal last August 2024.

In response thereto, the individual officers and directors of PHA have filed their respective *Comments/Opposition*, highlighting the failure of the Plaintiff to raise any new substantial matter that will warrant the reversal of the dismissal of the case. The case is now deemed submitted for resolution.

- b. *People of the Philippines v. Augusto Antonio Serafica Jr., Raul Ma. Anonas, and Andres Del Rosario* Crim Case No. R-PSG-26-00006-CR

This criminal case for Estafa under Articles 315 (1)(b) files against PHA’s former officers, Messrs. Augusto Antonio C. Serafica, Jr. (Serafica), Raul Ma. F. Anonas, and Andres A. Del Rosario and is now pending before the RTC Pasig.

This criminal case stemmed from PHA’s internal audit, which exposed certain anomalous transactions involving an elaborate scheme, where the accused Serafica, with the indispensable cooperation of accused Anonas and Del Rosario, siphoned money from PHA and used the same to purchase shares in his own name. Accused Serfica was able to obtain money amounting to ₱66 million which was done by issuing PHA checks in his favor, allegedly as payment for his advances or loans, and using the proceeds thereof as payment for his subscription.

The arraignment and pre-trial of the case is tentatively scheduled on March 15, 2026 at 8:30 in the morning, in view of the pendency of the *Petition for Review* filed by all of the accused.

All of the accused filed a *Motion to Defer Proceeding*, arguing that the matters raised in the collection case filed by Serafica before RTC Makati, specifically those pertaining to the ₱66 million civil liability, constitute a prejudicial question that warrant the suspension of the instant proceedings. In response thereto, PHA filed a *Consolidated Opposition*, arguing that there is no prejudicial question to speak of considering that the RTC Makati already dismissed the counterclaims filed by PHA.

c. *People of the Philippines v. Raul Ma. Anonas, and Andres Del Rosario* Crim Case No. R-PSG-26-0007-CR

This criminal case for Estafa under Articles 315(1)(a) filed against PHA's former officers, Raul Ma. F. Anonas (Anonas), and Andres A. Del Rosario (Del Rosario) which is also pending before the RTC Pasig.

This criminal case stemmed from PHA's internal audit, which exposed certain anomalous transactions involving an elaborate scheme, where accused Anonas, with the indispensable cooperation of accused Del Rosario, siphoned money from PHA in the amount of ₱12.3 million, despite the absence of any loan agreement or promissory note as proof of such obligation to one Angelica San Luis. Thereafter, accused Anonas used the check payment issued by PHA to Ms. San Luis as payment for his own subscriptions with the Company.

The arraignment and pre-trial of the case is tentatively scheduled on March 15, 2026 at 8:30 in the morning, in view of the pendency of the *Petition for Review* filed by all of the accused.

All of the accused filed a *Motion to Defer Proceedings*, arguing that the matters raised in the collection case filed by Serafica before RTC Makati, specifically those pertaining to the ₱66 million civil liability, constitute a prejudicial question that warrant the suspension of the instant proceedings. In response thereto, PHA filed a *Consolidated Opposition*, arguing that there is no prejudicial question to speak of considering that the RTC Makati already dismissed the counterclaims filed by PHA.

d. *Premiere Horizon Alliance Corporation. v Augusto Antonio Serafica Jr., Raul Ma. Anonas, and Andres Del Rosario* NPS Docket No. XV-14-INV-25H-02476-02478

This is a *Petition for Review* filed by all of the accused in relation to the abovementioned cases, questioning the findings of the Office of the City Prosecutor-Pasig City (OCP-Pasig) which indicated accused Serafica, Anonas and Del Rosario for the crime of Estafa under Article 315(1)(b) and accused Anonas and Del Rosario for the crime of Estafa under Article 315(2)(1) of the Revised Penal Code.

All of the accused argue that there was an apparent haste on the part of OCP-Pasig in resolving the present *Complaint-Affidavit* and that OCP-Pasig erred in finding that they are liable for the crimes against them.

In response to the *Petition for Review* filed by accused Anonas and Del Rosario, PHA filed its *Verified Comment* last February 2, 2026. Meanwhile, PHA also filed its *Comment* to the *Petition for Review* filed by accused Serafica in February 18, 2026.

Considering that the matters raised are mere rehash of the arguments previously ruled upon by the OCP, if not unsubstantial matters that deserve scant consideration, PHA is hopeful that DOJ will dismiss the *Petition for Review*, especially considering that the criminal cases are already pending before the RTC-Pasig.

e. *Premiere Horizon Alliance Corporation and People of the Philippines v. Hon. Ira Fritzie C. Cruz-Rojo, in her capacity as presiding judge of the Regional Trial Court of Pasig City-Branch 67, Augusto Antonio C. Serafica Jr. and Marvin C. Dela Cruz* C.A. G.R. No. 182115 (formerly Crim Case No. R-PSG-22-00208-C) *Petition for Certiorari* (Re: Estafa under Art. 315(1)(b) of the Revised Penal Code)

In relation to the abovementioned cases, this is a *Petition for Certiorari* filed by the Company, assailing the *Orders* issued by the RTC Pasig, Branch 67 ("Dismissal Orders"), ordering the dismissal of the Estafa case against Mr. Serafica and Mr. Dela Cruz, citing as sole basis thereto the *Decision* issued by the Court of Appeals in CA-G.R. No. 183768, despite the fact that the same has yet to attain finality and tackles an entirely different issue regarding the determination of executive probable cause.

Both parties have already filed their respective *Memoranda* and the case is now submitted for Decision.

Management, in consultation with its legal counsels, believes that the outcome of these proceedings will not have a material adverse effect on the financial position and performance of the Company.

NOTE 22 – OTHER MATTERS

Non-adjusting events

In 2025, Premiere Horizon Business Services, Inc., a subsidiary of the Company proposed the execution of a Management Services Contract with PHA to manage, preserve, enhance, and commercially develop the dormant film-related intellectual property (IP) owned by PHA, including the licensing, digitization, and distribution of PHA's fully depreciated film library.

On April 06, 2026, the proposed arrangement was approved by the Company's Board of Directors and Officers. Key matters include the recitals and purpose, appointment and scope of management, related party transaction compliance, management fees and expenses, ownership, the authority and exclusivity of the Company in representing the Company in domestic and international business transactions were finalized as stated in the management agreement. The contract term of five (5) years, subject to renewal unless otherwise terminated by the Company's Board.

In 2025, the Company has identified anomalies involving the withdrawal of funds and their subsequent reinvestment into the Company's account as capital, amounting to ₱78.3 million. On August 5, 2025, the Company filed a criminal complaint before the Pasig City Prosecutor's Office against its former officers, Messrs. Augusto Antonio C. Serafica, Jr., Raul Ma. F. Anonas, and Andres A. Del Rosario. The complaint includes charges for Estafa under Articles 315(1)(b) and 315(2)(a), and/or Qualified Theft under Article 310 of the Revised Penal Code, as well as violation of Section 168 of the Revised Corporation Code. The Company filed a *Consolidated Opposition* for the criminal cases; Crim Case No. R-PSG-26-00006-CR and Crim Case No. R-PSG-26-0007-CR with the subject of matter amounted to ₱66 million and ₱12.3 million, respectively. (Note 21)

On *June 16, 2025* the Company received a case filed by its former officer Augusto Antonio C. Serafica, demanding for collection of sum of money for the personal advances made in favor of the corporation to allow it to continue its business pursuits and operations while dealing with liquidity issues in the amount of ₱56,232,153. In response, the Company defense that it does not owe any money allegedly advanced and those same funds came from the Corporation. The Corporation is preparing to file its Answer in due course and allege PHA's counterclaims against Serafica.

Management believes that the resolution of these matters will not have a material adverse effect on the Company's financial position. Accordingly, no provision has been recognized in the financial statements.

NOTE 23 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial assets and financial liabilities comprise cash in banks, receivables (excluding advances to officers and employees), security deposits, short-term loans, and amounts due to and from related parties. The main purpose of these financial assets and liabilities is to finance the Company's operations.

The main objectives of the Company's financial risk management are as follows:

- To identify and monitor such risks on an ongoing basis;
- To minimize and mitigate such risks; and
- To provide a degree of certainty about costs.

The main risks arising from the Company's financial assets and financial liabilities are liquidity risk and credit risk. Exposure to these risks occurs in the normal course of business activities. The Company's Board of Directors (BOD) reviews and approves actions for managing each of these risks, which are summarized below:

Liquidity risk. Liquidity risk is generally defined as the current and prospective risk to earnings or capital arising from the Company's inability to meet its obligations when they become due without incurring unacceptable losses or costs.

The major liquidity risk confronting the Company pertains to the daily calls on its available cash resources in respect of claims arising from trade and other payables and the maturity of loans payable. To address this, the Company maintains a level of cash deemed sufficient to finance its operations.

To manage its liquidity risk from maturing liabilities, the Company has undertaken various initiatives, as discussed in Note 1.

The following table summarizes the maturity profile of the Company's financial liabilities as of December 31, 2025, and 2024, based on contractual undiscounted cash flows. The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Company can be required to pay.

Particulars	2025			
	120 days	121-360 days	>360 days	Total
Financial liabilities				
Accounts and other payables* (Note 13)	₱ 268,158,103	₱	₱	₱ 268,158,103
Short-term loans (Note 14)	145,071,532			145,071,532
Due to related parties (Note 17)	485,547,031			485,547,031
Total	₱ <u>898,776,666</u>	₱ <u></u>	₱ <u></u>	₱ <u>898,776,666</u>

*Excluding statutory liabilities

Particulars	2024			
	120 days	121-360 days	>360 days	Total
Financial liabilities				
Accounts and other payables* (Note 13)	₱ 257,861,301	₱ -	₱ -	₱ 257,861,301
Short-term loans (Note 14)	148,968,862	-	-	148,968,862
Due to related parties (Note 17)	446,839,309	-	-	446,839,309
Total	₱ <u>853,669,472</u>	₱ <u>-</u>	₱ <u>-</u>	₱ <u>853,669,472</u>

*Excluding statutory liabilities

Credit risk. Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company's credit risks are primarily attributable to cash in banks, receivables, amounts due from related parties, and security deposits. The Company's receivables (excluding advances to officers and employees) and amounts due from related parties are monitored on an ongoing basis.

With respect to credit risk arising from cash in banks, receivables, due from related parties, and other noncurrent assets, the Company's exposure to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The credit quality of the Company's financial assets is as follows:

Particulars	2025					
	Neither Past Due nor Impaired			Past due but not impaired	Impaired	Total
	High Grade	Medium Grade	Total			
Cash in banks (Note 5)	₱ 978,530	₱ -	₱ 978,530	₱ -	₱ -	₱ 978,530
Receivables (Note 6)	150,990	-	150,990	-	-	150,990
Security deposit (Note 7)	-	-	-	320,629	-	320,629
Total	₱ 1,129,520	₱ -	₱ 1,129,520	₱ 320,629	₱ -	₱ 1,450,149

Particulars	2024					
	Neither Past Due nor Impaired			Past due but not impaired	Impaired	Total
	High Grade	Medium Grade	Total			
Cash in banks (Note 5)	₱ 1,809,708	₱ -	₱ 1,809,708	₱ -	₱ -	₱ 1,809,708
Receivables (Note 6)	142,333	-	142,333	-	-	142,333
Security deposit (Note 7)	-	320,629	320,629	-	-	320,629
Total	₱ 1,952,041	₱ 320,629	₱ 2,272,670	₱ -	₱ -	₱ 2,272,670

The Company has determined that the credit quality of all neither past due nor impaired financial assets as of December 31, 2025, and 2024 are classified as high grade based on the following:

- Cash – based on the financial and credit standing of the counterparty.
- Receivables – high grade pertains to receivables with no default in payment; medium grade pertains to receivables with up to 3 defaults in payment and low grade pertains to receivables with more than 3 defaults in payment.
- Security deposits – Based on the credit standing/reputation of the counterparty.

The table below shows the Company's aging analysis of financial assets.

Particulars	2025					
	Neither past due nor impaired	Past due but not impaired			Impaired	Total
		120 days	121-360 days	>360 days		
Cash in banks (Note 5)	₱ 978,530	₱ -	₱ -	₱ -	₱ -	₱ 978,530
Receivables (Note 6)	150,990	-	-	-	-	150,990
Security deposit (Note 7)	-	-	-	320,629	-	320,629
Total	₱ 1,129,520	₱ -	₱ -	₱ 320,629	₱ -	₱ 1,450,149

Particulars	2024					
	Neither past due nor impaired	Past due but not impaired			Impaired	Total
		120 days	121-360 days	>360 days		
Cash in banks (Note 5)	₱ 1,809,708	₱ -	₱ -	₱ -	₱ -	₱ 1,809,708
Receivables (Note 6)	142,333	-	-	-	-	142,333
Security deposit (Note 7)	320,629	-	-	-	-	320,629
Total	₱ 2,272,670	₱ -	₱ -	₱ -	₱ -	₱ 2,272,670

Financial instruments with carrying amounts that approximate their fair values as of December 31, 2025 and 2024 follow:

Particulars	2025		2024	
	Carrying Value	Fair Value	Carrying Value	Fair value
<i>Financial assets</i>				
Cash in banks (Note 5)	₱ 978,530	₱ 978,530	₱ 1,809,708	₱ 1,809,708
Receivables (Note 6)	150,990	150,990	142,333	142,333
Security deposit (Note 7)	320,629	320,629	320,629	320,629
Total Financial Assets	₱ 1,450,149	₱ 1,450,149	₱ 2,272,670	₱ 2,272,670
<i>Financial liabilities</i>				
Accounts and other payables* (Note 13)	₱ 268,158,103	₱ 268,158,103	₱ 257,861,301	₱ 257,861,301
Short-term loans (Note 14)	145,071,532	145,071,532	148,968,862	148,968,862
Due to related parties (Note 17)	485,547,031	485,547,031	446,839,309	446,839,309
Total Financial liabilities	898,776,666	898,776,666	853,669,472	853,669,472
	<i>*Excluding statutory liabilities</i>			

Fair value hierarchy

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

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- 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 2); and
- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table shows the Company's financial instruments carried at fair value:

Particulars	December 31, 2025			
	Level 1	Level 2	Level 3	Total
<i>Financial assets</i>				
Cash in banks (Note 5)	₱ 978,530	₱ -	₱ -	₱ 978,530
Receivables (Note 6)	-	-	150,990	150,990
Security deposit (Note 7)	-	-	320,629	320,629
Total Financial Assets	₱ 978,530	₱ -	₱ 471,619	₱ 1,450,149
<i>Financial liabilities</i>				
Accounts and other payables* (Note 13)	₱ 268,158,103	₱ -	₱ -	₱ 268,158,103
Short-term loans (Note 14)	-	-	145,071,532	145,071,532
Due to related parties (Note 17)	-	-	485,547,031	485,547,031
Total Financial liabilities	₱ 268,158,103	₱ -	₱ 630,618,563	₱ 898,776,666
	<i>*Excluding statutory liabilities</i>			

Particulars	December 31, 2024			
	Level 1	Level 2	Level 3	Total
<i>Financial assets</i>				
Cash in banks (Note 5)	₱ 1,809,708	₱ -	₱ -	₱ 1,809,708
Receivables (Note 6)	-	-	142,333	142,333
Security deposit (Note 7)	-	-	320,629	320,629
Total Financial Assets	₱ 1,809,708	₱ -	₱ 462,962	₱ 2,272,670
<i>Financial liabilities</i>				
Accounts and other payables* (Note 13)	₱ 257,861,301	₱ -	₱ -	₱ 257,861,301
Short-term loans (Note 14)	-	-	148,968,862	148,968,862
Due to related parties (Note 17)	-	-	446,839,309	446,839,309
Total Financial Liabilities	₱ 257,861,301	₱ -	₱ 595,808,171	₱ 853,669,472
<i>*Excluding statutory liabilities</i>				

As of December 31, 2025, and 2024 there were no transfers made between each level. Inputs used in estimating fair values of financial instruments carried at amortized cost and categorized under Level 3 include risk-free rates and applicable risk premium.

NOTE 24 - SUPPLEMENTAL DISCLOSURES REQUIRED UNDER BIR RR NO. 15-2010 AND 34-2020

Presented below is the supplementary information which is required by the Bureau of Internal Revenue to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

I. BIR Revenue Regulation (RR) 15-2010

Pursuant to Revenue Regulations No. 15-2010 dated November 25, 2010, amending certain provisions of RR No. 21-2002, in addition to the disclosure mandated under the PFRS, the taxes, duties and license fees paid during the year are the following:

a. Value-added tax (VAT)

- For the year ended December 31, 2025, the Company did not have any transaction subject to output VAT.
- The details for Input VAT are as follows.

Particulars	Amount
Beginning Balance	₱ 11,563,301
Input from purchase of goods other than for resale/manufacture	2,734,648
Claimed for tax credit/refund and other adjustments	-
Ending Balance (Note 7)	₱ 14,297,949

b. Withholding taxes

The details of total withholding taxes for the year ended December 31, 2025 are shown below:

Particulars	Amount
Withholding taxes on compensation and benefits	₱ 41,914
Expanded withholding taxes	2,301,441
Total	₱ 2,343,355

c. **Taxes and licenses**

The details of Taxes and Licenses paid in 2025 are as follows:

Particulars	Amount
Listing fees and dues	₱ 979,447
Taxes and licenses	188,253
Business permit	101,553
Documentary stamp tax	91,941
Notarial fee	<u>83,780</u>
Total	₱ <u>1,444,974</u>

d. **Excise tax**

The Company does not have excise taxes accrued since it does not have any transactions subject to excise tax.

e. **Landed cost, customs duties and tariff fees**

The Company has not paid or accrued any pertaining customs duties and tariff fees as it has no importation for the year ended December 31, 2025 and prior years.

g. **Deficiency tax assessment and tax cases**

The Company has no tax cases outstanding or pending in courts or bodies within the BIR in any of the other open years.

II. BIR Revenue Regulation (RR) 34-2020

December 18, 2020, BIR issued RR 34-2020 which prescribed the guidelines and procedures for the submission of BIR Form 1709, Transfer Pricing Documentation (TPD) and other Supporting Documents, Amending the pertinent provision of RR No. 19-2020 and RR No. 15-2010.

The Company is covered by the requirements and procedures for related party transactions under the said regulation as it is one of the following taxpayers required to file and submit the RPT Form together with the Annual Income Tax Return (AITR) as provided under Section 2 thereof:

- a. Large taxpayer;
- b. Taxpayers enjoying tax incentives, i.e. Board of Investments (BOI)-registered and economic zone enterprises, those enjoying Income Tax Holiday (ITH) or subject to preferential income tax rate;
- c. Taxpayers reporting net operating losses for the current taxable year and the immediately preceding two (2) consecutive taxable years; and
- d. A related party, as defined under Section 3 of Revenue Regulations (RR) No. 19- 2020, which has transactions with (a), (b) or (c). For this purpose, key management personnel (KMP), as defined under Section 3(7) of RR No. 19-2020, shall no longer be required to file and submit the RPT Form, nor shall there be any requirement to report any transaction between KMP and the reporting entity/parent company of the latter in the RPT Form.

NOTE 25 – APPROVAL OF FINANCIAL STATEMENTS

The financial statements as at and for the years ended December 31, 2025 and 2024 were approved and authorized for issuance by the Board of Directors (BOD) on April 14, 2026. The shareholders have the power the amend the financial statements after the issuance.

Valdes Abad & Company

(Formerly: Valdes Abad & Associates)

certified public accountants

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Makati City, Philippines

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BOA/PRC Reg. No. 0314

SEC Accreditation No. 0314-SEC



member
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legally independent
accounting firms

partnering for success

INDEPENDENT AUDITOR'S REPORT TO ACCOMPANYING FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Board of Directors and Stockholders

PREMIERE HORIZON ALLIANCE CORPORATION

Unit E-1705, 17F, East Tower, Philippine Stock Exchange Center, Exchange Road,
Ortigas Center, Pasig City

We have examined the financial statements of **PREMIERE HORIZON ALLIANCE CORPORATION** for the year ended December 31, 2025, on which we have rendered the attached report dated April 15, 2026.

In compliance with SRC Rule 68, we are stating that the Company has one hundred thirty-four (134) stockholders owning one hundred (100) or more shares each as of December 31, 2025.

VALDES ABAD & COMPANY, CPAs

BOA/PRC Reg. No. 0314

Issued on July 15, 2024, Valid until July 14, 2027

SEC Accreditation No. 0314 - SEC, Group A

Valid for 2022 – 2026 audit periods

BIR Accreditation No. 08-002126-000-2024

Issued on April 5, 2024, Valid until April 4, 2027

For the firm:

A handwritten signature in black ink, appearing to read 'ALFONSO L. CAY-AN', is written over a faint circular stamp of the Philippine Accountancy Commission.

ALFONSO L. CAY-AN

Partner

CPA Registration No. 99805, Valid until December 14, 2026

TIN No. 213-410-741-000

PTR No. 10777156, Issued Date: January 13, 2026, Makati City

BOA/PRC Reg. No. 0314 / P-004

Issued on July 15, 2024, Valid until July 14, 2027

SEC Accreditation No. 99805 - SEC, Group A

Valid for 2022 – 2026 audit periods

BIR Accreditation No. 08-002126-005-2024

Issued on April 5, 2024, Valid until April 4, 2027

Makati City, Philippines
April 15, 2026



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 T-runk Line No:02-5322-7698 Email Us:www.sec.gov.ph/message@sec.gov.ph



The following document has been received:

Receiving: ICTD ERMD

Receipt Date and Time: May 14, 2026 11:26:21 PM

Company Information

SEC Registration No.: 0000147584

Company Name: PREMIERE HORIZON ALLIANCE CORPORATION

Industry Classification: O92190

Company Type: Stock Corporation

Document Information

Document ID: OST105142026811379264

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2025

Submission Type: Consolidated

Remarks: None

Acceptance of this document is subject to review of forms and contents



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR CONSOLIDATED FINANCIAL STATEMENTS**

The management of **PREMIERE HORIZON ALLIANCE AND ITS SUBSIDIARIES** (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended **December 31, 2025 and 2024 and 2023**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.


Valdes, Abad & Company, CPAs and Reyes Tacandong & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with **Philippine Standards on Auditing**, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Esteban Pena Sy
Chairman of the Board

Brandon Benito P. Leong
Treasurer

Eugenio T. Tan
President & CEO

<u>Name</u>	<u>Valid Identification</u>
ESTEBAN PENA SY	PASSPORT NO. P8276657A
EUGENIO T. TAN	SCA ID NO. 110845
BRANDON BENITO P. LEONG	CRN 0113-0306684-7

SCRIBED AND SWORN to before me this 29 APR 2026, at  City, affiants exhibited to me their respective competent evidence of identification, as follows:

WITNESS MY HAND AND SEAL on the date and at the place first above written.

Doc No. 254
Page No. 51
Book No. XXXV
2026

Signed this 14th day of April 2026

ATTY. ROMEO MANUEL JOSHUA R. MOVILLO
Notary Public for Pasig City.
Unit 701 Manila Luxury Condominium, Pearl Drive
cor. Gold Loop, Ortigas Center Pasig City
Roll of Attorney No. 66667
Appointment No. 116 (2025-2026) valid until 31 December 2026
- IBP Member No. 1016056 Q.C./June 23, 2024
PTR No. 3930771; Jan 8, 2025; Pasig City
NACLE Compliance No. VIII-0027774/valid until 14 April 2028

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES
Unit E-1705, 17F, East Tower
Philippine Stock Exchange Center, Exchange Road
Ortigas Center, Pasig City

Opinion

We have audited the accompanying consolidated financial statements of **PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES** (the "Group") which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the consolidated financial statements, including as summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024 and of its consolidated financial performances and its consolidated cash flows for each of the three years in the period ended December 31, 2025 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with the Philippine Standards on Auditing (PSA). 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 Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, the *Code of Ethics for Professional Accountants in the Philippines (Philippine Code of Ethics)* and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on 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 Consolidated 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 consolidated 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 consolidated financial statements.

(a) Valuation of Investment Properties measured at Fair Value

As of December 31, 2025, investment properties which consist of parcels of land, are measured using the fair value model. The valuation of investment properties is significant to our audit because the carrying amount of investment properties as at December 31, 2025 of ₱3.667 billion which represents 65.5 % of the total consolidated assets and the resulting unrealized gain on fair valuation of investment properties of ₱465.2 million in 2025 is significant to the Group's net income. Moreover, the determination of the fair values of these properties involves significant management judgment and estimations and requires the assistance of external appraisers whose calculations depend on assumptions such as sales and listings of comparable properties within the vicinity and value adjustments based on relevant internal and external factors.

Audit response

Our audit procedures include, among others, the evaluation of the competence and capabilities of the external appraisers by considering their technical qualifications, experience and reporting responsibilities. We also reviewed the appropriateness and reasonableness of the methodology and key assumptions used in the valuation of the investment properties. We reviewed the basis for the estimates and assumption applied by the Group in the measurement of the fair value of the investment property, and the disclosures made in the consolidated financial statements.

(b) Recoverability of Deferred Exploration Costs

As of December 31, 2025, the Group is required to assess whether facts and circumstances indicate that the carrying amount of the deferred exploration costs exceeds its recoverable amount. The impairment review is significant to our audit because the carrying amount of the deferred exploration costs of ₱436.1 million represents 8% of the consolidated total assets and is material to the consolidated financial statements as at December 31, 2025. Moreover, the impairment assessment of the deferred explorations costs involves significant management judgment and estimates on the commercial viability of the reserves which are affected by future market and economic conditions.

Audit response

We reviewed management's determination of impairment indicators and management's assessment on the recoverability of deferred exploration costs. We reviewed the status of the exploration projects as at December 31, 2025 to determine that the period for which the Group has the right to explore has not expired. We also checked the status of the application of the renewal of licenses and permits of the exploration projects and inquired about the existing concession areas that are expected to be abandoned or any exploration activities that are planned to be discontinued. We have also obtained engineers' reports attesting to the viability of the properties for mineral extraction. We also reviewed the adequacy of the Group's disclosures in Note 4, Significant Accounting Judgment, Estimates and Assumptions, and Note 11, Deferred Exploration Costs, to the consolidated financial statements.

(c) Revenue Recognition – Real Estate Sales

For the year ended December 31, 2025, the Group recognized revenue of ₱64.9 million from real estate sales. This is significant to our audit as the amount of revenue from the real estate sales is material to the consolidated financial statements and there has been noted material decrease in the revenue reported during the year as compared to prior year. Moreover, the revenue and recognition process involve the application of significant judgments and estimates pertaining to (1) assessment of the probability that the Group will collect the consideration from the buyer; (2) determination of the transaction price; (3) application of the input method as the measure of progress in determining revenue from sale of real estate; (4) determination of the actual costs incurred as cost of real estate sold; and (5) recognition of cost to obtain a contract.

Audit response

Our audit procedures include, among others, obtaining an understanding of the Group's revenue recognition process and evaluation of the judgment and estimates applied by management in recognizing real estate sales. For construction contracts, we obtained sample contracts and agreements and reviewed management's assessment over the identification of performance obligation within the contract and the timing of revenue recognition. For the selected contract, we obtained understanding of the management's process to estimate the amount of consideration expected to be received from the customers.

For the measurement progress of the construction projects, we obtained an understanding of the Group's processes to accumulate actual costs incurred and to estimate the expected cost to complete. On a sampling basis, we tested actual costs incurred through examination of invoices and other supporting documents and perform test computation of the percentage of completion (POC). For POC, we visited project sites, made relevant inquiries with project engineers and correlated our observations with the reported project accomplishment.

For the cost of real estate sold, we obtained an understanding of the Group's cost accumulation process. For selected project, we traced cost accumulated, including those incurred but not yet billed costs, to supporting documents such as billing invoices, certificates of progress acceptance, official receipts, and accomplishment reports, among others.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's Philippine Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report are expected to be made available to us after the date of this auditors' report.

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to obtain audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. In circumstances when the auditor also has a responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the consolidated financial statements, the auditor shall omit the phrase that the auditor's consideration of internal control is not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify the opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may be 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 consolidated 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.

VALDES ABAD & COMPANY, CPAs

BOA/PRC Reg. No. 0314

Issued on July 15, 2024, Valid until July 14, 2027

SEC Accreditation No. 0314 - SEC, Group A

Valid for 2022 – 2026 audit periods

BIR Accreditation No. 08-002126-000-2024

Issued on April 5, 2024, Valid until April 4, 2027

For the firm:



ALFONSO L. CAY-AN

Partner

CPA Registration No. 99805, Valid until December 14, 2026

TIN No. 213-410-741-000

PTR No. 10777156, Issued Date: January 13, 2026, Makati City

BOA/PRC Reg. No. 0314 / P-004

Issued on July 15, 2024, Valid until July 14, 2027

SEC Accreditation No. 99805 - SEC, Group A

Valid for 2022 – 2026 audit periods

BIR Accreditation No. 08-002126-005-2024

Issued on April 5, 2024, Valid until April 4, 2027

Makati City, Philippines

May 13, 2026

PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In Philippine Peso)

ASSETS	Note	December 31,	
		2025	2024
CURRENT ASSETS			
Cash	6	31,032,699	60,351,442
Receivables - net	7	188,312,688	496,466,563
Contract assets - current	7	481,004,251	438,890,717
Real estate for sale	8	436,571,783	262,253,238
Other current assets - net	9	193,062,885	183,576,161
Total Current Assets		<u>1,329,984,306</u>	<u>1,441,538,121</u>
NON-CURRENT ASSETS			
Non-current receivables - net	10	79,863,206	167,278,387
Deferred exploration costs	11	436,189,548	433,502,973
Investment properties	12	3,667,156,458	3,201,948,758
Property and equipment - net	13	53,523,768	65,278,494
Other noncurrent assets - net	14	34,279,991	35,350,685
Total Non-Current Assets		<u>4,271,012,971</u>	<u>3,903,359,297</u>
TOTAL ASSETS		<u>5,600,997,277</u>	<u>5,344,897,418</u>
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables	15	666,775,473	513,881,282
Short-term loans	16	201,571,532	160,468,862
Contract liabilities	7	6,549,777	6,251,941
Lease liability - current portion	28	1,847,182	2,788,383
Loans payable - current portion	16	167,131,174	123,085,010
Convertible loans - current portion	16	100,000,000	100,000,000
Total Current Liabilities		<u>1,143,875,138</u>	<u>906,475,478</u>
NON CURRENT LIABILITIES			
Non-current payables	17	226,579,578	178,779,578
Loans payable - net of current portion	16	341,143,553	457,214,810
Pension liabilities	19	12,327,952	10,421,135
Deferred tax liabilities	24	775,828,730	722,604,412
Total Non-Current Liabilities		<u>1,355,879,813</u>	<u>1,369,019,935</u>
TOTAL LIABILITIES		<u>2,499,754,951</u>	<u>2,275,495,413</u>

PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION - CONTINUATION
(In Philippine Peso)

LIABILITIES AND EQUITY	Note	December 31,	
		2025	2024
EQUITY			
Share capital	20	1,414,348,522	1,414,348,522
Additional paid-in capital	20	629,410,181	629,410,181
Retained earnings	20	486,698,364	499,941,670
Remeasurement gain on retirement plan	19	30,776,193	31,265,998
Total equity attributable to Parent Company's shareholders		2,561,233,260	2,574,966,371
Equity attributable to non-controlling interest	20	540,009,066	494,435,634
Total Equity		3,101,242,326	3,069,402,005
TOTAL LIABILITIES AND EQUITY		5,600,997,277	5,344,897,418

See Notes to Consolidated Financial Statements

PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Philippine Peso)

For the Years Ended December 31,	Note	2025	2024	2023
REVENUES	5	106,311,225	225,136,322	534,347,017
COST OF SALES AND SERVICES	21	78,748,623	138,760,171	327,688,774
GROSS PROFIT		27,562,602	86,376,151	206,658,243
GENERAL AND ADMINISTRATIVE EXPENSES	22	321,464,774	154,862,646	194,560,644
OTHER INCOME (CHARGES) - NET				
Gain on change in fair value of investment property	12	465,207,700	742,078,385	138,438,000
Interest income on installment contract receivables	7	1,290,465	1,125,352	973,545
Bank interest income	6	29,985	60,793	165,581
Interest expense on loans	25	(102,840,067)	(94,878,977)	(102,027,886)
Others	23	68,858,022	(37,486,005)	(14,436,731)
		432,546,105	610,899,548	23,112,509
INCOME BEFORE TAX		138,643,933	542,413,053	35,210,108
PROVISION FOR (BENEFIT FROM) INCOME TAX				
Current	24	615,253	26,020,759	1,658,764
Deferred	24	106,961,147	180,140,556	26,622,871
NET INCOME		31,067,533	336,251,738	6,928,473
OTHER COMPREHENSIVE INCOME (LOSS)				
Remeasurement gain (loss) on retirement plan	19	(489,805)	-	30,685,364
TOTAL COMPREHENSIVE INCOME		30,577,728	336,251,738	37,613,837
Net income (loss) attributable to:				
Equity holders of the Parent Company		(14,505,899)	264,326,536	(32,762,270)
Non-controlling interest	20	45,573,432	71,925,202	39,690,743
		31,067,533	336,251,738	6,928,473
Other comprehensive income (loss) attributable to:				
Equity holders of the Parent Company		(243,148)	-	11,288,358
Non-controlling interest	20	732,952	-	(48,902,195)
		489,805	-	(37,613,837)
Basic income (loss) per share				
Income for the year attributable to equity holders of the Parent Company	27	(0.0025)	0.0463	(0.0063)

See Notes to Consolidated Financial Statements

PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Philippine Peso)

For the Years Ended December 31,	Note	2025	2024	2023
CAPITAL STOCK				
	20			
Balance at beginning of year		1,414,348,522	1,414,348,522	1,007,496,826
Collection of subscription receivable		-	-	406,851,696
Balance at end of year		<u>1,414,348,522</u>	<u>1,414,348,522</u>	<u>1,414,348,522</u>
ADDITIONAL PAID-IN CAPITAL				
	20			
Balance at beginning of year		629,410,181	629,410,181	499,217,638
Collection of subscription receivable		-	-	130,192,543
Balance at end of year		<u>629,410,181</u>	<u>629,410,181</u>	<u>629,410,181</u>
RETAINED EARNINGS				
	20			
Balance at beginning of year		499,941,670	132,711,701	165,473,971
Prior period adjustment	20	1,262,593	102,903,433	-
Net income (loss)		<u>(14,505,899)</u>	<u>264,326,536</u>	<u>(32,762,270)</u>
Balance at end of year		<u>486,698,364</u>	<u>499,941,670</u>	<u>132,711,701</u>
CUMULATIVE REMEASUREMENT GAINS ON RETIREMENT LIABILITY				
	19			
Balance at beginning of year		40,477,450	40,477,450	9,792,086
Net remeasurement gain (losses)		<u>(489,805)</u>	<u>-</u>	<u>30,685,364</u>
Balance at end of year		<u>39,987,645</u>	<u>40,477,450</u>	<u>40,477,450</u>
NON-CONTROLLING INTEREST				
	20			
Balance at beginning of year		485,224,182	413,298,980	373,608,237
Net income (loss)		<u>45,573,432</u>	<u>71,925,202</u>	<u>39,690,743</u>
Balance at end of year		<u>530,797,614</u>	<u>485,224,182</u>	<u>413,298,980</u>
TOTAL EQUITY		<u>3,101,242,326</u>	<u>3,069,402,005</u>	<u>2,630,246,834</u>

See Notes to Consolidated Financial Statements

PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Philippine Peso)

For the Years Ended December 31,	Note	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before tax		138,643,933	542,413,053	35,210,108
Adjustments for:				
Prior period adjustment	29	1,262,593	(21,059,241)	-
Gain on change in fair value of investment property	12	(465,207,700)	(742,078,385)	(138,438,000)
Provision for impairment loss	14, 22	405,501	405,501	3,448,203
Depreciation and amortization	13, 21, 22	14,978,289	24,334,000	51,582,738
Gain on disposal of equipment	13	(9,285,714)	(21,027,543)	-
Retirement benefit expense	19	1,618,871	-	6,275,079
Interest expense	25	102,840,067	94,878,977	102,027,886
Interest income		(1,320,450)	(1,186,145)	(1,139,126)
Operating income (loss) before working capital changes		(216,064,610)	(123,319,783)	58,966,888
Changes in assets and liabilities:				
Receivables and contract assets		266,040,341	(12,981,758)	(365,053,608)
Real estate inventories		(174,318,545)	129,789,629	72,673,250
Other current assets		(9,486,724)	(6,535,820)	(13,949,312)
Noncurrent receivables		87,415,181	(167,278,387)	-
Other non-current assets		665,193	-	3,114,500
Trade and other payables		153,335,279	18,360,425	(57,426,194)
Contract liabilities		297,836	(4,470,901)	(14,384,776)
Noncurrent payables		79,150,000	78,779,578	-
Cash generated from (used in) operations		187,033,951	(87,657,017)	(316,059,252)
Interest paid		(102,840,067)	(55,127,511)	(54,231,231)
Interest received		1,320,450	1,186,145	1,139,126
Income tax paid		(54,553,941)	-	(1,658,764)
Net Cash Flows from Operating Activities		30,960,393	(141,598,383)	(370,810,121)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of property and equipment	13	9,285,714	21,027,543	-
Acquisition of:				
Property and equipment	13	(3,223,563)	(60,726,786)	(7,256,114)
Deferred exploration cost	11	(2,686,575)	(7,234,889)	(8,225,437)
Investment properties	12	-	(1,481,415)	-
Net Cash Flows from Investing Activities		3,375,576	(48,415,547)	(15,481,551)

PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUATION

(In Philippine Peso)

For the Years Ended December 31,	Note	2024	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from:				
Availments of long-terms loans	16	216,131,637	421,122,058	253,312,684
Availments of short-terms loans	16	15,150,000	20,000,000	15,000,000
Collection of subscription receivable		-	-	537,044,239
Payments of:				
Long-term loans	16	(288,156,730)	(325,717,835)	(148,296,487)
Short-term loans		(5,397,330)	-	(181,285,770)
Lease liability	28	(1,382,289)	(1,457,429)	(794,010)
Callable loans		-	-	(22,000,000)
Net Cash Flows from Financing Activities		(63,654,712)	113,946,794	452,980,656
NET INCREASE (DECREASE) IN CASH		(29,318,743)	(76,067,136)	66,688,984
CASH AT BEGINNING OF YEAR	6	60,351,442	136,418,578	69,729,594
CASH AT END OF YEAR	6	31,032,699	60,351,442	136,418,578

See Notes to Consolidated Financial Statements

PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025, 2024 and 2023

(In Philippine Peso)

NOTE 1 - GENERAL INFORMATION

Corporate Information

Premiere Horizon Alliance Corporation (PHA or the Parent Company), was registered with the Philippine Securities and Exchange Commission (SEC) on January 13, 1988 and listed in the Philippine Stock Exchange (PSE) on May 5, 1997. The Parent Company's primary and secondary purpose is to engage in business activities relating to entertainment, gaming, hotel, and leisure and to expand to mining and real estate industries, respectively.

On August 10, 2016, the SEC approved the change in the Parent Company's primary purpose to that of an investment holding company and the secondary purpose to engaging in business activities relating to entertainment, gaming, hotel, and leisure.

The Parent Company and its subsidiaries (collectively referred herein as "the Group") is currently involved in mining and real estate activities through its subsidiaries.

The Parent Company's registered address and principal place of business is at Unit E-1705, 17F, East Tower, Philippine Stock Exchange Center, Exchange Road, Ortigas Center, Pasig City.

As at December 31, 2025, 2024 and 2023, the subsidiaries of the Parent Company, which are all incorporated in the Philippines, are as follows:

Subsidiary	Industry	Percentage of Ownership		
		Direct	Indirect	Total
West Palawan Premiere Development Corp. (WPP)	Real estate	100	–	100
Treasure Cove at Nagtabon Beach, Inc. (TCNBI)	Real estate	–	100	100
Premiere Georesources and Development Inc. (PGDI)	Mining	69	–	69
Pyramid Hill Mining & Industrial Corp. (PHMIC)	Mining	–	68	68
Palawan Star Mining Ventures, Inc. (PSMVI)	Mining	–	68	68
Goshen Land Capital, Inc. (GLCI)	Real estate	55	–	55
Concepts Unplugged: Business Environment Solutions (CUBES), Inc.*	Management, investment and/or technical solutions	51	–	51
Premiere Horizon Business Services, Inc. (PIBSI)*	Human resource management	100	–	100
PH Mining and Development Corporation (PHMDC)*	Mining	100	–	100
PH Agriforest Corporation (PHAC)*	Forestry	100	–	100
PH Big Bounty Entertainment, Inc. (PBBEI)*	Amusement	100	–	100
Digiwave Solutions Incorporated (DSI)*	Information technology	100	–	100
Premiere e-Teleservices, Inc. (PeTI)*	Entertainment	100	–	100

*Non-operating companies

Corporate Developments

In 2021, a new investor group subscribed to 2,803,030,303 shares, equivalent to 55% ownership in PHA at ₱0.33 a share for ₱925.0 million. PHA received ₱371.1 million of the subscription as at December 31, 2022 (see Note 18). Part of the arrangement was the infusion of the shares of SquidPay Technology, Inc. (SPTI) with the intention of making SPTI a subsidiary.

On October 13, 2022, the BOD decided it will no longer pursue the acquisition of SPTI. In February 2023, the BOD approved a call for payment on all unpaid subscriptions.

On May 11, 2023, of the 1,457,756,139 shares considered delinquent after a 30 days-compliance period, 1,389,802,253 were sold to a private investor for ₱344.8 million (see Note 20).

NOTE 2 - SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation and statement of compliance

The accompanying consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretation Committee (IFRIC), which have been approved by the Financial Reporting Standards Council (FRSC) and adapted by Securities and Exchange Commission (SEC).

Measurement bases

The consolidated financial statements are presented in Philippine Peso (Peso), the Group's functional currency. All amounts are rounded to the nearest Peso unless otherwise stated.

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for investment properties which are measured at fair value, retirement liability measured at the present value of defined benefit obligation and lease liabilities measured at the present value of future lease payments.

Historical cost is generally based on the fair value of the consideration given in exchange of assets and fair value of the consideration received in exchange for incurring a liability.

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

The Group uses market observable data to a possible extent when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values are included in Notes 12, *Investment Properties*, and 29, *Financial Risk Management Objectives and Policies*.

Going concern assumption

The preparation of the accompanying condensed consolidated financial statements of the Group is based on the premise that the Group operates on a going concern basis, which contemplate the realization of assets and settlement of liabilities in the normal course of business. The management does not intend to liquidate.

Use of judgment and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Group's consolidated financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Group's significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an on-going basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revision to accounting estimates is recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where significant judgments and estimates have been made in preparing the consolidated financial statements and their effects are disclosed in Note 4

Basis of consolidation

The consolidated financial statements include the accounts of the Parent Company and its subsidiaries. Subsidiaries are entities controlled by the Parent Company. Control is achieved when the Parent Company is exposed, or has right, to variable returns from its investment with the investee and it has the ability to affect those returns through its powers over the investee.

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

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

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

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

NCI represent the portion of net results and net assets not held by the Parent Company. These are presented in the consolidated statement of financial position within equity, apart from equity attributable to equity holders of the Parent Company and are separately disclosed in the consolidated statement of comprehensive income. NCI represent the equity interest in PGDI, GLCI and CUBES not held by the Parent Company.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

If the Parent Company loses control over a subsidiary, it derecognizes the assets including goodwill, liabilities and NCI in the subsidiary. The Parent Company recognizes the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in the consolidated statement of comprehensive income.

Business combinations and goodwill. Business combinations are accounted for using the acquisition method except for business combinations under common control in which an accounting similar to pooling of interest method is used. Business combinations under common control are those in which all of the combining entities or businesses are controlled by the same party or parties both before and after the business combination, and that control is not transitory. Under the acquisition method, the cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any NCI in the acquiree. For each business combination, the acquirer measures the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed and included in profit or loss.

For accounting similar to pooling of interest method, the assets, liabilities and equity of the acquired companies for the reporting period in which the common control business combinations occur, and for any comparative

periods presented, are included in the consolidated financial statements of the Group at their carrying amounts as if the combinations had occurred from the date when the acquired companies first became under the control of the Group. The excess of the net carrying amounts of the assets and liabilities of the acquired companies over the cost of business combinations is recognized under "Excess of net assets over acquisition cost of acquired subsidiaries" account in the equity section of the consolidated statement of financial position.

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

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

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9, *Financial Instruments*, is measured at fair value with the changes in fair value recognized in profit or loss in accordance with PFRS 9. Other contingent consideration that is not within the scope of PFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill acquired in a business combination is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for noncontrolling interest and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in consolidated statement of comprehensive income.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group measures in its consolidated financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group retrospectively adjusts the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, the Group also recognizes additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the Group receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. The measurement period does not exceed one year from the acquisition date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units (CGU), or group of CGUs that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or group of units. Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than an operating segment or determined in accordance with PFRS 8, *Operating Segments*.

Goodwill is tested for impairment annually as at December 31 and when circumstances indicate that the carrying amount may be impaired.

Impairment is determined by assessing the recoverable amount of the CGU or group of CGUs, to which the goodwill relates. When the recoverable amount of the CGU or group of CGUs is less than the carrying amount, an impairment loss is recognized. Impairment loss with respect to goodwill cannot be reversed in future periods.

The Group bases its impairment calculation on detailed budgets and forecasts calculations which are prepared separately for each of the CGUs to which the goodwill is allocated. These budgets and forecasts calculations generally cover a period of five years. A long-term growth rate is calculated and applied to projected future cash flows after the fifth year.

When goodwill has been allocated to a CGU or group of CGUs and part of the operations within the unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed and the portion of the CGU retained.

When business combination involves more than one exchange transaction (occurs in stages), each exchange transaction is treated separately by the Group, using the cost of transaction and fair value information at the date of each exchange transactions, to determine the amount of goodwill associated with that transaction. Any adjustment to fair value relating to the previously held interest is a revaluation and is accounted for as such.

When subsidiaries are sold, the difference between the selling price and the net assets plus goodwill is recognized in profit or loss.

Asset Acquisition. If the assets acquired and liabilities assumed in an acquisition transaction do not constitute a business as defined under PFRS 3, *Business Combinations*, the transaction is accounted for as an asset acquisition. The Group identifies and recognizes the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets) and liabilities assumed.

The acquisition cost is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such transaction or event does not give rise to goodwill.

Where the Group acquires a controlling interest in an entity that is not a business, but obtains less than 100% of the entity, after it has allocated the cost to the individual assets acquired, it notionally grosses up those assets and recognizes the difference as NCI.

Adoption of new and revised accounting standards

The accounting policies adopted in the preparation of the Company's financial statements are consistent with those of the previous financial year except for the adoption of the following new and amended standards and interpretations. The adoption of these new and amended standards and interpretations did not have significant impact on the Group separate financial statements unless otherwise stated.

Effective beginning on or after January 1, 2026

Amendments to PFRS 9 and PFRS 7, Classification and Measurement of Financial Instruments PFRS 9 and PFRS 7

The standard provides a robust and transparent framework for classifying, measuring, and disclosing financial instruments in Philippine financial reporting. The amendments enhance clarity, improve alignment with PFRS, and strengthen investor confidence through better disclosure of risks and valuation practices.

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards - Volume 11
 - Amendments to PAS 7, *Cost Method*
 - 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"*

Volume 11 provides targeted, minor amendments to improve clarity, consistency, and cross-references across PFRS standards without introducing substantive new requirements. Compliance ensures alignment with contemporary PFRS interpretations and reduces the risk of misapplication.

The Group is currently assessing the impact of adopting these standards on its financial statements.

Effective beginning on or after January 1, 2027

PFRS 18, Presentation and Disclosure in Financial Statements

The new standard impacts the classification of profit or loss items (i.e. into operating, investing, and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e. operating profit, and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures.

PFRS 19, Subsidiaries without Public Accountability.

The standard allows eligible subsidiaries to apply PFRS accounting principles with significantly reduced disclosure requirements, offering practical and cost relief while maintaining transparency for users. It is particularly relevant for subsidiaries whose parents report publicly under PFRS, allowing consistent financial reporting across the group with a streamlined, user-focused disclosure approach

Deferred effectivity

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

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

On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2026 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

The revised, amended, and additional disclosures or accounting changes provided by the standards and interpretations will be included in the financial statements in the year of adoption, if applicable.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial assets and financial liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

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

Classification of Financial Instruments. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and, (c) financial assets at fair value through other comprehensive income (FVOCI). The classification of a financial asset largely depends on its contractual cash flow characteristics and the Group's business model for managing them.

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

There were no reclassifications of financial assets in 2025 and 2024.

Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost.

As at December 31, 2025 and 2024, the Group does not have financial assets and liabilities at FVPL and financial assets at FVOCI.

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

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

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process.

Classified under this category are the Group's cash, contract receivables, trade receivables, contract assets, and security deposits.

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

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

Classified under this category are the Group's loans payable, lease liability, trade and other payables (excluding statutory liabilities), and dividend payable.

Impairment of financial assets at amortized cost and contract assets

The Group records an allowance for expected credit loss (ECL) on financial assets at amortized cost and contract assets based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate. 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.

The Group measures loss allowances at an amount equivalent to the 12-month ECL for financial assets on which credit risk has not increased significantly since initial recognition or that are determined to have low credit risk at reporting date. Otherwise, impairment loss will be based on lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at reporting date with the risk of a default occurring on the financial instrument on the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort. In addition, the Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely

to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognized in profit or loss to the extent that the carrying amount of the asset does not exceed its amortized cost at reversal date.

Trade receivables and contract assets. The Group has applied the simplified approach in measuring the ECL on trade receivables and contract assets. Simplified approach requires that ECL should always be based on the lifetime ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Other financial instruments measured at amortized cost. For these financial assets, the Group applies the general approach in determining ECL. The Group recognizes an allowance based on either the 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition.

A financial asset is written off when there is no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Derecognition of financial assets and liabilities

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

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

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

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

Offsetting financial assets and liabilities

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

Classification of financial instrument between liability and equity

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

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

Current versus non-current classification

The Group presents financial statements based on current/noncurrent classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the financial reporting period;
- Expected to be settled on demand; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the financial reporting period.

All other assets are classified as noncurrent

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the financial reporting period;
- It is expected to be settled on demand; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the financial reporting period

The Group classifies all other liabilities as noncurrent.

Cash

Cash includes cash on hand and in banks which are measured at face value.

Cash funds are set aside for current purposes such as petty cash fund. Cash in banks include demand deposits which are unrestricted as to withdrawal.

Receivables

Receivables are amounts due from clients for services performed in the ordinary course of business, and advances to officers and employees. If collection is expected in one year or less (or in the normal operating cycle of the business longer), they are classified as current assets. Otherwise, they are presented as non-current assets.

Receivables are measured at the transaction price determined under PFRS 15 (*refer to the accounting policies for Revenue from contract with customers*). Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate (EIR) method, less provision for impairment.

Real estate for sale

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value (NRV).

Costs include:

- Cost of the land;
- Construction and development costs; and
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated specifically identifiable costs to complete and the estimated costs to sell. NRV in respect of land under development is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less an estimate of the time value of money to the date of completion.

Remeasurement of the inventories to its fair market value is performed when there exist facts and circumstance that would allow to do so. Measurement of the fair value takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Any adjustment arising from the remeasurement of the inventory from cost to fair market value is recognized as an unrealized gain in the statements of income.

Creditable withholding taxes (CWTs)

CWTs represent the amount withheld by the Group's customers in relation to its income. CWTs can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation. CWTs are stated at its net realizable amount.

Other current assets

This account mainly consists of excess of input value-added tax (VAT) over output VAT, advances to suppliers and contractors, and supplies, among others.

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

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of tax included.

The net amount of tax recoverable from the taxation authority is included as part of "Other current assets" account in the consolidated statement of financial position.

In accordance with the Revenue Regulations No. 16-2005, input VAT on purchases or imports of the Group of capital goods (depreciable assets for income tax purposes) with an aggregate acquisition cost (exclusive of VAT) in each of the calendar months exceeding ₱1.0 million is claimed as credit against output VAT over 60 months or the estimated useful lives of capital goods, whichever is shorter.

Pursuant to Republic Act No. 10963 or the Tax Reform for Acceleration and Inclusion Law, starting January 1, 2022, all input tax on purchases of capital goods shall already be allowed to be claimed outright upon purchase/payment and shall no longer be subject to amortization.

Unutilized input vat on capital goods purchased or imported prior to January 1, 2022 will be amortized as scheduled until fully utilized.

Advances to suppliers and contractors. Advances to suppliers and contractors represent advance payments on goods and services to be incurred in connection with the Group's projects and operation. These are charged to expense or capitalized to projects in the consolidated statement of financial position, upon actual receipt of services or goods. These are considered as nonfinancial instruments as these will be applied against future billings from contractors and suppliers. Refundable advances to contractors and suppliers are classified as financial assets.

Supplies. Supplies consist of spare parts for the day-to-day repairs and maintenance of the Group's property and equipment. These are valued at the lower of cost and net realizable value. Cost is determined using the weighted average method and includes expenditures incurred in acquiring the supplies and bringing them to their existing location and condition. Net realizable value is the current replacement cost.

Investment properties

Investment properties comprise of land for future development held by the Group for capital appreciation. Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date, as determined by independent appraisers. Gains and losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which these arise.

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

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

Deferred exploration costs

Expenditures for exploration works on mining properties (i.e., acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling, and activities in relation to evaluating the technical feasibility and commercial viability of extracting mineral resource) are deferred as incurred and included under "Deferred exploration costs" account in the consolidated statement of financial position. If and when recoverable reserves are determined to be present in commercially producible quantities, the deferred exploration expenditures, and subsequent mine development costs are capitalized as part of the mine and mining properties account classified under property, plant and equipment.

A valuation allowance is provided for unrecoverable deferred exploration costs based on the Group's assessment of the future prospects of the exploration project. Full provision is made for the impairment unless it is probable that such costs are expected to be recouped through successful exploration and development of the area of interest, or alternatively, by its sale. If the project does not prove to be viable or when the project is abandoned, the deferred exploration costs associated with the project and the related impairment provisions are written off. Exploration areas are considered permanently abandoned if the related permits of the exploration have expired and/or there are no definite plans for further exploration and/or development.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation, amortization and impairment losses, if any.

The initial cost of property and equipment consists of its purchase price, including import duties, nonrefundable taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Such cost includes the cost of replacing part of such property and equipment when that cost is incurred if the recognition criteria are met.

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to profit or loss in the period when the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of property and equipment.

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

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the depreciable assets.

The depreciation and amortization periods for property and equipment, based on the above policies, are as follows:

Asset	No. of Years
Office space building and office space improvements	5 - 10 years
Heavy equipment	5 – 8 years
Leasehold improvement	5 years or term of the lease, whichever is shorter
Transportation equipment	5 years
Office and other equipment	3 -5 years
Furniture and fixtures	2- 5 years

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation and amortization is consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Fully depreciated assets are retained in the accounts until these are no longer in use.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the consolidated statement of comprehensive income in the year the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income in the expense category consistent with the function of intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in the useful life from the indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of comprehensive income when the asset is derecognized.

Exclusive distribution right. Exclusive distribution right pertains to the exclusive right to distribute the Thermo Chiller system which was acquired as a result of a business combination. Exclusive distribution right is amortized on a straight-line basis over its estimated useful life of 10 years.

Film rights. Film rights include the unamortized cost of completed theatrical films and television projects and film rights acquired. Film rights principally consist of direct production costs, production overhead, development and pre-production costs and are stated at cost less accumulated amortization and any impairment in value. Amortization of film and television production costs starts when a film is released and revenues on that film are recognized. Amortization is made in proportion to the actual income earned during the year as against total estimated income. The total estimated income is subject to periodic evaluation by management based on actual income generated from those films.

Impairment of nonfinancial assets (excluding goodwill)

Nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or within the normal operating cycle of the business if longer); otherwise, they are presented as noncurrent liabilities.

Accrued expenses are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with supplier including amounts due to employees. It is necessary to estimate the amounts of accruals; however, the uncertainty is generally much less than for provision.

Government dues and remittances include withholding income taxes which represent taxes retained by the Group for an item of income required to be remitted to the Bureau of Internal Revenue (BIR). The obligation of the Group to deduct and withhold the taxes arises at the time the income payment is paid or payable, or the income payment is accrued or recorded as an expense or asset, whichever comes first. The term "payable" refers to the date the obligation becomes due, demandable, or legally enforceable.

Accounts and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

Convertible loans payable

Convertible loans payable is separated into liability and equity components based on the terms of the contract.

On issuance of the convertible loans payable, the fair value of the liability component is determined using the market rate for an equivalent non-convertible loan. This amount is classified as a financial liability measured at amortized cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognized and included in equity as part of additional paid-in capital. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible loan payable based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

When the convertible loans payable is extinguished before maturity, through an early redemption or repurchase in which the original conversion privileges are unchanged an allocation is made for the consideration paid and any

transaction costs for the repurchase or redemption to the liability and equity components of the instrument at the date of transaction. The method of allocating the consideration paid and the transaction costs to the separate component is consistent with that used in the original allocation to the separate components or the proceeds received by the entity when the convertible loan payables were issued.

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Due to/from related parties

These include receipts and/or disbursement of resources, services or obligations to affiliates, regardless of whether a price is charged from the related parties. The amount is presented as current asset/liability, as applicable, if collection/payment is expected in one year or less, otherwise, they are presented as non-current.

Capital stock and additional paid-in capital

Capital stock is measured at par value for all shares issued. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as additional paid-in capital. Equity component of convertible instruments is also included in additional paid-in capital.

Incremental costs directly attributable to the issue of new capital stock are recognized as a deduction, net of tax, from the equity.

Subscriptions receivable

Subscriptions receivable pertains to the uncollected portion of the subscribed shares.

Non-controlling interest (NCI)

NCI represent the portion of profit or loss and the net assets not held by the Parent Company and are presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from total equity attributable to owners of the Parent Company. Any losses applicable to a noncontrolling shareholder of a consolidated subsidiary in excess of the noncontrolling shareholder's equity in the subsidiary are charged against the NCI even if this results in NCI having a deficit.

NCI represent the equity interest in PGDI, GLCI, CUBES, PHMIC and PSMVI not held by the Parent Company.

Retained earnings

Retained earnings represent the cumulative balance of the Group's results of operations, net of dividends declared to date.

Cumulative remeasurement gains on retirement liability

This pertains to accumulated remeasurement gains on retirement liability, which are not recognized in profit or loss. Remeasurement gain or loss when earned or incurred during the year are classified as other comprehensive income or loss and presented after net income in the consolidated statement of comprehensive income. The cumulative remeasurement gains or losses are separately presented in the equity section of the consolidated statement of financial position.

Revenue recognition

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group performs its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has generally concluded that it is the principal in its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized.

Sale of real estate. The Group derives its real estate revenue from real estate development and subdivided lots. Revenue from sales of substantially completed real estate projects where collectability of sales price is reasonably assured is accounted for using the full accrual method. Revenue from the sale of real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion).

Collectability of the sales price is demonstrated by the buyer's commitment to pay, which in turn is supported by substantial initial and continuing investments that give the buyer a stake in the property sufficient that the risk of loss through default motivates the buyer to honor its obligation to the seller. Collectability is also assessed by considering factors such as past history with the buyer and the pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs if it would still support its current threshold of buyers' equity before commencing revenue recognition.

In measuring the progress of its performance obligation over time, the Group uses input method. Input methods recognize revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation. Progress is measured based on actual resources consumed such as materials, labor hours expended and actual overhead incurred relative to the total expected inputs to the satisfaction of that performance obligation, or the total estimated development costs of the real estate project. The Group uses the cost accumulated by the accounting department to determine the actual resources used. Input method exclude the effects of any inputs that do not depict the entity's performance in transferring control of goods or services to the customer.

Estimated development costs of the real estate project include costs of construction cost, construction management cost, land development, planning cost, permits and land cost. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis.

Contract balances

Receivables (including installment receivables). A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). It also includes the difference between the considerations received from the customer and the transferred goods or services to a customer.

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

Contract liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced and payments in excess of percentage of completion.

Cost to obtain a contract. The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "General and administrative expenses" account in the consolidated statement of comprehensive income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Amortization, derecognition and impairment of capitalized costs to obtain a contract. The Group amortizes capitalized costs to obtain a contract over the expected construction period using the percentage of completion following the pattern of real estate revenue recognition. The amortization of cost to obtain a contract is included within "General and administrative expenses". A capitalized cost to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that the capitalized cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgment is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management makes an assessment of the cost to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits.

Where a contract is anticipated to make a loss, judgments are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Mining-related services. Revenue from mining-related services represents earnings from the operation of the Group's hauling services and equipment rental which are recognized over time as the services are rendered. The Group bills a fixed amount for every output delivered and recognizes revenue in the amount for which it has the right to invoice.

Service income. Revenue from service income is recognized over time as the services are rendered.

Penalty. Penalty pertains to income from surcharges for buyers' default and late payments. Income is recognized when buyers have defaulted in paying their dues and the collectability is reasonably assessed. This is recognized by the Group as part of "Other income" account in the consolidated statement of comprehensive income.

Interest income. Interest income is recognized as the interest accrues using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount. Interest income from bank deposits is recognized as it accrues.

Cost and expense recognition

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.

Cost of real estate sale. Cost of real estate sale is recognized consistent with the revenue recognition method applied. Cost of real estate sold includes all direct materials and labor costs, and those indirect costs related to contract performance. Cost of real estate sold before the completion of the development includes estimated costs for future development work, all estimated by the Parent Company's project engineers. When it is probable that the labor contract cost will exceed total contract revenue, the expected loss is recognized immediately. Changes in job performance, job conditions and estimated profitability, including those arising from contract penalty provisions and final contract settlements which may result in revisions to estimated costs and gross margins, are recognized in the year in which the revisions are determined. The cost of inventory recognized in profit or loss in the consolidated statement of comprehensive income upon sale is determined with reference to the specific costs incurred on the property, allocated to the saleable area based on relative size and takes into account the percentage of completion used for revenue recognition purposes.

Cost of services. Cost of services is recognized as expense when services are rendered.

General and administrative expenses. General and administrative expenses constitute costs of administering the business. These are expensed as incurred.

Other charges. Other charges include other expenses, which are incidental to the Group's business operations, and are recognized in the consolidated statement of comprehensive income when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, it has both of the following:

- a) the right to obtain substantially all of the economic benefits from the use of the identified asset; and
- b) the right to direct the use of the identified asset.

At the commencement date, the Group recognizes right-of-use (ROU) assets and lease liabilities for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value, in which case the lease payments associated with those leases are recognized as an expense in profit or loss on a straight-line basis. For leases with lease terms of 12 months or less but with an option to extend the lease, the management assesses whether there is reasonable certainty that the Group will extend the lease, by considering all relevant facts and circumstances that create an economic incentive for the lessee to extend or terminate the lease, to determine the appropriate lease term.

ROU assets. At commencement date, the Group measures ROU assets at cost which is comprised of the following:

- a) the amount of the initial measurement of lease liabilities;
- b) any lease payments made at or before the commencement date less any lease incentives received;
- c) any initial direct costs; and
- d) an estimation of costs to be incurred by the Group in dismantling and removing the underlying asset, when applicable.

After the commencement date, the ROU assets are carried at cost less any accumulated amortization and accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the ROU assets are amortized over the shorter of the lease terms or the useful lives of the underlying assets

Lease Liabilities. At commencement date, the Group measures a lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of a lease liability consist of the following:

- a) fixed payments, including in-substance fixed payments;
- b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c) amounts expected to be payable by the lessee under residual value guarantees; and
- d) the exercise price under a purchase option that the Group is reasonably certain to exercise; lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

A lease liability is subsequently measured at amortized cost. Interest on the lease liability and any variable lease payments not included in the measurement of lease liability are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when the event or condition that triggers those payments occurs.

If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, the lease liability is remeasured using a revised discount rate considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. The lease liability is also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

Group as a lessor. Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income under operating leases is recognized on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rent income. Contingent rents are recognized as revenue in the period in which these are earned.

Employee benefits

Short-term benefits. The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

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

Retirement benefits. The net defined benefit liability is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

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

Defined benefit costs comprise the following:

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

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

Remeasurements comprising actuarial gains and losses, difference between interest income and 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 (OCI) in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in the profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognize related restructuring costs.

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

Income taxes

Current 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 authorities. The tax rates and the tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Current income tax relating to item recognized directly in equity is recognized in equity and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax. Deferred tax is provided on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes except for:

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

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits (excess of minimum corporate income taxes or MCIT over regular corporate income taxes or RCIT) and unused tax losses (net operating loss carryover or NOLCO), only if it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are re-assessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss.

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

Related parties and transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or a member of the key management personnel of the reporting entity. Parties are also considered to be related if they are subject to common control or common significant influence.

Related party transactions consist of transfers of resources, services or obligations between the Group and its related parties. Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related parties in an economically comparable market.

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

Earnings per share (EPS)

Basic EPS is computed by dividing net profit or loss for the year attributable to common equity holders of the Parent Company, after recognition of the dividend requirement of preferred shares, as applicable, by the weighted average number of issued and outstanding common shares during the year, after giving retroactive effect to any stock dividends declared during the year.

Diluted EPS is computed by dividing net profit or loss for the year attributable to common equity holders of the Parent Company by the weighted average number of issued and outstanding common shares during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. The calculation of diluted EPS does not assume conversion, exercise, or other issue of potential common shares that would have an anti-dilutive effect on EPS.

Operating segments

The Group is organized into business units wherein operating results are regularly monitored by the chief operating decision maker (CODM) for the purpose of making decisions about resource allocation and performance assessment. As permitted by PFRS 8, the Group has aggregated these segments into a single operating segment to which it derives its revenues and incurs expenses as these segments have the same economic characteristics and are similar in the following respects:

- the nature of products and services;
- the nature of production processes;
- the type or class of customer for the products and services; and
- the methods used to distribute their products and services.

Provisions

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

Provisions are made using the best estimates of the amount required to settle the obligation and are discounted to present values using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period these arise.

Contingencies

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

Events after the reporting date

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

NOTE 4 – SIGNIFICANT JUDGMENTS, ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements in accordance with PFRS requires management to exercise judgments, make estimates and use assumptions that affect amounts of assets, liabilities, income and expenses reported in the consolidated financial statements. The judgment, estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. While management believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

Judgments

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

Going concern

As of December 31, 2025 and 2024, the Group's primary objective is to ensure its ability to continue as a going concern and that it maintains the resources to continue their business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Recognizing revenue and cost of sale from real estate sales:

- *Assessing the existence of a contract.* The Group documents sale of real estate properties in a signed contract to sell, which meets the revenue recognition criteria as provided under PFRS 15. Moreover, the Group assesses the collectability of the consideration as part of its revenue recognition policy based on the buyer's substantial initial and continuing investments for the buyer to put a stake on the property and to honor its obligation. Collectability is also assessed by considering factors such as previous experience with the buyer and the pricing of the property. Management regularly evaluates the historical cancellations to support its current threshold of customers' equity.
- *Recognizing revenue method and measuring progress.* The Group has assessed that revenue for real estate sales is to be recognized over time because (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date.

The Group has determined that the input method used in measuring the progress of the performance obligation faithfully depicts the Group's performance in transferring control of real estate development to the customer.

- *Identifying the performance obligation.* The Group has identified its performance obligation in each of its contracts to sell. For subdivided lot, the developer integrates the lots it sells with the associated infrastructure to transfer the serviced land promised in the contract. For the contract covering condominium unit, the developer has the obligation to deliver the condominium unit duly constructed in a specific lot and fully integrated into serviced land in accordance with the approved plan.

- *Determining the actual cost incurred as cost of sales.* In determining the actual costs incurred to be recognized as cost of sales, the Group estimates costs incurred on materials, labor and overhead which have not yet been billed by the contractor.
- *Assessing the transfer of control to buyer.* In assessing the transfer of control to the buyer, the Group considers the transfer of the legal title of the property through the conveyance of real estate properties to the buyers. The Group initiates the execution of a contract in public instrument that constitutes constructive delivery of the property where ownership was already considered transferred.

Classifying leases - group as a lessor. The Group has entered into operating leases on its heavy equipment. These leases do not provide for an option to purchase or transfer ownership of the property at the end of the lease and the related lease terms do not approximate the estimated useful life of the assets being leased. The Group has determined that it retains all significant risks and rewards of ownership of these properties which are leased out on operating leases.

Classifying leases – group as a lessee. The Group entered into several lease agreements covering its office premises/sites. Terms of the lease agreements range from 1 year to 5 years under renewable options. Other leases entered into include clauses to enable upward revision of the rental charged on an annual basis - based on prevailing market rates.

Following the adoption of PFRS 16, the Group recognized right-of-use asset and lease liability over the life of the lease. The asset is calculated as the initial amount of the lease liability, plus any lease payments made to the lessor before the lease commencement date, plus any initial direct costs incurred, minus any lease incentives received.

Leases are further disclosed in Notes 28.

Classifying real estate held for sale and investment properties. The Group determines whether a property will be classified as real estate held for sale or investment property. In making this judgment, the Group considers whether the property will be sold in the normal operating cycle (real estate held for sale). All other properties that are not yet determined to be sold in the normal operating cycle and are held for capital appreciation are classified as investment properties. The Group considers each property separately in making its judgment.

The carrying amounts of real estate held for sale and investment properties are disclosed in Note 8.

Evaluating Contingencies. There are ongoing legal proceedings involving the Group which management believes would not have a material adverse impact on the Group's financial position and results of operations. The estimate of probable costs for the resolution of possible claims have been developed in consultation with legal counsel handling the Group's defense in these matters and is based upon an analysis of potential results (see Note 31).

Estimates and assumptions

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

Recognizing revenue on real estate sales. The Group's revenue recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of revenues. The Group's revenue from real estate is recognized based on the proportion of cost incurred to date over total estimated cost of the real estate project.

Real estate sales amounted to ₱64.9 million, ₱174.8 million, and ₱472.4 million in 2025, 2024, and 2023, respectively (see Note 5).

Determining the fair value of investment properties. The Group engaged an independent appraiser to determine the fair value of its investment properties. The fair values of investment properties were determined using the Market Approach, which involves the comparison of the land to those that are located within the vicinity of the appraised property and are subject of recent sales and offerings.

Adjustments were made to arrive at the market value by considering the location, size, shape, utility, desirability and time element.

Fair value changes that were recognized in profit or loss and the carrying amount of investment properties are disclosed in Note 12.

Determining the impairment of receivables and contract receivables. The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selected inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The impairment assessment also takes into consideration that titles to real estate properties are not transferred to the buyers until full payment is made.

In 2023, the Group provided impairment losses on receivable from PAGCOR and other receivables, amounting to ₱3.0 million, which were written off in the same year (see Note 14).

The Group did not recognize provision for ECL in 2024, but prior year adjustments were taken up to recognize additional allowance for ECL. As at December 31, 2025 and 2024, allowance for ECL amounted to ₱121.5 million and ₱17.3 million, respectively. The carrying amounts of receivables and contract assets are disclosed in Note 7.

Determining the NRV of real estate for sale and supplies inventory. Real estate for sale and supplies inventory are stated at lower of cost and NRV. The Group writes down the carrying amount of real estate for sale and supplies inventory whenever the NRV becomes lower than cost due to changes in estimated selling prices less cost to sell. The carrying amount is reviewed at least annually for any decline in value.

No provision was recognized in 2025, 2024, and 2023. The carrying amounts of inventories and supplies inventory carried at lower of cost and NRV are disclosed in Notes 8 and 9.

Assessing the impairment of deferred exploration costs. The Group reviews the carrying amounts of its deferred exploration costs whenever events or changes in circumstances indicate that their carrying amounts may exceed their estimated net recoverable amounts. The ability of the Group to recover its deferred exploration costs would depend on the commercial viability of the reserves.

An impairment loss is recognized when the carrying amounts of these assets are not recoverable and exceeds their fair value. No provision for impairment loss was recognized in 2025, 2024, and 2023. The carrying amount of deferred exploration costs amounted to ₱436.1 million and ₱433.5 million as at December 31, 2025 and 2024, respectively (see Note 11).

Estimating the impairment of goodwill. The Group is required to annually test the amount of goodwill for impairment. The recoverable amounts of CGUs have been determined based on the higher of fair value less cost of disposal and value-in-use calculations using cash flow projections covering a five- year period based on long-range plans approved by management. Estimating the value-in-use require the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Management used an appropriate discount rate for cash flows equal to the prevailing rates of return for a company having substantially the same risks and characteristics. Current and historical transactions have been used as indicators of future transactions.

The Group did not recognize an impairment loss on goodwill in 2025, 2024 and 2023. The carrying amount of goodwill amounted to ₱15.7 million as at December 31, 2025 and 2024 (see Note 14). Management believes that any reasonable change in any of the above key assumptions on which the recoverable amount is based on would not cause the carrying amount of the goodwill to materially exceed its recoverable amount.

Estimating the useful lives of property and equipment and ROU assets. The Group estimates the useful lives of the property and equipment and ROU assets based on the period over which these assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of these assets. In addition, estimation of the useful lives is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned

above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

There were no changes in the estimated useful lives of property and equipment and ROU assets in 2025, 2024, and 2023. The carrying amounts of property and equipment and ROU assets are disclosed in Notes 13, 14 and 28.

Determining the impairment of nonfinancial assets (except goodwill and deferred exploration costs). The Group assesses whether there are any indicators of impairment for all nonfinancial assets at each reporting date. Investment properties, property and equipment, and intangible assets are reviewed for impairment when there are indicators that the carrying amounts may not be recoverable. Intangible asset is reviewed annually for impairment while it is still not yet available for use. Determining the value in use of these nonfinancial assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements. Future events could cause the Group to conclude that such nonfinancial assets are impaired. Any resulting impairment loss could have a material adverse impact on the Group's consolidated financial statements.

No provision for impairment loss was recognized in 2025, 2024 and 2023. The carrying amounts of nonfinancial assets are disclosed in Notes 12, 13, and 14.

Determining the retirement benefits cost. The cost of defined benefit pension plans and present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Retirement liability amounted to ₱12.3 million and ₱10.4 million as at December 31, 2025 and 2024, respectively (see Note 19).

Assessing the realizability of deferred tax assets. The Group reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The amount of deferred income tax assets that are recognized is based upon the likely timing and level of future taxable profits together with future tax planning strategies to which the deferred tax assets can be utilized.

Recognized net deferred tax liabilities of the Group amounted to ₱775.8 million and ₱722.6 million as at December 31, 2025 and 2024, respectively. As at December 31, 2025 and 2024, no deferred tax assets were recognized for NOLCO and other deductible temporary differences (see Note 24). Management believes that it is not probable that sufficient taxable income will be available to allow these deferred tax assets to be utilized.

NOTE 5 – SEGMENT INFORMATION

For management purposes, the Group's operating segments are organized and managed separately according to the nature of the business activity, with each segment representing strategic unit that offers different services and serves different markets. The Group has three reportable segments as follows:

- Mining segment pertains to the operations of PGDI Group for the hauling services it provides with mining companies and the exploration activities of its mining tenements.
- Real estate segment pertains to the operations of GLCI which develops and sells innovative master planned communities of low to mid rise residential and commercial condominiums including student dormitories.
- Service contract segment pertains to the rental of mining equipment of PGDI.

No operating segments have been aggregated to form the above reportable operating segments. Management monitors operating results for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on income or loss and is measured consistently with income or loss in the consolidated financial statements. Group's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

The financial position of the business segments as at December 31, 2025 and 2024 are as follows:

Particulars	2025				
	Mining	Real Estate	Others	Elimination	Total
Assets					
Cash	₱ 14,445,898	₱ 14,951,771	₱ 1,635,030	₱ -	₱ 31,032,699
Contract assets	-	481,004,251	-	-	481,004,251
Receivables	57,251,101	196,625,645	573,328,959	(559,029,811)	268,175,894
Real estate held for sale	-	184,854,380	251,717,403	-	436,571,783
Investment properties	-	926,736,258	2,740,420,200	-	3,667,156,458
Deferred exploration costs	436,189,548	-	-	-	436,189,548
Intangible assets	-	-	1,622,007	-	1,622,007
Property and equipment	34,989,514	4,324,188	14,210,066	-	53,523,768
Deferred tax assets	45,445,405	-	4,141,280	-	49,586,685
Other assets	60,747,632	108,961,943	40,309,490	15,701,804	225,720,869
	₱ 649,069,098	₱ 1,917,458,436	₱ 3,627,384,435	₱ (543,328,007)	₱ 5,650,583,962
Liabilities					
Loans payable	₱ -	₱ 495,274,727	₱ 314,571,532	₱ -	₱ 809,846,259
Trade and other payables	193,339,925	224,736,644	1,141,190,803	(665,912,321)	893,355,051
Contract liabilities	-	6,549,777	-	-	6,549,777
Retirement liability	565,589	11,205,166	557,197	-	12,327,952
Lease liability	-	1,847,182	-	-	1,847,182
Advances from third parties	-	-	-	-	-
Deferred tax liabilities	-	248,202,989	577,212,426	-	825,415,415
	₱ 193,905,514	₱ 987,816,485	₱ 2,033,531,958	₱ (665,912,321)	₱ 2,549,341,636
2024					
Particulars	Mining	Real Estate	Others	Elimination	Total
Assets					
Cash	₱ 24,750,404	₱ 31,020,798	₱ 4,580,240	₱ -	₱ 60,351,442
Contract assets	-	438,890,717	-	-	438,890,717
Receivables	76,274,112	463,812,766	731,383,728	(607,725,656)	663,744,950
Real estate held for sale	-	528,912,987	249,635,218	6,934,091	785,482,296
Investment properties	-	51,080,000	2,627,639,700	-	2,678,719,700
Deferred exploration costs	433,502,973	-	-	-	433,502,973
Intangible assets	-	-	2,027,508	-	2,027,508
Property and equipment	46,580,156	3,970,601	14,727,737	-	65,278,494
Deferred tax assets	33,123,448	-	-	28,762,779	61,886,227
Other assets	59,661,567	103,836,003	37,699,964	15,701,804	216,899,338
	₱ 673,892,660	₱ 1,621,523,872	₱ 3,667,694,095	₱ (556,326,982)	₱ 5,406,783,645
Liabilities					
Loans payable	₱ -	₱ 567,299,820	₱ 304,818,862	₱ -	₱ 872,118,682
Trade and other payables	158,409,842	95,285,282	955,275,297	(647,659,561)	561,310,860
Contract liabilities	-	6,251,941	-	-	6,251,941
Retirement liability	1,841,000	7,372,150	1,207,985	-	10,421,135
Lease liability	-	2,788,383	-	-	2,788,383
Advances from third parties	-	-	100,000,000	-	100,000,000
Deferred tax liabilities	-	152,973,731	548,815,442	82,701,466	784,490,639
	₱ 160,250,842.00	₱ 831,971,307	₱ 1,910,117,586	₱ (564,958,095)	₱ 2,337,381,640

The revenue and profit information of the business segments for the years ended December 31, 2025, 2024 and 2023 are as follows:

Particulars	2025				
	Mining	Real Estate	Others	Total	
Revenues	₱ 41,320,475	₱ 64,990,750	₱ -	₱ 106,311,225	
Costs and expenses	117,254,732	122,755,449	160,203,216	400,213,397	
Operating income (loss)	(75,934,257)	(57,764,699)	(160,203,216)	(293,902,172)	
Interest expense	(7,684,540)	(52,835,187)	(42,320,340)	(102,840,067)	
Interest income	3,428	1,312,612	4,410	1,320,450	
Other income (charges) - net	11,100,670	355,581,062	167,383,990	534,065,722	
Income tax benefit (expense)	12,321,957	(95,844,512)	(24,053,845)	(107,576,400)	
Total	₱ (60,192,742)	₱ 150,449,276	₱ (59,189,001)	₱ 31,067,533	

Particulars	2024				
	Mining	Real Estate	Others	Total	
Revenues	₱ 45,812,145	₱ 174,859,891	₱ 4,464,286	₱ 225,136,322	
Costs and expenses	74,694,713	142,601,457	75,921,147	293,217,317	
Operating income (loss)	(28,882,568)	32,258,434	(71,456,861)	(68,080,995)	
Interest expense	(6,570,863)	(48,952,652)	(49,925,707)	(105,449,222)	
Interest income	13,953	1,155,805	10,586,632	11,756,390	
Other income (charges) - net	33,691,348	253,743,214	417,157,818	704,592,380	
Income tax benefit (expense)	5,123,505	(80,591,458)	(130,693,362)	(206,161,315)	
Total	₱ 3,375,375	₱ 157,613,343	₱ 175,668,520	₱ 336,657,238	

Particulars	2023				
	Mining	Real Estate	Service	Others	Total
Revenues	₱ 61,848,643	₱ 472,498,374	₱ -	₱ -	₱ 534,347,017
Costs and expenses	124,011,195	288,755,112	145,822	105,889,086	518,801,215
Operating income (loss)	(62,162,552)	183,743,262	(145,822)	(105,889,086)	15,545,802
Interest expense	(2,284,842)	(41,807,979)	-	(57,935,065)	(102,027,886)
Impairment losses - net	-	-	-	(3,448,203)	(3,448,203)
Interest income	20,164	1,007,044	-	111,918	1,139,126
Other income (charges) - net	195,384	2,555,989	-	121,249,896	124,001,269
Provision for income tax (benefit)	38,760,539	(39,664,372)	-	(27,377,802)	(28,281,635)
Total	₱ (25,471,307)	₱ 105,833,944	₱ (145,822)	₱ (73,288,342)	₱ 6,928,473

Disaggregated revenue information

The Group's disaggregation of each source of revenue from contracts with customers in 2025, 2024 and 2023 are presented below:

Particulars	2025	2024	2023
Real estate			
Residential dwellings	₱ 64,990,750	₱ 174,859,891	₱ 349,066,820
Lots	-	4,464,286	123,431,554
Mining			
Service contracts	41,320,475	45,812,145	61,848,643
Total	₱ 106,311,225	₱ 225,136,322	₱ 534,347,017

NOTE 6 – CASH

This account consists of:

Particulars	2025	2024
Cash on hand	₱ 770,000	₱ 3,994,985
Cash in banks	<u>30,262,699</u>	<u>56,356,457</u>
Total	<u>₱ 31,032,699</u>	<u>₱ 60,351,442</u>

Cash in banks earn interest at the prevailing bank deposit rates. Interest income earned from cash in banks amounted to ₱0.03 million and ₱0.06 million, and ₱0.1 million in 2025, 2024, and 2023, respectively.

NOTE 7 – RECEIVABLES - NET

This account consists of:

Particulars	2025	2024
Contract receivables	₱ 109,692,176	₱ 356,086,870
Advances to officers and employees	32,810,443	55,501,332
Trade receivables	13,169,463	13,168,599
Others	<u>154,154,752</u>	<u>89,034,286</u>
Total	<u>309,826,834</u>	<u>513,791,087</u>
Less: Allowance for ECL	<u>121,514,146</u>	<u>17,324,524</u>
Net	<u>₱ 188,312,688</u>	<u>₱ 496,466,563</u>

Contract receivables arise from sale of real estate properties. These receivables are collectible in monthly installment over a period of one to 10 years and bear annual effective interest rates ranging from 8.00% to 16.00%. Titles to real estate properties are not transferred to the buyers until full payment is made. Interest income from contracts receivable amounted to ₱1.3 million, ₱1.1 million, and ₱0.9 million in 2025, 2024, and 2023, respectively.

Trade receivables include short-term and noninterest-bearing receivable arising from hauling services operations. Credit terms for trade receivables are 30 to 60 days.

During the year, the Group performed a clean-up of its accounts which resulted to identification of receivables from various individuals and former officers; these balances arose from creation of duplicate transaction, reclassification of balances, and offsetting. As a result of the internal investigation and evidences that these balances existed at the end of the reporting period, management has provided adjustments to record the amount as advances to officers and employees.

Management is undergoing further inspection of contracts, agreements, and other executed documents arising from the transactions for which the receivables were recognized. The management is exploring all courses of action to recover these balances.

Other receivables mainly consist of unsecured non-interest-bearing collectible of the Group related to the project development cost of the Stanford Project.

Contract Balances

The following table presents the breakdown of contract assets by maturity dates:

Particulars	2025	2024
Due within one year	₱ 481,004,251	₱ 438,890,717
Due after one year	-	-
Total	₱ 481,004,251	₱ 438,890,717

Contract liabilities amounted to ₱6.5 million and ₱6.2 million as at December 31, 2025 and 2024, respectively.

Contract receivables and contract assets with a total amount of ₱211.1 million and ₱397 million as at December 31, 2025 and 2024, respectively, were assigned with recourse to banks and other non-bank financing institutions. These receivables were not derecognized as the Group retains substantially all risks and rewards of ownership of the receivables (see Note 16).

Movements in the allowance for ECL are as follows:

Particulars	2025	2024
Beginning balance	₱ 17,324,524	₱ 6,958,017
Addition	104,189,622	-
Adjustment	-	10,366,507
Ending balance	₱ 121,514,146	₱ 17,324,524

NOTE 8 – REAL ESTATE FOR SALE

This account consists of:

Particulars	2025	2024
Real estate under development and subdivided lots held for sales	₱ 429,290,280	₱ 254,971,735
Land and land development	7,281,503	7,281,503
Total	₱ 436,571,783	₱ 262,253,238

Summary of movements in real estate under development and subdivided lots held for sale is set out below:

Particulars	2025	2024
Balance at beginning of year	₱ 254,971,735	₱ 129,200,733
Cost of real estate sales	(38,672,057)	(84,012,637)
Construction development costs incurred	29,884,776	56,699,755
Adjustment	183,105,826	153,083,884
Balance at end of year	₱ 429,290,280	₱ 254,971,735

Real estate under development and subdivided lots held for sale include on-going residential projects. The estimated cost to complete the projects amounted to ₱218.15 and ₱3.03 million as at December 31, 2025 and 2024, respectively.

Certain lots and units with carrying amount of ₱200.3 million and ₱91.6 million as at December 31, 2025 and 2024, respectively, are held as collateral for the Group's bank loans (see Note 16).

NOTE 9 – OTHER CURRENT ASSETS - NET

This account consists of:

Particulars	2025	2024
Prepaid income tax	₱ 107,375,659	₱ 105,478,698
Input VAT	86,475,184	73,793,533
Advances to suppliers and contractors	200,119	4,923,542
Supplies	-	1,014,278
Deferred MCIT	2,408,816	559,651
Security deposits	457,552	433,142
Prepayments	102,950	15,290
Others	544,635	1,860,057
Total	197,564,915	188,078,191
Less: Allowance for impairment losses	4,502,030	4,502,030
Net	₱ 193,062,885	₱ 183,576,161

Advances to suppliers and contractors represent down payments for development and construction contracts. The initial down payments will eventually be recouped or deducted from the amount payable of the Group either in a pro-rated basis or in full once billed by the suppliers and contractors.

Prepayments include prepaid insurance, which will be amortized within three to twelve months at the end of the financial reporting date, prepaid rent and cost to obtain contracts, i.e., commission that is related to the real estate sales.

NOTE 10 – NON-CURRENT RECEIVABLES – NET

As of December 31, 2025 and 2024, this account amounted to ₱79,863,206 and ₱167,278,387, respectively.

In 2024, the Group performed a clean-up of its accounts which resulted to identification of receivables from various individuals and former officers; these balances arose from creation of duplicate transaction, reclassification of balances, and offsetting. As a result of the internal investigation and evidences that these balances existed at the end of the reporting period, the Group has provided adjustments to record the amount as advances to officers and employees.

The Group is undergoing further review and revisiting of contracts, agreements, and other executed documents arising from the transactions for which the receivables were recognized. The Company is exploring all courses of action to recover these balances.

In December 2017, the BOD of PHBSI and PHAFC declared cash dividends payable to its stockholders of record as of date. Dividends receivable of the Group from both subsidiaries amounted to nil and ₱5.5 million as of December 31, 2025 and 2024, respectively. In 2024, the non-operating subsidiaries reversed the dividend declaration due to lack of funds.

NOTE 11 – DEFERRED EXPLORATION COSTS

Deferred exploration costs relate to the expenditures incurred in the exploration activities over the limestone deposits of PSMVI and PHMIC in Barangay Isumbo, Sofronio Española and Barangay Pinaglabanan, Quezon in the Province of Palawan, known as the Panitian Limestone Project. The subsidiaries holding the Mineral Production Sharing Agreements (MPSAs) are still under the pre-operating stage and the limestone project is still under the exploration stage as at December 31, 2025.

The Panitian Limestone Project in Barangay Isumbo and Barangay Pinaglabanan covers 10,384.11 hectares under MPSA 172-2001-IV and MPSA 173-2001-IV. The MPSAs were approved on January 16, 2001 and are valid for 25 years, expiring on January 16, 2026. An extension of the exploration period for the final two (2) years was

granted in the prior year to allow drilling activities on the shale deposit for the purpose of determining the volume of extractable material for potential cement production. Similar to the PHMIC project, all exploration activities were suspended by the MGB Regional Office.

The MPSA expired on January 16, 2026. The Company has applied for the renewal of the permit and has completed and submitted all documentary and regulatory requirements to the Mines and Geosciences Bureau Central Office (MGB CO). In connection with the pending renewal, the Company also applied for the suspension of all obligations under the MPSA until further notice or until the renewal is approved. In addition, the Company has submitted the limestone resource data to the MGB for validation. As at the reporting date, management is awaiting official action or instructions from the MGB with respect to the renewal of the MPSA, the suspension of permit obligations, and the validation of the limestone resource.

Deferred exploration costs attributable to the Group's Panitian Limestone Project amounted to ₱436.1 million and ₱433.5 million as at December 31, 2025 and 2024, respectively (Note 4). Additions to deferred exploration costs amounted to ₱2.6 million, ₱7.2 million, and ₱8.2 million in 2025, 2024, and 2023, respectively.

No impairment loss was recognized in 2025, 2024, and 2023.

NOTE 12 – INVESTMENT PROPERTIES

Below are the investment properties of the Group per location as at December 31:

2025

Particulars	Beginning Balance	Fair Valuation Gain	Ending Balance
Site I	₱ 2,499,707,700	₱ 99,987,300	₱ 2,599,695,000
Site II	127,932,000	12,793,200	140,725,200
Baguio City, Benguet	523,229,058	352,427,200	875,656,258
Cabanatuan City, Nueva Ecija	51,080,000	-	51,080,000
Total	₱ 3,201,948,758	₱ 465,207,700	₱ 3,667,156,458

2024

Particulars	Beginning Balance	Fair Valuation Gain (loss)	Ending Balance
Site I	₱ 398,952,700	₱ 2,100,755,000	₱ 2,499,707,700
Site II	1,705,966,415	(1,578,034,415)	127,932,000
Irisan, Baguio City	346,437,858	176,791,200	523,229,058
Cabanatuan City, Nueva Ecija	8,513,400	42,566,600	51,080,000
Total	₱ 809,116,373	₱ 742,078,385	₱ 3,201,948,758

Sites I and II are situated in Sitios Busay and Candes, respectively, both located within Barangay Bacungan, Puerto Princesa City.

The fair values of the investment properties were determined based on valuations performed by independent qualified appraisers using the Market Approach. In this approach, the value of the land was based on sales and listings of comparable property registered within and nearby the vicinity. The technique of this approach requires the adjustments of comparable property by reducing reasonable comparative sales and listing to a common denominator. This was done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity of the property and were premised on the factors of location, size and shape of the lot, time, element and others.

The selling price is adjusted for certain external and internal factors ranging from negative 5% to positive 35%. Under the Market Approach, a higher estimated price per square meter of the subject property would yield higher fair value.

The unobservable inputs used in the fair valuation are as follows:

Particulars	2025			
	Site I	Site II	Baguio City	Nueva Ecija
Land area (in sqm)	4,999,414	127,932	146,029	42,567
Price per sqm	₱ 520	₱ 1,100	₱ 5,996	₱ 1,200
Fair value	₱ 2,599,695,000	₱ 140,725,200	₱ 875,656,258	₱ 51,080,400

Particulars	2024			
	Site I	Site II	Baguio City	Nueva Ecija
Land area (in sqm)	4,999,414	127,932	146,029	42,567
Price per sqm	₱ 500	₱ 1,000	₱ 3,583.05	₱ 1,200
Fair value	₱ 2,499,707,000	₱ 127,932,000	₱ 523,229,058	₱ 51,080,400

Based on the analysis of the land usage surrounding the Nagtabon, Puerto Princesa investment property, the highest and best use of the investment property for Site I is to be a commercial development such as beach resort or hotel resort and interim highest and best use for Site II is an agricultural land utilization, until such time when it is ripe for any other type of development.

The Group assessed the reasonableness of the fair value of investment properties by comparing the appraised values with recent acquisition costs, where applicable, and noted no material inconsistencies.

Management also evaluated the independence, competence, and objectivity of the external appraiser and confirmed that the valuation complies with applicable standards and regulatory requirements.

The fair value change is primarily driven by updated market data from recent comparable transactions.

Unrealized gain on fair valuation of investment properties amounted to ₱465.2 million, ₱742 million, and ₱138.4 million for periods ending 2025, 2024, and 2023, respectively.

As at December 31, 2025 and 2024, investment properties amounting to ₱68.1 million were used as collateral for convertible loans and callable loans (see Note 16).

NOTE 13 – PROPERTY AND EQUIPMENT - NET

The movements of this account as of December 31, 2025 are as follows:

Particulars	Beginning	Addition	Deduction/ Adjustment	Ending
Cost				
Office space building and office space improvements	P 20,713,332	P -	P 704,620	P 20,008,712
Heavy improvement	437,868,458	-	79,692,143	358,176,315
Leasehold improvements	22,693,816	102,999	-	22,796,815
Furniture and fixtures	3,918,428	-	6,055	3,912,373
Transportation equipment	72,292,638	2,154,682	12,092,505	62,354,815
Office and other equipment	71,257,886	300,689	283,309	71,275,266
Total	P 628,744,558	P 2,558,370	P 92,778,632	P 538,524,296
Accumulated depreciation				
Office space building and office space improvements	P 17,086,171	P -	P 704,620	P 16,381,551
Heavy improvement	366,181,995	9,122,326	79,692,143	295,612,178
Leasehold improvements	9,347,701	63,741	197,242	9,214,200
Furniture and fixtures	3,778,126	45,238	(529)	3,823,893
Transportation equipment	67,638,148	1,958,586	11,769,788	57,826,946
Office and other equipment	59,954,632	2,924,520	216,683	62,662,469
Total	P 523,986,773	P 14,114,411	P 92,579,947	P 445,521,237
Accumulated impairment	P 39,479,291	P -	P -	P 39,479,291
Net Book Value	P 65,278,494			P 53,523,768

The movements of this account as of December 31, 2024 are as follows:

Particulars	Beginning	Addition	Deduction/ Adjustment	Ending
Cost				
Office space building and office space improvements	P 20,713,332	P -	P -	P 20,713,332
Heavy improvement	439,718,458	42,750,000	44,600,000	437,868,458
Leasehold improvements	9,337,700	13,356,116	-	22,693,816
Furniture and fixtures	3,901,176	17,252	-	3,918,428
Transportation equipment	72,517,638	-	225,000	72,292,638
Office and other equipment	66,654,468	4,603,418	-	71,257,886
Total	P 612,842,772	P 60,726,786	P 44,825,000	P 628,744,558
Accumulated depreciation				
Office space building and office space improvements	P 15,697,972	P 1,388,199	P -	P 17,086,171
Heavy improvement	395,943,842	14,838,153	44,600,000	366,181,995
Leasehold improvements	9,293,300	54,401	-	9,347,701
Furniture and fixtures	3,744,307	33,819	-	3,778,126
Transportation equipment	63,150,877	4,487,271	-	67,638,148
Office and other equipment	57,191,835	2,762,797	-	59,954,632
Total	P 545,022,133	P 23,564,640	P 44,600,000	P 523,986,773
Accumulated impairment	P 39,479,291	P -	P -	P 39,479,291
Net Book Value	P 28,341,348			P 65,278,494

As at December 31, 2025 and 2024, transportation equipment with a carrying amount of P2.7 million and P2.3 million were used as collateral for mortgage loans (see Note 16).

In 2025 and 2024, the Group disposed fully depreciated heavy equipment with cost of P79.6 million and P44.6 million for P9 million and P21 million, respectively.

Depreciation and amortization are recognized in the consolidated statements of comprehensive income as follows:

Particulars	2025	2024	2023
Cost of services (Note 21)	P 11,439,165	P 18,935,576	P 45,298,511
General and administrative expenses (Note 22)			
Property and equipment	2,675,246	4,312,180	5,520,071
Right-of-use asset	863,878	1,086,244	764,156
Total	P 14,978,289	P 24,334,000	P 51,582,738

NOTE 14 – OTHER NONCURRENT ASSETS - NET

This account consists of:

Particulars	2025	2024
Intangible assets	P 11,351,904	P 11,351,904
Goodwill	15,701,804	15,701,804
Deferred input VAT	39,637	39,637
Right-of-use asset	1,246,757	1,911,950
Idle property	15,709,422	15,709,422
Others	662,061	662,061
Subtotal	44,711,585	45,376,778
Less: Allowance for impairment losses on:		
Intangible assets	9,729,896	9,324,395
Others	701,698	701,698
Subtotal	10,431,594	10,026,093
Net	P 34,279,991	P 35,350,685

Intangible Assets

Intangible assets include CUBES's exclusive right to distribute specific types of thermo chillers in the Philippines with a cost of P150.5 million.

As at December 31, 2025 and 2024, this was fully provided with allowance for impairment losses due to discontinuance of CUBES's operations in May 2017.

Intangible assets also include film rights, with a cost of P11.3 million and a related allowance for impairment losses of P9.7 and P9.3 million as at December 31, 2025 and 2024, respectively. Provision for impairment loss recognized in 2025, 2024, and 2023 amounted to P405,501 (see Note 22).

Goodwill

The Group's goodwill pertains to: (a) the acquisition of PGDI in April 2012 amounting to P9.5 million and (b) the acquisition of GLCI in June 2015 amounting to P6.2 million.

As at December 31, 2025 and 2024, no allowance for impairment was recognized on goodwill related to PGDI and GLCI. The recoverable amounts of goodwill were determined based on value-in-use calculations using cash flow projections from financial budgets approved by management.

The pre-tax discount rate applied to the cash flow projection is 6.0%. The growth rate used to extrapolate the cash flows of until beyond the five-year period is 5.0%. Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amounts to exceed the recoverable amounts.

Receivable from PAGCOR

In 2011, the Group received a notice of garnishment amounting to ₱3.0 million in connection with a complaint filed against Blue Sky Philko, wherein the Group was made as a co-defendant. The Group's commission from PhilWeb for the same amount was placed under the custody of PAGCOR.

In 2023, the Group provided impairment loss amounting to ₱3.0 million, which was also written off in the same year when Blue Sky Philko lost the legal case in 2023. (Note 4)

Idle property

This account represents cumulative payments of the Group for purchase of four (4) land rights in 2015 and 2016, for which the titles and registration has yet to be obtained by the Group. These land rights were sold to WPP by the Parent Company in 2016 for future development or resale resulting to recognition of realized gain on sale amounting to ₱87.3 million.

At the special meeting of the Board of Directors of the Group held on May 16, 2024, the Directors approved the reversal of the Assignment of Rights and Undertaking to Execute Deed of Assignment and Transfer of Rights made between the Parent Company and WPP covering the four (4) parcel of land with total area of 1,728,824 sqm, after discovery of anomalies in the registration documents of these rights. The rescission resulted to the recognition of loss on sale of property in the statements of income in the amount of ₱87.3 million.

NOTE 15 – TRADE AND OTHER PAYABLES

This account consists of:

Particulars	2025	2024
Trade payables	₱ 24,155,346	₱ 105,178,387
Accrued expenses	446,670,334	247,331,539
Customers' deposits and advances	119,583,599	103,244,554
Voucher's payable	1,207,504	784,603
Advances from shareholders	11,268,758	-
Others	63,889,932	57,342,199
Total	₱ 666,775,473	₱ 513,881,282

Trade payable to third parties relates to construction and development costs payable to contractors and suppliers. These are non-interest-bearing and are normally settled within one year after the reporting date.

Accordingly, such payables were derecognized during the year, with the resulting gain recognized in profit or loss under "Other Income." The Group believes that this treatment appropriately reflects the substance of the transactions and results in a fair presentation of the Group's financial position and performance. (Note 17)

Pursuant to the Board of Directors' resolution and discussions in the meeting held on June 5, 2025, the Group approved the transfer amounted to ₱13,450,000 of previously accrued interest and the reclassification of the settled and fixed amount to Accounts Payable, consistent with the enforceable amount required to be paid under the Sheriff's instruction. Accordingly, accrued interest previously recognized beyond the enforceable and demandable amount was reversed, and the principal obligation, together with the approved interest thereon, was reclassified from Accrued Interest Payable to Accounts Payable.

Accrued expenses pertain to accrual of interest, salaries and benefits, professional fees and other taxes which are expected to be settled within 12 months from the end of the reporting period.

Customers' deposits and advances represent cash received from real property buyers based on the terms of the agreement executed during the year. These deposits will be applied to any receivable upon execution of the contract to sell and fulfilment by both parties of certain undertakings and conditions.

Customers' refunds mainly consist of refund liabilities to customers from a cancelled real estate project and for cancelled real estate sales. Certain agreements provide real property buyers to pay nonrefundable deposits.

Others include withholding taxes and other amounts payable to the Philippine Government. These are noninterest-bearing and are generally settled in 30 to 45 days.

NOTE 16 – LOANS PAYABLE

Short-term Loans

Short-term loans of the Group consist of:

Particulars	2025	2024
Unsecured	₱ 201,571,532	₱ 160,468,862
Convertible	100,000,000	100,000,000
Total	₱ 301,571,532	₱ 260,468,862

Unsecured

Unsecured short-term loans consist of:

Particulars	2025			
	Banks	Officers and shareholders	Third parties	Total
Balance at beginning of year	₱ 5,000,000	₱ 37,400,000	₱ 118,068,862	₱ 160,468,862
Availments (payments)	41,102,670	-	-	41,102,670
Balance at end of year	₱ 46,102,670	₱ 37,400,000	₱ 118,068,862	₱ 201,571,532

Particulars	2024			
	Banks	Officers and shareholders	Third parties	Total
Balance at beginning of year	₱ -	₱ 37,400,000	₱ 103,068,862	₱ 140,468,862
Availments (payments)	5,000,000	-	15,000,000	20,000,000
Balance at end of year	₱ 5,000,000	₱ 37,400,000	₱ 118,068,862	₱ 160,468,862

Short-term loans were obtained to finance the working capital requirements of the subsidiaries and partially finance the acquisition of the Group's heavy equipment. These are unsecured and payable within 180 days to 360 days and bear annual interest rates, as follows:

Creditor	Interest rate
Banks	6.50% to 6.75%
Officers and shareholders	6.00%
Third parties	7.50% to 12.00%

Interest expense on unsecured short-term loans amounted to ₱8.5 million, ₱14.3 million, and ₱21.0 million in 2025, 2024, and 2023, respectively (see Note 25).

Convertible

WPP has a ₱100.00 million loan agreement with Treasure Island Industrial Corporation (TIIC), subject to 6.5% interest. TIIC is a related party holding 17.33% ownership in PGDI (see Note 18).

The loan proceeds were used by the Group to finance the development activities of its properties in Palawan.

The instrument provides options that up to ₱50.0 million of the loan may be converted to new shares of WPP corresponding to 5.0% of WPP post-conversion effectively at a valuation of ₱1.0 billion. The ₱100.0 million loan amount, in whole or in part, may be convertible to lots in the Kattinger-Nagtabon property at an agreed upon

discount to the opening Joint Venture price and as soon as the Joint Venture agreement with Kattinger group is signed and agreed on by all parties concerned or to parcels of the security lots in North Cove with total area of 196,000 square meters at a price of ₱1,000 per square meter (see Note 12).

Interest expense on convertible loans recognized in profit or loss amounted to ₱9.3 million, ₱7.5 million, and ₱9.1 million, in 2025, 2024 and 2023, respectively (see Note 25).

As at reporting date, the outstanding balance of the loan is already due and demandable. The Group is currently negotiating a repayment arrangement with TIIC.

No interest expense was capitalized as part of land development under “Real estate held for sale” in 2025, 2024 and 2023.

Long-term Loans

Long-term loans consist of:

Particulars	2025	2024
Secured by:		
Contract receivables and contract assets	₱ 211,177,165	₱ 397,002,523
Real estate mortgage	231,337,123	113,830,497
Unsecured	63,000,000	67,090,000
Mortgaged car loans	2,760,439	2,376,800
	<u>508,274,727</u>	<u>580,299,820</u>
Less: noncurrent portion	<u>341,143,553</u>	<u>457,214,810</u>
Current portion	₱ <u>167,131,174</u>	₱ <u>123,085,010</u>

Details of long-term loans as at December 31, 2025 and 2024 are as follows:

Party	Terms	2025		2024	
		Principal	Outstanding Balance	Principal	Outstanding Balance
<i>Secured by contract assets and receivables</i>					
Bank of the Philippines Islands (BPI)	5 years; 7.46%-9.93% p.a.	₱ 165,990,000	₱ -	₱ 558,331,264	₱ 392,341,263
BPI Family Savings Bank	5 years; 9.5% p.a.	392,341,264	207,403,340	-	-
Security Bank	10 years; 7.47%-9.93% p.a.	200,000,000	3,773,825	200,000,000	4,661,260
		<u>758,331,264</u>	<u>211,177,165</u>	<u>758,331,264</u>	<u>397,002,523</u>
<i>Secured by real estate mortgage</i>					
Philippine Veterans Bank (PVB)	5 years; 9.65%-10.99% p.a.	314,000,000	16,026,663	314,000,000	48,194,599
Bank of the Philippine Islands	1 year; 7.50% p.a.	100,000,000	100,000,000	-	-
Rang-ay Bank	5 years; 6% p.a.	50,000,000	69,492,276	47,500,000	39,437,052
Zambales Bank	5 to 10 years; 8% p.a.	32,000,000	31,014,787	32,000,000	22,145,867
Sterling Bank of Asia, Inc.	1 year; 10.25% p.a.	20,000,000	-	10,000,000	-
Tanay Rural Bank	2 years; 18% p.a.	20,000,000	14,803,397	20,000,000	4,052,979
		<u>536,000,000</u>	<u>231,337,123</u>	<u>423,500,000</u>	<u>113,830,497</u>
<i>Unsecured</i>					
Individuals	2 to 3 years; 11.60% to 18%	191,022,058	63,000,000	191,022,058	67,090,000
<i>Mortgaged - car loans</i>					
Security Bank		6,076,000	2,760,439	6,076,000	2,376,800
Total		₱ <u>1,491,429,322</u>	₱ <u>508,274,727</u>	₱ <u>1,378,929,322</u>	₱ <u>580,299,820</u>

Secured by contract receivables and contract assets

The Group entered into loan agreements with different banks and other non-bank financing institutions to assign with recourse contract to sell of unit buyers payable in monthly amortization of up to five years and bears interest rates ranging from 3.08% to 10.02% (see Note 7).

Secured by real estate mortgage, unsecured and mortgaged - car loans

Long-term loans secured by real estate mortgage and unsecured represent loans bearing interest at prevailing market rates ranging from 6.0% to 20.60% and are payable within two to ten years from grant date. Mortgaged loans pertain to car loans for vehicles used in operations of the Group (see Notes 8, 12, and 13).

Loan covenants

The Group's debt instruments contain restrictive covenants. PVB restricts payment and declaration of cash dividends, management bonus or profit sharing to, or making any loans or advances to the Group's directors, officers and stockholders, sale of significant assets and requires maintenance of debt-to-equity ratio of 1.5:1. BPI requires maintenance of debt-to-equity ratio of 2.5:1 and debt-to-service ratio of not less than 1.1:1. As at December 31, 2025 and 2024, the Group was able to meet the required debt covenants. (Note 20)

The schedule of maturities of long-term loans of the Group as at December 31 follows:

Particulars	2025	2024
Less than one year	₱ 154,131,174	₱ 110,085,010
Over one year	354,143,553	470,214,810
Total	₱ 508,274,727	₱ 580,299,820

Interest expense on long-term loans recognized in the consolidated statements of comprehensive income amounted to ₱51.6 million, ₱48.6 million, and ₱41.8 million in 2025, 2024, and 2023, respectively (see Note 25).

NOTE 17 – NON-CURRENT PAYABLES

This account consists of:

Particulars	2025	2024
Third parties	₱ 189,280,237	₱ 141,480,237
Shareholders	37,299,341	37,499,341
Total	₱ 226,579,578	₱ 178,979,578

Certain accounts and other payables previously classified as current have been reclassified to non-current liabilities as of December 31, 2025. The reclassification was made because the settlement of these obligations is presently deferred due to the on-going legal proceedings, and management does not expect settlement to occur within twelve (12) months after the reporting period. (Note 15)

NOTE 18 – RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Group has transactions with related parties which consist mainly of extension or availment of noninterest-bearing advances and interest-bearing short-term and long-term loans. Related party transactions amounting to 10% or higher of the Group's consolidated total assets are subject to the approval of the BOD.

For the years ended December 31, 2025, 2024, and 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial period through examining the financial position of the related party and the market in which the related party operates. Settlement of the outstanding balances normally occur in cash, unless otherwise stated.

Transactions and outstanding balances with related parties are as follows:

Related Party	Relationship	Transactions		Outstanding Balance		Terms and Conditions
		2025	2024	2025	2024	
Receivables						
Advances	Officers	₱ 17,383,508	₱ 59,805,128	₱ 37,910,442	₱ 55,293,950	Unsecured, due and demandable, noninterest bearing
Loans from officers and shareholders						
Short-term loans	Officers and shareholders	₱ -	₱ 31,350,000	₱ 68,750,000	₱ 68,750,000	Unsecured, 180 to 360 days, 6.00% interest per annum

Related Party	Relationship	Transactions		Outstanding Balance		Terms and Conditions
		2025	2024	2025	2024	
Convertible loans	Related party	₱ -	₱ -	₱ 100,000,000	₱ 100,000,000	Secured by real estate, 3 years, 6.50% interest per annum convertible to WPP shares of lots of WPP real estate properties
Trade and other payables						
Management fees	Officers	₱ -	₱ 8,567,236	₱ -	₱ -	Unsecured; Due and demandable; noninterest bearing
Advances	Shareholders	11,268,758	-	11,268,758	-	Unsecured; Due and demandable; noninterest bearing
Total		₱ 11,268,758	₱ 8,567,236	₱ 11,268,758	₱ -	

Compensation of Group's Key Management Personnel

Compensation of the Group's key management personnel consists of short-term employee benefits amounting to ₱35.31 million, ₱52.0 million, and ₱51.6 million in 2025, 2024, and 2023, respectively. There are no post-employment benefits in 2025, 2024, and 2023. There are no agreements between the Group and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the Group's retirement plan.

NOTE 19 – RETIREMENT BENEFITS

The Group has an unfunded non-contributory defined benefit plan covering all regular employees. Benefits are based on the employee's years of service and final plan salary. Under the existing regulatory framework, Republic Act 7641, *The 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 following tables summarize the unfunded status and amounts recognized in the consolidated statements of financial position and the components of the net benefit expense recognized in the consolidated statements of comprehensive income for the retirement plan.

Retirement benefit cost recognized in the consolidated statements of comprehensive income consists of:

Particulars	2025	2024	2023
Interest expense on defined benefit obligation	₱ 647,732	₱ -	₱ 3,175,522
Service cost	971,139	-	3,099,557
Total	₱ 1,618,871	₱ -	₱ 6,275,079

Remeasurement gains (losses) on retirement liability recognized under OCI in the consolidated statements of comprehensive income:

Particulars	2025	2024	2023
Actuarial gains (losses) due to:			
Experience adjustments	₱ (992,549)	₱ -	₱ 41,301,665
Changes in financial assumptions	339,476	-	(387,845)
Remeasurement gains (losses) on defined benefit obligation	(653,073)	-	40,913,820
Income tax effect	163,268	-	(10,228,456)
Remeasurement gains (losses)	₱ (489,805)	₱ -	₱ 30,685,364

Cumulative remeasurement effect recognized in OCI under equity attributable to equity holders of the Parent and equity attributable to noncontrolling interests:

Particulars	2025		2024	
Equity attributable to equity holders of the Parent				
Balance at beginning of year	₱	31,265,998	₱	31,265,998
Actuarial gain (loss)		(489,805)		-
Balance at end of year	₱	30,776,193	₱	31,265,998
Equity attributable to noncontrolling interest				
Balance at beginning of year	₱	8,843,206	₱	8,843,206
Actuarial gain (loss)		-		-
Balance at end of year	₱	8,843,206	₱	8,843,206
Total	₱	39,619,399	₱	40,109,204

Changes in the present value of the retirement liability are as follows:

Particulars	2025		2024		2023	
Balance at beginning of year	₱	10,421,135	₱	10,421,135	₱	45,059,876
Actuarial losses (gains) due to:						
Experience adjustments		992,549		-		(41,301,665)
Changes in financial assumptions		(339,476)		-		387,845
Interest expense of defined benefit obligation		647,732		-		3,175,522
Service cost		971,139		-		3,099,557
Benefits paid		(365,127)		-		-
Total	₱	12,327,952	₱	10,421,135	₱	10,421,135

The cost of defined benefit pension plans as well as the present value of the pension liabilities is determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used to determine pension for the Group are as follows:

Entity	Discount rate		Salary Increase	
	2025	2024	2025	2024
PHA	6.42%	6.06%	5.00%	5.00%
PGDI	6.58%	6.03%	10.00%	10.00%
GLC	6.11%	6.11%	5.00%	5.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

	Increase (Decrease)	2025			
		Effect on the retirement benefit obligation			
		PHA	PGDI	GLC	
Discount rate	+100bps	₱ (69,637)	₱ (106,404)	₱ (6,903,463)	
	-100bps	₱ 81,534	₱ 137,741	₱ 7,914,719	
Salary increase	+100bps	₱ 84,472	₱ 131,537	₱ 7,945,487	
	-100bps	₱ (73,075)	₱ (104,323)	₱ (6,867,975)	

	Increase (Decrease)	2024		
		Effect on the retirement benefit obligation		
		PHA	PGDI	GLC
Discount rate	+100bps	₱ (172,547)	₱ (265,802)	₱ (6,903,463)
	-100bps	378,442	260,539	7,914,719
Salary increase	+100bps	₱ 286,443	₱ 256,189	₱ 7,945,487
	-100bps	(243,508)	9251,115)	(6,867,975)

The Group does not have a formal retirement plan where its retirement obligations could have been funded.

Shown below is the maturity profile of the undiscounted benefit payments:

Particulars	2025	2024
More than one year to five years	₱ 6,222,699	₱ 8,321,450
More than five years to 10 years	2,282,455	5,240,930
More than 10 years to 15 years	4,059,798	4,059,798
More than 15 years to 20 years	1,525,575	1,525,575
More than 20 years	13,736,123	13,736,123
Total	₱ 27,826,650	₱ 32,883,876

NOTE 20 – EQUITY

Capital Stock

The details and movements of the Parent Company's number of common shares follow:

Particulars	2025		2024		2023	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorized						
Balance at beginning and end of year	6,000,000,000	₱ 1,500,000,000	6,000,000,000	₱ 1,500,000,000	6,000,000,000	₱ 1,500,000,000
Issued and fully paid						
Balance at beginning of year	5,640,405,708	₱ 1,410,101,427	5,640,405,708	₱ 1,410,101,427	3,456,388,489	₱ 864,097,122
Shares fully paid during the year	-	-	-	-	2,184,017,219	546,004,305
Additional subscription	-	-	-	-	-	-
Balance at end of year	5,640,405,708	₱ 1,410,101,427	5,640,405,708	₱ 1,410,101,427	5,640,405,708	₱ 1,410,101,427
Subscribed but not yet fully paid						
Balance at beginning of year	67,953,886	₱ 16,988,449	67,953,886	₱ 16,988,449	2,251,971,015	₱ 562,992,754
Shares fully paid during the year	-	-	-	-	(2,184,017,129)	(546,004,282)
Additional subscription	-	-	-	-	-	-
Balance at end of year	67,953,886	₱ 16,988,449	67,953,886	₱ 16,988,449	67,953,886	₱ 16,988,472
Less: subscription receivable						
Balance at beginning of year	-	₱ 12,741,354	-	₱ 12,741,354	-	₱ 419,593,050
Collections	-	-	-	-	-	(406,851,696)
Additional subscription	-	-	-	-	-	-
Balance at end of year	-	12,741,354	-	12,741,354	-	12,741,354
Issued and subscribed	5,708,359,594	₱ 1,414,348,522	5,708,359,594	₱ 1,414,348,522	5,708,359,594	₱ 1,414,348,545

On May 2, 1997, the Parent Company has its shares listed at the Philippine Stock Exchange where 520.0 million common shares were offered at ₱1.00 a share. The Parent Company has 145 existing shareholders as at December 31, 2025 and 2024, respectively.

Share Subscription Agreement

On October 29, 2020, PHA entered into a Memorandum of Agreement with an investor group for an equity infusion through a subscription of 2,803,030,303 share or 55% ownership in PHA at ₱0.33 per share for ₱925.0 million. Of the consideration, ₱300.0 million was in cash and the balance of ₱625.0 million was a combination of cash and/or infusion of SPTI shares over a period of two years, with the intent of making SPTI a subsidiary of PHA. PHA received ₱371.1 million from the subscription.

On October 13, 2022, the BOD decided that it will no longer pursue its planned acquisition of 33% of SPTI.

Of the 2,803,030,303 shares subscribed by the investor group, 1,678,372,199 shares remained unpaid, with unpaid subscriptions of ₱553.9 million. In February 2023, the BOD approved a call for payment on the remaining unpaid shares. After a 30 days-compliance period, 1,457,756,139 shares with unpaid balance of ₱357.3 million were considered delinquent shares. On April 11, 2023, the BOD authorized the sale of the delinquent shares at a public auction on May 11, 2023. (Note 1)

Of the delinquent shares, 1,389,802,253 were sold to a private investor for ₱344.8 million. These were fully collected on July 7, 2023. (Note 1)

APIC

APIC includes paid-in capital in excess of par amounting to ₱610.7 million as at December 31, 2025 and 2024, respectively, and the equity component of the issued convertible loans amounting to ₱18.7 million as at December 31, 2025 and 2024.

Subscriptions Receivable

Movements in subscriptions receivable, which is treated as a deduction against capital stock and APIC, are as follows:

	2025			2024		
	Capital stock	APIC	Total	Capital stock	APIC	Total
Balance at beginning of year	₱ 12,741,354	₱ 3,977,233	₱ 16,718,587	₱ 12,741,354	₱ 3,977,233	₱ 16,718,587
Collection	-	-	-	-	-	-
Balance at end of year	₱ 12,741,354	₱ 3,977,233	₱ 16,718,587	₱ 12,741,354	₱ 3,977,233	₱ 16,718,587

Share Lending Agreement

On July 20, 2021, the BOD of PHA approved a Put Option Agreement with LDA Capital Limited (LDA) for an equity financing of up to ₱2.5 billion over the next 36 months.

In August 2021, PHA sent a Put Option Notice (PON) to LDA for 190,000,000 listed shares. A group of stockholders (Share Lender) lent 210,000,000 shares to PHA. From the total shares, 190,000,000 shares were used as the Collateral Shares for the PON. The remaining 20,000,000 shares were transferred to an Options Shares Securities Account of LDA to satisfy PHA's obligations to sell options shares and to secure the payment of any portion of the commitment fee.

In consideration for the lending of shares by the Share Lender to LDA on behalf of PHA pursuant to the Put Option Agreement, PHA shall pay the Share Lender a lending fee equivalent to 18.0% per annum based on the market prices of the shares at the time of transfer. The lending fees accrued and recognized as part of "Interest expense" account amounted to ₱32.9 million, ₱24.0 million, and ₱29.9 million in 2025, 2024, and 2023, respectively (see Note 25).

In 2025 and 2024, the Group recognized commitment fees to LDA amounting to nil and ₱8.4 million, respectively (see Note 22).

Deposit for Future Stock Subscription

In 2021, the convertible notes holders exercised their rights to convert the principal of ₱354.0 million and accrued interest of ₱24.7 million to equity of the Group at a conversion price of ₱0.70 a share, equivalent to 540,938,008 shares. The amount was initially recognized as "Deposit for future stock subscription" and was issued on March 22, 2022, when the SEC issued the Certificate of Approval of Valuation of shares.

In December 2, 2024, the Philippine Stock Exchange (“PSE”) issued a Notice of Approval for the listing of additional shares totaling 1,202,271,236 common shares as a result of the debt-to-equity conversion and private placement.

On November 17, 2021, the BOD approved the increase in the Group's authorized capital stock from ₱1.5 billion, divided into 6,000,000,000 common shares at ₱0.25 par value per share, to ₱2.5 billion, divided into 10,000,000,000 shares at ₱0.25 par value per share. This was ratified by the shareholders on December 17, 2021.

As of the report date, the application for the increase in authorized capital stock has yet to be filed with the SEC.

Retained Earnings

The consolidated retained earnings as at December 31, 2025 and 2024 include accumulated earnings of the subsidiaries aggregating ₱486.6 million and ₱499.9 million, respectively, which are not currently available for dividend declaration unless declared by the subsidiaries of the Parent Company.

Retained earnings also included “Equity reserves” arising from transactions affecting ownership interest in DSI and PGDI. The equity reserves closed to retained earnings from these transactions aggregated ₱70.6 million. The equity reserve is excluded for purposes of dividend declaration.

The Parent Company has no available retained earnings for dividend declaration as at December 31, 2025 and 2024.

Prior Period Adjustments

The prior period adjustments as at December 31, 2025 and 2024 includes adjustments amounted to ₱1,262,593 and ₱102,903,433, respectively. The adjustments are as follows:

- In 2025, advances to officers were adjusted for ₱169,600 to close the expenses paid to vendor, Due from PGDI by ₱1,066,658 for the cost paid by parent company for the MPSA projects and the adjustment of ₱26,335 as the payment to registry of deeds for the annotation of real estate mortgage.
- In 2024, the Group recognized the following prior period adjustments:
 - a) GLCI recognizes cost of real estate sales based on the estimated budget of each project, and subsequently adjust for the actual cost incurred upon completion and sale of the units. In 2024, re-computation of the project development cost of the Stanford Tower was performed and an adjustment amounting to ₱85,028,485 is made against the prior year's result of operations to reverse the overstatement of cost of sales presented in the previous periods. The adjustment made is to recognize cost of real estate sold only to the extent of the actual cost accrued or billed against GLCI.
 - b) To recognize the effect of the adoption of PFRS 16 Lease liability by reclassifying rental payments to depreciation and interest expense. Effect in the prior year balance of GLCI amounted to ₱865,810.
 - c) PGDI restated its prior year's result of operations to recognized expenses arising from previous years unliquidated advances amounting to ₱10,692,734.
 - d) PGDI recognized allowance for expected credit losses related to long-outstanding receivables and due from related parties amounting to ₱3,107,860 and ₱7,258,648 respectively.
 - e) The Parent Company, PH Agri, and PH Business reversed its respective dividend declaration totaling, ₱39.8 million, due to the foregoing circumstance: (a) absence of regulatory filing and approval, and (b) the payment of the dividend is no longer feasible for the non-operating companies.

Dividend Payable

Dividend payable amounting to ₱39.8 million pertains to the dividends declared on March 20, 2018. This includes property dividends consisting of 28,000,000 million shares of PGDI with fair value of ₱36.8 million and cash dividends of ₱3.0 million.

In a meeting held on December 11, 2024, following the absence of necessary regulatory approvals, the Board of Directors approved the cancellation of the declaration of the property dividends amounting to ₱39.8 million.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains strong credit standing and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The Group considers its equity as capital. The Group is subject to externally imposed capital requirements. The Group's management, amongst other things, aims to ensure that the Parent Company and its subsidiaries meets any financial covenants attached to its long-term loans that define capital structure requirements (see Note 16)

No changes were made in the Group's capital management objectives, policies or processes in 2025, 2024 and 2023.

Noncontrolling interests

Noncontrolling interest consist of the following:

Subsidiary	Percentage of Ownership			Equity Attributable to Noncontrolling Interests		
	2025	2024	2023	2025	2024	2023
PGDI	69.22%	69.22%	69.22%	₱ 153,027,194	₱ 169,525,794	₱ 167,759,045
PHMIC	68.44%	68.44%	68.44%	150,145	1,316,490	1,698,484
PSMVI	68.22%	68.22%	68.22%	454,540	1,495,592	1,849,444
GLCI	55.00%	55.00%	55.00%	360,681,058	296,376,383	225,450,378
CUBES	51.00%	51.00%	51.00%	25,696,131	25,721,376	25,753,082
Total				₱ 540,009,068	₱ 494,435,635	₱ 422,510,433

Net income (loss) attributable to noncontrolling interest follows:

Subsidiary	Percentage of Ownership			Equity Attributable to Noncontrolling Interests		
	2025	2024	2023	2025	2024	2023
PGDI	69.22%	69.22%	69.22%	₱ (16,498,600)	₱ 1,766,749	₱ (7,864,795)
PHMIC	68.44%	68.44%	68.44%	(1,166,345)	(381,994)	(15,938)
PSMVI	68.22%	68.22%	68.22%	(1,041,053)	(353,852)	(16,049)
GLCI	55.00%	55.00%	55.00%	64,304,675	70,926,005	47,625,275
CUBES	51.00%	51.00%	51.00%	(25,245)	(31,706)	(37,750)
Total				₱ 45,573,432	₱ 71,925,202	₱ 39,690,743

The summarized financial information of these subsidiaries is provided below. This information is based on amounts before intercompany eliminations.

Statements of income:

	2025				
	GLCI	PGDI	PHMIC	PSMVI	CUBES
Revenues	₱ 64,990,750	₱ 41,320,474	₱ -	₱ -	₱ -
Cost and expenses	(130,305,449)	(110,283,280)	(3695,642)	(3,275,810)	(51,520)
Other income (charges)	304,058,487	3,419,557	-	-	-
Income (loss) before income tax	238,743,788	(65,543,249)	(3,695,642)	(3,275,810)	(51,520)
Income tax expense	(95,844,511)	12,321,957	-	-	-
Net income (loss)	₱ 142,899,277	₱ (53,221,292)	₱ (3,695,642)	₱ (3,275,810)	₱ (51,520)
Net income (loss) attributable to noncontrolling interest	₱ 64,304,675	₱ (16,498,600)	₱ (1,166,345)	₱ (1,041,052)	₱ (25,245)
	2024				
	GLCI	PGDI	PHMIC	PSMVI	CUBES
Revenues	₱ 174,859,891	₱ 45,812,145	₱ -	₱ -	₱ -
Cost and expenses	(142,601,457)	(72,370,897)	(1,210,373)	(1,113,443)	(61,560)
Other income (charges)	205,946,368	27,134,438	-	-	-
Income (loss) before income tax	238,204,802	575,686	(1,210,373)	(1,113,443)	(61,560)
Income tax expense	(80,591,458)	5,123,505	-	-	-
Net income (loss)	₱ 157,613,344	₱ 5,699,191	₱ (1,210,373)	₱ (1,113,443)	₱ (61,560)
Net income (loss) attributable to noncontrolling interest	₱ 70,926,005	₱ 1,766,749	₱ (381,994)	₱ (353,852)	₱ (31,706)

	2023				
	GLCI	PGDI	PHMIC	PSMVI	CUBES
Revenues	₱ 472,498,374	₱ 61,848,643	₱ -	₱ -	₱ -
Cost and expenses	(288,755,112)	(123,910,195)	(50,500)	(50,500)	(77,040)
Other income (charges)	(38,244,946)	(2,069,294)	-	-	-
Income (loss) before income tax	145,498,316	(64,130,846)	(50,500)	(50,500)	(77,040)
Income tax benefit (expense)	(39,664,372)	38,760,539	-	-	-
Net income (loss)	₱ 105,833,944	₱ (25,370,307)	₱ (50,500)	₱ (50,500)	₱ (77,040)
Net income (loss) attributable to noncontrolling interest	₱ 47,625,275	₱ (7,864,795)	₱ (15,938)	₱ (16,049)	₱ (37,750)

Statements of Financial Position

	2025				
	GLCI	PGDI	PHMIC	PSMVI	CUBES
Current assets	₱ 985,151,232	₱ 132,394,631	₱ -	₱ 50,000	₱ -
Noncurrent assets	932,307,205	470,434,919	248,511,430	187,678,118	-
Current liabilities	(387,264,777)	(138,142,612)	(33,498,693)	(21,698,619)	(52,829,443)
Noncurrent liabilities	(600,551,709)	(565,589)	-	-	-
Equity (capital deficiency)	₱ 929,641,951	₱ 464,121,349	₱ 215,012,737	₱ 166,029,499	₱ (52,829,443)
Equity (capital deficiency) attributable to:					
Equity holders of the Parent	₱ 639,886,898	₱ 312,860,904	₱ 214,480,598	₱ 165,221,107	₱ (78,550,819)
Noncontrolling interest	₱ 289,755,053	₱ 151,260,445	₱ 532,139	₱ 808,392	₱ 25,721,376

	2024				
	GLCI	PGDI	PHMIC	PSMVI	CUBES
Current assets	₱ 1,564,561,321	₱ 155,836,082	₱ 2,400,000	₱ 2,450,000	₱ -
Noncurrent assets	56,962,552	469,703,604	246,631,986	186,870,987	-
Current liabilities	(214,410,616)	(108,070,557)	(30,323,607)	(20,015,678)	(52,777,923)
Noncurrent liabilities	(617,560,691)	(1,841,000)	-	-	-
Equity (capital deficiency)	₱ 789,552,566	₱ 515,628,129	₱ 218,708,379	₱ 169,305,309	₱ (52,777,923)
Equity (capital deficiency) attributable to:					
Equity holders of the Parent	₱ 493,176,183	₱ 346,102,335	₱ 217,391,889	₱ 167,809,717	₱ (78,499,299)
Noncontrolling interest	₱ 296,376,383	₱ 169,525,794	₱ 1,316,490	₱ 1,495,592	₱ 25,721,376

	2023				
	GLCI	PGDI	PHMIC	PSMVI	CUBES
Current assets	₱ 1,323,763,024	₱ 172,534,529	₱ 2,400,000	₱ 2,450,000	₱ -
Noncurrent assets	17,193,015	439,509,326	240,008,335	186,259,749	-
Current liabilities	(302,078,947)	(78,674,726)	(22,489,583)	(18,290,997)	(52,713,217)
Noncurrent liabilities	(491,100,545)	(1,841,000)	-	-	-
Equity (capital deficiency)	₱ 547,776,547	₱ 531,528,129	₱ 219,918,752	₱ 170,418,752	₱ (52,713,217)
Equity (capital deficiency) attributable to:					
Equity holders of the Parent	₱ 322,326,169	₱ 363,769,084	₱ 218,220,268	₱ 168,569,308	₱ (78,466,299)
Noncontrolling interest	₱ 225,450,378	₱ 167,759,045	₱ 1,698,484	₱ 1,849,444	₱ 25,753,082

Statements of Cash Flows

	2025				
	GLCI	PGDI	PHMIC	PSMVI	CUBES
Operating	₱ 59,863,654	₱ (34,538,773)	₱ 1,879,444	₱ -	₱ (51,520)
Investing	(2,374,210)	9,285,714	(1,879,444)	-	-
Financing	(73,558,470)	14,948,553	-	-	51,520
Net increase (decrease) in cash	₱ (16,069,026)	₱ (10,304,506)	₱ -	₱ -	₱ -

	2024				
	GLCI	PGDI	PHMIC	PSMVI	CUBES
Operating	₱ (92,646,049)	₱ (9,957,619)	₱ (1,200,373)	₱ (1,113,444)	₱ (74,706)
Investing	(327,827)	(25,700,506)	(6,623,651)	-	-
Financing	81,515,216	30,232,933	7,824,024	1,113,444	74,706
Net increase (decrease) in cash	₱ <u>(11,458,660)</u>	₱ <u>(5,425,192)</u>	₱ <u>-</u>	₱ <u>-</u>	₱ <u>-</u>

	2023				
	GLCI	PGDI	PHMIC	PSMVI	CUBES
Operating	₱ (107,933,445)	₱ 62,203,816	₱ (500)	₱ -	₱ (134,286)
Investing	(1,561,170)	(3,375,348)	500	1,872	134,286
Financing	106,549,574	(50,217,623)	-	-	-
Net increase (decrease) in cash	₱ <u>(2,945,041)</u>	₱ <u>8,610,845</u>	₱ <u>-</u>	₱ <u>1,872</u>	₱ <u>-</u>

NOTE 21 – COST OF SALES AND SERVICES

This account consists of:

Particulars	2025	2024	2023
Cost of real estate sold	₱ 38,672,057	₱ 84,012,637	₱ 226,704,988
Personnel cost (Note 26)	19,522,507	23,050,700	34,715,612
Depreciation (Note 13)	11,439,165	18,935,577	45,298,511
Repairs and maintenance	6,468,948	6,511,497	15,476,574
Fuel and oil	765,992	1,548,256	806,940
Transportation and travel	203,600	676,889	1,383,594
Utilities	-	172,972	52,166
Others	1,676,354	3,851,643	3,250,389
Total	₱ <u>78,748,623</u>	₱ <u>138,760,171</u>	₱ <u>327,688,774</u>

NOTE 22 – GENERAL AND ADMINISTRATIVE EXPENSE

This account consists of:

Particulars	2025	2024	2023
Provision for allowance on expected credit losses	₱ 146,758,418	₱ -	₱ -
Professional and legal fees	75,200,740	56,937,758	76,252,631
Personnel cost (Note 26)	30,110,528	28,951,477	28,267,741
Taxes and licenses	13,729,311	10,526,817	13,921,621
Entertainment, amusement and recreation	8,596,389	4,453,781	6,716,698
Commission	7,571,924	9,112,961	11,264,693
Transportation and travel	5,892,407	6,523,766	5,201,805
Depreciation and amortization (Note 13)	3,539,124	5,398,424	6,284,227
Rentals and utilities	3,429,291	3,398,080	5,544,559
Repairs and maintenance	1,232,818	1,331,926	1,657,304
Outside services	1,150,604	1,607,280	1,308,165
Supplies and materials	618,480	742,032	1,236,721
Impairment losses	405,501	405,501	3,448,203
Advertising and promotions	56,800	306,643	618,214
Success and commitment fee	-	8,409,294	12,500,000
Freight and handling	-	-	1,230,124
Others	23,172,439	16,756,906	19,107,938
Total	₱ <u>321,464,774</u>	₱ <u>154,862,646</u>	₱ <u>194,560,644</u>

Others pertain to penalties, surcharges, bank charges, printing and stationery and other expenses which are not individually significant amounts.

NOTE 23 – OTHER INCOME (CHARGES) – NET

Particulars	2025	2024	2023
Reversal of long outstanding payable	₱ 54,508,868	₱ 32,293,806	₱ -
Gain (loss) on property disposal	9,285,714	(89,327,335)	-
Loss on stock transaction	-	-	(17,200,000)
Others	5,063,440	19,547,524	2,763,269
Total	₱ 68,858,022	₱ (37,486,005)	₱ (14,436,731)

In January 2023, the Group acquired listed shares for ₱25.8 million. These were subsequently sold in September 2023 for total consideration of ₱8.6 million, resulting to a loss of ₱17.12 million.

Others consist of income from the cancellation of a real estate project, income from repair and maintenance, replacements, installment of additional equipment and other services rendered for the development of units.

NOTE 24 – INCOME TAXES

On January 5, 2024, Ease of Paying Taxes (EOPT) Act was passed into law. The EOPT Act introduced significant amendments to the National Internal Revenue Code of 1997 (“The Code”) which are intended to protect and safeguard taxpayer rights and welfare to modernize tax administration by providing mechanisms that encourage easy compliance at the best cost and resources, and to update the tax system and adopt best practices.

The amendments include the following:

- File and pay anywhere mechanism. Taxes shall be paid either electronically or manually at the time the return is filed.
- Classification of taxpayers into micro, small, medium and large taxpayers.
- Withholding of tax on income payments only when payable.
- Imposing value-added tax (VAT) on services, based on gross sales, no longer on gross receipts.
- VAT invoices are sufficient to substantiate input VAT arising from the purchase at both goods and services.
- Removal of “business style” as a VAT invoicing requirement.
- Removal of withholding tax as requirement for deductibility of income payments.

On November 8, 2024, the President signed the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act into law (Republic Act No. 12066). The CREATE MORE Act aims to generate jobs and spur economic growth. It builds on the earlier CREATE Act by enhancing the tax regime and incentive framework to attract both domestic and international investments, particularly, in strategic industries. The features include.

- Registered business enterprises under the Enhanced Deduction Regime subject to the 20% corporate income tax rate
- Sales to export-oriented enterprises (70% export sales) Value-Added Tax (VAT) zero-rated if directly attributable to export activities
- Export sales as defined under Executive Order No. 226 generally omitted from enumeration of VAT zero-rated sales
- Sales to bonded manufacturing warehouses of export-oriented enterprises are VAT zero-rated
- Additional due process requirements in the processing of input VAT refund claims
- Mandatory issuance of electronic invoices (e-Invoices) for certain taxpayers
- Additional deduction for micro/small taxpayers and medium/large using e-Invoices
- The 5% Special Corporate Income Tax is in lieu of all taxes including local fees and charges

- Additional deductions for export and domestic market enterprises under the Enhanced Deductions Regime
- Local government units may impose local taxes on RBEs up to 2% of gross income

The provision for (benefit from) income tax shown in the consolidated statements of comprehensive income consists of:

Particulars	2025	2024	2023
Current	₱ 615,253	₱ 26,020,759	₱ 1,658,764
Deferred	<u>106,961,147</u>	<u>180,140,556</u>	<u>26,622,871</u>
Total	₱ <u>107,576,400</u>	₱ <u>206,161,315</u>	₱ <u>28,281,635</u>

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

Particulars	2025	2024	2023
Provision for (benefit from) income tax expense at statutory tax rate	₱ 6,241,465	₱ 135,603,263	₱ 8,802,527
Tax effects of:			
Nondeductible expense	2,143,791	871,442	10,064,670
Expired excess MCIT over RCIT	-	-	5,494,750
Income subject to final tax	(7,497)	(15,196)	(41,395)
Prior period adjustment	-	15,992,311	-
Lease liability	-	13,216	-
Change in unrecognized deferred tax assets	<u>99,198,641</u>	<u>53,696,279</u>	<u>3,961,083</u>
Total	₱ <u>107,576,400</u>	₱ <u>206,161,315</u>	₱ <u>28,281,635</u>

The components of the Group's deferred tax assets (liabilities) are as follows:

Particulars	2025	2024
NOLCO	₱ 33,123,448	₱ 33,123,448
Difference in the tax base and accounting base of land and land development	-	12,511,825
Retirement liability	6,133,092	5,320,844
Allowance for impairment losses on receivables	22,114,268	736,810
Lease liabilities	-	2,655
Unrealized gain on fair valuation of investment property	(719,697,021)	(603,395,096)
Gross profit on real estate sales	(113,426,032)	(100,716,782)
Increase in fair value due to purchase price allocation	-	(66,450,512)
Right-of-use asset	(137,024)	-
Remeasurement gain on defined benefit obligation	<u>(3,939,461)</u>	<u>(3,737,604)</u>
Total	₱ <u>(775,828,730)</u>	₱ <u>(722,604,412)</u>

The Group has deductible temporary differences that are available for offset against future taxable income or income tax payable for which deferred tax assets have not been recognized. These deductible temporary differences are as follows:

Particulars	2025	2024
NOLCO	₱ 1,146,106,657	₱ 929,562,565
Allowance for impairment losses	270,954,598	177,723,623
Retirement liability	44,960,526	44,850,751
Excess of MCIT over RCIT	2,604,572	433,419
Total	₱ 1,464,626,353	₱ 1,152,570,358

The details of the Group's unused NOLCO which can be claimed as deduction from future taxable income during the stated validity are as follows:

Year Incurred	Valid Until	Beginning Balance	Incurred	Applied/ Expired	Ending Balance
2025	2028	₱ 216,544,092	₱ -	₱ -	₱ 216,544,092
2024	2027	215,850,504	-	-	215,850,504
2023	2026	167,916,063	-	-	167,916,063
2022	2025	218,184,232	-	-	218,184,232
2021	2026	167,502,963	-	-	167,502,963
2020	2025	160,108,803	-	-	160,108,803
Total		₱ 1,146,106,657	₱ -	₱ -	₱ 1,146,106,657

Under the Republic Act No. 11494, also known as “*Bayanihan to Recover As One Act*”, and as implemented by the BIR under RR No. 25-2020, the Group is allowed to carry-over the NOLCO incurred for taxable years 2021 and 2020 as a deduction from gross income for the next five taxable years.

NOLCO and MCIT presented in the above tables include the amount of NOLCO and MCIT of GLCI.

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

Under the CREATE Act, the RCIT of domestic corporations was reduced from 30% to 25% or 20% depending on the amount of total assets or total amount of taxable income. MCIT was changed from 2% to 1% of gross income for a period of three years up to June 30, 2023.

The rate of MCIT reverted to 2% based on gross income starting July 1, 2023. The impact of the revision is accounted for in 2023, if any.

NOTE 25 – INTEREST EXPENSE

This account consists of:

Particulars	2025	2024	2023
Loans payable			
Long-term loans (Note 16)	₱ 51,697,878	₱ 48,623,710	₱ 41,807,979
Convertible loans (Note 16)	9,339,460	7,500,000	9,160,022
Unsecured short-terms loans (Note 16)	8,579,447	14,351,145	21,048,268
Share lending agreement (Note 20)	32,980,880	24,075,180	29,970,180
Lease liabilities	242,402	328,942	41,437
Total	₱ 102,840,067	₱ 94,878,977	₱ 102,027,886

NOTE 26 – PERSONNEL COSTS

This account consists of:

Particulars	2025	2024	2023
Cost of services (Note 21)			
Salaries and wages	₱ 16,303,586	₱ 18,949,290	₱ 20,140,036
Retirement benefit cost	-	-	4,392,993
Other employee benefits	3,218,921	4,101,410	10,182,583
	<u>19,522,507</u>	<u>23,050,700</u>	<u>34,715,612</u>
General and administrative expenses (Note 22)			
Salaries and wages	18,579,336	18,369,980	14,180,538
Retirement benefit cost	1,618,871	-	1,882,086
Other employee benefits	9,912,321	10,581,497	12,205,117
	<u>30,110,528</u>	<u>28,951,477</u>	<u>28,267,741</u>
Total	₱ <u>49,633,035</u>	₱ <u>52,002,177</u>	₱ <u>62,983,353</u>

NOTE 27 – BASIC/DILUTED EPS

Basic earnings per share is calculated by dividing the net income attributable to equity holders of the Parent Company for the year over the weighted average number of common shares outstanding during the year.

Basic and Diluted EPS Attributable to Equity Holders of the Parent Company

Particulars	2025	2024	2023
Net income (loss) attributable to equity holders of the Parent Company	₱ (14,505,899)	₱ 264,326,536	₱ (32,762,270)
Weighted average number of outstanding common shares*	5,708,359,594	5,708,359,594	5,162,222,637
Basic and Diluted Earnings (Loss) Per Share	₱ (0.0025)	₱ 0.0463	₱ (0.0063)

*The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions and new subscriptions during the year.

The weighted average number of common shares outstanding are computed as follows:

Particulars	2025	2024	2023
Number of shares at beginning of year	5,708,359,594	5,708,359,594	4,703,359,131
Weighted average number of Parent Company shares issued during the year	-	-	458,863,506
Weighted average common shares	<u>5,708,359,594</u>	<u>5,708,359,594</u>	<u>5,162,222,637</u>

Diluted EPS is computed similar to the computation of the basic EPS except that the net income attributable to equity holders of the parent and the weighted average number of shares outstanding should be adjusted for the effects of all dilutive potential common shares. The effect of the conversion option of the convertible loans is anti-dilutive in 2025, 2024 and 2023. Thus, the basic and diluted EPS are the same in 2025 and 2024.

NOTE 28 – LEASES

The Group has a lease contract for office space used in its operations which has a lease term of four years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group applies the short-term lease recognition exemption for these leases.

Movements of ROU assets are as follows:

Particulars	2025	2024
Cost		
Balance at beginning of year	P 5,336,576	P -
Additions	198,685	5,336,576
Derecognition	-	-
	<u>5,535,261</u>	<u>5,336,576</u>
Accumulated depreciation		
Balance at beginning of year	3,424,625	-
Depreciation	863,878	899,630
Adjustment	-	2,524,995
Derecognition	-	-
	<u>4,288,503</u>	<u>3,424,625</u>
Net Carrying Amount	P <u>1,246,758</u>	P <u>1,911,951</u>

Movements of lease liabilities are as follows:

Particulars	2025	2024
Balance at beginning of year	P 2,788,383	P 239,478
Payments	(1,382,289)	(1,457,429)
Interest expense	242,402	328,942
Additions	198,686	5,336,576
Adjustment	-	(1,659,184)
Balance at end of year	P <u>1,847,182</u>	P <u>2,788,383</u>

The following are the amounts recognized in the consolidated statements of comprehensive income:

Particulars	2025	2024	2023
Expenses relating to short-term leases	P -	P 1,414,237	P 3,519,616
Depreciation expense of ROU assets	863,878	1,086,245	764,156
Interest expense on lease liabilities	242,402	328,942	41,437
Total	P <u>1,106,280</u>	P <u>2,829,424</u>	P <u>4,325,209</u>

NOTE 29 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial assets and financial liabilities comprise of loans payable and due to and from related parties. The main purpose of these financial assets and financial liabilities is to finance the Group's operations. The Group has other financial assets and financial liabilities such as trade and other receivables and trade and other payables which arise directly from its operations.

The main objectives of the Group's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The main risks arising from the Group's financial assets and financial liabilities are liquidity risk, credit risk and interest rate risk. Exposure to these risks arises in the normal course of business activities. The Group's BOD reviews and approves actions for managing each of these risks which are summarized below:

Liquidity risk. Liquidity risk is generally defined as the current and prospective risk to earnings or capital arising from the Group's inability to meet its obligations when they become due without incurring unacceptable losses or costs.

The major liquidity risk confronting the Group pertains to the daily calls on its available cash resources in respect of claims arising from trade and other payables and the maturity of loans payable. In this regard, the Group maintains a level of cash deemed sufficient to finance its operations.

The following table summarizes the maturity profile of the Group's financial liabilities as at December 31, 2025 and 2024 based on contractual undiscounted cash flows. The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Group can be required to pay.

Particulars	2025			Total
	120 days	121-360 days	>360 days	
Financial liabilities				
Trade and other payables*	₱ 666,775,473	₱ -	₱ -	₱ 666,775,473
Loans payable:				
Long-term loans	41,782,794	125,348,381	341,143,553	508,274,728
Short-term loans	201,571,532	-	-	201,571,532
Convertible loan	100,000,000	-	-	100,000,000
Lease liabilities	461,796	1,385,387	-	1,847,182
Total	₱ 1,010,591,595	₱ 126,733,768	₱ 341,143,553	₱ 1,478,468,915

*excluding government liabilities

Particulars	2024			Total
	120 days	121-360 days	>360 days	
Financial liabilities				
Trade and other payables*	₱ 516,456,983	₱ -	₱ -	₱ 516,456,983
Loans payable:				
Long-term loans	30,771,253	92,313,758	457,214,810	580,299,820
Short-term loans	191,818,862	-	-	191,818,862
Convertible loan	100,000,000	-	-	100,000,000
Lease liabilities	697,096	2,091,287	-	2,788,383
Total	₱ 839,744,194	₱ 94,405,045	₱ 457,214,810	₱ 1,391,364,048

*excluding government liabilities

Credit risk. Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group's credit risks are primarily attributable to cash in banks, receivables, due from related parties and security deposits. The Group's receivables and due from related parties are monitored on an ongoing basis.

With respect to credit risk arising from cash in banks, receivables, due from related parties, and other noncurrent assets, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The credit quality of the Group's financial assets are as follows:

Particulars	2025					
	Neither Past Due nor Impaired			Past due but not impaired	Impaired	Total
	High Grade	Medium Grade	Total			
Cash in banks	₱ 30,262,699	₱ -	₱ 30,262,699	₱ -	₱ -	₱ 30,262,699
Receivables:						
Contract receivables	109,692,176	-	109,692,176	-	-	109,692,176
Trade	-	793	793	-	13,168,670	13,169,463
Others	-	32,639,813	32,639,813	-	121,514,939	154,154,752
Security deposit	-	457,552	457,552	-	-	457,552
Total	₱ 139,954,875	₱ 33,098,158	₱ 173,053,033	₱ -	₱ 134,683,609	₱ 307,736,642

Particulars	2024					
	Neither Past Due nor Impaired			Past due but not impaired	Impaired	Total
	High Grade	Medium Grade	Total			
Cash in banks	₱ 56,356,457	₱ -	₱ 56,356,457	₱ -	₱ -	₱ 56,356,457
Receivables:						
Contract receivables	356,086,870	-	356,086,870	-	-	356,086,870
Trade	-	9,157,816	9,157,816	-	4,010,783	13,168,599
Others	-	80,781,794	80,781,794	-	13,939,529	94,721,323
Security deposit	-	433,142	433,142	-	-	433,142
Total	₱ 412,443,327	₱ 90,372,752	₱ 502,816,079	₱ -	₱ 17,950,312	₱ 520,766,391

The Group has determined that the credit quality of all neither past nor impaired financial assets as at December 31, 2025 and 2024 are classified as high grade based on the following:

- Cash - based on the financial and credit standing of the counterparty.
- Receivables - high grade pertains to receivables with no default in payment; medium grade pertains to receivables with up to 3 defaults in payment; and low grade pertains to receivables with more than 3 defaults in payment. All receivables are deemed high grade by the Group.
- Security deposits - based on the credit standing/reputation of counterparty.

The table below shows the Group's aging analysis of financial assets.

Particulars	2025					
	Neither past due nor impaired	Past due but not impaired			Impaired	Total
		120 days	121-360 days	>360 days		
Cash in banks	₱ 30,262,699	₱ -	₱ -	₱ -	₱ -	₱ 30,262,699
Receivables:						
Contract receivables	109,692,176	-	-	-	-	109,692,176
Trade	793	-	-	-	13,168,670	13,169,463
Others	32,639,813	-	-	-	121,514,939	154,154,752
Security deposit	457,552	-	-	-	-	457,552
Total	₱ 173,053,033	₱ -	₱ -	₱ -	₱ 134,683,609	₱ 307,736,642

Particulars	2024					
	Neither past due nor impaired	Past due but not impaired			Impaired	Total
		120 days	121-360 days	>360 days		
Cash in banks	P 56,356,457	P -	P -	P -	P -	P 56,356,457
Receivables:						
Contract receivables	356,086,870	-	-	-	-	356,086,870
Trade	9,157,816	-	-	-	4,010,783	13,168,599
Others	80,781,794	-	-	-	13,939,529	94,721,323
Security deposit	433,142	-	-	-	-	433,142
Total	P 502,816,079	P -	P -	P -	P 17,950,312	P 520,766,391

Interest rate risk. Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing debt obligations with floating interest rates or rates subject to repricing as it can cause a change in the amount of interest payments. The Group has interest bearing loans with floating interest rate subject to repricing amounting to P513.2 million and P445.2 million as at December 31, 2025 and 2024, respectively.

NOTE 30 – COMMITMENTS

Cagdianao Mining Corporation (CMC)

In December 2014, the Group entered into a Sapolite Mining Contract with CMC for the hauling and extraction of mineral ores in Municipality of Cagdianao, Province of Dinagat Islands. The Contract shall be for a period of three years, from January 1, 2015 to December 31, 2017, which may be extended by written mutual agreement of the parties.

If the Group fails to deliver the required tonnage, CMC shall impose a penalty upon the Group computed based on the required WMT multiplied by \$0.50 per WMT of materials not delivered.

In April 2018, the Group renewed its agreement with CMC effective April 1, 2018 to October 31, 2018. Under the scope of work indicated in the contract, the Group shall perform mining services which include loading and hauling, road and bench maintenance and barge loading services.

In May 2019, the Group has secured a three-year contract with CMC covering the periods of 2019 until 2021, with the Group rendering services to CMC starting March 1 until October 31 of each year.

In March 2023, the Group renewed its contract valid until September 2025.

Taganito Mining Corporation

In February 2024, the Group has secured a new three-year contract with TMC covering the periods of 2024 until 2027, with the Group rendering services to TMC starting March 1 until and including February 28.

The Group shall render mining services that include loading and hauling, road and bench maintenance, barge loading services and rental of heavy equipment.

Service income recognized by the Group amounted to P41.3 million and P45.8 million in 2025 and 2024, respectively.

NOTE 31 – LEGAL CASES AND CONTINGENCIES

The Group is involved in legal proceedings relating to transactions with stockholders and former officers, as well as compliance with corporate rules and regulations. As of December 31, 2025, the details of these legal proceedings are as follows:

Parent Company

- a. *Augusto Antonio C. Serafica Jr. (Plaintiff) vs. Premiere Horizon Alliance Corp, Eugenio T. Tan, Raul Ma. F. Anonas, Andres A. Del Rosario, Brandon P. Leong, Geronimo B. Halili, Esteban G. Pena Sy, Gloria Victoria Y. Taruc, Ernest Sze Lok Yeung, and Marian Pena* NPS Docket No XV-14-INV-23H-01089

This involves the alleged Twenty-Five Million PHA shares supposedly valued at Four Million Seven Hundred Fifty Thousand Pesos that were not returned by the Company to the Plaintiff. The Office of the City Prosecutor of Pasig City (OCP – Pasig) dismissed the case based on insufficiency of evidence. Pertinently, the OCP – Pasig held that there was no evidence presented to prove that the subject shares were not utilized in accordance with the pertinent contracts.

The *Complaint* as well as the subsequent *Motion for Reconsideration* filed by the plaintiff were both dismissed by the OCP – Pasig. Plaintiff filed a *Petition for Review* with the Department of Justice – Manila to assail such dismissal last August 2024.

In response thereto, the individual officers and directors of PHA have filed their respective *Comments/Opposition*, highlighting the failure of the Plaintiff to raise any new substantial matter that will warrant the reversal of the dismissal of the case. The case is now deemed submitted for resolution.

- b. *People of the Philippines v. Augusto Antonio Serafica Jr., Raul Ma. Anonas, and Andres Del Rosario* Crim Case No. R-PSG-26-00006-CR

This criminal case for Estafa under Articles 315 (1)(b) files against PHA's former officers, Messrs. Augusto Antonio C. Serafica, Jr. (Serafica), Raul Ma. F. Anonas, and Andres A. Del Rosario and is now pending before the RTC Pasig.

This criminal case stemmed from PHA's internal audit, which exposed certain anomalous transactions involving an elaborate scheme, where the accused Serafica, with the indispensable cooperation of accused Anonas and Del Rosario, siphoned money from PHA and used the same to purchase shares in his own name. Accused Serafica was able to obtain money amounting to ₱66 million which was done by issuing PHA checks in his favor, allegedly as payment for his advances or loans, and using the proceeds thereof as payment for his subscription.

The arraignment and pre-trial of the case is tentatively scheduled on March 15, 2026 at 8:30 in the morning, in view of the pendency of the *Petition for Review* filed by all of the accused.

All of the accused filed a *Motion to Defer Proceeding*, arguing that the matters raised in the collection case filed by Serafica before RTC Makati, specifically those pertaining to the ₱66 million civil liability, constitute a prejudicial question that warrant the suspension of the instant proceedings. In response thereto, PHA filed a *Consolidated Opposition*, arguing that there is no prejudicial question to speak of considering that the RTC Makati already dismissed the counterclaims filed by PHA.

- c. *People of the Philippines v. Raul Ma. Anonas, and Andres Del Rosario* Crim Case No. R-PSG-26-0007-CR

This criminal case for Estafa under Articles 315(1)(a) filed against PHA's former officers, Raul Ma. F. Anonas (Anonas), and Andres A. Del Rosario (Del Rosario) which is also pending before the RTC Pasig.

This criminal case stemmed from PHA's internal audit, which exposed certain anomalous transactions involving an elaborate scheme, where accused Anonas, with the indispensable cooperation of accused Del Rosario, siphoned money from PHA in the amount of ₱12.3 million, despite the absence of any loan agreement or promissory note as proof of such obligation to one Angelica San Luis. Thereafter, accused Anonas used the check payment issued by PHA to Ms. San Luis as payment for his own subscriptions with the Company.

The arraignment and pre-trial of the case is tentatively scheduled on March 15, 2026 at 8:30 in the morning, in view of the pendency of the *Petition for Review* filed by all of the accused.

All of the accused filed a *Motion to Defer Proceedings*, arguing that the matters raised in the collection case filed by Serafica before RTC Makati, specifically those pertaining to the ₱66 million civil liability, constitute a prejudicial question that warrant the suspension of the instant proceedings. In response thereto, PHA filed a *Consolidated Opposition*, arguing that there is no prejudicial question to speak of considering that the RTC Makati already dismissed the counterclaims filed by PHA.

d. *Premiere Horizon Alliance Corporation. v Augusto Antonio Serafica Jr., Raul Ma. Anonas, and Andres Del Rosario* NPS Docket No. XV-14-INV-25H-02476-02478

This is a *Petition for Review* filed by all of the accused in relation to the abovementioned cases, questioning the findings of the Office of the City Prosecutor-Pasig City (OCP-Pasig) which indicated accused Serafica, Anonas and Del Rosario for the crime of Estafa under Article 315(1)(b) and accused Anonas and Del Rosario for the crime of Estafa under Article 315(2)(1) of the Revised Penal Code.

All of the accused argue that there was an apparent haste on the part of OCP-Pasig in resolving the present *Complaint-Affidavit* and that OCP-Pasig erred in finding that they are liable for the crimes against them.

In response to the *Petition for Review* filed by accused Anonas and Del Rosario, PHA filed its *Verified Comment* last February 2, 2026. Meanwhile, PHA also filed its *Comment* to the *Petition for Review* filed by accused Serafica in February 18, 2026.

Considering that the matters raised are mere rehash of the arguments previously ruled upon by the OCP, if not unsubstantial matters that deserve scant consideration, PHA is hopeful that DOJ will dismiss the *Petition for Review*, especially considering that the criminal cases are already pending before the RTC-Pasig.

e. *Premiere Horizon Alliance Corporation and People of the Philippines v. Hon. Ira Fritzie C. Cruz-Rojo, in her capacity as presiding judge of the Regional Trial Court of Pasig City-Branch 67, Augusto Antonio C. Serafica Jr. and Marvin C. Dela Cruz* C.A. G.R. No. 182115 (formerly Crim Case No. R-PSG-22-00208-C) *Petition for Certiorari* (Rc: Estafa under Art. 315(1)(b) of the Revised Penal Code)

In relation to the abovementioned cases, this is a *Petition for Certiorari* filed by the Company, assailing the *Orders* issued by the RTC Pasig, Branch 67 (“Dismissal Orders”), ordering the dismissal of the Estafa case against Mr. Serafica and Mr. Dela Cruz, citing as sole basis thereto the *Decision* issued by the Court of Appeals in CA-G.R. No. 183768, despite the fact that the same has yet to attain finality and tackles an entirely different issue regarding the determination of executive probable cause.

Both parties have already filed their respective *Memoranda* and the case is now submitted for Decision.

Management, in consultation with its legal counsels, believes that the outcome of these proceedings will not have a material adverse effect on the financial position and performance of the Company.

Premiere Georesources Development Inc.

Carlos Cruz and Belina Cruz (Sps. Cruz), vs. PGDI, PHA, Roberto Ortiz, et. Al. – Civil case for damages with prayer of temporary restraining order and/or writ of preliminary injunction – Allegation made by the Sps. Cruz (the “defendant”) that caused them to suffer damages through unreasonable, irresponsible, false, and malicious accusations and demands. The Court denied the motion for production and inspection of documents filed by Sps. Cruz, this is now subject for reconsideration. Additionally, based on the arguments presented by both parties, the Court is likely to dismiss the complaint (compensatory, moral and exemplary damages) filed by Sps. Cruz. as their claim for damages has no factual or legal basis. However, PGDI/PHA need to prove damages suffered by them. There are no significant judgements rendered, or settlements made during the period either for or against the Company.

Management, in consultation with its legal counsels, believes that the outcome of these proceedings will not have a material adverse effect on the financial position and performance of the Company.

There are also other pending minor legal cases against the non-operating subsidiaries of the Group. Based on the facts of these cases, management believes that its positions have legal merits and the resolution thereof will not materially affect the Group's financial position and result of operations.

NOTE 32 – OTHER MATTERS

In 2025, Premiere Horizon Business Services, Inc., a subsidiary of the Company proposed the execution of a Management Services Contract with PHA to manage, preserve, enhance, and commercially develop the dormant film-related intellectual property (IP) owned by PHA, including the licensing, digitization, and distribution of PHA's fully depreciated film library.

On April 06, 2026, the proposed arrangement was approved by the Company's Board of Directors and Officers. Key matters include the recitals and purpose, appointment and scope of management, related party transaction compliance, management fees and expenses, ownership, the authority and exclusivity of the Company in representing the Company in domestic and international business transactions were finalized as stated in the management agreement. The contract term of five (5) years, subject to renewal unless otherwise terminated by the Company's Board.

In 2025, the Company has identified anomalies involving the withdrawal of funds and their subsequent reinvestment into the Company's account as capital, amounting to ₱78.3 million. On August 5, 2025, the Company filed a criminal complaint before the Pasig City Prosecutor's Office against its former officers, Messrs. Augusto Antonio C. Serafica, Jr., Raul Ma. F. Anonas, and Andres A. Del Rosario. The complaint includes charges for Estafa under Articles 315(1)(b) and 315(2)(a), and/or Qualified Theft under Article 310 of the Revised Penal Code, as well as violation of Section 168 of the Revised Corporation Code. The Company filed a *Consolidated Opposition* for the criminal cases; Crim Case No. R-PSG-26-00006-CR and Crim Case No. R-PSG-26-0007-CR with the subject of matter amounted to ₱66 million and ₱12.3 million, respectively. (Note 21)

On June 16, 2025 the Company received a case filed by its former officer Augusto Antonio C. Serafica, demanding for collection of sum of money for the personal advances made in favor of the corporation to allow it to continue its business pursuits and operations while dealing with liquidity issues in the amount of ₱56,232,153. In response, the Company defense that it does not owe any money allegedly advanced and those same funds came from the Corporation. The Corporation is preparing to file its Answer in due course and allege PHA's counterclaims against Serafica.

Management believes that the resolution of these matters will not have a material adverse effect on the Company's financial position. Accordingly, no provision has been recognized in the financial statements.

NOTE 33 – RECLASSIFICATION OF ACCOUNTS

Reclassification of accounts was made for prior year's balances in order to conform to current year financial statements presentation.

Accounts	As Previously Reported	Reclassification	As Restated
Receivables – net	₱ 663,744,950	167,278,387	496,466,563
Real estate for sale	785,482,296	523,229,058	262,253,238
Deferred tax assets	61,886,227	61,886,227	-
Trade and other payables	561,310,860	47,429,578	513,881,282
Short-term loans	191,818,862	31,050,000	160,768,862
Advances from third parties	100,000,000	100,000,000	-

For the year ended December 31, 2024, the Group reclassified the following accounts:

- Receivables amounted to ₱167,278,387 reclassified under non-current receivables. (Note 10)
- Real estate for sale amounted to ₱523,229,058 as component of investment properties instead. (Note 12)
- Deferred tax assets amounted to ₱61,886,227 offset against the deferred tax liabilities. (Note 24)
- Trade and other payables amounted to ₱47,429,578, short-term loans amounted to ₱31,350,000, and advances from third parties amounted to ₱100,000,000 as component of non-current payables amounted to ₱178,779,578. (Note 17)

The above reclassification has no impact on the previously reported profit or loss, total equity, and cash flows.

NOTE 34 – APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS
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The consolidated financial statements as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 were approved and authorized for issuance by the Board of Directors (BOD) on April 14, 2026, as recommended for approval by the Audit Committee on the same date.

PREMIERE HORIZON ALLIANCE CORPORATION
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
December 31, 2025

	<u>2025</u>	<u>2024</u>
Total Audit Fees (Section 2.1a)	₱ 550,000	₱ 480,000
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Non-audit Fees	<u>-</u>	<u>-</u>
Total Audit and Non-Audit Fees	<u>₱ 550,000</u>	<u>₱ 480,000</u>
Audit and non-audit fees of other related entities		
	<u>2025</u>	<u>2024</u>
Audit fees	₱ 1,600,000	₱ 1,520,000
Non-audit service fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Audit and Non-audit fees of other related entities	<u>₱ 1,600,000</u>	<u>₱ 1,520,000</u>

Valdes Abad & Company, CPAs

(Formerly: Valdes Abad & Associates)

CJV Building 108 Aguirre Street, Legaspi Village, Makati City, Philippines

Branches:

Cebu and Davao

Phone: (632) 8892-5931 to 35

(632) 8519-2105

Fax: (632) 8819-1468

Website: www.vacpa.ph

BOA/PRC Reg. No. 0314

SEC Accreditation No. 0314-SEC



INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders

PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES

Unit E-1705, 17F, East Tower

Philippine Stock Exchange Center, Exchange Road

Ortigas Center, Pasig City

We have in accordance with the Philippine Standard on Auditing, the consolidated financial statements of **PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES** as at December 31, 2025 and 2024. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary Schedule on Financial Soundness indicator, including their definitions, formulas, calculations, 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 the Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by the other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the consolidated financial statements as at December 31, 2025 and 2024 and no material exceptions were noted.

VALDES ABAD & COMPANY, CPAs

BOA/PRC Reg. No. 0314

Issued on July 15, 2024, Valid until July 14, 2027

SEC Accreditation No. 0314 - SEC, Group A

Valid for 2022 – 2026 audit periods

BIR Accreditation No. 08-002126-000-2024

Issued on April 5, 2024, Valid until April 4, 2027

For the firm:

ALFONSO L. CAY-AN

Partner

CPA Registration No. 99805, Valid until December 14, 2026

TIN No. 213-410-741-000

PTR No. 10777156, Issued Date: January 13, 2026, Makati City

BOA/PRC Reg. No. 0314 / P-004

Issued on July 15, 2024, Valid until July 14, 2027

SEC Accreditation No. 99805 - SEC, Group A

Valid for 2022 – 2026 audit periods

BIR Accreditation No. 08-002126-005-2024

Issued on April 5, 2024, Valid until April 4, 2027

Makati City, Philippines

May 13, 2026

PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES

IV. SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS AS REQUIRED BY REVISED SRC RULE 68 ANNEX 68-E

Ratio	Formula	As of December 31,	
		2025	2024
Current Ratio	Total current assets	1,329,984,306	1,441,538,121
	Divided by: Total current liabilities	1,143,875,138	906,475,478
	Current ratio	1.16	1.59
Acid test ratio	Total current assets	1,329,984,306	1,441,538,121
	Less: Other current assets	193,062,885	183,576,161
	Quick assets	1,136,921,421	1,257,961,960
	Divide by: Total current liabilities	1,143,875,138	906,475,478
	Acid test ratio	0.99	1.39
Solvency Ratio	Net income (loss)	31,067,533	336,251,738
	Add: Depreciation	14,978,289	24,334,000
	Total	46,045,822	360,585,738
	Divide by: Total liabilities	2,499,754,951	2,275,495,413
	Solvency ratio	0.02	0.16
Net Debt-to-Equity Ratio	Total liabilities	2,499,754,951	2,275,495,413
	Less: Cash and cash equivalents	31,032,699	60,351,442
		2,468,722,252	2,215,143,971
	Divided by: Total equity	3,101,242,326	3,069,402,005
	Net debt-to-equity ratio	0.80	0.72
Debt-to-Equity Ratio	Total liabilities	2,499,754,951	2,275,495,413
	Divided by: Total Equity	3,101,242,326	3,069,402,005
	Debt-to-equity ratio	0.81	0.74
Asset-to-equity ratio	Total assets	5,600,997,277	5,344,897,418
	Divided by: Total equity	3,101,242,326	3,069,402,005
	Asset-to-equity ratio	1.81	1.74
Interest rate coverage ratio	Income (Loss) before income tax	138,643,933	542,413,053
	Add: Interest expense	102,840,067	94,878,977
	Total	241,484,000	637,292,030
	Divided by: Interest expense	102,840,067	94,878,977
	Interest rate coverage ratio	2.35	6.72
Return on average equity	Net income (loss)	31,067,533	336,251,738
	Divided by: Average total capital accounts	3,085,322,166	2,849,824,420
	Return on equity	0.01	0.12
Return on average assets	Net income (loss)	31,067,533	336,251,738
	Divided by: Average total assets	5,472,947,348	5,016,850,979
	Return on average assets	0.01	0.07
Net profit margin	Net income (loss)	31,067,533	336,251,738
	Net sales	106,311,225	225,136,322
	Net profit margin	0.29	1.49

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SEC Accreditation No. 0314-SEC



INDEPENDENT AUDITOR'S REPORT TO ACCOMPANYING FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Board of Directors and Stockholders
PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES
Unit E-1705, 17F, East Tower
Philippine Stock Exchange Center, Exchange Road
Ortigas Center, Pasig City

We have examined the consolidated financial statements of **PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES** for the year ended December 31, 2025, on which we have rendered the attached report dated May 13, 2026.

In compliance with Revised SRC Rule 68, we are stating that the Company has one hundred thirty-four (134) stockholders owning one hundred (100) or more shares each as of December 31, 2025.

VALDES ABAD & COMPANY, CPAs
BOA/PRC Reg. No. 0314
Issued on July 15, 2024, Valid until July 14, 2027
SEC Accreditation No. 0314 - SEC, Group A
Valid for 2022 – 2026 audit periods
BIR Accreditation No. 08-002126-000-2024
Issued on April 5, 2024, Valid until April 4, 2027

For the firm:

A handwritten signature in black ink, appearing to read "Alfonso L. Cay-an", written over a horizontal line.

ALFONSO L. CAY-AN
Partner
CPA Registration No. 99805, Valid until December 14, 2026
TIN No. 213-410-741-000
PTR No. 10777156, Issued Date: January 13, 2026, Makati City
BOA/PRC Reg. No. 0314 / P-004
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Makati City, Philippines
May 13, 2026

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member
an association of
legally independent
accounting firms

partnering for success

REPORT OF INDEPENDENT PUBLIC AUDITORS TO ACCOMPANY SEC SCHEDULES FILED CONSOLIDATEDLY FROM THE BASIC FINANCIAL STATEMENTS

The Board of Directors and Stockholders
PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES
Unit E-1705, 17F, East Tower
Philippine Stock Exchange Center, Exchange Road
Ortigas Center, Pasig City

We have examined the consolidated financial statements of **PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES** as of December 31, 2025, on which we have rendered the attached report dated May 13, 2026. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary schedule of the Company as of December 31, 2025, and for the year then ended, required by the Securities and Exchange Commission, are presented for purpose of additional analysis and are not a required part of the consolidated financial statements. The information in such supplementary schedules has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

VALDES ABAD & COMPANY, CPAs

BOA/PRC Reg. No. 0314

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For the firm:

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ALFONSO L. CAY-AN

Partner

CPA Registration No. 99805, Valid until December 14, 2026

TIN No. 213-410-741-000

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Makati City, Philippines
May 13, 2026

PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES
Schedule of Philippine Financial Reporting Standards

**SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR
DIVIDEND DECLARATION**

December 31, 2025 and 2024

Items	2025	2024
Unappropriated Retained Earnings, beginning	P (242,136,715)	P 132,711,701
Prior Period Adjustment	1,262,593	102,903,433
Net Income (Loss) based on the face of AFS	(14,505,899)	264,326,536
Less: Non-actual/unrealized income net of tax		
• Equity in net income/(loss) of associate/joint venture	-	-
• Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)		
Unrealized actuarial gain	-	-
• Fair value adjustment (M2M gains)	-	-
• Fair value adjustment of Investment Property resulting to gain adjustment due to deviation from PFRS/GAAP-gain	(465,207,700)	(742,078,385)
• Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	-
Add: Non-actual losses		
• Depreciation on revaluation increment (after tax)	-	-
• Adjustment due to deviation from PFRS/GAAP – loss	-	-
• Loss on fair value adjustment of investment property (after tax)	-	-
FMV gain/(loss) transferred to equity as a result of disposal of equity investment at FVOCI	-	-
Gain/(loss) from disposal of financial assets at FVOCI	-	-
Net Income Actual/Realized	-	-
Unappropriated Retained Earnings, as adjusted, ending	P (720,587,721)	P (242,136,715)

PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULES

I.	Supplemental schedules required by Revised SRC Rule Annex 68-J	
A.	Financial Assets	1
B.	Amounts receivables from directors, officers, employees, related parties and principal stockholders (other than related parties)	1
C.	Amounts receivables and payable from/to related parties which are eliminated during consolidation process of financial statements	1
D.	Intangible assets – other asset	2
E.	Long-term	2
F.	Indebtedness to related parties (Long-term loans from related parties)	Not applicable
G.	Guarantees of securities of other issuers	Not applicable
H.	Capital Stock	3
II.	Map of the relationships of the Parent Company within the Parent Company	4
III.	Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration as required by Revised SRC Rule Annex 68-D	5
IV.	Schedule of Financial Soundness Indicators as required by Revised SRC Rule Annex	6

PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES

I. SUPPLEMENTAL SCHEDULES REQUIRED BY REVISED SRC RULE ANNEX 68-J AS AT DECEMBER 31, 2025

SCHEDULE A. Financial Assets

<u>Name of issuing entity and association of each issue</u>	<u>Number of shares or principal amount of bonds and rates</u>	<u>Amount shown in the financial position</u>	<u>Value based on market quotation at end of reporting period</u>	<u>Income received and accrued</u>
Financial assets at amortized cost				
Cash	-	₱ 31,032,699	₱ 31,032,699	₱ -
Receivables	-	188,312,688	188,312,688	-
Security deposits	-	457,552	457,552	-
Total		₱ 219,802,939	₱ 219,802,939	₱ -

SCHEDULE B. Amounts of Receivable from Directors, Officers, Employees Related Parties and Principal Stockholders (Other Than Related Parties)

<u>Name and designation of debtor</u>	<u>Balance at beginning of period</u>	<u>Amounts (collected) /transferred</u>	<u>Provision for expected credit losses (ECL)</u>	<u>Amounts written - off</u>	<u>Current</u>	<u>Non-current</u>	<u>Balance at end of period</u>
Officers and Employees	₱ 55,501,332	₱ (22,690,889)	₱ -	₱ -	₱ -	₱ -	₱ 32,810,443

SCHEDULE C. Amounts of Receivable from and Payable to Related parties which are Eliminated during the Consolidation of Financial Statements

<u>Name and designation of debtor</u>	<u>Balance at beginning of period</u>	<u>Additions</u>	<u>Amounts collected/ consolidated</u>	<u>Amounts written - off</u>	<u>Current</u>	<u>Non-current</u>	<u>Balance at end of period</u>
Goshen Land Capital, Inc.	₱ -	₱ 11,611,111	₱ -	₱ -	₱ -	₱ 11,611,111	₱ 11,611,111
West Palawan Premiere Development, Corp.	293,526,085	25,592,424	-	-	-	319,118,509	319,118,509
Treasure Cove At Nagtabon Beach Inc.	5,365,993	51,520	-	(81,277)	-	5,336,236	5,336,236
Premiere Georesources	61,588,849	33,066,014	-	-	-	94,654,863	94,654,863

and Development Inc. Palawan Star Mining Venture Inc.	2,400,000	-				2,400,000	2,400,000
Pyramid Hill Mining and Industrial Corporation PH Mining and Development Corporation	2,400,000	-				2,400,000	2,400,000
Concepts Unplugged Business Environment Solutions (CUBES), Inc. PH Agriforest Corporation	14,728,200	354,311	-	-	-	15,082,511	15,082,511
Premiere Horize Business Service Inc.	36,856,570	51,520	-	-	-	36,908,090	36,908,090
PH Big Bounty Entertainment, Inc.	354,115	-	56,321	-	-	297,794	297,794
Digiwave Solutions	4,507,983	-	56,321	-	-	4,451,662	4,451,662
	635,740	-	51,520	-	-	584,220	584,220
	<u>101,365,488</u>	<u>-</u>	<u>271,138</u>	<u>-</u>	<u>-</u>	<u>101,094,350</u>	<u>101,094,350</u>
Total	₱ 523,729,023	₱ 70,726,900	₱ 435,300	₱ (81,277)	₱ -	₱ 593,939,346	₱ 593,939,346

SCHEDULE D. Intangible Assets – Other Assets

Description	Balance at beginning of period	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other charges additions (deductions)	Balance at end of period
Intangible assets	₱ 2,027,509	₱ -	₱ (405,501)	₱ -	₱ -	₱ 1,622,008
Goodwill	15,701,804	-	-	-	-	15,701,804
Right-of-use asset	1,991,951	-	(665,194)	-	-	1,246,757
Idle property	<u>15,709,422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,709,422</u>
Total	₱ <u>35,430,686</u>	₱ <u>-</u>	₱ <u>(1,070,695)</u>	₱ <u>-</u>	₱ <u>-</u>	₱ <u>34,279,991</u>

SCHEDULE E. Long-term Debt

Title of issue	Amount authorized by indenture	Amount shown under caption “Current portion of long-term loan”	Amount shown under caption “Long term loan” in related financial position
Loans and Borrowings	₱ -	₱ 167,131,174	₱ 341,143,553

SCHEDULE F. Indebtedness to Related Parties (Long Term Loans from Related Parties)

<u>Name of related party</u>	<u>Balance at beginning of period</u>	<u>Balance at end of period</u>
	Not Applicable	

SCHEDULE G. Guarantees of Securities of Other Issuers

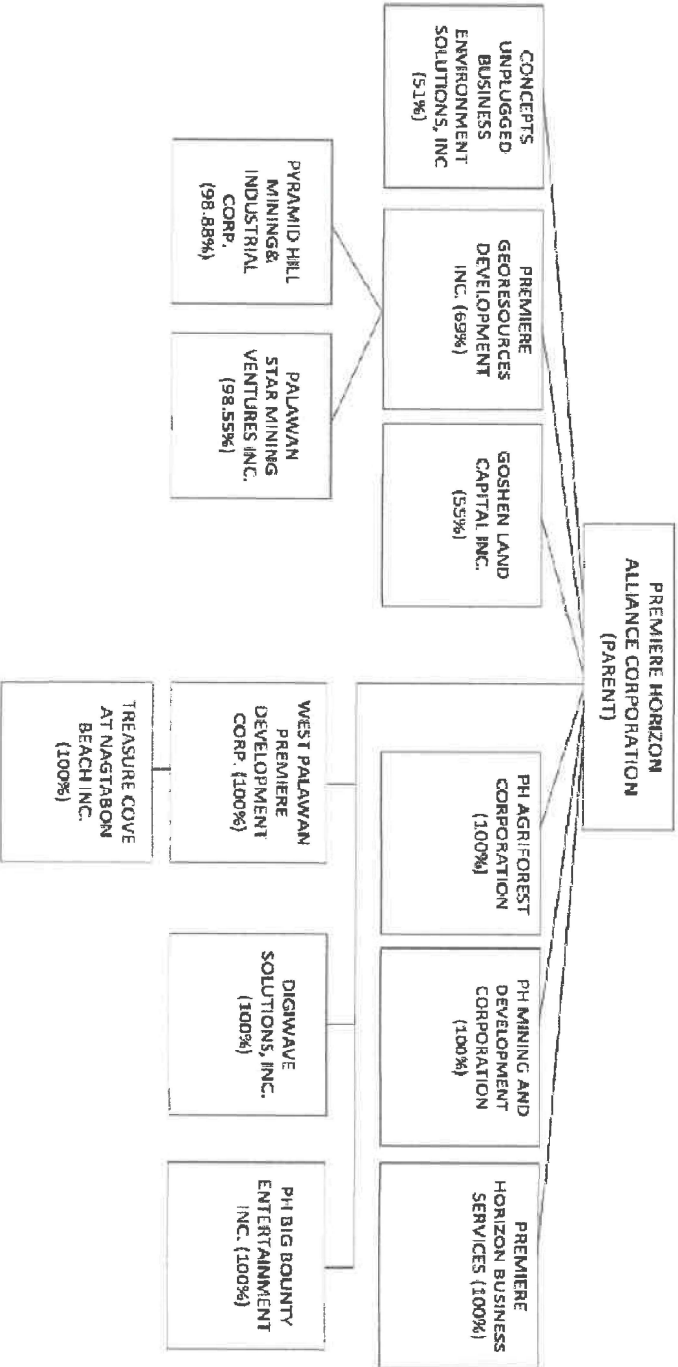
<u>Name of issuing entity of securities guaranteed by the Parent Company for which this statement is filed</u>	<u>Title of issue of each class of securities guaranties</u>	<u>Total amount guaranteed and outstanding</u>	<u>Amount owned by person for which statement is filed</u>	<u>Nature of guarantee</u>
Not Applicable				

SCHEDULE H. Capital Stock

<u>Title of issue</u>	<u>Number of shares authorized</u>	<u>Number of shares issued and outstanding as shown under related financial position</u>	<u>Number of shares reserved for options, warrants, conversion and other rights</u>	<u>Number of shares held by related parties</u>	<u>Directors, officers, and employees</u>	<u>Others</u>
Common	6,000,000,000	5,708,359,504	-	-	2,435,913,367	3,272,446,137
Total	₱ 6,000,000,000	₱ 5,708,359,504	₱ -	₱ -	₱ 2,435,913,367	₱ 3,272,446,137

PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES

II. MAP OF THE RELATIONSHIP OF THE PARENT COMPANY WITHIN THE PARENT COMPANY FOR THE YEAR ENDED DECEMBER 31, 2025



PREMIERE HORIZON ALLIANCE CORPORATION

2025 Sustainability Report



**Premiere
Horizon**

Invigorating the Countryside

eco-tourism

responsible mining

consolidated real estate developments

innovative technology

Contextual Information

Company Details	
Name of Organization	Premiere Horizon Alliance Corporation ("PHA", the Company)
Location of Headquarters	1705 East Tower Philippine Stock Exchange Centre (the "Tektite Tower"), Exchange Road, Ortigas Center, Pasig City
Location of Operations	PHA and its subsidiaries conduct businesses in the Philippines particularly in Metro Manila, Baguio City and Dinagat Islands.
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	<p>This report covers PHA and its subsidiaries (the "Group") including three operating subsidiaries, Goshen Land Capital, Inc. ("GLCI"), West Palawan Premiere Development Corp. ("WPP"), and Premiere Georesources and Development Inc. ("PGDI").</p> <p>The other subsidiaries, namely, (i) Concepts Unplugged Business Environment Solutions ("CUBES"), Inc. (ii) Treasure Cove at Nagtabon Beach, Inc ("TCNBI"), (iii) Pyramid Hill Mining & Industrial Corp. ("PHMIC"), (iv) Palawan Star Mining Ventures, Inc., (v) Premiere Horizon Business Services, Inc. ("PHBSI"), (vi) PH Mining and Development Corporation ("PHMDC"), (vii) PH Agriforest Corporation ("PHAC"), (viii) PH Big Bounty Entertainment, Inc. ("PBBEI"); and (ix) Digiwave Solutions Incorporated ("DSI") do not have commercial operations at this point. Hence, this report did not include them except for the consolidated figures presented in the direct economic value generated and distributed.</p> <p>Data from the operating subsidiaries — GLCI, WPP, and PGDI for the calendar years 2025 and 2024 were consolidated as applicable. The limitations and the boundaries are specified in the disclosures.</p>
Business Model, including Primary Activities, Brands, Products, and Services	PHA operates as a holding company with business interests in corporate finance, real estate development, tourism estate development and mining services.
Reporting Period	January 1, 2025 to December 31, 2025
Highest Ranking Person responsible for this report	Eugene T. Tan President / CEO

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material to topics.

1. Material Topic Identification

PHA continues its practice of communicating with our counterparts including regulators, shareholders, customers, suppliers, contractors, advisors, stockbrokers, trade associations, the board, management and our employees. We maximize various communication channels through both formal and informal dialogues, as well as participation in seminars, conferences, and industry forums.

For instance, the PHA designated officers to attend the Annual National Mine Safety and Environment Conference and the Sustainability Disclosure Standards by the International Financial Reporting Standards (IFRS) workshops, organized by the Philippine Mine Safety and Environment Association (PMSEA) and the PSE. Through these we shared experiences and collected intelligence about regulatory changes and the operating environment that might affect PHA's business strategies and decision making

In addition, our Compliance & Accounting Teams attended 2 seminars conducted by SEC on the Beneficial ownership rules 2026 & HARBOR, as well as the International Sustainability Standards Board Reporting Practitioners' Forum. These engagements strengthened our governance standards and awareness of the latest regulatory development and sustainability reporting requirements.

Beyond regulatory compliance, these engagements convey our business model of invigorating the Countryside through ecotourism, responsible mining, consolidated real estate developments, and innovative technology, delivers long term values to our counterparts and promotes sustainable considerations in our operations.

In the process of preparing the sustainability report, PHA introduces a materiality analysis. This systematic approach identifies the sustainability topics that have significant impacts on the economy, environment, and people and human rights, as well as those relevant to the Company's sustainable operations. These topics serve as the basis for information disclosure in the report. The GRI Reporting Standards and the SEC Guidelines were closely followed by the Group. Existing management approaches and corporate policies of the Group were incorporated as part of the baseline information.

2. Management Approach

In managing the sustainability issues of the PHA, the management follows a three-phase approach after the identification of the issue:

- a) Data Gathering
 - To create an effective policy and/or initiative, the first step is to gather data and monitor trends;
- b) Gap Analysis and Benchmarking
 - Identify the industry standard and best practices related to the material issue. This approach provides insight on how the organization is performing against its peers;
- c) Initiative Development and Implementation
 - Data on performance trends, gap analysis, and industry benchmark assist in the creation of objectives and strategies, and the development and implementation of action plans.

Report Boundary

This report only covers the activities of the Group’s operating subsidiaries for the year ended 2025. The non-operating subsidiaries (including entities that not yet operational or have stopped operations as of reporting date, are not discussed in this report. Only the key areas relevant to the Group's operations are included in this report.

Process Prioritization

In 2020, the Group established baseline data that served as the foundation for assessing performance across each identified key materiality topic. This process adhered closely to the GRI Reporting Standards and SEC Guidelines. The Group's existing management approaches and corporate policies were documented and incorporated into the baseline. A comprehensive gap analysis was then conducted for each material topic, with the identified gaps informing the development of targets and qualitative Key Performance Indicators (KPIs). These KPIs continue to be used by the Group to this day.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	106,311,225	Php
Direct economic value distributed:		
a. Operating costs	78,748,623	Php
b. Employee wages and benefits	49,633,033	Php
c. Payments to suppliers, other operating costs	7,266,553	Php
d. Dividends given to stockholders and interest payments to loan providers	102,840,067	Php
e. Taxes given to government	13,729,311	Php
f. Investment to community (e.g. donations, CSR)	240,000	Php

Impacts, Risks and Affected Stakeholders

PHA is a conglomerate aims to invigorate the Countryside through ecotourism, responsible mining, consolidated real estate developments, and innovative technology. Although headquartered in Manila, the group actually held vast land reserves and mining licenses in Baguio and Palawan through its operating subsidiaries.

PHA paid interest income to its lenders, generate tax income, license and royalty fees to government and regulators. It also provided employment opportunities to the local population. It also aligns its business strategy to support the President’s vision to transform the Philippines into a tourism powerhouse in Asia.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>The direct impact is through the Group's Sales and Operations. The Group's revenue is distributed through:</p> <ul style="list-style-type: none"> - payments to contractors, suppliers, and advisors - salaries and wages and benefits to employees - interests and loan repayment to lenders - taxes, license and royalty fees due to regulators and the government 	<p>Contractors, suppliers, advisors, employees, lenders, regulators and government</p>	<p>The Group has adopted the following priority approach:</p> <ol style="list-style-type: none"> 1) identify the long-term growth targets of the Group so that the annual targets are anchored to the achievement of the long-term objectives 2) Develop policies and actionable items to meet the targets and regularly review the policies for any improvements 3) Continuously identify and quantify all risks related to the policies and actions 4) Regularly track results against targets and constantly improve projected results.
<p>The direct economic value is distributed to the community through the increased spending capacity of the stakeholders - suppliers and employees receiving economic value from the group. In the same manner, the said stakeholders pass on the same value to its stakeholders.</p>	<p>Community, government</p>	<p>True to its commitment to continue invigorating the countryside, the Group also contributes to the local community and local government unit in Surigao, through donations and CSR activities, local employment, small enterprise opportunities and the business and other taxes paid.</p>
What are the risk/s identified?	Which stakeholders are affected?	Management Approach
<p>Changes of law and regulations can significantly impact the Group, affecting its operations, costs, and overall strategy. This can come in many forms, such as changes to business licensing and permitting, employment law, tax legislation, health and safety regulations and environmental standards. These changes can have a profound impact on how businesses operate. For instance, a change in employment law, such as an increase in the minimum wage, could lead to higher costs for businesses. Besides, the Group's property development business is subject to cost overrun</p>	<p>Customers, Suppliers, Creditors, Employees, Government, Subcontractors</p>	<p>At Group level, the management constantly visits government and regulatory portals such as the Official Gazette of the Republic of the Philippines, the SEC and PSE websites. It also receives intelligence from the corporate secretary, external auditor, legal advisors, and house banks about the latest regulatory changes and development of its environment and forward to the Board for decision making.</p> <p>At subsidiary level, PGDI communicated directly with the Department of Environment and Natural Resources (DENR) and attended events organized by PMSEA for its mining operations. For instance, air pollution poses a significant threat to climate change and the deterioration of air quality and large diesel trucks and loaders used during mining operations emit carbon dioxide (CO²), the main contributor to</p>

<p>and construction delay risks whereas bad weather such as heavy rainfall is the largest threat to our mining operations.</p> <p>All of these would potentially undermine the Group's Direct Economic Value due to loss of revenue, additional cost such as interest-during-construction as well as penalties.</p>		<p>anthropogenic climate change. PGDI replaced 60% of its truck fleet in 2024 and conducted a preventative maintenance schedule to all equipment to mitigate air pollution from inefficient combustion, avoid mechanical default, and to promote workplace safety. Besides, PGDI gave preference to engage clients such as Nickel Asia, that are dedicated to grow their business that contribute to create green economy.</p> <p>For property development business, the Group relied on its joint venture partner for daily operations and overseeing major issues at board and shareholder meeting levels.</p>
<p>What are the opportunities identified?</p>	<p>Which stakeholders are affected?</p>	<p>Management Approach</p>
<p>There are also corresponding changes in government policies during the year that present opportunities for the Group's businesses including new infrastructure and utilities; the expansion of the Puerto Princessa airport, hydropower plant, an integrated terminal and the Smart Urban Mobility (SUM) project in Baguio, as well as establishment of tourist rest areas (TRA). in which the Group's land reserves located, that can generate a sustainable rate of growth and potential expansion of the Group's operations.</p> <p>These proposals create vast demand for raw materials for construction such as limestone as well as expedite the development of Meetings, Incentives, Conferences & Exhibitions (MICE) and tourism real states in Baguio and Palawan.</p> <p>All of these can generate sustainable rate of growth and expansion of the group where the Group's land reserves are located.</p>	<p>Customers, suppliers, creditors, employees, shareholders, government, potential investors and the general public</p>	<p>PHA's management is evaluating the strategic position of Group against the government policies and identifying the internal and external factors that are favorable and unfavorable to achieving sustainable growth. The internal factors include:</p> <ul style="list-style-type: none"> - human resources—experiences of staff, board members and stakeholders - financial—revenue, grants, investments, other sources of income - track record—reputation and experiences in managing mega-projects, <p>Whereas the external factors include:</p> <ul style="list-style-type: none"> - the economy—local GDP growth, tourist and passenger movement, purchasing power per capita - availability of funding sources—from existing investors and/or potential investors, banks and the capital market and cost of financing - demographics—changes in the age, race, gender, culture of those in the organization serviceable area - physical environment—growth of location in which organization is situated, access to location - legislation, ESG compliance - local, national, or international events

The management will then apply strengths, weaknesses, opportunities and threats (SWOT) analysis to build the Group's corporate strategy.

Climate- Related Risks and Opportunities

Governance	Strategy	Risk Management	Metrics and Targets
<p><i>Disclose the organization's governance around climate related risks and opportunities</i></p> <p>PHA's Board of Directors currently do not have specified role and function as it relates to climate-related risks. This is because the scale of the mining business (contractual hauling) is relatively small, and the property business is currently being managed by the joint venture partner.</p> <p>The Group is currently working on adopting a policy that will establish a committee tasked with defining the roles and responsibilities of the Board of Directors in overseeing climate-related risks.</p> <p>However, in the event of an extreme weather condition, the Group ensures the safety of its employees and other stakeholders within its area of operations.</p>	<p><i>Disclose the actual and potential impacts of climate related risks opportunities on the organization's business, strategy, and financial planning where such information is material.</i></p> <p>The Group recognizes climate-related risks affecting its operations, particularly in Palawan. Extreme weather events, such as typhoons and heavy rains, reduce mining service days and impact revenue. These conditions also pose risks to beach-front development projects, causing delays and potential cost increases.</p> <p>Despite these challenges, the Group sees opportunities to integrate climate-resilient features—such as sustainable infrastructure and renewable energy—into its developments, enhancing long-term value and appeal to eco-conscious stakeholders.</p>	<p><i>Disclose how the organization identifies, assesses, and manages climate-related risks</i></p> <p>Climate-related risks are assessed early on based on previous years' experience.</p> <p>Work volume is frontloaded and started as early as possible during the dry season to mitigate the financial impact of the of the rainy season.</p>	<p><i>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</i></p> <p>The Group is currently in the process of developing specific metrics and targets to assess and manage climate-related risks and opportunities. These efforts aim to establish measurable indicators that align with industry standards and support long-term resilience and sustainability goals.</p>
Recommended Disclosures			
<p><i>a) Describe the board's oversight of climate-related risks and</i></p>	<p><i>a) Describe the climate-related risks and opportunities the</i></p>	<p><i>a) Describe the organization's processes for identifying and assessing</i></p>	<p><i>a) Disclose the metrics used by the organization to assess</i></p>

<p>opportunities</p> <p>While the Group’s approach to climate-related risk assessment is still being formalized, initial efforts are underway to establish a structured process for identifying, evaluating, and managing such risks. This includes the development of corresponding metrics and targets aimed at reduction and mitigation, in alignment with emerging best practices and regulatory expectations.</p>	<p>organization has identified over the short, medium and long term.</p> <p>The Group is working on formulating a formal process to identify and assess these climate-related risks including coming up with corresponding metrics and targets for reduction and mitigation.</p>	<p>climate-related risks</p> <p>The Group is in the process of formalizing its approach to identifying and assessing climate-related risks. Initial efforts are focused on integrating climate considerations into the broader risk management framework, with methodologies being developed to evaluate both physical and transition risks in line with regulatory and industry standards.</p>	<p>climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>The Group is working on formulating a formal process to identify and assess these climate-related risks including coming up with corresponding metrics and targets for reduction and mitigation</p>
<p>b) Describe management’s role in assessing and managing climate related risks and opportunities</p> <p>The Group is currently leading efforts to formalize its approach to climate-related risks and opportunities. This includes integrating climate considerations into its risk management processes and developing appropriate metrics and targets to support mitigation and resilience strategies.</p>	<p>b) Describe the impact of climate-related risks and the opportunities on the organization’s business, strategy, and financial planning.</p> <p>The Group is currently leading efforts to formalize its approach to climate-related risks and opportunities. This includes integrating climate considerations into its risk management processes and developing appropriate metrics and targets to support mitigation and resilience strategies.</p>	<p>b) Describe the organization’s processes for Managing Climate related risks</p> <p>The Group is currently leading efforts to formalize its approach to climate-related risks and opportunities. This includes integrating climate considerations into its risk management processes and developing appropriate metrics and targets to support mitigation and resilience strategies.</p>	<p>b) Describe the targets used by the organization to manage climate related risks, and opportunities and performance against targets</p> <p>The Group is in the process of developing a formal framework to identify and assess climate-related risks, including the establishment of relevant metrics and targets to support reduction and mitigation efforts.</p>

	<p>c) Describe the resilience of the organization; strategy, taking into consideration different climate related scenarios including a 2°C or lower scenario</p> <p>The Group is currently leading efforts to formalize its approach to climate-related risks and opportunities. This includes integrating climate considerations into its risk management processes and developing appropriate metrics and targets to support mitigation and resilience strategies.</p>	<p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk</p> <p>The Group is currently leading efforts to formalize its approach to climate-related risks and opportunities. This includes integrating climate considerations into its risk management processes and developing appropriate metrics and targets to support mitigation and resilience strategies.</p>	
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Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Unit
Percentage of procurement budget used for significant locations of operations that is spent on local supplies.	91	%

The Group requires its subsidiaries to follow bids and procurement policy as well as supplier accreditation guidelines and procedures for major transactions (purchasing value in excess of 5% of the entity’s total assets) except for GLCI which is under the management of our joint venture partner. For instance, PGDI set up bidding committees to manage and report to the Board on the procurement processes of dump trucks and award of its Mineral Production Sharing Agreement (“MPSA”) renewal agreements in 205. In addition, the Board constituted a related-party transaction (RPT) committee to monitor RPT procurements and to excerpt corporate governance to ensure transparency and fairness for all stakeholders.

Anti-Corruption

Training on Anti-Corruption Policies and Procedures

Disclosure	Quantity	Unit
Percentage of employees to whom the organization's anti- corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%

Percentage of directors and management that have received anti-corruption training	80	%
Percentage of employees that have received anti-corruption training	37	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Anti-corruption policies and procedure helps the Group and the company from engaging in corrupt practices that may affect the integrity of the Group, its management and employees.	Employees, Suppliers, Service Providers, Government	The Group ensures adherence to ethical business practices and compliance to all applicable laws, rules and regulations in order to prevent corruption and bribery from occurring in the Group's business operations ratios.
What are the risk/s identified?	Which stakeholders are affected?	Management Approach
Involving in corrupt practices can affect the Group's integrity and reputation within the business community and can potentially increase financing and operational costs. This can also lower share price as investors will shy away from the stock.	Employees, Suppliers, Service Providers, Government, Shareholders	As specified in the Group's Manual on Corporate Governance, corruption, dishonesty and other unlawful activities are not condoned by the Group. The Group is strictly implementing the corporate governance's code of conduct at all levels of the organization - from the directors, management down to the staff
What are the Opportunity/ies identified?	Which stakeholders are affected?	Management Approach
Opportunities identified arc improvement of the Group's current process and policies which can lead to better reputational image for the Group.	Employees, Suppliers, Service Providers, Government, Shareholders	The Group will continue to work on improving the current anti-corruption policies and procedures especially as it relates to the procurement process.

Incidents of Corruption

Disclosure	Quantity	Unit
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach

Any corrupt practices in violation of the corporate governance's code of conduct can affect the reputation and integrity of the Group.	Employees, Suppliers, Service Providers, Government, Shareholders	The Group ensures adherence to ethical business practices and compliance to all applicable laws, rules and regulations in order to prevent corruption and bribery from occurring in the Group's business operations.
What are the risk/s identified?	Which stakeholders are affected?	Management Approach
Any corrupt practices in violation of the corporate governance's code of conduct can affect the reputation and integrity of the Group.	Employees, Suppliers, Service Providers, Government, Shareholders	The Group ensures adherence to ethical business practices and compliance to all applicable laws, rules and regulations in order to prevent corruption and bribery from occurring in the Group's business operations.
What are the opportunity/ies identified?	Which stakeholders are affected?	Management Approach
Opportunities for improvement of the Group's policies and processes as it relates to anti-corruption practices.	Employees, Suppliers, Service Providers, Government, Shareholders	Group ensures adherence to ethical business practices and compliance to all applicable laws, rules and regulations in order to prevent corruption and bribery from occurring in the Group's business operations.

ENVIRONMENT

Resource Management

Energy consumption within the organization

Disclosure	Quantity	Unit
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	Insufficient data available to provide a complete picture at this point but the Group is working on gathering the information for future reports.	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	Insufficient data available to provide a complete picture at this point whereby the diesel consumed by PGDI is provided by the customer. But the Group is working on gathering the information for future reports.	GJ
Energy consumption (electricity)	18.22 (for the Group except GLCI)	GJ

Reduction of energy consumption

Disclosure	Quantity	Unit
Energy consumption (renewable sources)	Relevant data is currently unavailable; however, the Group is undertaking efforts to collect and consolidate the necessary information for future disclosures.	GJ
Energy consumption (gasoline)	Insufficient data is available at this time to provide a complete report; however, the Group is actively working to gather the necessary information for inclusion in future reports.	GJ
Energy consumption (LPG)	Insufficient data is available at this time to provide a complete report; however, the Group is actively working to gather the necessary information for inclusion in future reports.	GJ
Energy consumption (diesel)	Insufficient data is available at this time to provide a complete report; however, the Group is actively working to gather the necessary information for inclusion in future reports.	kWh
Energy consumption (electricity)	Insufficient data is available at this time to provide a complete report; however, the Group is actively working to gather the necessary information for inclusion in future reports.	GJ

The Tektite Tower (formerly the Philippine Stock Exchange), where the Group’s headquarters is located, is managed by Philippine Realty and Holdings Corporation (PhilRealty). As such, the metrics referenced above are considered immaterial to the Group’s operations.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Consumption and usage of electricity, gasoline, LPG and diesel have direct impact on the environment as it relates to greenhouse CO2 emissions and corresponding air pollutants.	Community, employees, suppliers, shareholders, government	The Group is formulating and will be closely monitoring its energy usage and will ensure that the business operations will focus on energy efficient measures.
What are the risk/ s identified?	Which stakeholders are affected?	Management Approach
Continuous high usage of these nonrenewable energy sources poses risk on the environment and the Group's business operations as it relates to the costs of energy prices.	Community, employees, suppliers, shareholders, government	The Group is formulating and will be closely monitoring its energy usage and will ensure that the business operations will focus on energy efficient measures.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Review of the Group's energy efficiency will lead to potential identification of other energy	Community, employees, suppliers,	The Group will work on reviewing and identifying renewable energy alternatives for

sources and plans to transition to renewable energy for long term sustainability.	shareholders, government	its current operations, especially for new projects.
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Water consumption within the organization

Disclosure	Quantity	Unit
Water withdrawal	No sufficient data can be provided at this point, but the Group is working on gathering the information for future reports.	Cubic meter
Water consumption	4,227 (for the Group except for GLCI)	Gallons
Water recycled and reused	No sufficient data can be provided at this point but the Group is working on gathering the information for future reports.	Cubic meter

Water withdrawal is the amount of water supplied to end-users. This metric is not material to the Group since we do not directly source water from withdrawal sources (i.e. surface water, groundwater, and seawater). The amount of water recycled and reused is not reported whereas the Tektite Tower is managed by the PhilRealty. Given that, the metrics listed above are considered immaterial to the Group.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Group's water consumption directly impacts the water supply of the locales and communities where the Group operates. Water conservation is highly important in its environmental impact on the community and the ecosystem. The Group will ensure that water conservation measures are in place in all its operations.	Community, employees, suppliers, shareholders, government	Water conservation is a key environmental priority due to its significant impact on both the community and the ecosystem. The Group is committed to implementing effective water conservation measures across all operations. Comprehensive policies and procedures will be established to ensure compliance and support long-term sustainability goals.
What are the risk/ s identified?	Which stakeholders are affected?	Management Approach
Risks posed are water shortage which can impact continuous operations and potentially increase operational costs.	Community, employees, suppliers, shareholders, government	Water conservation is a key environmental priority due to its significant impact on both the community and the ecosystem. The Group is committed to implementing effective water conservation measures across all operations. Comprehensive policies and procedures will be established to ensure compliance and support long-term sustainability goals.

What are the opportunity/ies identified?	Which stakeholders are affected?	Management Approach
Opportunities have been identified to review and enhance current practices related to water consumption, wastewater management, and other environmental conservation measures. When effectively implemented, these initiatives can reduce the Group's environmental footprint and potentially result in cost savings.	Community, employees, suppliers, shareholders, government	Water conservation is a key environmental priority due to its significant impact on both the community and the ecosystem. The Group is committed to implementing effective water conservation measures across all operations. Comprehensive policies and procedures will be established to ensure compliance and support long-term sustainability goals.

Materials used by the organization

Disclosure	Quantity	Unit
Materials used by weight or volume		
Renewable	0	Kg/liters
Non-renewable	Insufficient data available to provide a complete picture at this point but the Group is working on gathering the information for future reports.	Kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Group is not currently involved in any manufacturing activities that utilize significant amounts of materials. As such, its direct environmental impact related to material use remains minimal.	Community, employees, suppliers, shareholders, government	The Group is working to reduce its reliance on physical documents to minimize paper consumption. In addition, it is exploring the use of recyclable and biodegradable materials in its day-to-day office operations to further support environmental sustainability.
What are the risk/ s identified?	Which stakeholders are affected?	Management Approach
The Group is currently not engaged in any manufacturing activities.	Community, employees, suppliers, shareholders, government	The Group is working on reducing its reliance on physical documents in order to reduce paper usage. The Group is also looking into using recyclable and biodegradable materials in its everyday office operations

What are the opportunity/ies identified?	Which stakeholders are affected?	Management Approach
The Group is currently not engaged in any manufacturing activities.	Community, employees, suppliers, shareholders, government	The Group is working to reduce its reliance on physical documents to minimize paper consumption. In addition, it is exploring the use of recyclable and biodegradable materials in its day-to-day office operations to further support environmental sustainability.

Ecosystems and biodiversity (whether in upland or watershed or coastal/marine)

Disclosure	Quantity	Unit
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside	None	hectare
Habitats protected or restored	None	hectare
International Union for Conservation of Nature (IUCN*) Red List species and national conservation list species with habitats in areas affected by operations	None	#

In 2025, PGDI operated within the nickel mine located in the municipality of Claver, Surigao del Norte, which is owned by Taganito Mining Corporation (TMC). TMC is primarily responsible for the mine’s sustainable development initiatives, including health and education programs, infrastructure development, and environmental conservation efforts.

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Unit (ppm)
Direct (Scope 1) GHG Emissions	Insufficient data available at this point, but the Group is working on gathering the information for future reports.	N/A
Energy indirect (Scope 2) GHG Emissions	Insufficient data available at this point, but the Group is working on gathering the information for future reports.	N/A
Emissions of ozone-depleting substances (ODS)	Insufficient data available at this point, but the Group is working on gathering the information for future reports.	N/A

Air pollutants

Disclosure	Quantity	Unit
NO ₂	No sufficient data can be provided at this point, but the Group is working on gathering the information for future reports.	kg

SO ₂	No sufficient data can be provided at this point, but the Group is working on gathering the information for future reports.	kg
Persistent organic pollutants (POPs)	No sufficient data can be provided at this point, but the Group is working on gathering the information for future reports.	kg
Volatile organic compounds (VOCs)	No sufficient data can be provided at this point, but the Group is working on gathering the information for future reports.	kg
Hazardous air pollutants (HAPs)	No sufficient data can be provided at this point, but the Group is working on gathering the information for future reports.	kg
Particulate matter (PM)	No sufficient data can be provided at this point, but the Group is working on gathering the information for future reports.	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Group's operations have a negligible contribution to air pollution. Nonetheless, the Group recognizes the potential health impacts of air pollution on both the community and its employees, and remains committed to minimizing any associated risks through responsible practices.	Employees, Community, Shareholders	The Group conducts quarterly emission testing of its generator set as part of the requirements to obtain a Permit to Operate, in compliance with Republic Act No. 8749, also known as the Philippine Clean Air Act of 1999.
What are the risk/ s identified?	Which stakeholders are affected?	Management Approach
The Group recognizes that air pollution can have adverse effects on the health of both the community and its employees.	Employees, Community, Shareholders	The Group ensures that all its operations comply with the standards set by the Clean Air Act. Regular maintenance of machinery and vehicles is conducted to minimize emissions and support the reduction and mitigation of air pollutants.
What are the opportunity/ies identified?	Which stakeholders are affected?	Management Approach
The Group is continuously improving its processes and policies to incorporate better technologies and environmentally responsible materials, with the goal of minimizing potential impacts on	Employees, Community, Shareholders	The Group ensures that all its operations comply with the standards set by the Clean Air Act. Regular maintenance of machinery and vehicles is conducted to minimize emissions and support the reduction and mitigation of air pollutants.

air quality and reducing overall environmental harm.		
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Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Unit
Total solid waste generated	No data is currently available; however, the Group is actively working to gather the necessary information for inclusion in future reports.	kg
Reusable	No data is currently available; however, the Group is actively working to gather the necessary information for inclusion in future reports.	kg
Recyclable	Insufficient data is available at this time; however, the Group is working to gather the necessary information for inclusion in future reports.	kg
Composted	No data is currently available; however, the Group is actively working to gather the necessary information for inclusion in future reports.	kg
Incinerated	Insufficient data is available at this time; however, the Group is working to gather the necessary information for inclusion in future reports.	kg
Residuals/Landfilled	No data is available to the Group is working on gathering the information for future reports.	kg

In 2025, PGDI operated in the nickel mine, in the municipality of Claver, Surigao del Norte, is owned by Taganito Mining Corporation (TMC). Given that, the metrics listed above are considered immaterial to the Group.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Group ensures that all waste generated across its operations is managed and disposed of in accordance with standard environmental practices. Any deviation from these standards may result in regulatory sanctions, which could potentially lead to business disruption or cessation.	Employees, Community, Suppliers, Government, Shareholders	The Group conducts quarterly water sampling tests on its Sewage Treatment Plant (STP) to comply with the requirements for securing a Discharge Permit, in accordance with Republic Act No. 9275, also known as the Philippine Clean Water Act of 2004.
What are the risk/ s identified?	Which stakeholders are affected?	Management Approach
The Group ensures that all waste generated across its operations is managed and disposed of in accordance with standard environmental practices. Any deviation from these standards may result in regulatory sanctions, which	Employees, Community, Suppliers, Government, Shareholders	The Group ensures that waste management and disposal practices are carried out in full compliance with environmental and regulatory standards.

could potentially lead to business disruption or cessation.		
What are the opportunity/ies identified?	Which stakeholders are affected?	Management Approach
The Group sees an opportunity to review and enhance its waste disposal processes to further mitigate negative environmental impacts and strengthen overall sustainability practices.	Employees, Community, Suppliers, Government, Shareholders	The Group ensures that waste management and disposal practices are carried out in full compliance with environmental and regulatory standards.

Hazardous Waste

Disclosure	Quantity	Unit
Total weight of hazardous waste generated	Unidentified	kg
Total weight of hazardous waste transported	To be identified	kg

Effluents

Disclosure	Quantity	Unit
Total volume of water discharges	Insufficient data is available at this time; however, the Group is working to gather the necessary information for inclusion in future reports.	Cubic meters
Percent of wastewater recycled	Insufficient data is available at this time; however, the Group is working to gather the necessary information for inclusion in future reports.	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Group recognizes that improper disposal of effluents can lead to water contamination, posing serious risks to public health and the environment.	Community, employees, shareholders	The Group ensures proper waste generation management, handling, and containment in compliance with the requirements for a Hazardous Waste Registration Certificate, in accordance with Republic Act No. 6969, also known as the Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990.
What are the risk/ s identified?	Which stakeholders are affected?	Management Approach

The Group recognizes that improper disposal of effluents can lead to water contamination, posing serious risks to public health and the environment.	Community, employees, shareholders	The Group ensures compliance with proper wastewater disposal in accordance with established environmental standards. It is also actively promoting the use of recycled water and the implementation of rainwater harvesting systems across its projects to support sustainable water management.
What are the opportunity/ies identified?	Which stakeholders are affected?	Management Approach
The Group has identified an opportunity to review and enhance its wastewater disposal practices, including the upgrade of related facilities, to further strengthen environmental compliance and sustainability.	Community, employees, shareholders	The Group ensures compliance with proper wastewater disposal in accordance with established environmental standards. It is also actively promoting the use of recycled water and the implementation of rainwater harvesting systems across its projects to support sustainable water management.

Environmental Compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Unit
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	None	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	None	#
No. of cases resolved through dispute resolution mechanism	None	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Non-compliance with environmental laws and regulations can significantly affect the Group's operations, potentially resulting in work stoppages, financial penalties, regulatory sanctions, and legal action. (The Group remains committed to full compliance to avoid such risks and ensure sustainable operations).	Community, employees, shareholders, government	The Group ensures that all its operations are conducted in full compliance with applicable environmental laws and regulations.
What are the risk/ s identified?	Which stakeholders are affected?	Management Approach

Non-compliance with environmental laws and regulations can have direct and serious consequences for the Group's operations, including potential work stoppages, financial penalties, regulatory sanctions, and legal action.	Community, employees, shareholders, government	The Group ensures that all its operations are conducted in full compliance with applicable environmental laws and regulations.
What are the opportunity/ies identified?	Which stakeholders are affected?	Management Approach
The Group has identified opportunities to strengthen its policies and management controls to enhance environmental compliance across all operations.	Community, employees, shareholders, government	The Group ensures that all its operations are in compliance with applicable environmental laws and regulations.

SOCIAL

Employment Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Unit
Total number of employees		
a. Number of female employees	44	#
b. Number of male employees	81	#
Attrition rate	1.32	%
Ratio of lowest paid employee against minimum wage	1:1	ratio

Employee Benefits

List of Benefits	Y/N	% female employees who availed for the year	% male employees who availed for the year
SSS	Y	35 %	65 %
Phil Health	Y	35 %	65 %
Pag-Ibig	Y	35 %	65 %
Parental leaves	Y	0%	0%
Vacation leaves	Y	35 %	65 %
Sick leaves	Y	35 %	65 %
Medical benefits (aside from Phil Health)	Y	35 %	65 %
Housing assistance (aside from Pag-Ibig)	N	0%	0%

Retirement fund (aside from SSS)	N	0%	0%
Further education support	N	0%	0%
Company stock options	N	0%	0%
Telecommuting	N	0%	0%
Flexible working hours	Y	5%	6%
Maternity leave	N	0%	0%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Group recognizes that effective employee management plays a critical role in driving productivity, enhancing workplace morale, and supporting overall organizational growth. As such, the Group remains committed to fostering a positive and supportive work environment across all its operations.	The Group ensures full compliance with all labor standards and regulations set by the Department of Labor and Employment (DOLE). All mandatory employee benefits are provided, along with additional benefits as approved by the Board.
What are the risk/ s identified?	Management Approach
Employee attrition poses a significant risk to the Group, as the loss of top talent can adversely impact productivity, disrupt operations, and hinder overall organizational growth.	Regular performance appraisals and evaluations are conducted for all employees, with corresponding benefits and incentives identified to recognize their contributions.
What are the opportunity/ies identified?	Management Approach
Opportunities have been identified to enhance existing company policies, particularly in strengthening employee benefits and incentive programs to further support engagement, retention, and overall well-being.	Enhancing current company policies on employee benefits and incentives presents an opportunity to retain top talent, boost productivity, and support the Group's long-term growth and sustainability.

Our joint venture partner is responsible for GLCI's employee compensation and benefit program.

Employee Training and Development

Disclosure		Quantity	Unit
Total training hours provided to employees			
a.	Female employees	8	hours
b.	Male employees	40	hours
Total number of employees			
a.	Female employees	1	Hours/employee
b.	Male employees	1	Hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Group recognizes that training and development play a vital role in enhancing employee skills, which in turn drives productivity and supports long-term organizational growth.	Ongoing training and development programs are provided to all employees to ensure their knowledge and skills remain current, particularly in relation to emerging technologies and industry best practices.
What are the risk/ s identified?	Management Approach
Each hour of training conducted outside an employee's regular work schedule may impact operational timelines and the achievement of performance targets.	Training sessions may be scheduled outside regular working hours, with corresponding incentives provided to encourage employee participation and engagement.
What are the opportunity/ies identified?	Management Approach
Training and skills development present key opportunities to enhance employee performance, drive productivity, and contribute to the Group's overall business growth.	The Group provides continuous training and development to ensure employees' knowledge and skills remain current, particularly in relation to emerging technologies and evolving industry practices.

Labor Management Relations

Disclosure	Quantity	Unit
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	0	#
What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach	
The Group recognizes that strong labor-management relations and sound employment practices are essential to maintaining productivity, operational efficiency, and long-term business growth.	The Group upholds an open-door policy, encouraging employees to share their concerns, suggestions, and feedback. The Group is committed to fostering open communication and ensures that all matters raised are acknowledged, discussed, and appropriately addressed.	
What are the risk/ s identified?	Management Approach	
Unaddressed employee grievances and unresolved workplace concerns may lead to labor disputes, legal actions, or work stoppages, negatively impacting productivity and hindering business continuity.	. The Group upholds an open-door policy, encouraging employees to share their concerns, suggestions, and feedback. The Group is committed to fostering open communication and ensures that all matters raised are acknowledged, discussed, and appropriately addressed.	
What are the opportunity/ies identified?	Management Approach	
There are opportunities to further strengthen labor relations by enhancing communication channels, grievance mechanisms, and employee engagement initiatives—contributing to a more cohesive and productive work environment.	. The Group upholds an open-door policy, encouraging employees to share their concerns, suggestions, and feedback. The Group is committed to fostering open communication and ensures that all matters raised are acknowledged, discussed, and appropriately addressed.	

Diversity and Equal Opportunity

Disclosure	Quantity	Unit
% of female workers in the workforce	35	%
% of male workers in the workforce	65	%
Number of employees from indigenous communities and/or vulnerable sector	0	#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP, - Class D and E).*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Group recognizes that promoting diversity and equality within the workforce positively influences business operations, fosters innovation, and drives productivity, ultimately contributing to sustainable long-term growth.	The Group is an equal opportunity employer and does not discriminate on the basis of gender, age, race, or religion. Hiring and promotion decisions are based on merit, with assessments focused on skills, qualifications, and performance. Disciplinary actions are handled objectively, guided by the facts of each case, applicable company policies, and relevant labor laws.
What are the risk/ s identified?	Management Approach
Potential risks include workplace conflicts and miscommunication arising from differences in background, culture, or perspectives within a diverse workforce.	The Group is committed to promoting awareness of its equal opportunity employment policy across all companies. Ongoing training and education programs will be conducted to foster a culture of diversity, inclusion, and mutual respect in the workplace.
What are the opportunity/ies identified?	Management Approach
There are opportunities to enhance the Group's policies on diversity and inclusion, which can strengthen employee engagement, improve collaboration, and support overall business performance and growth.	The Group is an equal opportunity employer and does not discriminate based on gender, age, race, or religion. All hiring and promotion decisions are grounded in merit, focusing on skills, qualifications, and performance. The Group's commitment to inclusivity is demonstrated by its diverse workforce, which includes the elderly, persons with disabilities (PWDs) and a couple of solo parents.

Workplace Conditions, Labor Standards, and Human Rights
Occupational Health and Safety

Disclosure	Quantity	Unit
Safe Man-Hours	593	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	3	shift/day

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Work-related injuries can have a significant impact on the Group's operations, potentially affecting productivity, employee morale, and business continuity. To mitigate this, the Group ensures that all work environments comply with established health and safety protocols.	The Group ensures that all work environments adhere to established health and safety protocols and remain fully compliant with applicable government rules and regulations.
What are the risk/ s identified?	Management Approach
Failure to comply with health and safety standards and regulatory requirements may result in work stoppages, legal liabilities, and reputational damage to the Group.	The Group ensures that all work environments adhere to established health and safety protocols and remain fully compliant with applicable government rules and regulations.
What are the opportunity/ies identified?	Management Approach
The Group sees opportunities to further strengthen its occupational health and safety practices by enhancing safety training programs, improving hazard prevention measures, and regularly reviewing workplace safety protocols to ensure continued compliance and employee well-being.	The Group ensures that all work environments adhere to established health and safety protocols and remain fully compliant with applicable government rules and regulations.

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	The Group does not yet have a formal supplier accreditation policy in place; however, it is currently in the process of developing one to ensure that all accredited suppliers adhere to best practices and sustainability standards.
Forced labor	Y	The Group does not yet have a formal supplier accreditation policy in place; however, it is currently in the process of developing one to ensure that all accredited suppliers adhere to best practices and sustainability standards.
Child labor	Y	The Group does not yet have a formal supplier accreditation policy in place; however, it is currently in the process of developing one to ensure that all accredited suppliers adhere to best practices and sustainability standards.
Human Rights	Y	The Group does not yet have a formal supplier accreditation policy in place; however, it is currently in the process of developing one to ensure that all accredited suppliers adhere to best practices and sustainability standards.
Bribery and corruption	Y	The Group does not have a formal supplier accreditation policy yet but we are in the process of formulating one that will ensure best practice and sustainability compliance of all suppliers who will be accredited.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Effective supply chain management is critical to the Group's operations, directly impacting productivity and service delivery. The Group plays an active role in managing procurement and supplier relationships.	The Group is in the process of formalizing its policies on sustainable supply chain practices and is committed to ensuring that employees adhere to responsible sourcing standards across all procurement activities.
What are the risk/ s identified?	Management Approach
Risks include delays or non-delivery of goods and services, potentially leading to work stoppages, increased costs, and revenue loss.	The Group is in the process of formalizing its policies on sustainable supply chain practices and is committed to ensuring that employees adhere to responsible sourcing standards across all procurement activities.
What are the opportunity/ies identified?	Management Approach
The Group sees an opportunity to improve supply chain efficiency through formalized policies, better supplier evaluation, and alignment with sustainability standards.	The Group is in the process of formalizing its policies on sustainable supply chain practices and is committed to ensuring that employees adhere to responsible sourcing standards across all procurement activities.

Relationship with Community

Significant Impacts on Local Communities

Operations with Significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable) *	Does the particular operation have impacts on indigenous people (Y/N)?	Collective Of individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Rotary Club Philippines	Greenhills	All	Yes		
Philippines Beijing University Alumni	Manila	All relating to the advocacy to the association	Yes		
Church of Jesus Christ of Latter-day Saints	Manila	All	Yes		
Mabuhay Deseret Foundation	Manila, Cebu, Davao	All	Yes		

*Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with and other diseases, solo parents, and the poor or the base of the Pyramid (BOP; Class D and E)

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPS) secured and still operational and provide a copy of link to the certificates if available: N/A

Certificates	Quantity	Unit
FPIC process is still undergoing	N/A	#
CP secured	N/A	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
N/A	N/A
What are the risk/ s identified?	Management Approach
N/A	N/A

Customer Management

Customer Satisfaction

Disclosure	Score	Third Party conduct the customer satisfaction (Y/N)
Customer Satisfaction	N/A	N

PGDI has a single corporate client, serviced under a formal agreement. For GLCI, corporate branding and marketing responsibilities are handled by the joint venture partner, which allocated ₱3.36 million for sales commissions, advertising, and promotional activities. The Group provides oversight of GLCI's branding and marketing efforts through regular board and shareholder meetings to ensure alignment with strategic goals.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A
What are the risk/ s identified?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A
What are the opportunity/ies identified?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety	0	#
No. of complaints addressed	0	#

**Substantial complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A
What are the risk/ s identified?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A
What are the opportunity/ies identified?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A

Marketing and Labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labeling	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

PGDI has a single corporate client, serviced under a formal agreement. For GLCI, corporate branding and marketing responsibilities are handled by the joint venture partner, which allocated ₱3.36 million for sales commissions, advertising, and promotional activities. The Group provides oversight of GLCI's branding and marketing efforts through regular board and shareholder meetings to ensure alignment with strategic goals.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A
What are the risk/ s identified?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A
What are the opportunity/ies identified?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A

Customer Privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy	0	#

No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	Nil for the Group except for GLCI?	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Customer complaints, if not properly addressed, may result in project back-outs, reputational damage, and loss of sales—especially within GLCI's real estate developments.	The Group is committed to delivering a positive customer experience by ensuring that all concerns and complaints are promptly and effectively addressed.
What are the risk/ s identified?	Management Approach
Customer complaints, if not properly addressed, may result in project back-outs, reputational damage, and loss of sales—especially within GLCI's real estate developments.	The Group is committed to ensuring a positive customer experience by promptly addressing concerns and complaints. Dedicated teams are in place to manage customer service and uphold service quality across all touchpoints.
What are the opportunity/ies identified?	Management Approach
High levels of customer satisfaction present opportunities for repeat business, upselling, and positive referrals, ultimately supporting brand trust and revenue growth.	The Group is committed to ensuring a positive customer experience by promptly addressing concerns and complaints. Dedicated teams are in place to manage customer service and uphold service quality across all touchpoints.

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Group recognizes that data security is critical to the integrity of its business operations. Risks related to data security can arise within internal systems, third-party providers, and across business units handling sensitive or confidential information.	The Group ensures full compliance with all applicable laws, rules, and regulations related to data privacy, including the implementation of the Data Privacy Act. Appropriate data security measures are also being established across operations to safeguard sensitive information and protect stakeholder trust.
What are the risk/ s identified?	Management Approach
A data breach could expose sensitive and confidential information, leading to	The Group ensures full compliance with all applicable laws, rules, and regulations related to data privacy, including the implementation of the Data Privacy Act. Appropriate data



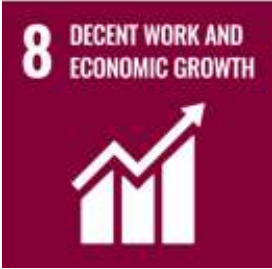

<p>reputational damage, legal consequences, and disruptions to the Group’s current and future operations.</p>	<p>security measures are also being established across operations to safeguard sensitive information and protect stakeholder trust.</p>
<p>What are the opportunity/ies identified?</p>	<p>Management Approach</p>
<p>There is an opportunity to continuously strengthen the Group’s data management systems and security protocols, ensuring resilience against emerging threats and compliance with evolving data protection regulations.</p>	<p>The Group ensures full compliance with all applicable laws, rules, and regulations related to data privacy, including the implementation of the Data Privacy Act. Appropriate data security measures are also being established across operations to safeguard sensitive information and protect stakeholder trust.</p> <p>The Company has also reappointed its Data Privacy and Security Officer and installed CCTV systems within office premises to further strengthen data protection, security monitoring, and compliance measures.</p>



SUSTAINABLE DEVELOPMENT GOALS

Product Of Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs
<p>SDG:3 Good Health and Well-Being 3.8, 3.4</p> 	<p>The Group supports a healthy and supportive work environment by providing access to medical insurance and annual physical examinations. It also promotes a balanced and healthy lifestyle by organizing wellness programs, fitness activities, and initiatives that encourage physical activity and mental resilience. In addition, employee engagement activities are organized to foster a positive work environment, strengthen teamwork, and support overall employee well-being.</p> 
<p>SDG:8 Decent Work and Economic Growth</p> 	



SDG:4 Quality Education
4.3, 4.4, 4.6, 4.7b

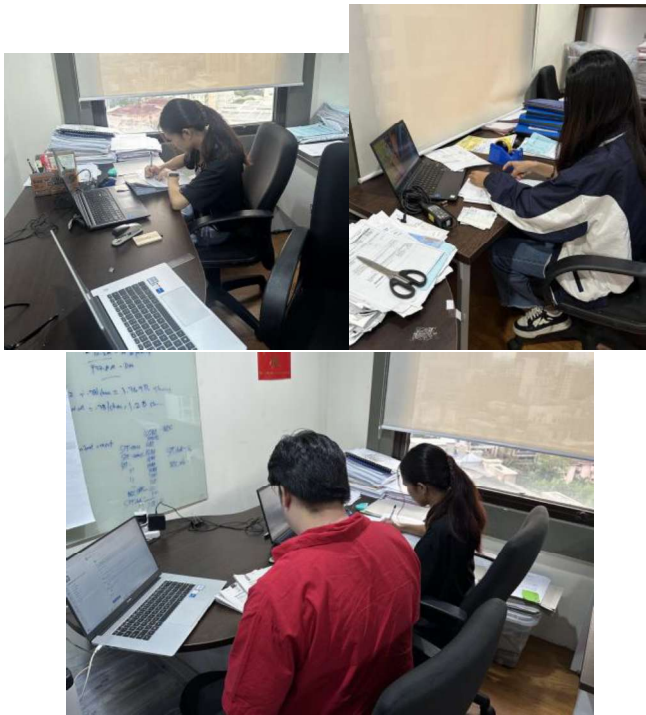


The Group supports 15 underprivileged students in Palawan by providing scholarships in their final year of college, enabling them to complete their education despite financial constraints. This initiative helps expand access to quality education and empowers students to achieve their aspirations and improve their future opportunities.





In addition, the Group has opened an OJT program, this helps graduating students gain meaningful hands-on experience and and real-world learning



SDG 5: Gender Equality



The Group is committed to advancing gender equality by fostering an inclusive workplace where women are well represented at every level of decision making from Board of Directors, executive management to key officer positions. This reflects the Group’s inclusive approach to create a more resilient, merit-based organization, ensuring every voice has an equal opportunity to lead.



SDG 11: Sustainable Cities and Communities



The Group through GLC I provide families the opportunity of owning a home and in the cool climes of Baguio City which is considered to be the summer capital of the Philippines, Pangasinan & New Clark City a master planned community. The homes that were built by the Company not only provide shelter for the buyers but also passive income for those who choose to rent them out.



*None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.