Annex "B"

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 *31 December 2025*

2. SEC Identification Number *11163* 3. BIR Tax Identification No. *000-471-497-000*

4. Exact name of issuer as specified in its charter *Philcomsat Holdings Corporation*

5. *Philippines* 6. [ ] (SEC Use Only)
Province, Country or other jurisdiction of incorporation or organization
Industry Classification Code:

7. *12/F Telecom Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City* *1200*
Address of principal office Postal Code

8. *(632) 8815-8406*
Issuer's telephone number, including area code

9. N/A
Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	*996,391,254*

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

Yes [x] No [ ]

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

Philippine Stock Exchange	*60,000,000 common shares*

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 [x] No [ ]

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

Yes [x] No [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the Corporation.

As of 31 December 2025, the aggregate market value of the voting stock held by non-affiliates of the Corporation is P190,715,302.

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

Not applicable

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

None of the above documents are incorporated by reference.

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

(1) Business Development

(a) Form and Date of Organization of the Corporation

Philcomsat Holdings Corporation, formerly Liberty Mines, Inc., was incorporated on May 10, 1956. On January 10, 1997, the Corporation approved amendments of its Articles of Incorporation, changing its primary purpose from embarking in the discovery, exploitation, development and exploration of mineral oils, petroleum in its natural state, rock or carbon oils, natural oils and other volatile mineral substances to a holding company and changing its name and declassifying its shares. These changes were filed with the Securities and Exchange Commission (SEC) on April 14, 1997 and were approved by the SEC on July 23 and September 12, 1997, respectively. The authorized capital of the Corporation is One Billion Pesos (P1,000,000,000.00) divided into one billion (1,000,000,000) common shares with a par value of P1.00 per share. Of the total authorized capital stock, sixty million (60,000,000) shares are listed and currently trading at the Philippine Stock Exchange (PSE). The remaining nine hundred forty million (940,000,000) shares are subject of a listing application currently pending with the PSE.

In May 2006, the Corporation amended its articles of incorporation extending the life of the Corporation for another fifty (50) years or until 2056. This extension however has been

rendered moot by the Revised Corporation Code and the rules of the SEC that grant perpetual existence to corporations.

The Corporation is a subsidiary of the Philippine Communications Satellite Corporation ("Philcomsat") which owns approximately seventy-nine percent (79%) of the outstanding capital stock of the Corporation.

The Corporation owns 100% of Philcomsat Management Enterprises, Inc. which in turn owns Professional Stock Transfer, Inc.

(b) Bankruptcy, Receivership or Similar Proceeding

The Corporation is not involved in any bankruptcy, receivership or similar proceeding.

(c) Material Reclassification, Merger, Consolidation, Purchase/ Sale of Assets not in the Ordinary Course of Business

The Corporation is not involved in any material reclassification, merger, consolidation, purchase or sale of assets not in the ordinary course of business.

(2) Business of the Corporation

(a) Description

(i) Products/Services/Facilities

The Corporation holds investments in money market placements and financial instruments. At the annual stockholders' meeting held on 21 November 2022, the stockholders adopted a resolution authorizing the Corporation to engage in its secondary purpose of managing hotels and resorts. Currently, there is no product or service that contributes ten percent (10%) or more to sales or revenue.

(ii) Foreign Sales

The Corporation does not have any foreign sales or revenues.

(iii) Distribution of Products and Services

The Corporation does not distribute any facility, product and service.

(iv) Status of Publicly Announced New Product

The Corporation does not have a publicly announced new product.

(v) Competition

The Corporation does not have direct competitors for its money market operations.

(v) Raw Materials and Supplies

The Corporation's facilities, services and products do not require the use of raw materials and supplies.

(vi) Major Customers

This disclosure is not applicable to the Corporation's business.

(vii) Dependency on single/few customers that account for 20% of sales.

This disclosure is not applicable to the Corporation's business.

(viii) Transactions with/Dependence on Related Parties

Among the transactions with related parties are receivables from the Montemar Beach Club, Inc. The Corporation likewise has a lease agreement with Philcomsat for the rent of its office space. As the Corporation does not have employees, Philcomsat provides accounting and management services to the Corporation. In addition, PSTI acts as the stock transfer agent of the Corporation. Details of these RPTs are found in Note 16 of the attached Audited Financial Statements.

In addition, at the annual stockholders' meeting held on 21 November 2022, the stockholders adopted a resolution authorizing the Corporation to engage in its secondary purpose of managing hotels and resorts, which the Corporation is currently pursuing with the Montemar Beach Club, Inc.

(ix) Patents, Trademarks, Licenses, etc.

The Corporation does not own any patent, trademark, license or franchise.

(x) Government Approval

This disclosure is not applicable to the Corporation's business as the Corporation has no principal product or service that requires government approval.

(xi) Effect of Governmental Regulations

The Corporation does not expect to be affected by any existing or probable governmental regulations aside from those issued by the PSE and the SEC.

(xii) Research and Development Activities

The Corporation has no expenditures for research and development for the last three (3) fiscal years.

(xiii) Environmental Laws

This disclosure is not applicable to the Corporation's business and concerns.

(xiv) Number of Employees

As of 31 December 2024, no new regular employee was hired by the Corporation. The Corporation's businesses and concerns are managed and handled by the executives, staff members and consultants of Philcomsat, the 79% owner of the Corporation.

The Corporation has no collective bargaining agreement and there had been no strikes or threats of strike within the past three (3) years.

The Corporation may consider employing full-time staff within the next twelve (12) months should the need arise. Management does not foresee granting any supplemental benefit or incentive arrangement with future employees.

(xv) Major risks

Being involved in money market operations, the major risks of the Corporation are the fluctuation of money market fund rates and inflation. Management carefully evaluates its placements to ensure that the Corporation's investments are typically safe and liquid and provide decent returns.

(b) Additional Requirements as to Certain Issues or Issuers

(i) Debt Issues

This disclosure is not applicable to the Corporation.

(ii) Investment company securities

This disclosure is not applicable to the Corporation.

(iii) Mining and Oil companies

This disclosure is not applicable to the Corporation

Item 2. Properties

The Corporation leases its office space at its current business address at the 12/F Telecoms Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City with a floor area of 160 sq. m. Rent expense amounted to P1.54 million in 2024, P1.46 million in 2023, and P1.39 million in 2022.

In addition, the Corporation owns nine parcels of land covering three hundred eighty-three thousand nine hundred ninety-nine (383,999) square meters located at Ibis, Bagac, Bataan. The land's title is currently being processed for transfer to the name of the Corporation.

The Corporation does not intend to acquire property in the next twelve (12) months.

Item 3. Legal Proceedings

The Corporation is a party to the following legal actions and proceedings which are not expected to have a material effect on its financial position.

• Philippine Communications Satellite Corporation against Philcomsat Holdings Corp. (PHC and former directors), Luis Lokin Jr., Enrique Locsin and Philip Brodett (Locsin Group)

PHC, through the valid and incumbent directors (Bildner Group) filed a Motion for Issuance of Writ of Execution with the Regional Trial Court (RTC) of Makati Branch 138 as court of origin, following the final resolution of SC declaring the election of Locsin Group as PHC's

officers and directors. Accordingly, the SC ordered the Locsin Group to render an accounting and return of funds allegedly received from the Company. An Order granting the Motion was issued on February 20, 2017, resulting to the issuance of the Writ of Execution on February 28, 2017. On January 9, 2018, PHC filed a manifestation for the implementation of the Writ of Execution. On February 9, 2018, an Order was issued directing PHC, within thirty (30) days from receipt, to submit its preferred accounting firm who will conduct the accounting of all funds and other assets received from POTC, PHC and Philcomsat since September 2004. On February 22, 2018, PHC filed its Ex-Parte Manifestation and Motion, in compliance with the said Order. On July 11, 2018, the Sheriff of the Office of the Clerk of Court of Makati served the Writ of Execution to Manuel Andal, Benito Araneta, Philip Brodett, Enrique Locsin, Concepcion Poblador and Johnny Tan. On June 6, 2019, PHC filed an Ex-Parte Motion to Resolve the pending motion to appoint Virgilio R. Santos as the auditing accounting firm for the execution of the SC Decision dated July 3, 2013 issued in GR Nos. 184622, 184712-14, 186066 and 186590. There was a status conference held in this case on December 13, 2019 where the Court required the defendants to provide a name of their selected accountant to move forward with the audit. The defendants failed or refused again to comply, so the Court is likely to appoint Philcomsat's proposed accountant, Virgilio R. Santos, to do the audit. On May 18, 2022, Philcomsat filed an Ex-Parte Motion to Resolve praying that an Order be issued allowing VRS to commence the (17) accounting of corporate funds received, utilized and disbursed by all the defendants and their assigns, which the Court granted in its Order of June 3, 2022. However, VRS has already retired. The issue of who would render the audit remains unsolved. On May 2, 2017, the Presidential Commission on Good Government (PCGG) and Locsin filed with the Court of Appeals (CA) a Petition for Certiorari and Prohibition with Very Urgent Prayer for Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction assailing the Order dated February 20, 2017 issued by the RTC. On January 30, 2018, the CA issued a Decision dismissing the Petition. On February 22, 2018, PCGG and Locsin filed their Motion for Reconsideration with Motion to Exclude the PCGG from the instant Petition, which are both denied in a Resolution dated June 27, 2018. On August 8, 2018, PCGG filed its Motion for Reconsideration on the denial of its Motion for Exclusion. On October 29, 2018, Philcomsat filed its Opposition thereto. Meanwhile, PCGG and Locsin filed a Petition for Review with the Supreme Court (SC) questioning the Decision issued by the CA dated January 30, 2018, which dismissed their Appeal. Philcomsat filed its comment thereto on November 6, 2018. PCGG filed its Reply on February 17, 2020. Separately, Brodett filed his Petition for Certiorari under Rule 65 with the CA assailing the Order issued by the RTC, which denied his Motion for Clarification on the issue of rendering an accounting of the funds. The CA denied his Petition on the ground that clarification may only be allowed if the order involves a clerical error but not when it is an alleged erroneous judgment or dispositive portion of the decision. Since Brodett's Motion for Clarification was raised questioning the grant of a writ of execution, the CA held that it cannot be subject of a motion for clarification. On December 15, 2017, the CA's dismissal was issued and the case was considered terminated. Brodett still filed his Motion for Reconsideration, which was denied on May 10, 2018. Brodett elevated the matter to the SC via Petition for Review but the SC denied the same in a Resolution dated August 29, 2018. On December 7, 2022, the Court issued a Resolution requiring the parties to file their respective memoranda. Philcomsat filed its Memorandum on March 10, 2023. PCGG and Locsin filed their Memorandum on March 13, 2023.

• **Complaint for collection against Araneta and Lokin**

On May 26, 2010, a complaint for collection of sum of money and damages, with an application for a Writ of Preliminary Attachment dated May 24, 2010 was filed by the

Company against Benito Araneta and Luis Lokin Jr., former directors of the Company for an alleged personal back to back loans with Bankwise procured by Araneta using the Company's funds as collateral, with the help of Lokin, in the amount of P35.3 million. On February 2, 2017, a Decision was issued finding Araneta and Lokin liable to pay PHC; a) actual damages in the sum of P31.5 million plus legal interest of 6% computed from May 26, 2010, the time of judicial demand until fully paid; b) P200,000 as and by way of exemplary damages; and c) P200,000 as and by way of attorney's fees, plus costs of suit. Araneta and Lokin filed their Notices of Appeal on September 6 and September 8, 2017, respectively. On January 16, 2018, the Court of Appeals (CA) required defendants to file Appellant's Brief within 45 days from receipt thereof. On April 20, 2018 and May 7, 2018, PHC received Lokin and Araneta's Appellant's Briefs, respectively. On June 5, 2018, PHC filed its Appellee's Brief. On September 18, 2018, PHC filed a Compliance submitting proof of service of its Appellee's Brief to defendants in accordance with the CA's Resolution dated July 2, 2018. On April 25, 2019, the CA issued a Decision granting Araneta's appeal. On May 30, 2019, PHC filed its Motion for Reconsideration of the said Decision. On July 11, 2019, Araneta filed his Comment thereto, in accordance with the Resolution dated June 6, 2019 issued by the CA to file the same. On October 24, 2019, the Court of Appeal issued a Resolution denying PHC's Motion for Reconsideration. On November 26, 2019, PHC elevated the case to the Supreme Court via Petition for Review on Certiorari under Rule 45. On March 9, 2020, Araneta filed his Comment. On July 21, 2023, Araneta filed a Motion for Early Resolution.

• Criminal complaint against Brodett and Bankwise Officers using spurious bank accounts for company's deposits

On May 8, 2008, the Company filed a criminal complaint for estafa for misappropriation of corporate funds against Brodett, a former director of the Company, and certain officers of Bankwise. The complaint alleged that the unauthorized deposits, withdrawals and transfers of the Company's funds in the amount of P66.8 million was processed through spurious bank accounts and involved the co-mingling and transfer of funds between the Company's accounts and certain personal accounts. On June 14, 2016, an Order was issued allowing Brodett to present his defense only with respect to the P27.0 million and P9.3 million which allegedly came from PHC funds and not in the whole amount of P66.8 million. On July 1, 2016, a Motion for Reconsideration of the said Order was filed by the Private Prosecutor (Parent Company). On August 30, 2016, the Private Prosecutor (Parent Company) filed a Reply to Brodett's Comment/Opposition dated August 25, 2016. After the presentation of defense evidence has already been concluded on June 5, 2018, the accused filed their Formal Offer of Evidence, which was partially admitted by the Court on August 28, 2018. On February 21, 2020, the Court promulgated its judgment finding accused Brodett guilty for the crime of theft, sentencing him to the penalty of imprisonment for a minimum period of four (4) years, two (2) months, one (1) day, to a maximum period of sixteen (16) years and 4 months. He was also found civilly liable to pay PHC the amount of P14,235,700, with legal interest of 12% per annum from April 11, 2008 until June 30, 2013 and the total obligation plus 6% legal interest from July 1, 2013 until fully paid. On March 3, 2020, Brodett filed his Motion for Partial Reconsideration of the Decision. On July 1, 2020, PHC filed its Consolidated Comment/Opposition thereto. In ruling Brodett's Motion for Reconsideration, the Court again promulgated the case on December 2, 2020 and affirmed Brodett's conviction. He then filed an appeal on 3 December 2020.

• **Criminal complaint against Araneta for non-return of PHC deposits**

A criminal complaint for estafa was filed against Araneta for money market placements amounting to P65.0 million which allegedly were not returned to the Company. The case was dismissed on February 9, 2009 for lack of probable cause. The appeal filed on March 4, 2009 is still pending decision with the DOJ as at report date.

• **Criminal complaint against Concepcion A. Poblador**

A criminal complaint for estafa was filed against Ms. Poblador for allegedly receiving cash advances amounting to P14.5 million, which she failed to account for and return to the Company after formal demands. On February 9,2009, the DOJ issued a Resolution directing the filing of an information against Ms. Poblador only for P0.2 million. On January 7, 2014, the Company filed a Petition for Certiorari praying that the DOJ file new information against Ms. Poblador for estafa for the total amount of P16.7 million. On January 10, 2014, the Company received a Petition for Certiorari filed by Ms. Poblador seeking the reversal of the Resolution directing the filing of an Information for estafa against her for P0.2 million. On August 29, 2014, the two petitions were consolidated. On April 26, 2017, subsequent to the filing of the parties' respective Memoranda, the CA issued a Resolution requiring Ms. Poblador to file a Rejoinder to the Company's Reply (to the Memorandum of Poblador). In the meantime, the case was returned to "Completion State" pending the filing of the Rejoinder. Poblador filed her Rejoinder on June 1, 2017 under a Motion to Admit Attached Rejoinder. On November 29, 2017, Poblador filed a Manifestation adopting her previous Memorandum dated December 22, 2014 as her compliance with the Resolution dated October 11, 2017. The Office of the Solicitor General filed a Manifestation and Motion on November 24, 2017 asking that the DOJ Secretary be excused from filing a Memorandum. Based on the Resolution of the Court requiring the parties anew to file their respective Memorandum, PHC's (2nd) Memorandum was filed on December 13, 2017, within the extended period prayed for. (19) On June 14, 2019, the CA issued a Decision denying both PHC's and Ms. Poblador's Petitions for Certiorari. On July 5 and 11, 2019, both parties filed their respective Motions for Reconsideration. On July 24, 2019, PHC filed its Comment to Ms. Poblador's Motion for Reconsideration. On August 10, 2020, the CA issued a Resolution denying PHC and Ms. Poblador's Motions for Reconsideration. PHC decided not to pursue the case with the Supreme Court considering that the amount involved is already covered by the advances to affiliates case. On November 3, 2020, Poblador filed her Petition for Review with the Supreme Court. On 4 April 2022, PHC filed its Comment thereto, thereby the case is submitted for resolution.

The Corporation is also involved in other litigations, claims and disputes which are normal to its business. Management believes that the ultimate liability, if any, with respect to these litigations, claims and disputes will not materially affect the consolidated financial position and consolidated financial performance of the Corporation.

Item 4. Submission of Matters to a Vote of Security Holders

Security holders are asked to vote on matters submitted during stockholders' meetings.

(a) The 2025 Annual Stockholders' Meeting was held on 17 November 2025.
(b) In the said Annual Stockholders' Meeting, the directors elected were Erlinda I. Bildner, Pablo L. Lobregat, Marietta K. Ilusorio, Santiago J. Ranada, Prudencio C. Somera, Victoria C. de los Reyes, Kara Ponce-Enrile Rhounimi, Juan Rodrigo Ponce-Enrile, Oliverio L. Laperal, Jr., Odilon T. Sta. Teresa and Demaree J. B. Raval. The last three (3)

enumerated above were elected as independent directors under Section 38 of the Code and SRC Rule 38.

(c) The matters voted upon and unanimously approved by the stockholders include the approval of the minutes of the previous meeting, the notation and approval of the management report and the audited financial statements, the ratification of acts of management and the committees and the appointment of the external auditor. In addition, all the votes were cast in favor of the election of the above-enumerated directors.

(d) No matter not in the ordinary course of business was submitted to the vote of security holders.

(e) The Corporation filed SEC Form 17-C containing similar information with the Commission and the Philippine Stock Exchange.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

(1) Market Information

The authorized capital stock of the Corporation is one billion (1,000,000,000) shares, with a par value of P1.00 per share, of which sixty million (60,000,000) is listed and traded in the Philippine Stock Exchange. The remaining nine hundred forty million (940,000,000) shares are subject of a listing application with the PSE.

The principal market for the Corporation's common equity is the Philippine Stock Exchange. Trading of the Corporation's shares was suspended in May 2007 and resumed in October 2025. Thus, for the quarter October to December 2025, the highest sales price was P4.30 and the lowest was P1.59.

(2) Holders

The Corporation has 1,196 stockholders and the following are the top 20 stockholders of the Corporation as of December 31, 2025:

Name	No. of Shares	Percentage
Philippine Communications Satellite Corp.	783,945,590	78.67%
Prudencio Somera Jr.	100,000,100	10.03%
Oliverio G. Laperal	49,556,500	4.97%
PCD Nominee Corporation	15,864,534	1.59%
RCBC T/A 236-235	4,802,413	0.48%
Prince Resources, Inc.	4,000,000	0.40%
Victoria C. de los Reyes	3,006,500	0.30%
Santiago J. Ranada	3,000,100	0.30%
Marino Olondriz y Cia	2,985,600	0.29%
Jose Ma. Ozamiz	2,700,000	0.27%
RCBC T/A 36-250	2,689,000	0.26%
Philippine Oil Development Corporation	1,500,000	0.15%
Bernadette Y. Blanco	1,000,000	0.10%
Imperial Resources, Inc.	800,000	0.08%
Oliverio Laperal	776,743	0.07%
Marietta K. Ilusorio	510,000	0.05%
Benjamin Co Ca & Co., Inc.	504,300	0.05%
Dennis R. Manzanal	501,000	0.05%
Abraham R. Abesamis	500,000	0.05%
Lawrence A. Pagal	500,000	0.05%

(3) Dividends

A cash dividend of P0.05 for every common share was declared in 2022. No dividends were declared in 2023, 2024 and 2025. As of the date of this report, another cash dividend of P0.05 for every common share was declared on March 5, 2026. There are no restrictions that limit the payment of dividends on common shares at present, or in the future.

(4) Recent sales of Unregistered Securities or Exempt Securities; Recent Issuance of Securities Constituting an Exempt Transaction

There has been no issuance of new securities, securities issued in exchange for property, services or other securities, and new securities resulting from the modification of outstanding securities.

Item 6. Management's Discussion and Analysis or Plan of Operation.

(1) Management's Discussions and Analysis

Prior to 2007, the Corporation was under the control of the nominees of the Presidential Commission on Good Government (PCGG), namely Enrique L. Locsin, Manuel A. Andal, Julio Jalandoni, Guy de Leon and ex-nominee Benito Araneta. Together with Philip Brodett, Atty. Luis Lokin, and Concepcion Poblador, they spent, invested in and made advances to failed ventures, mismanaged and dissipated the Company's funds.

Under the management of the Brodett-Araneta-Poblador-Lokin-Locsin Group, the Corporation incurred more than P600M in losses and caused the erosion of shareholders' equity from P1,458 million in 2004 to P855.5 million. The book value per share plummeted from P1.46 to P0.85, below the par value per share of P1.00.

In addition, in May 2007, PHC shares were suspended from trading due to the failure of the Brodett-Araneta-Poblador-Lokin-Locsin Group to file Audited Financial Statements with the SEC and PSE.

Upon the present Management's taking control of PHC from the Brodett-Araneta-Poblador-Lokin-Locsin Group, SGV & Co., was commissioned to identify and inventory the accounting records and documents of the Company under the former management from 2005 to 2007. Thereafter, an independent audit was conducted beginning with the year 2005. Thus, for the years 2006, the independent external auditors engaged by present Management have issued clean, unqualified opinions on the Company's AFS.

Present Management will continue to seek justice for its stockholders by filing cases to recover the company funds from the Brodett-Araneta-Poblador-Lokin-Locsin Group.

Insofar as operations are concerned, the Articles of Incorporation limit the business of the Corporation to money market trading and holding of investments. Thus, the bulk of the Corporation's revenue comes from interest income. In order to diversify, the Corporation set up a 100% owned subsidiary, Philcomsat Management Enterprises, Inc. (PMEI) which provides management and consultancy services and whose initial venture was the acquisition of Professional Stock Transfer, Inc., a stock transfer agency.

The Corporation is identifying and studying other business opportunities that will continue to provide it with income.

Together with its money market operations and investments, present Management was able to grow shareholder value from below P1.00, when it took over operations from the Brodett Group, to P1.84 per share as of December 31, 2025.

Due to this limitation in the primary purpose of the Corporation, Management presented to the stockholders proposals to authorize the Corporation to engage in one of its secondary purposes which is to manage hotels and resorts and to enter into a management contract with the Montemar Beach Club, Inc. Both proposals were approved at the annual meeting held on 21 November 2022. The effects of this new business is expected to be reflected in the financial statements of the Corporation in the near future.

Trading of the Corporation's listed 60,000,000 shares resumed in October 2025 while the remaining 940,000,000 shares is subject of a listing application with the PSE.

Results of Operations (Consolidated)

Operations and Financial Condition for the last three (3) Fiscal Years

Revenues: In the fiscal year ended December 31, 2025, the Corporation generated revenue of P56.6 million, a slight increase from P5.65 million earned in 2024 and P55.9 million in 2023. Total comprehensive income in 2025 was at P22.6 million compared to P27.4 in 2024 and P8.8 million in 2023. The decrease in 2025 is attributable to losses on FX and sales and lower comprehensive income..

Expenses: Costs and expenses increased slightly in 2025 to P37.4 million compared to P37.2 million in 2024 and P36.1 million in 2023.

Operating and Net Income/Loss: Profit for the year 2025 was at P15 million compared to P17.8 million in 2024 and P17.9 million in 2023.

Income Statement (Consolidated)
(P Million)

	2025	2024	2023
Revenue	56.6	56.5	55.9
Costs and Expenses	(37.4)	(37.2)	(36.0)
Gains or Losses on FX and Sales	(2.3)	1.3	(2.7)
Gross Profit	15.8	20.5	16.9
Provision for Tax	(0.8)	(2.7)	0.9
Net Income (Loss)	15.0	17.8	17.9
Other Comprehensive Income (Loss)	7.6	9.6	(9.1)
TOTAL COMPREHENSIVE INCOME	22.6	27.4	8.8

Financial Position

The company's comparative balance sheet is summarized below:

Balance Sheet Accounts (Consolidated)

Current Assets: Current assets of the Corporation as of December 31, 2025 was at P475.3 million compared to P358.3 million at end 2024 and P255.5 million at end 2023. Of these amounts, cash and cash equivalents totaled P210.2 million in 2025, P121.7 million in 2024 and P119.7 million in 2023. The Corporation has sufficient cash resources to meet any expected requirement during the next twelve (12) months. The Corporation's financial assets amounted to P707.5 million in 2025, P910.7 million in 2024, and P912.4 in 2023.

Liabilities :The Corporation is substantially debt-free and has no material commitments for capital expenditures. Total current liabilities in 2025 was only P14.1 million compared to P12.6 million in 2024 and P42.1 million in 2023 (which included P28.3 million due to a related party).

Deposit for Future Subscription : This represents the excess amount of the market value of the two properties which Philcomsat contributed in exchange for the number of the Corporation's shares received; as such, this amount is for the account of Philcomsat's future subscription to Corporation's common shares.

Stockholders' Equity : This is the residual balance sheet amount after subtracting Liabilities from Assets. Stockholders' equity increased to P1,508.1 million in 2025 compared to P1,485.9 million in 2024 and P1,458.4 million in 2023.

Balance Sheet (Consolidated)
(P Million)

	2025	2024	2023
Current Assets	475.3	358.3	255.5
Available-for-sale financial assets	707.5	803.4	912.4
Receivables	0	0	0
Other Assets	358.6	355.9	351.8
Total Assets	1,541.4	1,517.6	1,519.7
Current Liabilities	14.1	12.6	42.1
Non-current Liabilities	19.2	19.2	19.1
Stockholders' Equity	1508.1	1,485.9	1,458.5

Key Performance Indicators ("KPI")

The Corporation's KPI for the years ended December 31, 2025, 2024, and 2023 are as follows:

Performance Indicator	Formula	2025	2024	2023
Liquidity				
Current Ratio	Current Assets / Current Liabilities	33.65 : 1	28.55 : 1	6.07 : 1
Leverage				
Debt to Equity Ratio	Total Liabilities / Stockholders' Equity	0.02 : 1	0.02 : 1	0.04 : 1
Asset to Equity Ratio	Total Assets / Total Equity	1.02 : 1	1.02 : 1	1.04 : 1
Profitability				
Return on Assets	Net Income / Total Assets	1%	1%	1.19%
Return on Equity	Net Income / Total Equity	1%	1%	1.23%

Liquidity

The Corporation's current ratio for 2025 is 33.65:1 compared to 28.55:1 in 2024 and 6.07:1 in 2023. The Company's liquidity position remains strong.

Leverage

Leverage is very low at 0.02:1 in both 2025 and 2024, compared to 0.04:1 in 2023.

Profitability

Return on Assets for 2025 and 2024 is 1%, compared to 1.19% in 2023 while Return on Equity for 2025 and 2024 is 1%, compared to 1.23% in 2023.

Notes to Financial Statements

Accounting Policies and Principles

The financial statements for the years 2025, 2024, and 2023 are presented in accordance with generally accepted accounting principles applied on a consistent basis.

Seasonality Aspects of the Business

The operations of PHC are not affected by seasonality or cyclicality.

Past and Future Financial Condition and Results of Operations – For the years 2023 and 2024, please refer to the above discussion. For prior years, please refer to the Corporation's previous annual reports. Inasmuch as there are no known material events or commitments that are likely to affect the Corporation, it is expected that the future financial condition and results of operation would remain the same as the present.

Material Changes

(a) Any Known Trends, Events or Uncertainties (Material Impact on Liquidity)

There is no known trend, event or uncertainty that would have a material impact on liquidity.

(b) Event that will trigger direct or contingent financial obligations that is material to the company, including any default or acceleration of an obligation

There is no known event that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

(c) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

There is no off-balance sheet transaction, arrangement, obligation or other relationship with unconsolidated entities or persons during the reporting period.

(d) Material Commitments for capital expenditures and expected sources of funds for such expenditures.

The company has no material commitment for capital expenditures.

(e) Any Known Trends, Events or Uncertainties (Material Impact on Sales)

There is no known trend, event or uncertainty that will have a material impact on sales.

(f) Any Significant Elements of Income or Loss (from continuing operations)

There is no significant element of income from continuing operations.

(g) Causes for Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item (5%)

a. Increase in cash and cash equivalents, receivables, due from related parties, assets held for sale and investment properties and other increases in total assets as a result of payment by debtors of the Corporation in cash and in kind.
b. Increase in ROU assets as a result of the renewal of the contract of lease for the Corporation's office space.
c. Decrease in due to a related party as a result of payment due and owing a related party.
d. Increase in lease liabilities as a result of the lease contract between the Corporation and the lessor of its office space.
e. Decrease in income tax expense as a result of an increase in income tax benefit.

(h) Seasonal Aspects that have a Material Effect on the FS

None.

Item 7. Financial Statements

The report of independent accountants and the Consolidated and Separate Audited Financial Statements of the Corporation for the fiscal year ending 31 December 2025 are attached hereto as Annexes "A" and "A-1".

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

The Corporation reappointed Isla Lipana & Co. as its external auditor at the last Annual Stockholders' Meeting held on 17 November 2025.

There have been no disagreements between the Corporation and the external auditor on accounting and financial disclosures in the last two (2) fiscal years.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Name, Age and Citizenship	Position	Period Served	Professional and Business Experience
Victoria C. de los Reyes, 74	Director/ President/ CEO	Director since November 2019; President/CEO since November 2023	Partner, Roxas de los Reyes Laurel & Rosario Law Offices. Engaged in the general practice of law - specializing in corporate law, foreign investments, establishment of corporations and other corporate vehicles, registration of securities, JVs, M&As, proxy contests, intra-corporate disputes and domestic relations.
Erlinda I. Bildner, 79, Filipino	Director/ Treasurer/ CFO	April 2007 to Present	President and CEO-Philippine Communications Satellite Corporation, Vice-Chair and Director- Philippine Overseas Telecommunications Corporation, Director and Chair-Montemar Beach Club, Inc., Director and Chair, Executive Committee – Baguio Country Club
Marietta K. Ilusorio, 74, Filipino	Director	May 2010 to Present	Director and Vice President, Philippine Overseas Telecommunications Corporation; Director and Vice-President, Philippine Communications Satellite Corporation; Director, Montemar Beach Club, Inc.
Pablo L. Lobregat, 71, Filipino	Director	April 2007 to Present	President-Crystal Sugar Co., Inc., President/Chairman-Oceanic Wireless Network, Inc., President-Aerocom Investors & Managers, Inc., Director – Philippine Communications Satellite Corporation, Director-Philippine Overseas Telecommunications Corporation
*Oliverio L. Laperal, Jr.,76, Filipino	Director	November 2017 to present	Co-President and Director of Imperial Resources; Co-President and Managing Director of Filipinas Golf & Country Club; President & Managing Director of R.S. Video & Film Productions
Prudencio C. Somera, Jr. 80, Filipino	Director	August 2004 to Present	Director – TKC Steel Corporation; Licensed Stockbroker; Columnist – Philippine Daily Inquirer
J. Santiago Ranada (ret), 88, Filipino	Director	December 2013 to Present	Partner, Ranada, Malaya Sanchez & Simpao, Specializes in the banking, insurance, maritime and real estate industries and in corporate rehabilitation proceedings, 28 years of service in the Philippine Judiciary as RTC Judge and CA Justice
Kara Ponce-Enrile Rhounimi, 47, Filipino	Director/ Vice-President	November 2023 to Present	Senior Executive Vice-President for Property, JIC and JSC of JAKA Investments Corporation, President of Waning Crescent Arts, Inc.
Juan Rodrigo Ponce-Enrile, 42, Filipino	Director	November 2025 to Present	Senior Executive Vice-President of Jaka Investments Corporation overseeing the Business Development Group
*Odilon T. Sta. Teresa, 66, Filipino	Director	November 2024 to Present	President/CEO, SmartInfo, Inc., Asian Pacific Dragon Realty Corporation, Brightbeam Corporation, Recruitment Cetner, Philippines, Inc. and Director, Baguio Country Club Corporation.
*Demaree J. B. Raval, 71, Filipino	Director	November 2024 to Present	Vice-President and Trustee, Transparency International (Philippines), Inc.

**Independent director.*

*** Term of Office – The above directors were elected during the Annual Stockholders' Meeting held on 17 November 2025.*

(2) Significant Employees

As the Corporation has no regular employee at present, the executives and consultants of Philcomsat (the owner of 79% of the Corporation) are expected to make a significant contribution in enhancing the business of the Corporation and efficiently managing its operations.

(3) Family Relationships

Of the above-named directors, only siblings Ms. Erlinda I. Bildner and Ms. Marietta K. Ilusorio, and siblings Ms. Kara Nicole Ponce-Enrile Rhounimi and Mr. Juan Rodrigo Ponce-Enrile are related to another within the fourth (4th) civil degree of consanguinity or affinity.

(4) Involvement in Certain Legal Proceedings

During the past five (5) years no incumbent director or executive officer was involved in 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; any conviction by final judgment in a criminal proceeding, domestic or foreign; any order, judgment, or decree 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; or was found by a domestic or foreign court of competent jurisdiction in a civil action, the Securities and Exchange 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.

Item 10. Executive Compensation

(1) and (2) Executive Officers

Name	Position	Salary	Allowance	Bonus	Total
Victoria C. de los Reyes	President	27,222.22			27,222.22
Kara Ponce Enrile Rhounimi	Vice President	900,000.00			900,000.00
Erlinda I. Bildner	Treasurer	1,200,000.00		100,000.00	1,300,000.00
John Benedict L. Sioson	Corp. Secretary	510,000.00	133,333.32		643,333.32
Clariza A. Reyes	Asst. Secretary				
Total		2,637,222.22	133,333.33	100,000.00	2,870,555.54

(3) Compensation of Directors

Name	Position	Salary	Allowance	Bonus	Total
Victoria C. de los Reyes	Director	299,444.42		27,222.22	326,666.64
Kara Ponce Enrile Rhounimi	Director	300,000.00		25,000.00	325,000.00
Erlinda I. Bildner	Director	300,000.00		25,000.00	325,000.00
Juan Rodrigo Ponce Enrile	Director				
Pablo L. Lobregat	Director	300,000.00		25,000.00	325,000.00
Oliverio L. Laperal, Jr.	Ind. Director	300,000.00		25,000.00	325,000.00
Odilon T. Sta. Teresa	Ind. Director	300,000.00		25,000.00	325,000.00
Marietta K. Ilusorio	Director	300,000.00		25,000.00	325,000.00
Santiago J. Ranada	Director	300,000.00		25,000.00	325,000.00
Prudencio C. Somera, Jr.	Director	300,000.00		25,000.00	325,000.00
Demaree J. B. Raval	Ind. Director	300,000.00		25,000.00	325,000.00
Total		2,999,444.42		252,222.22	3,251,666.64

Aside from the foregoing, there are no other arrangements and contracts pursuant to which any director was or is to be compensated directly or indirectly during the last fiscal year and the ensuing year.

(4) *Employment Contracts/Termination of Employment/Change-in-Control Arrangements*

There are no employment contracts between the Corporation and any of its executive officers. There are likewise no compensatory plans or arrangements with respect to any executive officer which result or will result from his resignation, retirement or any other termination of his employment or from any change in control of the Corporation or a change in the executive officer's responsibilities following any change in control of the Corporation.

(5) Warrants and Options Outstanding

There are no outstanding warrants or options held by the Corporation's executive officers and directors. There is no action proposed to be taken with regard to any bonus, profit-sharing or other compensation plan, contract or arrangement in which any director, nominee for election as a director or executive officer of the Corporation will participate, any pension or retirement plan in which any such person will participate, and any granting or extension to any such person of any options, warrants or rights to purchase any securities.

Item 11. Security Ownership of Certain Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners

As of 31 December 2025, and based on the latest available information, only the following directly or indirectly appear as stockholder on record or beneficial owner of more than 5% of any class of voting shares of the Corporation.

Class	Name, Address of Record Owner and Relationship with Issuer	Name, Address of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	%
Common	Philippine Communications Satellite Corporation, 316 Sen. Gil Puyat Avenue, Makati, Stockholder	Philippine Communications Satellite Corporation, 316 Sen. Gil Puyat Avenue, Makati, same corporation	Filipino	783,945,590	78.67
Common	Prudencio C. Somera, 14 San Jose Street, Bgy. Kapitolyo, Pasig City, Stockholder/Director	Prudencio C. Somera, 14 San Jose Street, Bgy. Kapitolyo, Pasig City, same person	Filipino	100,000,100	10.03

(2) Security Ownership of Management

As of 31 December 2025, the security ownership of management is as follows:

Class	Name	Nature of Ownership	Citizenship	Percentage
Common	Prudencio C. Somera, Jr.	(R)	Filipino	10.03%
Common	Victoria C. de los Reyes	(R)	Filipino	0.30
Common	Santiago J. Ranada	(R)	Filipino	0.30
Common	Erlinda I. Bildner	(R)	Filipino	-negligible-
Common	Kara Ponce-Enrile Rhounimi	(R)	Filipino	-negligible-
Common	Directors and Officers as a Group Unnamed	(R)	Filipino	<11%

(3) Voting Trust Holders

There are no persons holding more than 5% of a class under a voting trust agreement.

(4) Changes in Control

There are no arrangements that may result in a change in control of the Corporation.

Item 12. Certain Relationships and Related Transactions

(1) and (2) There is no transaction during the last two years or proposed transaction to which the Corporation was or is to be a party in which any director, executive officer, nominee for election as a director, security holder owning five percent (5%) or more or member of their immediate family had or is to have a direct or indirect material interest.

(3) The Corporation is 79% owned by the Philippine Communications Satellite Corporation which in turn is wholly-owned by the Philippine Overseas Telecommunication Corporation. The remaining 21% is owned by Prudencio Somera, Jr. and the general public.

(4) There has been no transactions with promoters in the past five (5) years.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

The details under this Item will be discussed in the Corporation's 2025 i-ACGR.

Item 14. Exhibits and Reports

(a) Exhibits. Statement of Management's Responsibility for Financial Statements and Audited Financial Statements for the fiscal period ending 31 December 2025 as Annex "A" and "A-1".
(b) Sustainability Report as required by the Securities and Exchange Commission as Annex "B".
(c) Reports on SEC Form 17-C. During the last 6 months, the Corporation filed SEC Form 17-C detailing the matters taken up during the Annual Stockholders' Meeting and Organizational Meeting of the Board both held on 17 November 2025 and a declaration of dividends to be paid on April 20, 2026.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in Makati City on April 14, 2026.

By:

[redacted]

VICTORIA C. DE LOS REYES
Chief Executive Officer/President

[redacted]

ERLINDA I. BILDNER
Chief Operating and Financial Officer/Treasurer

[redacted]

MARIA CORAZON C. AQUINO
Comptroller and Principal Accounting Officer

[redacted]

JOHN BENEDICT L. SIOSON
Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 14 2026 day of April 2026, affiants exhibiting to me their identification as follows:

Name	ID	Date of Issue	Place of Issue
Victoria C. de los Reyes	[redacted]	[redacted]	[redacted]
Erlinda I. Bildner			
Maria Corazon C. Aquino			
John Benedict L. Sioson			

Doc. No. 135;
Page No. 27;
Book No. 1;
Series of 2026.

[redacted]

NOTARY PUBLIC
NO [redacted]
PHILIPPINES

ATTY. [redacted]
NOTARY PUBLIC [redacted]
NOTARIAL COMMISSION [redacted]
PTR NO. [redacted]
MCLE COMPLIANCE NO. [redacted]
ROLL OF ATTORNEY'S [redacted]

Annex "B-1"

COVER SHEET

SEC Registration Number

0	0	0	0	0	0	1	1	6	3

COMPANY NAME

PHILCOMSAT HOLDINGS CORPORATION AND SUBSIDIARIES

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

12TH FLOOR, TELECOM PLAZA BUILDING, 316 SEN. GIL PUYAT AVE., MAKATI CITY

Form Type	Department requiring the report	Secondary License Type, if Applicable
AFS		N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
inquiry@phc.com.ph	(632) 8815-8406	-

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
1,196	3rd Monday of November	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Erlinda I. Bildner	-	(632) 8815-8406	-

CONTACT PERSON's ADDRESS

12th Floor, Telecom Plaza Building, 316 Sen. Gil Puyat Ave., Makati City

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

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

PHILCOMSAT HOLDINGS CORPORATION
12F Telecom Plaza 316 Sen. Gil Puyat Ave. 1200 City of Makati, Philippines
Tel.No.: 8815-8406; Fax No.: 8816-2517 www.phc.com.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of Philcomsat Holdings Corporation and its Subsidiaries (the Group) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025, 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 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 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.

The Board of Directors is responsible for overseeing the Group'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 or members.

Isla Lipana & Co., the independent auditor, appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.



SANTIAGO J. KANADA
Chairman of the Board



VICTORIA DELOS REYES
President



ERLINDA I. BILDNER
Treasurer

Signed this 14th day of April 2026.

SUBSCRIBED AND SWORN to before me this 14th day of April, 2026 in Makati City, affiants exhibiting to me the following:

Name	Government ID No.	Place / Date of Issue
Santiago J. Ranada	[redacted]	[redacted]
Victoria C. Delos Reyes	[redacted]	[redacted]
Erlinda I. Bildner	[redacted]	[redacted]

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Page No. 28
Book No. 1
Series of 2026

[redacted]
NOTARY PUBLIC
ROLL NO. [redacted]
MAKATI CITY PHILIPPINES

[redacted]
NOTARY PUBLIC [redacted]
NOTARIAL COMMISSION [redacted]
[redacted]
PTR NO. [redacted]
MCLE COMPLIANCE NO. [redacted]
ROLL OF ATTORNEY'S [redacted]

Isla Lipana & Co.

Independent Auditor's Report

To the Board of Directors and Shareholders of
Philcomsat Holdings Corporation
12th Floor, Telecom Plaza Building
316 Sen. Gil Puyat Avenue, Makati City

Our Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Philcomsat Holdings Corporation and its subsidiaries (together, the "Group") as at December 31, 2025 and 2024, and their consolidated financial performance and their consolidated cash flows for each of the three years in the period ended December 31, 2025 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

What we have audited

The consolidated financial statements of the Group comprise:

- The consolidated statements of financial position as at December 31, 2025 and 2024;
- the consolidated statements of total comprehensive income for each of the three years in the period ended December 31, 2025;
- the consolidated statements of changes in equity for each of the three years in the period ended December 31, 2025;
- the consolidated statements of cash flows for each of the three years in the period ended December 31, 2025; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

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Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to our audits of the consolidated financial statements of public interest entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

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.

We identified the following key audit matter:

Key Audit Matter	How our audit addressed the key audit matter
Fair valuation of financial assets at fair value through other comprehensive income (FVOCI) and financial assets at fair value through profit or loss (FVTPL)	Our audit procedures to address the relevant assertion over valuation of financial assets at FVOCI and FVTPL included the following:
Refer to Notes 6 and 22.2 to the consolidated financial statements. As at December 31, 2025, the Group has financial assets at fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI) amounting to P124.4 million and P707.6 million, respectively. Valuation of financial assets at FVTPL and FVOCI have been identified as a key audit matter primarily due to the significance of its amount, the volume of transactions, as well as the price volatility of the market. Any changes in market prices could expose the Group to significant market risk that may affect other comprehensive income, or profit or loss.	• We obtained an understanding of the Group's treasury and investment policies, processes and assumptions used in determining fair value. In accordance with PFRS 13 - Fair Value Measurement, the Group uses the market approach in determining valuation of each equity and debt financial instruments and identified mainly Level 1 inputs (i.e. quoted prices) and Level 2 inputs (i.e. net asset value per unit) as the relevant data input. • In order to test the valuation of financial assets at FVTPL and FVOCI as at December 31, 2025, we tested the inputs used by management in the valuation of the financial assets at FVTPL and FVOCI by agreeing data inputs against an independent source (i.e., Philippine Stock Exchange Index and PDS Group) and performing independent recalculation. • Performed sensitivity analysis of investment securities by using independent source (i.e., Philippine Stock Exchange Index and PDS Group) fluctuations to assess the extent to which changes in the levels of equity indices and the value of individual stocks impact the other comprehensive income, or profit or loss.

Other information

Management is responsible for the other information. The other information comprises the SEC Form 17-A, but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the SEC Form 20-IS (Definitive Information Statement), which is expected to be made available to us after that date.

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the SEC Form 20-IS (Definitive Information Statement), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

Those charged with governance are responsible for overseeing the Group's 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 PSA 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 PSA, 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, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group 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 reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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.

The engagement partner on the audit resulting in this independent auditor's report is Carlos Federico C. de Guzman.

Isla Lipana & Co.

[redacted]
Partner
CPA Cert. No. [redacted]
P.T.R. No. [redacted]
SEC A.N. (Individual) as general auditors [redacted]
SEC A.N. (Firm) as general auditors [redacted]
valid to audit [redacted]
T.I.N. [redacted]
BIR A.N. [redacted]
BOA/PRC Reg. No. [redacted]

Makati City
April 15, 2026

pwc Isla Lipana & Co.

Statement Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Philcomsat Holdings Corporation
12th Floor, Telecom Plaza Building
316 Sen. Gil Puyat Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Philcomsat Holdings Corporation (the "Parent Company") and its subsidiaries (together, the "Group") as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated April 15, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised SRC Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

Isla Lipana & Co.

[redacted]
Partner
CPA Cert. No. [redacted]
P.T.R. No. [redacted]
SEC A.N. (Individual) as general auditors [redacted]
SEC A.N. (Firm) as general auditors [redacted]
T.I.N. [redacted]
BIR A.N. [redacted]
BOA/PRC Reg. No. [redacted]

Makati City
April 15, 2026

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
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Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine group of member firms and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details

pwc Isla Lipana & Co.

Statement Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Philcomsat Holdings Corporation
12th Floor, Telecom Plaza Building
316 Sen. Gil Puyat Avenue, Makati City

We have audited the accompanying consolidated financial statements of Philcomsat Holdings Corporation (the "Parent Company") and its subsidiaries (together, the "Group") as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, on which we have rendered the attached report dated April 15, 2026. The supplementary information shown in the Reconciliation of Parent Company's Retained Earnings Available for Dividend Declaration, Map Showing the Relationships between and among the Parent Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-Subsidiaries and Associates, and Schedules A, B, C, D, E, F, and G, as additional component required by Revised Rule 68 of the SRC, is presented for purposes of filing with the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements. In our opinion, the supplementary information has been prepared in accordance with the Revised Rule 68 of the SRC.

Isla Lipana & Co.

[redacted]
Partner
CPA Cert. No. [redacted]
P.T.R. No. [redacted]
SEC A.N. (Individual) as general auditors [redacted]
SEC A.N. (Firm) as general auditors [redacted]
T.I.N. [redacted]
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Philcomsat Holdings Corporation and Subsidiaries

Consolidated Statements of Financial Position
As at December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Assets			
Current assets			
Cash and cash equivalents	2	210,229,945	121,712,962
Receivables, net	3	119,082,256	114,872,989
Due from related parties	16	12,425,000	5,000,000
Financial assets at fair value through profit or loss (FVTPL)	6	124,377,686	107,298,599
Other current assets		2,345,869	387,128
		468,460,756	349,271,678
Assets held for sale	4	6,900,286	9,106,688
Total current assets		475,361,042	358,378,366
Non-current assets			
Financial assets at fair value through other comprehensive income (FVOCI)	6	707,579,862	803,483,539
Investment properties	7	343,475,799	343,475,799
Right-of-use (ROU) asset, net	10	2,236,162	256,558
Property and equipment, net	8	6,920	41,347
Other non-current assets	5	12,824,035	11,996,470
Total non-current assets		1,066,122,778	1,159,253,713
Total assets		1,541,483,820	1,517,632,079
Liabilities and Equity			
Current liabilities			
Trade and other payables	9	6,901,868	6,880,795
Dividends payable	11	5,184,637	5,184,637
Due to a related party	16	-	219,353
Lease liability	10	2,038,865	265,844
Total current liabilities		14,125,370	12,550,629
Non-current liabilities			
Deposit for future stock subscription	16	18,894,000	18,894,000
Lease liability, net of current portion	10	279,748	-
Deferred income tax liabilities, net	15	63,006	280,216
Total non-current liabilities		19,236,754	19,174,216
Total liabilities		33,362,124	31,724,845
Equity			
Share capital	11	996,391,254	996,391,254
Retained earnings		533,404,085	517,695,948
Other equity reserves	6	(21,673,643)	(28,179,968)
Total equity		1,508,121,696	1,485,907,234
Total liabilities and equity		1,541,483,820	1,517,632,079

The notes on pages 1 to 39 are integral part of these financial statements.

Philcomsat Holdings Corporation and Subsidiaries

Consolidated Statements of Total Comprehensive Income
For each of the three years in the period ended December 31, 2025
(All amounts in Philippine Peso, except earnings per share)

	Notes	2025	2024	2023
Income	12	55,611,782	56,474,267	55,948,553
Costs and expenses	13	(37,433,565)	(37,189,879)	(36,081,584)
Other (expense) income, net	14	(2,204,382)	1,312,919	(2,746,989)
Finance cost	10	(149,370)	(77,656)	(130,479)
Profit before income tax		15,824,465	20,519,651	16,989,501
Income tax (expense) benefit	15	(786,380)	(2,713,468)	901,530
Profit for the year		15,038,085	17,806,183	17,891,031
Other comprehensive income (loss)				
Item that may subsequently be reclassified to profit or loss				
Fair value gain on debt instruments at FVOCI	6	11,058,455	1,179,729	7,081,074
Item that will not to be subsequently reclassified to profit or loss				
Fair value (loss) gain on equity instruments at FVOCI	6	(3,454,025)	8,451,801	(16,137,490)
		7,604,430	9,631,530	(9,056,416)
Total comprehensive income for the year		22,642,515	27,437,713	8,834,615
Earnings per share (basic and diluted)	17	0.0151	0.0179	0.0180

The notes on pages 1 to 39 are integral part of these financial statements.

Philcomsat Holdings Corporation and Subsidiaries

Consolidated Statements of Changes in Equity
For each of the three years in the period ended December 31, 2025
(All amounts in Philippine Peso)

	Share capital (Note 11)	Retained earnings	Other equity reserves (Note 6)	Total equity
Balances at January 1, 2023	996,391,254	481,982,037	(31,293,658)	1,447,079,633
Comprehensive income				
Profit for the year	-	17,891,031	-	17,891,031
Other comprehensive income for the year	-	-	(9,056,416)	(9,056,416)
Total comprehensive income for the year	-	17,891,031	(9,056,416)	8,834,615
Transactions with owners				
Transfer of gain on disposal of FVOCI equity instruments (Note 6)	-	(1,368,514)	1,368,514	-
Reclassification of cumulative fair value changes of debt instruments measured at FVOCI sold to profit or loss (Note 6)	-	-	2,540,681	2,540,681
Balances at December 31, 2023	996,391,254	498,504,554	(36,440,879)	1,458,454,929
Comprehensive income				
Profit for the year	-	17,806,183	-	17,806,183
Other comprehensive income for the year	-	-	9,631,530	9,631,530
Total comprehensive income for the year	-	17,806,183	9,631,530	27,437,713
Transactions with owners				
Transfer of loss on disposal of FVOCI equity instruments (Note 6)	-	1,385,211	(1,385,211)	-
Reclassification of cumulative fair value changes of debt instruments measured at FVOCI sold to profit or loss (Note 6)	-	-	14,592	14,592
Balances at December 31, 2024	996,391,254	517,695,948	(28,179,968)	1,485,907,234
Comprehensive income				
Profit for the year	-	15,038,085	-	15,038,085
Other comprehensive income for the year	-	-	7,604,430	7,604,430
Total comprehensive income for the year	-	15,038,085	7,604,430	22,642,515
Transactions with owners				
Transfer of loss on disposal of FVOCI equity instruments (Note 6)	-	670,051	(670,051)	-
Reclassification of cumulative fair value changes of debt instruments measured at FVOCI sold to profit or loss (Note 6)	-	-	(428,054)	(428,054)
Balances at December 31, 2025	996,391,254	533,404,085	(21,673,643)	1,508,121,696

The notes on pages 1 to 39 are integral part of these financial statements.

Philcomsat Holdings Corporation and Subsidiaries

Consolidated Statements of Cash Flows
For each of the three years in the period ended December 31, 2025
(All amounts in Philippine Peso)

	Notes	2025	2024	2023
Cash flows from operating activities				
Profit before income tax		15,824,465	20,519,651	16,989,501
Adjustments for:				
Realized (gain) loss on sale of debt instruments	6,14	(428,054)	14,592	2,540,681
Realized (gain) loss on financial assets at FVTPL		(713,227)	-	-
Depreciation and amortization	8,10	1,985,392	1,825,445	1,828,553
Interest expense	10	149,370	77,656	130,479
Provision for impairment of receivables	3,13	1,275,347	341,205	2,028,920
Impairment of assets held for sale	4,13	1,169,251	1,125,882	1,150,790
Gain on extinguishment of debt	14,16	-	-	(36,971)
Unrealized foreign exchange (gain) loss	14	(552,063)	(1,327,511)	272,199
Unrealized loss (gain) on financial assets at fair value through profit or loss (FVTPL)	14	3,897,726	-	(28,920)
Interest income on cash in banks	2	(3,423,557)	(3,182,857)	(2,633,656)
Operating cash flows before changes in assets and liabilities		19,184,650	19,394,063	22,241,576
Decrease (increase) in:				
Receivables		(5,484,612)	4,157,298	11,501,419
Due from related parties		(7,425,000)	1,938,183	(13,567,479)
Other current assets		(1,958,741)	(66,110)	70,901
Assets held for sale		1,037,151	(1,232,860)	-
Other non-current assets		(1,540,678)	1,843,680	(5,436,689)
Increase (decrease) in:				
Trade and other payables		21,073	151,624	1,707,058
Due to related party		(219,353)	(28,125,261)	-
Cash generated from (used in) operations		3,614,490	(1,939,383)	19,150,442
Acquisitions of:				
Financial assets at FVOCI	6	(120,921,665)	(235,150,268)	(280,073,815)
Financial assets at FVTPL		(20,263,586)	-	-
Proceeds from redemption and maturity of:				
Financial assets at FVOCI	6	224,429,772	246,494,080	309,267,371
Interest received from cash in banks		3,423,557	3,182,857	2,633,656
Income taxes paid		(290,477)	(4,383,835)	-
Net cash from operating activities		89,992,091	8,203,451	48,343,998
Cash flows used in investing activities				
Additions to property and equipment	8	-	(13,839)	(21,864)
Additions to investment properties		-	(5,611,249)	-
Net cash used in investing activities		-	(5,625,088)	(21,864)
Cash flows from financing activities				
Payments of:				
Dividends	11	-	-	(3,787,870)
Lease liabilities	10	(1,877,800)	(1,865,928)	(1,727,031)
Interest expense on lease liabilities	10	(149,370)	(77,656)	(130,479)
Net cash used in financing activities		(2,027,170)	(1,943,584)	(5,645,380)
Net increase in cash		87,964,921	634,779	42,676,754
Cash and cash equivalents at beginning of year		121,712,962	119,750,672	77,346,117
Effect of foreign exchange rates changes		552,062	1,327,511	(272,199)
Cash and cash equivalents as at end of year	2	210,229,945	121,712,962	119,750,672

The notes on pages 1 to 39 are integral part of these financial statements.

Philcomsat Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements
As at December 31, 2025 and 2024 and for each of the three years
in the period ended December 31, 2025
(All amounts are shown in Philippine Peso, unless otherwise stated)

1 General Information

1.1 Corporate information

Philcomsat Holdings Corporation (formerly Liberty Mines, Inc.) (the "Parent Company") was incorporated and registered with the Securities and Exchange Commission (SEC) on May 10, 1956 with the primary purpose of embarking in the discovery, exploration, development and exploitation of mineral oils, petroleum in its natural state, rock or carbon oils and other volatile mineral substance and with the secondary purpose of engaging in the business of mining in general. The Parent Company ceased oil and mining operations in 1992.

On July 23, 1997, the SEC approved the amended Articles of Incorporation of the Parent Company consisting of: a) change in its primary purpose from an exploration and mining company to a holding company and revision of its secondary purpose clauses; and b) change of the corporate name from Liberty Mines, Inc. to Philcomsat Holdings Corporation.

The Parent Company started operations as a holding company on January 1, 2000. The Parent Company derives income from money market placements, bank deposits, financial assets at FVOCI and other investments.

On May 9, 2006, the SEC approved the extension of the Parent Company's corporate life for another fifty (50) years.

On May 23, 2016, the Parent Company's Board of Directors (BOD) confirmed and ratified its previous resolution increasing the authorized capital stock of the Parent Company from P1.0 billion, divided into 1,000,000,000 shares with par value of P1 per share, to P3.0 billion, divided into 3,000,000,000 shares with par value of P1 per share. As at report date, the resolution is awaiting ratification by the stockholders and pending application with SEC.

The Parent Company is 78.68% owned by Philippine Communications Satellite Corporation (Philcomsat), a company incorporated in the Philippines. The ultimate parent company is Philippine Overseas Telecommunications Corporation (POTC), a company also incorporated in the Philippines. Philcomsat and POTC are both engaged in the telecommunications business.

The Parent Company and all of its subsidiaries (collectively referred to as "the Group") were incorporated in the Philippines. The following are the Parent Company's subsidiaries and the respective percentages of ownership as at December 31:

		Percentage of ownership					
	Principal business	2025		2024		2023	
Subsidiary	activity	Direct	Indirect	Direct	Indirect	Direct	Indirect
Philcomsat Management Enterprises Inc. (PMEI)	Management Services	100	-	100	-	100	-
Professional Stock Transfer Inc. (PSTI)	Stock Transfer Agency	-	100	-	100	-	100

**Parent Company's ownership in PSTI is indirect through PMEI.*

The registered office address and principal place of business of the subsidiaries are as follows:

Philcomsat Management Enterprises Inc. (PMEI)	12th Floor, Telecom Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City
Professional Stock Transfer Inc. (PSTI)	12th Floor, Telecom Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City

The registered address, and principal place of business, of the Parent Company is at 12th Floor, Telecom Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City.

1.2 Listing of shares in Philippine Stock Exchange (PSE)

The Parent Company's original 60 million shares are listed and used to be traded in the PSE.

On May 3, 2007, the PSE suspended the trading of the Parent Company's shares due to pending compliance with certain structured reportorial requirements. On December 3, 2008, the SEC ordered the suspension of the Parent Company's registration of securities from the date of the receipt of the Order until the Parent Company is able to submit the reportorial requirements and fully pay the corresponding penalties.

On April 1, 2014, the Parent Company, through its legal counsel, submitted to the SEC three (3) letter request for the lifting of the order of suspension and for a compromise payment of the penalties. The SEC, on December 29, 2015, lifted the order of suspension and directed the Parent Company to file an updated Registration Statement.

On August 6, 2025, the Parent Company submitted the Final Amended Registration Statement, together with the summary of listed and non-listed shares, Affidavit of Publication, and proof of payment of the filing fee. Subsequently, on September 15, 2025, the SEC issued an Order lifting the suspension of the Parent Company's Registration Statement.

1.3 Approval of the consolidated financial statements

The consolidated financial statements of the Group were approved and authorized for issue by the Parent Company's BOD on April 14, 2026. There were no significant events that occurred from April 14, 2026 until April 15, 2026 requiring adjustment or disclosure in the consolidated financial statements.

2 Cash and cash equivalents

Cash and cash equivalents as at December 31 consist of:

	2025	2024
Cash on hand	9,186	6,243
Cash in banks	60,036,787	40,475,748
Cash equivalents - Short-term placements	150,183,972	81,230,971
	210,229,945	121,712,962

Cash in banks earn interest at prevailing bank deposit rates.

Cash equivalents pertain to special savings and time deposits, with terms of varying periods up to three (3) months and earn interest at prevailing special savings and time deposits rates.

Interest income earned from cash in banks and cash equivalents for the year ended December 31, 2025 amounted to P3,423,557 (2024 - P3,182,857; 2023 - P2,633,656) (Note 12).

3 Receivables, net

Receivables as at December 31 consist of:

	Note	2025	2024
Notes and loans receivable			
Corporate notes	16	63,999,551	69,154,553
Promissory notes issued by various financial institutions		52,233,651	39,944,922
Interest receivables		2,106,233	4,483,216
		118,339,435	113,582,691
Retainer fee receivable		3,139,325	2,757,500
Less: Allowance for ECL		(2,840,311)	(1,564,965)
		118,638,449	114,775,226
Dividend receivables		443,807	97,763
		119,082,256	114,872,989

As at each reporting period, all outstanding receivables are collectible in cash, interest bearing, unsecured and unguaranteed.

Movements in the allowance for ECL are summarized below:

	Note	2025	2024	2023
Balance at beginning of year		1,564,965	2,057,317	28,397
Provision for impairment of receivables	13	1,275,346	341,206	2,028,920
Write-off		-	(833,558)	-
Balance at end of year		2,840,311	1,564,965	2,057,317

Corporate notes

Unsecured corporate notes outstanding as at December 31, 2025 and 2024 pertain to short-term corporate promissory notes issued by various entities, with terms of thirty-five days up to one year and earn interest ranging from 5.5% to 11.0% per annum.

Promissory notes issued by financial institutions

Unsecured promissory notes are issued by various financial institutions with terms ranging from 60 to 120 months and earn interest ranging from 4% to 7% per annum.

In 2025, interest income earned from corporate notes and promissory notes issued by various financial institutions amounted to P6.21 million (2024 - P5.07 million; 2023 - P8.16 million) (Note 12).

Critical accounting estimate and judgment: Provision for impairment of receivables

Provision for impairment of receivables is maintained at a level considered adequate to provide for uncollectible receivables. Expected credit losses (ECL) on receivables are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Group has used relevant historical information and loss experience to determine the probability of default of the receivables and incorporated forward-looking information, including significant changes in external market indicators which involved significant estimates and judgements.

4 Assets held for sale

In 2024, the Group obtained equipment and furniture valued at P4,207,629 as form of repayment of its notes receivable from one of its debtors. These assets were obtained with the intention to sell to its affiliate companies and is expected to be completed within the next 12 months. As such, these were then classified as current assets held for sale in the statement of financial position. The assets were measured at the lower of carrying amount and fair value less cost to sell and as a result, an impairment loss of P1,125,882 was recognized (Note 13). For purposes of statements of cash flows reporting, the exchange of equipment and furniture, and notes receivable amounting to P4,207,629 is considered a non-cash operating and investing activity.

In 2025, the assets were measured at the lower of carrying amount and fair value less cost to sell and as a result, an impairment loss of P1,169,251 was recognized (Note 13).

As at December 31, 2025, the carrying amount of the assets held for sale is P6,900,286 (2024 - P9,106,688).

Management continues to actively market the assets and expects disposal within twelve (12) months from December 31, 2025.

5 Other non-current assets

Other non-current assets as at December 31 consist of:

	2025	2024
Creditable withholding tax (CWT)	7,033,172	7,746,286
Input value-added tax (VAT)	4,471,434	2,930,755
Goodwill	1,319,429	1,319,429
	12,824,035	11,996,470

Critical accounting estimate: Impairment of Goodwill

Goodwill pertains to the acquisition of PSTI by PMEI amounting to P1.3 million. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cashflows (DCF) model. The cash flows are derived from the budget for the next five years. Accordingly, the Group has also considered the impact of such transfers in the cash flow forecast of the CGU. Management assessed that the recoverable amount of PSTI, the CGU to which the goodwill is allocated, exceeds its carrying amount.

The calculations of value-in-use for the CGUs are most sensitive to the following assumptions:

- Revenue - Revenue forecasts are management's best estimates considering factors such as industry CAGR, existing customer contracts and projections, historical experiences and other economic factors.
- Direct costs and administrative expenses - estimates are based on applicable inflation rate considering expected future cost efficiencies and forecasted employee headcount and rationalization.
- Pre-tax discount rates - Discount rates represent the current market assessment of the risk specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital.

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognized by the Group. A reasonably possible change in these key assumption would not cause the CGU's carrying amount to exceed its recoverable amount.

No impairment loss was recognized in goodwill in 2025 and 2024 as the Group's impairment testing yield headroom.

Critical accounting judgement: Recoverability of CWT and input VAT

The Group reviews at each reporting date whether there is any objective evidence that the Group's CWT and input VAT is impaired. In making this judgment, the Group evaluates its revenues and taxable income forecasts against which the CWT and input VAT can be applied. Management believes that the carrying amount of input VAT as at each reporting period will be utilized and can be applied against output VAT payable arising from other income.

CWT is recognized to the extent that it is probable that future tax liabilities will be available against which tax credits can be utilized. Determining the realizability of creditable withholding taxes requires the assessment of the availability of taxable profit expected to be generated from the operations which effectively drives the tax liabilities against which such creditable taxes can be applied.

Management believes that the carrying amount of CWT as at each reporting period is recoverable.

6 Financial assets at FVTPL; Financial assets at FVOCI

Financial assets at FVTPL and FVOCI as at December 31 consist of:

	2025	2024
FVTPL		
Investment in:		
Unit investment trust funds (UITF)	124,249,576	107,167,495
Quoted shares	128,110	131,104
	124,377,686	107,298,599
FVOCI		
Investments in:		
Quoted bonds	420,658,681	515,425,939
Quoted shares of stocks	247,621,181	248,757,600
Club memberships	9,300,000	9,300,000
Unquoted shares of stocks	30,000,000	30,000,000
	707,579,862	803,483,539
	831,957,548	910,782,138

Movements of financial assets at FVOCI for the years ended December 31 are as follows:

	Cost	Fair value reserve	Carrying value
At January 1, 2024	841,636,700	(36,440,879)	805,195,821
Acquisitions	235,150,268	-	235,150,268
Disposals	(245,123,461)	(1,370,619)	(246,494,080)
Unrealized gain charged to OCI	-	9,631,530	9,631,530
At December 31, 2024	831,663,507	(28,179,968)	803,483,539
Acquisitions	120,921,665	-	120,921,665
Disposals	(223,331,669)	(1,098,103)	(224,429,772)
Unrealized gain charged to OCI	-	7,604,430	7,604,430
At December 31, 2025	729,253,505	(21,673,641)	707,579,862

The movements in fair value reserve on FVOCI included in the statements of financial position in equity for the years ended December 31 are as follows:

	2025	2024
Beginning balance	(28,179,968)	(36,440,879)
Fair value changes recorded in OCI	7,604,430	9,631,530
Reclassification of cumulative fair value changes from OCI to profit or loss on disposal of debt instruments at FVOCI	(428,054)	14,592
Transfer from other reserves directly to retained earnings on disposal of equity instruments at FVOCI	(670,051)	(1,385,211)
Ending balance	(21,673,643)	(28,179,968)

Interest income earned from financial assets at FVOCI in 2025 amounted to P21.8 million (2024 - P27.6 million; 2023 - P25.3 million) (Note 12).

Dividend income earned from financial assets at FVOCI in 2025 amounted to P13.6 million (2024 - P9.3 million; 2023 - P10.0 million) (Note 12).

For the year ended December 31, 2025, realized gain on sale of debt instruments at FVOCI recognized directly to profit or loss amounted to P428,054 (2024 - P14,592 loss; 2023 - P2,540,681 loss).

For the year ended December 31, 2025, realized gain on sale of equity instruments at FVOCI recognized directly to retained earnings amounted to P670,051 (2024 - P1,385,211 gain; 2023 - P1,368,514 loss).

The fair values of these financial assets are determined based on quoted market bid prices at the close of business as at reporting date since most of these are actively traded in an organized financial market. The fair value measurement of the financial assets at FVOCI is classified as Level 1 (Quoted bonds, UITF and shares of stocks), Level 2 (club memberships) and Level 3 (unquoted shares of stock).

Critical accounting estimate: Fair value of financial instruments

Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon internally developed models that primarily uses as inputs market based or independently sourced market parameters. The Group's financial assets at FVOCI as at each reporting period comprise primarily of equity and debt securities traded in the Philippine Stock Exchange (PSE) which has an active market, wherein securities are traded, or can be bought and sold.

The sensitivity analysis on the reasonable possible changes in market prices of the Group's securities is disclosed in Note 21.

7 Investment properties

As at December 31, 2025 and 2024, the Group's investment properties consist of the following:

- On December 29, 2023, the Group obtained nine parcels of land through dacion en pago with a related party amounting to P335,615,126 and covering three hundred eighty-three thousand nine hundred ninety-nine (383,999) square meters located at Ibis, Bagac, Bataan (Note 16). As at December 31, 2025, the land's title is currently being processed for transfer to the name of the Parent Company. In 2024, the Group capitalized transaction costs necessary to transfer the title of the land to the Parent Company amounting to P5,611,249. As at December 31, 2025 and 2024, the total cost of the aforementioned land amounted to P341,226,375.

- The Group has certain parcels of land amounting to P2,249,424 and covering one thousand two hundred (1,200) square meters located at Pasinay Bagac, Bataan. On January 16, 2019, the land's title was transferred to the name of PMEI.

The Group's investment properties are measured using the cost model.

As at each reporting period, Management determines the fair values of investment properties have been derived using the market approach (Level 2) which was estimated at P383,999,000. Management developed these fair value estimates on the basis of recent observable sale transactions and listing prices (or asking prices) of comparable properties registered within the vicinity of the respective land properties.

The investment properties are not pledged as security for liabilities as at each reporting period.

Critical accounting judgement: Recoverability of investment properties, and property and equipment

The Group's investment properties and property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. On a regular basis, management determines if there are triggering events or impairment indicators based on current circumstances. An impairment loss is recognized whenever evidence exists that the carrying value is not recoverable.

As at each reporting period, Management assessed that no indications of impairment exists, and there were changes in circumstances indicating that the carrying amount of its non-financial assets may be impaired.

8 Property and equipment, net

Property and equipment, net as at December 31 consist of:

	Transportation equipment	Furniture and fixtures	Office equipment	Office improvement	Total
At January 1, 2023					
Cost	5,011,638	3,528,775	1,277,810	39,325	9,857,548
Accumulated depreciation	(5,011,638)	(3,528,775)	(1,217,490)	(39,325)	(9,797,228)
Net carrying value	-	-	60,320	-	60,320
For the year ended December 31, 2023					
Opening carrying value	-	-	60,320	-	60,320
Addition	-	-	21,864	-	21,864
Depreciation expense (Note 13)	-	-	(30,028)	-	(30,028)
Closing net carrying value	-	-	52,156	-	52,156
At January 1, 2024					
Cost	5,011,638	3,528,775	1,299,674	39,325	9,879,412
Accumulated depreciation	(5,011,638)	(3,528,775)	(1,247,518)	(39,325)	(9,827,256)
Net carrying value	-	-	52,156	-	52,156
For the year ended December 31, 2024					
Opening carrying value	-	-	52,156	-	52,156
Addition	-	-	13,839	-	13,839
Depreciation expense (Note 13)	-	-	(24,648)	-	(24,648)
Closing net carrying value	-	-	41,347	-	41,347
At January 1, 2025					
Cost	-	-	1,305,714	-	1,305,714
Accumulated depreciation	-	-	(1,264,367)	-	(1,264,367)
Net carrying value	-	-	41,347	-	41,347
For the year ended December 31, 2025					
Opening carrying value	-	-	41,347	-	41,347
Depreciation expense (Note 13)	-	-	(34,427)	-	(34,427)
Closing net carrying value	-	-	6,920	-	6,920
At December 31, 2025					
Cost	5,011,638	3,528,775	1,305,714	39,325	9,885,452
Accumulated depreciation	(5,011,638)	(3,528,775)	(1,298,794)	(39,325)	(9,878,532)
Net carrying value	-	-	6,920	-	6,920

9 Trade and other payables

Trade and other payables as at December 31 consist of:

	2025	2024
Trade payables	5,723,361	5,926,993
Statutory payable	1,178,507	953,802
	6,901,868	6,880,795

Trade payables are non-interest bearing and are normally settled on a 30-day credit term.

Statutory payables pertain to expanded withholding taxes.

10 Lease commitments

The Group as a lessee

The Group has a lease agreement with Philcomsat for its office space for a term of two years subject to renewal under mutual agreement of both parties from January 1, 2019 to December 31, 2020.
On January 1, 2021, the lease contract was renewed for another 2 years until December 31, 2022. The annual rent is subject to escalation fee of 5%.

In 2023, the Group entered a new contract of lease with Philcomsat for its office space for a term of two years from January 1, 2023 to December 31, 2024 which is renewable for such period as both parties may agree after expiration of the contract. Based on the lease contract, the leased premises shall be used solely for commercial or business purposes only.

In 2025, the Group entered a new contract of lease with Philcomsat for its office space for a term of two years from January 1, 2025 to December 31, 2026 which is renewable for such period as both parties may agree after expiration of the contract.

Movements in the ROU asset as at December 31 are presented below:

	Note	2025	2024	2023
Net carrying amount, beginning		256,558	2,057,355	254,286
Additions		3,930,569	-	3,601,594
Depreciation	13	(1,950,965)	(1,800,797)	(1,798,525)
Net carrying amount, ending		2,236,162	256,558	2,057,355

Details of ROU asset as at December 31 are as follows:

	2025	2024
Cost	3,930,569	3,601,594
Accumulated depreciation	(1,694,407)	(3,345,036)
	2,236,162	256,558

Movements in the lease liability as at December 31 are presented below:

	2025	2024	2023
Beginning balance	265,844	2,131,772	257,209
Additions	3,930,569	-	3,601,594
Interest expense	149,370	77,656	130,479
Payments	(2,027,170)	(1,943,584)	(1,857,510)
Ending balance	2,318,613	265,844	2,131,772

Future minimum lease payments under lease liability and the net present value of the minimum lease payments as at December 31 follows:

	2025	2024
Not later than one year	2,121,377	272,070
More than one year but not later than five years	285,673	-
Total minimum lease obligation	2,407,050	272,070
Less: future finance charges on lease liability	88,437	6,226
	2,318,613	265,844

The following are the amounts recognized in the consolidated statements of total comprehensive income:

	2025	2024	2023
Depreciation on ROU asset	1,950,965	1,800,797	1,798,525
Interest on lease liability	149,370	77,656	130,479
	2,100,335	1,878,453	1,929,004

Depreciation expense from the ROU assets is allocated as follows:

	Note	2025	2024	2023
Cost of services	13	274,398	269,386	282,629
General and administrative expenses	13	1,676,567	1,531,411	1,515,896
		1,950,965	1,800,797	1,798,525

Total cash outflows for the payment of lease liabilities for the year ended December 31, 2025 amounted to P2,027,170 (2024 - P1,943,584; 2023 - P1,857,510).

Critical accounting estimate: Determining the incremental borrowing rate

To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received. Where third party financing cannot be obtained, the Group uses the government bond yield, adjusted for the (1) credit spread specific to each entity under the Group and (2) security using the right-of-use asset.

Critical accounting judgment: Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Group considers the factors below as the most relevant in assessing the options:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

11 Equity

Share capital

Details of share capital as at December 31, 2025 and 2024 are as follows:

	Number of shares	Amount
Common shares at P1 par value per share		
Authorized shares	1,000,000,000	1,000,000,000
Subscribed, issued and outstanding shares	996,391,254	996,391,254

Of the total authorized capital stock, sixty million (60,000,000) shares are listed at the Philippine Stock Exchange (PSE).

Each common share confers upon a common shareholder: a) the right to vote at any shareholders' meeting or on any resolution of the shareholders; and b) the right to distribution of income under such terms and conditions as the BOD may approve. All holders of common shares shall have pre-emptive rights to acquire new shares to be issued by the Parent Company.

Dividends declaration

On March 15, 2026, the Parent Company's BOD approved the declaration and distribution of a special cash dividend of P0.05 per share to all stockholders of record as of March 23, 2026 (or a total of P49,819,563), to be paid not later than April 20, 2026.

Dividends payable as at December 31, 2025 and 2024 amounted to P5,184,637.

12 Income

Income for the years ended December 31 are as follows:

	Notes	2025	2024	2023
Interest income	2,3,6	31,471,392	35,823,292	36,068,922
Dividend income	6	13,597,394	9,279,396	10,001,334
Retainer fee		9,356,143	9,478,143	7,932,803
Stock transfer fee		261,075	264,570	219,762
Other service fee		670,962	502,796	620,488
Miscellaneous income		254,816	1,126,070	1,105,244
		55,611,782	56,474,267	55,948,553

Interest income included in revenue is earned from the following:

	Notes	2025	2024	2023
Cash and cash equivalents	2	3,423,557	3,182,857	2,633,656
Receivables	3	6,208,861	5,071,445	8,157,033
Financial assets at FVOCI	6	21,838,974	27,568,990	25,278,233
		31,471,392	35,823,292	36,068,922

Retainer fee pertains to monthly retainer fees earned by PSTI being a stock transfer agent.

13 Costs and expenses

Costs and expenses for the years ended December 31 are as follows:

	Notes	2025	2024	2023
Cost of services:				
Salaries and other benefits		1,645,460	1,556,697	1,471,720
Professional fees		833,733	883,567	1,213,459
Depreciation	8,10	291,659	280,794	282,629
Communication, light and water		166,299	118,036	226,874
Transportation and travel		130,281	15,596	49,191
Dues and subscription		56,692	56,692	56,692
Medical		-	-	19,846
		3,124,124	2,911,382	3,320,411
General and administrative expenses				
Professional fees		9,559,343	13,064,710	11,661,811
Outside services		5,474,522	3,538,788	3,137,717
Directors' fees	16	3,578,889	3,000,000	3,425,000
Representation and entertainment		2,471,749	4,082,685	3,009,953
Legal fees		2,124,161	150,898	814,196
Transportation and travel		1,963,011	2,201,341	2,439,129
Depreciation	8,10	1,693,733	1,544,651	1,545,924
Bank charges		1,347,024	1,980,566	1,711,073
Provision for impairment of receivables	3	1,275,346	341,205	2,028,920
Impairment of assets held for sale	4	1,169,251	1,125,882	1,150,790
Taxes and licenses		1,329,676	633,227	479,176
Office supplies		313,796	286,499	384,392
Communication, light and water		251,407	228,379	-
Dues and subscription		183,196	247,950	-
Advertising		363,066	126,968	296,339
Others		1,211,271	1,724,748	676,753
		34,309,441	34,278,497	32,761,173
Total costs and expenses		37,433,565	37,189,879	36,081,584

14 Other (expense) income, net

Other (expense) income, net for the years ended December 31 are as follows:

	Notes	2025	2024	2023
Realized gain (loss) on sale of FVOCI debt instruments	6	428,054	(14,592)	(2,540,681)
Realized gain (loss) on financial assets at FVTPL		713,227	1,327,511	(272,199)
Unrealized foreign exchange gain (loss)		552,063	1,327,511	(272,199)
Unrealized (loss) gain on financial assets at FVTPL		(3,897,726)	-	28,920
Gain from extinguishment of debt	16	-	-	36,971
		(2,204,382)	1,312,919	(2,746,989)

As discussed in Note 16, the extinguishment of debt in 2023 resulted from the assignment of certain parcels of land by the Parent Company in exchange for the settlement of the Notes receivable and Advances amounting to P35,356,250 and P272,046,695, respectively. The fair value of the parcels of land received by PHC amounted to P335,615,126 (Level 2). The extinguishment is considered a non-cash operating and investing activity for purposes of statements of cash flows reporting.

15 Income tax

Income tax expense (benefit)

The components of income tax benefit as shown in profit or loss for the years ended December 31 are as follows:

	2025	2024	2023
Current tax expense - current year	1,003,590	925,945	770,379
Current tax expense - prior periods	-	1,375,108	-
Deferred income tax (DIT) expense (benefit)	(217,210)	412,415	(1,671,909)
	786,380	2,713,468	(901,530)

The reconciliation of the income tax benefit computed at statutory tax rate to provision for income tax expense for the years ended December 31 are as follows:

	2025	2024	2023
Income tax at applicable statutory tax rate	3,935,843	7,688,149	4,120,637
Add (deduct) tax effects of:			
Interest income already subjected to final tax	(6,916,776)	(7,968,332)	(7,330,981)
Derecognition of NOLCO for the year	5,407,525	-	2,558,206
Income tax payment from prior periods	-	1,375,108	
Change in unrecognized DIT assets	(254,046)	5,273,092	671,839
Dividend income subject to final tax	(3,399,349)	(5,419,479)	(2,500,334)
Nondeductible expenses	1,219,027	1,761,282	733,693
Tax expense from MCIT	105,195	-	210,240
Realized loss (gain) on sale of FVOCI debt instruments	(107,014)	3,648	635,170
Unrealized loss on financial assets at FVTPL	974,282	-	-
Realized gain from financial assets at FVTPL	(178,307)	-	-
	786,380	2,713,468	(901,530)

Deferred income tax

The components of the Group's deferred income tax (DIT) assets (liabilities), net as at December 31 are as follows:

	2025	2024
Lease liabilities, net	612	1,857
Allowance for doubtful accounts	8,080	5,679
Unrealized foreign exchange gain	(138,016)	(331,878)
NOLCO	18,441,436	18,343,652
MCIT	415,777	495,998
	18,727,889	18,515,308
Recognized DIT assets (liabilities), net	(63,006)	(280,216)
Unrecognized DIT asset	18,664,883	18,235,092

Net operating loss carryover (NOLCO)

The Republic Act No. 9337 (the “Act”) provided the NOLCO privilege which can be carried over as a deduction for the three succeeding taxable years immediately following the year such loss was incurred.

In 2020, pursuant to Section 4 (bbbb) of Bayanihan II and as implemented under RR 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five consecutive taxable years following the year of such loss.

Details of NOLCO at December 31 are as follows:

Parent Company

Year incurred	Year of expiration	2025	2024
2020	2025	-	16,289,059
2021	2026	20,758,171	20,758,171
2022	2025	-	4,918,973
2023	2026	10,232,824	10,232,824
2024	2027	20,963,200	20,963,200
2025	2028	21,549,312	-
Subtotal		73,503,507	73,162,227
Tax rate		25%	25%
Unrecognized DIT asset on NOLCO		18,375,877	18,290,557

PMEI

Year incurred	Year of expiration	2025	2024
2023	2026	327,793	216,835
Tax rate		20%	20%
Recognized DIT asset on NOLCO		65,559	43,367

Minimum corporate income tax (MCIT)

As provided under the Act, the Group shall pay the minimum corporate income tax (MCIT) or regular corporate income tax (RCIT), whichever is higher. Any excess of MCIT over the RCIT shall be carried forward on an annual basis and credited against RCIT for the next three succeeding taxable years. MCIT shall be imposed beginning on the fourth taxable year immediately following the taxable year in which such corporation started its business operations.

On March 26, 2021, Republic Act No. 11534, was signed into law. Under this law, effective July 1, 2020, the MCIT rate was reduced from 2% to one percent (1%) until June 30, 2023.

Effective July 1, 2023, the MCIT rate reverted to its original 2% based on the taxpayers gross income. For taxable year 2023, a two-tiered MCIT rate applies: 1% for the period January 1 to June 30, 2023 and 2% for the period July 1 to December 31, 2023.

In March 2024, Revenue Memorandum Circular No. 36-2024 issued by the Bureau of Internal Revenue (BIR) provided a clarification in manner of computing the MCIT for taxable year 2023. For taxpayers with calendar year ends, the MCIT rate to be used is 1.50% in 2023.

Details of MCIT as at December 31 are as follows:

Year incurred	Year of expiration	2025	2024
2021	2024	-	113,892
2022	2025	184,157	184,157
2023	2026	211,064	211,064
2024	2027	100,777	100,777
2025	2028	105,195	-
Subtotal		601,193	609,890
Expired during the year		(184,157)	(113,892)
Unrecognized DIT asset on MCIT		417,036	495,998

Critical accounting judgment: Recoverability of DIT assets

Realization of future tax benefit related to DIT assets is dependent on the Group's ability to generate future taxable income during the periods in which these are expected to be recovered. The Group has considered these factors in reaching a conclusion as to the amount of DIT assets recognized as at each reporting period and regularly reviews the recoverability of the DIT assets to be recognized.

As at December 31, 2025, unrecognized DIT assets amount to P18,664,883 (2024 - P18,235,092).

16 Related party transactions

The table below summarizes the Group's transactions and balances with its related parties.

	Terms and conditions	Transactions			Balances Due from (due to)	
		2025	2024	2023	2025	2024
Notes receivable						
Entities under common control	Unsecured note, due on demand and bears interest of 5% to 7% per annum.					
Principal	Amounts are payable in cash on a gross basis. Interest bearing, unsecured, with no guarantee.	4,305,002	-	8,000,000	50,000,000	54,305,002
Interest		1,101,112	3,287,114	3,021,025	245,076	1,346,188
		(4,305,002)	(3,287,114)	11,021,025	50,245,076	55,651,190
Advances						
Entities under common control	These are advances made by the related party for various project related expenses.					
Principal		7,425,000	-	-	12,425,000	5,000,000
Interest	Amounts are payable in cash on a gross basis. These are unsecured, unguaranteed interest bearing and due on demand.	684,064	302,653	347,085	60,901	744,965
					12,485,901	5,744,965
Due to related parties	These are advances made by the related party for various project related expenses.					
Ultimate Parent Company		219,353	-	28,344,614	-	(219,353)
	Amounts are payable in cash on a gross basis. These are unsecured, non-interest bearing and due on demand.					

	Terms and conditions	Transactions			Balances Due from (due to)	
		2025	2024	2023	2025	2024
Extinguishment of debt	On December 29, 2023, the Group and its Parent Company executed a deed of assignment of land by way of dacion en pago.					
Notes receivable from Parent Company		-	-	36,000,000	-	-
Advances from Parent Company	In the agreement, the Parent Company assigned nine parcels of land to the Group in satisfaction of P335,578,155 debt. The land is located in Bagac, Bataan with a total area of 383,999 sqm valued at P335,615,126. The agreement resulted in P36,971 gain (Note 14).	-	-	271,402,945	-	-
Future stock subscription						
Parent Company	As discussed in Note 1.1, the Parent Company's Board of Directors (BOD) confirmed and ratified its previous resolution increasing the authorized capital stock of the Parent Company. Consequently, the Parent Company received P18,894,000 as deposit for future stock subscription. As discussed in Note 1.1, as at each report date, the resolution to increase the Parent Company's authorized capital stock is awaiting ratification by the stockholders and pending application with SEC, hence recorded as non-current liabilities.	-	-	-	(18,894,000)	(18,894,000)
Leases						
Parent Company	The Company has a lease agreement with the Parent Company for the rent of its office space located at the 12th Floor, Telecom Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City. The lease term is for two years and is renewable under mutual agreement of both parties. Transactions during the year pertains to the actual lease payments made during the year. Amounts are payable in cash on a gross basis. These are unsecured, unguaranteed, non-interest bearing and due on demand.	2,027,170	1,535,480	1,462,361	(2,318,613)	-

	Terms and conditions	Transactions			Balances Due from (due to)	
		2025	2024	2023	2025	2024
Expense recharges						
Entities under common control	These are recharges made by a related party for association dues and utilities taxes paid by the related party on behalf of the Group. These are billed at cost. Amounts are payable in cash on a gross basis. These are unsecured, unguaranteed, non-interest bearing and due on demand.	577,379	312,190	358,442	-	-
Key management compensation	Key management compensation of the Group consists of directors' fees. The Group does not have amounts receivables from/payables to key management personnel arising from the above agreement as at each reporting period. The Group does not have any regular employees. The accounting and management services are under the management of Philcomsat, its ultimate parent company.					
Director's fees		3,578,889	3,000,000	3,425,000	-	-

The Group has an approved material related party transactions policy that sets forth the required thresholds for approval for related party transactions as part of the Group's corporate governance policy.

The following related party transactions and balances were eliminated for the purpose of preparing the consolidated financial statements:

	2025	2024	2023
As at December 31			
Investment in subsidiaries	29,305,002	29,305,002	29,305,002
Due from (to) related parties	-	-	(18,550,738)
For the years ended December 31			
Dividend income	6,000,000	13,000,000	-
Retainer fees	180,000	195,000	215,340

17 Earnings per share

Basic/diluted earnings per share for the years ended December 31 as follows:

	2025	2024	2023
Profit for the year	15,038,085	17,806,183	17,891,031
Weighted average number of shares outstanding	996,391,254	996,391,254	996,391,254
	0.0151	0.0179	0.0180

18 Civil cases

An action was filed in the Sandiganbayan by a group claiming to be directors and officers of POTC and Philcomsat seeking to enjoin the present directors and officers of POTC and Philcomsat from representing themselves as directors and officers and representatives of the Parent Company. The Parent Company sought the dismissal of the complaint against it on the ground that it is not a real party-in-interest since the injunction being sought is not directed against it. The Sandiganbayan issued a decision dismissing the case. The group alleging that they are the POTC and Philcomsat board of directors, however, appealed the case with the Supreme Court (SC) on November 10, 2008. The SC consolidated this case with three other cases.

On July 3, 2013, the SC in GR Nos. 184622, 184712-14, 186066 and 186590 ruled in favor of the Bildner Group and declared the Bildner Group as the legitimate board of directors of the Parent Company. The July 3, 2013 Decision attained finality on October 23, 2013 when the SC issued a Resolution denying the Motions for Reconsideration filed by the opposing parties. On March 27, 2014, the July 23, 2013 Decision has become final and executory.

The Parent Company also filed cases for the recovery of advances made by former directors and officers of the Parent Company. These cases are now pending resolution with the Department of Justice (DOJ).

Management believes that no provision is necessary to be recorded for these civil cases as at December 31, 2025 and 2024.

19 Litigation

The following cases were filed by the Parent Company to recover assets allegedly withdrawn or misappropriated by the former officers. Management, based on advice of legal counsel, believes that these matters will not result in a material financial impact on the Group. Accordingly, no provision has been recognized as at each reporting period.

- Philippine Communications Satellite Corporation against Philcomsat Holdings Corp. (PHC and former directors), Luis Lokin Jr., Enrique Locsin and Philip Brodett (Locsin Group)

  PHC, through the valid and incumbent directors (Bildner Group) filed a Motion for Issuance of Writ of Execution with the Regional Trial Court (RTC) of Makati Branch 138 as court of origin, following the final resolution of SC declaring the election of Locsin Group as PHC's officers and directors. Accordingly, the SC ordered the Locsin Group to render an accounting and return of funds allegedly received from the Parent Company. An Order granting the Motion was issued on February 20, 2017, resulting to the issuance of the Writ of Execution on February 28, 2017. On January 9, 2018, PHC filed a manifestation for the implementation of the Writ of Execution.

  On February 9, 2018, an Order was issued directing PHC, within thirty (30) days from receipt, to submit its preferred accounting firm who will conduct the accounting of all funds and other assets received from POTC, PHC and Philcomsat since September 2004. On February 22, 2018, PHC filed its Ex-Parte Manifestation and Motion, in compliance with the said Order.

  On July 11, 2018, the Sheriff of the Office of the Clerk of Court of Makati served the Writ of Execution to Manuel Andal, Benito Araneta, Philip Brodett, Enrique Locsin, Concepcion Poblador and Johnny Tan. On June 6, 2019, PHC filed an Ex-Parte Motion to Resolve the pending motion to appoint Virgilio R. Santos as the auditing accounting firm for the execution of the SC Decision dated July 3, 2013 issued in GR Nos. 184622, 184712-14, 186066 and 186590. There was a status conference held in this case on December 13, 2019 where the Court required the defendants to provide a name of their selected accountant to move forward with the audit. The defendants failed or refused again to comply, so the Court is likely to appoint Philcomsat’s proposed accountant, Virgilio R. Santos, to do the audit. On May 18, 2022, Philcomsat filed an Ex-Parte Motion to Resolve praying that an Order be issued allowing VRS to commence the accounting of corporate funds received, utilized and disbursed by all the defendants and their assigns, which the Court granted in its Order of June 3, 2022. However, VRS has already retired. The issue of who would render the audit remains unsolved.

  On May 2, 2017, the Presidential Commission on Good Government (PCGG) and Locsin filed with the Court of Appeals (CA) a Petition for Certiorari and Prohibition with Very Urgent Prayer for Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction assailing the Order dated February 20, 2017 issued by the RTC. On January 30, 2018, the CA issued a Decision dismissing the Petition. On February 22, 2018, PCGG and Locsin filed their Motion for Reconsideration with Motion to Exclude the PCGG from the instant Petition, which are both denied in a Resolution dated June 27, 2018.

  On August 8, 2018, PCGG filed its Motion for Reconsideration on the denial of its Motion for Exclusion. On October 29, 2018, Philcomsat filed its Opposition thereto.

  Meanwhile, PCGG and Locsin filed a Petition for Review with the Supreme Court (SC) questioning the Decision issued by the CA dated January 30, 2018, which dismissed their Appeal. Philcomsat filed its comment thereto on November 6, 2018. PCGG filed its Reply on February 17, 2020.

  Separately, Brodett filed his Petition for Certiorari under Rule 65 with the CA assailing the Order issued by the RTC, which denied his Motion for Clarification on the issue of rendering an accounting of the funds. The CA denied his Petition on the ground that clarification may only be allowed if the order involves a clerical error but not when it is an alleged erroneous judgment or dispositive portion of the decision. Since Brodett's Motion for Clarification was raised questioning the grant of a writ of execution, the CA held that it cannot be subject of a motion for clarification.

On December 15, 2017, the CA's dismissal was issued and the case was considered terminated. Brodett still filed his Motion for Reconsideration, which was denied on May 10, 2018. Brodett elevated the matter to the SC via Petition for Review but the SC denied the same in a Resolution dated August 29, 2018.

On December 7, 2022, the Court issued a Resolution requiring the parties to file their respective memoranda. Philcomsat filed its Memorandum on March 10, 2023. On September 25,2025 Philcomsat filed an omnibus Motion to proceed with the accounting and return of funds taken by the Locsin Group from Philcomsat Holdings Corporation, Philippine Communication Satellite Corporation and POTC. As at date of this report, the same is pending resolution.

- Complaint for collection against Araneta and Lokin

  On May 26, 2010, a complaint for collection of sum of money and damages, with an application for a Writ of Preliminary Attachment dated May 24, 2010 was filed by the Parent Company against Benito Araneta and Luis Lokin Jr., former directors of the Parent Company for an alleged personal back to back loans with Bankwise procured by Araneta using the Parent Company's funds as collateral, with the help of Lokin, in the amount of P35.3 million.

  On February 2, 2017, a Decision was issued finding Araneta and Lokin liable to pay PHC: a) actual damages in the sum of P31.5 million plus legal interest of 6% computed from May 26, 2010, the time of judicial demand until fully paid; b) P200,000 as and by way of exemplary damages; and c) P200,000 as and by way of attorney's fees, plus costs of suit.

  Araneta and Lokin filed their Notices of Appeal on September 6 and September 8, 2017, respectively. On January 16, 2018, the Court of Appeals (CA) required defendants to file Appellant’s Brief within 45 days from receipt thereof. On April 20, 2018 and May 7, 2018, PHC received Lokin and Araneta's Appellant's Briefs, respectively. On June 5, 2018, PHC filed its Appellee's Brief.

  On September 18, 2018, PHC filed a Compliance submitting proof of service of its Appellee's Brief to defendants in accordance with the CA's Resolution dated July 2, 2018. On April 25, 2019, the CA issued a Decision granting Araneta’s appeal.

  On May 30, 2019, PHC filed its Motion for Reconsideration of the said Decision. On July 11, 2019, Araneta filed his Comment thereto, in accordance with the Resolution dated June 6, 2019 issued by the CA to file the same.

  On October 24, 2019, the Court of Appeal issued a Resolution denying PHC’s Motion for Reconsideration. On November 26, 2019, PHC elevated the case to the Supreme Court via Petition for Review on Certiorari under Rule 45. On March 9, 2020, Araneta filed his Comment. As at date of this report, the case is still pending resolution by the High Court.

- Criminal complaint against Brodett and Bankwise Officers using spurious bank accounts for Company's deposits

  On May 8, 2008, the Parent Company filed a criminal complaint for estafa for misappropriation of corporate funds against Brodett, a former director of the Parent Company, and certain officers of Bankwise. The complaint alleged that the unauthorized deposits, withdrawals and transfers of the Parent Company's funds in the amount of P66.8 million was processed through spurious bank accounts and involved the comingling and transfer of funds between the Parent Company's accounts and certain personal accounts.

  On June 14, 2016, an Order was issued allowing Brodett to present his defense only with respect to the P27.0 million and P9.3 million which allegedly came from PHC funds and not in the whole amount of P66.8 million. On July 1, 2016, a Motion for Reconsideration of the said Order was filed by the Private Prosecutor (Parent Company).

On August 30, 2016, the Private Prosecutor (Parent Company) filed a Reply to Brodett's Comment/Opposition dated August 25, 2016. After the presentation of defense evidence has already been concluded on June 5, 2018, the accused filed their Formal Offer of Evidence, which was partially admitted by the Court on August 28, 2018.

On February 21, 2020, the Court promulgated its judgment finding accused Brodett guilty for the crime of theft, sentencing him to the penalty of imprisonment for a minimum period of four (4) years, two (2) months, one (1) day, to a maximum period of sixteen (16) years and 4 months. He was also found civilly liable to pay PHC the amount of P14,235,700, with legal interest of 12% per annum from April 11, 2008 until June 30, 2013 and the total obligation plus 6% legal interest from July 1, 2013 until fully paid.

On March 3, 2020, Brodett filed his Motion for Partial Reconsideration of the Decision. On July 1, 2020, PHC filed its Consolidated Comment/Opposition thereto. In ruling Brodett's Motion for Reconsideration, the Court again promulgated the case on December 2, 2020 and affirmed Brodett's conviction. He then filed an appeal on December 3, 2020. In resolving the said Motion for Reconsideration, the RTC found him to be guilty of qualified theft. Brodett appealed to the Court of Appeals, where he obtained a reversal of the RTC Decision. The Office of the Solicitor General, as the prosecuting agency designated by the State to handle criminal cases on appeals, filed a Motion for Reconsideration. As at date of this report, the Motion for Reconsideration which is pending for resolution.

- Criminal complaint against Araneta for non-return of PHC deposits

  A criminal complaint for estafa was filed against Araneta for money market placements amounting to P65.0 million which allegedly were not returned to the Parent Company. The case was dismissed on February 9, 2009 for lack of probable cause. The appeal filed on March 4, 2009 is still pending decision with the DOJ as at report date.

- Criminal complaint against Concepcion A. Poblador

  A criminal complaint for estafa was filed against Ms. Poblador for allegedly receiving cash advances amounting to P14.5 million, which she failed to account for and return to the Parent Company after formal demands. On February 9,2009, the DOJ issued a Resolution directing the filing of an information against Ms. Poblador only for P0.2 million.

  On January 7, 2014, the Parent Company filed a Petition for Certiorari praying that the DOJ file new information against Ms. Poblador for estafa for the total amount of P16.7 million.

  On January 10, 2014, the Parent Company received a Petition for Certiorari filed by Ms. Poblador seeking the reversal of the Resolution directing the filing of an Information for estafa against her for P0.2 million. On August 29, 2014, the two petitions were consolidated.

  On April 26, 2017, subsequent to the filing of the parties' respective Memoranda, the CA issued a Resolution requiring Ms. Poblador to file a Rejoinder to the Parent Company's Reply (to the Memorandum of Poblador). In the meantime, the case was returned to "Completion State" pending the filing of the Rejoinder. Poblador filed her Rejoinder on June 1, 2017 under a Motion to Admit Attached Rejoinder.

  On November 29, 2017, Poblador filed a Manifestation adopting her previous Memorandum dated December 22, 2014 as her compliance with the Resolution dated October 11, 2017. The Office of the Solicitor General filed a Manifestation and Motion on November 24, 2017 asking that the DOJ Secretary be excused from filing a Memorandum. Based on the Resolution of the Court requiring the parties anew to file their respective Memorandum, PHC's (2nd) Memorandum was filed on December 13, 2017, within the extended period prayed for.

On June 14, 2019, the CA issued a Decision denying both PHC's and Ms. Poblador's Petitions for Certiorari. On July 5 and 11, 2019, both parties filed their respective Motions for Reconsideration. On July 24, 2019, PHC filed its Comment to Ms. Poblador's Motion for Reconsideration. On August 10, 2020, the CA issued a Resolution denying PHC and Ms. Poblador's Motions for Reconsideration. PHC decided not to pursue the case with the Supreme Court considering that the amount involved is already covered by the advances to affiliates case.

On November 3, 2020, Poblador filed her Petition for Review with the Supreme Court. As at date of this report, the case remains pending for resolution with the Supreme Court.

The Group is also involved in other litigations, claims and disputes which are normal to its business. Management believes that the ultimate liability, if any, with respect to these litigations, claims and disputes will not materially affect the financial position and financial performance of the Group.

20 Critical accounting estimates, assumptions, and judgments

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments 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:

(a) Critical accounting estimates and assumptions

- Provision of impairment of receivables and due from related parties (Notes 3 and 16)
- Fair value of financial instruments (Note 6)
- Determining the incremental borrowing rate for leases (Note 10)

(b) Critical accounting judgments in applying the Group's accounting policies

- Recoverability of due from related parties (Note 16)
- Recoverability of input VAT and tax credits (Notes 5)
- Recoverability of investment properties, and property and equipment (Note 7)
- Determining the lease term (Note 10)

21 Financial risk management and capital management

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Financial risk management is carried out by management under the direction of the Parent Company's BOD. Management identifies and evaluates financial risks in close cooperation with the Group's department heads. The Parent Company's BOD reviews and approves policies and procedures covering specific financial risk areas. These policies and procedures enable the Group's management to make strategic and informed decisions with regard to the operations of the Group.

The most important types of risk the Group manages are credit risk, market risk and liquidity risk. Market risk includes foreign exchange, interest and price risks. The Group has no significant financial assets and liabilities that are exposed to foreign exchange and interest risk.

Components of financial assets and liabilities

Details of the Group's financial assets as at December 31 are as follows:

	Notes	2025	2024
Financial assets measured at amortized cost			
Cash and cash equivalents	2	210,229,945	121,712,962
Receivables	3	119,082,256	114,872,989
Due from related parties	16	12,425,000	5,000,000
Financial assets at FVTPL	6	124,377,686	107,298,599
Financial assets at FVOCI	6	707,579,862	803,483,539
		1,173,694,749	1,152,368,089

Other current assets consist of advances subject for liquidation, hence not considered as financial assets. Other non-current assets consist of CWT and input VAT which not considered as financial assets since they do not arise from contractual arrangements.

Details of the Group's financial liabilities as at December 31 are as follows:

	Notes	2025	2024
Trade payables	9	5,723,361	5,926,993
Lease liability	10	2,318,613	265,844
Dividends payable	11	5,184,637	5,184,637
Due to a related party	16	-	219,353
Deposit for future stock subscription	16	18,894,000	18,894,000
		32,120,611	30,490,827

Other payables consisting of customer deposits and statutory payables not arising from contractual arrangements are not considered as financial liabilities.

Credit risk

Credit risk refers to the risk that a counterparty will cause a financial loss to the Group by failing to discharge an obligation.

The Group enters into contracts only with recognized, credit-worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group obtains guarantees where appropriate to mitigate credit risk.

Credit risk arises from cash deposits with banks and financial institutions, as well as credit exposure on receivables and amounts due from a related party.

There is no significant concentration of credit risk, whether through exposure to individual counterparties or specific industry sectors.

The maximum exposure to credit risk for the Group's financial assets are as follows:

	Gross carrying amount	Net carrying amount	Internal credit rating	Basis for recognition of ECL
December 31, 2025				
Cash in banks and short-term placements	210,220,759	210,220,759	Performing	12-month ECL
Receivable				
Group 1	116,241,945	116,241,945	Performing	12-month ECL
Group 2	2,840,311	-	Impaired	Full provision
Due from related parties	12,425,000	12,425,000	Performing	12-month ECL
Financial assets at FVTPL	124,377,686	124,377,686	Performing	Not applicable
Financial assets at FVOCI	420,658,681	420,658,681	Performing	Not applicable
	886,764,382	883,924,071		
December 31, 2024				
Cash in banks and short-term placements	121,706,719	121,706,719	Performing	12-month ECL
Receivables				
Group 1	114,872,989	114,872,989	Performing	12-month ECL
Group 2	1,564,965	-	Impaired	Full provision
Due from related parties	5,000,000	5,000,000	Performing	12-month ECL
Financial assets at FVTPL	107,298,599	107,298,599	Performing	Not applicable
Financial assets at FVOCI	515,425,939	515,425,939	Performing	Not applicable
	865,869,211	865,869,211		

Generally, receivables are written-off if collection cannot be made despite exhausting all extrajudicial and legal means of collection. The maximum exposure to credit risk at reporting date is the carrying value of the financial assets. The Group does not hold collateral as security.

Cash and cash equivalents

The Group has policies that limit the amount of credit exposure with financial institutions. All of the Company's cash in bank is deposited with a well-capitalized financial institution and reputable universal bank with strong financial standing.

Nevertheless, a portion of the Group's cash balances exceeds the amount insured by the Philippine Deposit Insurance Corporation (PDIC). In March 2025, the PDIC increased the maximum deposit insurance coverage from ₱500,000 to ₱1,000,000 per depositor, per bank, pursuant to Republic Act No. 9576, as amended. While cash in bank is also subject to requirements of PFRS 9, management assesses that the credit risk arising from cash in banks is minimal, as deposits are placed only with banks that have strong credit ratings and no history of default.

Receivables

The Group's outstanding receivables from corporate notes and its related interest. The Group does not expect significant credit exposure on this receivable considering that these are short-term investments in promissory notes of reputable and listed institutions with good credit rating.

Credit quality of customers are classified as follows:
Group 1 - Customer and counterparty balances without history of default and assessed to be fully recoverable.
Group 2 - Individually assessed customer with defaults and which the Group no longer expects to recover the balance despite its collection efforts.

Due from related parties

Due from related parties arising from advances are collectible within 12 months. Expected credit losses are based on the assumption that repayment of balances outstanding will not be compromised considering these are receivables from entities under common control with no history of default.

Based on assessment of qualitative and quantitative factors that are indicative of the risk of default, including but not limited to, availability of accessible highly liquid asset and internal and external funding of a related party, Group has assessed that the outstanding balances are exposed to low credit risk. Expected credit losses on these balances have therefore been assessed to be insignificant.

None of the fully performing financial assets have been renegotiated during each of the reporting periods.

Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash to meet the Group's operational commitment and finance its operation and working capital requirements.

Prudent liquidity risk management implies maintaining sufficient cash, timely collection of receivables and availability of funding through an adequate amount of facilities. The Group aims to maintain flexibility in funding by keeping track of its cash collections from dividends. The Group may also obtain funding from its shareholders, as well from third-party banking institutions, as necessary, to finance its operations and working capital requirements.

The table below summarizes the undiscounted profile of the Group's financial liabilities based on contractual payments:

	Less than 12 months	More than 1 year	Total
At December 31, 2025			
Trade and other payables	5,723,361	-	5,723,361
Lease liability, gross	2,038,865	279,748	2,318,613
Dividends payable	5,184,637	-	5,184,637
Deposit for future stock subscription	-	18,894,000	18,894,000
	12,946,563	19,173,748	32,120,611
At December 31, 2024			
Trade and other payables	5,926,993	-	5,926,993
Lease liability, gross	265,844	-	265,844
Dividends payable	5,184,637	-	5,184,637
Due to a related party	219,353	-	219,353
Deposit for future stock subscription	-	18,894,000	18,894,000
	11,596,827	18,894,000	30,490,827

Market risk

Price risk

Equity price risk is the risk that the fair values of equity instruments recognized under financial assets at FVOCI decrease as the result of changes in the levels of equity indices and the value of individual stocks. The Group is exposed to equity securities price risk because of the Group's investments in financial assets at FVTPL and financial assets at FVOCI which consist primarily of investment in listed and traded securities.

The Group measures the sensitivity of its investment securities and UITFs by using PSE index (PSEi). The table below sets forth the impact of changes in values in other comprehensive income for each of the periods ended December 31:

	Increase (decrease) in PSEi	Increase (decrease) in other comprehensive income
2025	12%	30,657,948
	(3%)	(6,450,702)
2024	16%	40,990,505
	(6%)	(14,109,418)
2023	11%	19,313,028
	(7%)	(13,377,391)

The sensitivity of the equity is the effect of the assumed changes in the PSEi on the net unrealized gain (loss) for the year, based on the adjusted beta rate of equity securities as at each reporting period. The reasonable possible changes in the market price of investments were determined based on Group's analysis of the movement in share prices for the next 30 days from the close of the financial year.

Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk arising from currency exposures, primarily with respect to the US Dollar. Foreign currency exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Parent Company's functional currency.

The Group's foreign-currency denominated financial instrument as at December 31, 2025 consists of cash in banks and cash equivalents totaling US$350,337 (2024 - US$25,720). The Group's exposure to foreign currency risk is insignificant.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. As at each reporting period, the Group has repriceable financial assets, specifically investments in quoted bonds classified as financial assets at FVOCI. Accordingly, the Group is subject to fair value interest rate risk.

The Group measures the sensitivity of its investment securities by using PHP BVAL reference rate fluctuations. The table below sets forth the impact of changes in PHP BVAL in the Group's other comprehensive income for each of the periods ended December 31:

	Increase (decrease) in PHP BVAL	Increase (decrease) in other comprehensive income
2025	6%	28,444,281
	(2%)	(8,674,316)
2024	11%	55,644,178
	(10%)	(51,306,812)
2023	14%	81,643,390
	(5%)	(28,957,310)

Capital risk management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders and obtain borrowings from banks or to related party.

The capital that the Group manages is the total equity as shown in the statements of financial position.

The Group is not subject to any externally imposed capital requirements.

Fair value estimation

As at each reporting period, the carrying amounts of the Group's financial assets and liabilities, other than those already disclosed in the preceding paragraphs, reasonably approximate their fair values due to the short-term nature of these financial instruments.

The different levels in the fair value hierarchy have been defined in Note 22.5. There were no transfers between Levels 1, 2 and 3 during each of the reporting periods.

22 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

22.1 Basis of preparation

These consolidated financial statements of the Group have been prepared in accordance with PFRS Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

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

These consolidated financial statements have been prepared under the historical cost convention, except for the measurement of financial assets at FVTPL and FVOCI, and assets held for sale.

The preparation of consolidated financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's accounting policies. The areas involving higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are summarized in Note 20.

Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Group

There are no standards, amendments and interpretations which are effective for the financial year beginning January 1, 2025 that are relevant to and have a material impact on the Group's financial statements.

(b) New standards, amendments and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and amendments is set out below:

(a) Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after January 1, 2026)

On May 30, 2024, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities.

These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

  The Group does not expect these amendments to have a material impact on its operations or consolidated financial statements.

(b) PFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after January 1, 2027)

  PFRS 18 will replace PAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

  Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements.

  The Group will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

22.2 Financial assets

Classification

The Group classifies its financial assets in the following categories: (a) financial assets at amortized cost, (b) financial assets at fair value through profit or loss (FVTPL), and (c) financial assets at fair value through other comprehensive income (FVOCI). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at amortized cost

The Group classifies its financial assets as at amortized cost only if both of the following criteria are met:
- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

The Group's financial assets at amortized cost comprise of cash, receivables, and due from a related party.

The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months at the end of the reporting period.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading and financial assets designated upon initial recognition as at FVTPL. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Fair value gains or losses on investments held for trading net of interest income accrued on these assets, are recognized in profit or loss.

Financial assets may be designated by management on initial recognition as at FVTPL, if any of the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains and losses on them on a different basis; or
- The assets are part of group of financial assets, liabilities or both which are managed and their performance evaluated on fair value basis, in accordance with a documented risk management or investment strategy; or
- The financial instrument contains an embedded derivative that would need to be separately recorded.

Financial assets at FVOCI

Financial assets at fair value through other comprehensive income (FVOCI) comprise equity security which is not held for trading, and which the Group has irrevocably elected at initial recognition to recognize in this category. This is a strategic investment and the Group considers this classification to be more relevant. On disposal of this equity investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months of the end of the reporting period.

As at each reporting period, investments in shares of stocks of various listed corporations, traded bonds and club memberships are designated as financial assets at FVOCI.

Recognition and measurement

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

All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs.

Derecognition

The basic premise for the derecognition model is to determine whether the asset under consideration for derecognition is:

- an asset in its entirety or
- specifically identified cash flows from an asset (or a group of similar financial assets) or
- a fully proportionate (pro rata) share of the cash flows from an asset (or a group of similar financial assets) or
- a fully proportionate (pro rata) share of specifically identified cash flows from a financial asset (or a group of similar financial assets).

Once the asset under consideration for derecognition has been determined, an assessment is made as to whether the asset has been transferred, and if so, whether the transfer of that asset is subsequently eligible for derecognition.

An asset is transferred if either the entity has transferred the contractual rights to receive the cash flows, or the entity has retained the contractual rights to receive the cash flows from the asset, but has assumed a contractual obligation to pass those cash flows on under an arrangement that meets the following conditions:

- the Group has no obligation to pay amounts to the eventual recipient unless it collects equivalent amounts on the original asset;
- the Group is prohibited from selling or pledging the original asset (other than as security to the eventual recipient); and
- the Group has an obligation to remit those cash flows without material delay.

Once the Group has determined that the asset has been transferred, it then determines whether or not it has transferred substantially all of the risks and rewards of ownership of the asset. If substantially all the risks and rewards have been transferred, the asset is derecognized. If substantially all the risks and rewards have been retained, derecognition of the asset is precluded.

If the Group has neither retained nor transferred substantially all of the risks and rewards of the asset, then the Group must assess whether it has relinquished control of the asset or not. If the Group does not control the asset then derecognition is appropriate; however, if the Group has retained control of the asset, then the Group continues to recognize the asset to the extent to which it has a continuing involvement in the asset.

Impairment

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

With the exception of purchased or originated credit impaired financial assets, expected credit losses are required to be measured through a loss allowance at an amount equal to:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

(i) Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

(ii) General approach

The Group applies the general approach to provide for ECLs on cash in banks, interest receivable, and due from a related party. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

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

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

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is more than 360 days past due.

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

Measurement of ECLs

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

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as actual default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

Write-off

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

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognized directly in profit or loss.

Financial assets at FVOCI

In the case of equity investments classified as financial assets carried at FVOCI, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. When a decline in the fair value of a financial assets carried at FVOCI has been recognized in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized in other comprehensive income is removed directly from equity with no option to recycle to profit or loss. Impairment losses recognized in profit or loss for an investment on equity instrument classified as financial assets at fair value through other comprehensive income are not reversed through profit or loss.

In the case of debt instruments classified as financial assets carried at FVOCI, movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the profit or loss.

22.3 Consolidation

The consolidated financial statements comprise the consolidated financial statements of the Group as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025. For consolidation purposes, the subsidiaries' financial statements are prepared as at the same reporting year as that of the Parent Company. The Group uses uniform accounting policies. Details of principal subsidiaries are shown in Note 1.

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the Parent Company do not differ from the proportion of ordinary shares held.

(a) Subsidiaries

Subsidiaries are all entities over which the Parent Company has control. The Parent Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Parent Company. They are deconsolidated from the date that control ceases.

The Parent Company applies the acquisition method to account for business combinations for acquired entities that are not under common control. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Parent Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Parent Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Parent Company is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is deemed to be an equity instrument is not re-measured, and its subsequent settlement is not accounted for within equity.

Inter-Group transactions, balances and income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-Group transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Parent Company.

Business combinations under common control are accounted for using the predecessor cost method. Under this method, the Group does not restate the acquired businesses or assets and liabilities to their fair values. The net assets of the combining entities or businesses are combined using the carrying amounts of assets and liabilities of the acquired entity. No amount is recognized in consideration for goodwill or the excess of acquirer's interest in the net fair value of acquired identifiable assets, liabilities, and contingent liabilities over their cost at the time of the common control combination. The financial statements incorporated the net assets and results of operations of the combining entities or businesses as if they had always been combined or from the date when combining entities or business first became under common control, whichever period is shorter.

The difference between the consideration given and the aggregate book value of the assets and liabilities acquired as of the date of the transaction are included in "other equity charges" account within equity.

(b) Disposal of subsidiaries

When the Parent Company ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture, or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Parent Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

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

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

(c) Deposit for future stock subscription

Deposit for future stock subscription represents fund paid by the Parent Company with the intention to apply the same as payment for additional issuance of common share to increase its interest in the investee company. Deposit for future stock subscriptions is reported as a separate item in the equity section of the statement of financial position if and only if, all of the following elements are present as of end of the reporting period:

- The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- There is Board of Directors' approval of the proposed increase in authorized capital stock (for which a deposit was received by the corporation);
- There is stockholders approval of said proposed increase; and
- The application for the approval of the proposed increase has been presented for filing or has been filed with the SEC.

If any or all of the above elements are not present, the deposit for future stocks subscription is recognized as a liability in the statement of financial position. These are included in current liabilities, except when management expects to convert them to equity at least 12 months from the reporting date which are classified as non-current liabilities.

22.4 Financial liabilities

Classification and presentation

The Group classifies its financial liabilities in the following categories: (i) financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that are designated at fair value) and (ii) financial liabilities at amortized cost. The classification depends on the purpose for which the financial liabilities were incurred. Management determines the classification of its financial liabilities at initial recognition.

The Group did not hold financial liabilities at fair value through profit or loss during and at the end of each reporting period.

The Group's financial liabilities at amortized cost consist mainly of trade payables and other liabilities (excluding customer deposits and statutory payables) and lease liabilities.

Initial recognition and subsequent measurement

The Group's financial liabilities at amortized cost are initially measured at fair value plus transaction costs. Subsequently, these are measured at amortized cost using the effective interest method.

Interest expense on financial liabilities is recognized within finance cost, at gross amount, in the statements of total comprehensive income.

Derecognition

Financial liabilities are derecognized when extinguished, that is, when the obligation specified in a contract is discharged or cancelled or when the obligation expires.

22.5 Determination of fair value

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

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

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

The fair value of assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on Group specific estimates. If all significant inputs required to fair value an instrument are observable, the asset or liability is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the asset or liability is included in Level 3.

For assets that are recognized on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

A fair value measurement of a non-financial asset 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.

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

Details of the Group's fair value measurement for the financial assets at FVOCI and investment properties are disclosed in Note 6 and Note 7, respectively.

22.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

22.7 Cash and cash equivalents

Short-term placements are presented as cash equivalents if they have a maturity of three months or less and are carried in the statement of financial position at face amount or at nominal amount, which approximates its amortized cost using the effective interest method.

22.8 Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the noncurrent asset is recognized at the date of derecognition.

Non-current assets are not depreciated or amortized while they are classified as held for sale.

22.9 Investment properties

Investment properties is defined as a property, mainly land, held for the purposes of earning rentals, for capital appreciation or both. This property is not held to be used in production or sale in the ordinary course of business. Investment property is initially measured at acquisition cost.

An investment property acquired through an exchange transaction is measured at fair value of the asset acquired unless the fair value of such an asset cannot be measured, in which case, the investment property acquired is measured at the carrying amount of asset given up.

The Group has elected to measure investment properties at cost less any accumulated depreciation and any accumulated impairment, as applicable.

Land is not depreciated.

22.10 Property and equipment

Property and equipment is subsequently measured at cost less accumulated depreciation and accumulated impairment. Depreciation is calculated using the straight-line method to allocate the cost of each asset, net of their residual values, over their estimated useful lives as follows:

	Number of Years
Office equipment and office improvement	3
Transportation equipment	3-5
Furniture and fixtures	3

The useful lives of each of the property and equipment are estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice and experience with similar assets. The property and equipment's useful lives and depreciation and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

22.11 Impairment of non-financial assets

Non-financial assets that have an indefinite useful life, such as goodwill, are not subject to amortization and are tested annually for impairment. Other non-financial assets, mainly property and equipment and investment in a subsidiary, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset’s fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment losses, if any, are recognized in profit or loss. Non-financial assets that have been impaired are reviewed for possible reversal of impairment at each reporting period.

22.12 Revenue recognition

Dividend income

Dividend income from a subsidiary is recognized when the right to receive dividend is established usually upon declaration by the BOD.

Interest income

Interest income on bank deposits, which is presented net of final withholding tax, is recognized on a time proportion basis using the effective interest rate method.

Retainer income

Retainer pertains to monthly retainer fees earned by PSTI being a stock transfer agent, and is recognized overtime.

Other income

All other income is recognized when earned or when the right to receive payment is established.

22.13 Leases

The Group assesses whether the contracts are, or contain, a lease. 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:

i. the right to obtain substantially all of the economic benefits from use of the identified asset; and
ii. the right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Group also assesses whether a contract contains a lease for each potential separate lease component.

The Group as a lessee

At the commencement date, the Group recognizes ROU asset and lease liability 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 on a straight-line basis.

After the commencement date, the ROU asset is carried at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the related lease liability. The ROU asset is amortized over the lease term.

At the 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.

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.

22.14 Related party relationships and transactions

Related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercises significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among entities which are under control with the reporting enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

22.15 Income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

22.16 Foreign currency transactions and translation

Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the “functional currency”). These financial statements are prepared in Philippine Peso, which is the Parent Company’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

22.17 Subsequent events

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

23 Operating segment information

The Group is organized into operating segments based on the type of product or service. The Group's reportable operating segments relates to investing funds, management services and stock transfer agency.

The disaggregated revenue, as disclosed in Note 12, was assigned to the operating segments as follows:

Revenue as disaggregated	Operating segment
Interest income	Investing funds
Dividend income	Investing funds
Rent income	Investing funds
Service fees	Management services
Retainer fee	Stock transfer agency
Stock transfer fee	Stock transfer agency
Other service fee	Stock transfer agency
Gain on sale of financial assets at FVOCI	Investing funds
Gain on sale of investment property	Investing funds

All of the assets relating to the Group's operating segments are located in the Philippines. Accordingly, reporting operating segments per geographical business operation is not required.

Segment assets, liabilities and revenue and expenses are measured in accordance with PFRS Accounting Standards. The presentation and classification of segment revenue and expenses are consistent with that presented in the consolidated statements of total comprehensive income.

Significant information of the Group's reportable segments is as follows:

	Segment			
2025	Investing funds	Management services	Stock transfer agency	Total
Segment revenue	45,323,602	-	10,288,180	55,611,782
Segment profit	10,831,913	522,047	3,684,125	15,038,085
Depreciation	1,568,737	-	416,655	1,985,392
Provision for income tax	(88,667)	(22,192)	897,239	786,380
Total assets	1,508,766,006	23,449,395	9,268,419	1,541,483,820
Total liabilities	31,640,020	80,982	1,641,122	33,362,124

	Segment			
2024	Investing funds	Management services	Stock transfer agency	Total
Segment revenue	46,228,758		10,245,509	56,474,267
Segment profit	11,752,578	118,087	5,935,518	17,806,183
Depreciation	1,427,106	-	398,339	1,825,445
Provision for income tax	1,807,328	(16,281)	922,421	2,713,468
Total assets	1,488,203,446	23,041,456	6,387,177	1,517,632,079
Total liabilities	30,834,065	217,282	673,498	31,724,845

	Segment			
2023	Investing funds	Management services	Stock transfer agency	Total
Segment revenue	47,175,500	-	8,773,053	55,948,553
Segment profit	12,769,298	(105,306)	5,227,039	17,891,031
Depreciation	1,424,800	-	403,753	1,828,553
Provision for income tax	(1,335,734)	(26,586)	460,790	(901,530)
Total assets	1,481,824,071	31,078,116	6,836,935	1,519,739,122
Total liabilities	60,095,073	78,682	1,110,438	61,284,193

Capital expenditures for the year ended December 31, 2025 attributable to the investing funds segment amounted to nil (2024 - P13,839; 2023 - P21,863).

Philcomsat Holdings Corporation and Subsidiaries

Schedule A. Financial assets
December 31, 2025

Name of issuing entity and association of each issue	Number of shares or principal amounts of bonds and notes	Amount shown in statement of financial position	Value based on market quotations at end or reporting period	Income received and accrued
Notes and loans receivable				
Promissory notes issued by various financial institutions				
Philippine Commercial Capital, Inc.	52,233,651	52,233,651	52,233,651	2,268,252
Corporate notes				
Montemar Beach Club Inc.	50,000,000	50,000,000	50,000,000	3,214,236
HMR Philippines, Inc.	13,999,551	13,999,551	13,999,551	336,064
	116,233,202	116,233,202	116,233,202	6,208,552
Financial assets at FVPL				
AB Capital Balanced Funds		13,478,104	13,478,104	
Philam Strategic Growth Fund	66,408	29,855,045	29,855,045	
SB Asia Pacific EQ Feeder Fund Class F		1,384,563	1,384,563	
Sun Life Prosperity Balanced Fund	11,771,306	40,421,488	40,421,488	
Sun Life Prosperity GS Fund	6,038,647	11,378,623	11,378,623	
BDO Private Bank Managed Funds		13,853,566	13,853,566	
BDO - Trust & Investments Group Managed Funds	17,261	13,878,188	13,878,188	
Bank of Philippine Islands	1,205	128,110	128,110	
		124,377,686	124,377,686	
Financial assets at FVOCI				
Investments in quoted bonds				
Aboitiz Power Corporation		4,260,000	4,260,000	
Alsons Consolidated Commercial Paper		985,570	985,570	
Ayala Corporation		560,000	560,000	
Ayala Land, Inc.		12,486,179	12,486,179	
Bank of the Philippine Islands		1,000,338	1,000,338	
BDO - Trust & Investments Group Managed Bonds		117,636,940	117,636,940	
BDO Private Bank Managed Bonds		109,531,110	109,531,110	
Bank of Commerce		1,000,000	1,000,000	
BDO Asean Bonds.		2,000,000	2,000,000	
Philippine Savings Bank		1,000,000	1,000,000	
Retail Dollar Bonds		1,176,100	1,176,100	
San Miguel Global		98,013	98,013	
Toyota Financial Services Philippines		20,000,000	20,000,000	
Uixed Rate Treasury Note		3,396,694	3,396,694	

Philcomsat Holdings Corporation and Subsidiaries

Schedule A. Financial assets (continuation)
December 31, 2025

Name of issuing entity and association of each issue	Number of shares or principal amounts of bonds and notes	Amount shown in statement of financial position	Value based on market quotations at end or reporting period	Income received and accrued
Energy Development Corporation		3,200,000	3,200,000	
EW Peso Intermediate Term Bond Fund	7,259	17,211,254	17,211,254	
Filinvest Land Inc.		2,000,000	2,000,000	
Fixed Rate Treasury Note		4,195,277	4,195,277	
Megawide Construction Corporation		2,000,000	2,000,000	
Metropolitan Bank & Trust Company		12,738,654	12,738,654	
Philam Bond Fund		1,999,434	1,999,434	
Phinma Corporation	2,307.782	10,634,721	10,634,721	
PNB Series Asean Sustainability Bonds		2,000,000	2,000,000	
Retail Treasury Bonds		37,344,195	37,344,195	
Robinsons Land Corp.		1,000,000	1,000,000	
San Miguel Corporation		3,005,354	3,005,354	
SM Prime Holdings, Inc.		24,500,141	24,500,141	
UnionBank of the Philippines		4,007,838	4,007,838	
Investments in quoted shares of stock				
A Brown Company	10,000	970,000	970,000	
AC Energy Corporation	150,000	2,428,000	2,428,000	
Areit, Inc.	183,300	8,060,550	8,060,550	
Axelum Resources Corp.	200,000	472,000	472,000	
Aixed Rate Treasury Note		24,271,149	24,271,149	

Philcomsat Holdings Corporation and Subsidiaries

Schedule A. Financial assets (continuation)
December 31, 2025

Name of issuing entity and association of each issue	Number of shares or principal amounts of bonds and notes	Amount shown in statement of financial position	Value based on market quotations at end or reporting period	Income received and accrued
Ayala Land, Inc.	100,000	2,245,000	2,245,000	
Aixed Rate Treasury Note		24,271,149	4,271,149	
BDO - Trust & Investments Group Managed Equity		29,504,116	29,504,116	
BDO Private Bank Managed Bonds		29,205,181	29,205,181	
BDO Unibank, Inc.	16,869	2,749,609	2,749,609	
Cebu Landmasters, Inc.	150,000	786,075	786,075	
Chelsea Logistics Holdings Corp.	100,000	95,000	95,000	
Cirtek Holdings Phils. Corp.	150,000	441,038	441,038	
Bixed Rate Treasury Note		121,666	121,666	
Dixed Rate Treasury Note		463,760	463,760	
Converge ICT Solutions, Inc.	500,000	7,660,000	7,660,000	
D.M. Wenceslao and Associates, Inc.	1,500,000	7,500,000	7,500,000	
DDMP Reit, Inc.	500,000	510,000	510,000	
DMCI Holdings, Inc.	75,000	790,500	790,500	
Doubledragon Properties Corp.	31,000	3,007,000	3,007,000	
EEI Corporation	40,000	3,936,000	3,936,000	
Filinvest REIT Corp.	1,000,000	3,100,000	3,100,000	
Fixed Rate Treasury Note		2,525,000	2,525,000	
Gixed Rate Treasury Note		396,000	396,000	
Intl. Cont. Terminal Serv. Inc.	4,170	2,364,390	2,364,390	
JG Summit Holdings, Inc.	5,250	124,163	124,163	
Jollibee Foods Corp.	1,000	994,000	994,000	
Merry Mart Consumer Group		580,000	580,000	
Monde Nissin Corporation		580,000	580,000	
MREIT Inc		2,604,000	2,604,000	
Mixed Rate Treasury Note		6,153,840	6,153,840	

Philcomsat Holdings Corporation and Subsidiaries

Schedule A. Financial assets (continuation)
December 31, 2025

Name of issuing entity and association of each issue	Number of shares or principal amounts of bonds and notes	Amount shown in statement of financial position	Value based on market quotations at end or reporting period	Income received and accrued
Mixed Rate Treasury Note		6,153,840	6,153,840	
Pixed Rate Treasury Note		2,994,000	2,994,000	
Rixed Rate Treasury Note		4,951,652	4,951,652	
Sixed Rate Treasury Note	130,000	12,149,645	12,149,645	
Tixed Rate Treasury Note		25,453,600	25,453,600	
Torre Lorenzo Development Corp.		40,000,000	40,000,000	
Phoenix Petroleum Phils.	2,000	355,800	355,800	
Pilipinas Shell Petroleum Corp.	150,000	1,039,500	1,039,500	
Raslag Corporation		205,000	205,000	
RL Commercial REIT, Inc.	780,000	6,255,600	6,255,600	
Robinsons Land Corp.	6,343	102,503	102,503	
San Miguel Corporation	13,300	1,032,745	1,032,745	
San Miguel Food and Beverage, Inc.	11,500	632,500	632,500	
SM Prime Holdings, Inc.	100,000	2,275,000	2,275,000	
Synergy Grid & Dev't Phils., Inc.	1,022,400	1,324,800	1,324,800	
Wilcon Depot, Inc.	605,000	4,210,800	4,210,800	
Investments in unquoted shares of stock				
Asian Breast Cancer	300,000	30,000,000	30,000,000	

Philcomsat Holdings Corporation and Subsidiaries

Schedule A. Financial assets (continuation)
December 31, 2025

Name of issuing entity and association of each issue	Number of shares or principal amounts of bonds and notes	Amount shown in statement of financial position	Value based on market quotations at end or reporting period	Income received and accrued
Investments in club memberships				
Montemar Beach Club Inc.	10	8,000,000	8,000,000	
Makati Sports Club, Inc.	1	1,300,000	1,300,000	
		707,579,862	**707,579,862**	**21,838,974**

Philcomsat Holdings Corporation and Subsidiaries

Schedule B. Amounts receivable from directors, officers, employees, related parties, and principal stockholders (other than related parties)
December 31, 2025

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Non-current	Balance at end of period
Included under receivables							
Montemar Beach Club Inc.	54,305,002	-	(4,305,002)	-	50,000,000	-	50,000,000
Presented under "Due from related parties"							
Montemar Beach Club Inc.	5,000,000	7,425,000	-	-	12,425,000	-	12,425,000
	59,305,002	7,425,000	(4,305,002)	-	62,425,000	-	62,425,000

"Notes receivables from" and "cash advances to" Montemar beach Club Inc. bear interest of 5% to 7% with terms of 180 days to one year.

Philcomsat Holdings Corporation and Subsidiaries

Schedule C. Amounts receivable from related parties which are eliminated during the consolidation of financial statements
December 31, 2025

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Non-current	Balance at end of period
Not applicable							

Philcomsat Holdings Corporation and Subsidiaries

Schedule D. Long term debt
December 31, 2025

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "current portion of long-term debt" in related statement of financial position	Amount shown in caption "long-term debt" in statement of financial position
Not applicable	Not applicable	-	-

Philcomsat Holdings Corporation and Subsidiaries

Schedule E. Indebtedness to related parties (long-term loans from related companies)
December 31, 2025

Name of related party	Balance at beginning of period	Balance at end of period
Not applicable		

Philcomsat Holdings Corporation and Subsidiaries

Schedule F. Guarantees of securities and other issues
December 31, 2025

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is files	Nature of guarantee
Not applicable				

Philcomsat Holdings Corporation and Subsidiaries

Schedule G. Capital stock
December 31, 2025

Title of issue	Number of shares authorized	Number of shares issued and outstanding at shown under related statement of financial position	Number of shares reserved for options, warrants, conversions, and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common shares	1,000,000,000	996,391,254	-	783,945,590	112,756,243	99,689,421

Philcomsat Holdings Corporation and Subsidiaries
12th Floor, Telecom Plaza Building
316 Sen. Gil Puyat Avenue, Makati City

Reconciliation of the Parent Company's Retained Earnings Available for Dividend Declaration
For the year ended December 31, 2025
(All amounts in Philippine Peso)

Unappropriated Retained Earnings, beginning of the year/period	515,418,545
Add: Category A: Items that are directly credited to Unappropriated retained earnings	
Reversal of Retained earnings appropriation/s	-
Effect of restatements or prior-period adjustments	-
Others (describe nature)	-
Less: Category B: Items that are directly debited to Unappropriated retained earnings	
Dividend declaration during the reporting period	-
Retained earnings appropriated during the reporting period	-
Effect of restatements or prior-period adjustments	-
Others (describe nature)	
Transfer of loss on disposal of FVOCI equity instruments	670,051
Unappropriated Retained Earnings, as adjusted	514,748,494
Add/Less: Net Income (loss) for the current year/period	13,831,913
Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)	-
Equity in net income of associate/joint venture, net of dividends declared	-
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Unrealized fair value gain of investment property	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	428,054
Realized fair value gain of Investment property	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	

Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Reversal of previously recorded fair value gain of investment property	-
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-
Adjusted net income/loss	14,259,967
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	-
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP	
Amortization of the effect of reporting relief	-
Total amount of reporting relief granted during the year	-
Others (describe nature)	-
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
Others (describe nature)	-
Total Retained Earnings, end of the year/period available for dividend declaration	**529,008,461**

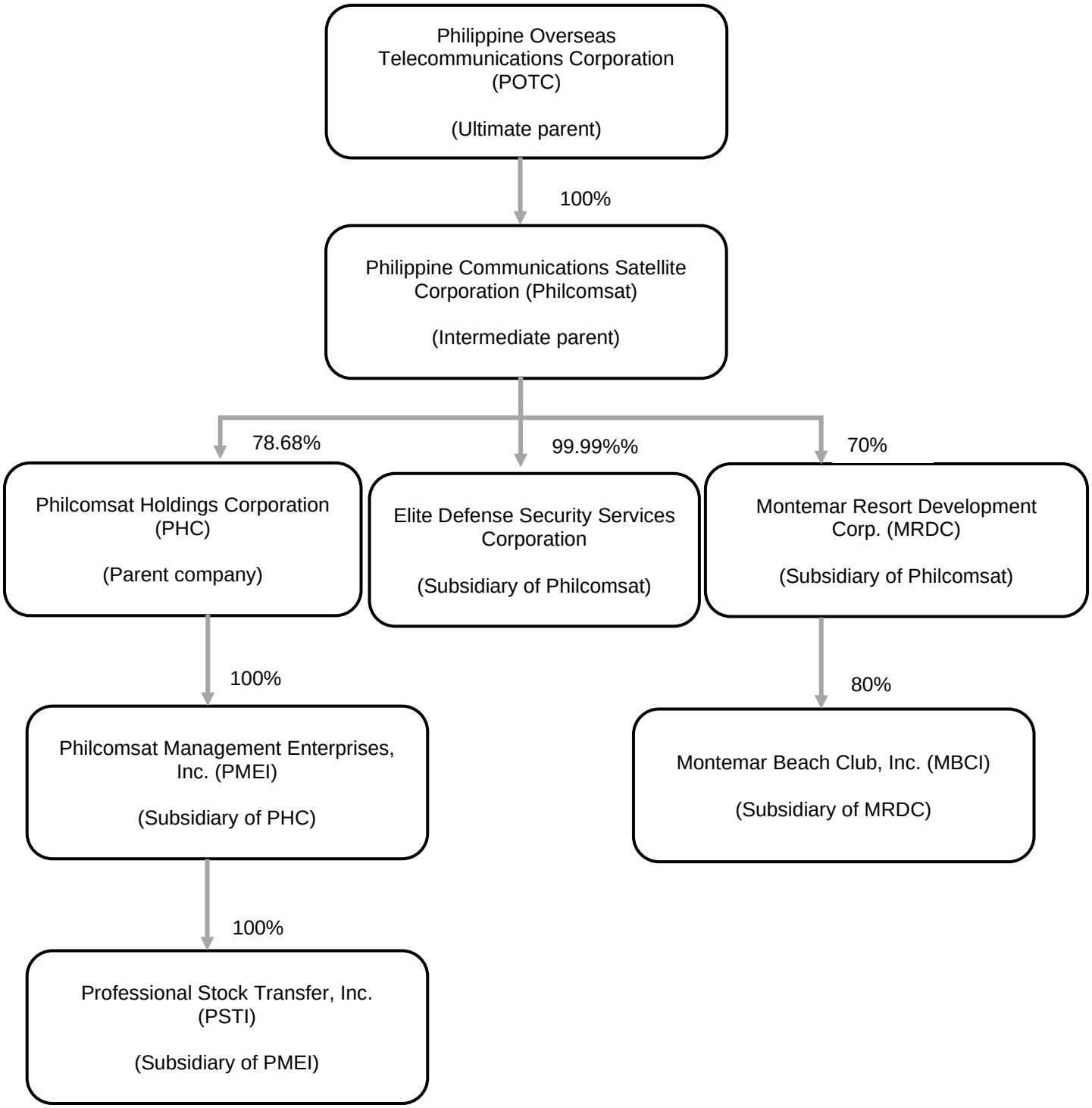
Philcomsat Holdings Corporation and Subsidiaries
12th Floor, Telecom Plaza Building
316 Sen. Gil Puyat Avenue, Makati City

Schedule of Financial Soundness Indicators
December 31, 2025

Ratio	Formula	2025	2024
Current ratio	Current assets / Current liabilities	33.65:1 P475,361.042 P14,125,370	28.55:1 P358,378,366 P12,550,629
Acid test ratio	(Current assets - inventory - prepayments) / Current liabilities	33.00:1 P466,114,887 P14,125,370	27.80:1 P348,884,550 P12,550,629
Solvency Ratio	(Net income before depreciation and amortization) / Total liabilities	0.51:1 P17,023,477 P33,362,124	0.62:1 P19,631,630 P31,724,845
Debt-to-equity ratio	Total liabilities / Total equity	0.02:1 P33,362,124 P1,508,121,696	0.02:1 P31,724,845 P1,485,907,234
Asset to equity ratio	Total assets / Total equity	1.02:1 P1,541,483,820 P1,508,121,696	1.02:1 P1,507,632,079 P1,485,907.234
Interest rate coverage ratio	Operating EBITDA / Net interest		Not applicable
Return on equity	Net income / Average total equity	1% P15,038,085 P1,497,014,465	1% P17,806,183 P1,472,181,082
Return on asset	Net income / Average total assets	1% P15,038,085 P1,529,557,950	1% P17,806,183 P1,518,685,601
Net profit margin	Net income / Total revenue	27% P15,038,085 P55,651,782	32% P17,806,183 P56,474,267

Philcomsat Holdings Corporation and Subsidiaries

Map showing the relationships between and among the companies in the group,
its ultimate parent company and co-subsidiaries
December 31, 2025



Philcomsat Holdings Corporation and Subsidiaries

Supplementary Schedule of External Auditor Fee-Related Information
For the year ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	2025	2024
Total Audit Fees	**525,000**	**505,000**
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Non-audit fees	-	-
Total Non-audit Fees	**-**	**-**
Total Audit and Non-audit Fees	**525,000**	**505,000**

Gmail Philcomsat Holdings Corporation <phc.birdocs@gmail.com>

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph> Wed, Apr 15, 2026 at 2:49 PM
To: PHC.BIRDOCS@gmail.com
Cc: PHC.BIRDOCS@gmail.com

Hi PHILCOMSAT HOLDINGS CORPORATION,

Valid files

- EAFS000471497OTHTY122025.pdf
- EAFS000471497RPTTY122025.pdf
- EAFS000471497ITRTY122025.pdf
- EAFS000471497TCRTY122025-01.pdf
- EAFS000471497AFSTY122025.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-3TWRWMZ309EG98EHPXZMYMXQ0TVRQN2Q**
Submission Date/Time: **Apr 15, 2026 02:49 PM**
Company TIN: **000-471-497**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

Annex "B-2"

COVER SHEET

SEC Registration Number

0	0	0	0	0	0	1	1	1	6	3

COMPANY NAME

PHILCOMSAT HOLDINGS CORPORATION

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

12TH FLOOR, TELECOM PLAZA BUILDING, 316 SEN. GIL PUYAT AVE., MAKATI CITY

Form Type	Department requiring the report	Secondary License Type, if Applicable
AFS		N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
inquiry@phc.com.ph	(632) 8815-8406	-

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
1,196	3rd Monday of November	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Erlinda I. Bildner	-	(632) 8815-8406	-

CONTACT PERSON's ADDRESS

12th Floor, Telecom Plaza Building, 316 Sen. Gil Puyat Ave., Makati City

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

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

PHILCOMSAT HOLDINGS CORPORATION
12F Telecom Plaza 316 Sen. Gil Puyat Ave. 1200 City of Makati, Philippines
Tel.No.: 8815-8406; Fax No.: 8816-2517 www.phc.com.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of Philcomsat Holdings Corporation (the Parent Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025, 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 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 Parent 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 Parent Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Parent 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 or members.

Isla Lipana & Co., the independent auditor, appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

[redacted]
SANTIAGO J. ZANADA
Chairman of the Board

[redacted]
VICTORIA DELOS REYES
President

[redacted]
ERLINDA I. BILDNER
Treasurer

Signed this 14th day of April 2026.

SUBSCRIBED AND SWORN to before me this 14th day of April, 2026 in Makati City, affiants exhibiting to me the following:

Name	Government ID No.	Place / Date of Issue
Santiago J. Ranada	[redacted]	[redacted]
Victoria C. Delos Reyes	[redacted]	[redacted]
Erlinda I. Bildner	[redacted]	[redacted]

Doc. No. 137
Page No. 28
Book No. I
Series of 2026

NOTARY PUBLIC
ROLL NO [redacted]
MAKATI CITY PHILIPPINES

ATTY. [redacted]
NOTARY PUBLIC [redacted]
NOTARIAL COMMISSION [redacted]
IBP [redacted]
PTR NO. [redacted]
MCLE COMPLIANCE NO. [redacted]
ROLL OF ATTORNEYS [redacted]

pwc Isla Lipana & Co.

Philcomsat Holdings Corporation (A subsidiary of Philippine Communications Satellite Corporation)

Separate Financial Statements
As at and for the years ended December 31, 2025 and 2024



Isla Lipana & Co.

Independent Auditor's Report

To the Board of Directors and Shareholders of
Philcomsat Holdings Corporation
(A subsidiary of Philippine Communications Satellite Corporation)
12th Floor, Telecom Plaza Building
316 Sen. Gil Puyat Avenue, Makati City

Report on the Audits of the Separate Financial Statements

Our Opinion

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

What we have audited

The separate financial statements of the Company comprise:

- The separate statements of financial position as at December 31, 2025 and 2024;
- the separate statements of total comprehensive income for the years ended December 31, 2025 and 2024;
- the separate statements of changes in equity for the years ended December 31, 2025 and 2024;
- the separate statements of cash flows for the years ended December 31, 2025 and 2024; and
- the notes to the separate financial statements, comprising material accounting policy information.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine group of member firms and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

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

In preparing the separate 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 Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 PSA 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 separate financial statements.

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate 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.

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information in Note 23 to the separate financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic separate financial statements taken as a whole.

Isla Lipana & Co.

[redacted]
Partner
CPA Cert. [redacted]
P.T.R. No. [redacted]
SEC A.N. (Individual) as general auditors [redacted]
SEC A.N. (Firm) as general auditors [redacted]
T.I.N. [redacted]
BIR A.N. [redacted]
BOA/PRC Reg. No [redacted]

Makati City
April 15, 2026

Philcomsat Holdings Corporation
(A subsidiary of Philippine Communications Satellite Corporation)

Statements of Financial Position
As at December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Assets			
Current assets			
Cash and cash equivalents	2	187,137,680	100,711,315
Receivables, net	3	115,962,235	112,659,909
Due from related parties	16	12,425,000	5,000,000
Financial assets at fair value through profit or loss (FVTPL)	6	124,249,576	107,167,495
Other current assets		2,325,869	377,129
		442,100,360	325,915,848
Assets held for sale	4	6,900,286	9,106,688
Total current assets		449,000,646	335,022,536
Non-current assets			
Financial assets at fair value through other comprehensive income (FVOCI)	6	707,579,862	803,483,538
Investment in a subsidiary	7	25,000,000	25,000,000
Investment property	8	341,226,375	341,226,375
Right-of-use (ROU) asset, net	11	1,558,969	-
Property and equipment, net	9	6,920	16,689
Other non-current assets	5	9,403,234	7,212,624
Total non-current assets		1,084,775,360	1,176,939,226
Total assets		1,533,776,006	1,511,961,762
Liabilities and Equity			
Current liabilities			
Trade and other payables	10	5,785,009	6,345,444
Due to related parties	16	-	78,106
Dividends payable	12	5,184,637	5,184,637
Lease liability	11	1,638,358	-
Total current liabilities		12,608,004	11,608,187
Non-current liabilities			
Deferred income tax liability	15	138,016	331,878
Deposit for future stock subscription	16	18,894,000	18,894,000
Total non-current liabilities		19,032,016	19,225,878
Total liabilities		31,640,020	30,834,065
Equity			
Share capital	12	996,391,254	996,391,254
Retained earnings		527,418,375	512,916,412
Other equity reserves	6	(21,673,643)	(28,179,969)
Total equity		1,502,135,986	1,481,127,697
Total liabilities and equity		1,533,776,006	1,511,961,762

The notes on pages 1 to 36 are integral part of these financial statements.

Philcomsat Holdings Corporation
(A subsidiary of Philippine Communications Satellite Corporation)

Statements of Total Comprehensive Income
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso, except earnings per share)

	Notes	2025	2024
Income	13	47,690,597	56,013,654
Operating expenses	14	(31,613,278)	(30,718,372)
Other (expense) income, net			
Unrealized loss on financial assets at FVTPL		(3,894,732)	-
Realized gain on financial assets at FVTPL		713,227	-
Realized gain (loss) on sale of debt instruments measured at FVOCI	6	428,054	(14,591)
Unrealized foreign exchange gain, net		552,063	1,327,511
Finance cost	11	(132,685)	(48,296)
Profit before income tax		13,743,246	26,559,906
Income tax benefit (expense)	15	88,667	(1,807,328)
Profit for the year		13,831,913	24,752,578
Other comprehensive income (loss)			
Item that may subsequently be reclassified to profit or loss			
Fair value gain on debt instruments at FVOCI		11,058,455	1,179,729
Item that will not to be subsequently reclassified to profit or loss			
Fair value (loss) gain on equity instruments at FVOCI		(3,454,025)	8,451,801
	6	7,604,430	9,631,530
Total comprehensive income for the year		21,436,343	34,384,108
Earnings per share (basic and diluted)	17	0.0139	0.0248

The notes on pages 1 to 36 are integral part of these financial statements.

Philcomsat Holdings Corporation
(A subsidiary of Philippine Communications Satellite Corporation)

Statements of Changes in Equity
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Share capital (Note 12)	Retained earnings	Other equity reserves (Note 6)	Total equity
Balances at January 1, 2024	996,391,254	486,778,623	(36,440,879)	1,446,728,998
Comprehensive income				
Profit for the year	-	24,752,578		24,752,578
Other comprehensive income for the year	-	-		9,631,530
Total comprehensive income for the year	-	24,752,578	9,631,530	34,384,108
Transfer of loss on disposal of FVOCI equity instruments (Note 6)	-	1,385,211	(1,385,211))	-
Reclassification of cumulative fair value changes of debt instruments measured at FVOCI sold to profit or loss (Note 6)	-	-	14,591	14,591
Balances at December 31, 2024	996,391,254	512,916,412	(28,179,969)	1,481,127,697
Comprehensive income				
Profit for the year	-	13,831,913	-	13,831,913
Other comprehensive income for the year	-	-	7,604,430	7,604,430
Total comprehensive income for the year	-	13,831,913	7,604,430	21,436,343
Transfer of loss on disposal of FVOCI equity instruments (Note 6)	-	670,051	(670,051)	-
Reclassification of cumulative fair value changes of debt instruments measured at FVOCI sold to profit or loss (Note 6)	-	-	(428,054)	(428,054)
Balances at December 31, 2025	996,391,254	527,418,376	(21,673,644)	1,502,135,986

The notes on pages 1 to 36 are integral part of these financial statements.

Philcomsat Holdings Corporation
(A subsidiary of Philippine Communications Satellite Corporation)

Statements of Cash Flows
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Cash flows from operating activities			
Profit before income tax		13,743,246	26,559,906
Adjustments for:			
Depreciation of ROU asset	11,14	1,558,968	1,415,960
Depreciation of property and equipment	9,14	9,769	11,145
Provision for impairment of receivables	3,14	1,263,342	-
Impairment of assets held for sale	4,14	1,169,251	1,125,882
Interest expense	11	132,685	48,296
Unrealized foreign exchange gain		(552,063)	(1,327,511)
Unrealized loss on financial assets at FVTPL		3,894,732	-
Realized gain on financial assets at FVTPL		(713,227)	-
Realized (gain) loss on sale of debt instruments measured at FVOCI	6	(428,054)	14,591
Interest income on cash in banks	2	(3,423,209)	(2,996,890)
Operating cash flows before changes in working capital		16,655,440	24,851,379
(Increase) decrease in:			
Receivables	3	(4,565,667)	2,887,972
Due from related parties	16	(7,425,000)	1,938,183
Assets held for sale		1,037,151	(1,232,860)
Other current assets	5	(1,948,740)	(76,111)
Other non-current assets		(1,519,050)	1,731,108
(Decrease) increase in:			
Trade and other payables	10	(560,436)	160,806
Due to related parties		(78,106)	(46,817,246)
Net cash used in operations		1,595,593	(16,556,769)
Acquisitions of:			
Financial assets at FVOCI	6	(120,921,666)	(235,150,268)
Financial assets at FVTPL		(20,263,586)	-
Proceeds from redemption and maturity of:			
Financial assets at FVOCI and FVTPL	6	224,429,772	246,494,080
Interest received on cash in banks		3,423,209	2,996,890
Income taxes paid		(776,755)	(2,371,862)
Net cash from (used in) operating activities		87,486,565	(4,587,929)
Cash flows from investing activities		-	
Additions to investment property		-	(5,611,249)
Additions to property and equipment	9	-	(13,839)
Net cash used in investing activities		-	(5,625,088)
Cash flows from financing activities			
Payments of:			
Lease liability	11	(1,479,579)	(1,487,184)
Interest expense on lease liability	11	(132,685)	(48,296)
Net cash used in financing activities		(1,612,264)	(1,535,480)
Net increase (decrease) in cash		85,874,302	(11,748,497)
Cash and cash equivalents at beginning of year		100,711,315	111,132,301
Effect of foreign exchange rates changes		552,063	1,327,511
Cash and cash equivalents at end of year	2	187,137,680	100,711,315

The notes on pages 1 to 36 are integral part of these financial statements.

Philcomsat Holdings Corporation
(A subsidiary of Philippine Communications Satellite Corporation)

Notes to the Financial Statements
As at and for the years ended December 31, 2025 and 2024
(All amounts are shown in Philippine Peso, unless otherwise stated)

1 General information

1.1 Corporate information

Philcomsat Holdings Corporation (formerly Liberty Mines, Inc.) was incorporated and registered with the Securities and Exchange Commission (SEC) on May 10, 1956 with the primary purpose of embarking in the discovery, exploration, development and exploitation of mineral oils, petroleum in its natural state, rock or carbon oils and other volatile mineral substance and with the secondary purpose of engaging in the business of mining in general. The Company ceased oil and mining operations in 1992.

On July 23, 1997, the SEC approved the amended Articles of Incorporation of the Company consisting of: a) change in its primary purpose from an exploration and mining company to a holding company and revision of its secondary purpose clauses; and b) change of the corporate name from Liberty Mines, Inc. to Philcomsat Holdings Corporation.

The Company started operations as a holding company on January 1, 2000. The Company derives income from money market placements, bank deposits, financial assets at FVOCI and other investments.

On May 9, 2006, the SEC approved the extension of corporate life for another fifty (50) years.

On May 23, 2016, the Company's Board of Directors (BOD) confirmed and ratified its previous resolution increasing the authorized capital stock of the Company from P1.0 billion, divided into 1,000,000,000 shares with par value of P1 per share, to P30 billion, divided into 3,000,000,000 shares with par value of P1 per share. As at each report date, the resolution is awaiting ratification by the stockholders and pending application with SEC.

The Company is 78.68% owned by Philippine Communications Satellite Corporation (Philcomsat), a company incorporated in the Philippines. The ultimate parent company is Philippine Overseas Telecommunications Corporation (POTC), a company also incorporated in the Philippines. Philcomsat and POTC are both engaged in the telecommunications business.

The registered address, and principal place of business, of the Company is at 12th Floor, Telecom Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City.

1.2 Listing of shares in Philippine Stock Exchange (PSE)

The Company’s original 60 million shares are listed and used to be traded in the PSE.

On May 3, 2007, the PSE suspended the trading of the Company’s shares due to pending compliance with certain structured reportorial requirements. On December 3, 2008, the SEC ordered the suspension of the Company's registration of securities from the date of the receipt of the Order until the Company is able to submit the reportorial requirements and fully pay the corresponding penalties.

On April 1, 2014, the Company, through its legal counsel, submitted to the SEC three (3) letter request for the lifting of the order of suspension and for a compromise payment of the penalties. The SEC, on December 29, 2015, lifted the order of suspension and directed the Company to file an updated Registration Statement.

On August 6, 2025, the Company, submitted the Final Amended Registration Statement, together with the summary/accounting of listed and non-listed shares, Affidavit of Publication, and proof of payment of the filing fee. Subsequently, on September 15, 2025, the SEC issued an Order lifting the suspension of the Company's Registration Statement.

1.3 Approval of the separate financial statements

The separate financial statements of the Company were approved and authorized for issue by the BOD on April 14, 2026. There were no significant events that occurred from April 14, 2026 until April 15, 2026 requiring adjustment or disclosure in the separate financial statements.

2 Cash and cash equivalents

Cash and cash equivalents as at December 31 consist of:

	2025	2024
Cash on hand	4,186	5,711
Cash in banks	51,744,035	33,474,633
Short-term placements	135,389,459	67,230,971
	187,137,680	100,711,315

Cash in banks earn interest at prevailing bank deposit rates.

Cash equivalents pertain to special savings and time deposits, with terms of varying periods up to three (3) months and earn interest at prevailing special savings and time deposits rates.

Interest income earned from cash and cash equivalents for the year ended December 31, 2025 amounted to P3,423,209 (2024 - P2,996,890) (Note 13).

3 Receivables

Receivables as at December 31 consist of:

	Note	2025	2024
Notes and loans receivable			
Corporate notes	16	63,999,551	68,654,553
Promissory notes issued by various financial institutions		52,233,651	39,944,922
		116,233,202	108,599,475
Less: Allowance for ECL		(2,799,910)	(1,536,568)
		113,433,292	107,062,907
Interest receivables		2,083,425	4,297,941
Dividend receivables		443,807	97,763
Other receivable		1,711	1,201,298
		115,962,235	112,659,909

As at December 31, 2025 and 2024, all outstanding amount of receivables are collectible in cash, interest bearing and unguaranteed.

Movements in the allowance for ECL are summarized below:

	Note	2025	2024
Beginning balance		1,536,568	1,536,568
Provision for impairment of receivables	14	1,263,342	-
Balance at end of year		2,799,910	1,536,568

Corporate notes

Unsecured corporate notes outstanding as at December 31, 2025 and 2024 pertain to short-term corporate promissory notes issued by various entities, with terms of thirty-five days up to one year and earn interest ranging from 5.5% to 11.0% per annum.

Promissory notes issued by financial institutions

Unsecured promissory notes issued by various financial institutions with terms ranging from 60 to 120 months and earn interest ranging from 4% to 7% per annum.

Interest income earned from corporate notes and promissory notes issued by various financial institutions for the year ended December 31, 2025 amounted to P6,208,552 (2024 - P5,049,713) (Note 13).

Critical accounting estimate: Provision for impairment of receivables

Provision for impairment of receivables is maintained at a level considered adequate to provide for uncollectible receivables. Expected credit losses (ECL) on receivables are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Company has used relevant historical information and loss experience to determine the probability of default of the receivables and incorporated forward-looking information, including significant changes in external market indicators which involved significant estimates and judgements.

4 Assets held for sale

In 2024, the Company obtained equipment and furniture valued at P4,207,629 as form of repayment of its notes receivable from one of its debtors. As at December 31, 2025, these assets were obtained with the intention to sell to its affiliate companies and is expected to be completed within the next 12 months. As such, these were then classified as current assets held for sale in the statement of financial position. The assets were measured at the lower of carrying amount and fair value less cost to sell and as a result, an impairment loss of P1,125,882 was recognized (Note 14). For purposes of statements of cash flows reporting, the exchange of equipment and furniture, and notes receivable amounting to P4,207,629 is considered a non-cash operating and investing activity.

In 2025, the assets were measured at the lower of carrying amount and fair value less cost to sell and as a result, an impairment loss of P1,169,251 was recognized (Note 14).

As at December 31, 2025, the carrying amount of the assets held for sale is P6,900,286 (2024 - P9,106,688).

5 Other non-current assets

Other non-current assets as at December 31 consist of:

	2025	2024
Creditable withholding tax (CWT)	5,699,247	5,027,687
Input value-added tax (VAT)	3,703,987	2,184,937
	9,403,234	7,212,624

Critical accounting judgement: Recoverability of CWT and input VAT

The Company reviews at each reporting date whether there is any objective evidence that the Company's CWT and input VAT is impaired. In making this judgment, the Company evaluates its revenues and taxable income forecasts against which the CWT and input VAT can be applied. Management believes that the carrying amount of input VAT as at each reporting period will be utilized and can be applied against output VAT payable arising from other income.

CWT is recognized to the extent that it is probable that future tax liabilities will be available against which tax credits can be utilized. Determining the realizability of creditable withholding taxes requires the assessment of the availability of taxable profit expected to be generated from the operations which effectively drives the tax liabilities against which such creditable taxes can be applied.

Management believes that the carrying amount of CWT as at each reporting date is recoverable.

6 Financial assets at FVTPL; Financial assets at FVOCI

Financial assets at FVTPL and FVOCI as at December 31 consist of:

	2025	2024
FVTPL		
Investment in UITF	124,249,576	107,167,495
FVOCI		
Investments in:		
Quoted bonds	420,658,681	515,425,938
Quoted shares of stocks	247,621,181	248,757,600
Club memberships	9,300,000	9,300,000
Unquoted shares of stocks	30,000,000	30,000,000
	707,579,862	803,483,538
	831,829,438	910,651,033

Movements of financial assets at FVOCI for the years ended December 31 are as follows:

	Cost	Fair value reserve	Carrying value
At January 1, 2024	948,804,195	(36,440,879)	912,363,316
Acquisitions	235,150,268	-	235,150,268
Disposals	(245,123,461)	(1,370,620)	(246,494,081)
Unrealized gain charged to OCI	-	9,631,530	9,631,530
Reclassification	(107,167,495)	-	(107,167,495)
At December 31, 2024	831,663,507	(28,179,969)	803,483,538
Acquisitions	120,921,666	-	120,921,666
Disposals	(223,331,669)	(1,098,103)	(224,429,772)
Unrealized gain charged to OCI	-	7,604,430	7,604,430
At December 31, 2025	729,253,504	(21,673,642)	707,579,862

The movements in fair value reserve on FVOCI included in the statements of financial position in equity for the years ended December 31 are as follows:

	2025	2024
Beginning balance	(28,179,968)	(36,440,879)
Fair value changes recorded in OCI	7,604,430	9,631,530
Reclassification of cumulative fair value changes from OCI to profit or loss on disposal of debt instruments at FVOCI	(428,054)	14,591
Transfer from other reserves directly to retained earnings on disposal of equity instruments at FVOCI	(670,051)	(1,385,211)
Ending balance	(21,673,643)	(28,179,969)

Interest income earned from financial assets at FVOCI in 2025 amounted to P21,206,626 (2024 - P27,568,990) (Note 13).

Dividend income earned from financial assets at FVOCI in 2025 amounted to P16,597,394 (2024 - P19,271,991) (Note 13).

For the year ended December 31, 2025, realized gain on sale of debt instruments at FVOCI recognized directly to profit or loss amounted to P428,054 (2024 - P14,591 loss).

For the year ended December 31, 2025, realized gain on sale of equity instruments at FVOCI recognized directly to retained earnings amounted to P670,051 (2024 - P1,385,211 gain).

The fair values of these financial assets are determined based on quoted market bid prices at the close of business as at reporting date since most of these are actively traded in an organized financial market. The fair value measurement of the financial assets at FVOCI is classified as Level 1 (Quoted bonds, UITF and shares of stocks), Level 2 (club memberships) and Level 3 (unquoted shares of stock).

Critical accounting estimate: Fair value of financial instruments

Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon internally developed models that primarily uses as inputs market based or independently sourced market parameters. The Company's financial assets at FVOCI as at December 31, 2025 and 2024 comprise primarily of equity and debt securities traded in the Philippine Stock Exchange (PSE) which has an active market, wherein securities are traded or can be bought and sold.

The sensitivity analysis on the reasonable possible changes in market prices of the Company's securities is disclosed in Note 21.

7 Investment in a subsidiary

Investment in a subsidiary as at December 31, 2025 and 2024 represent 100% equity shares in Philcomsat Management Enterprises, Inc. (PMEI) with a total investment cost of P25,000,000.

PMEI is engaged in providing business management services, business conceptualization, and allied services, including acquiring, holding and operating businesses.

There are no guarantees extended by the Company to the subsidiary.

Critical accounting judgement: Recoverability of investment in a subsidiary

The Company's investment in subsidiary is carried at cost. The carrying value is reviewed and assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Changes in those assessment and judgment could have a significant effect on the carrying value of investment in a subsidiary and the amount and timing of recorded provision for any period.

Management believes that there are no other events or changes in circumstances indicating that the carrying amounts of the investments in a subsidiary as at each reporting dates may not be recoverable.

8 Investment property

On December 29, 2023, the Company obtained nine parcels of land through dacion en pago with a related party amounting to P335,615,126 and covering three hundred eighty-three thousand nine hundred ninety-nine (383,999) square meters located at Ibis, Bagac, Bataan (Note 16). The land's title is currently being processed for transfer to the name of the Company. As at December 31, 2023, the land's title is currently being processed for transfer to the name of PHC. In 2024, the Company capitalized transaction costs necessary to transfer the title of the land to the Company amounting to P5,611,249. As at December 31, 2024 and 2025, the total cost of the aforementioned land amounted to P341,226,375.

Level 2 fair values of investment properties have been derived using the market approach. In using the market approach, the value of the investment property as at December 31, 2025 was based on recorded sales and listings (or asking prices) of comparable property registered within the vicinity amounted to P383,999,000 (2024 - P383,999,000). Management developed these estimates on the basis of recorded sales and listing (or asking prices) of comparable properties registered within the vicinity of the respective land properties.

The investment property was not pledged as security for any liabilities as at each reporting period.

Critical accounting judgement: Recoverability of investment property

The Company's investment property is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. On a regular basis, management determines if there are triggering events or impairment indicators based on current circumstances. An impairment loss is recognized whenever evidence exists that the carrying value is not recoverable.

As at each reporting period, Management believes, based on its assessment and judgment, that there are no indications of impairment or changes in circumstances indicating that the carrying amount of its investment property may be impaired.

9 Property and equipment, net

Property and equipment, net as at December 31 consist of:

	Transportation equipment	Furniture and fixtures	Office equipment	Total
At January 1, 2024				
Cost	5,011,638	3,486,626	534,548	9,032,812
Accumulated depreciation	(5,011,638)	(3,486,626)	(520,553)	(9,018,817)
Net carrying value	-	-	13,995	13,995
For the year ended December 31, 2024				
Opening carrying value	-	-	13,995	13,995
Additions	-	-	13,839	13,839
Depreciation expense (Note 14)	-	-	(11,145)	(11,145)
Closing net carrying value	-	-	16,689	16,689
At January 1, 2025				
Cost	5,011,638	3,486,626	548,387	9,046,651
Accumulated depreciation	(5,011,638)	(3,486,626)	(531,698)	(9,029,962)
Net carrying value	-	-	16,689	16,689
For the year ended December 31, 2025				
Opening carrying value	-	-	16,689	16,689
Depreciation expense (Note 14)	-	-	(9,769)	(9,769)
Closing net carrying value	-	-	6,920	6,920
At December 31, 2025				
Cost	5,011,638	3,486,626	548,387	9,046,651
Accumulated depreciation	(5,011,638)	(3,486,626)	(541,467)	(9,039,731)
Net carrying value	-	-	6,920	6,920

10 Trade and other payables

Trade and other payables as at December 31 consist of:

	2025	2024
Trade payables	5,564,675	5,842,214
Payables to government agencies	220,334	503,230
	5,785,009	6,345,444

Trade payables are non-interest bearing and are normally settled on a 30-day credit term.

11 Lease commitments

The Company as a lessee

The Company has a lease agreement with Philcomsat for its office space for a term of two years subject to renewal under mutual agreement of both parties from January 1, 2023 to December 31, 2024.

In 2025, the Company entered a new contract of lease with Philcomsat for its office space for a term of two years from January 1, 2025 to December 31, 2026 which is renewable for such period as both parties may agree after expiration of the contract.

(i) Amounts recognized in the statements of financial position

Movements in the ROU asset as at December 31 are presented below:

	Note	2025	2024
Net carrying amount, beginning		-	1,415,960
Additions		3,117,937	-
Depreciation	14	(1,558,968)	(1,415,960)
Net carrying amount, ending		1,558,969	-

Details of ROU asset as at December 31 are as follows:

	2025	2024
Cost	3,117,937	2,831,920
Accumulated depreciation	(1,558,968)	(2,831,920)
	1,558,969	-

Movements in the lease liability as at December 31 are presented below:

	2025	2024
Beginning balance	-	1,487,184
Additions	3,117,937	-
Interest expense	132,685	48,296
Payments	(1,612,264)	(1,535,480)
Ending balance	1,638,358	-

Total cash outflows for the payment of lease liability for the year ended December 31, 2025 amounted to P1,612,264 (2024 - P1,535,480).

Future minimum lease payments under lease liability and the net present value of the minimum lease payments as at December 31 follows:

	2025	2024
Not later than one year	1,638,358	-
Less: future finance charges on lease liability	-	-
	1,638,358	-

(ii) Amounts recognized in the statements of total comprehensive income

The statements of total comprehensive income for the years ended December 31 show the following amounts relating to leases:

	Note	2025	2024
Depreciation on ROU asset	14	1,558,968	1,415,960
Interest on lease liability		132,685	48,296
		1,691,653	1,464,256

Critical accounting estimate: Determining the incremental borrowing rate

To determine the incremental borrowing rate, the Company uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received. Where third party financing cannot be obtained, the Company uses the government bond yield, adjusted for the (1) credit spread specific to each entity under the Company and (2) security using the ROU asset.

Critical accounting judgment: Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Company considers the factors below as the most relevant in assessing the options:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

12 Equity

Share capital

Details of share capital as at December 31, 2025 and 2024 are as follows:

	Number of shares	Amount
Common shares at P1 par value per share		
Authorized shares	1,000,000,000	1,000,000,000
Subscribed, issued and outstanding shares	996,391,254	996,391,254

Of the total authorized share capital, sixty million (60,000,000) shares are listed at the Philippine Stock Exchange (PSE).

Each common share confers upon a common shareholder: a) the right to vote at any shareholders' meeting or on any resolution of the shareholders; and b) the right to distribution of income under such terms and conditions as the Board of Directors (BOD) may approve. All holders of common shares shall have pre-emptive rights to acquire new shares to be issued by the Company.

As at December 31, 2025 and 2024, the increase in authorized capital stock remains pending stockholders' ratification and SEC approval (Note 1.1).

Dividends declaration

On March 15, 2026, the Company's BOD approved the declaration and distribution of a special cash dividend of P0.05 per share to all stockholders of record as of March 23, 2026 (or a total of P49,819,563), to be paid not later than April 20, 2026.

Dividends payable as at December 31, 2025 and 2024 amounted to P5,184,637.

13 Income

Income for the years ended December 31 are as follows:

	Notes	2025	2024
Interest income	2,3,6	30,838,387	35,615,593
Dividend income	6	16,597,394	19,271,991
Miscellaneous income		254,816	1,126,070
		47,690,597	56,013,654

Interest income included in revenue is earned from the following:

	Notes	2025	2024
Cash and cash equivalents	2	3,423,209	2,996,890
Receivables	3	6,208,552	5,049,713
Financial assets at FVOCI	6	21,206,626	27,568,990
		30,838,387	35,615,593

14 Operating expenses

Operating expenses for the years ended December 31 are as follows:

	Notes	2025	2024
Professional fees		7,598,140	10,960,627
Outside services		5,474,522	3,538,788
Directors' fees	16	3,578,889	3,000,000
Representation and entertainment		2,424,899	3,570,316
Legal fees		2,124,161	150,898
Transportation and travel		1,949,879	2,201,341
Depreciation of ROU asset	11	1,558,968	1,415,960
Bank charges		1,343,499	1,980,131
Provision for impairment of receivables	3	1,263,342	-
Taxes and licenses		1,219,303	520,022
Impairment of assets held for sale	4	1,169,251	1,125,882
Advertising		363,066	126,968
Depreciation of property and equipment	9	9,769	11,145
Others		1,535,590	2,116,294
		31,613,278	30,718,372

15 Income tax

Income tax expense

The components of income tax expense (benefit) for the years ended December 31 are as follows:

	2025	2024
Current tax expense - current year	105,195	100,342
Current tax expense - prior periods	-	1,375,108
Deferred	(193,862)	331,878
	(88,667)	1,807,328

The reconciliation of the income tax expense (benefit) computed at statutory tax rate to provision for income tax for the year ended December 31 are as follows:

	2025	2024
Income tax at statutory tax rate of 25%	3,435,812	6,639,977
Add (Deduct) tax effects of:		
Interest income already subjected to final tax	(6,790,236)	(7,931,139)
Dividend income subject to final tax	(4,149,349)	(4,817,998)
Change in unrecognized deferred income tax assets	-	(68,050)
Income tax payment from prior periods	-	1,375,108
Realized gain on financial assets at FVTPL	(178,307)	-
Unrealized loss on financial assets at FVTPL	973,683	-
Non-deductible expenses	1,234,221	1,264,640
Tax expense from NOLCO	5,387,328	5,240,800
Tax expense from minimum corporate income tax (MCIT)	105,195	100,342
Realized (gain) loss on sale of debt instruments at FVOCI	(107,014)	3,648
	(88,667)	1,807,328

Deferred income tax

Unrecognized DIT assets as at December 31 represent the following:

	2025	2024
NOLCO	18,375,877	18,290,557
MCIT	415,777	494,739
Leases	19,847	-
Provision for impairment of receivables	699,978	384,142
Unrealized loss on financial assets at FVTPL	795,376	-
Provision of inventory	711,302	418,989
Provision for impairment of assets held for sale	292,313	569,158
	21,310,470	20,157,585

Deferred tax liability as at December 31, 2025 amounting to P138,016 pertains to unrealized foreign exchange gain (2024 - P331,878).

Net operating loss carryover (NOLCO)

The Republic Act No. 9337 (the “Act”) provided the NOLCO privilege which can be carried over as a deduction for the three succeeding taxable years immediately following the year such loss was incurred.

In 2020, pursuant to Section 4 (bbbb) of Bayanihan II and as implemented under RR 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five consecutive taxable years following the year of such loss.

Details of unrecognized NOLCO and the related unrecognized DIT assets at December 31 are as follows:

Year incurred	Year of expiration	2025	2024
2020	2025	-	16,289,059
2021	2026	20,758,171	20,758,171
2022	2025	-	4,918,973
2023	2026	10,232,824	10,232,824
2024	2027	20,963,200	20,963,200
2025	2028	21,549,312	-
Subtotal		73,503,507	73,162,227
Tax rate		25%	25%
		18,375,877	18,290,557

Minimum corporate income tax (MCIT)

As provided under the Act, the Company shall pay the minimum corporate income tax (MCIT) or regular corporate income tax (RCIT), whichever is higher. Any excess of MCIT over the RCIT shall be carried forward on an annual basis and credited against RCIT for the next three succeeding taxable years. MCIT shall be imposed beginning on the fourth taxable year immediately following the taxable year in which such corporation started its business operations.

On March 26, 2021, Republic Act No. 11534, was signed into law. Under this law, effective July 1, 2020, the MCIT rate was reduced from two percent (2%) to one percent (1%) until June 30, 2023.

Effective July 1, 2023, the MCIT rate reverted to its original 2% based on the taxpayers gross income. For taxable year 2023, a two-tiered MCIT rate applies: 1% for the period January 1 to June 30, 2023 and 2% for the period July 1 to December 31, 2023.

In March 2024, Revenue Memorandum Circular No. 36-2024 issued by the Bureau of Internal Revenue (BIR) provided a clarification in manner of computing the MCIT for taxable year 2023. For taxpayers with calendar year ends, the MCIT rate to be used is 1.50% in 2023.

Details of unrecognized MCIT as at December 31 are as follows:

Year incurred	Year of expiration	2024	2023
2021	2024	-	113,892
2022	2025	184,157	184,157
2023	2026	210,240	210,240
2024	2027	100,342	100,342
2025	2028	105,195	-
		599,934	608,631
Expired MCIT		(184,157)	(113,892)
		415,777	494,739

Realization of future tax benefit related to DIT assets is dependent on the Company's ability to generate future taxable income during the periods in which these are expected to be recovered. The Company has considered these factors in reaching a conclusion as to the amount of DIT assets recognized as at each reporting period and regularly reviews the recoverability of the DIT assets to be recognized.

16 Related party transactions

The table below summarizes the Company's transactions and balances with its related parties.

	Terms and conditions	Transactions 2025	Transactions 2024	Balances Due from (due to) 2025	Balances Due from (due to) 2024
Notes receivable (Note 3)					
Entities under common control	Unsecured note, due on demand and bears interest of 5% to				
Principal	7% per annum. Amounts are payable in cash on a gross	4,305,002	-	50,000,000	54,305,002
Interest	basis. Interest bearing, unsecured, with no guarantee.	1,101,112	3,287,114	245,076	1,346,188
				50,245,076	55,651,190
Advances	These are advances made by the related party for various				
Entities under common control	project related expenses.				
Principal		7,425,000	-	12,425,000	5,000,000
Interest	Amounts are payable in cash on a gross basis. These are	684,064	302,653	60,901	744,965
	unsecured, unguaranteed interest bearing and due on demand.				
				12,485,901	5,744,965
Due to related parties					
Ultimate Parent Company	These are advances made by the related party for various project related expenses.	78,106	28,344,614	-	(78,106)
	Amounts are payable in cash on a gross basis. These are unsecured, non-interest bearing and due on demand.				

	Terms and conditions	Transactions 2025	Transactions 2024	Balances Due from (due to) 2025	Balances Due from (due to) 2024
Future stock subscription					
Parent Company	As discussed in Note 1.1, the Company's Board of Directors (BOD) confirmed and ratified its previous resolution increasing the authorized capital stock of the Company. Consequently, the Company received P18,894,000 as deposit for future stock subscription. As discussed in Note 1.1, as at each report date, the resolution to increase the Company's authorized capital stock is awaiting ratification by the stockholders and pending application with SEC, hence recorded as deposit for future stock subscription and is presented within non-current liabilities.	-	-	18,894,000	18,894,000
Leases					
Parent Company	The Company has a lease agreement with the Parent Company for the rent of its office space located at the 12th Floor, Telecom Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City. The lease term is for two years and is renewable under mutual agreement of both parties. Transactions during the year pertains to the total lease payments made during the year. Amounts are payable in cash on a gross basis. These are unsecured, unguaranteed, non-interest bearing and due on demand.	1,612,274	1,535,480	1,638,358	-
Expense recharges					
Entities under common control	These are recharges made by a related party for association dues and utilities taxes paid by the related party on behalf of the Company. These are billed at cost. Amounts are payable in cash on a gross basis. These are unsecured, unguaranteed, non-interest bearing and due on demand.	577,379	312,190	-	-

	Terms and conditions	Transactions		Balances Due from (due to)	
		2025	2024	2025	2024
Professional fees					
Entity under common control	The Company entered into an agreement with PSTI to avail of their services as stock transfer agent. Amounts are payable in cash on a gross basis. These are unsecured, unguaranteed, non-interest bearing and due on demand.	180,000	180,000	-	-
Key management compensation					
Director's fees (Note 14)	Key management compensation of the Company consists only of directors' fees. The Company does not have amounts receivables from/payables to key management personnel arising from the above agreement as at December 31, 2025 and 2024. The Company does not have any regular employees. The accounting and management services are under the management of Philcomsat, its ultimate parent company.	3,578,889	4,821,111	-	-

There are no provisions for impairment recognized against due from related parties.

As at December 31, 2025 and 2024, there were no amounts offset within due from and due to related parties as presented in the statements of financial position.

17 Earnings per share

Basic/diluted earnings per share for the years ended December 31 as follows:

	2025	2024
Profit for the year	13,831,913	24,752,578
Weighted average number of shares outstanding	996,391,254	996,391,254
	0.0139	0.0248

18 Civil cases

An action was filed in the Sandiganbayan by a group claiming to be directors and officers of POTC and Philcomsat seeking to enjoin the present directors and officers of POTC and Philcomsat from representing themselves as directors and officers and representatives of the Parent Company. The Parent Company sought the dismissal of the complaint against it on the ground that it is not a real party-in-interest since the injunction being sought is not directed against it. The Sandiganbayan issued a decision dismissing the case. The group alleging that they are the POTC and Philcomsat board of directors, however, appealed the case with the Supreme Court (SC) on November 10, 2008. The SC consolidated this case with three other cases.

On July 3, 2013, the SC in GR Nos. 184622, 184712-14, 186066 and 186590 ruled in favor of the Bildner Group and declared the Bildner Group as the legitimate board of directors of the Parent Company. The July 3, 2013 Decision attained finality on October 23, 2013 when the SC issued a Resolution denying the Motions for Reconsideration filed by the opposing parties. On March 27, 2014, the July 23, 2013 Decision has become final and executory.

The Parent Company also filed cases for the recovery of advances made by former directors and officers of the Parent Company. These cases are now pending resolution with the Department of Justice (DOJ).

Management believes that no provision is necessary to be recorded for these civil cases as at December 31, 2025 and 2024.

19 Litigation

- Philippine Communications Satellite Corporation against Philcomsat Holdings Corp. (PHC and former directors), Luis Lokin Jr., Enrique Locsin and Philip Brodett (Locsin Group)

  PHC, through the valid and incumbent directors (Bildner Group) filed a Motion for Issuance of Writ of Execution with the Regional Trial Court (RTC) of Makati Branch 138 as court of origin, following the final resolution of SC declaring the election of Locsin Group as PHC's officers and directors. Accordingly, the SC ordered the Locsin Group to render an accounting and return of funds allegedly received from the Parent Company. An Order granting the Motion was issued on February 20, 2017, resulting to the issuance of the Writ of Execution on February 28, 2017. On January 9, 2018, PHC filed a manifestation for the implementation of the Writ of Execution.

  On February 9, 2018, an Order was issued directing PHC, within thirty (30) days from receipt, to submit its preferred accounting firm who will conduct the accounting of all funds and other assets received from POTC, PHC and Philcomsat since September 2004. On February 22, 2018, PHC filed its Ex-Parte Manifestation and Motion, in compliance with the said Order.

  On July 11, 2018, the Sheriff of the Office of the Clerk of Court of Makati served the Writ of Execution to Manuel Andal, Benito Araneta, Philip Brodett, Enrique Locsin, Concepcion Poblador and Johnny Tan. On June 6, 2019, PHC filed an Ex-Parte Motion to Resolve the pending motion to appoint Virgilio R. Santos as the auditing accounting firm for the execution of the SC Decision dated July 3, 2013 issued in GR Nos. 184622, 184712-14, 186066 and 186590. There was a status conference held in this case on December 13, 2019 where the Court required the defendants to provide a name of their selected accountant to move forward with the audit. The defendants failed or refused again to comply, so the Court is likely to appoint Philcomsat's proposed accountant, Virgilio R. Santos, to do the audit. On May 18, 2022, Philcomsat filed an Ex-Parte Motion

to Resolve praying that an Order be issued allowing VRS to commence the accounting of corporate funds received, utilized and disbursed by all the defendants and their assigns, which the Court granted in its Order of June 3, 2022. However, VRS has already retired. The issue of who would render the audit remains unsolved.

On May 2, 2017, the Presidential Commission on Good Government (PCGG) and Locsin filed with the Court of Appeals (CA) a Petition for Certiorari and Prohibition with Very Urgent Prayer for Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction assailing the Order dated February 20, 2017 issued by the RTC. On January 30, 2018, the CA issued a Decision dismissing the Petition. On February 22, 2018, PCGG and Locsin filed their Motion for Reconsideration with Motion to Exclude the PCGG from the instant Petition, which are both denied in a Resolution dated June 27, 2018.

On August 8, 2018, PCGG filed its Motion for Reconsideration on the denial of its Motion for Exclusion. On October 29, 2018, Philcomsat filed its Opposition thereto.

Meanwhile, PCGG and Locsin filed a Petition for Review with the Supreme Court (SC) questioning the Decision issued by the CA dated January 30, 2018, which dismissed their Appeal. Philcomsat filed its comment thereto on November 6, 2018. PCGG filed its Reply on February 17, 2020.

Separately, Brodett filed his Petition for Certiorari under Rule 65 with the CA assailing the Order issued by the RTC, which denied his Motion for Clarification on the issue of rendering an accounting of the funds. The CA denied his Petition on the ground that clarification may only be allowed if the order involves a clerical error but not when it is an alleged erroneous judgment or dispositive portion of the decision. Since Brodett's Motion for Clarification was raised questioning the grant of a writ of execution, the CA held that it cannot be subject of a motion for clarification.

On December 15, 2017, the CA's dismissal was issued and the case was considered terminated. Brodett still filed his Motion for Reconsideration, which was denied on May 10, 2018. Brodett elevated the matter to the SC via Petition for Review but the SC denied the same in a Resolution dated August 29, 2018.

On December 7, 2022, the Court issued a Resolution requiring the parties to file their respective memoranda. Philcomsat filed its Memorandum on March 10, 2023. On September 25,2025 Philcomsat filed an omnibus Motion to proceed with the accounting and return of funds taken by the Locsin Group from Philcomsat Holdings Corporation, Philippine Communication Satellite Corporation and POTC. As at date of this report, the same is pending resolution.

- Complaint for collection against Araneta and Lokin

  On May 26, 2010, a complaint for collection of sum of money and damages, with an application for a Writ of Preliminary Attachment dated May 24, 2010 was filed by the Parent Company against Benito Araneta and Luis Lokin Jr., former directors of the Parent Company for an alleged personal back to back loans with Bankwise procured by Araneta using the Parent Company's funds as collateral, with the help of Lokin, in the amount of P35.3 million.

  On February 2, 2017, a Decision was issued finding Araneta and Lokin liable to pay PHC: a) actual damages in the sum of P31.5 million plus legal interest of 6% computed from May 26, 2010, the time of judicial demand until fully paid; b) P200,000 as and by way of exemplary damages; and c) P200,000 as and by way of attorney's fees, plus costs of suit.

  Araneta and Lokin filed their Notices of Appeal on September 6 and September 8, 2017, respectively. On January 16, 2018, the Court of Appeals (CA) required defendants to file Appellant’s Brief within 45 days from receipt thereof. On April 20, 2018 and May 7, 2018, PHC received Lokin and Araneta's Appellant's Briefs, respectively. On June 5, 2018, PHC filed its Appellee's Brief.

  On September 18, 2018, PHC filed a Compliance submitting proof of service of its Appellee's Brief to defendants in accordance with the CA's Resolution dated July 2, 2018. On April 25, 2019, the CA issued a Decision granting Araneta’s appeal.

On May 30, 2019, PHC filed its Motion for Reconsideration of the said Decision. On July 11, 2019, Araneta filed his Comment thereto, in accordance with the Resolution dated June 6, 2019 issued by the CA to file the same.

On October 24, 2019, the Court of Appeal issued a Resolution denying PHC's Motion for Reconsideration. On November 26, 2019, PHC elevated the case to the Supreme Court via Petition for Review on Certiorari under Rule 45. On March 9, 2020, Araneta filed his Comment. As at date of this report, the case is still pending resolution by the High Court.

- Criminal complaint against Brodett and Bankwise Officers using spurious bank accounts for Company's deposits

  On May 8, 2008, the Parent Company filed a criminal complaint for estafa for misappropriation of corporate funds against Brodett, a former director of the Parent Company, and certain officers of Bankwise. The complaint alleged that the unauthorized deposits, withdrawals and transfers of the Parent Company's funds in the amount of P66.8 million was processed through spurious bank accounts and involved the comingling and transfer of funds between the Parent Company's accounts and certain personal accounts.

  On June 14, 2016, an Order was issued allowing Brodett to present his defense only with respect to the P27.0 million and P9.3 million which allegedly came from PHC funds and not in the whole amount of P66.8 million. On July 1, 2016, a Motion for Reconsideration of the said Order was filed by the Private Prosecutor (Parent Company).

  On August 30, 2016, the Private Prosecutor (Parent Company) filed a Reply to Brodett's Comment/Opposition dated August 25, 2016. After the presentation of defense evidence has already been concluded on June 5, 2018, the accused filed their Formal Offer of Evidence, which was partially admitted by the Court on August 28, 2018.

  On February 21, 2020, the Court promulgated its judgment finding accused Brodett guilty for the crime of theft, sentencing him to the penalty of imprisonment for a minimum period of four (4) years, two (2) months, one (1) day, to a maximum period of sixteen (16) years and 4 months. He was also found civilly liable to pay PHC the amount of P14,235,700, with legal interest of 12% per annum from April 11, 2008 until June 30, 2013 and the total obligation plus 6% legal interest from July 1, 2013 until fully paid.

  On March 3, 2020, Brodett filed his Motion for Partial Reconsideration of the Decision. On July 1, 2020, PHC filed its Consolidated Comment/Opposition thereto. In ruling Brodett's Motion for Reconsideration, the Court again promulgated the case on December 2, 2020 and affirmed Brodett's conviction. He then filed an appeal on December 3, 2020. In resolving the said Motion for Reconsideration, the RTC found him to be guilty of qualified theft. Brodett appealed to the Court of Appeals, where he obtained a reversal of the RTC Decision. The Office of the Solicitor General, as the prosecuting agency designated by the State to handle criminal cases on appeals, filed a Motion for Reconsideration. As at date of this report, the Motion for Reconsideration which is pending for resolution.

- Criminal complaint against Araneta for non-return of PHC deposits

  A criminal complaint for estafa was filed against Araneta for money market placements amounting to P65.0 million which allegedly were not returned to the Parent Company. The case was dismissed on February 9, 2009 for lack of probable cause. The appeal filed on March 4, 2009 is still pending decision with the DOJ as at report date.

- Criminal complaint against Concepcion A. Poblador

  A criminal complaint for estafa was filed against Ms. Poblador for allegedly receiving cash advances amounting to P14.5 million, which she failed to account for and return to the Parent Company after formal demands. On February 9,2009, the DOJ issued a Resolution directing the filing of an information against Ms. Poblador only for P0.2 million.

  On January 7, 2014, the Parent Company filed a Petition for Certiorari praying that the DOJ file new information against Ms. Poblador for estafa for the total amount of P16.7 million.

On January 10, 2014, the Parent Company received a Petition for Certiorari filed by Ms. Poblador seeking the reversal of the Resolution directing the filing of an Information for estafa against her for P0.2 million. On August 29, 2014, the two petitions were consolidated.

On April 26, 2017, subsequent to the filing of the parties' respective Memoranda, the CA issued a Resolution requiring Ms. Poblador to file a Rejoinder to the Parent Company's Reply (to the Memorandum of Poblador). In the meantime, the case was returned to "Completion State" pending the filing of the Rejoinder. Poblador filed her Rejoinder on June 1, 2017 under a Motion to Admit Attached Rejoinder.

On November 29, 2017, Poblador filed a Manifestation adopting her previous Memorandum dated December 22, 2014 as her compliance with the Resolution dated October 11, 2017. The Office of the Solicitor General filed a Manifestation and Motion on November 24, 2017 asking that the DOJ Secretary be excused from filing a Memorandum. Based on the Resolution of the Court requiring the parties anew to file their respective Memorandum, PHC's (2nd) Memorandum was filed on December 13, 2017, within the extended period prayed for.

On June 14, 2019, the CA issued a Decision denying both PHC's and Ms. Poblador's Petitions for Certiorari. On July 5 and 11, 2019, both parties filed their respective Motions for Reconsideration. On July 24, 2019, PHC filed its Comment to Ms. Poblador's Motion for Reconsideration. On August 10, 2020, the CA issued a Resolution denying PHC and Ms. Poblador's Motions for Reconsideration. PHC decided not to pursue the case with the Supreme Court considering that the amount involved is already covered by the advances to affiliates case.

On November 3, 2020, Poblador filed her Petition for Review with the Supreme Court. As at date of this report, the case remains pending for resolution with the Supreme Court.

The Company is also involved in other litigations, claims and disputes which are normal to its business. Management believes that the ultimate liability, if any, with respect to these litigations, claims and disputes will not materially affect the financial position and financial performance of the Company.

20 Critical accounting estimates, assumptions, and judgments

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

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments 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:

(a) Critical accounting estimates and assumptions

- Provision of impairment of receivables and due from related parties (Notes 3 and 16)
- Fair value of financial instruments (Note 6)
- Determining the incremental borrowing rate for leases (Note 11)

(b) Critical accounting judgments in applying the Company's accounting policies

- Recoverability of due from related parties (Note 16)
- Recoverability of input VAT and tax credits (Notes 5)
- Recoverability of investment in a subsidiary (Note 8)
- Recoverability of investment property (Note 8)
- Determining the lease term (Note 11)

21 Financial risk management and capital management

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Financial risk management is carried out by management under the direction of the BOD. Management identifies and evaluates financial risks in close cooperation with the Company's department heads. The BOD reviews and approves policies and procedures covering specific financial risk areas. These policies and procedures enable the Company's management to make strategic and informed decisions with regard to the operations of the Company.

The most important types of risk the Company manages are credit risk, market risk and liquidity risk. Market risk includes foreign exchange, interest and price risks. The Company has no significant financial assets and liabilities that are exposed to foreign exchange and interest risk.

Components of financial assets and liabilities

Details of the Company's financial assets as at December 31 are as follows:

	Notes	2025	2024
Financial assets measured at amortized cost			
Cash and cash equivalents	2	187,137,680	100,711,315
Receivables, gross of allowance for ECL	3	118,762,145	114,196,477
Due from related parties	16	12,425,000	5,000,000
Financial assets measured at fair value through profit or loss (FVTPL)	6	124,249,576	107,167,495
Financial assets measured at fair value through other comprehensive income (FVOCI)	6	707,579,862	803,483,538
		1,150,154,263	1,130,558,825

Other current assets consist of advances subject for liquidation, hence not considered as financial assets.

Other non-current assets consist of CWT and input VAT which are not considered as financial assets since they do not arise from contractual arrangements.

Details of the Company's financial liabilities as at December 31 are as follows:

	Notes	2025	2024
Trade payables	10	5,564,675	5,842,214
Lease liability	11	1,638,358	-
Dividends payable	12	5,184,637	5,184,637
Due to related parties	16	-	78,106
Deposit for future stock subscription	16	18,894,000	18,894,000
		31,281,670	29,998,957

Other payables consisting of customer deposits and payables to government agencies not arising from contractual arrangements are not considered as financial liabilities.

Credit risk

Credit risk refers to the risk that a counterparty will cause a financial loss to the Company by failing to discharge an obligation. Significant changes in the economy that may represent a concentration in the Company's business, could result to losses that are different from those provided for at reporting date. The Company enters into contracts only with recognized, credit-worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Company obtains guarantees where appropriate to mitigate credit risk.

Credit risk arises from cash deposits with banks and financial institutions, as well as credit exposure on receivables and amounts due from a related party.

There is no significant concentration of credit risk, whether through exposure to individual counterparties or specific industry sectors.

The maximum exposure to credit risk for the Company's financial assets are as follows:

	Gross carrying amount	Net carrying amount	Internal credit rating	Basis for recognition of ECL
December 31, 2025				
Cash in banks and short-term placements	187,133,494	187,133,494	Performing	12-month ECL
Receivables				
Group 1	115,962,235	115,962,235	Performing	12-month ECL
Group 2	2,799,910	-	Credit-impaired	12-month ECL
Due from related parties	12,425,000	12,425,000	Performing	12-month ECL
Financial assets at FVTPL	124,249,576	124,249,576	Performing	Not applicable
Financial assets at FVOCI	420,658,681	420,658,681	Performing	Not applicable
	863,228,896	860,428,986		

	Gross carrying amount	Net carrying amount	Internal credit rating	Basis for recognition of ECL
December 31, 2024				
Cash in banks and short-term placements	100,705,604	100,705,604	Performing	12-month ECL
Receivables				
Group 1	112,659,909	112,659,909	Performing	12-month ECL
Group 2	1,536,568	-	Credit-impaired	12-month ECL
Due from related parties	5,000,000	5,000,000	Performing	12-month ECL
Financial assets at FVTPL	107,167,495	107,167,495	Performing	Not applicable
Financial assets at FVOCI	515,425,939	515,425,939	Performing	Not applicable
	842,495,515	840,958,947		

Generally, receivables are written-off if collection cannot be made despite exhausting all extrajudicial and legal means of collection. The maximum exposure to credit risk at reporting date is the carrying value of the financial assets. The Company does not hold collateral as security.

Cash and cash equivalents

The Company has policies that limit the amount of credit exposure with financial institutions. All of the Company's cash in bank is deposited with a well-capitalized financial institution and reputable universal bank with strong financial standing.

Nevertheless, a portion of the Group's cash balances exceeds the amount insured by the Philippine Deposit Insurance Corporation (PDIC). In March 2025, the PDIC increased the maximum deposit insurance coverage from ₱500,000 to ₱1,000,000 per depositor, per bank, pursuant to Republic Act No. 9576, as amended. While cash in bank is also subject to requirements of PFRS 9, management assesses that the credit risk arising from cash in banks is minimal, as deposits are placed only with banks that have strong credit ratings and no history of default.

Receivables

The Company has outstanding receivables from corporate notes and its related interest. The Company does not expect significant credit exposure on this receivable considering that these are short-term investments in promissory notes of reputable and listed institutions with good credit rating.

Credit quality of customers are classified as follows:

Group 1 - Customer and counterparty balances without history of default and assessed to be fully recoverable.
Group 2 - Individually assessed customer with defaults and which the Company no longer expects to recover the balance despite its collection efforts.

Due from related parties

Due from related parties arising from advances are collectible after 12 months. Expected credit losses are based on the assumption that repayment of balances outstanding will not be compromised considering these are receivables from entities under common control or parent company with no history of default.

Based on assessment of qualitative and quantitative factors that are indicative of the risk of default, including but not limited to, availability of accessible highly liquid asset and internal and external funding of a related party, Company has assessed that the outstanding balances are exposed to low credit risk. Expected credit losses on these balances have therefore been assessed to be insignificant.

None of the fully performing financial assets have been renegotiated during 2025 and 2024.

Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash to meet the Company's operational commitment and finance its operation and working capital requirements.

Prudent liquidity risk management implies maintaining sufficient cash, timely collection of receivables and availability of funding through an adequate amount of facilities. The Company aims to maintain flexibility in funding by keeping track of its cash collections from dividends. The Company may also obtain funding from its shareholders, as well from third-party banking institutions, as necessary, to finance its operations and working capital requirements.

The table below summarizes the undiscounted profile of the Company's financial liabilities based on contractual payments:

	Less than 12 months	More than 1 year	Total
At December 31, 2025			
Trade payables	5,564,675	-	5,564,675
Lease liability, gross	1,638,358	-	1,638,358
Dividends payable	5,184,637	-	5,184,637
Due to related parties	-	-	-
Deposit for future stock subscription	-	18,894,000	18,894,000
	12,387,670	18,894,000	31,281,670
At December 31, 2024			
Trade payables	5,842,214	-	5,842,214
Lease liability, gross	-	-	-
Dividends payable	5,184,637	-	5,184,637
Due to related parties	78,106	-	78,106
Deposit for future stock subscription	-	18,894,000	18,894,000
	11,104,957	18,894,000	29,998,957

Market risk

Price risk

The Company is exposed to equity securities price risk because of the Company's investments in financial assets at FVTPL and financial assets at FVOCI which consist primarily of investment in listed and traded securities.

Equity price risk is the risk that the fair values of equity instruments recognized under financial assets at FVOCI decrease as the result of changes in the levels of equity indices and the value of individual stocks.

The Company measures the sensitivity of its investment securities and UITFs by using PSE index (PSEi) fluctuations. The table below sets forth the impact of changes in PSEi in other comprehensive income in 2025 and 2024.

	Increase (decrease) in PSEi	Increase (decrease) in other comprehensive income
2025	10%	24,995,681
	(6%)	(19,256,879)
2024	16%	40,990,505
	(6%)	(14,109,418)

The sensitivity of the equity is the effect of the assumed changes in the PSEi on the net unrealized gain (loss) for the year, based on the adjusted beta rate of equity securities as at December 31, 2025 and 2024.

The reasonable possible changes in the market price of investments were determined based on Company's analysis of the movement in share prices for the next 30 days from the close of the financial year.

Foreign currency exchange risk

The Company is exposed to foreign currency exchange risk arising from currency exposures, primarily with respect to the US Dollar. Foreign currency exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency.

The Company's foreign-currency denominated financial instrument consists of cash in banks and cash equivalents as at December 31, 2025 totaling US$350,337 (2024 - US$25,720). The Company's exposure to foreign currency risk is insignificant.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. As at December 31, 2025 and 2024, the Company has repriceable financial assets, specifically investments in quoted bonds classified as financial assets at FVOCI. Accordingly, the Company is subject to fair value interest rate risk.

The Company measures the sensitivity of its investment securities by using PHP BVAL reference rate fluctuations. The table below sets forth the impact of changes in PHP BVAL in the Company's other comprehensive income in 2025 and 2024.

	Increase (decrease) in PHP BVAL	Increase (decrease) in other comprehensive income
2025	7%	36,698,462
	(10%)	(24,979,177)
2024	11%	54,172,738
	(10%)	(49,950,068)

Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders and obtain borrowings from banks or to related party. There were no changes in the Company's credit risk management policy during and as at each reporting period.

The capital that the Company manages is the total equity as shown in the statements of financial position. The Company monitors its capital structure using debt-to-equity ratio which is debt divided by equity as follows:

	2025	2024
Total debt	31,640,020	30,834,065
Total equity	1,502,135,986	1,481,127,697
Debt-to-equity ratio	0.02:1	0.02:1

The Company is not subject to any externally imposed capital requirements.

Fair value estimation

As at December 31, 2025 and 2024, the carrying amounts of cash and cash equivalents, receivables, due from related parties and due to related parties reasonably approximate their fair values due to the short-term nature of these financial instruments.

The different levels in the fair value hierarchy have been defined in Note 22.4. There were no transfers between Levels 1, 2 and 3 during each reporting period.

22 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

22.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with PFRS Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

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

The Parent Company has also prepared consolidated financial statements in accordance with PFRS for itself and its subsidiaries (collectively, the “Group”). In the consolidated financial statements, subsidiary undertakings, which are those companies in which the Group, directly or indirectly, has an interest of more than half of the voting rights or otherwise has power to exercise control over the operations have been fully consolidated. The consolidated financial statements can be obtained from the SEC.

The users of these separate financial statements should read them together with the Group’s consolidated financial statements as at and for the years ended December 31, 2025 and 2024 in order to obtain full information on the financial position, financial performance and cash flows of the Group as a whole.

These financial statements have been prepared under the historical cost convention, except for the financial assets at fair value through profit or loss, and financial assets at fair value through other comprehensive income.

The preparation of financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company’s accounting policies. The areas involving higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are summarized in Note 20.

Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Company

There are no standards, amendments and interpretations which are effective for the financial year beginning January 1, 2025 that are relevant to and have a material impact on Company's financial statements.

(b) New standards, amendments and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and amendments is set out below:

(a) Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after January 1, 2026)

On May 30, 2024, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities.

These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Company does not expect these amendments to have a material impact on its operations or consolidated financial statements.

(b) PFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after January 1, 2027)

PFRS 18 will replace PAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements.

The Company will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

22.2 Financial assets

Classification

The Company classifies its financial assets in the following categories: (a) financial assets at amortized cost, (b) financial assets at fair value through profit or loss (FVTPL), and (c) financial assets at fair value through other comprehensive income (FVOCI). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at amortized cost

The Company classifies its financial assets as at amortized cost only if both of the following criteria are met:
- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

The Company's financial assets at amortized cost comprise of cash, receivables, and due from a related party.

The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months at the end of the reporting period.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading and financial assets designated upon initial recognition as at FVTPL. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments or a financial guarantee contract. Fair value gains or losses on investments held for trading net of interest income accrued on these assets, are recognized in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as financial assets at FVTPL, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited. Financial assets may be designated by management on initial recognition as at FVTPL, if any of the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains and losses on them on a different basis; or
- The assets are part of group of financial assets, liabilities or both which are managed and their performance evaluated on fair value basis, in accordance with a documented risk management or investment strategy; or
- The financial instrument contains an embedded derivative that would need to be separately recorded.

Financial assets at FVOCI

Financial assets at fair value through other comprehensive income (FVOCI) comprise equity security which is not held for trading, and which the Company has irrevocably elected at initial recognition to recognize in this category. This is a strategic investment and the Company considers this classification to be more relevant. On disposal of this equity investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months of the end of the reporting period.

As at each reporting period, investments in shares of stocks of various listed corporations, traded bonds and club memberships are designated as financial assets at FVOCI.

Recognition and measurement

The Company recognizes a financial asset in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs.

Derecognition

The basic premise for the derecognition model is to determine whether the asset under consideration for derecognition is:

- an asset in its entirety or
- specifically identified cash flows from an asset (or a group of similar financial assets) or
- a fully proportionate (pro rata) share of the cash flows from an asset (or a group of similar financial assets) or
- a fully proportionate (pro rata) share of specifically identified cash flows from a financial asset (or a group of similar financial assets).

Once the asset under consideration for derecognition has been determined, an assessment is made as to whether the asset has been transferred, and if so, whether the transfer of that asset is subsequently eligible for derecognition.

An asset is transferred if either the entity has transferred the contractual rights to receive the cash flows, or the entity has retained the contractual rights to receive the cash flows from the asset, but has assumed a contractual obligation to pass those cash flows on under an arrangement that meets the following conditions:

- the Company has no obligation to pay amounts to the eventual recipient unless it collects equivalent amounts on the original asset;
- the Company is prohibited from selling or pledging the original asset (other than as security to the eventual recipient); and
- the Company has an obligation to remit those cash flows without material delay.

Once the Company has determined that the asset has been transferred, it then determines whether or not it has transferred substantially all of the risks and rewards of ownership of the asset. If substantially all the risks and rewards have been transferred, the asset is derecognized. If substantially all the risks and rewards have been retained, derecognition of the asset is precluded.

If the Company has neither retained nor transferred substantially all of the risks and rewards of the asset, then the Company must assess whether it has relinquished control of the asset or not. If the Company does not control the asset then derecognition is appropriate; however, if the Company has retained control of the asset, then the Company continues to recognize the asset to the extent to which it has a continuing involvement in the asset.

Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Impairment losses are presented as part of cost and expenses in the statement of comprehensive income.

With the exception of purchased or originated credit impaired financial assets, expected credit losses are required to be measured through a loss allowance at an amount equal to:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

(i) Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

(ii) General approach

The Company applies the general approach to provide for ECLs on cash in banks, interest receivable, and due from a related party. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

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

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

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 360 days past due.

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

Measurement of ECLs

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

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as actual default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

Write-off

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

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognized directly in profit or loss.

Financial assets at FVOCI

In the case of equity investments classified as financial assets carried at FVOCI, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. When a decline in the fair value of a financial assets carried at FVOCI has been recognized in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized in other comprehensive income is removed directly from equity with no option to recycle to profit or loss. Impairment losses recognized in profit or loss for an investment on equity instrument classified as financial assets at fair value through other comprehensive income are not reversed through profit or loss.

In the case of debt instruments classified as financial assets carried at FVOCI, movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the profit or loss.

22.3 Financial liabilities

Classification and presentation

The Company classifies its financial liabilities in the following categories: (i) financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that are designated at fair value) and (ii) financial liabilities at amortized cost. The classification depends on the purpose for which the financial liabilities were incurred. Management determines the classification of its financial liabilities at initial recognition.

The Company did not hold financial liabilities at fair value through profit or loss during and at the end of each reporting period.

The Company's financial liabilities at amortized cost consist mainly of trade payables and other liabilities (excluding customer deposits and payables to government agencies) and lease liabilities.

Initial recognition and subsequent measurement

The Company's financial liabilities at amortized cost are initially measured at fair value plus transaction costs. Subsequently, these are measured at amortized cost using the effective interest method.

Interest expense on financial liabilities is recognized within finance cost, at gross amount, in the statements of total comprehensive income.

Derecognition

Financial liabilities are derecognized when extinguished, that is, when the obligation specified in a contract is discharged or cancelled or when the obligation expires.

22.4 Determination of fair value

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

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

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

The fair value of assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on Company specific estimates. If all significant inputs required to fair value an instrument are observable, the asset or liability is included in Level 2. If one or more of the significant inputs is not based on observable market data, the asset or liability is included in Level 3.

For assets that are recognized on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

A fair value measurement of a non-financial asset 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.

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

Details of the Company's fair value measurement for the financial assets at FVOCI and investment properties are disclosed in Note 6 and Note 8, respectively.

22.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

The Company has no offsetting arrangements as at each reporting period.

22.6 Cash and cash equivalents

Short-term placements are presented as cash equivalents if they have a maturity of three months or less and are carried in the statement of financial position at face amount or at nominal amount, which approximates its amortized cost using the effective interest method.

22.7 Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the noncurrent asset is recognized at the date of derecognition.

Non-current assets are not depreciated or amortized while they are classified as held for sale.

22.8 Other assets

Prepaid taxes consist substantially of creditable withholding taxes which are recognized as assets to the extent that it is probable that the benefit will flow to the Company. These are derecognized when there is a legally enforceable right to apply the recognized amounts against related liability with the period prescribed by the relevant tax laws.

Other current assets mainly pertain to input value-added tax (VAT). Input VAT represent taxes imposed on the Company for the acquisition of goods and services. These are stated at face value less any provision for impairment and are utilized when there is a legally enforceable right to offset the recognized amounts against output VAT obligations and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. Input VAT are included in current assets, except when utilization and claims against output VAT are expected to be more than 12 months after the reporting date, in which these are classified as non-current assets.

22.9 Investment in a subsidiary

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

Investment in a subsidiary is accounted for at cost less any impairment in the separate financial statements. Dividend income from investment is recognized in profit or loss within other income when the right to receive payment is established.

The carrying amount of investment in subsidiary is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

When the Company ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss.

The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

22.10 Investment property

Investment property is defined as a property, mainly land, held for the purposes of earning rentals, for capital appreciation or both. This property is not held to be used in production or sale in the ordinary course of business. Investment property is initially measured at acquisition cost. An investment property acquired through an exchange transaction is measured at fair value of the asset acquired unless the fair value of such an asset cannot be measured, in which case, the investment property acquired is measured at the carrying amount of asset given up. Investment properties are subsequently carried at cost less accumulated depreciation and any accumulated impairment.

Land is not depreciated.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. if owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

22.11 Property and equipment

Property and equipment is subsequently measured at cost. Depreciation is calculated using the straight-line method to allocate the cost of each asset, net of their residual values, over their estimated useful lives as follows:

	Number of Years
Office equipment and office improvement	3
Transportation equipment	3-5
Furniture and fixtures	3

The useful lives of each of the property and equipment are estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice and experience with similar assets. The property and equipment's useful lives and depreciation and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

22.12 Impairment of non-financial assets

Non-financial assets, mainly property and equipment and investment in a subsidiary, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment losses, if any, are recognized in profit or loss. Non-financial assets that have been impaired are reviewed for possible reversal of impairment at each reporting period.

22.13 Deposit for future stock subscription

Deposit for future stock subscription represents advance collection for stocks subscriptions. Deposit for future stock subscriptions is reported as a separate item in the equity section of the statement of financial position if and only if, all of the following elements are present as of end of the reporting period:

- The unissued authorized capital stock of the Company is insufficient to cover the amount of shares indicated in the contract;
- Board of Directors approval of the proposed increase in authorized capital stock (for which a deposit was received by the corporation);
- Stockholders approval of said proposed increase; and
- The application for the approval of the proposed increase has been filed with the SEC.

If any or all of the above elements are not present, the deposit for future stocks subscription is recognized as a liability in the statement of financial position. These are included in current liabilities, except when management expects to convert them to equity at least 12 months from the reporting date which are classified as non-current liabilities.

22.14 Equity

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Retained earnings

Retained earnings pertains to the accumulated profit from operations of the Company which are available for dividend declaration.

Earnings per share

Basic earnings per share is computed by dividing net income over the weighted average number of issued and outstanding common shares during the year.

Diluted earnings per share is computed as if the potential common share or instrument that may entitle the holder to common share were exercised as of the beginning of the year.

Other equity reserves

Other equity reserves pertain to accumulated fair value changes in financial assets through other comprehensive income, net of any realized gains from sale of disposals of debt instruments.

22.15 Income

Dividend income

Dividend income from a subsidiary is recognized when the right to receive dividend is established usually upon declaration by the BOD.

Interest income

Interest income on bank deposits, which is presented net of final withholding tax, is recognized on a time proportion basis using the effective interest rate method.

Other income

All other income is recognized when earned or when the right to receive payment is established.

22.16 Leases

The Company assesses whether the contracts are, or contain, a lease. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, it has both of the following:

i. the right to obtain substantially all of the economic benefits from use of the identified asset; and
ii. the right to direct the use of the identified asset.

If the Company has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Company also assesses whether a contract contains a lease for each potential separate lease component.

The Company as a lessee

At the commencement date, the Company recognizes ROU asset and lease liability 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 on a straight-line basis.

After the commencement date, the ROU asset is carried at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the related lease liability. The ROU asset is amortized over the lease term.

At the commencement date, the Company 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 Company uses its incremental borrowing rate.

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.

22.17 Related party relationships and transactions

Related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercises significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among entities which are under control with the reporting enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

22.18 Income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

22.19 Foreign currency transactions and translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). These financial statements are prepared in Philippine Peso, which is the Company’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

23 Supplementary information required by the Bureau of Internal Revenue (BIR)

The following Revenue Regulations 15-2010 information is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

Output value-added tax (VAT)

The amount of output VAT declared for the year ended December 31, 2025 amounted to P722,962 based on receipts amounting to P6,024,683.

The gross revenues on sale of services are based on gross receipts of the Company while gross revenues amounting to P47,690,597 presented in the statement of total comprehensive income are measured in accordance with the Company's accounting policy.

Input VAT

Movements in VAT for the year ended December 31, 2025 are as follows:

	Gross amount	Input VAT
Beginning balance		2,184,937
Add: Current year's domestic purchases/payments for:		
Goods other than resale of manufacture	2,296,647	275,598
Services lodged under other accounts	16,386,783	1,966,414
Total available input VAT		4,426,949
Less: Applied against output VAT		722,962
Ending balance		3,703,987

Importations

The Company did not have any purchases of imported goods subject to custom duties and tariff fees for the year ended December 31, 2025.

Excise tax

The Company is not engaged in the manufacture or production of certain specified goods or articles subject to excise tax for domestic sale or consumption or for any other disposition for the year ended December 31, 2025.

Documentary stamp tax

The Company has no transactions for the year ended December 31, 2025 requiring payment of documentary stamp tax.

All other local and national taxes

All other local and national taxes paid for the year ended December 31, 2025 consist of:

	Amount
PSE annual listing	250,000
Business permit	26,386
Others	942,917
	1,219,303

Withholding taxes

Withholding taxes accrued and paid as at and for the year ended December 31, 2025 consists of:

	Paid	Accrued	Total
Expanded withholding tax	1,176,352	269,025	1,445,377

Tax assessments

The Company has not received any Final Assessment Notice from the BIR for the year ended December 31, 2025.

Tax cases

The Company does not have any outstanding tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside of the BIR as at and for the year ended December 31, 2025.

Annex "B-3"

SUSTAINABILITY REPORT

Contextual Information

Company Details	
Name of Organization	PHILCOMSAT HOLDINGS CORPORATION
Location of Headquarters	Makati City
Location of Operations	Makati City
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Philcomsat Management Enterprises Inc., Professional Stock Transfer, Inc.
Business Model, including Primary Activities, Brands, Products, and Services	Philcomsat Holdings Corporation (Money Market and Resort Management); Philcomsat Management Enterprises, Inc. (Management Consultancy); Professional Stock Transfer, Inc. (Stock Transfer Services)
Reporting Period	January to December 2025
Highest Ranking Person responsible for this report	Erlinda I. Bildner, Chairman, Philcomsat Management Enterprises, Inc., and CFO, Philcomsat Holdings Corporation.

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.[1]
The organization evaluated all topics to determine if they are still significant or have become less important over time, based on the organization's economic, environmental, and social impacts, and how much these topics influence stakeholders' assessments and decisions. Topics that were found to be less important were still kept as they are considered essential to the development of the organization's sustainability management system. The materiality of all topics is periodically reassessed to determine their significance and the degree of that significance.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	55,611,782	PhP
Direct economic value distributed:		
a. Operating costs	18,590,651	PhP
b. Employee wages and benefits	1,645,640	PhP
c. Payments to suppliers, other operating costs	15,867,598	Php
d. Dividends given to stockholders and interest payments to loan providers	0	PhP
e. Taxes given to government	1,329,676	PhP
f. Investments to community (e.g. donations, CSR)	0	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach

[1] See *GRI 102-46* (2016) for more guidance.

Due to its reliance on consultants and part-time workers rather than full-time employees, the Corporation spends only a small portion of the revenue generated, less than 5%, on employee wages and benefits.	*Employees*	*Every year, management evaluates whether it is necessary to hire full-time employees for the Corporation's operations. At present, they have concluded that there is no such requirement. However, when the business grows to a particular level, it is anticipated that full-time employees will be brought on board.*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Management has recognized that the lack of a succession plan is a risk related to this matter because the Corporation relies on consultants and part-time workers instead of full-time employees. While these workers can effectively perform their duties, they may not be motivated to stay with the Corporation due to the absence of job security. In the absence of tenured employees who are familiar with the work done by these consultants and part-time workers, it could be challenging to have incoming workers take over such tasks in the event of incapacity.	*Employees*	*Once the business reaches a certain level, it is expected that full-time employees will be engaged.*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Management has recognized that the automation of certain business processes is a potential opportunity related to this matter.	*Employees*	*Management is exploring the possibility of automating certain tasks, such as stock transfer services, where clients can access necessary reports securely through a digital platform. By automating this process, the Corporation can reduce the need for manual labor and working hours.*

Climate-related risks and opportunities[2]

Governance	Strategy	Risk Management	Metrics and Targets
Ms. Erlinda I. Bildner, the CFO, is responsible for managing the day-to-day operations of the Corporation and PMEI. On the other hand, Mr. Crescencio P. Montemayor is accountable for the day-to-day management of	*When flooding occurs in the Metro Manila area during the monsoon season, employees who are not affected are incentivized to come to work with hazard pay. Meanwhile, those who may be affected have the option to either work*	*The Corporation mainly relies on weather reports by the national weather agency.*	*The Corporation classifies employees' work as either crucial or non-crucial, depending on the urgency of the task. The Corporation prioritizes crucial work over non-crucial work in the event of a sudden work stoppage, with the level*

[2] Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

PSTI. The Board is updated on the day-to-day operations of the Corporation at its subsequent meeting.	*from home or be transported by the Corporation's vehicles. These employees are expected to submit accomplishment reports.*		*of priority determined by each employee's accomplishment report. The Corporation always strives to provide essential work for its clients.*

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	100	%

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 Corporation procures materials as needed, and therefore relies heavily on locally-based suppliers. The selection of suppliers is primarily based on their availability, delivery speed, and cost.	*Suppliers*	*Management mandates the procurement officer to order materials that are regularly utilized in advance, allowing ample time to procure such materials at a reduced cost. Management evaluates which materials are frequently required.*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Obtaining materials as needed may not be the most cost-effective approach to procurement. Additionally, relying on material availability often leads to working with various suppliers, which can have negative impacts on the stability and duration of supplier relationships.	*Suppliers*	*Management mandates the procurement officer to order materials that are regularly utilized in advance, allowing ample time to procure such materials at a reduced cost. Management evaluates which materials are frequently required.*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The opportunity identified from this topic is that there is no surplus of materials.	*Suppliers*	*Management mandates the procurement officer to order materials that are regularly utilized in advance, allowing ample time to procure such materials at a reduced cost. Management evaluates which materials are frequently required.*

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
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	0	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

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 Corporation's anti-corruption policy is part of the Philcomsat Group of Companies' Code of Conduct and is disseminated to all employees of the Corporation and its subsidiaries. In the Corporation's money market and financial instruments operations, various brokers and agents approach them, offering different financial instruments with different terms and rates. These brokers and agents may attempt to influence Management's decision on whether to invest in a particular financial instrument by offering valuable gifts, but fortunately, no such attempts have been made.	*Stockholders and Suppliers*	*All investments are determined by a committee and then approved by the Board, which eliminates the possibility of any broker or agent exerting influence on any member of Management. Additionally, the Board has a strict policy that requires its members to disclose any association they may have with an investment recommended to it. If any Board member has such an association, they are required to abstain from any discussions or decisions related to such an investment.*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
One potential risk associated with this topic is that the Corporation may not be able to achieve maximum returns on its investments. This is due to the possibility that, instead of taking advantage of investment opportunities that offer higher returns, the Corporation may opt to invest in preferred financial instruments that offer lower returns, influenced by the brokers or agents representing those instruments.	*Stockholders and Suppliers*	*The Corporation has implemented a multi-layered approval process to reduce or eliminate any potential influence that brokers or agents may have on its investment decisions. Furthermore, the Board strictly enforces a policy that requires members to disclose any association with recommended investments, and if so, to abstain from any discussions or decisions concerning them.*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The Corporation's ability to spread its investments across multiple institutions through money market placements and financial instruments helps to mitigate the risk of loss. .	*Stockholders and Suppliers*	*By strictly enforcing the policies mentioned earlier and ensuring compliance with the different levels of approval required prior to placing any investment, Management is able to maintain diversification in the Corporation's portfolio and avoid the possibility of financial loss due to ill-advised investments.*

Incidents of Corruption

Disclosure	Quantity	Units
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**
There has been no incident of corruption involving directors, employees, or business partners as everyone in the Corporation is fully aware of the policy against corruption.	*Directors, Employees and Business Partners.*	*Management emphasizes the importance of strict compliance with the aforementioned policies and the need to observe the different levels of approval before making any investment decisions. By doing so, the Corporation is able to diversify its portfolio and mitigate the risk of financial losses that may arise from poorly placed investments.*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
One risk related to corruption in this area is that the Corporation might miss out on opportunities to invest in high-yielding financial instruments and instead choose to invest in preferred instruments due to the influence of brokers or agents, resulting in suboptimal returns on investments.	*Directors, Employees and Business Partners.*	*Management emphasizes the importance of strict compliance with the aforementioned policies and the need to observe the different levels of approval before making any investment decisions. By doing so, the Corporation is able to diversify its portfolio and mitigate the risk of financial losses that may arise from poorly placed investments.*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The Corporation's ability to spread its investments across multiple institutions through money market placements and financial instruments helps to mitigate the risk of loss.	*Directors, Employees and Business Partners.*	*Management emphasizes the importance of strict compliance with the aforementioned policies and the need to observe the different levels of approval before making any investment decisions. By doing so, the Corporation is able to diversify its portfolio and mitigate the risk of financial losses that may arise from poorly placed investments.*

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	**Quantity**	**Units**
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	≈45,000	l
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	0	GJ
Energy consumption (electricity)	≈28,800	kWh

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 Corporation and its subsidiaries primarily consume electricity and gasoline as sources of energy. The centralized air-conditioning system in the building where they operate is responsible for over half of the electricity consumption. The building administrator allocates the total electricity bill to each occupant based on their occupied area. On the other hand, the gasoline consumption and expense mostly come from attending meetings with potential clients and suppliers as the corporation and its subsidiaries are engaged in the sale of services.	*Community, Directors, Employees, Clients, and Suppliers.*	*To minimize electricity consumption, Management implements measures such as discouraging overtime work and reducing the number of lights used during specific hours. Since the centralized air conditioning system in the building cannot be changed, Management has to work with this limitation. To reduce gasoline consumption and expenses, the Corporation conducts meetings via teleconferencing or arranges them in the office instead of travelling to meet with clients and suppliers.*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Insofar as electricity is concerned, the Corporation and its subsidiaries are unable to install their own air conditioning system which could have provided a solution to lowering electricity consumption. Insofar as gasoline is concerned, lessening the number of leads may result in lost opportunities.	*Community, Directors, Employees, Clients, and Suppliers.*	*To minimize electricity consumption, Management implements measures such as discouraging overtime work and reducing the number of lights used during specific hours. Since the centralized air conditioning system in the building cannot be changed, Management has to work with this limitation. To reduce gasoline consumption and expenses, the Corporation conducts meetings via teleconferencing or arranges them in the office instead of travelling to meet with clients and suppliers.*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The opportunity presented by this impact is that the Corporation and its subsidiaries may try to utilize other means of communicating with potential clients and suppliers, rather than face-to-face meetings. More meetings have been conducted using various teleconferencing applications such as zoom.	*Community, Directors, Employees, Clients, and Suppliers.*	*To minimize electricity consumption, Management implements measures such as discouraging overtime work and reducing the number of lights used during specific hours. Since the centralized air conditioning system in the building cannot be changed, Management has to work with this limitation. To reduce gasoline consumption and expenses, the Corporation conducts meetings via teleconferencing or arranges them in the office instead of travelling to meet with clients and suppliers.*

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	0	Cubic meters
Water consumption	100	Cubic meters
Water recycled and reused	0	Cubic meters

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 primary reason for water consumption is toilet usage.	*Employees*	*Management has installed equipment to lessen the number of flushes in the toilets in an effort to reduce water consumption. Regular inspection and maintenance of water pipes are also conducted to ensure that there are no leaks that may contribute to unnecessary water consumption/wastage.*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Management has not identified any risk/s associated with this topic.	*None*	*None*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Management has not identified any opportunity/ies associated with this topic.	*None*	*None*

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
● renewable	0	kg/liters
● non-renewable	0	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
Management has not identified any impact associated with this topic.	*None*	*None*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Management has not identified any risk/s associated with this topic.	*None*	*None*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**

Management has not identified any opportunity/ies associated with this topic.	*None*	*None*

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None	
Habitats protected or restored	None	ha
IUCN[3] Red List species and national conservation list species with habitats in areas affected by operations	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**
The Corporation and its subsidiaries only operate from Makati City which is not a protected area or an area with high biodiversity value.	*None*	*Currently, the Corporation and its subsidiaries are not operating in a protected area or an area with high biodiversity value, thus, there are no existing policies related to this topic. However, if the Corporation decides to move its operations to a protected area or acquires a subsidiary that operates in such an area, management is committed to establishing and implementing policies and programs to protect the environment.*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Management has not identified any risk/s associated with this topic.	*None*	*Currently, the Corporation and its subsidiaries are not operating in a protected area or an area with high biodiversity value, thus, there are no existing policies related to this topic. However, if the Corporation decides to move its operations to a protected area or acquires a subsidiary that operates in such an area, management is committed to establishing and implementing policies and programs to protect the environment.*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Management has not identified any opportunity/ies associated with this topic.	*None*	*Currently, the Corporation and its subsidiaries are not operating in a protected area or an area with high biodiversity value, thus, there are no existing policies related to this topic. However, if the Corporation decides to move its operations to a protected area or acquires a subsidiary that operates in such an area, management is committed to establishing*

[3] International Union for Conservation of Nature

		and implementing policies and programs to protect the environment.

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	0	Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions	0	Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)	0	Tonnes

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 operations of the Corporation and its subsidiaries do not involve any emission of substances into the air.	*None*	*If the Corporation or its subsidiaries engage in activities that involve emitting substances into the air, Management will establish policies and programs to protect the environment.*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Management has not identified any risk/s associated with this topic.	*None*	*If the Corporation or its subsidiaries engage in activities that involve emitting substances into the air, Management will establish policies and programs to protect the environment.*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Management has not identified any opportunity/ies associated with this topic.	*None*	*If the Corporation or its subsidiaries engage in activities that involve emitting substances into the air, Management will establish policies and programs to protect the environment.*

Air pollutants

Disclosure	Quantity	Units
NO_x	0	kg
SO_x	0	kg
Persistent organic pollutants (POPs)	0	kg
Volatile organic compounds (VOCs)	0	kg
Hazardous air pollutants (HAPs)	0	kg
Particulate matter (PM)	0	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 business operations of the Corporation and its subsidiaries do not require it to emit substances into the air.	*None*	*If the Corporation or its subsidiaries engage in activities that involve emitting substances into the air, Management will establish policies and programs to protect the environment.*

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The business operations of the Corporation and its subsidiaries do not require it to emit substances into the air, thus Management has not identified any risk associated with this topic.	*Nine*	*If the Corporation or its subsidiaries engage in activities that involve emitting substances into the air, Management will establish policies and programs to protect the environment.*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The business operations of the Corporation and its subsidiaries do not require it to emit substances into the air, thus Management has not identified any risk associated with this topic.		*If the Corporation or its subsidiaries engage in activities that involve emitting substances into the air, Management will establish policies and programs to protect the environment.*

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated		kg
Reusable	0	kg
Recyclable	100	kg
Composted	0	kg
Incinerated	0	kg
Residuals/Landfilled	0	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
Paper is the only solid waste generated by the operations of the Corporation and its subsidiaries.	*Community*	*To minimize paper waste, Management mandates the use of double-sided printing for all documents except for final reports. Paper waste is segregated from other types of waste to enable more efficient recycling.*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Management has not identified any risk/s associated with this topic.	*Community*	*If the Corporation or any of its subsidiaries engage in activities that generate solid and hazardous waste, Management will create policies and programs to ensure the proper disposal of such waste.*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**

Management has not identified any opportunity/ies associated with this topic.	*Community*	*If the Corporation or any of its subsidiaries engage in activities that generate solid and hazardous waste, Management will create policies and programs to ensure the proper disposal of such waste.*

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	0	kg
Total weight of hazardous waste transported	0	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 Corporation and its subsidiaries are not engaged in activities or provide services that result in the production of any hazardous waste.	*None*	*If the Corporation or any of its subsidiaries participate in activities that generate hazardous waste or obtain a subsidiary that offers products or services that may pose a risk to health and safety, Management will establish policies and programs for the appropriate disposal of hazardous waste.*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
The Corporation and its subsidiaries are not engaged in activities or provide services that result in the production of any hazardous waste; thus, Management has not identified any risk/s associated with this topic.	*None*	*If the Corporation or any of its subsidiaries participate in activities that generate hazardous waste or obtain a subsidiary that offers products or services that may pose a risk to health and safety, Management will establish policies and programs for the appropriate disposal of hazardous waste.*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The Corporation and its subsidiaries are not engaged in activities or provide services that result in the production of any hazardous waste; thus, Management has not identified any opportunity/ies associated with this topic.	*None*	*If the Corporation or any of its subsidiaries participate in activities that generate hazardous waste or obtain a subsidiary that offers products or services that may pose a risk to health and safety, Management will establish policies and programs for the appropriate disposal of hazardous waste.*

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	60	Cubic meters
Percent of wastewater recycled	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
Recycling wastewater in the building where the Corporation and its subsidiaries are located would necessitate the cooperation of all building occupants to buy and install the necessary equipment, as the building is shared with other organizations.	*Other building occupants.*	*Management urges its staff to recycle water, even if it's just a small amount, by using the surplus to water plants. This is because the other occupants of the building, who share it with the Corporation and its subsidiaries, have not yet cooperated to purchase and install equipment that enables the recycling of wastewater.*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
The sole risk is the cost of equipment for recycling wastewater.	*Other building occupants.*	*Management urges its staff to recycle water, even if it's just a small amount, by using the surplus to water plants. This is because the other occupants of the building, who share it with the Corporation and its subsidiaries, have not yet cooperated to purchase and install equipment that enables the recycling of wastewater.*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The only probable usage for recycled wastewater at the moment is the watering of plants within the building.	*Other building occupants.*	*Management urges its staff to recycle water, even if it's just a small amount, by using the surplus to water plants. This is because the other occupants of the building, who share it with the Corporation and its subsidiaries, have not yet cooperated to purchase and install equipment that enables the recycling of wastewater.*

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	0
No. of cases resolved through dispute resolution mechanism	0	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 Corporation and its subsidiaries are not engaged in any activities or offer services that may affect the environment, thus, there has been no	*Community*	*In line with its Management of the Montemar Beach Club, the Corporation ensures that the Club is fully compliant with all environmental laws and regulations and closely coordinates*

environmental law and/or regulation that could be violated.		*with the regional office of the Department of Environment and Natural Resources and the local government units. No such law or regulation has been or could be violated.*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Management has identified waste water and solid waste as the only risks to the environment that affects the Montemar Beach Club.	*Community*	*Management ensures the proper disposal of solid waste and is considering the construction of a wastewater treatment plant and*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Management is studying whether other resorts would be interested in availing of waste disposal facilities should the Club decide to construct such.	*Community*	*Before embarking on construction of waste treatment facilities, Management would like to ensure that the community would benefit from the same in order to maximize the use thereof.*

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees[4]	12	
a. Number of female employees	8	#
b. Number of male employees	4	#
Attrition rate[5]	-28%	rate
Ratio of lowest paid employee against minimum wage	1.3:1	ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	50	100
PhilHealth	Y	50	100
Pag-ibig	Y	50	100
Parental leaves	Y	0	0
Vacation leaves	Y	100	100
Sick leaves	Y	100	100
Medical benefits (aside from PhilHealth))	Y	80	100
Housing assistance (aside from Pag-ibig)	N	0	0
Retirement fund (aside from SSS)	N	0	0
Further education support	N	0	0

[4] The Corporation does not employ regular employees thus this section includes consultants who do work for the Corproration.

[5] Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Company stock options	N	0	0
Telecommuting	N	0	0
Flexible-working Hours	N	0	0
(Others)	N	0	0

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Unfortunately, additional benefits to employees are intricately tied with the number of clients that the Corporation and its subsidiaries can engage. However, with tight competition, it proves challenging to get more clients.	*Currently, only the onboarding of new clients is incentivized through commissions and referral fees given to the employees. In the event that the revenue stream of the Corporation and its subsidiaries improve, additional benefits may be granted to the employees in addition to those mandated by law.*
What are the Risk/s Identified?	**Management Approach**
High cost of attrition poses a risk due to lack of additional benefits.	*Only the onboarding of new clients is incentivized through commissions and referral fees.*
What are the Opportunity/ies Identified?	**Management Approach**
Management has not identified any opportunity/s associated with this topic.	*None*

Employee Training and Development

Disclosure	**Quantity**	**Units**
Total training hours provided to employees		
a. Female employees	4	hours
b. Male employees	4	hours
Average training hours provided to employees		
a. Female employees	4	hours/employee
b. Male employees	4	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Since there have been no law or regulation issued by the relevant agencies that would affect the operations of the Corporation or its subsidiaries, no seminars or training was provided to the employees.	*Directors, officers, and employees are expected and required to apprise themselves of all laws, rules, and regulations affecting their work. Management sponsors seminars or training for its directors, officers, and employees if it deems that such will enhance their ability to perform their duties.*
What are the Risk/s Identified?	**Management Approach**
Each individual engaged by the Corporation performs a unique function in the organization, thus, such individuals may not be able to afford to be absent from work to attend such seminars or training. Another risk is that an employee	*Management expects that the directors, officers, and employees who attend seminars or training ensure that the schedule thereof will not hamper the performance of their duties. Management tries to be understanding of such a schedule for so long as the*

cannot engage in self-improvement as seminars or training should only be limited to their actual work.	*tasks for the day are not crucial to the Corporation's operations.*
What are the Opportunity/ies Identified?	**Management Approach**
Management has not identified any opportunity/s associated with this topic.	*None*

Labor-Management Relations

Disclosure	Quantity	Units
% 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
Management sets and implements policies that impact employees without prior consultation.	*Universal policies established by Management and the HR manager are disseminated to all affected employees. Immediate compliance is expected and employees' concerns or grievances regarding said policies must be raised with the HR manager.*
What are the Risk/s Identified?	**Management Approach**
Individual needs and concerns of employees may not be addressed resulting in disappointment, frustration and consequently attrition.	*Management and the HR manager tries to take into consideration the specific circumstances of each employee affected.*
What are the Opportunity/ies Identified?	**Management Approach**
Management has not identified any opportunity associated with this topic.	*None*

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	60	%
% of male workers in the workforce	40	%
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
Management has not identified any impact associated with this topic.	*None*
What are the Risk/s Identified?	**Management Approach**
Management has not identified any risk/s associated with this topic.	*None*
What are the Opportunity/ies Identified?	**Management Approach**

Management has not identified any opportunity/ies associated with this topic.	*None*

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	8	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	2	Man-hours

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Management has not identified any impact associated with this topic.	*None*
What are the Risk/s Identified?	**Management Approach**
Management has not identified any risk/s associated with this topic.	*None*
What are the Opportunity/ies Identified?	**Management Approach**
Management has not identified any opportunity/ies associated with this topic.	*None*

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N	
Child labor	N	
Human Rights	N	

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Considering the small number of employees employed by the Corporation and its subsidiaries, there is no need to formalize a policy that disallows violations of labor laws such as forced, child labor, and human rights.	*The HR manager for the Philcomsat Group of Companies is well versed in labor laws and protection of human rights and who is known to all employees, thus any incident that violates labor laws and human rights can easily be addressed.*
What are the Risk/s Identified?	**Management Approach**
Management has not identified any risk/s associated with this topic.	*None*

What are the Opportunity/ies Identified?	Management Approach
Management has not identified any opportunity/ies associated with this topic.	*None*

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

No

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N	
Forced labor	N	
Child labor	N	
Human rights	N	
Bribery and corruption	N	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Corporation and its subsidiaries' main suppliers are limited to utility providers, professional staffing, and office supplies retailers, none of which require environmental performance background checks or policies on forced labor, child labor, human rights, bribery, and corruption.	*If the Corporation or its subsidiaries engage in activities that have an impact on the environment, labor, human rights, or are susceptible to bribery and corruption, Management will establish policies and implement programs to consider these factors when accrediting suppliers.*
What are the Risk/s Identified?	**Management Approach**
Management has not identified any risk/s associated with doing business with the main suppliers of the Corporation and its subsidiaries which consist only of utility providers, professional staffing, and office supplies retailers.	*If the Corporation or its subsidiaries engage in activities that have an impact on the environment, labor, human rights, or are susceptible to bribery and corruption, Management will establish policies and implement programs to consider these factors when accrediting suppliers.*
What are the Opportunity/ies Identified?	**Management Approach**
Management has not identified any opportunity/ies associated with doing business with the main suppliers of the Corporation and its subsidiaries which consist only of utility providers, professional staffing, and office supplies retailers.	*If the Corporation or its subsidiaries engage in activities that have an impact on the environment, labor, human rights, or are susceptible to bribery and corruption, Management will establish policies and implement programs to consider these factors when accrediting suppliers.*

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous	Collective or individual rights that have been identified that or particular	Mitigating measures (if negative) or enhancement measures (if positive)

(exclude CSR projects; this has to be business operations)			people (Y/N)?	concern for the community	
None	*None*	*None*	*N*	*None*	*None*

**Vulnerable sector includes children and youth, 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)*

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 or link to the certificates if available: None

Certificates	Quantity	Units
FPIC process is still undergoing	0	#
CP secured	0	#

What are the Risk/s Identified?	Management Approach
The operations of the Corporation and its subsidiaries do not affect IPs; thus, Management has not identified any risk/s associated with this topic.	*In the event that the Corporation and its subsidiaries become engaged in activities that offer products or services that affect IPs, Management shall establish policies and implement programs for the protection of IPs.*
What are the Opportunity/ies Identified?	**Management Approach**
The operations of the Corporation and its subsidiaries do not affect IPs; thus, Management has not identified any opportunity/ies associated with this topic.	*In the event that the Corporation and its subsidiaries become engaged in activities that offer products or services that affect IPs, Management shall establish policies and implement programs for the protection of IPs.*

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	100	N

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
For its stock transfer services, customer satisfaction as to accuracy of the reports, the processing time for transfers, and the reliability of data is of paramount importance. Thus, PSTI has to ensure that the service always meets its clients' expectations.	*Management ensures that all data is accurate and complete, and the work performed by its staff is satisfactory before releasing any report or information to the clients. Any concern of a client has to be resolved in a reasonable amount of time.*
What are the Risk/s Identified?	**Management Approach**
In order to meet client's demands and regulatory deadlines, the client at times may not give PSTI sufficient time to properly review and check its generated reports.	*Management regularly meets with the client to request for feedback and an assessment of its performance so that any shortcomings can be addressed immediately.*
What are the Opportunity/ies Identified?	**Management Approach**

Constant need to keep PSTI updated regarding software for data entry and network security is the opportunity associated with this topic identified by Management.	*Automation of much of its processes is one of the approaches that Management intends to pursue in order to reduce man-power hours/requirements and ensure consistent/uniform quality of services provided to its clients.*

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	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.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
The services rendered by the Corporation and its subsidiaries do not compromise the health and safety of its clients.	*In the event that the Corporation or its subsidiaries become engaged in or provide services that may pose a health and safety risk, Management shall establish policies and implement programs to protect the health and safety of its clients.*
What are the Risk/s Identified?	**Management Approach**
Management has not identified any risk/s associated with this topic.	*In the event that the Corporation or its subsidiaries become engaged in or provide services that may pose a health and safety risk, Management shall establish policies and implement programs to protect the health and safety of its clients.*
What are the Opportunity/ies Identified?	**Management Approach**
Management has not identified any opportunity/ies associated with this topic.	*In the event that the Corporation or its subsidiaries become engaged in or provide services that may pose a health and safety risk, Management shall establish policies and implement programs to protect the health and safety of its clients.*

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	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.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
The Corporation and its subsidiaries are not engaged in activities that require it to market and label products.	*In the event that the Corporation or its subsidiaries become engaged in activities that require marketing or labelling of products, Management shall establish policies and implement programs for protection of the consumer.*
What are the Risk/s Identified?	**Management Approach**

Management has not identified any risk/s associated with this topic.	*In the event that the Corporation or its subsidiaries become engaged in activities that require marketing or labelling of products, Management shall establish policies and implement programs for protection of the consumer.*
What are the Opportunity/ies Identified?	**Management Approach**
Management has not identified any opportunity/ies associated with this topic.	*In the event that the Corporation or its subsidiaries become engaged in activities that require marketing or labelling of products, Management shall establish policies and implement programs for protection of the consumer.*

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	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.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
The Corporation's subsidiary, Professional Stock and Transfer, Inc. (PSTI), collects information from its clients such as names, addresses, contact details, and shareholdings.	*PSTI obtains the consent of each client before their personal information is collected and is transparent in how the data is used and secured. The use of customer data is limited to the purpose agreed upon with the client and/or in compliance with the regulatory requirements of the clients of PSTI.*
What are the Risk/s Identified?	**Management Approach**
The risks identified with this topic are the unauthorized disclosure of the clients' personal information, unauthorized use of such data, and/or breach of data security measures that may be committed by rogue employees or individuals external to the Corporation or its subsidiaries.	*Management requires that personal information of clients is only stored on its secure network. Management ensures that applicants for employment at PSTI are properly screened. PSTI's employees are apprised/oriented with the applicable data protection laws, rules, and regulations and are mandated to ensure compliance therewith.*
What are the Opportunity/ies Identified?	**Management Approach**
The only opportunity identified by PSTI in regards to this topic is that it continually educates itself on and invests in network security.	*Management's approach is to prevent any incident of data breach or violation of its data protection measures since the loss of confidence that may be brought about by such a breach would be irreparable.*

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 Corporation's subsidiary, Professional Stock and Transfer, Inc. (PSTI), collects information from its clients such as names, addresses, contact details, and shareholdings.	*PSTI obtains the consent of each client before their personal information is collected and is transparent in how the data is used and secured. The use of customer data is limited to the purpose agreed upon with the client and/or in compliance with the regulatory requirements of the clients of PSTI.*
What are the Risk/s Identified?	**Management Approach**
The risks identified with this topic are the unauthorized disclosure of the clients' personal information, unauthorized use of such data, and/or breach of data security measures by individuals or rogue employees.	*Management requires that personal information of clients is only stored on its secure network. Management ensures that applicants for employment at PSTI are properly screened. PSTI's employees are apprised/oriented with the applicable data protection laws, rules, and regulations and are mandated to ensure compliance therewith.*
What are the Opportunity/ies Identified?	**Management Approach**
The only opportunity identified by PSTI in regards to this topic is that it continually educates itself on and invests in network security.	*Management's approach is to prevent any incident of data breach or violation of its data protection measures since the loss of confidence that may be brought about by such a breach would be irreparable.*

UN SUSTAINABLE DEVELOPMENT GOALS

Product or 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	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Stock transfer services	Goal No. 8 - Decent Work and Economic Growth	Unlikely to provide more employment unless the client base increases.	Aggressive marketing of its services to other PLCs and registered companies is required to be able to achieve its UN SDG.
Money Market Operations	Goal No. 8 - Decent Work and Economic Growth	Unlikely to provide more employment due to the nature of business.	Investment in subsidiaries that are labor intensive is required to be able to achieve its UN SDG.

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*

Annex "C"

COVER SHEET

SEC Registration Number

0	0	0	0	0	0	1	1	1	6	3

COMPANY NAME

PHILCOMSAT HOLDINGS CORPORATION AND SUBSIDIARIES

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

12TH FLOOR, TELECOM PLAZA BUILDING, 316 SEN. GIL PUYAT AVE., MAKATI CITY

Form Type	Department requiring the report	Secondary License Type, if Applicable
17-Q	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
inquiry@phc.com.ph	(632) 8815-8406	-

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
1,175	3rd Monday of November	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Erlinda I. Bildner	-	(632) 8815-8406	-

CONTACT PERSON's ADDRESS
12th Floor, Telecom Plaza Building, 316 Sen. Gil Puyat Ave., Makati City

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

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

PHILCOMSAT HOLDINGS CORPORATION AND SUBSIDIARIES
FOR THE PERIOD ENDED OF MARCH 31, 2026 AND 2025

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

GENERAL INSTRUCTIONS

(a) Use of Form 17-Q

This SEC Form 17-Q shall be used for quarterly reports under Section 17 of the Code, filed pursuant to paragraph (2)(b) of SRC Rule 17 thereunder and shall be filed within 45 calendar days after the end of each of the first three fiscal quarters of each fiscal year. The first quarterly report of the issuer shall be filed either within 45 calendar days after the effective date of the registration statement or on or before the date on which such report would have been required to be filed if the issuer had been required previously to file reports on SEC Form 17-Q, whichever is later. No report need be filed for the fourth quarter of any fiscal year.

(b) Application of SRC Rule 72.1: Requirements for Filing Forms

SRC Rule 72.1 contains general rules and regulations which are applicable to reports on forms to be filed with the Commission. SRC Rule 68 contains requirements for the content of financial statements to be filed with the Commission as part of this report. These Rules should be carefully read and observed in the preparation and filing of reports on this Form.

(c) Preparation of Report

(1) This is not a blank form to be filled in. It is a guide to be used in preparing the report in accordance with SRC Rule 72.1. The Commission does not furnish blank copies of this Form to be filled in for filing.

(2) These general instructions are not to be filed with the report. The instructions to the various captions of the form are also to be omitted from the report as filed. The report shall contain the numbers and captions of all applicable items, but the text of such items may be omitted, provided the answers thereto are prepared in the manner specified in SRC Rule 72.1. All items that are not required to be answered in a particular report may be omitted and no reference thereto need be made in the report. All instructions should also be omitted.

(d) Incorporation by Reference

In accordance with the provisions of SRC Rule 12-2, if the issuer makes available to its stockholders or otherwise publishes, within the period prescribed for filing the report, a document or statement containing information meeting some or all of the requirements of Part I of this Form, the information called for may be incorporated by reference from such published document or statement, in answer or partial answer to any item or items of Part I of this Form, provided copies thereof are filed as an exhibit to Part I, and all information called for in this Form is supplied.

(e) Integrated Reports to Security Holders

Quarterly reports to security holders may be combined with the required information of Form 17-Q and will be suitable for filing with the Commission if the combined report contains full and complete answers to all items required by this Form. When responses to a certain item of required disclosure are separated within the combined report, an appropriate cross-reference should be made.

(f) Signature and Filing of Report

(1) Five complete copies of the report, including any financial statements, exhibit or other paper or document filed as a part thereof shall be filed with the Commission. At least one complete copy of the report, including any financial statements, exhibit or other paper or document filed as a part thereof, shall, if any class of the issuer's securities are listed in a stock exchange, be filed with that Exchange.

(2) At least one complete copy of the report filed with the Commission and, when applicable, one copy filed with the Exchange shall be manually signed on the issuer's behalf by a duly authorized officer of the issuer and by the principal financial or chief accounting officer of the issuer. Copies not manually signed shall bear typed or printed signatures. In the case where the principal financial officer or chief accounting officer is also duly authorized to sign on behalf of the issuer, one signature is acceptable provided the issuer clearly indicates the dual responsibilities of the signatory. See also paragraph (2) and (3) of SRC Rule 72.1concerning copies, binding, signatures, paper, printing, language, and pagination.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended . March 31, 2026

2. Commission identification number 11163

3. BIR Tax Identification No 000-471-497-000

4. Exact name of issuer as specified in its charter PHILCOMSAT HOLDINGS CORPORATION

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

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of issuer's principal office 316 Sen. Gil Puyat Avenue, Makati City Postal Code 1200

8. Issuer's telephone number, including area code (632) 815-9556

9. Former name, former address and former fiscal year, if changed since last report Not Applicable

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares	996,391,254

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

Yes [✓] No [ ]

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

Philippine Stock Exchange	Common shares

12. Indicate by check mark whether the registrant:

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

Yes [✓] No [ ]

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

Yes [ ] No [✓]

PART I–FINANCIAL INFORMATION

Item 1. Financial Statements.

Financial Statements and, if applicable, Pro Forma Financial Statements meeting the requirements of SRC Rule 68, Form and Content of Financial Statements, shall be furnished as specified therein.

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

Furnish the information required by Part III, Paragraph (A)(2)(b) of "Annex C".

PART II–OTHER INFORMATION

The issuer may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

SIGNATURES

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

Issuer PHILCOMSAT HOLDINGS CORPORATION

[redacted]

ERLINDA I. BILDNER
Treasurer and Chief Finance Officer

May 13, 2026

BUSINESS OVERVIEW

Philcomsat Holdings Corporation, formerly Liberty Mines, Inc. was incorporated on May 10, 1956. On January 10, 1997, the Corporation approved amendments of its Articles of Incorporation, changing its primary purpose from embarking in the discovery, exploration, development and exploration of mineral oils, petroleum in its natural state, rock or carbon oils and other volatile mineral substances to a holding company and changing its name and declassifying its shares. These changes were filed with the Securities and Exchange Commission (SEC) on April 14, 1997, respectively. The authorized capital of the Corporation is One Billion Pesos (P1,000,000,000) divided into one billion (1,000,000,000) common shares with a par value of P1.00 per share. Of the total authorized capital stock, sixty million (60,000,000) shares are listed at the Philippine Stock Exchange (PSE).

PHILCOMSAT HOLDINGS CORPORATION
(A Subsidiary of Philippine Communications Satellite Corporation)
AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2026 AND 2025 AND DECEMBER 31, 2025
(Amounts in Philippine Pesos)

	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)	December 31, 2025 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents (Notes 2, 3, 4, 20 and 21)	**P211,801,423**	P127,155,411	P210,229,945
Receivables (Notes 2, 3, 5, 18, 20 and 21)	**117,889,603**	111,235,887	119,082,256
Due from related parties (Notes 2, 3, 18, 20 and 21)	**12,425,000**	5,000,000	12,425,000
Financial assets at fair value through profit or loss (FVTPL) (Notes 2, 3, 20 and 21)	**82,911,089**	121,467,831	124,377,686
Assets held for sale (Notes 2, 3 and 6)	**6,900,286**	9,060,730	6,900,286
Other current assets (Notes 2 and 3)	**443,021**	592,701	2,345,869
Total Current Assets	**432,370,422**	374,512,560	475,361,042
Noncurrent Assets			
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 2, 3, 7, 20 and 21)	**741,530,937**	791,884,505	707,579,862
Investment properties (Notes 2, 3 and 8)	**343,475,799**	343,475,799	343,475,799
Right-of-use (ROU) assets – net (Notes 2, 3 and 13)	**1,744,841**	2,888,544	2,236,162
Property and equipment – net (Notes 2, 3 and 9)	**5,766**	33,094	6,920
Deferred tax assets – net (Notes 2 and 17)		52,230	–
Other noncurrent assets (Notes 2, 3 and 10)	**13,741,834**	13,058,211	12,824,035
Total Noncurrent Assets	**1,100,499,177**	1,151,392,383	1,066,122,778
	P1,532,869,599	P1,525,904,943	P1,541,483,820
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and statutory payables (Notes 2, 3, 12, 20 and 21)	**P5,519,290**	P3,712,586	P6,901,868
Dividends payable (Notes 2, 3, 20 and 21)	**54,080,188**	5,184,637	5,184,637
Due to a related party (Notes 2, 3, 18, 20 and 21)	**–**	78,106	–
Lease liabilities – current (Notes 2, 3, 13, 20 and 21)	**1,540,520**	1,273,609	2,038,865
Total Current Liabilities	**61,139,998**	10,248,938	14,125,370
Noncurrent Liabilities			
Deposit for future stock subscription (Notes 2 and 18)	**18,894,000**	18,894,000	18,894,000
Lease liabilities – noncurrent (Notes 2, 3, 13, 20 and 21)	**279,748**	1,638,358	279,748
Deferred tax liabilities – net (Notes 2 and 16)	**62,840**	–	63,006
Total Noncurrent Liabilities	**19,236,588**	20,532,358	19,236,754
Total Liabilities	**80,376,586**	30,781,296	33,362,124
Equity			
Share capital (Notes 2 and 22)	**996,391,254**	996,391,254	996,391,254
Retained earnings (Notes 2, 7 and 22)	**488,930,906**	521,920,659	533,404,085
Other equity reserves (Notes 2, 7 and 22)	**(32,829,147)**	(23,188,266)	(21,673,643)
Total Equity	**1,452,493,013**	1,495,123,647	1,508,121,696
	P1,532,869,599	P1,525,904,943	P1,541,483,820

See accompanying Notes to Financial Statements.

PHILCOMSAT HOLDINGS CORPORATION
(A Subsidiary of Philippine Communications Satellite Corporation)
AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIOD ENDED MARCH 31, 2026 AND 2025
(Amounts in Philippine Pesos)

	From January 1 to March 31, 2026 (Unaudited)	From January 1 to March 31, 2025 (Unaudited)
REVENUE (Notes 2 and 14)	**P15,219,835**	P14,375,871
COSTS AND EXPENSES (Notes 2 and 15)	**(9,803,777)**	(7,074,984)
OTHER INCOME (CHARGES) – net (Notes 2, 7 and 16)	**682,930**	(3,500,654)
FINANCE COSTS (Notes 2 and 13)	**(11,845)**	(33,275)
INCOME BEFORE INCOME TAX	**6,087,143**	3,766,958
PROVISION FOR (BENEFIT FROM) (Notes 2, 3 and 17)		
Current	**268,427**	303,137
Deferred	**(166)**	(332,446)
	268,261	(29,309)
NET INCOME	**P5,818,882**	P3,796,267
BASIC/DILUTED EARNINGS PER SHARE (Notes 2 and 19)	**P0.0058**	P0.0038

See accompanying Notes to Financial Statements.

PHILCOMSAT HOLDINGS CORPORATION
(A Subsidiary of Philippine Communications Satellite Corporation)
AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2026 AND 2025
(Amounts in Philippine Pesos)

	From January 1 to March 31, 2026 (Unaudited)	From January 1 to March 31, 2025 (Unaudited)
NET INCOME	**P5,818,882**	P3,796,267
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 2 and 7)		
Items that may be reclassified to profit or loss		
Unrealized gain (loss) on debt instruments at FVOCI	**(3,581,938)**	8,091,437
Items that may not be reclassified to profit or loss		
Unrealized loss on equity instruments at FVOCI	**(5,905,618)**	(2,309,084)
TOTAL COMPREHENSIVE INCOME (LOSS)	**(P3,668,674)**	P9,578,620

See accompanying Notes to Financial Statements.

PHILCOMSAT HOLDINGS CORPORATION
(A Subsidiary of Philippine Communications Satellite Corporation)
AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2026 AND 2025
(Amounts in Philippine Pesos)

	From January 1 to March 31, 2026 (Unaudited)	From January 1 to March 31, 2025 (Unaudited)
SHARE CAPITAL – P1 par value (Notes 2 and 22)		
Authorized – 1,000,000,000 shares		
Issued – 996,391,254 shares	**P996,391,254**	P996,391,254
RETAINED EARNINGS (Notes 2, 7 and 22)		
Balance at beginning of period	**533,404,085**	517,695,949
Net income	**5,818,882**	3,796,267
Dividends declared	**(49,819,563)**	
Reclassification of cumulative fair value changes of equity instruments measured at FVOCI sold from other comprehensive income	**(472,498)**	428,443
Balance at end of period	**488,930,906**	521,920,659
OTHER EQUITY RESERVES (Notes 2, 7 and 22)		
Balance at beginning of period	**(21,673,643)**	(28,179,968)
Unrealized gain ((loss) for the period	**(9,487,556)**	5,782,353
Reclassification of cumulative fair value changes of debt instruments measured at FVOCI sold to profit or loss	**(2,140,446)**	(362,208)
Reclassification of cumulative fair value changes of equity instruments measured at FVOCI sold to retained eanings	**472,498**	(428,443)
Balance at end of period	**(32,829,147)**	(23,188,266)
TOTAL EQUITY	**P1,452,493,013**	P1,495,123,647

See accompanying Notes to Financial Statements.

PHILCOMSAT HOLDINGS CORPORATION
(A Subsidiary of Philippine Communications Satellite Corporation)
AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2026 AND 2025
(Amounts in Philippine Pesos)

	From January 1 to March 31, 2026 (Unaudited)	From January 1 to March 31, 2025 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**P6,087,143**	P3,766,958
Adjustments for:		
Unrealized loss on financial assets at FVTPL (Note 16)	**2,260,146**	3,430,437
Depreciation (Notes 9 and 13)	**492,475**	494,204
Finance costs (Note 13)	**11,845**	33,275
Provision for doubtful accounts (Notes 5 and 14)	**–**	12,005
Unrealized foreign exchange loss (gain) (Note 16)	**(572,402)**	444,985
Realized gain on sale of debt instruments measured at FVOCI (Notes 7 and 16)	**(2,140,446)**	(362,208)
Realized gain on financial assets at FVTPL (Note 16)	**(230,228)**	(12,560)
Operating income before changes in assets and liabilities	**5,908,533**	7,807,096
Decrease (increase) in:		
Receivables (Note 5)	**1,192,653**	3,625,098
Financial assets at FVTPL	**39,436,679**	(14,768,695)
Other current assets	**1,902,848**	(205,573)
Assets held for sale (Note 6)	**–**	45,958
Other non current assets (Note 10)	**(232,639)**	(270,736)
Decrease in:		
Trade and statutory payables (Note 12)	**(1,382,578)**	(3,168,209)
Due to related party (Note 18)	**–**	(141,247)
Net cash generated by (used in) operations	**46,825,496**	(7,076,308)
Acquisition of financial assets at FVOCI (Note 7)	**(86,386,229)**	(16,825,383)
Proceeds from redemption and maturity of financial assets at FVOCI(Note 7)	**42,947,598**	31,388,356
Income tax paid	**(953,587)**	(1,094,142)
Net cash provided by operating activities	**2,433,278**	6,392,523

Forward

	From January 1 to March 31, 2026 (Unaudited)	From January 1 to March 31, 2025 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	**(924,012)**	–
Payments of:		
Lease liabilities (Note 13)	**(498,345)**	(471,814)
Interest on lease liabilities (Note 13)	**(11,845)**	(33,275)
Cash used in financing activities	**(1,434,202)**	(505,089)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**572,402**	(444,985)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**1,571,478**	5,442,449
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**210,229,945**	121,712,962
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**P211,801,423**	P127,155,411
NONCASH FINANCIAL INFORMATION		
Extinguishment of debt resulting to:		
Initial recognition of ROU assets relating to lease of office space (Note 13)	**P–**	(P3,117,937)
Initial recognition of lease liabilities (Note 13)	**–**	3,117,937
	P–	P–

See accompanying Notes to Financial Statements.

1. General Information

Corporate Information

Philcomsat Holdings Corporation (formerly Liberty Mines, Inc.) [the Parent Company] was incorporated and registered with the Securities and Exchange Commission (SEC) on May 10, 1956 with the primary purpose of embarking in the discovery, exploration, development and exploitation of mineral oils, petroleum in its natural state, rock or carbon oils and other volatile mineral substance and with the secondary purpose of engaging in the business of mining in general. The Parent Company ceased oil and mining operations in 1992.

On July 23, 1997, the SEC approved the amended Articles of Incorporation of the Parent Company consisting of: a) change in its primary purpose from an exploration and mining company to a holding company and revision of its secondary purpose clauses; and b) change of the corporate name from Liberty Mines, Inc. to Philcomsat Holdings Corporation.

The Parent Company started operations as a holding company on January 1, 2000. The Parent Company derives income from money market placements, bank deposits, financial assets at FVOCI and other investments.

On May 9, 2006, the SEC approved the extension of the Parent Company's corporate life for another fifty (50) years.

On May 23, 2016, the Parent Company's Board of Directors (BOD) confirmed and ratified its previous resolution increasing the authorized capital stock of the Parent Company from P1.0 billion, divided into 1,000,000,000 shares with par value of P1 per share, to P3.0 billion, divided into 3,000,000,000 shares with par value of P1 per share. As at report date, the resolution is awaiting ratification by the stockholders and pending application with SEC.

The Parent Company is 78.68% owned by Philippine Communications Satellite Corporation (Philcomsat), a company incorporated in the Philippines. The ultimate parent company is Philippine Overseas Telecommunications Corporation (POTC), a company also incorporated in the Philippines. Philcomsat and POTC are both engaged in the telecommunications business.

The Parent Company and all of its subsidiaries (collectively referred to as "the Group") were incorporated in the Philippines. The following are the subsidiaries and the respective percentages of ownership as at March 31, 2025 and 2024 and December 31, 2024:

	Percentage of Ownership			
	March 31, 2026 and 2025		December 31, 2025	
	Direct	**Indirect**	Direct	Indirect
Philcomsat Management Enterprises Inc. (PMEI)	**100.00**	**–**	100.00	–
Professional Stock Transfer Inc. (PSTI)*	**–**	**100.00**	–	100.00

**Parent Company's ownership in PSTI is indirect through PMEI.*

The principal activities of the subsidiaries are as follows:

Name of Subsidiaries	Principal Activities
PMEI	Management services
PSTI	Stock transfer agency

The registered address of the Parent Company is at 12th Floor, Telecoms Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City.

Listing of Shares in Philippine Stock Exchange (PSE)
The Parent Company's original 60 million shares are listed in the PSE.

On May 3, 2007, the PSE suspended the trading of the Parent Company's shares due to pending compliance with certain structured reportorial requirements. On December 3, 2008, the SEC ordered the suspension of the Parent Company's registration of securities from the date of the receipt of the Order until the Parent Company is able to submit the reportorial requirements and fully pay the corresponding penalties.

On September 15, 2025, the SEC lifted the suspension on the Parent Company's registration statement. On September 30, 2025, the PSE advised the Company that trading of the Company's share will resume on October 1, 2025.

2. Summary of Material Accounting Policies and Disclosures

Basis of Preparation
The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial Reporting Standards Council and adopted by the SEC, including SEC pronouncements. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee.

Measurement Bases
The consolidated financial statements are presented in Philippine Peso (Peso) which is the Group's functional and presentation currency. All values are rounded to the nearest Peso, except as otherwise indicated.

The consolidated financial statements of the Group have been prepared on the historical cost basis, except for financial assets measured at FVPL and financial assets measured at FVOCI. Historical cost is generally based on the fair value of the consideration given in exchange for an asset 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 transaction date.

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted prices (unadjusted) 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; and

- 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.

Fair values of financial assets at FVPL, financial assets at FVOCI, investment property and financial assets and liabilities are disclosed in Notes 6, 7, 8 and 20, respectively.

Adoption of New and Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following new and amended PFRS which the Group adopted effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS 9 and PFRS 7, "*Amendments to the Classification and Measurement of Financial Instruments*"

  The amendments clarify that a financial liability is derecognised on the ‘settlement date’ and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date.

  Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments.

Additional disclosures are introduced for financial instruments with contingent features and equity instruments classified at fair value through OCI.

New Accounting Standards, Amendments to Existing Standards and Interpretations Effective Subsequent to March 31, 2026

The standards, amendments and interpretations which have been issued but not yet effective as at June 30, 2025 are disclosed below. Except as otherwise indicated, the Group does not expect the adoption of the applicable new and amended PFRS to have a significant impact on the financial position or performance.

Effective beginning on or after January 1, 2027

- PFRS 18, "*Presentation and Disclosure in Financial Statements*"

  The objective of PFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

- PFRS 19, "*Subsidiaries without Public Accountability*"

  The objective of the Standard is to alleviate the reporting burden for subsidiaries without public accountability.

Deferred Effectivity

- Amendments to PFRS 10 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, "*Business Combinations*". 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 FRSC deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

  These amendments may apply to future transactions of the Company.

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- Deferment of Implementation of International Financial Reporting Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, *"Borrowing Cost"*) for the Real Estate Industry

  In March 2019, IFRIC published an Agenda Decision on whether borrowing costs can be capitalized on real estate inventories that are under construction and for which the related revenue is/will be recognized over time under par. 35 (c) of PFRS 15. IFRIC concluded that borrowing costs cannot be capitalized for such real estate inventories as they do not meet the definition of a qualifying asset under PAS 23 considering that these inventories are ready for their intended sale in their current condition.

  On February 21, 2020, the Philippine SEC issued MC No. 4, Series of 2020, providing relief to the Real Estate Industry by deferring the mandatory implementation of the above IFRIC Agenda Decision until December 31, 2020. Effective January 2021, the Real Estate Industry will adopt the IFRIC agenda decision and any subsequent amendments thereto retrospectively or as the SEC will later prescribe. A real estate company may opt not to avail of the deferral and instead comply in full with the requirements of the IFRIC agenda decision.

  The adoption of this amendment is not expected to have any significant impact on the financial statements since the Company is not in a real estate industry.

No Mandatory Effective Date

- PFRS 9, *"Financial Instruments (Hedge Accounting and Amendments to PFRS 9, PFRS 7 and PAS 39)"*

  The amendments require the inclusion of general hedge accounting model in the notes disclosure to the financial statements. The amendments allow early adoption of the requirement to present fair value changes due to own credit on liabilities designated as at fair value through profit or loss (FVPL) to be presented in the other comprehensive income.

  These amendments are not applicable to the Company and expected not to have an impact on the financial statements.

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. In assessing control, the Parent Company considers if it is exposed, or has right, to variable returns from its investment with the subsidiary and if it has the ability to affect those returns.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Parent Company obtains control, and continue to be consolidated until the date such control ceases. The results of operations of the subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.

Changes in the controlling equity ownership (i.e., acquisition of non-controlling interest or partial disposal of interest over a subsidiary) that do not result in a loss of control are accounted for as equity transactions.

All intragroup balances, transactions, income and expenses and unrealized gains and losses are eliminated in full.

Noncontrolling interests pertain to the portion of profit or loss and the net assets in subsidiaries 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. Noncontrolling interests represent the interests of minority shareholders.

The financial statements of subsidiaries are prepared for the same accounting policies as that of the Parent Company.

The financial statements of the Parent Company and PMEI are prepared for the same reporting year.

PSTI and the Parent Company do not have the same reporting periods. PSTI prepares its financial statements as at and for the fiscal year ending June 30 which is different from the Parent Company's reporting period as at and for the calendar year ending December 31. For purposes of consolidation, PSTI prepares financial statements (unaudited) as at and for the year ended December 31.

Current versus Noncurrent Classification
The Group presents assets and liabilities in the consolidated statements of financial position based on current or noncurrent classification. An asset is current when it is:

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

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as noncurrent.

Deferred income tax assets are classified as noncurrent assets.

Financial Assets and Liabilities

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 FVPL includes transaction cost.

"Day 1" Difference
Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Group deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

Classification
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 FVOCI. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Group's business model and its contractual cash flow characteristics.

Financial Assets at FVPL
Financial assets at FVPL are either classified as held for trading or designated at FVPL. A financial instrument is classified as held for trading if it meets either of the following conditions:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;

- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or

- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

This category includes equity instruments which the Group had not irrevocably elected to classify at FVOCI at initial recognition. This category includes debt instruments whose cash flows are not "solely for payment of principal and interest" assessed at initial recognition of the assets, or which are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The Group may, at initial recognition, designate a financial asset meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Unrealized gains or losses arising from the fair valuation of financial assets at FVPL are recognized in profit or loss.

As at March 31, 2026 and 2025, and December 31, 2025, the Group's marketable securities are classified under this category.

Financial Assets at Amortized Cost
Financial assets 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.

After initial recognition, 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. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at March 31, 2026 and 2025, and December 31, 2025, the Group's cash and cash equivalents, receivables (excluding advances subject to liquidation) and due from related parties are classified under this category (see Notes 4, 5 and 18).

Financial Assets at FVOCI
For debt instruments that meet the contractual cash flow characteristic and are not designated at FVPL under the fair value option, the financial assets shall be measured at FVOCI 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 selling the financial assets; and

- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For equity instruments, the Group may irrevocably designate the financial asset to be measured at FVOCI in case the above conditions are not met.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment gains or losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are reclassified from equity to profit or loss as a reclassification adjustment.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Unrealized gains or losses from equity instruments are recognized in OCI and presented in the equity section of the consolidated statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods.

As at March 31, 2026 and 2025, and December 31, 2025, the Group designated its investments in quoted bonds, quoted and unquoted shares of stocks, UITF and club membership as financial assets at FVOCI (see Note 7).

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the consolidated statements of comprehensive income.

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

The Group does not have financial liabilities at FVPL as at March 31, 2026 and 2025, and December 31, 2025.

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 impaired or through the amortization process.

As at March 31, 2026 and 2025, and December 31, 2025, the Group's trade and other payables, customers' deposits, due to a related party and lease liabilities are classified under this category (see Notes 12, 13 and 18).

Reclassification
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).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new gross carrying amount.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

Impairment of Financial Assets at Amortized Cost and FVOCI
The Group records an allowance for ECL which is 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.

For debt instruments and other financial assets at amortized cost, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the 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 the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Derecognition of Financial Assets and Financial 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 rights to receive cash flows from the asset have 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 rights 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 a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Group's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial 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 has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statements of comprehensive income.

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Group could raise debt with similar terms and conditions in the market. The difference between the carrying value of the original liability and fair value of the new liability is recognized in the consolidated statements of comprehensive income.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

Offsetting of Financial Assets and Liabilities
Financial assets and financial liabilities are offset and the net amount 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 intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statements 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 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 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.

Advances Subject to Liquidation

Advances subject to liquidation pertain to cash advances to employees used for the Group's operations that are subject to liquidation. These are initially measured at cost less impairment in value, if any.

Assets Held for Sale

Noncurrent assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather continuing use and a sale is highly probable. They are measured at the lower of their carrying amount and fair values less costs to sell.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the noncurrent assets is recognized at the date of derecognition.

Noncurrent assets are not depreciated or amortized while they are classified as held for sale.

Investment Property

Investment property is defined as a property, such as land or building, held for capital appreciation. This property is not held to be used in production or sale in the ordinary course of business.

Investment property is initially measured at acquisition cost. An investment property acquired through an exchange transaction is measured at fair value of the asset acquired unless the fair value of such an asset cannot be measured, in which case, the investment property acquired is measured at the carrying amount of asset given up.

Subsequent to initial recognition, depreciable investment properties are carried at cost less accumulated depreciation and any impairment in value. Expenditures incurred after the investment properties have been put into operation, such as repairs and maintenance costs, are normally charged against current operations in the period in which the costs are incurred.

Land is not depreciated.

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in profit or loss in the year of retirement or disposal.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and any impairment in value. The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to operations in the period 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 costs of property and equipment. Cost also includes any asset retirement obligation and interest on borrowed funds used. When property and equipment are sold or retired, their costs and accumulated depreciation and impairment losses, if any, are eliminated from the accounts and any gain or loss resulting from their disposal is included in the profit or loss of such period.

The estimated useful lives of property and equipment are as follows:

	Number of Years
Office equipment	3
Transportation equipment	3-5
Furniture and fixtures	3
Office improvement	3-5

The useful lives of each of the property and equipment are estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice and experience with similar assets. The property and equipment's useful lives and depreciation and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

Fully depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation is charged to current operations.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. 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 item) is included in the profit or loss in the year the item is derecognized.

Other Noncurrent Assets

Other noncurrent assets consist of:

Creditable Withholding Tax

Creditable withholding tax is an amount that is withheld from income payments. This is deducted from income tax payable.

Input Value-added Tax (VAT)

Input VAT represents tax imposed on the Group by its suppliers for the acquisition of goods and services required under the Philippine taxation laws and regulations. Input VAT is recognized as an asset and will be used to offset the Group's current VAT liability.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree pertaining to instruments that represent present ownership interests and entitle the holders to a proportionate share of the net assets in the event of liquidation either at fair value or at the proportionate share of the net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interest are measured at fair value unless another management basis is required by PFRS. Acquisition-related costs incurred are expensed and included in costs and expenses.

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

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in PAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of PAS 39, it is measured in accordance with the appropriate PFRS. Contingent consideration that is classified as equity is not remeasured until it is finally settled and accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest, and any previous interest held, over the net fair value of the identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

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

Where goodwill forms part of a CGU and part of the operation within CGU units is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operations when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operation disposed of and the portion of the CGU retained.

If necessary information, such as fair value of assets and liabilities acquired, is not available by the end of the reporting period in which the business combination occurs, provisional amounts are used for a period not exceeding one year from the date of acquisition or measurement period. During this period, provisional amounts recognized for a business combination may be retrospectively adjusted if relevant information has been obtained or becomes available.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that its advances subject to liquidation, other current assets (excluding financial assets at FVPL), investment properties and property and equipment may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and 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 group 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 assessment of the time value of money and the risks specific to the asset. Any impairment loss is recognized in the profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment 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 the profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal, the depreciation charge are 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.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU, to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Deposit for Future Subscription

Deposit for future stock subscription represents the amount received by the Company which it records as such with a view of applying the same as payment for additional issuance of shares or increase in capital stock.

This is presented as part of liability because the Company is yet to comply with the conditions prescribed by the SEC.

Equity

Share Capital

Share capital is measured at par value for all shares issued.

Retained Earnings

Retained earnings represent the cumulative balance of net income or loss, net of any dividend declaration.

Other Equity Reserves
Other equity reserves comprise items of income and expense that are not recognized in profit or loss in accordance with PFRS. Other equity reserves of the Group pertains to cumulative unrealized gains on financial assets at FVOCI.

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 assessed that it acts as a principal in all of its revenue sources.

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

Interest Income
Interest income is recognized as the interest accrues, taking into account the effective yield of the asset.

Dividend Income
Dividend income is recognized when the Company's right to receive the dividend is established.

Service Fees
Performance obligation is satisfied over time with reference to the stage of completion at the reporting date measured principally on the basis of the estimated physical completion of the contract work. Billings and collections are made in relation to the specific provisions on the contract as agreed by the parties.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Retainer Fee and Transfer Fee
Revenue is recognized under the accrual basis in accordance with the terms of the related agreements.

Gain on Sale of Financial and Nonfinancial Assets
Gain on sale of financial assets at FVOCI and nonfinancial assets are computed as the difference between the proceeds and its carrying amount.

Costs and Expense Recognition
Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of liability has arisen and can be measured reliably. Costs and expenses are recognized in the profit or loss in the period these are incurred.

Cost of Services
Cost of services are recognized as expense when the related service is performed.

General and Administrative Expenses
General and administrative expenses are incurred in the direction and general administration of day-to-day operation of the Group and are generally recognized when the service is used or the expense is incurred.

Employee 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.

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

Leases
The Group assesses whether the contracts are, or contain, a lease. 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:

i. the right to obtain substantially all of the economic benefits from use of the identified asset; and

ii. the right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Group also assesses whether a contract contains a lease for each potential separate lease component.

The Group as a Lessee
At the commencement date, the Group recognizes ROU asset and lease liability 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 on a straight-line basis.

ROU Asset
At commencement date of the lease contract, the Group measures ROU asset at cost. The initial measurement of ROU asset includes the following:

- the amount of the initial measurement of lease liabilities;

- lease payments made at or before the commencement date less any lease incentives received;

- initial direct costs; and

- 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 asset is carried at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the related lease liability. The ROU asset is amortized over the lease term.

Lease Liability
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 comprise the following:

- fixed payments, including in-substance fixed payments;

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- amounts expected to be payable by the lessee under residual value guarantees;

- 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; and

- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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.

Foreign Currency Transactions
Transactions in foreign currencies are initially recorded using the functional currency exchange rate at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are restated using the closing functional currency exchange rate at the financial reporting date. Foreign exchange gains and losses arising from foreign currency transactions and restatement of balances are recognized in profit or loss.

Related Party Relationships and Transactions

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercises significant influence over the other party in making financial and operating decisions. This includes: (1) individual owning, directly or indirectly through one or more intermediaries, control, or are controlled by, or under common control with, the Parent Company; (2) associates; and (3) individuals owning, directly or indirectly, an interest in the voting power of the Parent Company that gives them significant influence over the Parent Company and close members of the family of any such individual.

Transactions amounting to 10% or more of the total assets based on the latest audited consolidated financial statements that were entered into with related parties are considered material under SEC Memorandum Circular No. 10, Series of 2019, "Rules on Material Related Party Transactions for Publicly-listed Companies".

All individual material related party transactions shall be approved by the BOD. For aggregate related party transactions within a 12-month period that breaches the materiality threshold, the same board approval would be required for the transaction(s) that meets and exceeds the materiality threshold covering the same related party.

Directors and officers with personal interest in the transaction should abstain from participating in discussions and voting on the same. In case they refuse to abstain, their attendance shall not be counted for the purpose of assessing the quorum and their votes shall not be counted for purposes of determining approval.

The key management personnel of the Group and post-employment benefit plan for the benefit of Group's employees, if any, are also considered to be related parties.

Transactions between related parties are on an arm's length basis in a manner similar to transactions with non-related parties.

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 authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date.

Deferred Tax

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

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

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

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward benefits of minimum corporate income tax (MCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused NOLCO and carry-forward benefits of MCIT can be utilized except:

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

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

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

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

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

Earnings Per Share

Basic earnings per share is computed by dividing net income over the weighted average number of issued and outstanding common shares during the year.

Diluted earnings per share is computed as if the potential common share or instrument that may entitle the holder to common share were exercised as of the beginning of the year.

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. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as an asset in the consolidated statements of financial position but only when the receipt of the reimbursement is virtually certain.

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 in the notes to consolidated financial statements when an inflow of economic benefits is probable.

Events After the End of the Reporting Period

Post year-end events that provide additional information about the Group's financial position at the reporting date (adjusting events), if any, are reflected in the consolidated financial statements when material. Post year-end events that are non-adjusting events are disclosed in the notes to consolidated financial statements when material.

Segment Information

The Group is engaged in investing of funds in various financial assets, service agreements with the government and stock transfer agency. The Group has aggregated these revenue-generating activities into a single operating segment as these segments are both passive in nature and have the same economic characteristics. The Group's revenue-generating assets are located in the Philippines.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, accounting estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosures of contingent liabilities, at the reporting date. However, uncertainty about the estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgments

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

Establishing Control Over Investment in Subsidiaries
The Group determines that it has control over its subsidiary by considering, among others, its power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns. The following are also considered:

- Rights arising from other contractual agreements; and
- The Group's voting rights and potential voting rights.

Classifying Financial Instruments
The Group exercises judgment in classifying financial instruments in accordance with PFRS 9. The Group classifies a financial instrument, or its components, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the Company's business model and its contractual cash flow characteristics and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the Group's consolidated statements of financial position.

Classification of financial instruments is disclosed in Note 2 to the consolidated financial statements.

Distinguishing Investment Properties and Owner-occupied Properties
The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property is held primarily to earn rentals or capital appreciation or both or used for operations and administrative purposes of the Group.

Carrying amount of investment property amounting to P343.5 million as at March 31, 2026 and 2025, and December 31, 2025 (see Note 8).

Determining Classification of Lease Arrangements and Appropriate Lease Term and Discount Rates
The Group has entered into lease agreements as a lessor.

Critical judgment was exercised by the Group to distinguish such lease agreement as an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements.

Lease liabilities and ROU assets were recognized. Payments of lease liabilities are allocated over the principal liability and finance costs. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each year. The ROU assets are depreciated over the lease term on a straight-line basis.

The lease of office space is renewable upon mutual agreement by both parties to be covered by a separate and new lease agreement. Accordingly, the renewal option was not considered in the lease term for purposes of the adoption of PFRS 16.

Significant management judgment was likewise exercised by the Group in determining the discount rate, whether implicit rate, if readily available or incremental rate, to be used in calculating the present value of ROUs asset and lease liabilities.

Reassessments are made on a continuing basis whether changes should be reflected on the amount of lease liability due to circumstances affecting lease payments and discount rates.

Determining Operating Segments

Although each revenue-generating activity represents a separate operating segment, management has concluded that there is basis for aggregation into a single operating segment as allowed under PFRS 8, "*Operating Segments*", due to their similar passive nature and economic characteristics.

Assessing Provisions and Contingencies

The Group evaluates legal and administrative proceedings to which it is involved based on analysis of potential results. Management and its legal counsels do not believe that any current proceedings will have material adverse effects on its financial position and results of operations. It is possible, however, that future results of operations could be materially affected by changes in estimates or in the effectiveness of strategies relating to these proceedings.

Estimates and Assumptions

The key estimates and assumptions concerning the future and other key sources of estimation of uncertainty at reporting date that may have significant risks of causing material adjustments to the carrying amounts of assets and liabilities within the next reporting year are discussed below.

Assessing ECL on Debt Instruments

The Group determines the ECL based on the 12-month ECL, which pertains to the portion of lifetime ECLs that result from default events on the financial instrument that are possible within 12 months after reporting date. When there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL.

The Group assessed that the credit risk on debt instruments has not increased significantly since initial recognition as these financial assets are determined to have low credit risk and are entered into with reputable banks, financial institutions and other counterparties.

The carrying amounts of financial assets at amortized cost and FVOCI are as follows:

	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)	December 31, 2025 (Audited)
Cash and cash equivalents*	**P211,792,437**	P127,149,444	P210,220,759
Receivables	**117,889,603**	111,235,887	119,082,256
Due from related parties	**12,425,000**	5,000,000	12,425,000
Investment in quoted bonds measured at FVOCI	**460,582,683**	506,613,779	498,301,670

**excluding cash on hand amounting to P8,986 as at March 31, 2026, P5,967 as at March 31, 2025, and P9,186 as at December 31, 2025.*

Determining Fair Value of Financial Assets at FVPL and FVOCI

The Group carries financial assets at FVOCI at fair value in the consolidated statements of financial position. Determining the fair value of financial assets at FVPL and FVOCI requires extensive use of accounting estimates and judgment. The Group determined the fair values of financial assets at FVPL and FVOCI using a combination of available market prices in active markets for identical assets (Level 1) and prices computed using significant observable inputs (Level 2). Any changes in the fair value of these financial assets and liabilities would affect other comprehensive income.

The fair value of financial assets at FVPL amounted to P82.9 million, P121.5 million and P124.4 million as at March 31, 2026 and 2025, and December 31, 2025, respectively (see Notes 7 and 21).

The fair value of financial assets at FVOCI amounted to P741.5 million, P791.9 million and P707.6 million as at March 31, 2026 and 2025, and December 31, 2025, respectively (see Notes 7 and 21).

Estimating Useful Lives of Investment Property and Property and Equipment
The Group estimates the useful lives of investment property and property and equipment based on the period over which they 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 the investment property and property and equipment. In addition, the estimation of the useful lives of investment property and property and equipment is based on the collective assessment of industry practice, internal technical evaluation and experience similar assets.

The carrying amount of investment property amounted to P343.5 million as at March 31, 2026 and 2025, and December 31, 2025 (see Note 8).

The carrying amount of property and equipment amounted to P5,766, P33,094 and P6,920 as at March 31, 2026 and 2025, and December 31, 2025, respectively (see Note 8).

Estimating Impairment Losses on Nonfinancial Assets Other than Goodwill
An impairment review is performed when certain impairment indicators are present. The Group determines whether an asset is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the asset is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

No impairment loss was recognized for the quarters ended March 31, 2026 and 2025.

The carrying amounts of nonfinancial assets are as follows:

	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)	December 31, 2025 (Audited)
Investment property	**P343,475,799**	P343,475,799	P343,475,799
Asset held for sale	**6,900,286**	9,060,730	6,900,286
ROU asset	**1,744,841**	2,888,544	2,236,162
Property and equipment	**5,766**	33,094	6,920
Other current assets	**443,021**	592,701	2,345,869
Other noncurrent assets	**13,741,834**	13,058,211	12,824,035

Estimating Impairment Losses on Goodwill
The Group tests annually whether any impairment in goodwill is to be recognized, in accordance with related accounting policy in Note 2. The recoverable amounts of CGUs have been determined based on the higher of fair value less costs to sell and value in use calculations which require the use of estimates. Based on the impairment testing conducted, the recoverable amounts of the CGUs as at March 31, 2026 and 2025, and December 31, 2025, calculated based on value in use are greater than the corresponding carrying amounts (including goodwill) of the CGUs. The carrying amount of goodwill amounted to P1.3 million as at March 31, 2026 and 2025, and December 31, 2025. No impairment loss was recognized for the quarters ended March 31, 2026 and 2025 (see Note 11).

Assessing Recoverability of Deferred Tax Assets

The Group's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the forecasted taxable income of the following reporting periods. This forecast is based on the Group's past results and future expectations on revenue and expenses.

The Company did not recognize a portion of its deferred tax assets amounting to P1.5 million as at March 31, 2026 and 2025 and December 31, 2025, respectively, because the management has assessed that these may not be realized because future taxable income may not be sufficient against which the deferred tax assets can be utilized (see Note 17).

4. Cash and Cash Equivalents

This account consists of:

	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)	December 31, 2025 (Audited)
Cash on hand	**P8,986**	P5,967	P9,186
Cash in banks	**114,537,285**	50,786,461	60,036,787
Cash equivalents	**97,255,152**	76,362,983	150,183,972
	P211,801,423	P127,155,411	P210,229,945

Cash in banks earn interest at prevailing bank deposit rates.

Cash equivalents pertain to special savings and time deposits, with terms of varying periods up to three (3) months depending on the immediate cash requirements of the Group, and earn interest at prevailing special savings and time deposit rates.

Interest income earned from cash in banks and cash equivalents amounted to P1,961,248 and P1,053,434 for the quarters ended March 31, 2026 and 2025, respectively (see Note 14).

5. Receivables

This account consists of:

	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)	December 31, 2025 (Audited)
Notes and loans receivable			
Corporate notes (Note 18)	**P63,999,551**	P66,799,551	P63,999,551
Promissory notes issued by various financial institutions	**52,325,997**	40,047,602	52,233,651
Interest receivable	**1,835,947**	3,483,452	2,106,233
	118,161,495	110,330,605	118,339,435
Less allowance for ECL	**(2,840,311)**	(1,576,969)	(2,840,311)
Notes and loans receivable – net	**115,321,184**	108,753,636	115,499,124
Retainer fee receivable	**2,045,349**	2,340,196	3,139,325
Dividend receivable	**523,070**	142,055	443,807
Current portion of receivables	**P117,889,603**	P111,235,887	P119,082,256

Movements in the allowance for ECL are summarized below:

	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of the period	**P2,840,311**	P1,564,965	P1,564,965
Additions	**-**	12,005	1,275,346
Write-off	**–**	–	–
Balance at end of period	**P2,840,311**	P1,576,970	P2,840,311

Notes and Loans Receivable

Corporate Notes
Corporate notes outstanding as at March 31, 2026 and 2025, and December 31, 2025 pertain to short-term corporate promissory notes issued by various entities, with terms of thirty-five days up to one year and earn interest ranging from 5.5% to 11.0% per annum.

Promissory Notes Issued by Financial Institutions
Unsecured promissory notes are issued by various financial institutions with terms ranging from two to ten years and earn interest ranging from 4% to 7% per annum.

Interest income earned from corporate notes and promissory notes issued by various financial institutions amounted to P1.6 million and P1.5 million for the quarters ended March 31, 2026 and 2024, respectively (see Note 14).

Retainer Fee Receivable
This account consists of retainer fee receivables which are collectible on demand and are noninterest-bearing.

6. Assets Held for Sale

In 2024, the Group obtained equipment and furniture valued at P4,207,629 as form of repayment of its notes receivable from one of its debtors. These assets were obtained with the intention to sell to its affiliate companies and is expected to be completed within the next 12 months. As such, these were then classified as current assets held for sale in the statement of financial position. The assets were measured at the lower of carrying amount and fair value less cost to sell and as a result, an impairment loss of P1,125,882 was recognized. For purposes of statements of cash flows reporting, the exchange of equipment and furniture, and notes receivable amounting to P4,207,629 is considered a non-cash operating and investing activity.

In 2025, the assets were measured at the lower of carrying amount and fair value less cost to sell

As at March 31, 2025 and 2024, and December 31, 2025 and 2024, the carrying amount of the assets held for sale amounted to P6,900,286, P9,060,730 and P6900,286, respectively.

Management continues to actively market the assets and expects disposal within twelve (12) months from December 31, 2025.

7. Financial Assets at FVTPL; Financial Assets at FVOCI

This account consists of:

	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)	December 31, 2025 (Audited)
FVTPL			
Investment in:			
Unit investment trust fund (UITF)	**P82,779,985**	121,336,727	P124,249,576
Quoted shares of stocks	**131,104**	131,104	128,110
	82,911,089	121,467,831	124,377,686
FVOCI			
Investments in:			
Quoted bonds	**460,582,683**	506,613,779	420,658,681
Quoted shares of stocks	**241,648,254**	245,970,726	247,621,181
Unquoted shares of stocks	**30,000,000**	30,000,000	30,000,000
Club memberships	**9,300,000**	9,300,000	9,300,000
	741,530,937	791,884,505	707,579,862
	P824,442,026	P913,352,336	P831,957,548

Unrealized loss on financial assets at FVTPL amounted to P2.3 million and P3.4 million for the quarters ended March 31, 2026 and 2025 (see Note 16).

Realized gain from financial assets at FVTPL amounted to P230,228 and P12,560 for the quarters ended March 31, 2026 and 2025, respectively (see Note 16).

Movements of financial assets at FVOCI and cumulative unrealized gain (loss) on financial assets at FVOCI are as follows:

	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)	December 31, 2025 (Audited)
Cost			
Balance at beginning of period	**P729,253,505**	P831,663,507	P831,663,509
Additions	**86,386,229**	14,006,969	120,921,665
Disposals	**(41,279,650)**	(30,597,705)	(223,331,669)
Balance at end of period	**774,360,084**	815,072,771	729,253,505
Cumulative Unrealized Gain (Loss)			
Balance at beginning of period	**(21,673,643)**	(28,179,968)	(28,179,968)
Unrealized fair value gain (loss) during the period	**(9,487,556)**	5,782,353	7,604,430
Reclassification			
Reclassification of cumulative fair value changes of debt instruments measured at FVOCI sold to profit or loss (Note 16)	**(2,140,446)**	(362,208)	(428,054)
Reclassification of cumulative fair value changes of equity instruments measured at FVOCI sold to retained earnings	**472,498**	(428,443)	(670,051)
Balance at end of period	**(32,829,147)**	(23,188,266)	(21,673,643)
Carrying amount	**P741,530,937**	P791,884,505	P707,579,862

Interest income earned from financial assets at FVOCI amounted to P8.4 million and P4.5 million for the quarters ended March 31, 2026 and 2025, respectively (see Note 14).

Dividend income earned from financial assets at FVOCI amounted to P4.6 million and P3.6 million for the quarters ended March 31, 2026 and 2025, respectively (see Note 14).

Realized gain on sale of debt instruments at FVOCI recognized directly to profit or loss amounted to P2,140,446 and P362,208 for the quarters ended March 31, 2026 and 2025, respectively (see Note 14).

Realized gain (loss) on sale of equity instruments at FVOCI recognized directly to retained earnings amounted to (P472,498) and P428,443 for the quarters ended March 31, 2026 and 2025, respectively.

The fair value of these financial assets are determined based on quoted market bid prices at the close of business as at reporting date since most of these are actively traded in an organized financial market. The fair value measurement of the financial assets at FVOCI is classified as Level 1 (Quoted bonds, shares of stock and club memberships) and level 2 (UITFs).

No ECL was recognized for investments in quoted bonds for the quarters ended March 31, 2026 and 2025.

8. Investment Properties

On December 29, 2023, the Group obtained nine parcels of land through dacion en pago with a related party amounting to P335,615,126 and covering three hundred eighty-three thousand nine hundred ninety-nine (383,999) square meters located at Ibis, Bagac, Bataan. The land's title is currently being processed for transfer to the name of PHC. In 2024, the Company incurred additional costs of P4,067,924 related to the transfer of the property. The carrying amount of this investment property amounted to P343,475,799 as at March 31, 2026 and 2025, and December 31, 2025.

The Group has certain parcels of land amounting to P2,249,424 and covering one thousand two hundred (1,200) square meters located at Pasinay Bagac, Bataan. On January 16, 2019, the land's title was transferred to the name of PMEI.

There are no direct operating expenses arising from investment property that did not generate rental income during the periods.

Level 2 fair values of investment properties have been derived using the market approach. In using the market approach, the value of the investment property is based on recorded sales and listing (or asking prices) of comparable property registered within the vicinity amounted to P383,999,000. Management developed these estimates on the basis of recorded sales and listing (or asking prices) of comparable properties registered within the vicinity of the respective land properties. The most significant input into this valuation approach is the zonal value price per square foot.

The investment property is not pledged as security for liabilities to related parties as at March 31, 2026 and 2025, and December 31, 2025.

9. Property and Equipment

Movements in this account are as follows:

	December 31, 2025 (Audited)	Additions	Disposals Reclassification	**March 31, 2026 (Unaudited)**
Cost				
Transportation equipment	P5,011,638	P–	P–	**P5,011,638**
Furniture and fixtures	3,528,775	–	–	**3,528,775**
Office equipment	1,305,714	–	–	**1,305,714**
Office improvement	39,325	–	–	**39,325**
	9,885,452	–	–	**9,885,452**
Less accumulated depreciation				
Transportation equipment	5,011,638	–	–	**5,011,638**
Furniture and fixtures	3,528,775	–	–	**3,528,775**
Office equipment	1,298,794	1,154	–	**1,299,948**
Office improvement	39,325	–	–	**39,325**
	9,878,532	1,154	–	**9,879,686**
	P6,920			**P5,766**

	December 31, 2024 (Audited)	Additions	Disposals	March 31, 2025 (Unaudited)
Cost				
Transportation equipment	P5,011,638	P–	P–	P5,011,638
Furniture and fixtures	3,528,775	–	–	3,528,775
Office equipment	1,305,714	–	–	1,305,714
Office improvement	39,325	–	–	39,325
	9,885,452	–	–	9,885,452
Less accumulated depreciation				
Transportation equipment	5,011,638	–	–	5,011,638
Furniture and fixtures	3,528,775	–	–	3,528,775
Office equipment	1,264,367	8,253	–	1,272,620
Office improvement	39,325	–	–	39,325
	9,844,105	8,253	-	9,852,358
	P41,347			P33,094

	December 31, 2024 (Audited)	Additions	Disposals	December 31, 2025 (Audited)
Cost				
Transportation equipment	P5,011,638	P–	P–	P5,011,638
Furniture and fixtures	3,528,775	–	–	3,528,775
Office equipment	1,305,714	–	–	1,305,714
Office improvement	39,325	–	–	39,325
	9,885,452	-	–	9,885,452
Less accumulated depreciation				
Transportation equipment	5,011,638		–	5,011,638
Furniture and fixtures	3,528,775	–	–	3,528,775
Office equipment	1,264,367	34,427	–	1,298,794
Office improvement	39,325	–	–	39,325
	9,844,105	34,427	–	9,878,532
	P41,347			P6,920

Depreciation expense from property and equipment is allocated to general and administrative expenses.

Fully-depreciated property and equipment being used by the Company amounted to P9.8 million as at March 31, 2026 and 2025, and December 31, 2025.

10. **Other Noncurrent Assets**

This account consists of:

	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)	December 31, 2025 (Audited)
Creditable withholding tax	**P7,718,332**	P8,537,290	P7,033,172
Input VAT	**4,704,073**	3,201,492	4,471,434
Goodwill (Note 11)	**1,319,429**	1,319,429	1,319,429
	P13,741,834	P13,058,211	P12,824,035

11. **Business Combination and Goodwill**

Goodwill

Goodwill pertains to the acquisition of PSTI by PMEI amounting to P1.3 million.

Management assessed that the recoverable amount of PSTI, the CGU to which the goodwill is allocated, exceeds its carrying amount. In estimating the related value in use, management used a cash flow projection based on past performance of the acquiree covering a five-year period at a discount rate of 4.44%. Cash flows beyond that five-year period have been extrapolated using the Group's average historical growth rate.

No impairment on goodwill was recognized for the quarters ended March 31, 2026 and 2025.

12. **Trade and Statutory Payables**

This account consists of:

	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)	December 31, 2025 (Audited)
Trade and other payables	**P4,104,498**	P2,796,225	P5,723,361
Statutory payables	**1,414,792**	916,361	1,178,507
	P5,519,290	P3,712,586	P6,901,868

Trade and other payables are noninterest-bearing and are normally settled on a 30-day credit term.

Statutory payables pertain to expanded withholding taxes and other payables to government agencies remitted in the subsequent month.

13. **Lease Commitments**

The Group As a Lessee

The Group has a lease agreement with Philcomsat for its office space for a term of two years subject to renewal under mutual agreement of both parties. In 2025, the lease contracts were renewed. The annual rent is subject to escalation fee of 5%.

The following are the amounts recognized in the consolidated statements of income:

	From January 1 to March 31, 2026 (Unaudited)	From January 1 to March 31, 2025 (Unaudited)
Depreciation on ROU assets	**P491,321**	P485,951
Interest on lease liabilities	**11,845**	33,275
	P503,166	P519,226

Movements in the ROU assets are presented below:

	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of period	**P2,236,162**	P256,558	P256,558
Additions		3,117,937	3,930,569
Depreciation (Note 15)	**(491,321)**	(485,951)	(1,950,965)
Balance at end of period	**P1,744,841**	P2,888,544	P2,236,162

Details of ROU assets are as follows:

	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)	December 31, 2025 (Audited)
Cost	**P3,930,569**	P3,887,611	P3,930,569
Accumulated depreciation	**(2,185,728)**	(999,067)	(1,694,407)
Balance at end of period	**P1,744,841**	P2,888,544	P2,236,162

Depreciation expense from the ROU assets is allocated as follows:

	From January 1 to March 31, 2026 (Unaudited)	From January 1 to March 31, 2025 (Unaudited)
Cost of services	**P71,105**	P67,347
General and admistrative expenses	**420,216**	418,604
	P491,321	P485,951

Movements in lease liabilities are presented below:

	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of period	**P2,318,613**	P265,844	P265,844
Additions		3,117,937	3,930,569
Interest expense (Note 14)	**11,845**	33,275	149,370
Payments	**(510,190)**	(505,089)	(2,027,170)
Balance at end of period	**P1,820,268**	P2,911,967	P2,318,613

The present value of the minimum lease payments for each of the following periods are as follows:

	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)	December 31, 2025 (Audited)
Not later than one year	**P1,540,520**	P1,273,609	P2,038,865
More than one year but not later than five years	**279,748**	1,638,358	279,748
	P1,820,268	P2,911,967	P2,318,613

The future minimum lease payments for each of the following periods are as follows:

	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)	December 31, 2025 (Audited)
Not later than one year	**P1,591,033**	P1,379,234	P2,121,377
More than one year but not later than five years	**285,673**	1,692,866	285,673
More than five years	**–**	–	–
Total minimum lease obligation	**1,876,706**	3,072,100	2,407,050
Less future finance charges on lease liabilities	**56,438**	160,133	88,437
	P1,820,268	P2,911,967	P2,318,613

14. **Revenue**

Disaggregation of revenue is as follows:

	From January 1 to March 31, 2026 (Unaudited)	From January 1 to March 31, 2025 (Unaudited)
Revenue:		
Interest income	**P8,110,070**	P8,155,363
Retainer fee	**2,369,035**	2,351,036
Dividend income (Note 7)	**4,639,904**	3,630,684
Stock transfer fee	**60,120**	53,608
Other service fee	**39,503**	139,223
Miscellaneous income	**1,203**	45,957
	P15,219,835	P14,375,871

Retainer fee pertains to monthly retainer fees earned by PSTI being a stock transfer agent.

Interest income included in revenue as shown in the consolidated statements of income is earned from the following:

	From January 1 to March 31, 2026 (Unaudited)	From January 1 to March 31, 2025 (Unaudited)
Cash and cash equivalents (Note 4)	**P1,961,248**	P1,053,434
Receivables (Note 5)	**1,619,919**	1,452,849
Financial assets at FVOCI (Note 7)	**4,528,903**	5,649,080
	P8,110,070	P8,155,363

15. Costs and Expenses

This account consists of:

	From January 1 to March 31, 2026 (Unaudited)	From January 1 to March 31, 2025 (Unaudited)
Cost of services:		
Salaries and other benefits	**P350,487**	P311,950
Professional fee	**192,400**	192,400
Depreciation (Notes 9 and 13)	**71,105**	67,347
Communication, light and water	**28,621**	39,880
Dues and subscription	**14,173**	14,173
Transportation and travel	**-**	33,363
	656,786	659,113
General and administrative expenses:		
Professional fees	**2,113,339**	2,284,238
Taxes and licenses	**2,044,288**	362,529
Outside services	**1,286,796**	1,133,351
Directors' fees (Note 18)	**831,667**	831,667
Representation and entertainment	**240,178**	180,495
Transportation and travel	**468,343**	528,262
Depreciation (Notes 9 and 13)	**421,370**	426,857
Bank charges	**340,772**	462,728
Office supplies	**139,214**	65,010
Communication, light and water	**72,281**	35,871
Dues and subscription	**57,174**	46,674
Advertising	**19,200**	19,200
Provision for doubtful accounts (Note 5)	–	12,005
Others	**1,112,369**	26,984
	9,146,991	6,415,871
	P9,803,777	P7,074,984

16. **Other Income (Charges)**

This account consists of:

	From January 1 to March 31, 2026 (Unaudited)	From January 1 to March 31, 2025 (Unaudited)
Realized gain from financial assets at FVTPL (Note 7)	**P230,228**	P12,560
Realized gain on sale of debt instruments measured at FVOCI (Note 7)	**2,140,446**	P362,208
Unrealized foreign exchange gain (loss)	**572,402**	(444,985)
Unrealized loss on financial assets at FVPL (Note 6)	**(2,260,146)**	(3,430,437)
	P682,930	(P3,500,654)

17. **Income Tax**

The composition of provision for current income tax is as follows:

	From January 1 to March 31, 2026 (Unaudited)	From January 1 to March 31, 2025 (Unaudited)
RCIT	**P239,534**	P257,507
MCIT	**28,893**	45,630
	P268,427	P303,137

The reconciliation of the income tax expense computed at statutory tax rate to actual income tax expense (benefit) as presented in the consolidated statements of income are as follows:

	From January 1 to March 31, 2026 (Unaudited)	From January 1 to March 31, 2025 (Unaudited)
Income tax at statutory rate	**P1,521,786**	P941,740
Add (deduct) tax effects of:		
Nontaxable:		
Unrealized loss on financial assets at FVPL	**565,037**	857,609
Realized loss (gain) on sale of debt instruments measured at FVOCI	**(535,112)**	(90,552)
Realized gain from financial assets at FVTPL	**(57,557)**	(3,140)
Dividend income	**(1,159,976)**	(907,671)
Interest income already subjected to a final tax	**(1,793,697)**	(1,811,820)
Nondeductible expenses	**279,333**	119,158
Tax expense on NOLCO	**1,433,616**	886,944
Tax expense on MCIT	**28,893**	45,630
Effect of differences in tax rates	**(14,062)**	(67,207)
	P268,261	(P29,309)

The components of the recognized deferred tax assets (liabilities) – net of the Group are as follows:

	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)	December 31, 2025 (Unaudited)
Deferred tax asset (liability):			
NOLCO	**P69,600**	P41,474	P65,059
Allowance for doubtful accounts	**8,080**	8,080	8,080
MCIT	**1,259**	1,259	1,259
Leases	**1,322**	1,417	612
Unrealized foreign exchange gain	**(143,101)**	–	(138,016)
.	**(P62,840)**	P52,230	(P63,006)

The components of the Group's unrecognized deferred tax assets are as follows:

	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)	December 31, 2025 (Unaudited)
NOLCO	**P1,433,616**	P886,944	P3,568,984
MCIT	**28,893**	45,630	87,198
Unrealized foreign exchange loss		111,246	
Leases	**2,642**	(22,466)	15,995
	P1,465,151	P1,021,354	P3,672,177

The Parent Company did not recognize deferred tax assets amounting to P1.4 million, P1.0 million and P3.7 million as at March 31, 2026 and 2025 and December 31, 2024, respectively, because management assessed that these may not be realized because future taxable income may not be sufficient against which the tax benefits can be claimed or deducted.

18. Related Party Transactions

The Company has transactions with related parties as follows:

		Amount of Transactions (in millions)			Outstanding Balance (in millions)	
		From January 1 to March 31,	From January 1 to March 31,	**March 31,**	March 31,	December 31,
	Nature of Transaction	**2026 (Unaudited)**	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)	2025 (Audited)
Included under "Receivables"						
Company under Common Control						
MBCI*	Notes receivable	**(P4.3)**	(P2.3)	**P50.0**	P52.0	P54.3
MBCI	Interest Income	**0.8**	1.1	–	1.5	-
				P50.0	P53.5	P54.3
**Montemar Beach Club Inc. (MBCI)*						
Presented under "Due from Related Parties"						
Company under Common Control						
MBCI	Cash advances	**P–**	**P–**	**P12.4**	P5.0	P12.4
Presented under "Lease Liability"						
Immediate Parent						
Philcomsat	Lease of office space	**(P0.5)**	**(P0.5)**	**P1.8**	P2.9	P2.0
Philcomsat	Interest expense	**(0.01)**	**(0.03)**	**–**	–	–
				P1.8	P0.7	P2.0
Presented under "Deposit for Future Stock Subscription						
Immediate Parent						
Philcomsat	Future subscription	**P–**	P–	**P18.9**	P18.9	P18.9
Included under "Costs and Expenses"						
Immediate Parent						
Philcomsat	Association dues	**(P0.1)**	(P0.1)	**P–**	P–	P–
Philcomsat	Utilities	**(0.1)**	(0.6)	**–**	–	–
Subsidiary						
PSTI	Professional fee as stock transfer agent	**(0.05)**	(0.05)	**–**	–	–
				P–	P–	P–

Dividend income from PMEI and PSTI in 2026 and 2025 was eliminated in the consolidation.

The amount of transactions with PSTI amounting to P45,000 for the quarters ended March 31, 2026 and 2025, respectively, were eliminated in the consolidation.

Receivable from MBCI

Cash advances to MBCI are unsecured and due on demand and bear interest at 5% to 6% per annum and will be settled in cash.

Due to a Related Party

Due to a related party is unsecured, noninterest-bearing, due on demand and will be settled in cash.

The Group as a Lessee

The Group has a lease agreement with Philcomsat for the rent of its office space located at the 12th Floor, Telecom Plaza Building, 316 Sen. Gil Puyat Ave., Makati City. The lease terms are for two years and is renewable under mutual agreement of both parties.

Stock Transfer Agency

The Parent Company entered into an agreement with PSTI to avail their services as stock transfer agent.

Compensation of Key Management Personnel

Compensation of the key management personnel of the Company consists only of directors' fees amounting to P0.8 million for the quarter ended March 31, 2025 and 2024, respectively (see Note 15).

The Company does not have any regular employees. The accounting and management services are under the management of Philcomsat.

19. Earnings Per Share

Basic/diluted earnings per share is computed as follows:

	From January 1 to March 31, 2026 (Unaudited)	From January 1 to March 31, 2025 (Unaudited)
Net income	**P5,818,882**	P3,796,267
Weighted average number of shares outstanding	**996,391,254**	996,391,254
	P0.0058	P0.0038

20. Financial Risk Management Objectives and Policies

The Group's principal financial instruments are comprised of cash and cash equivalents, receivables (excluding advances subject to liquidation), due from related parties, financial assets at FVPL and FVOCI, trade and other payables (excluding statutory payables), customers' deposits and due to a related party. The main risks arising from the Group's financial instruments are market, credit and liquidity risks.

Market Risk

Market risk is the risk that the value of an investment will decrease due to movements in market factors such as, but not limited to, equity price risk or the risk that the stock prices will change; interest rate risk or the risk that interest rates will change and currency risk or the risk that foreign exchange rates will change.

The central focus of the Group's market risk management is financial assets at FVOCI. The Group has established a risk management/measure system to mitigate the adverse effects in fluctuations of the price or market value of these financial assets. The current policies of the Group are anchored on the selective purchase of shares of stock and establishment of trading and stop loss limits on dealer trading activities to manage possible financial losses to be incurred from trading activities.

Equity Price Risk

Equity price risk is the risk that the fair values of equity instruments recognized under financial assets at FVOCI decrease as the result of changes in the levels of equity indices and the value of individual stocks.

The Company measures the sensitivity of its investment securities by using PSE index (PSEi) fluctuations. The table below sets forth the impact of changes in PSEi in other comprehensive income.

	Increase (Decrease) in PSEi	Increase (Decrease) in Other Comprehensive Income
March 31, 2026	**12%**	**P29,436,377**
	(2%)	**(5,366,766)**
March 31, 2025	8%	19,118,613
	(5%)	(12,660,445)
December 31, 2025	12%	30,657,948
	(3%)	(6,450,702)

The sensitivity of the equity is the effect of the assumed changes in the PSEi on the net unrealized gain (loss) for the period, based on the adjusted beta rate of equity securities as at March 31, 2026 and 2025, and December 31, 2025.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. As at June 30, 2025 and 2024, and December 31, 2024, the Group has repriceable financial assets, specifically investments in quoted bonds classified as financial assets at FVOCI. Accordingly, the Group is subject to fair value interest rate risk.

The Group measures the sensitivity of its investment securities by using PHP BVAL reference rate fluctuations. The table below sets forth the impact of changes in PHP BVAL in the Group's other comprehensive income.

	Increase (Decrease) in PHP BVAL	Increase (Decrease) in Other Comprehensive Income
March 31, 2026	**2%**	**P11,029,700**
	(17%)	(79,316,316)
March 31, 2025	5%	26,374,314
	0%	–
December 31, 2025	6%	28,444,281
	(2)%	(8,674,316)

Foreign Exchange Risk

The Group's foreign-currency denominated financial instrument consists of cash in banks and cash equivalents totaling US$0.6 million as at September 30, 2025 and 2024, and December 31, 2024, respectively. The Group's exposure to foreign currency risk is insignificant.

The Group's objective is to reduce the exposure to foreign currency risk at a minimum since revenues are peso-denominated.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Financial assets that potentially subject the Group to credit risk consist primarily of cash in banks and cash equivalents, receivables (excluding advances subject to liquidation), due from related parties and debt instruments measured at FVOCI.

The Group enters into contracts only with recognized, credit-worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group obtains guarantees where appropriate to mitigate credit risk.

Financial Assets

The Group limits its credit risk by depositing its cash with highly reputable and pre-approved financial institutions and by providing loans to counterparties with sufficient liquid assets to settle the loan balance when demanded.

As discussed in Note 3 to the financial statements, the Group considers credit risk in measuring ECL of debt instruments at amortized cost. Since all of these financial assets of the Company are considered to have low credit risk, impairment loss is limited to 12 months ECL.

The Group has no concentration of credit risk. The carrying amounts of the Group's financial assets at amortized cost and FVOCI represent the maximum exposure to credit risk as at the reporting date as follows:

	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)	December 31, 2025 (Audited)
Cash and cash equivalents*	**P211,792,437**	P127,149,444	P210,229,945
Receivables	**117,889,603**	111,235,887	119,082,256
Due from related parties	**12,425,000**	5,000,000	12,425,000
Financial assets at FVTPL	**82,911,089**	121,467,831	124,377,686
Financial assets at FVOCI	**741,530,937**	791,884,505	707,579,862

**excluding cash on hand amounting to P8,986 as at March 31, 2026, P5,967 as at March 31, 2054, and P9,186 as at December 31, 2025.*

Generally, receivables are written-off if collection cannot be made despite exhausting all extra-judicial and legal means of collection. The maximum exposure to credit risk at reporting date is the carrying value of the financial assets. The Group does not hold collateral as security.

Liquidity Risk

The Group seeks to manage its liquid funds through cash planning on a monthly basis. The Group uses historical figures and experiences, and forecasts from its collection and disbursements. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. Moreover, it continuously assesses conditions in the financial markets for possible business opportunities.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash. The Group considers its available funds and its liquidity in managing its financial requirements. For its short-term funding, the Group's policy is to ensure that there are sufficient capital inflows to match repayments of trade and other payables.

The tables below summarize the maturity profile of the Company's financial liability based on contractual undiscounted payments:

	March 31, 2026 (Unaudited)				
	On Demand	**1 to 3 months**	**3 to 12 months**	**More than 12 months**	**Total**
Trade and other payables	**P–**	**P4,104,498**	**P–**	**P–**	**P4,104,498**
Dividends payable	**54,080,188**	**–**	**–**	**–**	**54,080,188**
Lease liabilities	**–**	**1,540,520**	**–**	**279,748**	**1,820,268**
	P54,080,188	**P5,645,018**	**P–**	**P279,748**	**P60,004,954**

	March 31, 2025 (Unaudited)				
	On Demand	1 to 3 months	3 to 12 months	More than 12 months	Total
Trade and other payables	P–	P2,796,225	P–	P–	P2,796,225
Dividends payable	5,184,637	–	–	–	5,184,637
Due to a related party	78,106	–	–	–	78,106
Lease liabilities	–	1,273,609	–	1,638,358	2,911,967
	P5,262,743	P4,069,834	P–	P1,638,358	P10,970,935

	December 31, 2025 (Audited)				
	On Demand	1 to 3 months	3 to 12 months	More than 12 months	Total
Trade and other payables	P–	P5,723,361	P–	P–	P5,723,361
Dividends payable	5,184,637	–	–	–	5,184,637
Due to a related party	–	–	–	–	0
Lease liabilities	2,038,865	–	–	279,748	2,318,613
Deposit for future stock subs	–	–	–	18,894,000	18,894,000
	P7,223,502	P5,723,361	P–	P19,173,748	P32,120,611

21. **Fair Value Measurement**

The tables below present the financial assets and liabilities of the Company whose carrying amounts approximate fair values due to the short-term nature of the transactions:

Financial Assets

	March 31, 2026 (Unaudited)		March 31, 2025 (Unaudited)	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Cash and cash equivalents	**P211,801,423**	**P211,801,423**	P127,155,411	P127,155,411
Receivables	**117,889,603**	**117,889,603**	111,235,887	111,235,887
Due from related parties	**12,425,000**	**12,425,000**	5,000,000	5,000,000
Financial assets at FVPL	**82,911,089**	**82,911,089**	121,467,831	121,467,831
Financial assets at FVOCI:				
Quoted bonds	**460,582,683**	**460,582,683**	506,613,779	506,613,779
Quoted shares of stocks	**241,648,254**	**241,648,254**	245,970,726	245,970,726
Unquoted shares of stocks	**30,000,000**	**30,000,000**	30,000,000	30,000,000
Club memberships	**9,300,000**	**9,300,000**	9,300,000	9,300,000
	P1,166,558,052	**P1,166,558,052**	P1,156,743,634	P1,156,743,634

	December 31, 2025 (Audited)	
	Carrying Amount	Fair Value
Cash and cash equivalents	P210,229,945	P210,229,945
Receivables	119,082,256	119,082,256
Due from related parties	12,425,000	12,425,000
Financial assets at FVPL	124,377,686	124,377,686
Financial assets at FVOCI:		
Quoted bonds	420,658,681	420,658,681
Quoted shares of stocks	247,621,181	247,621,181
Unquoted shares of stocks	30,000,000	30,000,000
Club memberships	9,300,000	9,300,000
	P1,173,694,749	P1,173,694,749

Financial Liabilities

	March 31, 2026 (Unaudited)		March 31, 2025 (Unaudited)	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Trade and other payables	**P4,104,498**	**P4,104,498**	P2,796,225	P2,796,225
Dividends payable	**54,080,188**	**54,080,188**	5,184,637	5,184,637
Due to a related party	**–**	**–**	78,106	78,106
Lease liabilities	**1,820,268**	**1,820,268**	2,911,967	2,911,967
	P60,004,954	**P60,004,954**	P10,970,935	P10,970,935

	December 31, 2025 (Audited)	
	Carrying Amount	Fair Value
Trade and other payables	P5,723,361	P5,723,361
Dividends payable	5,184,637	5,184,637
Lease liabilities	2,318,613	2,318,613
	P13,226,611	P13,226,611

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash and Cash Equivalents, Due from Related Parties, Accounts Payable and Accrued Expenses and Customers' Deposits. Due to the short-term nature of transactions, the carrying amounts approximate their fair values as at reporting date.

Financial Assets at FVPL and FVOCI. The fair value of these financial assets, except for managed funds, are determined in reference to quoted market bid prices at the close of business on the reporting date since most of these are actively traded in an organized financial market. The fair values of managed funds are determined through reference to the quoted price of the underlying securities in the fund. The fair value measurement of these financial assets is classified as Level 1 (Quoted bonds, shares of stock and club memberships) and Level 2 (UITFs).

Receivables (excluding Advances Subject to Liquidation). The fair values of receivables are estimated as the present value of all future cash flows discounted using applicable rates of similar type of instruments as at reporting date. The discount rates used ranged from 6.0% to 7.0% as at March 31, 2026 and 2025, and December 31, 2025. The fair value measurement of these receivables is classified as Level 2 (Significant observable inputs).

Lease Liabilities . The carrying amount of lease liabilities approximate its fair value because the initial recognition of lease liability is based on the discounted value of lease rentals and expected payments at the end of the lease.

22. **Capital Management**

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments when there are changes in economic conditions.

The Company considers total equity as its capital. The Company monitors its capital structure using debt-to-equity ratio which is gross debt divided by equity as follows:

	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)	December 31, 2025 (Audited)
Total Debt	**P80,376,586**	P30,781,296	P33,362,124
Total Equity	**1,452,493,013**	1,495,123,647	1,508,121,696
Debt-to-equity ratio	**0.02:1**	0.02:1	0.02:1

23. Changes in Liabilities Arising from Financing Activities

The following table summarizes the changes in liabilities arising from financing activities as at March 31, 2026 and 2025:

	December 31, 2025 (Audited)	Additions	Payments	**March 31, 2026 (Unaudited)**
Lease liabilities	P2,318,613	–	(P498,345)	**P1,820,268**

	December 31, 2024 (Audited)	Additions	Payments	March 31, 2025 (Unaudited)
Lease liabilities	P265,844	3,117,937.00	(P471,814)	P2,911,967

24. Operating Segment Information

The Group is organized into operating segments based on the type of product or service. The Group's reportable operating segments relates to investing of funds in various financial assets, service agreements with the government and stock transfer agency.

The disaggregated revenue, as disclosed in Note 14, was assigned to the operating segments as follows:

Revenue as Disaggregated	Operating Segment
Interest income	Investing of funds
Dividend income	Investing of funds
Rent income	Investing of funds
Service fees	Service agreement with the government / Management services
Retainer fee	Stock transfer agency
Stock transfer fee	Stock transfer agency
Other service fee	Stock transfer agency
Gain on sale of a subsidiary	Investing of funds
Gain on sale of investment property	Investing of funds

All of the assets relating to the Group's operating segments are located in the Philippines. Accordingly, reporting operating segments per geographical business operation is not required.

Segment assets, liabilities and revenue and expenses are measured in accordance with PFRS. The presentation and classification of segment revenue and expenses are consistent with that presented in the consolidated statements of comprehensive income.

Significant information of the Group's reportable segments is as follows:

March 31, 2026 (Unaudited)

Segment	**Investing of Funds**	**Management Services**	**Stock Transfer Agency**	**Total**
Segment revenue	**P12,751,177**	**P–**	**P2,468,658**	**P15,219,835**
Segment profit	**12,721,740**	**–**	**1,618,048**	**14,339,788**
Interest income	**8,110,070**	**–**	**–**	**8,110,070**
Depreciation	**390,896**	**–**	**101,579**	**492,475**
Provision for income tax	**33,978**	**(4,541)**	**238,824**	**268,261**
Total assets	**1,500,499,846**	**24,880,076**	**7,489,677**	**1,532,869,599**
Total liabilities	**79,039,521**	**16,982**	**1,320,083**	**80,376,586**

March 31, 2025 (Unaudited)

Segment	Investing of Funds	Management Services	Stock Transfer Agency	Total
Segment revenue	P11,832,004	P–	P2,543,867	P14,375,871
Segment profit	15,116,859	–	1,674,208	16,791,067
Interest income	8,155,363	–	–	8,155,363
Depreciation	393,105	–	101,099	494,204
Provision for income tax	(286,248)	1,393	255,546	(29,309)
Total assets	1,494,155,560	27,265,699	4,483,684	1,525,904,943
Total liabilities	29,898,642	142,428	740,226	30,781,296

December 31, 2025 (Audited)

Segment	Investing of Funds	Management Services	Stock Transfer Agency	Total
Segment revenue	P45,323,602	P–	P10,288,180	P55,611,782
Segment profit	51,434,461	–	6,446,817	57,881,278
Interest income	31,471,392	–	–	31,471,392
Depreciation	1,568,738	–	416,655	1,985,393
Provision for income tax	(88,667)	(22,192)	897,239	786,380
Total assets	1,508,773,612	24,742,742	8,040,082	1,541,556,436
Total liabilities	31,637,626	80,982	1,716,132	33,434,740

Reconciliation of the total balances for the reportable segments with the balances in the consolidated statements of financial position and consolidated statements of income is as follows:

	March 31, 2026 (Unaudited)		
	Reportable Segments	**Not Attributable to Reportable Segments**	**Consolidated Balances**
Revenue	**P9,129,835**	**P–**	**P9,129,835**
Cost and expenses	**(3,240,429)**	**(7,405,975)**	**(10,646,404)**
Other income	**682,930**	**–**	**682,930**
Finance costs	**(11,845)**	**–**	**(11,845)**
Income (loss) before income tax	**6,560,491**	**(7,405,975)**	**(845,484)**
Benefit from income tax	**268,261**	**–**	**268,261**
Net income (loss)	**P6,292,230**	**(P7,405,975)**	**(P1,113,745)**
Assets	**P1,531,550,170**	**P1,319,429**	**P1,532,869,599**
Liabilities	**P80,376,586**	**P–**	**P80,376,586**

	March 31, 2025 (Unaudited)		
	Reportable Segments	Not Attributable to Reportable Segments	Consolidated Balances
Revenue	P14,375,871	P–	P14,375,871
Cost and expenses	(1,242,248)	(5,832,736)	(7,074,984)
Other income	(3,500,654)	–	(3,500,654)
Finance costs	(33,275)	–	(33,275)
Income (loss) before income tax	9,599,694	(5,832,736)	3,766,958
Benefit from income tax	(29,309)	–	(29,309)
Net income (loss)	P9,629,003	(P5,832,736)	P3,737,649
Assets	P1,524,585,514	P1,319,429	P1,525,904,943
Liabilities	P30,781,296	P–	P30,781,296

December 31, 2025 (Audited)			
	Reportable Segments	Not Attributable to Reportable Segments	Consolidated Balances
Revenue	P55,656,782	P–	P55,656,782
Cost and expenses	(6,797,914)	(28,347,701)	(35,145,615)
Other income (charges)	(2,204,382)	–	(2,204,382)
Finance costs	(149,370)	–	(149,370)
Income (loss) before income tax	46,505,116	(28,347,701)	18,157,415
Provision for income tax	786,380	–	786,380
Net income (loss)	P45,718,736	(P28,347,701)	P17,371,035
Assets	P1,540,237,007	P1,319,429	P1,541,556,436
Liabilities	P33,434,740	P–	P33,434,740

Differences between the reportable segment's assets, liabilities, revenue and net income and the Group's consolidated assets, liabilities, revenue and net income pertain primarily to goodwill and the Parent Company's operating expenses in 2026 and 2025, which cannot be directly attributed to any reportable segment.

25. Aging of Accounts Receivable

The aging schedule of the Group's receivables are as follows:

	March 31, 2026 (Unaudited)			
	Neither Past Due nor Impaired	**Past Due but not impaired**		
		30 days	**More than 60 days**	**Total**
Notes and loans	**P116,325,548**	**P–**	**P–**	**P116,325,548**
Due from related parties	**12,425,000**	**–**	**–**	**12,425,000**
Interest receivable	**1,835,947**	**–**	**–**	**1,835,947**
Retainer fee receivable	**2,045,349**	**–**	**–**	**2,045,349**
Dividend receivable	**523,070**	**–**	**–**	**523,070**
	P133,154,914	**P–**	**P–**	**P133,154,914**

	March 31, 2025 (Unaudited)			
	Neither Past Due nor Impaired	Past Due but not impaired		
		30 days	More than 60 days	Total
Notes and loans	P106,847,153	P–	P–	P106,847,153
Due from related parties	5,000,000	–	–	5,000,000
Interest receivable	3,483,452	–	–	3,483,452
Retainer fee receivable	2,340,196	–	–	2,340,196
Dividend receivable	142,055	–	–	142,055
Others	–	–	–	-
	P117,812,856	P–	P–	P117,812,856

	December 31, 2025 (Audited)			
	Neither Past Due nor Impaired	Past Due but not impaired		
		30 days	More than 60 days	Total
Notes and loans	P116,233,202	P–	P–	P116,233,202
Due from related parties	12,425,000	–	–	12,425,000
Interest receivable	2,106,233	–	–	2,106,233
Retainer fee receivable	3,139,325	–	–	3,139,325
Dividend receivable	443,807	–	–	443,807
	P134,347,567	P–	P–	P134,347,567

26. Civil Cases

An action was filed in the Sandiganbayan by a group claiming to be directors and officers of POTC and Philcomsat (referred to as the Locsin Group) seeking to enjoin the present and actual directors and officers of POTC and Philcomsat (referred to as the Bildner Group) from representing themselves as directors and officers and representatives of said companies. The real and valid directors and officers of POTC and Philcomsat then sought the dismissal of the complaint against them on the ground of lack of jurisdiction and res judicata. The Sandiganbayan issued a decision dismissing the case. The Locsin group, still alleging that they are the POTC and Philcomsat board of directors, however, appealed the case with the Supreme Court (SC) on November 10, 2008. The SC consolidated this case with three other cases.

On July 3, 2013, the SC in GR Nos. 184622, 184712-14, 186066 and 186590 ruled in favor of the Bildner Group and declared that indeed, the Bildner Group is the legitimate board of directors of POTC and Philcomsat. The July 3, 2013 Decision attained finality on October 23, 2013 when the SC issued a Resolution denying the Motions for Reconsideration filed by the opposing parties. On March 27, 2014, the July 23, 2013 Decision has become final and executory.

The Bildner group representing POTC, Philcomsat and PHC also filed cases for the recovery of advances made by the Locsin Group, purportedly as their entitlements as directors/officers of POTC and Philcomsat, through PHC's funds, that Locsin group previously controlled.

27. Litigation

The following cases were filed by the Parent Company to recover assets allegedly withdrawn or misappropriated by the former officers:

- Philippine Communications Satellite Corporation against Philcomsat Holdings Corp. (PHC and former directors), Luis Lokin Jr., Enrique Locsin and Philip Brodett (Locsin Group)

  PHC, through the valid and incumbent directors (Bildner Group) filed a Motion for Issuance of Writ of Execution with the Regional Trial Court (RTC) of Makati Branch 138 as court of origin, following the final resolution of SC declaring the election of Locsin Group as PHC's officers and directors. Accordingly, the SC ordered the Locsin Group to render an accounting and return of funds allegedly received from the Parent Company. An Order granting the Motion was issued on February 20, 2017, resulting to the issuance of the Writ of Execution on February 28, 2017. On January 9, 2018, PHC filed a manifestation for the implementation of the Writ of Execution. On February 9, 2018, an Order was issued directing PHC, within thirty (30) days from receipt, to submit its preferred accounting firm who will conduct the accounting of all funds and other assets received from POTC, PHC and Philcomsat since September 2004. On February 22, 2018, PHC filed its Ex-Parte Manifestation and Motion, in compliance with the said Order. On July 11, 2018, the Sheriff of the Office of the Clerk of Court of Makati served the Writ of Execution to Manuel Andal, Benito Araneta, Philip Brodett, Enrique Locsin, Concepcion Poblador and Johnny Tan. On June 6, 2019, PHC filed an Ex-Parte Motion to Resolve the pending motion to appoint Virgilio R. Santos as the auditing accounting firm for the execution of the SC Decision dated July 3, 2013 issued in GR Nos. 184622, 184712-14, 186066 and 186590.

  There was a status conference held in this case on December 13, 2019 where the Court required the defendants to provide a name of their selected accountant to move forward with the audit. The defendants failed or refused again to comply, so the Court is likely to appoint Philcomsat's proposed accountant, Virgilio R. Santos, to do the audit. On May 18, 2022, Philcomsat filed an Ex-Parte Motion to Resolve praying that an Order be issued allowing VRS to commence the accounting of corporate funds received, utilized and disbursed by all the defendants and their assigns, which the Court granted in its Order of June 3, 2022. However, VRS has already retired. The issue of who would render the audit remains unsolved.

  On May 2, 2017, the Presidential Commission on Good Government (PCGG) and Locsin filed with the Court of Appeals (CA) a Petition for Certiorari and Prohibition with Very Urgent Prayer for Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction assailing the Order dated February 20, 2017 issued by the RTC. On January 30, 2018, the CA issued a Decision dismissing the Petition. On February 22, 2018, PCGG and Locsin filed their Motion for Reconsideration with Motion to Exclude the PCGG from the instant Petition, which are both denied in a Resolution dated June 27, 2018. On August 8, 2018, PCGG filed its Motion for Reconsideration on the denial of its Motion for Exclusion. On October 29, 2018, Philcomsat filed its Opposition thereto.

  Meanwhile, PCGG and Locsin filed a Petition for Review with the Supreme Court (SC) questioning the Decision issued by the CA dated January 30, 2018, which dismissed their Appeal. Philcomsat filed its comment thereto on November 6, 2018. PCGG filed its Reply on February 17, 2020. On December 7, 2022, the Court issued a Resolution requiring the parties to file their respective memoranda. On March 10 and 13, 2023, Philcomsat and PCGG filed their memorandum.

Separately, Brodett filed his Petition for Certiorari under Rule 65 with the CA assailing the Order issued by the RTC, which denied his Motion for Clarification on the issue of rendering an accounting of the funds. The CA denied his Petition on the ground that clarification may only be allowed if the order involves a clerical error but not when it is an alleged erroneous judgment or dispositive portion of the decision. Since Brodett's Motion for Clarification was raised questioning the grant of a writ of execution, the CA held that it cannot be subject of a motion for clarification. On December 15, 2017, the CA's dismissal was issued and the case was considered terminated. Brodett still filed his Motion for Reconsideration, which was denied on May 10, 2018. Brodett elevated the matter to the SC via Petition for Review but the SC denied the same in a Resolution dated August 29, 2018.

Meanwhile, even with the separate filings made by the respondents with the appellate courts relating to this advances to affiliate case, on September 25, 2025, Philcomsat filed an omnibus Motion to proceed with the accounting and return of funds taken by the Locsin Group from PHC, Philcomsat and POTC, but the same is pending resolution, to date.

- Complaint for collection against Araneta and Lokin

On May 26, 2010, a complaint for collection of sum of money and damages, with an application for a Writ of Preliminary Attachment dated May 24, 2010 was filed by the Parent Company against Benito Araneta and Luis Lokin Jr., former directors of the Parent Company for an alleged personal back to back loans with Bankwise procured by Araneta using the Parent Company's funds as collateral, with the help of Lokin, in the amount of P35.3 million.

On February 2, 2017, a Decision was issued finding Araneta and Lokin liable to pay PHC; a) actual damages in the sum of P31.5 million plus legal interest of 6% computed from May 26, 2010, the time of judicial demand until fully paid; b) P200,000 as and by way of exemplary damages; and c) P200,000 as and by way of attorney's fees, plus costs of suit.

Araneta and Lokin filed their Notices of Appeal on September 6 and September 8, 2017, respectively. On January 16, 2018, the Court of Appeals (CA) required defendants to file Appellant’s Brief within 45 days from receipt thereof. On April 20, 2018 and May 7, 2018, PHC received Lokin and Araneta's Appellant's Briefs, respectively. On June 5, 2018, PHC filed its Appellee's Brief. On September 18, 2018, PHC filed a Compliance submitting proof of service of its Appellee's Brief to defendants in accordance with the CA's Resolution dated July 2, 2018. On April 25, 2019, the CA issued a Decision granting Araneta’s appeal. On May 30, 2019, PHC filed its Motion for Reconsideration of the said Decision. On July 11, 2019, Araneta filed his Comment thereto, in accordance with the Resolution dated June 6, 2019 issued by the CA to file the same.

On October 24, 2019, the Court of Appeal issued a Resolution denying PHC’s Motion for Reconsideration.

On November 26, 2019, PHC elevated the case to the Supreme Court via Petition for Review on Certiorari under Rule 45. On March 9, 2020, Araneta filed his Comment. On July 21, 2023, Araneta filed a Motion for Early Resolution. This case is still pending resolution by the High Court.

- Criminal complaint against Brodett and Bankwise Officers using spurious bank accounts for company's deposits

  On May 8, 2008, the Parent Company filed a criminal complaint for estafa for misappropriation of corporate funds against Brodett, a former director of the Parent Company, and certain officers of Bankwise. The complaint alleged that the unauthorized deposits, withdrawals and transfers of the Company's funds in the amount of P66.8 million was processed through spurious bank accounts and involved the co-mingling and transfer of funds between the Parent Company's accounts and certain personal accounts.

  On June 14, 2016, an Order was issued allowing Brodett to present his defense only with respect to the P27.0 million and P9.3 million which allegedly came from PHC funds and not in the whole amount of P66.8 million. On July 1, 2016, a Motion for Reconsideration of the said Order was filed by the Private Prosecutor (Parent Company). On August 30, 2016, the Private Prosecutor filed a Reply to Brodett's Comment/Opposition dated August 25, 2016. After the presentation of defense evidence has already been concluded on June 5, 2018, the accused filed their Formal Offer of Evidence, which was partially admitted by the Court on August 28, 2018. On February 21, 2020, the Court promulgated its judgment finding accused Brodett guilty for the crime of theft, sentencing him to the penalty of imprisonment for a minimum period of four (4) years, two (2) months, one (1) day, to a maximum period of sixteen (16) years and 4 months. He was also found civilly liable to pay PHC the amount of P14,235,700, with legal interest of 12% per annum from April 11, 2008 until June 30, 2013 and the total obligation plus 6% legal interest from July 1, 2013 until fully paid. On March 3, 2020, Brodett filed his Motion for Partial Reconsideration of the Decision.

  In resolving said Motion for Reconsideration, the RTC found him to be guilty of qualified theft, for which his sentence was modified to imprisonment for a minimum period of ten (10) years and one (1) day of Prision Mayor to a maximum of twenty (20) years of Reclusion Temporal. Brodett appealed to the Court of Appeals, where he obtained a reversal of the RTC Decision. The Office of the Solicitor General, as the prosecuting agency designated by the State to handle criminal cases on appeals, filed a Motion for Reconsideration, which is now pending for resolution.

- Criminal complaint against Araneta for non-return of PHC deposits

  A criminal complaint for estafa was filed against Araneta for money market placements amounting to P65.0 million which allegedly were not returned to the Parent Company. The case was dismissed on February 9, 2009 for lack of probable cause. The appeal filed on March 4, 2009 is still pending decision with the DOJ as of report date.

- Criminal complaint against Concepcion A. Poblador

  A criminal complaint for estafa was filed against Ms. Poblador for allegedly receiving cash advances amounting to P14.5 million, which she failed to account for and return to the Parent Company after formal demands. On February 9,2009, the DOJ issued a Resolution directing the filing of an information against Ms. Poblador only for P0.2 million.

On January 7, 2014, the Parent Company filed a Petition for Certiorari praying that the DOJ file new information against Ms. Poblador for estafa for the total amount of P16.7 million. On January 10, 2014, the Parent Company received a Petition for Certiorari filed by Ms. Poblador seeking the reversal of the Resolution directing the filing of an Information for estafa against her for P0.2 million. On August 29, 2014, the two petitions were consolidated.

On April 26, 2017, subsequent to the filing of the parties' respective Memoranda, the CA issued a Resolution requiring Ms. Poblador to file a Rejoinder to the Parent Company's Reply (to the Memorandum of Poblador). In the meantime, the case was returned to "Completion State" pending the filing of the Rejoinder. Poblador filed her Rejoinder on June 1, 2017 under a Motion to Admit Attached Rejoinder.

On November 29, 2017, Poblador filed a Manifestation adopting her previous Memorandum dated December 22, 2014 as her compliance with the Resolution dated October 11, 2017. The Office of the Solicitor General filed a Manifestation and Motion on November 24, 2017 asking that the DOJ Secretary be excused from filing a Memorandum.

Based on the Resolution of the Court requiring the parties anew to file their respective Memorandum, PHC's (2nd) Memorandum was filed on December 13, 2017, within the extended period prayed for.

On June 14, 2019, the CA issued a Decision denying both PHC’s and Ms. Poblador's Petitions for Certiorari. On July 5 and 11, 2019, both parties filed their respective Motions for Reconsideration. On July 24, 2019, PHC filed its Comment to Ms. Poblador’s Motion for Reconsideration. On August 10, 2020, the CA issued a Resolution denying PHC and Ms. Poblador’s Motions for Reconsideration. PHC decided not to pursue the case with the Supreme Court considering that the amount involved is already covered by the advances to affiliates case.

On November 3, 2020, Poblador filed her Petition for Review with the Supreme Court. On April 4, 2022, PHC filed its Comment. This case remains pending for resolution with the SC.

The Group is also involved in other litigations, claims and disputes which are normal to its business. Management believes that the ultimate liability, if any, with respect to these litigations, claims and disputes will not materially affect the financial position and financial performance of the Group.

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

Key Performance Indicators (KPI)

The Company's KPI for the quarters ended March 31, 2026 and 2025 are as follows:

Performance Indicator	Formula	March 31, 2026	March 31, 2025
Liquidity			
Current Ratio	Current Assets / Current Liabilities	7.07:1	36.54:1
Leverage			
Debt to Equity Ratio	Total Liabilities / Total Equity	0.06:1	0.02:1
Asset to Equity Ratio	Total Assets / Total Equity	1.06:1	1.02:1
Profitability			
Net Profit Ratio	Net Income / Revenue	0.54:1	.26:1
Return on Assets	Net Income / Total Assets	0.54%	.25%
Return on Equity	Net Income / Total Equity	0.57%	.25%

Liquidity

The Company's current assets of P432,370,422 as of March 31, 2026 and current liabilities of P61,139,998 resulted in liquidity ratio of 7.07:1 compared to the same quarter of previous year wherein the ratio was higher at 36.54:1. The decrease in current ratio was due to the increase in dividends payable due to declaration of dividends.

Leverage

Debt to equity ratio on March 31, 2026 is higher compared to the same quarter last year due increase in dividends payable.

Profitability

The Group results of operations for the quarter ended March 31, 2026 resulted to a net income higher than the previous quarter due to decrease in revenue.

Results of Operations

From 2000 to 2010, the Corporation was involved in an intra-corporate feud between the Brodett-Araneta-Lokin-Locsin-Poblador Group, who controlled the Corporation from 2000 to December 2007, present Management assumed control in December 2007.

Due to the hostile take-over, the Brodett Group withdrew the corporate funds, transferred corporate property and held the corporate funds. Thus, for the period between December 2007 and May 2010, present Management has not been able to focus on growing the business and operations of the Corporation as all efforts were geared towards recovering corporate assets.

Presently, the Company's investments remain in money market placements and other liquid financial instruments.

The following table shows the results of Philcomsat Holdings Corporation's operations for the quarters ended March 31, 2026 and 2025:

	For the quarter ended			
Results of Operations	March 31, 2026	March 31, 2025	Increase/ (Decrease)	YoY Change (%)
Revenues	P15,219,835	P14,375,871	P843,964	5.87%
Expenses	(9,815,622)	(7,108,259)	(2,707,363)	38.09%
Income from operations	P5,404,213	P7,267,612	(P1,863,399)	(25.64%)

The Group recorded lower income from operations for the quarter ended March 31, 2026 due to increase in expenses.

Discussion and Analysis of Material Events and Uncertainties

i. Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way.	The Parent Company filed various cases against its former directors to recover assets they allegedly withdrawn or misappropriated. The Court Decision issued was favorable to the company, but execution of award is still pending. If collected, this will result in the liquidity position of the Group to increase in a material way.
ii. Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.	The Company has a contingent liability should the Parent Company fail to perform its contract with Speedcast, Ltd. (SCL). However, there is already a pending negotiation for settlement of the dispute between the Parent Company and SCL.
iii. All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.	None
iv. Any material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures should be described.	None
v. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations should be described.	Ongoing tensions in the Middle East and volatile oil prices could lead to lower yields on fixed-income instruments and equity market returns.
vi. Any significant elements of income or loss that did not arise from the registrant's continuing operations	None

vii. The causes for any material change from period to period which shall include vertical and horizontal analyses of any material item.	The volatility of market prices of the Group's financial assets measured at fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).
viii. Any seasonal aspects that had a material effect on the financial condition or results of operations.	None

PHILCOMSAT HOLDINGS CORPORATION
LIST OF TOP 20 STOCKHOLDERS
AS OF MARCH 31, 2026

RANK	NAME	TOTAL SHARES	PERCENTAGE (%)
1.	PHILIPPINE COMMUNICATIONS SATELLITE CORP.	783,945,590	78.6785
2	SOMERA, JR., PRUDENCIO C.	100,000,100	10.0362
3	LAPERAL, OLIVERIO G.	49,556,500	4.9736
4	PCD NOMINEE CORPORATION Filipino - 15,328,134 Non-Filipino - 536,400	15,864,534	1.5922
5	RCBC T/A 236-235 A/C OLIVERIO LAPERAL	4,802,413	0.4820
6	PRINCE RESOURCES, INC.	4,000,000	0.4014
7	DE LOS REYES, VICTORIA DELA CRUZ	3,006,500	0.3017
8	RANADA, JR., SANTIAGO J.	3,000,100	0.3011
9	MARINO OLONDRIZ Y CIA (Hold, per PSE)	2,985,600	0.2996
10	ESTATE OF JOSE MA. OZAMIZ	2,700,000	0.2710
11	RCBC T/A 36-250 A/C OLIVERIO LAPERAL	2,689,000	0.2699
12	PHIL. OIL DEVELOPMENT CORP.	1,500,000	0.1505
13	BLANCO, BERNADETTE Y.	1,000,000	0.1004
14	IMPERIAL RESOURCES, INC.	800,000	0.0803
15	LAPERAL, JR., OLIVERIO	776,743	0.0780
16	ILUSORIO, MARIETTA K.	510,000	0.0512
17	BENJAMIN CO CA & CO., INC.	504,300	0.0506
18	MANZANAL, DENNIS REALES	501,000	0.0503
19	ABESAMIS, ABRAHAM R.	500,000	0.0502
20	PAGAL, LAWRENCE A.	500,000	0.0502

As of March 31, 2026, the members of Board of Directors/Key Officers of Philcomsat Holdings Corporation are as follows:

Santiago J. Ranada	Director and Chair
Victoria C. De los Reyes	Director and President/CEO
Kara Nicole Ponce Enrile-Rhounimi	Director and VP
Erlinda I. Bildner	Director and CFO/Treasurer
Marietta K. Ilusorio	Director
Pablo L. Lobregat	Director
Prudencio C. Somera	Director
Juan Rodrigo C. Ponce Enrile	Director
Demaree J.B. Raval	Director
Oliverio L. Laperal, Jr.	Director
Odilon T. Sta.Teresa	Director
John Benedict L. Sioson	Corporate Secretary/ Corporate Information Officer
Bernadette Y. Blanco	Chief Compliance Officer
Clariza A. Reyes	Assistant Corporate Secretary/Investor Relations Officer

Certification

I, Maria Corazon Aquino, Accounting Manager of Philcomsat Holdings Corporation and Subsidiaries with SEC registration number 11163 with principal office at 12th Floor, Telecom Plaza Building 316 Sen. Gil Puyat Avenue, Makati City, on oath state:

1) That on behalf of Philcomsat Holdings Corporation and Subsidiaries, I have caused this Quarterly Report (17-Q) to be prepared;

2) That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;

3) That the company Philcomsat Holdings Corporation and Subsidiaries will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and

4) That I am fully aware that the documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of May 2026 at Makati City.

[redacted]
Maria Corazon Aquino
Affiant

SUBSCRIBED AND SWORN to before me this 13th day of May 2026, affiant exhibiting to me her [redacted].

Doc No.: 161
Page No.: 33
Book No.: 1
Series of 2026

NOTARY PUBLIC
ROLL NO. [redacted]
MAKATI CITY PHILIPPINES

[redacted]
ATTY. [redacted]
NOTARY PUBLIC [redacted]
NOTARIAL COMMISSION [redacted]
IBP LIFETIME MEMBER [redacted]
PTR NO. [redacted]
MCLE COMPLIANCE NO. [redacted]
ROLL OF ATTORNEYS [redacted]

Annex "C-1"

COVER SHEET

SEC Registration Number

0	0	0	0	0	0	1	1	1	6	3

COMPANY NAME

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

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

1	2	T	H		F	L	O	O	R	,		T	E	L	E	C	O	M		P	L	A	Z	A						
B	U	I	L	D	I	N	G	,		3	1	6		S	E	N	.		G	I	L		P	U	Y	A	T			
A	V	E	.	,		M	A	K	A	T	I		C	I	T	Y															

Form Type	Department requiring the report	Secondary License Type, if Applicable
17-Q	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
inquiry@phc.com.ph	(632) 8815-8406	-

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
1,175	3rd Monday of November	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Erlinda I. Bildner	-	(632) 8815-8406	-

CONTACT PERSON's ADDRESS
12th Floor, Telecom Plaza Building, 316 Sen. Gil Puyat Ave., Makati City

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

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

PHILCOMSAT HOLDINGS CORPORATION AND SUBSIDIARIES
FOR THE PERIOD ENDED OF JUNE 30, 2026 AND 2025

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

GENERAL INSTRUCTIONS

(a) Use of Form 17-Q

This SEC Form 17-Q shall be used for quarterly reports under Section 17 of the Code, filed pursuant to paragraph (2)(b) of SRC Rule 17 thereunder and shall be filed within 45 calendar days after the end of each of the first three fiscal quarters of each fiscal year. The first quarterly report of the issuer shall be filed either within 45 calendar days after the effective date of the registration statement or on or before the date on which such report would have been required to be filed if the issuer had been required previously to file reports on SEC Form 17-Q, whichever is later. No report need be filed for the fourth quarter of any fiscal year.

(b) Application of SRC Rule 72.1: Requirements for Filing Forms

SRC Rule 72.1 contains general rules and regulations which are applicable to reports on forms to be filed with the Commission. SRC Rule 68 contains requirements for the content of financial statements to be filed with the Commission as part of this report. These Rules should be carefully read and observed in the preparation and filing of reports on this Form.

(c) Preparation of Report

(1) This is not a blank form to be filled in. It is a guide to be used in preparing the report in accordance with SRC Rule 72.1. The Commission does not furnish blank copies of this Form to be filled in for filing.

(2) These general instructions are not to be filed with the report. The instructions to the various captions of the form are also to be omitted from the report as filed. The report shall contain the numbers and captions of all applicable items, but the text of such items may be omitted, provided the answers thereto are prepared in the manner specified in SRC Rule 72.1. All items that are not required to be answered in a particular report may be omitted and no reference thereto need be made in the report. All instructions should also be omitted.

(d) Incorporation by Reference

In accordance with the provisions of SRC Rule 12-2, if the issuer makes available to its stockholders or otherwise publishes, within the period prescribed for filing the report, a document or statement containing information meeting some or all of the requirements of Part I of this Form, the information called for may be incorporated by reference from such published document or statement, in answer or partial answer to any item or items of Part I of this Form, provided copies thereof are filed as an exhibit to Part I, and all information called for in this Form is supplied.

(e) Integrated Reports to Security Holders

Quarterly reports to security holders may be combined with the required information of Form 17-Q and will be suitable for filing with the Commission if the combined report contains full and complete answers to all items required by this Form. When responses to a certain item of required disclosure are separated within the combined report, an appropriate cross-reference should be made.

(f) Signature and Filing of Report

(1) Five complete copies of the report, including any financial statements, exhibit or other paper or document filed as a part thereof shall be filed with the Commission. At least one complete

copy of the report, including any financial statements, exhibit or other paper or document filed as a part thereof, shall, if any class of the issuer’s securities are listed in a stock exchange, be filed with that Exchange.

(2) At least one complete copy of the report filed with the Commission and, when applicable, one copy filed with the Exchange shall be manually signed on the issuer's behalf by a duly authorized officer of the issuer and by the principal financial or chief accounting officer of the issuer. Copies not manually signed shall bear typed or printed signatures. In the case where the principal financial officer or chief accounting officer is also duly authorized to sign on behalf of the issuer, one signature is acceptable provided the issuer clearly indicates the dual responsibilities of the signatory. See also paragraph (2) and (3) of SRC Rule 72.1concerning copies, binding, signatures, paper, printing, language, and pagination.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended . June 30, 2026

2. Commission identification number 11163

3. BIR Tax Identification No 000-471-497-000

4. Exact name of issuer as specified in its charter PHILCOMSAT HOLDINGS CORPORATION

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

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of issuer's principal office 316 Sen. Gil Puyat Avenue, Makati City Postal Code 1200

8. Issuer's telephone number, including area code (632) 815-9556

9. Former name, former address and former fiscal year, if changed since last report Not Applicable

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares	996,391,254

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

Yes [✓] No [ ]

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

Philippine Stock Exchange — Common shares

12. Indicate by check mark whether the registrant:

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

Yes [✓] No [ ]

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

Yes [ ] No [✓]

PART I–FINANCIAL INFORMATION

Item 1. Financial Statements.

Financial Statements and, if applicable, Pro Forma Financial Statements meeting the requirements of SRC Rule 68, Form and Content of Financial Statements, shall be furnished as specified therein.

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

Furnish the information required by Part III, Paragraph (A)(2)(b) of "Annex C".

PART II–OTHER INFORMATION

The issuer may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

SIGNATURES

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

Issuer PHILCOMSAT HOLDINGS CORPORATION

[redacted]

ERLINDA I. BILDNER
Treasurer and Chief Finance Officer

August 13, 2026

BUSINESS OVERVIEW

Philcomsat Holdings Corporation, formerly Liberty Mines, Inc. was incorporated on May 10, 1956. On January 10, 1997, the Corporation approved amendments of its Articles of Incorporation, changing its primary purpose from embarking in the discovery, exploration, development and exploration of mineral oils, petroleum in its natural state, rock or carbon oils and other volatile mineral substances to a holding company and changing its name and declassifying its shares. These changes were filed with the Securities and Exchange Commission (SEC) on April 14, 1997, respectively. The authorized capital of the Corporation is One Billion Pesos (P1,000,000,000) divided into one billion (1,000,000,000) common shares with a par value of P1.00 per share. Of the total authorized capital stock, sixty million (60,000,000) shares are listed at the Philippine Stock Exchange (PSE).

PHILCOMSAT HOLDINGS CORPORATION
(A Subsidiary of Philippine Communications Satellite Corporation)
AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2026 AND 2025 AND DECEMBER 31, 2025
(Amounts in Philippine Pesos)

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)	December 31, 2025 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents (Notes 2, 3, 4, 20 and 21)	**P149,131,747**	P120,012,464	P210,229,945
Receivables (Notes 2, 3, 5, 18, 20 and 21)	**115,687,151**	117,566,701	119,082,256
Due from related parties (Notes 2, 3, 18, 20 and 21)	**25,950,000**	12,200,000	12,425,000
Financial assets at fair value through profit or loss (FVTPL) (Notes 2, 3, 20 and 21)	**89,835,587**	126,834,647	124,377,686
Assets held for sale (Notes 2, 3 and 6)	**6,810,535**	7,982,794	6,900,286
Other current assets (Notes 2 and 3)	**499,275**	631,705	2,345,869
Total Current Assets	**387,914,295**	385,228,311	475,361,042
Noncurrent Assets			
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 2, 3, 7, 20 and 21)	**754,660,096**	790,272,012	707,579,862
Investment properties (Notes 2, 3 and 8)	**343,475,799**	343,475,799	343,475,799
Right-of-use (ROU) assets – net (Notes 2, 3 and 13)	**1,253,520**	2,402,592	2,236,162
Property and equipment – net (Notes 2, 3 and 9)	**4,613**	29,731	6,920
Deferred tax assets – net (Notes 2 and 17)	–	8,751	–
Other noncurrent assets (Notes 2, 3 and 10)	**14,616,462**	12,611,274	12,824,035
Total Noncurrent Assets	**1,114,010,490**	1,148,800,159	1,066,122,778
	P1,501,924,785	P1,534,028,470	P1,541,483,820
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and statutory payables (Notes 2, 3, 12, 20 and 21)	**P7,852,735**	P3,608,164	P6,901,868
Dividends payable (Notes 2, 3, 20 and 21)	**10,322,959**	5,184,637	5,184,637
Due to a related party (Notes 2, 3, 18, 20 and 21)	**–**	78,106	–
Lease liabilities – current (Notes 2, 3, 13, 20 and 21)	**1,034,669**	810,524	2,038,865
Total Current Liabilities	**19,210,363**	9,681,431	14,125,370
Noncurrent Liabilities			
Deposit for future stock subscription (Notes 2 and 18)	**18,894,000**	18,894,000	18,894,000
Lease liabilities – noncurrent (Notes 2, 3, 13, 20 and 21)	**279,748**	1,638,358	279,748
Deferred tax liabilities – net (Notes 2 and 16)	**126,300**	–	63,006
Total Noncurrent Liabilities	**19,300,048**	20,532,358	19,236,754
Total Liabilities	**38,510,411**	30,213,789	33,362,124
Equity			
Share capital (Notes 2 and 22)	**996,391,254**	996,391,254	996,391,254
Retained earnings (Notes 2, 7 and 22)	**497,730,850**	526,376,631	533,404,085
Other equity reserves (Notes 2, 7 and 22)	**(30,707,730)**	(18,953,204)	(21,673,643)
Total Equity	**1,463,414,374**	1,503,814,681	1,508,121,696
	P1,501,924,785	P1,534,028,470	P1,541,483,820

See accompanying Notes to Financial Statements.

PHILCOMSAT HOLDINGS CORPORATION
(A Subsidiary of Philippine Communications Satellite Corporation)
AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIOD ENDED AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Amounts in Philippine Pesos)

	From April 1 to June 30, 2026 (Unaudited)	From April 1 to June 30, 2025 (Unaudited)	**From January 1 to June 30, 2026 (Unaudited)**	From January 1 to June 30, 2025 (Unaudited)
REVENUE (Notes 2 and 14)	**P12,699,881**	P13,635,881	**P27,919,716**	P28,011,752
COSTS AND EXPENSES (Notes 2 and 15)	**(5,851,509)**	(11,023,502)	**(15,655,286)**	(18,098,486)
OTHER INCOME (CHARGES) – net (Notes 2, 7 and 16)	**2,159,108**	1,892,247	**2,842,038**	(1,608,407)
FINANCE COSTS (Notes 2 and 13)	**(4,340)**	(42,005)	**(16,185)**	(75,280)
INCOME BEFORE INCOME TAX	**9,003,140**	4,462,621	**15,090,283**	8,229,579
PROVISION FOR (BENEFIT FROM) (Notes 2, 3 and 17)				
Current	**154,602**	284,516	**423,029**	587,653
Deferred	**63,460**	43,479	**63,294**	(288,967)
	218,062	327,995	**486,323**	298,686
NET INCOME	**P8,785,078**	P4,134,626	**P14,603,960**	P7,930,893
BASIC/DILUTED EARNINGS PER SHARE (Notes 2 and 19)	**P0.0088**	P0.0041	**P0.0147**	P0.0080

See accompanying Notes to Financial Statements.

PHILCOMSAT HOLDINGS CORPORATION

(A Subsidiary of Philippine Communications Satellite Corporation)

AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(Amounts in Philippine Pesos)

	From April 1 to June 30, 2026 (Unaudited)	From April 1 to June 30, 2025 (Unaudited)	**From January 1 to June 30, 2026 (Unaudited)**	From January 1 to June 30, 2025 (Unaudited)
NET INCOME	**P8,785,078**	P4,134,626	**P14,603,960**	P7,930,893
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 2 and 7)				
Items that may be reclassified to profit or loss				
Unrealized gain (loss) on debt instruments at FVOCI	**260,204**	(2,162,034)	**(3,321,734)**	5,929,403
Items that may not be reclassified to profit or loss				
Unrealized gain (loss) on equity instruments at FVOCI	**1,188,223**	6,633,676	**(4,717,395)**	4,324,592
TOTAL COMPREHENSIVE INCOME	**P10,233,505**	P8,606,268	**P6,564,831**	P18,184,888

See accompanying Notes to Financial Statements.

PHILCOMSAT HOLDINGS CORPORATION
(A Subsidiary of Philippine Communications Satellite Corporation)
AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Amounts in Philippine Pesos)

	From January 1 to June 30, 2026 (Unaudited)	From January 1 to June 30, 2025 (Unaudited)
SHARE CAPITAL – P1 par value (Notes 2 and 22)		
Authorized – 1,000,000,000 shares		
Issued – 996,391,254 shares	**P996,391,254**	P996,391,254
RETAINED EARNINGS (Notes 2, 7 and 22)		
Balance at beginning of period	**533,404,085**	517,695,949
Net income	**14,603,960**	7,930,893
Dividends declared	**(49,819,563)**	
Reclassification of cumulative fair value changes of equity instruments measured at FVOCI sold from other comprehensive income	**(457,632)**	749,789
Balance at end of period	**497,730,850**	526,376,631
OTHER EQUITY RESERVES (Notes 2, 7 and 22)		
Balance at beginning of period	**(21,673,643)**	(28,179,968)
Unrealized gain ((loss) for the period	**(8,039,129)**	10,253,995
Reclassification of cumulative fair value changes of debt instruments measured at FVOCI sold to profit or loss	**(1,452,590)**	(277,442)
Reclassification of cumulative fair value changes of equity instruments measured at FVOCI sold to retained eanings	**457,632**	(749,789)
Balance at end of period	**(30,707,730)**	(18,953,204)
TOTAL EQUITY	**P1,463,414,374**	P1,503,814,681

See accompanying Notes to Financial Statements.

PHILCOMSAT HOLDINGS CORPORATION
(A Subsidiary of Philippine Communications Satellite Corporation)
AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Amounts in Philippine Pesos)

	From January 1 to June 30, 2026 (Unaudited)	From January 1 to June 30, 2025 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**P15,090,283**	P8,229,579
Adjustments for:		
Unrealized loss (gain) on financial assets at FVTPL (Note 16)	**(29,473)**	1,099,547
Depreciation (Notes 9 and 13)	**984,949**	983,519
Finance costs (Note 13)	**16,185**	75,280
Provision for doubtful accounts (Notes 5 and 14)	**–**	12,005
Unrealized foreign exchange loss (gain) (Note 16)	**(826,950)**	953,186
Realized gain on sale of debt instruments measured at FVOCI (Notes 7 and 16)	**(1,452,590)**	(277,442)
Realized gain on financial assets at FVTPL (Note 16)	**(533,025)**	(166,884)
Operating income before changes in assets and liabilities	**13,249,379**	10,908,790
Decrease (increase) in:		
Receivables (Note 5)	**3,395,105**	(2,705,716)
Due from related parties (Note 18)	**(13,525,000)**	(7,200,000)
Financial assets at FVTPL	**35,104,597**	(17,650,297)
Other current assets	**1,846,594**	(244,577)
Assets held for sale (Note 6)	**89,751**	1,123,894
Other non current assets (Note 10)	**(590,290)**	(570,871)
Decrease in:		
Trade and statutory payables (Note 12)	**950,867**	(3,272,631)
Due to related party (Note 18)	**–**	(141,247)
Net cash generated by (used in) operations	**40,521,003**	(19,752,655)
Acquisition of financial assets at FVOCI (Note 7)	**(160,924,001)**	(51,025,966)
Proceeds from redemption and maturity of financial assets at FVOCI(Note 7)	**105,804,638**	71,673,074
Income tax paid	**(1,625,166)**	(631,586)
Net cash provided by operating activities	**(16,223,526)**	262,867

Forward

	From January 1 to June 30, 2026 (Unaudited)	From January 1 to June 30, 2025 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	**(44,681,241)**	–
Payments of:		
Lease liabilities (Note 13)	**(1,004,196)**	(934,899)
Interest on lease liabilities (Note 13)	**(16,185)**	(75,280)
Cash used in financing activities	**(45,701,622)**	(1,010,179)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**826,950**	(953,186)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(61,098,198)**	(1,700,498)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**210,229,945**	121,712,962
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**P149,131,747**	P120,012,464
NONCASH FINANCIAL INFORMATION		
Extinguishment of debt resulting to:		
Initial recognition of ROU assets relating to lease of office space (Note 13)	**P–**	(P3,117,937)
Initial recognition of lease liabilities (Note 13)	**–**	3,117,937
	P–	P–

See accompanying Notes to Financial Statements.

1. General Information

Corporate Information

Philcomsat Holdings Corporation (formerly Liberty Mines, Inc.) [the Parent Company] was incorporated and registered with the Securities and Exchange Commission (SEC) on May 10, 1956 with the primary purpose of embarking in the discovery, exploration, development and exploitation of mineral oils, petroleum in its natural state, rock or carbon oils and other volatile mineral substance and with the secondary purpose of engaging in the business of mining in general. The Parent Company ceased oil and mining operations in 1992.

On July 23, 1997, the SEC approved the amended Articles of Incorporation of the Parent Company consisting of: a) change in its primary purpose from an exploration and mining company to a holding company and revision of its secondary purpose clauses; and b) change of the corporate name from Liberty Mines, Inc. to Philcomsat Holdings Corporation.

The Parent Company started operations as a holding company on January 1, 2000. The Parent Company derives income from money market placements, bank deposits, financial assets at FVOCI and other investments.

On May 9, 2006, the SEC approved the extension of the Parent Company's corporate life for another fifty (50) years.

On May 23, 2016, the Parent Company's Board of Directors (BOD) confirmed and ratified its previous resolution increasing the authorized capital stock of the Parent Company from P1.0 billion, divided into 1,000,000,000 shares with par value of P1 per share, to P3.0 billion, divided into 3,000,000,000 shares with par value of P1 per share. As at report date, the resolution is awaiting ratification by the stockholders and pending application with SEC.

The Parent Company is 78.68% owned by Philippine Communications Satellite Corporation (Philcomsat), a company incorporated in the Philippines. The ultimate parent company is Philippine Overseas Telecommunications Corporation (POTC), a company also incorporated in the Philippines. Philcomsat and POTC are both engaged in the telecommunications business.

The Parent Company and all of its subsidiaries (collectively referred to as "the Group") were incorporated in the Philippines. The following are the subsidiaries and the respective percentages of ownership as at June 30, 2026 and 2025 and December 31, 2025:

	Percentage of Ownership			
	June 30, 2026 and 2025		December 31, 2025	
	Direct	**Indirect**	Direct	Indirect
Philcomsat Management Enterprises Inc. (PMEI)	**100.00**	**–**	100.00	–
Professional Stock Transfer Inc. (PSTI)*	**–**	**100.00**	–	100.00

**Parent Company's ownership in PSTI is indirect through PMEI.*

The principal activities of the subsidiaries are as follows:

Name of Subsidiaries	Principal Activities
PMEI	Management services
PSTI	Stock transfer agency

The registered address of the Parent Company is at 12th Floor, Telecoms Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City.

Listing of Shares in Philippine Stock Exchange (PSE)
The Parent Company's original 60 million shares are listed in the PSE.

On May 3, 2007, the PSE suspended the trading of the Parent Company's shares due to pending compliance with certain structured reportorial requirements. On December 3, 2008, the SEC ordered the suspension of the Parent Company's registration of securities from the date of the receipt of the Order until the Parent Company is able to submit the reportorial requirements and fully pay the corresponding penalties.

On September 15, 2025, the SEC lifted the suspension on the Parent Company's registration statement. On September 30, 2025, the PSE advised the Company that trading of the Company's share will resume on October 1, 2025.

2. Summary of Material Accounting Policies and Disclosures

Basis of Preparation
The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial Reporting Standards Council and adopted by the SEC, including SEC pronouncements. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee.

Measurement Bases
The consolidated financial statements are presented in Philippine Peso (Peso) which is the Group's functional and presentation currency. All values are rounded to the nearest Peso, except as otherwise indicated.

The consolidated financial statements of the Group have been prepared on the historical cost basis, except for financial assets measured at FVPL and financial assets measured at FVOCI. Historical cost is generally based on the fair value of the consideration given in exchange for an asset 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 transaction date.

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted prices (unadjusted) 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; and

- 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.

Fair values of financial assets at FVPL, financial assets at FVOCI, investment property and financial assets and liabilities are disclosed in Notes 6, 7, 8 and 20, respectively.

Adoption of New and Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following new and amended PFRS which the Group adopted effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS 9 and PFRS 7, "*Amendments to the Classification and Measurement of Financial Instruments*"

  The amendments clarify that a financial liability is derecognised on the ‘settlement date’ and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date.

  Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments.

Additional disclosures are introduced for financial instruments with contingent features and equity instruments classified at fair value through OCI.

New Accounting Standards, Amendments to Existing Standards and Interpretations Effective Subsequent to June 30, 2026

The standards, amendments and interpretations which have been issued but not yet effective as at June 30, 2025 are disclosed below. Except as otherwise indicated, the Group does not expect the adoption of the applicable new and amended PFRS to have a significant impact on the financial position or performance.

Effective beginning on or after January 1, 2027

- PFRS 18, "*Presentation and Disclosure in Financial Statements*"

  The objective of PFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

- PFRS 19, "*Subsidiaries without Public Accountability*"

  The objective of the Standard is to alleviate the reporting burden for subsidiaries without public accountability.

Deferred Effectivity

- Amendments to PFRS 10 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, "*Business Combinations*". 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 FRSC deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

  These amendments may apply to future transactions of the Company.

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- Deferment of Implementation of International Financial Reporting Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, *"Borrowing Cost"*) for the Real Estate Industry

  In March 2019, IFRIC published an Agenda Decision on whether borrowing costs can be capitalized on real estate inventories that are under construction and for which the related revenue is/will be recognized over time under par. 35 (c) of PFRS 15. IFRIC concluded that borrowing costs cannot be capitalized for such real estate inventories as they do not meet the definition of a qualifying asset under PAS 23 considering that these inventories are ready for their intended sale in their current condition.

  On February 21, 2020, the Philippine SEC issued MC No. 4, Series of 2020, providing relief to the Real Estate Industry by deferring the mandatory implementation of the above IFRIC Agenda Decision until December 31, 2020. Effective January 2021, the Real Estate Industry will adopt the IFRIC agenda decision and any subsequent amendments thereto retrospectively or as the SEC will later prescribe. A real estate company may opt not to avail of the deferral and instead comply in full with the requirements of the IFRIC agenda decision.

  The adoption of this amendment is not expected to have any significant impact on the financial statements since the Company is not in a real estate industry.

No Mandatory Effective Date

- PFRS 9, *"Financial Instruments (Hedge Accounting and Amendments to PFRS 9, PFRS 7 and PAS 39)"*

  The amendments require the inclusion of general hedge accounting model in the notes disclosure to the financial statements. The amendments allow early adoption of the requirement to present fair value changes due to own credit on liabilities designated as at fair value through profit or loss (FVPL) to be presented in the other comprehensive income.

  These amendments are not applicable to the Company and expected not to have an impact on the financial statements.

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. In assessing control, the Parent Company considers if it is exposed, or has right, to variable returns from its investment with the subsidiary and if it has the ability to affect those returns.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Parent Company obtains control, and continue to be consolidated until the date such control ceases. The results of operations of the subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.

Changes in the controlling equity ownership (i.e., acquisition of non-controlling interest or partial disposal of interest over a subsidiary) that do not result in a loss of control are accounted for as equity transactions.

All intragroup balances, transactions, income and expenses and unrealized gains and losses are eliminated in full.

Noncontrolling interests pertain to the portion of profit or loss and the net assets in subsidiaries 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. Noncontrolling interests represent the interests of minority shareholders.

The financial statements of subsidiaries are prepared for the same accounting policies as that of the Parent Company.

The financial statements of the Parent Company and PMEI are prepared for the same reporting year.

PSTI and the Parent Company do not have the same reporting periods. PSTI prepares its financial statements as at and for the fiscal year ending June 30 which is different from the Parent Company's reporting period as at and for the calendar year ending December 31. For purposes of consolidation, PSTI prepares financial statements (unaudited) as at and for the year ended December 31.

Current versus Noncurrent Classification
The Group presents assets and liabilities in the consolidated statements of financial position based on current or noncurrent classification. An asset is current when it is:

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

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as noncurrent.

Deferred income tax assets are classified as noncurrent assets.

Financial Assets and Liabilities

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 FVPL includes transaction cost.

"Day 1" Difference
Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Group deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

Classification
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 FVOCI. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Group's business model and its contractual cash flow characteristics.

Financial Assets at FVPL
Financial assets at FVPL are either classified as held for trading or designated at FVPL. A financial instrument is classified as held for trading if it meets either of the following conditions:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;

- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or

- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

This category includes equity instruments which the Group had not irrevocably elected to classify at FVOCI at initial recognition. This category includes debt instruments whose cash flows are not "solely for payment of principal and interest" assessed at initial recognition of the assets, or which are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The Group may, at initial recognition, designate a financial asset meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Unrealized gains or losses arising from the fair valuation of financial assets at FVPL are recognized in profit or loss.

As at June 30, 2026 and 2025, and December 31, 2025, the Group's marketable securities are classified under this category.

Financial Assets at Amortized Cost
Financial assets 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.

After initial recognition, 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. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at June 30, 2026 and 2025, and December 31, 2025, the Group's cash and cash equivalents, receivables (excluding advances subject to liquidation) and due from related parties are classified under this category (see Notes 4, 5 and 18).

Financial Assets at FVOCI
For debt instruments that meet the contractual cash flow characteristic and are not designated at FVPL under the fair value option, the financial assets shall be measured at FVOCI 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 selling the financial assets; and

- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For equity instruments, the Group may irrevocably designate the financial asset to be measured at FVOCI in case the above conditions are not met.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment gains or losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are reclassified from equity to profit or loss as a reclassification adjustment.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Unrealized gains or losses from equity instruments are recognized in OCI and presented in the equity section of the consolidated statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods.

As at June 30, 2026 and 2025, and December 31, 2025, the Group designated its investments in quoted bonds, quoted and unquoted shares of stocks, UITF and club membership as financial assets at FVOCI (see Note 7).

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the consolidated statements of comprehensive income.

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

The Group does not have financial liabilities at FVPL as at June 30, 2026 and 2025, and December 31, 2025.

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 impaired or through the amortization process.

As at June 30, 2026 and 2025, and December 31, 2025, the Group's trade and other payables, customers' deposits, due to a related party and lease liabilities are classified under this category (see Notes 12, 13 and 18).

Reclassification
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).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new gross carrying amount.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

Impairment of Financial Assets at Amortized Cost and FVOCI
The Group records an allowance for ECL which is 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.

For debt instruments and other financial assets at amortized cost, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the 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 the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Derecognition of Financial Assets and Financial 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 rights to receive cash flows from the asset have 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 rights 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 a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Group's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial 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 has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statements of comprehensive income.

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Group could raise debt with similar terms and conditions in the market. The difference between the carrying value of the original liability and fair value of the new liability is recognized in the consolidated statements of comprehensive income.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

Offsetting of Financial Assets and Liabilities
Financial assets and financial liabilities are offset and the net amount 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 intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statements 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 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 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.

Advances Subject to Liquidation

Advances subject to liquidation pertain to cash advances to employees used for the Group's operations that are subject to liquidation. These are initially measured at cost less impairment in value, if any.

Assets Held for Sale

Noncurrent assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather continuing use and a sale is highly probable. They are measured at the lower of their carrying amount and fair values less costs to sell.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the noncurrent assets is recognized at the date of derecognition.

Noncurrent assets are not depreciated or amortized while they are classified as held for sale.

Investment Property

Investment property is defined as a property, such as land or building, held for capital appreciation. This property is not held to be used in production or sale in the ordinary course of business.

Investment property is initially measured at acquisition cost. An investment property acquired through an exchange transaction is measured at fair value of the asset acquired unless the fair value of such an asset cannot be measured, in which case, the investment property acquired is measured at the carrying amount of asset given up.

Subsequent to initial recognition, depreciable investment properties are carried at cost less accumulated depreciation and any impairment in value. Expenditures incurred after the investment properties have been put into operation, such as repairs and maintenance costs, are normally charged against current operations in the period in which the costs are incurred.

Land is not depreciated.

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in profit or loss in the year of retirement or disposal.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and any impairment in value. The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to operations in the period 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 costs of property and equipment. Cost also includes any asset retirement obligation and interest on borrowed funds used. When property and equipment are sold or retired, their costs and accumulated depreciation and impairment losses, if any, are eliminated from the accounts and any gain or loss resulting from their disposal is included in the profit or loss of such period.

The estimated useful lives of property and equipment are as follows:

	Number of Years
Office equipment	3
Transportation equipment	3-5
Furniture and fixtures	3
Office improvement	3-5

The useful lives of each of the property and equipment are estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice and experience with similar assets. The property and equipment's useful lives and depreciation and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

Fully depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation is charged to current operations.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. 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 item) is included in the profit or loss in the year the item is derecognized.

Other Noncurrent Assets

Other noncurrent assets consist of:

Creditable Withholding Tax

Creditable withholding tax is an amount that is withheld from income payments. This is deducted from income tax payable.

Input Value-added Tax (VAT)

Input VAT represents tax imposed on the Group by its suppliers for the acquisition of goods and services required under the Philippine taxation laws and regulations. Input VAT is recognized as an asset and will be used to offset the Group's current VAT liability.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree pertaining to instruments that represent present ownership interests and entitle the holders to a proportionate share of the net assets in the event of liquidation either at fair value or at the proportionate share of the net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interest are measured at fair value unless another management basis is required by PFRS. Acquisition-related costs incurred are expensed and included in costs and expenses.

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

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in PAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of PAS 39, it is measured in accordance with the appropriate PFRS. Contingent consideration that is classified as equity is not remeasured until it is finally settled and accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest, and any previous interest held, over the net fair value of the identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

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

Where goodwill forms part of a CGU and part of the operation within CGU units is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operations when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operation disposed of and the portion of the CGU retained.

If necessary information, such as fair value of assets and liabilities acquired, is not available by the end of the reporting period in which the business combination occurs, provisional amounts are used for a period not exceeding one year from the date of acquisition or measurement period. During this period, provisional amounts recognized for a business combination may be retrospectively adjusted if relevant information has been obtained or becomes available.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that its advances subject to liquidation, other current assets (excluding financial assets at FVPL), investment properties and property and equipment may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and 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 group 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 assessment of the time value of money and the risks specific to the asset. Any impairment loss is recognized in the profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment 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 the profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal, the depreciation charge are 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.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU, to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Deposit for Future Subscription

Deposit for future stock subscription represents the amount received by the Company which it records as such with a view of applying the same as payment for additional issuance of shares or increase in capital stock.

This is presented as part of liability because the Company is yet to comply with the conditions prescribed by the SEC.

Equity

Share Capital

Share capital is measured at par value for all shares issued.

Retained Earnings

Retained earnings represent the cumulative balance of net income or loss, net of any dividend declaration.

Other Equity Reserves
Other equity reserves comprise items of income and expense that are not recognized in profit or loss in accordance with PFRS. Other equity reserves of the Group pertains to cumulative unrealized gains on financial assets at FVOCI.

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 assessed that it acts as a principal in all of its revenue sources.

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

Interest Income
Interest income is recognized as the interest accrues, taking into account the effective yield of the asset.

Dividend Income
Dividend income is recognized when the Company's right to receive the dividend is established.

Service Fees
Performance obligation is satisfied over time with reference to the stage of completion at the reporting date measured principally on the basis of the estimated physical completion of the contract work. Billings and collections are made in relation to the specific provisions on the contract as agreed by the parties.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Retainer Fee and Transfer Fee
Revenue is recognized under the accrual basis in accordance with the terms of the related agreements.

Gain on Sale of Financial and Nonfinancial Assets
Gain on sale of financial assets at FVOCI and nonfinancial assets are computed as the difference between the proceeds and its carrying amount.

Costs and Expense Recognition
Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of liability has arisen and can be measured reliably. Costs and expenses are recognized in the profit or loss in the period these are incurred.

Cost of Services
Cost of services are recognized as expense when the related service is performed.

General and Administrative Expenses
General and administrative expenses are incurred in the direction and general administration of day-to-day operation of the Group and are generally recognized when the service is used or the expense is incurred.

Employee 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.

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

Leases
The Group assesses whether the contracts are, or contain, a lease. 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:

i. the right to obtain substantially all of the economic benefits from use of the identified asset; and

ii. the right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Group also assesses whether a contract contains a lease for each potential separate lease component.

The Group as a Lessee
At the commencement date, the Group recognizes ROU asset and lease liability 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 on a straight-line basis.

ROU Asset
At commencement date of the lease contract, the Group measures ROU asset at cost. The initial measurement of ROU asset includes the following:

- the amount of the initial measurement of lease liabilities;

- lease payments made at or before the commencement date less any lease incentives received;

- initial direct costs; and

- 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 asset is carried at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the related lease liability. The ROU asset is amortized over the lease term.

Lease Liability
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 comprise the following:

- fixed payments, including in-substance fixed payments;

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- amounts expected to be payable by the lessee under residual value guarantees;

- 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; and

- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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.

Foreign Currency Transactions
Transactions in foreign currencies are initially recorded using the functional currency exchange rate at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are restated using the closing functional currency exchange rate at the financial reporting date. Foreign exchange gains and losses arising from foreign currency transactions and restatement of balances are recognized in profit or loss.

Related Party Relationships and Transactions

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercises significant influence over the other party in making financial and operating decisions. This includes: (1) individual owning, directly or indirectly through one or more intermediaries, control, or are controlled by, or under common control with, the Parent Company; (2) associates; and (3) individuals owning, directly or indirectly, an interest in the voting power of the Parent Company that gives them significant influence over the Parent Company and close members of the family of any such individual.

Transactions amounting to 10% or more of the total assets based on the latest audited consolidated financial statements that were entered into with related parties are considered material under SEC Memorandum Circular No. 10, Series of 2019, "Rules on Material Related Party Transactions for Publicly-listed Companies".

All individual material related party transactions shall be approved by the BOD. For aggregate related party transactions within a 12-month period that breaches the materiality threshold, the same board approval would be required for the transaction(s) that meets and exceeds the materiality threshold covering the same related party.

Directors and officers with personal interest in the transaction should abstain from participating in discussions and voting on the same. In case they refuse to abstain, their attendance shall not be counted for the purpose of assessing the quorum and their votes shall not be counted for purposes of determining approval.

The key management personnel of the Group and post-employment benefit plan for the benefit of Group's employees, if any, are also considered to be related parties.

Transactions between related parties are on an arm's length basis in a manner similar to transactions with non-related parties.

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 authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date.

Deferred Tax

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

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

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

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward benefits of minimum corporate income tax (MCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused NOLCO and carry-forward benefits of MCIT can be utilized except:

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

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

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

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

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

Earnings Per Share

Basic earnings per share is computed by dividing net income over the weighted average number of issued and outstanding common shares during the year.

Diluted earnings per share is computed as if the potential common share or instrument that may entitle the holder to common share were exercised as of the beginning of the year.

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. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as an asset in the consolidated statements of financial position but only when the receipt of the reimbursement is virtually certain.

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 in the notes to consolidated financial statements when an inflow of economic benefits is probable.

Events After the End of the Reporting Period

Post year-end events that provide additional information about the Group's financial position at the reporting date (adjusting events), if any, are reflected in the consolidated financial statements when material. Post year-end events that are non-adjusting events are disclosed in the notes to consolidated financial statements when material.

Segment Information

The Group is engaged in investing of funds in various financial assets, service agreements with the government and stock transfer agency. The Group has aggregated these revenue-generating activities into a single operating segment as these segments are both passive in nature and have the same economic characteristics. The Group's revenue-generating assets are located in the Philippines.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, accounting estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosures of contingent liabilities, at the reporting date. However, uncertainty about the estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgments

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

Establishing Control Over Investment in Subsidiaries
The Group determines that it has control over its subsidiary by considering, among others, its power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns. The following are also considered:

- Rights arising from other contractual agreements; and
- The Group's voting rights and potential voting rights.

Classifying Financial Instruments
The Group exercises judgment in classifying financial instruments in accordance with PFRS 9. The Group classifies a financial instrument, or its components, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the Company's business model and its contractual cash flow characteristics and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the Group's consolidated statements of financial position.

Classification of financial instruments is disclosed in Note 2 to the consolidated financial statements.

Distinguishing Investment Properties and Owner-occupied Properties
The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property is held primarily to earn rentals or capital appreciation or both or used for operations and administrative purposes of the Group.

Carrying amount of investment property amounting to P343.5 million as at June 30, 2026 and 2025, and December 31, 2025 (see Note 8).

Determining Classification of Lease Arrangements and Appropriate Lease Term and Discount Rates
The Group has entered into lease agreements as a lessor.

Critical judgment was exercised by the Group to distinguish such lease agreement as an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements.

Lease liabilities and ROU assets were recognized. Payments of lease liabilities are allocated over the principal liability and finance costs. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each year. The ROU assets are depreciated over the lease term on a straight-line basis.

The lease of office space is renewable upon mutual agreement by both parties to be covered by a separate and new lease agreement. Accordingly, the renewal option was not considered in the lease term for purposes of the adoption of PFRS 16.

Significant management judgment was likewise exercised by the Group in determining the discount rate, whether implicit rate, if readily available or incremental rate, to be used in calculating the present value of ROUs asset and lease liabilities.

Reassessments are made on a continuing basis whether changes should be reflected on the amount of lease liability due to circumstances affecting lease payments and discount rates.

Determining Operating Segments
Although each revenue-generating activity represents a separate operating segment, management has concluded that there is basis for aggregation into a single operating segment as allowed under PFRS 8, "*Operating Segments*", due to their similar passive nature and economic characteristics.

Assessing Provisions and Contingencies
The Group evaluates legal and administrative proceedings to which it is involved based on analysis of potential results. Management and its legal counsels do not believe that any current proceedings will have material adverse effects on its financial position and results of operations. It is possible, however, that future results of operations could be materially affected by changes in estimates or in the effectiveness of strategies relating to these proceedings.

Estimates and Assumptions
The key estimates and assumptions concerning the future and other key sources of estimation of uncertainty at reporting date that may have significant risks of causing material adjustments to the carrying amounts of assets and liabilities within the next reporting year are discussed below.

Assessing ECL on Debt Instruments
The Group determines the ECL based on the 12-month ECL, which pertains to the portion of lifetime ECLs that result from default events on the financial instrument that are possible within 12 months after reporting date. When there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL.

The Group assessed that the credit risk on debt instruments has not increased significantly since initial recognition as these financial assets are determined to have low credit risk and are entered into with reputable banks, financial institutions and other counterparties.

The carrying amounts of financial assets at amortized cost and FVOCI are as follows:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)	December 31, 2025 (Audited)
Cash and cash equivalents*	**P149,122,761**	P120,007,507	P210,220,759
Receivables	**115,687,151**	117,566,701	119,082,256
Due from related parties	**25,950,000**	12,200,000	12,425,000
Investment in quoted bonds measured at FVOCI	**468,052,080**	496,600,222	498,301,670

**excluding cash on hand amounting to P8,986 as at June 30, 2026, P4,957 as at June 30, 2025, and P9,186 as at December 31, 2025.*

Determining Fair Value of Financial Assets at FVPL and FVOCI
The Group carries financial assets at FVOCI at fair value in the consolidated statements of financial position. Determining the fair value of financial assets at FVPL and FVOCI requires extensive use of accounting estimates and judgment. The Group determined the fair values of financial assets at FVPL and FVOCI using a combination of available market prices in active markets for identical assets (Level 1) and prices computed using significant observable inputs (Level 2). Any changes in the fair value of these financial assets and liabilities would affect other comprehensive income.

The fair value of financial assets at FVPL amounted to P82.8 million, P126.8 million and P124.4 million as at June 30, 2026 and 2025, and December 31, 2025, respectively (see Notes 7 and 21).

The fair value of financial assets at FVOCI amounted to P754.7 million, P790.3 million and P707.6 million as at June 30, 2026 and 2025, and December 31, 2025, respectively (see Notes 7 and 21).

Estimating Useful Lives of Investment Property and Property and Equipment
The Group estimates the useful lives of investment property and property and equipment based on the period over which they 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 the investment property and property and equipment. In addition, the estimation of the useful lives of investment property and property and equipment is based on the collective assessment of industry practice, internal technical evaluation and experience similar assets.

The carrying amount of investment property amounted to P343.5 million as at June 30, 2026 and 2025, and December 31, 2025 (see Note 8).

The carrying amount of property and equipment amounted to P4,613, P29,731 and P6,920 as at June 30, 2026 and 2025, and December 31, 2025, respectively (see Note 8).

Estimating Impairment Losses on Nonfinancial Assets Other than Goodwill
An impairment review is performed when certain impairment indicators are present. The Group determines whether an asset is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the asset is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

No impairment loss was recognized for the quarters ended and six monts ended June 30, 2026 and 2025.

The carrying amounts of nonfinancial assets are as follows:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)	December 31, 2025 (Audited)
Investment property	**P343,475,799**	P343,475,799	P343,475,799
Asset held for sale	**6,810,535**	7,982,794	6,900,286
ROU asset	**1,253,520**	2,402,592	2,236,162
Property and equipment	**4,613**	29,731	6,920
Other current assets	**499,275**	631,705	2,345,869
Other noncurrent assets	**14,616,462**	12,611,274	12,824,035

Estimating Impairment Losses on Goodwill
The Group tests annually whether any impairment in goodwill is to be recognized, in accordance with related accounting policy in Note 2. The recoverable amounts of CGUs have been determined based on the higher of fair value less costs to sell and value in use calculations which require the use of estimates. Based on the impairment testing conducted, the recoverable amounts of the CGUs as at March 31, 2026 and 2025, and December 31, 2025, calculated based on value in use are greater than the corresponding carrying amounts (including goodwill) of the CGUs. The carrying amount of goodwill amounted to P1.3 million as at June 30, 2026 and 2025, and December 31, 2025. No impairment loss was recognized for the quarter ended and six months June 30, 2026 and 2025 (see Note 11).

Assessing Recoverability of Deferred Tax Assets
The Group's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the forecasted taxable income of the following reporting periods. This forecast is based on the Group's past results and future expectations on revenue and expenses.

The Company did not recognize a portion of its deferred tax assets amounting to P2.7 million, P2.8 million and P3.7 million as at June 30, 2026 and 2025 and December 31, 2025, respectively, because the management has assessed that these may not be realized because future taxable income may not be sufficient against which the deferred tax assets can be utilized (see Note 17).

4. Cash and Cash Equivalents

This account consists of:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)	December 31, 2025 (Audited)
Cash on hand	**P8,986**	P4,957	P9,186
Cash in banks	**54,087,850**	54,647,510	60,036,787
Cash equivalents	**95,034,911**	65,359,997	150,183,972
	P149,131,747	P120,012,464	P210,229,945

Cash in banks earn interest at prevailing bank deposit rates.

Cash equivalents pertain to special savings and time deposits, with terms of varying periods up to three (3) months depending on the immediate cash requirements of the Group, and earn interest at prevailing special savings and time deposit rates.

Interest income earned from cash in banks and cash equivalents amounted to P708,393 and P1,045,694 for the quarters ended June 30, 2026 and 2025, respectively, and P2,669,641 and P2,099,128 for the six months ended June 30, 2026 and 2025, respectively (see Note 14).

5. Receivables

This account consists of:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)	December 31, 2025 (Audited)
Notes and loans receivable			
Corporate notes (Note 18)	**P59,999,551**	P64,799,551	P63,999,551
Promissory notes issued by various financial institutions	**52,368,618**	48,112,800	52,233,651
Interest receivable	**1,879,082**	3,197,177	2,106,233
	114,247,251	116,109,528	118,339,435
Less allowance for ECL	**(2,840,311)**	(1,576,969)	(2,840,311)
Notes and loans receivable – net	**111,406,940**	114,532,559	115,499,124
Retainer fee receivable	**3,840,308**	2,915,242	3,139,325
Dividend receivable	**439,903**	118,900	443,807
Current portion of receivables	**P115,687,151**	P117,566,701	P119,082,256

Movements in the allowance for ECL are summarized below:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of the period	**P2,840,311**	P1,564,965	P1,564,965
Additions	**–**	12,005	1,275,346
Write-off	**–**	–	–
Balance at end of period	**P2,840,311**	P1,576,970	P2,840,311

Notes and Loans Receivable

Corporate Notes
Corporate notes outstanding as at June 30, 2026 and 2025, and December 31, 2025 pertain to short-term corporate promissory notes issued by various entities, with terms of thirty-five days up to one year and earn interest ranging from 5.5% to 11.0% per annum.

Promissory Notes Issued by Financial Institutions
Unsecured promissory notes are issued by various financial institutions with terms ranging from two to ten years and earn interest ranging from 4% to 7% per annum.

Interest income earned from corporate notes and promissory notes issued by various financial institutions amounted to P1.4 million and P1.8 million for the quarters ended June 30, 2026 and 2025, respectively, and P3.0 million and P3.3 million for the six months ended June 30, 2026 and 2025, respectively (see Note 14).

Retainer Fee Receivable
This account consists of retainer fee receivables which are collectible on demand and are noninterest-bearing.

6. Assets Held for Sale

In 2024, the Group obtained equipment and furniture valued at P4,207,629 as form of repayment of its notes receivable from one of its debtors. These assets were obtained with the intention to sell to its affiliate companies and is expected to be completed within the next 12 months. As such, these were then classified as current assets held for sale in the statement of financial position. The assets were measured at the lower of carrying amount and fair value less cost to sell and as a result, an impairment loss of P1,125,882 was recognized. For purposes of statements of cash flows reporting, the exchange of equipment and furniture, and notes receivable amounting to P4,207,629 is considered a non-cash operating and investing activity.

In 2025, the assets were measured at the lower of carrying amount and fair value less cost to sell

As at June 30, 2026 and 2025, and December 31, 2025, the carrying amount of the assets held for sale amounted to P6,810,535, P7,982,794 and P6,900,286, respectively.

Management continues to actively market the assets and expects disposal within twelve (12) months from June 30, 2026.

7. Financial Assets at FVTPL; Financial Assets at FVOCI

This account consists of:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)	December 31, 2025 (Audited)
FVTPL			
Investment in:			
Unit investment trust fund (UITF)	**P89,747,464**	126,706,274	P124,249,576
Quoted shares of stocks	**88,123**	128,373	128,110
	89,835,587	126,834,647	124,377,686
FVOCI			
Investments in:			
Quoted bonds	**468,052,080**	496,600,222	420,658,681
Quoted shares of stocks	**247,308,016**	254,371,790	247,621,181
Unquoted shares of stocks	**30,000,000**	30,000,000	30,000,000
Club memberships	**9,300,000**	9,300,000	9,300,000
	754,660,096	790,272,012	707,579,862
	P844,495,683	P917,106,659	P831,957,548

Unrealized gain (loss) on financial assets at FVTPL amounted to P2.3 million for the quarters ended June 30, 2026 and 2025, respectively, and P29,473 and (P1,099,547) for the six months ended June 30, 2026 and 2025 (see Note 16).

Realized gain from financial assets at FVTPL amounted to P302,797 and P154,324 for the quarters ended June 30, 2026 and 2025, respectively, and P533,025 and P166,884 for the six months ended June 30, 2026 and 2025 (see Note 16).

Movements of financial assets at FVOCI and cumulative unrealized gain (loss) on financial assets at FVOCI are as follows:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)	December 31, 2025 (Audited)
Cost			
Balance at beginning of period	**P729,253,505**	P831,663,507	P831,663,509
Additions	**160,924,001**	48,207,552	120,921,665
Disposals	**(104,809,680)**	(70,645,843)	(223,331,669)
Balance at end of period	**785,367,826**	809,225,216	729,253,505
Cumulative Unrealized Gain (Loss)			
Balance at beginning of period	**(21,673,643)**	(28,179,968)	(28,179,968)
Unrealized fair value gain (loss) during the period	**(8,039,129)**	10,253,995	7,604,430
Reclassification of cumulative fair value changes of debt instruments measured at FVOCI sold to profit or loss (Note 16)	**(1,452,590)**	(277,442)	(428,054)
Reclassification of cumulative fair value changes of equity instruments measured at FVOCI sold to retained earnings	**457,632**	(749,789)	(670,051)
Balance at end of period	**(30,707,730)**	(18,953,204)	(21,673,643)
Carrying amount	**P754,660,096**	P790,272,012	P707,579,862

Interest income earned from financial assets at FVOCI amounted to P4.4 million and P5.2 million for the quarters ended June 30, 2026 and 2025, respectively, and P8.9 million and P10.8 million for the six months ended June 30, 2026 and 2025, respectively (see Note 14).

Dividend income earned from financial assets at FVOCI amounted to P3.6 million and P2.8 million for the quarters ended June 30, 2026 and 2025, respectively, and P8.3 million and P6.4 million for the six months ended June 30, 2026 and 2025, respectively (see Note 14).

Realized gain (loss) on sale of debt instruments at FVOCI recognized directly to profit or loss amounted to (P687,856) and (P84,766) for the quarters ended June 30, 2026 and 2025, respectively, and P1,452,590 and P277,442 for the six months ended June 30, 2026 and 2025, respectively (see Note 14).

Realized gain (loss) on sale of equity instruments at FVOCI recognized directly to retained earnings amounted to (P457,632) and P749,789 for the quarters ended June 30, 2026 and 2025, respectively.

The fair value of these financial assets are determined based on quoted market bid prices at the close of business as at reporting date since most of these are actively traded in an organized financial market. The fair value measurement of the financial assets at FVOCI is classified as Level 1 (Quoted bonds, shares of stock and club memberships) and level 2 (UITFs).

No ECL was recognized for investments in quoted bonds for the quarters ended June 30, 2026 and 2025 and six months ended June 30, 2026 and 2025.

8. Investment Properties

On December 29, 2023, the Group obtained nine parcels of land through dacion en pago with a related party amounting to P335,615,126 and covering three hundred eighty-three thousand nine hundred ninety-nine (383,999) square meters located at Ibis, Bagac, Bataan. The land's title is currently being processed for transfer to the name of PHC. In 2024, the Company incurred additional costs of P4,067,924 related to the transfer of the property. The carrying amount of this investment property amounted to P343,475,799 as at June 30, 2026 and 2025, and December 31, 2025.

The Group has certain parcels of land amounting to P2,249,424 and covering one thousand two hundred (1,200) square meters located at Pasinay Bagac, Bataan. On January 16, 2019, the land's title was transferred to the name of PMEI.

There are no direct operating expenses arising from investment property that did not generate rental income during the periods.

Level 2 fair values of investment properties have been derived using the market approach. In using the market approach, the value of the investment property is based on recorded sales and listing (or asking prices) of comparable property registered within the vicinity amounted to P383,999,000. Management developed these estimates on the basis of recorded sales and listing (or asking prices) of comparable properties registered within the vicinity of the respective land properties. The most significant input into this valuation approach is the zonal value price per square foot.

The investment property is not pledged as security for liabilities to related parties as at June 30, 2026 and 2025, and December 31, 2025.

9. Property and Equipment

Movements in this account are as follows:

	December 31, 2025 (Audited)	Additions	Disposals Reclassification	**June 30, 2026 (Unaudited)**
Cost				
Transportation equipment	P5,011,638	P–	P–	**P5,011,638**
Furniture and fixtures	3,528,775	–	–	**3,528,775**
Office equipment	1,305,714	–	–	**1,305,714**
Office improvement	39,325	–	–	**39,325**
	9,885,452	–	–	**9,885,452**
Less accumulated depreciation				
Transportation equipment	5,011,638	–	–	**5,011,638**
Furniture and fixtures	3,528,775	–	–	**3,528,775**
Office equipment	1,298,794	2,307	–	**1,301,101**
Office improvement	39,325	–	–	**39,325**
	9,878,532	2,307	–	**9,880,839**
	P6,920			**P4,613**

	December 31, 2024 (Audited)	Additions	Disposals	June 30, 2025 (Unaudited)
Cost				
Transportation equipment	P5,011,638	P–	P–	P5,011,638
Furniture and fixtures	3,528,775	–	–	3,528,775
Office equipment	1,305,714	–	–	1,305,714
Office improvement	39,325	–	–	39,325
	9,885,452	–	–	9,885,452
Less accumulated depreciation				
Transportation equipment	5,011,638	–	–	5,011,638
Furniture and fixtures	3,528,775	–	–	3,528,775
Office equipment	1,264,367	11,616	–	1,275,983
Office improvement	39,325	–	–	39,325
	9,844,105	11,616	-	9,855,721
	P41,347			P29,731

	December 31, 2024 (Audited)	Additions	Disposals	December 31, 2025 (Audited)
Cost				
Transportation equipment	P5,011,638	P–	P–	P5,011,638
Furniture and fixtures	3,528,775	–	–	3,528,775
Office equipment	1,305,714	–	–	1,305,714
Office improvement	39,325	–	–	39,325
	9,885,452	-	–	9,885,452
Less accumulated depreciation				
Transportation equipment	5,011,638		–	5,011,638
Furniture and fixtures	3,528,775	–	–	3,528,775
Office equipment	1,264,367	34,427	–	1,298,794
Office improvement	39,325	–	–	39,325
	9,844,105	34,427	–	9,878,532
	P41,347			P6,920

Depreciation expense from property and equipment is allocated to general and administrative expenses.

Fully-depreciated property and equipment being used by the Company amounted to P9.8 million as at June 30, 2026 and 2025, and December 31, 2025.

10. **Other Noncurrent Assets**

This account consists of:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)	December 31, 2025 (Audited)
Creditable withholding tax	**P8,235,309**	P7,790,218	P7,033,172
Input VAT	**5,061,724**	3,501,627	4,471,434
Goodwill (Note 11)	**1,319,429**	1,319,429	1,319,429
	P14,616,462	P12,611,274	P12,824,035

11. **Business Combination and Goodwill**

Goodwill

Goodwill pertains to the acquisition of PSTI by PMEI amounting to P1.3 million.

Management assessed that the recoverable amount of PSTI, the CGU to which the goodwill is allocated, exceeds its carrying amount. In estimating the related value in use, management used a cash flow projection based on past performance of the acquiree covering a five-year period at a discount rate of 4.44%. Cash flows beyond that five-year period have been extrapolated using the Group's average historical growth rate.

No impairment on goodwill was recognized for the quarters ended June 30, 2026 and 2025 and six months ended June 30, 2026 and 2025.

12. **Trade and Statutory Payables**

This account consists of:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)	December 31, 2025 (Audited)
Trade and other payables	**P7,482,754**	P2,811,028	P5,723,361
Statutory payables	**369,981**	797,136	1,178,507
	P7,852,735	P3,608,164	P6,901,868

Trade and other payables are noninterest-bearing and are normally settled on a 30-day credit term.

Statutory payables pertain to expanded withholding taxes and other payables to government agencies remitted in the subsequent month.

13. Lease Commitments

The Group As a Lessee

The Group has a lease agreement with Philcomsat for its office space for a term of two years subject to renewal under mutual agreement of both parties. In 2025, the lease contracts were renewed. The annual rent is subject to escalation fee of 5%.

The following are the amounts recognized in the consolidated statements of income:

	From July 1 to June 30, 2025 (Unaudited)	From July 1 to June 30, 2025 (Unaudited)	**From January 1 to June 30, 2026 (Unaudited)**	From January 1 to June 30, 2025 (Unaudited)
Depreciation on ROU assets	**P491,321**	P485,952	**P982,642**	P971,903
Interest on lease liabilities	**4,340**	42,005	**16,185**	75,280
	P495,661	P527,957	**P998,827**	P1,047,183

Movements in the ROU assets are presented below:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of period	**P2,236,162**	P256,558	P256,558
Additions	**–**	3,117,937	3,930,569
Depreciation (Note 15)	**(982,642)**	(971,903)	(1,950,965)
Balance at end of period	**P1,253,520**	P2,402,592	P2,236,162

Details of ROU assets are as follows:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)	December 31, 2025 (Audited)
Cost	**P3,930,569**	P3,887,611	P3,930,569
Accumulated depreciation	**(2,677,049)**	(1,485,019)	(1,694,407)
Balance at end of period	**P1,253,520**	P2,402,592	P2,236,162

Depreciation expense from the ROU assets is allocated as follows:

	From July 1 to June 30, 2026 (Unaudited)	From July 1 to June 30, 2025 (Unaudited)	**From January 1 to June 30, 2026 (Unaudited)**	From January 1 to June 30, 2025 (Unaudited)
Cost of services	**P71,106**	P67,346	**P142,211**	P134,693
General and admistrative expenses	**420,215**	418,606	**840,431**	837,210
	P491,321	P485,952	**P982,642**	P971,903

Movements in lease liabilities are presented below:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of period	**P2,318,613**	P265,844	P265,844
Additions	**–**	3,117,937	3,930,569
Interest expense (Note 14)	**16,185**	75,280	149,370
Payments	**(1,020,381)**	(1,010,179)	(2,027,170)
Balance at end of period	**P1,314,417**	P2,448,882	P2,318,613

The present value of the minimum lease payments for each of the following periods are as follows:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)	December 31, 2025 (Audited)
Not later than one year	**P1,034,669**	P810,524	P2,038,865
More than one year but not later than five years	**279,748**	1,638,358	279,748
	P1,314,417	P2,448,882	P2,318,613

The future minimum lease payments for each of the following periods are as follows:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)	December 31, 2025 (Audited)
Not later than one year	**P1,060,689**	P874,145	P2,121,377
More than one year but not later than five years	**285,673**	1,692,866	285,673
More than five years	**–**	–	–
Total minimum lease obligation	**1,346,362**	2,567,011	2,407,050
Less future finance charges on lease liabilities	**31,945**	118,129	88,437
	P1,314,417	P2,448,882	P2,318,613

14. **Revenue**

Disaggregation of revenue is as follows:

	From July 1 to June 30, 2026 (Unaudited)	From July 1 to June 30, 2025 (Unaudited)	**From January 1 to June 30, 2026 (Unaudited)**	From January 1 to June 30, 2025 (Unaudited)
Revenue:				
Interest income	**P6,473,507**	P8,038,544	**P14,583,577**	P16,193,907
Retainer fee	**2,393,036**	2,333,035	**4,762,071**	4,684,071
Dividend income (Note 7)	**3,648,278**	2,818,270	**8,288,182**	6,448,954
Stock transfer fee	**48,061**	129,347	**108,181**	182,955
Other service fee	**47,247**	122,912	**86,750**	262,135
Miscellaneous income	**89,752**	193,773	**90,955**	239,730
	P12,699,881	P13,635,881	**P27,919,716**	P28,011,752

Retainer fee pertains to monthly retainer fees earned by PSTI being a stock transfer agent.

Interest income included in revenue as shown in the consolidated statements of income is earned from the following:

	From July 1 to June 30, 2026 (Unaudited)	From July 1 to June 30, 2025 (Unaudited)	**From January 1 to June 30, 2026 (Unaudited)**	From January 1 to June 30, 2025 (Unaudited)
Cash and cash equivalents (Note 4)	**P708,393**	P1,045,694	**P2,669,641**	P2,099,128
Receivables (Note 5)	**1,414,726**	1,832,034	**3,034,645**	3,284,883
Financial assets at FVOCI (Note 7)	**4,350,388**	5,160,816	**8,879,291**	10,809,896
	P6,473,507	P8,038,544	**P14,583,577**	P16,193,907

15. Costs and Expenses

This account consists of:

	From July 1 to June 30, 2026 (Unaudited)	From July 1 to June 30, 2025 (Unaudited)	**From January 1 to June 30, 2026 (Unaudited)**	From January 1 to June 30, 2025 (Unaudited)
Cost of services:				
Salaries and other benefits	**P390,744**	P357,760	**P741,231**	P669,710
Professional fee	**224,467**	224,467	**416,867**	416,867
Depreciation (Notes 9 and 13)	**71,106**	67,346	**142,211**	134,693
Transportation and travel	**43,137**	33,055	**43,137**	28,346
Communication, light and water	**393**	16,795	**29,014**	56,675
Dues and subscription	**14,173**	14,173	**28,346**	66,418
	744,020	713,596	**1,400,806**	1,372,709
General and administrative expenses:				
Professional fees	**2,159,285**	2,261,103	**4,272,624**	4,504,841
Outside services	**1,331,978**	1,627,792	**2,618,774**	2,801,643
Directors' fees (Note 18)	**831,666**	831,666	**1,663,333**	1,663,333
Transportation and travel	**918,564**	444,780	**1,386,907**	973,042
Representation and entertainment	**793,799**	922,514	**1,033,977**	1,103,009
Depreciation (Notes 9 and 13)	**421,368**	421,969	**842,738**	848,826
Bank charges	**354,069**	365,060	**694,841**	827,788
Office supplies	**119,715**	96,481	**258,929**	161,491
Advertising	**107,143**	107,143	**126,343**	126,343
Dues and subscription	**50,174**	47,174	**107,348**	93,848
Communication, light and water	**3,513**	52,665	**75,794**	88,536
Legal fees	–	924,000	–	924,000
Others	**(1,983,785)**	2,207,559	**1,172,872**	2,609,077
	5,107,489	10,309,906	**14,254,480**	16,725,777
	P5,851,509	P11,023,502	**P15,655,286**	P18,098,486

16. **Other Income (Charges)**

This account consists of:

	From July 1 to June 30, 2026 (Unaudited)	From July 1 to June 30, 2025 (Unaudited)	**From January 1 to March 31, 2026 (Unaudited)**	From January 1 to June 30, 2025 (Unaudited)
Realized gain (loss) on sale of debt instruments measured at FVOCI (Note 7)	**(P687,856)**	(84,766)	**P1,452,590**	P277,442
Unrealized foreign exchange gain (loss)	**254,548**	(508,201)	**826,950**	(953,186)
Realized gain from financial assets at FVTPL (Note 7)	**302,797**	154,324	**533,025**	166,884
Unrealized gain (loss) on financial assets at FVPL (Note 6)	**2,289,619**	2,330,890	**29,473**	(1,099,547)
	P2,159,108	P1,892,247	**P2,842,038**	(P1,608,407)

17. **Income Tax**

The composition of provision for current income tax is as follows:

	From July 1 to June 30, 2026 (Unaudited)	From July 1 to June 30, 2025 (Unaudited)	**From January 1 to June 30, 2026 (Unaudited)**	From January 1 to June 30, 2025 (Unaudited)
RCIT	**P137,438**	P251,410	**P376,972**	P508,917
MCIT	**17,164**	33,106	**46,057**	78,736
	P154,602	P284,516	**P423,029**	P587,653

The reconciliation of the income tax expense computed at statutory tax rate to actual income tax expense (benefit) as presented in the consolidated statements of income are as follows:

	From January 1 to June 30, 2026 (Unaudited)	From January 1 to June 30, 2025 (Unaudited)
Income tax at statutory rate	**P3,772,571**	P2,057,395
Add (deduct) tax effects of:		
Nontaxable:		
Unrealized loss on financial assets at FVPL	**(17,365)**	274,204
Realized loss (gain) on sale of debt instruments measured at FVOCI	**(363,148)**	(69,361)
Realized gain from financial assets at FVTPL	**(133,256)**	(41,721)
Dividend income	**(2,072,046)**	(1,612,239)
Interest income already subjected to a final tax	**(3,215,221)**	(3,519,608)
Nondeductible expenses	**(80,441)**	758,083
Tax expense on NOLCO	**2,709,039**	2,463,834
Tax expense on MCIT	**46,057**	67,659
Application of MCIT	–	1,259
Effect of differences in tax rates	**(159,867)**	(80,819)
	P486,323	P298,686

	From July 1 to September 30, 2025 (Unaudited)	From July 1 to June 30, 2025 (Unaudited)
Income tax at statutory rate	**P2,250,785**	P1,115,655
Add (deduct) tax effects of:		
Nontaxable:		
Realized loss on sale of debt instruments measured at FVOCI	**171,964**	21,191
Realized gain from financial assets at FVTPL	**(75,699)**	(38,581)
Unrealized gain on financial assets at FVPL	**(582,402)**	(583,405)
Dividend income	**(912,070)**	(704,568)
Interest income already subjected to a final tax	**(1,421,524)**	(1,707,788)
Nondeductible expenses	**(359,774)**	638,925
Tax expense on NOLCO	**1,275,423**	1,576,890
Tax expense on MCIT	**17,164**	22,029
Application of MCIT	–	1,259
Effect of differences in tax rates	**(145,805)**	(13,612)
	P218,062	P327,995

The components of the recognized deferred tax assets (liabilities) – net of the Group are as follows:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)	December 31, 2025 (Unaudited)
Deferred tax asset (liability):			
NOLCO	**P69,345**	P–	P65,059
Allowance for doubtful accounts	**8,080**	8,080	8,080
Leases	**1,754**	671	612
MCIT	**1,259**	–	1,259
Unrealized foreign exchange gain	**(206,738)**	–	(138,016)
.	**(P126,300)**	P8,751	(P63,006)

The components of the Group's unrecognized deferred tax assets are as follows:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)	December 31, 2025 (Unaudited)
NOLCO	**P2,709,039**	P2,463,834	P3,568,984
MCIT	**46,057**	67,659	87,198
Unrealized foreign exchange loss	–	238,297	–
Leases	**(6,817)**	10,734	15,995
	P2,748,279	P2,780,524	P3,672,177

The Parent Company did not recognize deferred tax assets amounting to P2.7 million, P2.8 million and P3.7 million as at June 30, 2026 and 2025 and December 31, 2024, respectively, because management assessed that these may not be realized because future taxable income may not be sufficient against which the tax benefits can be claimed or deducted.

18. Related Party Transactions

The Company has transactions with related parties as follows:

		Amount of Transactions (in millions)			Outstanding Balance (in millions)	
	Nature of Transaction	**From January 1 to June 30, 2026 (Unaudited)**	From January 1 June 30, 2025 (Unaudited)	**June 30, 2026 (Unaudited)**	June 30, 2025 (Unaudited)	December 31, 2025 (Audited)
Included under "Receivables"						
Company under Common Control						
MBCI*	Notes receivable	**(P4.0)**	(P4.3)	**P50.0**	P50.0	P54.3
MBCI	Interest Income	**1.6**	1.7	–	0.001	-
				P50.0	P50.0	P54.3

**Montemar Beach Club Inc. (MBCI)*

		Amount of Transactions (in millions)		Outstanding Balance (in millions)		
	Nature of Transaction	**From January 1 to June 30, 2026 (Unaudited)**	From January 1 June 30, 2025 (Unaudited)	**June 30, 2026 (Unaudited)**	June 30, 2025 (Unaudited)	December 31, 2025 (Audited)
Presented under "Due from Related Parties"						
Company under Common Control						
MBCI	Cash advances	**P13.5**	**P–**	**P26.0**	P5.0	P12.4
Immediate Parent						
Philcomsat	Cash advances	**7.2**	7.2	**7.2**	7.2	–
				P33.2	P12.2	P12.4
Presented under "Lease Liability"						
Immediate Parent						
Philcomsat	Lease of office space	**(P1.0)**	**(P0.9)**	**P1.8**	**P2.4**	P2.0
Philcomsat	Interest expense	**(0.02)**	**(0.08)**	**–**	**–**	–
				P1.8	P0.7	P2.0
Presented under "Deposit for Future Stock Subscription						
Immediate Parent						
Philcomsat	Future subscription	**P–**	P–	**P18.9**	P18.9	P18.9
Included under "Revenue"						
Subsidiary						
PMEI	Dividend income	**P3.0**	P3.0	**P–**	P–	P–
PSTI	Dividend income	**–**	3.0	**–**	–	–
				P–	P–	P–
Included under "Costs and Expenses"						
Immediate Parent						
Philcomsat	Association dues	**(P0.1)**	(P0.1)	**P–**	P–	P–
Philcomsat	Utilities	**(0.1)**	(0.1)	**–**	–	–
Subsidiary						
PSTI	Professional fee as stock transfer agent	**(0.09)**	(0.09)	**–**	–	–
				P–	P–	P–

Dividend income from PMEI and PSTI in 2026 and 2025 was eliminated in the consolidation.

The amount of transactions with PSTI amounting to P90,000 for the six months ended June 30, 2026 and 2025, respectively, were eliminated in the consolidation.

Receivable from MBCI

Cash advances to MBCI are unsecured and due on demand and bear interest at 5% to 6% per annum and will be settled in cash.

Due to a Related Party

Due to a related party is unsecured, noninterest-bearing, due on demand and will be settled in cash.

The Group as a Lessee

The Group has a lease agreement with Philcomsat for the rent of its office space located at the 12th Floor, Telecom Plaza Building, 316 Sen. Gil Puyat Ave., Makati City. The lease terms are for two years and is renewable under mutual agreement of both parties.

Stock Transfer Agency

The Parent Company entered into an agreement with PSTI to avail their services as stock transfer agent.

Compensation of Key Management Personnel

Compensation of the key management personnel of the Company consists only of directors' fees amounting to P0.8 million for the quarter ended March 31, 2025 and 2024, respectively (see Note 15).

The Company does not have any regular employees. The accounting and management services are under the management of Philcomsat.

19. Earnings Per Share

Basic/diluted earnings per share is computed as follows:

	From January 1 to June 30, 2026 (Unaudited)	From January 1 to June 30, 2025 (Unaudited)
Net income	**P14,603,960**	P7,930,893
Weighted average number of shares outstanding	**996,391,254**	996,391,254
	P0.0147	P0.0080

	From July 1 to June 30, 2026 (Unaudited)	From July 1 to June 30, 2025 (Unaudited)
Net income	**P8,785,078**	P4,134,626
Weighted average number of shares outstanding	**996,391,254**	996,391,254
	P0.0088	P0.0041

20. Financial Risk Management Objectives and Policies

The Group's principal financial instruments are comprised of cash and cash equivalents, receivables (excluding advances subject to liquidation), due from related parties, financial assets at FVPL and FVOCI, trade and other payables (excluding statutory payables), customers' deposits and due to a related party. The main risks arising from the Group's financial instruments are market, credit and liquidity risks.

Market Risk

Market risk is the risk that the value of an investment will decrease due to movements in market factors such as, but not limited to, equity price risk or the risk that the stock prices will change; interest rate risk or the risk that interest rates will change and currency risk or the risk that foreign exchange rates will change.

The central focus of the Group's market risk management is financial assets at FVOCI. The Group has established a risk management/measure system to mitigate the adverse effects in fluctuations of the price or market value of these financial assets. The current policies of the Group are anchored on the selective purchase of shares of stock and establishment of trading and stop loss limits on dealer trading activities to manage possible financial losses to be incurred from trading activities.

Equity Price Risk

Equity price risk is the risk that the fair values of equity instruments recognized under financial assets at FVOCI decrease as the result of changes in the levels of equity indices and the value of individual stocks.

The Company measures the sensitivity of its investment securities by using PSE index (PSEi) fluctuations. The table below sets forth the impact of changes in PSEi in other comprehensive income.

	Increase (Decrease) in PSEi	Increase (Decrease) in Other Comprehensive Income
June 30, 2026	**11%**	**P26,071,274**
	(4%)	**(11,074,679)**
June 30, 2025	5%	11,837,092
	(9%)	(22,395,319)
December 31, 2025	12%	30,657,948
	(3%)	(6,450,702)

The sensitivity of the equity is the effect of the assumed changes in the PSEi on the net unrealized gain (loss) for the period, based on the adjusted beta rate of equity securities as at June 30, 2026 and 2025, and December 31, 2025.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. As at June 30, 2026 and 2025, and December 31, 2025, the Group has repriceable financial assets, specifically investments in quoted bonds classified as financial assets at FVOCI. Accordingly, the Group is subject to fair value interest rate risk.

The Group measures the sensitivity of its investment securities by using PHP BVAL reference rate fluctuations. The table below sets forth the impact of changes in PHP BVAL in the Group's other comprehensive income.

	Increase (Decrease) in PHP BVAL	Increase (Decrease) in Other Comprehensive Income
June 30, 2026	**11%**	**P50,206,350**
	(18%)	(83,344,621)
June 30, 2025	4%	21,963,691
	(2%)	(8,815,587)
December 31, 2025	6%	28,444,281
	(2)%	(8,674,316)

Foreign Exchange Risk

The Group's foreign-currency denominated financial instrument consists of cash in banks and cash equivalents totaling US$0.5 million as at June 30, 2026 and 2025, and December 31, 2025, respectively. The Group's exposure to foreign currency risk is insignificant.

The Group's objective is to reduce the exposure to foreign currency risk at a minimum since revenues are peso-denominated.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Financial assets that potentially subject the Group to credit risk consist primarily of cash in banks and cash equivalents, receivables (excluding advances subject to liquidation), due from related parties and debt instruments measured at FVOCI.

The Group enters into contracts only with recognized, credit-worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group obtains guarantees where appropriate to mitigate credit risk.

Financial Assets

The Group limits its credit risk by depositing its cash with highly reputable and pre-approved financial institutions and by providing loans to counterparties with sufficient liquid assets to settle the loan balance when demanded.

As discussed in Note 3 to the financial statements, the Group considers credit risk in measuring ECL of debt instruments at amortized cost. Since all of these financial assets of the Company are considered to have low credit risk, impairment loss is limited to 12 months ECL.

The Group has no concentration of credit risk. The carrying amounts of the Group's financial assets at amortized cost and FVOCI represent the maximum exposure to credit risk as at the reporting date as follows:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)	December 31, 2025 (Audited)
Cash and cash equivalents*	**P149,122,761**	P120,007,507	P210,229,945
Receivables	**115,687,151**	117,566,701	119,082,256
Due from related parties	**25,950,000**	12,200,000	12,425,000
Financial assets at FVTPL	**89,835,587**	126,834,647	124,377,686
Financial assets at FVOCI	**754,660,096**	790,272,012	707,579,862

**excluding cash on hand amounting to P8,986 as at June 30, 2026, P4,957 as at June 30, 2025, and P9,186 as at December 31, 2025.*

Generally, receivables are written-off if collection cannot be made despite exhausting all extra-judicial and legal means of collection. The maximum exposure to credit risk at reporting date is the carrying value of the financial assets. The Group does not hold collateral as security.

Liquidity Risk

The Group seeks to manage its liquid funds through cash planning on a monthly basis. The Group uses historical figures and experiences, and forecasts from its collection and disbursements. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. Moreover, it continuously assesses conditions in the financial markets for possible business opportunities.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash. The Group considers its available funds and its liquidity in managing its financial requirements. For its short-term funding, the Group's policy is to ensure that there are sufficient capital inflows to match repayments of trade and other payables.

The tables below summarize the maturity profile of the Company's financial liability based on contractual undiscounted payments:

	June 30, 2026 (Unaudited)				
	On Demand	**1 to 3 months**	**3 to 12 months**	**More than 12 months**	**Total**
Trade and other payables	**P–**	**P7,482,754**	**P–**	**P–**	**P7,482,754**
Dividends payable	**10,322,959**	**–**	**–**	**–**	**10,322,959**
Lease liabilities	**–**	**1,034,669**	**–**	**279,748**	**1,314,417**
	P10,322,959	**P8,517,423**	**P–**	**P279,748**	**P19,120,130**

	June 30, 2025 (Unaudited)				
	On Demand	1 to 3 months	3 to 12 months	More than 12 months	Total
Trade and other payables	P–	P2,811,028	P–	P–	P2,811,028
Dividends payable	5,184,637	–	–	–	5,184,637
Due to a related party	78,106	–	–	–	78,106
Lease liabilities	–	810,524	–	1,638,358	2,448,882
	P5,262,743	P3,621,552	P–	P1,638,358	P10,522,653

	December 31, 2025 (Audited)				
	On Demand	1 to 3 months	3 to 12 months	More than 12 months	Total
Trade and other payables	P–	P5,723,361	P–	P–	P5,723,361
Dividends payable	5,184,637	–	–	–	5,184,637
Due to a related party	–	–	–	–	0
Lease liabilities	2,038,865	–	–	279,748	2,318,613
Deposit for future stock subs	–	–	–	18,894,000	18,894,000
	P7,223,502	P5,723,361	P–	P19,173,748	P32,120,611

21. Fair Value Measurement

The tables below present the financial assets and liabilities of the Company whose carrying amounts approximate fair values due to the short-term nature of the transactions:

Financial Assets

	June 30, 2026 (Unaudited)		June 30, 2025 (Unaudited)	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Cash and cash equivalents	**P149,131,747**	**P149,131,747**	P120,012,464	P120,012,464
Receivables	**115,687,151**	**115,687,151**	117,566,701	117,566,701
Due from related parties	**25,950,000**	**25,950,000**	12,200,000	12,200,000
Financial assets at FVPL	**89,835,587**	**89,835,587**	126,834,647	126,834,647
Financial assets at FVOCI:				
Quoted bonds	**468,052,080**	**468,052,080**	496,600,222	496,600,222
Quoted shares of stocks	**247,308,016**	**247,308,016**	254,371,790	254,371,790
UITFs	**–**	**–**	–	–
Unquoted shares of stocks	**30,000,000**	**30,000,000**	30,000,000	30,000,000
Club memberships	**9,300,000**	**9,300,000**	9,300,000	9,300,000
	P1,135,264,581	**P1,135,264,581**	P1,166,885,824	P1,166,885,824

	December 31, 2025 (Audited)	
	Carrying Amount	Fair Value
Cash and cash equivalents	P210,229,945	P210,229,945
Receivables	119,082,256	119,082,256
Due from related parties	12,425,000	12,425,000
Financial assets at FVPL	124,377,686	124,377,686
Financial assets at FVOCI:		
Quoted bonds	420,658,681	420,658,681
Quoted shares of stocks	247,621,181	247,621,181
Unquoted shares of stocks	30,000,000	30,000,000
Club memberships	9,300,000	9,300,000
	P1,173,694,749	P1,173,694,749

Financial Liabilities

	June 30, 2026 (Unaudited)		June 30, 2025 (Unaudited)	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Trade and other payables	**P7,482,754**	**P7,482,754**	P2,811,028	P2,811,028
Dividends payable	**10,322,959**	**10,322,959**	5,184,637	5,184,637
Due to a related party	**–**	**–**	78,106	78,106
Lease liabilities	**1,314,417**	**1,314,417**	2,448,882	2,448,882
	P19,120,130	**P19,120,130**	P10,522,653	P10,522,653

	December 31, 2025 (Audited)	
	Carrying Amount	Fair Value
Trade and other payables	P5,723,361	P5,723,361
Dividends payable	5,184,637	5,184,637
Lease liabilities	2,318,613	2,318,613
	P13,226,611	P13,226,611

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash and Cash Equivalents, Due from Related Parties, Accounts Payable and Accrued Expenses and Customers' Deposits. Due to the short-term nature of transactions, the carrying amounts approximate their fair values as at reporting date.

Financial Assets at FVPL and FVOCI. The fair value of these financial assets, except for managed funds, are determined in reference to quoted market bid prices at the close of business on the reporting date since most of these are actively traded in an organized financial market. The fair values of managed funds are determined through reference to the quoted price of the underlying securities in the fund. The fair value measurement of these financial assets is classified as Level 1 (Quoted bonds, shares of stock and club memberships) and Level 2 (UITFs).

Receivables (excluding Advances Subject to Liquidation). The fair values of receivables are estimated as the present value of all future cash flows discounted using applicable rates of similar type of instruments as at reporting date. The discount rates used ranged from 6.0% to 7.0% as at June 30, 2026 and 2025, and December 31, 2025. The fair value measurement of these receivables is classified as Level 2 (Significant observable inputs).

Lease Liabilities . The carrying amount of lease liabilities approximate its fair value because the initial recognition of lease liability is based on the discounted value of lease rentals and expected payments at the end of the lease.

22. **Capital Management**

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments when there are changes in economic conditions.

The Company considers total equity as its capital. The Company monitors its capital structure using debt-to-equity ratio which is gross debt divided by equity as follows:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)	December 31, 2025 (Audited)
Total Debt	**P38,510,411**	P30,213,789	P33,362,124
Total Equity	**1,463,414,374**	1,503,814,681	1,508,121,696
Debt-to-equity ratio	**0.03:1**	0.02:1	0.02:1

23. Changes in Liabilities Arising from Financing Activities

The following table summarizes the changes in liabilities arising from financing activities as at June 30, 2026 and 2025:

	December 31, 2025 (Audited)	Additions	Payments	**June 30, 2026 (Unaudited)**
Lease liabilities	P2,318,613	–	(P1,004,196)	**P1,314,417**

	December 31, 2024 (Audited)	Additions	Payments	June 30, 2025 (Unaudited)
Lease liabilities	P265,844	P3,117,937	(P934,899)	P2,448,882

24. Operating Segment Information

The Group is organized into operating segments based on the type of product or service. The Group's reportable operating segments relates to investing of funds in various financial assets, service agreements with the government and stock transfer agency.

The disaggregated revenue, as disclosed in Note 14, was assigned to the operating segments as follows:

Revenue as Disaggregated	Operating Segment
Interest income	Investing of funds
Dividend income	Investing of funds
Rent income	Investing of funds
Service fees	Service agreement with the government / Management services
Retainer fee	Stock transfer agency
Stock transfer fee	Stock transfer agency
Other service fee	Stock transfer agency
Gain on sale of a subsidiary	Investing of funds
Gain on sale of investment property	Investing of funds

All of the assets relating to the Group's operating segments are located in the Philippines. Accordingly, reporting operating segments per geographical business operation is not required.

Segment assets, liabilities and revenue and expenses are measured in accordance with PFRS. The presentation and classification of segment revenue and expenses are consistent with that presented in the consolidated statements of comprehensive income.

Significant information of the Group's reportable segments is as follows:

June 30, 2026 (Unaudited)

Segment	**Investing of Funds**	**Management Services**	**Stock Transfer Agency**	**Total**
Segment revenue	**P22,962,714**	**P–**	**P4,957,002**	**P27,919,716**
Segment profit	**25,852,221**	**–**	**3,270,366**	**29,122,587**
Interest income	**14,583,577**	**–**	**–**	**14,583,577**
Depreciation	**781,791**	**–**	**203,158**	**984,949**
Provision for income tax	**114,779**	**(4,286)**	**375,830**	**486,323**
Total assets	**1,465,989,123**	**27,975,829**	**7,959,833**	**1,501,924,785**
Total liabilities	**36,386,265**	**16,982**	**2,107,164**	**38,510,411**

June 30, 2025 (Unaudited)

Segment	Investing of Funds	Management Services	Stock Transfer Agency	Total
Segment revenue	P22,882,591	P–	P5,129,161	P28,011,752
Segment profit	29,091,478	–	3,338,879	32,430,357
Interest income	16,193,907	–	–	16,193,907
Depreciation	786,210	–	197,309	983,519
Provision for income tax	(264,219)	55,203	507,702	298,686
Total assets	1,505,552,692	24,333,568	4,142,210	1,534,028,470
Total liabilities	29,571,031	1,181	641,577	30,213,789

December 31, 2025 (Audited)

Segment	Investing of Funds	Management Services	Stock Transfer Agency	Total
Segment revenue	P45,323,602	P–	P10,288,180	P55,611,782
Segment profit	51,434,461	–	6,446,817	57,881,278
Interest income	31,471,392	–	–	31,471,392
Depreciation	1,568,738	–	416,655	1,985,393
Provision for income tax	(88,667)	(22,192)	897,239	786,380
Total assets	1,508,773,612	24,742,742	8,040,082	1,541,556,436
Total liabilities	31,637,626	80,982	1,716,132	33,434,740

Reconciliation of the total balances for the reportable segments with the balances in the consolidated statements of financial position and consolidated statements of income is as follows:

	June 30, 2026 (Unaudited)		
	Reportable Segments	**Not Attributable to Reportable Segments**	**Consolidated Balances**
Revenue	**P24,874,716**	**P–**	**P24,874,716**
Cost and expenses	**(2,904,715)**	**(13,548,446)**	**(16,453,161)**
Other income	**2,842,604**	**–**	**2,842,604**
Finance costs	**(16,185)**	**–**	**(16,185)**
Income (loss) before income tax	**24,796,420**	**(13,548,446)**	**11,247,974**
Benefit from income tax	**486,323**	**–**	**486,323**
Net income (loss)	**P24,310,097**	**(P13,548,446)**	**P10,761,651**
Assets	**P1,500,605,356**	**P1,319,429**	**P1,501,924,785**
Liabilities	**P38,510,411**	**P–**	**P38,510,411**

	June 30, 2025 (Unaudited)		
	Reportable Segments	Not Attributable to Reportable Segments	Consolidated Balances
Revenue	P28,011,752	P–	P14,375,871
Cost and expenses	(4,724,224)	(13,374,262)	(7,074,984)
Other income	(1,608,407)	–	(3,500,654)
Finance costs	(75,280)	–	(33,275)
Income (loss) before income tax	21,603,841	(13,374,262)	3,766,958
Benefit from income tax	298,686	–	(29,309)
Net income (loss)	P21,305,155	(P13,374,262)	P3,737,649
Assets	P1,532,709,041	P1,319,429	P1,534,028,470
Liabilities	P30,213,789	P–	P30,213,789

December 31, 2025 (Audited)			
	Reportable Segments	Not Attributable to Reportable Segments	Consolidated Balances
Revenue	P55,656,782	P–	P55,656,782
Cost and expenses	(6,797,914)	(28,347,701)	(35,145,615)
Other income (charges)	(2,204,382)	–	(2,204,382)
Finance costs	(149,370)	–	(149,370)
Income (loss) before income tax	46,505,116	(28,347,701)	18,157,415
Provision for income tax	786,380	–	786,380
Net income (loss)	P45,718,736	(P28,347,701)	P17,371,035
Assets	P1,540,237,007	P1,319,429	P1,541,556,436
Liabilities	P33,434,740	P–	P33,434,740

Differences between the reportable segment's assets, liabilities, revenue and net income and the Group's consolidated assets, liabilities, revenue and net income pertain primarily to goodwill and the Parent Company's operating expenses in 2026 and 2025, which cannot be directly attributed to any reportable segment.

25. Aging of Accounts Receivable

The aging schedule of the Group's receivables are as follows:

	June 30, 2026 (Unaudited)			
	Neither Past Due nor Impaired	**Past Due but not impaired**		
		30 days	**More than 60 days**	**Total**
Notes and loans	**P112,368,169**	**P–**	**P–**	**P112,368,169**
Due from related parties	**25,950,000**	**–**	**–**	**25,950,000**
Interest receivable	**1,879,082**	**–**	**–**	**1,879,082**
Retainer fee receivable	**3,840,308**	**–**	**–**	**3,840,308**
Dividend receivable	**439,903**	**–**	**–**	**439,903**
	P144,477,462	**P–**	**P–**	**P144,477,462**

	June 30, 2025 (Unaudited)			
	Neither Past Due nor Impaired	Past Due but not impaired		
		30 days	More than 60 days	Total
Notes and loans	P112,912,351	P–	P–	P112,912,351
Due from related parties	12,200,000	–	–	12,200,000
Interest receivable	3,197,177	–	–	3,197,177
Retainer fee receivable	2,915,242	–	–	2,915,242
Dividend receivable	118,900	–	–	118,900
	P131,343,670	P–	P–	P131,343,670

	December 31, 2025 (Audited)			
	Neither Past Due nor Impaired	Past Due but not impaired		
		30 days	More than 60 days	Total
Notes and loans	P116,233,202	P–	P–	P116,233,202
Due from related parties	12,425,000	–	–	12,425,000
Interest receivable	2,106,233	–	–	2,106,233
Retainer fee receivable	3,139,325	–	–	3,139,325
Dividend receivable	443,807	–	–	443,807
	P134,347,567	P–	P–	P134,347,567

26. **Civil Cases**

An action was filed in the Sandiganbayan by a group claiming to be directors and officers of POTC and Philcomsat (referred to as the Locsin Group) seeking to enjoin the present and actual directors and officers of POTC and Philcomsat (referred to as the Bildner Group) from representing themselves as directors and officers and representatives of said companies. The real and valid directors and officers of POTC and Philcomsat then sought the dismissal of the complaint against them on the ground of lack of jurisdiction and res judicata. The Sandiganbayan issued a decision dismissing the case. The Locsin group, still alleging that they are the POTC and Philcomsat board of directors, however, appealed the case with the Supreme Court (SC) on November 10, 2008. The SC consolidated this case with three other cases.

On July 3, 2013, the SC in GR Nos. 184622, 184712-14, 186066 and 186590 ruled in favor of the Bildner Group and declared that indeed, the Bildner Group is the legitimate board of directors of POTC and Philcomsat. The July 3, 2013 Decision attained finality on October 23, 2013 when the SC issued a Resolution denying the Motions for Reconsideration filed by the opposing parties. On March 27, 2014, the July 23, 2013 Decision has become final and executory.

The Bildner group representing POTC, Philcomsat and PHC also filed cases for the recovery of advances made by the Locsin Group, purportedly as their entitlements as directors/officers of POTC and Philcomsat, through PHC's funds, that Locsin group previously controlled.

27. Litigation

The following cases were filed by the Parent Company to recover assets allegedly withdrawn or misappropriated by the former officers:

- Philippine Communications Satellite Corporation against Philcomsat Holdings Corp. (PHC and former directors), Luis Lokin Jr., Enrique Locsin and Philip Brodett (Locsin Group)

  PHC, through the valid and incumbent directors (Bildner Group) filed a Motion for Issuance of Writ of Execution with the Regional Trial Court (RTC) of Makati Branch 138 as court of origin, following the final resolution of SC declaring the election of Locsin Group as PHC's officers and directors. Accordingly, the SC ordered the Locsin Group to render an accounting and return of funds allegedly received from the Parent Company. An Order granting the Motion was issued on February 20, 2017, resulting to the issuance of the Writ of Execution on February 28, 2017. On January 9, 2018, PHC filed a manifestation for the implementation of the Writ of Execution. On February 9, 2018, an Order was issued directing PHC, within thirty (30) days from receipt, to submit its preferred accounting firm who will conduct the accounting of all funds and other assets received from POTC, PHC and Philcomsat since September 2004. On February 22, 2018, PHC filed its Ex-Parte Manifestation and Motion, in compliance with the said Order. On July 11, 2018, the Sheriff of the Office of the Clerk of Court of Makati served the Writ of Execution to Manuel Andal, Benito Araneta, Philip Brodett, Enrique Locsin, Concepcion Poblador and Johnny Tan. On June 6, 2019, PHC filed an Ex-Parte Motion to Resolve the pending motion to appoint Virgilio R. Santos as the auditing accounting firm for the execution of the SC Decision dated July 3, 2013 issued in GR Nos. 184622, 184712-14, 186066 and 186590.

  There was a status conference held in this case on December 13, 2019 where the Court required the defendants to provide a name of their selected accountant to move forward with the audit. The defendants failed or refused again to comply, so the Court is likely to appoint Philcomsat's proposed accountant, Virgilio R. Santos, to do the audit. On May 18, 2022, Philcomsat filed an Ex-Parte Motion to Resolve praying that an Order be issued allowing VRS to commence the accounting of corporate funds received, utilized and disbursed by all the defendants and their assigns, which the Court granted in its Order of June 3, 2022. However, VRS has already retired. The issue of who would render the audit remains unsolved.

  On May 2, 2017, the Presidential Commission on Good Government (PCGG) and Locsin filed with the Court of Appeals (CA) a Petition for Certiorari and Prohibition with Very Urgent Prayer for Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction assailing the Order dated February 20, 2017 issued by the RTC. On January 30, 2018, the CA issued a Decision dismissing the Petition. On February 22, 2018, PCGG and Locsin filed their Motion for Reconsideration with Motion to Exclude the PCGG from the instant Petition, which are both denied in a Resolution dated June 27, 2018. On August 8, 2018, PCGG filed its Motion for Reconsideration on the denial of its Motion for Exclusion. On October 29, 2018, Philcomsat filed its Opposition thereto.

  Meanwhile, PCGG and Locsin filed a Petition for Review with the Supreme Court (SC) questioning the Decision issued by the CA dated January 30, 2018, which dismissed their Appeal. Philcomsat filed its comment thereto on November 6, 2018. PCGG filed its Reply on February 17, 2020. On December 7, 2022, the Court issued a Resolution requiring the parties to file their respective memoranda. On March 10 and 13, 2023, Philcomsat and PCGG filed their

Separately, Brodett filed his Petition for Certiorari under Rule 65 with the CA assailing the Order issued by the RTC, which denied his Motion for Clarification on the issue of rendering an accounting of the funds. The CA denied his Petition on the ground that clarification may only be allowed if the order involves a clerical error but not when it is an alleged erroneous judgment or dispositive portion of the decision. Since Brodett's Motion for Clarification was raised questioning the grant of a writ of execution, the CA held that it cannot be subject of a motion for clarification. On December 15, 2017, the CA's dismissal was issued and the case was considered terminated. Brodett still filed his Motion for Reconsideration, which was denied on May 10, 2018. Brodett elevated the matter to the SC via Petition for Review but the SC denied the same in a Resolution dated August 29, 2018.

Meanwhile, even with the separate filings made by the respondents with the appellate courts relating to this advances to affiliate case, on September 25, 2025, Philcomsat filed an omnibus Motion to proceed with the accounting and return of funds taken by the Locsin Group from PHC, Philcomsat and POTC, but the same is pending resolution, to date.

- Complaint for collection against Araneta and Lokin

On May 26, 2010, a complaint for collection of sum of money and damages, with an application for a Writ of Preliminary Attachment dated May 24, 2010 was filed by the Parent Company against Benito Araneta and Luis Lokin Jr., former directors of the Parent Company for an alleged personal back to back loans with Bankwise procured by Araneta using the Parent Company's funds as collateral, with the help of Lokin, in the amount of P35.3 million.

On February 2, 2017, a Decision was issued finding Araneta and Lokin liable to pay PHC; a) actual damages in the sum of P31.5 million plus legal interest of 6% computed from May 26, 2010, the time of judicial demand until fully paid; b) P200,000 as and by way of exemplary damages; and c) P200,000 as and by way of attorney's fees, plus costs of suit.

Araneta and Lokin filed their Notices of Appeal on September 6 and September 8, 2017, respectively. On January 16, 2018, the Court of Appeals (CA) required defendants to file Appellant’s Brief within 45 days from receipt thereof. On April 20, 2018 and May 7, 2018, PHC received Lokin and Araneta's Appellant's Briefs, respectively. On June 5, 2018, PHC filed its Appellee's Brief. On September 18, 2018, PHC filed a Compliance submitting proof of service of its Appellee's Brief to defendants in accordance with the CA's Resolution dated July 2, 2018. On April 25, 2019, the CA issued a Decision granting Araneta’s appeal. On May 30, 2019, PHC filed its Motion for Reconsideration of the said Decision. On July 11, 2019, Araneta filed his Comment thereto, in accordance with the Resolution dated June 6, 2019 issued by the CA to file the same.

On October 24, 2019, the Court of Appeal issued a Resolution denying PHC’s Motion for Reconsideration.

On November 26, 2019, PHC elevated the case to the Supreme Court via Petition for Review on Certiorari under Rule 45. On March 9, 2020, Araneta filed his Comment. On July 21, 2023, Araneta filed a Motion for Early Resolution. This case is still pending resolution by the High Court.

- Criminal complaint against Brodett and Bankwise Officers using spurious bank accounts for company's deposits

  On May 8, 2008, the Parent Company filed a criminal complaint for estafa for misappropriation of corporate funds against Brodett, a former director of the Parent Company, and certain officers of Bankwise. The complaint alleged that the unauthorized deposits, withdrawals and transfers of the Company's funds in the amount of P66.8 million was processed through spurious bank accounts and involved the co-mingling and transfer of funds between the Parent Company's accounts and certain personal accounts.

  On June 14, 2016, an Order was issued allowing Brodett to present his defense only with respect to the P27.0 million and P9.3 million which allegedly came from PHC funds and not in the whole amount of P66.8 million. On July 1, 2016, a Motion for Reconsideration of the said Order was filed by the Private Prosecutor (Parent Company). On August 30, 2016, the Private Prosecutor filed a Reply to Brodett's Comment/Opposition dated August 25, 2016. After the presentation of defense evidence has already been concluded on June 5, 2018, the accused filed their Formal Offer of Evidence, which was partially admitted by the Court on August 28, 2018. On February 21, 2020, the Court promulgated its judgment finding accused Brodett guilty for the crime of theft, sentencing him to the penalty of imprisonment for a minimum period of four (4) years, two (2) months, one (1) day, to a maximum period of sixteen (16) years and 4 months. He was also found civilly liable to pay PHC the amount of P14,235,700, with legal interest of 12% per annum from April 11, 2008 until June 30, 2013 and the total obligation plus 6% legal interest from July 1, 2013 until fully paid. On March 3, 2020, Brodett filed his Motion for Partial Reconsideration of the Decision.

  In resolving said Motion for Reconsideration, the RTC found him to be guilty of qualified theft, for which his sentence was modified to imprisonment for a minimum period of ten (10) years and one (1) day of Prision Mayor to a maximum of twenty (20) years of Reclusion Temporal. Brodett appealed to the Court of Appeals, where he obtained a reversal of the RTC Decision. The Office of the Solicitor General, as the prosecuting agency designated by the State to handle criminal cases on appeals, filed a Motion for Reconsideration, which is now pending for resolution.

- Criminal complaint against Araneta for non-return of PHC deposits

  A criminal complaint for estafa was filed against Araneta for money market placements amounting to P65.0 million which allegedly were not returned to the Parent Company. The case was dismissed on February 9, 2009 for lack of probable cause. The appeal filed on March 4, 2009 is still pending decision with the DOJ as of report date.

- Criminal complaint against Concepcion A. Poblador

  A criminal complaint for estafa was filed against Ms. Poblador for allegedly receiving cash advances amounting to P14.5 million, which she failed to account for and return to the Parent Company after formal demands. On February 9,2009, the DOJ issued a Resolution directing the filing of an information against Ms. Poblador only for P0.2 million.

On January 7, 2014, the Parent Company filed a Petition for Certiorari praying that the DOJ file new information against Ms. Poblador for estafa for the total amount of P16.7 million. On January 10, 2014, the Parent Company received a Petition for Certiorari filed by Ms. Poblador seeking the reversal of the Resolution directing the filing of an Information for estafa against her for P0.2 million. On August 29, 2014, the two petitions were consolidated.

On April 26, 2017, subsequent to the filing of the parties' respective Memoranda, the CA issued a Resolution requiring Ms. Poblador to file a Rejoinder to the Parent Company's Reply (to the Memorandum of Poblador). In the meantime, the case was returned to "Completion State" pending the filing of the Rejoinder. Poblador filed her Rejoinder on June 1, 2017 under a Motion to Admit Attached Rejoinder.

On November 29, 2017, Poblador filed a Manifestation adopting her previous Memorandum dated December 22, 2014 as her compliance with the Resolution dated October 11, 2017. The Office of the Solicitor General filed a Manifestation and Motion on November 24, 2017 asking that the DOJ Secretary be excused from filing a Memorandum.

Based on the Resolution of the Court requiring the parties anew to file their respective Memorandum, PHC's (2nd) Memorandum was filed on December 13, 2017, within the extended period prayed for.

On June 14, 2019, the CA issued a Decision denying both PHC’s and Ms. Poblador's Petitions for Certiorari. On July 5 and 11, 2019, both parties filed their respective Motions for Reconsideration. On July 24, 2019, PHC filed its Comment to Ms. Poblador’s Motion for Reconsideration. On August 10, 2020, the CA issued a Resolution denying PHC and Ms. Poblador’s Motions for Reconsideration. PHC decided not to pursue the case with the Supreme Court considering that the amount involved is already covered by the advances to affiliates case.

On November 3, 2020, Poblador filed her Petition for Review with the Supreme Court. On April 4, 2022, PHC filed its Comment. This case remains pending for resolution with the SC.

The Group is also involved in other litigations, claims and disputes which are normal to its business. Management believes that the ultimate liability, if any, with respect to these litigations, claims and disputes will not materially affect the financial position and financial performance of the Group.

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

Key Performance Indicators (KPI)

The Company's KPI for the quarters ended June 30, 2026 and 2025 are as follows:

Performance Indicator	Formula	June 30, 2026	June 30, 2025
Liquidity			
Current Ratio	Current Assets / Current Liabilities	20.19:1	39.79:1
Leverage			
Debt to Equity Ratio	Total Liabilities / Total Equity	0.03:1	0.02:1
Asset to Equity Ratio	Total Assets / Total Equity	1.03:1	1.02:1
Profitability			
Net Profit Ratio	Net Income / Revenue	0.69:1	.30:1
Return on Assets	Net Income / Total Assets	0.58%	.27%
Return on Equity	Net Income / Total Equity	0.60%	.27%

Liquidity

The Company's current assets of P387,914,295 as of June 30, 2026 and current liabilities of P19,210,363 resulted in liquidity ratio of 20.19:1 compared to the same quarter of previous year wherein the ratio was higher at 39.79:1. The decrease in current ratio was due to the due to declaration and distribution of dividends.

Leverage

Debt to equity ratio on June 30, 2026 is higher compared to the same quarter last year due increase in dividends payable.

Profitability

The Group results of operations for the quarter ended June 30, 2026 resulted to a net income higher than the previous quarter due to decrease in cost and expenses.

Results of Operations

From 2000 to 2010, the Corporation was involved in an intra-corporate feud between the Brodett-Araneta-Lokin-Locsin-Poblador Group, who controlled the Corporation from 2000 to December 2007, present Management assumed control in December 2007.

Due to the hostile take-over, the Brodett Group withdrew the corporate funds, transferred corporate property and held the corporate funds. Thus, for the period between December 2007 and May 2010, present Management has not been able to focus on growing the business and operations of the Corporation as all efforts were geared towards recovering corporate assets.

Presently, the Company's investments remain in money market placements and other liquid financial instruments.

The following table shows the results of Philcomsat Holdings Corporation's operations for the quarters ended June 30, 2026 and 2025:

	For the quarter ended			
Results of Operations	June 30, 2026	June 30, 2025	Increase/ (Decrease)	YoY Change (%)
Revenues	P12,699,881	P13,635,881	(P936,00)	(6.86%)
Expenses	(5,855,849)	(11,065,507)	(5,209,658)	(47.08%
Income from operations	P6,844,032	P2,570,374	P4,273,658	166.27%

The Group recorded higher income from operations for the quarter ended June 30, 2026 due to decrease in expenses.

Discussion and Analysis of Material Events and Uncertainties

i. Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way.	The Parent Company filed various cases against its former directors to recover assets they allegedly withdrawn or misappropriated which, if won, will result in the liquidity position of the Group to increase in a material way.
ii. Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.	The Company has a contingent liability should the Parent Company fail to perform its contract with Speedcast, Ltd.
iii. All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.	The Company guaranteed the obligations of its Parent Company to perform its contract with Speedcast, Ltd. with price of P203 million
iv. Any material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures should be described.	None
v. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations should be described.	A prolonged lockdown due to the inability to contain COVID 19 pandemic may hamper economic recovery and lead to lower yields on fixed income instruments while equity market returns will most likely be handicapped by risk of economic disruptions.
vi. Any significant elements of income or loss that did not arise from the registrant's continuing operations	None
vii. The causes for any material change from period to period which shall include vertical and horizontal analyses of any material item.	The volatility of market prices of the

	Group's financial assets measured at fair value through other comprehensive income.
viii. Any seasonal aspects that had a material effect on the financial condition or results of operations.	None

PHILCOMSAT HOLDINGS CORPORATION
LIST OF TOP 20 STOCKHOLDERS
AS OF JUNE 30, 2026

RANK	NAME	TOTAL SHARES	PERCENTAGE (%)
1.	PHILIPPINE COMMUNICATIONS SATELLITE CORP.	95,445,690	79.9481
2	SOMERA, JR., PRUDENCIO C.	100,000,100	10.0362
3	LAPERAL, OLIVERIO G.	49,556,500	4.9736
4	PCD NOMINEE CORPORATION Filipino - 15,328,134 Non-Filipino - 536,400	15,864,534	1.5819
5	RCBC T/A 236-235 A/C OLIVERIO LAPERAL	4,802,413	0.4820
6	PRINCE RESOURCES, INC.	4,000,000	0.4014
7	DE LOS REYES, VICTORIA DELA CRUZ	3,006,500	0.3017
8	RANADA, JR., SANTIAGO J.	3,000,100	0.3011
9	MARINO OLONDRIZ Y CIA (Hold, per PSE)	2,985,600	0.2996
10	ESTATE OF JOSE MA. OZAMIZ	2,700,000	0.2710
11	RCBC T/A 36-250 A/C OLIVERIO LAPERAL	2,689,000	0.2699
12	PHIL. OIL DEVELOPMENT CORP.	1,500,000	0.1505
13	BLANCO, BERNADETTE Y.	1,000,000	0.1004
14	IMPERIAL RESOURCES, INC.	800,000	0.0803
15	LAPERAL, JR., OLIVERIO	776,743	0.0780
16	ILUSORIO, MARIETTA K.	510,000	0.0512
17	BENJAMIN CO CA & CO., INC.	504,300	0.0506
18	MANZANAL, DENNIS REALES	501,000	0.0503
19	ABESAMIS, ABRAHAM R.	500,000	0.0502
20	PAGAL, LAWRENCE A.	500,000	0.0502

As of June 30, 2026, the members of Board of Directors/Key Officers of Philcomsat Holdings Corporation are as follows:

Santiago J. Ranada	Director and Chair
Victoria C. De los Reyes	Director and President/CEO
Kara Nicole Ponce Enrile-Rhounimi	Director and VP
Erlinda I. Bildner	Director and CFO/Treasurer
Marietta K. Ilusorio	Director
Pablo L. Lobregat	Director
Prudencio C. Somera	Director
Juan Rodrigo C. Ponce Enrile	Director
Demaree J.B. Raval	Director
Oliverio L. Laperal, Jr.	Director
Odilon T. Sta.Teresa	Director
John Benedict L. Sioson	Corporate Secretary/ Corporate Information Officer
Bernadette Y. Blanco	Chief Compliance Officer
Clariza A. Reyes	Assistant Corporate Secretary/Investor Relations Officer