



SEC Number: PW00001056  
File Number: \_\_\_\_\_

**PNB HOLDINGS CORPORATION**  
\_\_\_\_\_  
(Company's Full Name)

**4TH FLOOR AND 12TH FLOOR,  
PNB MAKATI CENTER,  
6754 AYALA AVENUE,  
MAKATI CITY**  
\_\_\_\_\_  
(Company Address)

**(02) 8817-1585**  
\_\_\_\_\_  
(Telephone Number)

**December 31, 2026**  
\_\_\_\_\_  
(Calendar Year Ended)

**SEC Form 17-Q Report**  
\_\_\_\_\_  
(Form Type)

\_\_\_\_\_  
(Amendments – if applicable)

**March 31, 2026**  
\_\_\_\_\_  
(Period Ended Ended)

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 quarter ended : March 31, 2026
2. SEC Identification Number : PW00001056
3. BIR Identification No. : 000-169-158-000
4. Exact name of the issuer as specified in its charter : PNB HOLDINGS CORPORATION
5. Province, country or other jurisdiction of incorporation or organization : METRO MANILA, PHILIPPINES
6. Industry Classification Code : \_\_\_\_\_ (SEC Use Only)
7. Address of principal office and postal code : 4/F and 12/F, PNB MAKATI CENTER  
6754 AYALA AVENUE, MAKATI CITY, 1300
8. Issuer's telephone number, including area code : (02) 8817-1585
9. Former name, former address, former fiscal year : NOT APPLICABLE
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sections 4 and 8 of the RSA:

<u>Title of each class</u>	<u>Number of shares issued and outstanding</u>
<b>Common shares</b>	<b>46,932,100,000</b>

Amount of debt outstanding: **None**

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

Yes [ ] No [X]

Name of Stock Exchange : Not Applicable

Class of securities listed : Not Applicable

12. Check whether the issuer:

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

Yes [x] No [ ]

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

Yes [x] No [ ]

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## PART I – FINANCIAL INFORMATION

### Item 1. Financial Statements

#### Statements of Financial Position As at March 31, 2026 and December 31, 2025

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Notes 4 and 12)	P2,500,360,106	P2,330,898,807
Trade and other receivables (Note 6)	780,414,648	774,605,644
Other current assets (Note 7)	252,373,061	216,612,134
<b>Total Current Assets</b>	<b>3,533,147,815</b>	<b>3,322,116,585</b>
<b>Noncurrent Assets</b>		
Financial assets at fair value through other comprehensive income (FVOCI) (Note 5)	213,941,927	206,694,592
Investment properties (Note 8)	46,558,944,720	46,522,866,702
Property and equipment (Note 9)	83,305,894	86,163,467
Deferred rent assets - net of current portion (Note 7)	317,931,430	317,931,430
<b>Total Noncurrent Assets</b>	<b>47,174,123,971</b>	<b>47,133,656,191</b>
<b>TOTAL ASSETS</b>	<b>P50,707,271,786</b>	<b>P50,455,772,776</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables (Note 10)	P309,797,778	P233,852,955
Current portion of deposits and other current liabilities (Note 11)	136,343,988	114,063,678
Income tax payable	25,610,352	25,610,352
<b>Total Current Liabilities</b>	<b>471,752,118</b>	<b>373,526,985</b>
<b>Noncurrent Liabilities</b>		
Deposits and other noncurrent liabilities - net of current portion (Note 11)	546,512,244	484,814,619
Retirement liability (Note 16)	3,848,799	3,848,799
Deferred income tax liabilities - net (Note 16)	35,201,276	35,201,276
<b>Total Noncurrent Liabilities</b>	<b>585,562,319</b>	<b>523,864,694</b>
<b>Total Liabilities</b>	<b>1,057,314,437</b>	<b>897,391,679</b>
<b>Equity</b>		
Capital stock (Note 17)	46,932,100,000	46,932,100,000
Retained earnings (Note 17)	2,553,661,066	2,469,332,149
Other comprehensive income (Notes 5 and 15)	164,196,283	156,948,948
<b>Total Equity</b>	<b>49,649,957,349</b>	<b>49,558,381,097</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P50,707,271,786</b>	<b>P50,455,772,776</b>

See accompanying Notes to Financial Statements.

**Statements of Comprehensive Income**  
**For the Three Months Ended March 31, 2026 and 2025**  
**(Unaudited)**

	<b>March 31, 2026</b> <b>(Unaudited)</b>	March 31, 2025 <b>(Unaudited)</b>
<b>INCOME</b>		
Rental income and dues (Notes 8 and 13)	<b>₱300,686,549</b>	₱271,353,712
Interest and other income (Note 13)	<b>25,724,829</b>	21,825,612
	<b>326,411,378</b>	293,179,324
<b>COSTS AND EXPENSES</b>		
Cost of rental income (Notes 8 and 14)	<b>(152,529,677)</b>	(156,389,648)
General and administrative expenses (Note 14)	<b>(62,244,329)</b>	(50,780,627)
Finance charges	<b>(9,311)</b>	(16,198)
	<b>(214,783,317)</b>	(207,186,473)
<b>INCOME BEFORE INCOME TAX</b>	<b>111,628,061</b>	85,992,851
<b>PROVISION FOR INCOME TAX (Note 16)</b>		
Current	<b>27,299,144</b>	21,592,881
Deferred	<b>–</b>	–
	<b>27,299,144</b>	21,592,881
<b>NET INCOME</b>	<b>84,328,917</b>	64,399,970
<b>OTHER COMPREHENSIVE INCOME</b>		
<i>Item that recycles to profit or loss in subsequent periods</i>		
Net changes in unrealized losses on financial assets at FVOCI (see Note 5)	<b>247,335</b>	282,597
<i>Item that does not recycle to profit or loss in subsequent periods</i>		
Net changes in unrealized gains on financial assets at FVOCI, net of deferred income tax effect (see Note 5)	<b>7,000,000</b>	600,000
	<b>7,247,335</b>	882,597
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱91,576,252</b>	₱65,282,567
<b>BASIC AND DILUTED EARNINGS PER SHARE (Note 19)</b>		
	<b>₱0.002</b>	₱0.001

See accompanying Notes to Financial Statements.

**Statements of Changes in Equity**  
**For the Three Months Ended March 31, 2026 and 2025**  
**(Unaudited)**

	Capital Stock (Note 17)	Retained Earnings (Note 17)	Other Comprehensive Income (Loss)		Subtotal	Total
			Net Unrealized Gain on Financial Assets at FVOCI (Note 5)	Actuarial Loss on Retirement Liability (Note 16)		
<b>BALANCES AS AT JANUARY 1, 2025</b>	<b>P46,932,100,000</b>	<b>P2,067,653,217</b>	<b>P168,579,303</b>	<b>(P1,996,456)</b>	<b>P166,582,847</b>	<b>P49,166,336,064</b>
Net income	-	64,399,970	-	-	-	64,399,970
Other comprehensive income	-	-	882,597	-	882,597	882,597
Total comprehensive income	-	64,399,970	882,597	-	882,597	65,282,567
<b>BALANCES AS AT MARCH 31, 2025</b>	<b>P46,932,100,000</b>	<b>P2,132,053,187</b>	<b>P169,461,900</b>	<b>(P1,996,456)</b>	<b>P167,465,444</b>	<b>P49,231,618,631</b>
<b>BALANCES AS AT JANUARY 1, 2026</b>	<b>P46,932,100,000</b>	<b>P2,469,332,149</b>	<b>P158,945,404</b>	<b>(P1,996,456)</b>	<b>P156,948,948</b>	<b>P49,558,381,097</b>
Net income	-	84,328,917	-	-	-	84,328,917
Other comprehensive income	-	-	7,247,335	-	7,247,335	7,247,335
Total comprehensive income	-	84,328,917	7,247,335	-	7,247,335	91,576,252
<b>BALANCES AS AT MARCH 31, 2026</b>	<b>P46,932,100,000</b>	<b>P2,553,661,066</b>	<b>P166,192,739</b>	<b>(P1,996,456)</b>	<b>P164,196,283</b>	<b>P49,649,957,349</b>

See accompanying Notes to Financial Statements.

**Statements of Cash Flows**  
**For the Three Months Ended March 31, 2026 and 2025**  
**(Unaudited)**

	March 31, 2026	March 31, 2025
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	P111,628,061	P85,992,851
Adjustments for:		
Depreciation (Note 8, 9, and 14)	45,360,523	45,931,633
Interest income (Notes 4, 5 and 13)	(24,607,776)	(21,760,038)
Mark-to-market gain on financial assets at FVTPL (Notes 7 and 13)	(32,630)	(32,888)
Finance charges	9,311	16,198
Operating income before working capital changes	132,357,489	110,147,756
Decrease (increase) in:		
Trade and other receivables (Note 6)	(4,061,646)	(50,459,149)
Other current assets (Note 7)	(35,728,297)	32,426,409
Increase (decrease) in:		
Trade and other payables (Note 10)	75,935,512	(45,484,440)
Deposits and other liabilities (Note 11)	83,977,935	14,922,753
Cash generated from operations	252,480,993	61,553,329
Income taxes paid, including final tax	(26,862,304)	(21,592,881)
Interest received	22,423,578	27,596,131
Net cash provided by operating activities	248,042,267	67,556,579
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to investment properties and property and equipment (Notes 8 and 9)	(78,580,968)	(69,672,959)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>169,461,299</b>	<b>(2,116,380)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>2,330,898,807</b>	<b>1,919,455,217</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>P2,500,360,106</b>	<b>P1,917,338,837</b>

See accompanying Notes to Financial Statements.

**Notes to the Unaudited Financial Statements  
As at March 31, 2026 and December 31, 2025  
And for the Three Months Ended March 31, 2026 and 2025**

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**1. Corporate Information**

PNB Holdings Corporation (the “Company”) was incorporated in the Philippines on May 20, 1920 to invest, subscribe for, sell, transfer, exchange or otherwise dispose of all kinds of stocks, bonds, certificates of deposit, contract of instruments whatsoever representing evidence of title or interest in the capital of any property or assets and leases of all kinds.

The Revised Corporation Code, Republic Act No. 11232, which took effect in 2019 provides that corporations with certificates of incorporation issued prior to the effectivity of this Code, and which continue to exist, shall have perpetual existence, unless the corporation, upon a vote of its stockholders representing a majority of its outstanding capital stock, notifies the Commission that it elects to retain its specific corporate term pursuant to its articles of incorporation.

On October 9, 2020, the Company’s Board of Directors (BOD) and stockholders approved the amendments to the secondary purposes of the Company to invest and acquire by purchase, transfer, exchange or otherwise, to own, use, improve, develop, operate, sell, assign, transfer, exchange, lease, mortgage, pledge, and the like, any or all properties of every kind and description and wherever situated and as to the extent permitted by law (including but not limited to real estate, and any right or interest therein), to exercise all rights, powers and privileges of ownership or any other interest therein, including the right to develop, conduct, operate and maintain the real estate business, such as but not limited to the operation, maintenance of commercial spaces for rent, to construct, erect, manage, and administer buildings for commercial, residential, or mixed use purposes to engage in any and all kinds of real estate business. This was subsequently approved by the Philippine Securities and Exchange Commission (SEC) on January 13, 2021.

On October 20, 2020, the Company’s BOD and stockholders approved the increase of its authorized capital stock from ₱500.0 million divided into 5.0 million shares with a par value of ₱100.0 per share to ₱5,500.0 million divided into 505.0 million shares with a par value of ₱100.0 per share. On December 11, 2020, the Company filed an application with the Philippine SEC to increase its authorized capital stock which was subsequently approved by the SEC on January 13, 2021. Out of the increase in the authorized capital stock of 500.0 million shares, 466.8 million with a par value of 100.0 per share have been subscribed by Philippine National Bank (PNB) through the exchange of real estate properties (see Note 8). This resulted to the Company becoming a wholly owned subsidiary of the bank.

On April 23, 2021, PNB’s BOD approved the property dividend declaration of up to 239,353,710 common shares of PNB Holdings Corporation, representing 51.00% ownership, with a par value of ₱100 per share, to all stockholders of record as of May 18, 2021, or ₱23.9 billion. On December 24, 2021, the Philippine SEC issued a certificate of filing the notice of property dividend declaration.

On May 29, 2023, the SEC approved the decrease in the par value of the shares of the Company from ₱100.00 per share to ₱1.00 per share, without any return of capital. As a result, the authorized capital stock of the Corporation increased from 505,000,000 common shares with a par value of ₱100.00 per share, to 50,500,000,000 common shares with a par value of ₱1.00 per share.

Prior to the distribution of the property dividend, the Company was a wholly owned subsidiary of PNB. As a result of the property dividend, LT Group Inc., a publicly-listed company incorporated and domiciled in the Philippines, gained indirect ownership of the Company of up to 30.51% through LTG-affiliated companies which received the dividend shares. The Company’s ultimate parent company, Tangent Holdings Corporation, is also incorporated in the Philippines.

On December 22, 2025 and January 14, 2026, the Company filed with the SEC and the Philippine Stock Exchange (PSE), respectively, applications for listing based on Section 1(b) of the PSE’s Amended Rules on Listing by Way of Introduction, which provides that listing of securities by way of introduction may be appropriate where the securities of an unlisted issuer (the Company in this case)

are distributed by way of property dividend by a listed issuer (PNB in this case) to shareholders of that listed issuer.

On March 23, 2026, the SEC issued a Pre-Effective Clearance on the Company's listing application, subject to further compliance. Subsequently, the SEC issued the Order of Registration on April 8, 2026, and the PSE released the Notice of Approval on May 8, 2026.

The Company's registered business address is 4th Floor and 12th Floor, PNB Makati Center 6754 Ayala Avenue, Brgy. San Lorenzo, Makati City.

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## 2. Summary of Material Accounting Policies

### Basis of Preparation and Statement of Compliance

The financial statements have been prepared under the historical cost basis, except for financial assets at fair value through profit or loss (FVTPL) and financial assets at fair value through other comprehensive income (FVOCI) and are presented in Philippine peso (Peso), which is the Company's functional and presentation currency. All amounts are rounded to the nearest Peso except when otherwise indicated.

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

PFRS Accounting Standards require an entity to present at a minimum a complete set of financial statements for the preceding year, including comparative amounts in the notes to the financial statements.

### Changes in Material Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2026. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Company.

### *Effective beginning on or after January 1, 2026*

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

### Standards Issued but not yet Effective

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

### *Effective beginning on or after January 1, 2027*

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

#### *Deferred effectivity*

- Amendments to PFRS 10, *Consolidated Financial Statements, and PAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- PFRS 17, *Insurance Contracts*

#### Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Company 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 financial statements are categorized within the fair value hierarchy.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets or liability and the level of the fair value hierarchy.

#### Financial Instruments - Classification and Measurement

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined under PFRS 15.

As of March 31, 2026 and December 2025, the Company's financial assets pertain to financial assets at amortized cost (debt instrument), fair value through profit or loss (FVTPL) and fair value through OCI (FVOCI).

##### Financial assets at FVTPL

Financial assets are measured at FVTPL unless these are measured at FVOCI or at amortized cost. Financial liabilities are classified as either financial liabilities at FVTPL or financial liabilities at amortized cost. The classification of financial assets depends on the contractual terms and the business model for managing the financial assets. Subsequent to initial recognition, the Company may reclassify its financial assets only when there is a change in its business model for managing these financial assets. Reclassification of financial liabilities is not allowed.

The Company determines the appropriate classification of financial assets at the time of purchase and re-evaluates its portfolio on a regular basis to ensure that all financial assets are appropriately classified. Classification of financial assets is determined by both the contractual cash flow characteristics of the financial assets (cash flow characteristics test) and the Company's business model for managing the financial assets (business model test). The Company first assesses the contractual terms of financial assets to identify whether they pass the contractual cash flows test (Solely Payment of Principal and Interest (SPPI) test). For the purpose of the SPPI test, principal is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium or discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. In contrast, contractual terms that introduce a more than insignificant exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are SPPI. In such cases, the financial asset is required to be measured at FVTPL. Only financial assets that pass the SPPI test are eligible to be measured at FVOCI or at amortized cost.

The Company determines its business model at the level that best reflects how it manages Company of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

#### Financial assets at FVOCI

The Company's financial assets at FVOCI include quoted debt and equity securities. After initial measurement, financial assets at FVOCI are subsequently measured at fair value. The unrealized gains and losses arising from the fair valuation of financial assets at FVOCI are excluded, as applicable, from the reported earnings and are included in the statement of comprehensive income as "Net changes in unrealized gains on financial assets at FVOCI".

Debt securities at FVOCI are those that meet both the following conditions: (i) the asset is held within a business model whose objective is to hold the financial assets in order to both collect contractual cash flows and sell financial assets; and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the outstanding principal amount. The effective yield component of debt securities at FVOCI, as well as the impact of the restatement of foreign currency-denominated debt securities at FVOCI, is reported in profit or loss. Interest earned on holding debt securities at FVOCI are reported as 'Interest' in profit or loss using the effective interest rate (EIR) method.

When the debt securities at FVOCI are disposed of, the cumulative gain or loss previously recognized in the other comprehensive income (OCI) is recognized in the profit or loss. Where the Company holds more than one investment in the same security, these are deemed to be disposed based on specific identification. The expected credit losses (ECL) arising from impairment of such investments are recognized in OCI with a corresponding charge to "Provision for ECL" in profit or loss.

Equity securities designated at FVOCI are those that the Company made an irrevocable election at initial recognition to present in OCI the subsequent changes in fair value. Dividends earned on holding equity securities at FVOCI are recognized in the statement of comprehensive income under "Other income" when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are adjusted to the carrying amount of the investment. Gains and losses on disposal of these equity securities are never recycled to profit or loss, but the cumulative gain or loss previously recognized in the statement of comprehensive income is reclassified to "Retained earnings" or any other appropriate equity account upon disposal. Equity securities at FVOCI are not subject to impairment assessment.

### *Impairment of financial assets*

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For trade receivables and refundable deposits, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

For cash and cash equivalents, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis.

### Investment Properties

Investment properties are measured initially at its deemed cost, including transaction costs. 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 directly measured in which case the investment property acquired is measured at the carrying amount of the asset given up. The fair value at the date of receipt of the investment properties is considered its deemed cost.

Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and impairment loss, if any.

Expenditures incurred after the investment properties have been put into operations are normally charged against income in the year in which the costs are incurred, unless they meet the capitalization criteria under applicable accounting standards. According to standards, subsequent expenditure should be recognized in the carrying amount of the investment property if it is expected to produce future economic benefits to the entity and its costs can be reliably measured.

Depreciation of investment properties commences once these are available for use and is computed on a straight-line basis over their estimated useful lives. In 2025, the Company reassessed and adjusted the useful lives of certain buildings classified as investment properties to better reflect appraisal assessments and the impact of structural improvements. The revised estimated useful lives are as follows:

<u>Category</u>	<u>Years</u>
Buildings	21 to 31 (previously 17 to 25)
Condominium units	50
Building improvements	10

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

Investment properties are derecognized when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in statement of comprehensive income in the year of retirement or disposal.

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

The disclosure of the fair value of investment properties is determined by a Philippine SEC-accredited and independent valuer based on Market Approach using sales and listings of comparable properties having same potential use with the investment properties owned by the Company.

#### Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and any impairment in value.

The initial cost of property and equipment consists of its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use and any estimated cost of dismantling and removing the property and equipment item and restoring the site on which it is located to the extent that the Company had recognized the obligation of that cost. Such cost includes the cost of replacing part of the property and equipment if the recognition criteria are met. When significant parts of property and equipment are required to be replaced in intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciation, respectively. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation of an item of property and equipment begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) and the date the asset is derecognized.

Depreciation is computed on a straight-line basis over the following estimated useful lives of the assets:

	<u>Number of Years</u>
Transportation equipment	5
Furniture, fixtures and office equipment	5
Office Improvements	5

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

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any accumulated impairment in value are removed from the accounts and any resulting gain or loss is recognized in profit or loss.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Impairment losses, if any, are recognized in profit or loss.

#### Asset Under Construction

Assets under construction represent costs incurred for the construction of buildings, infrastructure, and other capital projects that are not yet completed. These costs include materials, labor, and overhead directly attributable to the construction activities. Assets under constructions are classified as either investment property or property and equipment, based on management's intended future use of the project and is depreciated over its useful life upon completion of the construction (See policy on depreciation in the preceding sections).

Expenditures related to construction in progress are capitalized when they meet the criteria for recognition as an asset. Costs that do not meet these criteria are expensed as incurred. The capitalization of costs ceases when the asset is ready for its intended use. Depreciation for property and equipment begins on the month following the capitalization of the asset and is computed on a straight-line basis over the estimated useful life of the asset.

Construction in progress is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized if the carrying amount exceeds the recoverable amount.

### Leases

#### *The Company as lessor*

In operating leases where the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset, the Company recognizes rental income on a straight-line basis over the lease terms. The Company adds back the initial direct costs incurred in negotiating and arranging an operating lease to the carrying amount of the leased asset and recognizes them as expense over the lease term on the same basis.

### Employee Benefits

#### *Short-term Benefits*

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

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

#### *Retirement Benefits*

The Company has a defined benefit plan covering all qualified employees. The retirement benefits cost is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Company recognizes retirement benefits cost, comprising of current service costs and interest costs in profit or loss. Interest is calculated by applying the discount rate to the retirement liability.

Remeasurements pertaining to actuarial gains and losses are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

The retirement liability is the present value of the defined benefit obligation. The present value of the retirement liability is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability. Actuarial valuations are made with sufficient regularity so that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

### Revenue, Income and Cost Recognition

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

#### *Rental income*

Rental income arising on leased properties under operating lease is accounted for on a straight-line basis over the lease terms on ongoing leases.

#### *Charges and expenses recoverable from tenants*

Income arising from expenses recharged to tenants recorded as "Rental dues" is recognized in the period in which the compensation becomes receivable. The Company is acting as a principal.

#### *Cost of rental income*

Cost of rental income is recognized in relation to the leasing activities of the Company. This includes depreciation of the investment properties being leased out, real property taxes and other directly attributable costs.

#### *Interest income*

Interest on held-for-trading investments is recognized based on contractual rate. Interest on financial instruments measured at amortized cost and FVOCI are recognized based on effective interest method of accounting to calculate the amortized cost of a financial asset or a financial liability and allocate the interest income or interest expense.

The Company records interest income using the EIR, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. In calculating EIR, the Company considers all contractual terms of the financial instrument (for example, prepayment options), and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. The Company adjusts the carrying amount of the financial instrument through "Finance charges" in the statement of comprehensive income based on the original EIR.

#### Income Taxes

Income tax on profit and loss for the year comprises current and deferred tax. Income tax is determined in accordance with Philippine tax laws. Income tax is recognized in profit or loss in the statements of comprehensive income, except to the extent that it relates to items directly recognized in OCI.

#### *Current tax*

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

#### *Deferred tax*

Deferred tax is provided, using the balance sheet liability method, on all 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, including asset revaluations. Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT), and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient taxable profit will be available against which the deductible temporary differences and carryforward of unused tax credits from MCIT and unused NOLCO can be utilized. Deferred tax, however, is not recognized on temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income.

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 assets to be recovered.

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

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

Current income tax and deferred income tax relating to items recognized directly in OCI are recognized in the statement of comprehensive income.

#### Earnings per Share

The Company presents basic and diluted earnings per share (EPS). Basic and diluted EPS is calculated by dividing the net income by the weighted average number of capital stock outstanding during the period.

#### Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Company's other components. The operating results of an operating segment are reviewed regularly by the chief operating decision maker to determine the resources to be allocated to the segment and assess its performance, and for which financial information is available.

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire investment properties and property and equipment.

#### Events After the Balance Sheet Date

Post year-end events that provide additional information about the Company's financial position at the reporting year (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.

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### **3. Significant Judgments, Accounting Estimates and Assumptions**

The preparation of the financial statements requires the Company to exercise judgments, make accounting estimates and use assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the accounting estimates to change. The effects of any change in accounting estimates are reflected in the financial statements as they become reasonably determinable.

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

#### Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on amounts recognized in the financial statements. Future events may occur which will cause the assumptions used in arriving at the accounting estimates to change. The effects of any change in accounting estimates are reflected in the financial statements as they become reasonably determinable.

#### *Operating lease commitments - the Company as lessor*

The Company has entered into commercial property leases of its investment property. The Company has determined that it retains all significant risks and rewards of ownership of these properties which are leased out on operating leases (see Notes 8 and 18).

#### *Distinction between investment properties and owner-occupied properties*

The Company determines whether a property qualifies as investment property. In making its judgment, the Company considers whether the property generates cash flow largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to the other assets used in the provision of services.

Certain properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use for administrative purposes. If these portions cannot be sold separately as of the financial reporting date, the property is accounted for as investment property only if an insignificant portion is held for use for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Company considers each property separately in making its judgment.

The Company determined that certain floors and locations of its properties are owner-occupied for use by its personnel and are classified as property and equipment. Furthermore, assets under construction are classified as property and equipment or investment property depending on management's intended use and are reassessed on an annual basis or upon the completion of these projects in response to the market demand for leasable properties or future plans (see Note 9).

#### *Determination of fair value of financial and nonfinancial instruments*

Where the fair values of financial and nonfinancial instruments recorded or disclosed in the financial statements are derived from available market data, they are determined using external valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values (see Notes 8 and 21).

For nonfinancial instrument, fair value measurement considers the asset's highest and best use. This represents the use of the asset that is physically possible, legally permissible, and financially feasible, and that maximizes the value of the asset to market participants, regardless of the Company's intended use. The asset's current use is presumed to be its highest and best use unless market or other factors suggest that an alternative use would generate greater value. Accordingly, if the current use meets the criteria of highest and best use, fair value is measured based on that current use. This ensures that valuations reflect market participant assumptions and the most economically advantageous use of the asset.

#### *Determination of the highest and best use of the investment properties*

The current use of the investment properties is presumed to be its highest and best use unless market or other factors suggest that a different use by market participants would maximize the value of the asset. The highest and best use is determined from the perspective of market participants. The Company has assessed that the highest and best use of some of these investment properties may be different from its current use (see Note 8).

#### *Assessment of impairment of noncurrent nonfinancial assets and estimation of recoverable amount*

The Company evaluates its nonfinancial assets, which include investment properties for any impairment in value. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends.

As described in the accounting policy, the Company estimates the recoverable amount as the higher of the asset's fair value less costs to sell and value-in-use. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Company is required to make estimates and assumptions that can materially affect the financial statements.

#### Accounting Estimates and Assumptions

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

*Estimation of allowance for expected credit losses of debt instruments at amortized cost*

The level of allowance for loans and receivables is evaluated by management based on past collection history and other factors which include, but are not limited to the length of the Company's relationship with the customer, the customer's payment behavior and known market factors that affect the collectability of the accounts.

Allowance for ECL is presented in Note 6.

Other than this, there has been no movement in the allowance for expected credit losses. This is following the management's assessment that all outstanding receivables are collectible during the ordinary course of business.

*Estimation of useful lives of nonfinancial assets*

The Company estimates the useful lives of its nonfinancial assets based on the period over which the assets are expected to be available for use. The estimated useful lives of the nonfinancial assets are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned above. A reduction in the estimated useful lives of nonfinancial assets would increase depreciation and amortization expense and decrease noncurrent assets.

There was a change in the estimated useful lives of depreciable nonfinancial assets in 2025. No changes were made in 2026. The carrying values of the Company's investment properties (excluding land and construction in progress) are presented in Note 8. The carrying values of the Company's property and equipment (excluding construction in progress) are presented in Note 9.

*Recognition of deferred income tax assets*

The Company reviews the carrying amounts at each financial reporting date and adjusts deferred income tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. The determination of future taxable profits requires the estimation and use of assumptions about the Company's future taxable income and timing of reversal of temporary differences. differences. The Company recognized deferred income tax assets of are presented in Note 16.

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#### 4. Cash and Cash Equivalents

	<b>March 31, 2026</b>	December 31, 2025
Cash on hand	<b>₱14,440</b>	₱14,440
Cash in banks (Note 12)	<b>129,372,063</b>	174,197,091
Cash equivalents (Note 12)	<b>2,370,973,603</b>	2,156,687,276
	<b>₱2,500,360,106</b>	₱2,330,898,807

Cash in banks and cash equivalents earn interest at the prevailing bank deposit rates. Interest income earned from cash in banks and cash equivalents amounted to, ₱24.5 million and ₱21.7 million for the three months ended March 31, 2026 and 2025, respectively (see Notes 12 and 13).

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#### 5. Financial Assets at FVOCI

This account consists of:

	<b>March 31, 2026</b>	December 31, 2025
Equity securities	<b>₱208,000,000</b>	₱201,000,000
Government securities	<b>5,941,927</b>	5,694,592
	<b>₱213,941,927</b>	₱206,694,592

In the first quarter of 2026 and 2025, effective annual interest rates of government securities ranges from 5.03% to 6.94% and from 5.38% to 6.13%, respectively. Interest income earned on financial assets at FVOCI amounted to ₱67,500 for the three months ended March 31, 2026 and ₱43,000 for three months ended March 31, 2025 (see Note 13).

The movements in the net unrealized gains on financial assets at FVOCI follow:

	March 31, 2026	December 31, 2025
Balance at beginning of period	<b>₱158,945,404</b>	₱168,579,303
<i>Recycles to profit or loss in subsequent periods</i>		
Changes in fair values of government securities	<b>247,335</b>	66,001
<i>Does not recycle to profit or loss in subsequent periods</i>		
Changes in fair values of equity securities	<b>7,000,000</b>	(11,400,000)
	<b>7,247,335</b>	(11,333,999)
Deferred income tax effect	-	1,700,100
Net changes in unrealized gains	<b>7,247,335</b>	(9,633,899)
Balance at end of period	<b>₱166,192,739</b>	₱158,945,404

The movements of financial assets at FVOCI follow:

	March 31, 2026	December 31, 2025
Balance at beginning of period	<b>₱206,694,592</b>	₱218,028,591
Net unrealized fair value gains (losses)	<b>7,247,335</b>	(11,333,999)
Balance at end of period	<b>₱213,941,927</b>	₱206,694,592

## 6. Trade and Other Receivables

	March 31, 2026	December 31, 2025
Lease receivables (Note 12)	<b>₱774,254,322</b>	₱770,192,676
Interest	<b>6,160,326</b>	4,412,968
Others	<b>20,021,133</b>	20,021,133
	<b>800,435,781</b>	794,626,777
Allowance for ECL	<b>(20,021,133)</b>	(20,021,133)
	<b>₱780,414,648</b>	₱774,605,644

Other receivable pertains to advances made to the National Government in relation to the Company's sugar trading operations in the past amounting to ₱20.0 million. A favorable judgment from the office of the Solicitor General on the arbitration case against the Bureau of Treasury involving said advances was affirmed by the Department of Justice in 1998. However, it is not yet certain when the loans and receivables will finally be collected by the Company. As of March 31, 2026 and December 31, 2025, these receivables aggregating to ₱20.0 million were fully provided with allowance for credit losses.

Other than these, there has been no movement in the allowance for expected credit losses.

## 7. Other Current Assets

	March 31, 2026	December 31, 2025
Deferred rent assets	<b>₱323,084,486</b>	₱323,084,486
Prepayments:		
Real property taxes	<b>111,036,295</b>	126,072,779
Others	<b>37,828,569</b>	8,001,828
Advances to contractors and suppliers	<b>58,839,370</b>	68,033,671
Input tax	<b>22,108,605</b>	-
Creditable withholding tax	<b>4,440,517</b>	-
Financial assets at FVTPL	<b>3,435,931</b>	3,403,301
Refundable deposits	<b>1,559,378</b>	1,559,378
Others	<b>7,971,340</b>	4,388,121
	<b>570,304,491</b>	534,543,564
Less: Noncurrent portion of deferred rent assets	<b>317,931,430</b>	317,931,430
	<b>₱252,373,061</b>	₱216,612,134

- a. Deferred rent assets pertain to difference of rental income based on lease terms over rental income using straight line basis (see Note 18)
- b. Other prepayments consist of annual fees and licenses for the building, association dues and other prepaid expenses.
- c. Advances to contractors and suppliers are recouped every settlement of progress billings based on percentage of accomplishment of each contract package. The activities related to these advances will be completed within the Company's normal operating cycle.
- d. Financial assets at FVTPL

This account consists of the following:

	March 31, 2026	December 31, 2025
Investment in UITF (Note 12)	<b>₱3,392,761</b>	₱3,369,928
Equity securities	<b>43,170</b>	33,373
	<b>₱3,435,931</b>	₱3,403,301

The Company recognized net trading gains on financial assets at FVTPL as follows:

	March 31, 2026	March 31, 2025
Unrealized fair value gains (losses):		
Investment in UITF (Note 12)	<b>₱22,833</b>	₱32,184
Equity securities	<b>9,797</b>	704
	<b>₱32,630</b>	₱32,888

The movements of financial assets at FVTPL follow:

	March 31, 2026	December 31, 2025
Balance at beginning of period	<b>₱3,403,301</b>	₱3,278,815
Mark-to-market gain on financial assets at FVTPL	<b>32,630</b>	124,486
Balance at end of period	<b>₱3,435,931</b>	₱3,403,301

- e. Refundable deposits consist principally of amounts paid to utility providers for service applications.
- f. Other current assets consist of advances to officers and employees, input VAT and miscellaneous assets.

## 8. Investment Properties

	March 31, 2026					Total
	Land	Buildings and Improvements	Condominium Units	Construction in Progress		
<b>Cost</b>						
Beginning of year	₱43,271,988,143	₱3,564,737,630	₱35,213,415	₱436,413,536		₱47,308,352,724
Reclassification (Note 9)	-	-	-	77,450,343		77,450,343
End of year	43,271,988,143	3,564,737,630	35,213,415	513,863,879		47,385,803,069
<b>Accumulated Depreciation</b>						
Beginning of year	-	768,847,768	16,638,255	-		785,486,023
Depreciation (Note 14)	-	41,194,545	177,781	-		41,372,326
End of year	-	810,042,313	16,816,036	-		826,858,349
<b>Net Book Values</b>	<b>₱43,271,988,143</b>	<b>₱2,754,695,317</b>	<b>₱18,397,379</b>	<b>₱513,863,879</b>		<b>₱46,558,944,720</b>

  

	December 31, 2025					Total
	Land	Buildings and Improvements	Condominium Units	Construction in Progress		
<b>Cost</b>						
Beginning of year	₱43,271,988,143	₱3,520,258,746	₱35,213,415	₱-		₱46,827,460,304
Reclassification (Note 9)	-	-	-	480,892,420		480,892,420
Transfers	-	44,478,884	-	(44,478,884)		-
End of year	43,271,988,143	3,564,737,630	35,213,415	436,413,536		47,308,352,724
<b>Accumulated Depreciation</b>						
Beginning of year	-	635,527,025	15,216,007	-		651,454,156
Depreciation	-	133,320,743	711,124	-		134,031,867
End of year	-	768,847,768	16,638,255	-		785,486,023
<b>Net Book Values</b>	<b>₱43,271,988,143</b>	<b>₱2,795,889,862</b>	<b>₱18,575,160</b>	<b>₱436,413,536</b>		<b>₱46,522,866,701</b>

- a. Rental income and dues arising from the investment properties amounted to ₱300.7 million and ₱271.4 million for the three months ended March 31, 2026 and 2025, respectively (see Notes 12 and 13). Direct costs arising from the investment properties amounted to ₱152.5 million and ₱156.4 million for the three months ended March 31, 2026 and 2025, respectively (see Notes 12 and 14).

Depreciation of investment properties amounting to ₱41.4 million and ₱42.3 million for the three months ended March 31, 2026 and 2025, respectively, was recognized as part of "Cost of rental income" account (see Note 14).

- b. The estimated fair value of land, condominium units, and buildings for lease, are as follows:

Property	Approach	Fair Value as of	
		March 31, 2025	December 31, 2025
Financial Center (land and building)	Market approach	₱59,729,662,400	₱59,729,662,400
Makati Center (land and building)	Market approach	12,749,596,900	12,749,596,900
Buendia (land only)	Market approach	13,136,000,000	13,136,000,000
Others	Market approach	183,410,000	183,410,000
		<b>₱85,798,669,300</b>	<b>₱85,798,669,300</b>

The estimated fair value of the investment properties was arrived at using the Market Approach due to a number of transactions involving comparable properties within their respective areas during the year. The determination of the appropriate approach for the properties is based on the quality and quantity of data available, particularly the relevance of the property under appraisal. In this approach, the value of the investment properties was based on sales and listings of comparable property having the same potential use with the subject properties (e.g., for future development, for rent) registered within the vicinity. The approach requires the adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator. Management has determined that the inputs to the determination of the fair value of investment properties to be Level 2 fair value measurements.

The valuations were performed by a Philippine SEC-accredited and independent valuer. The valuation model used in accordance with that recommended by the International Valuation Standards Council has been applied. These valuation models are consistent with the principles in PFRS 13, *Fair Value Measurement*.

The fair values of investment properties for lease were updated to reflect the value of comparable property registered within the vicinity as of December 31, 2025.

The fair values of the Company's investment properties have been determined by the appraisal method by accredited independent external appraiser based on highest and best use of property being appraised. Valuations were derived on the basis of recent sales of similar properties in the same areas and taking into account the economic conditions prevailing at the time the valuations were made and comparability of similar properties sold with the property being valued.

Description of the valuation techniques used in the valuation of Company's investment properties is as follows:

Valuation Techniques

Market Data Approach                      A process of comparing the subject property being appraised based on the property's highest and best use (i.e., current use of the properties) to similar comparable properties recently sold or being offered for sale.

Significant Unobservable Inputs

Price per square meter	Ranges from ₱91,000 to ₱1,863,000 in 2026 and 2025
Reproduction cost new	The cost to create a virtual replica of the existing structure, employing the same design and similar building materials.
Size	Size of unit in terms of area. Evaluate if the unit size of property or comparable conforms to the average cut of the units in the area and estimate the impact of unit size differences on condominium unit values.
Shape	Particular form or configuration of the lot. A highly irregular shape limits the usable area whereas an ideal lot configuration maximizes the usable area of the lot which is associated in designing an improvement which conforms with the highest and best use of the property.
Location	Location of comparative properties whether on a main road, or secondary road. Road width could also be a consideration if data is available. As a rule, properties located along a main road are superior to properties located along a secondary road.
Time element	"An adjustment for market conditions is made if general property values have appreciated or depreciated since the transaction dates due to inflation or deflation or a change in investors' perceptions of

## Valuation Techniques

the market over time". In which case, the current data is superior to historic data.

Discount Generally, asking prices in ads posted for sale are negotiable. Discount is the amount the seller or developer is willing to deduct from the posted selling price if the transaction will be in cash or equivalent.

For certain properties within the portfolio, the current use differs from the determined highest and best use. The following table summarizes the properties for which the current use varies from the highest and best use:

<b>Property</b>	<b>Current Use</b>	<b>Highest and Best Use</b>	<b>Reasons for the Difference</b>
Financial Center	Office leasing	Mixed institutional and commercial development	Driven by the demand in the market based on actual recent sales and the appreciation of the value of land through passage of time, the Company plans to redevelop these properties to maximize the economic benefits.
Makati Center	Office leasing	High-rise mixed used strata type development with commercial and office components	

- c. As disclosed in Note 1, the Company increased its authorized capital stock from ₱500.0 million divided into 5.0 million shares with a par value of ₱100.0 per share to ₱50,500.0 million divided into 505.0 million shares with a par value of ₱100.0 per share. Out of the increase in the authorized capital stock of 500.0 million shares, 466.8 million shares with a par value of ₱100.0 per share have been subscribed by PNB through the exchange of real estate properties which was recorded initially at fair value amounting to ₱46,677.0 million in 2021. The fair value at the date of receipt of the investment properties is considered its deemed cost.
- d. In 2025, the Company reassessed and adjusted the useful lives of its buildings. Based on the updated appraisal assessments and the impact of structural improvements, management determined that the useful lives of the buildings should be extended from 17 to 25 years to 21 to 31 years.

This change constitutes a change in accounting estimate under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, and has been applied prospectively. As a result, depreciation expense for the year ended December 31, 2025 decreased by ₱38.7 million compared to the amount that would have been recognized under the previous estimate. The change will also increase depreciation expense in future periods by the same amount.

- e. Construction in progress represents costs incurred for the construction of buildings, infrastructure, and other capital projects that are not yet completed. These costs include materials, labor, and overhead directly attributable to the construction activities. Construction in progress is classified as either investment property or property and equipment, based on management's intended future use of the project. Upon completion, the total cost of the project is transferred to the appropriate investment property or property and equipment category and depreciated over its useful life.

A project is recognized as investment property if it is held to earn rentals, for capital appreciation, or both. Conversely, a project is recognized as property, plant, and equipment if it is used for administrative purposes or is expected to be utilized by the Company in its operations.

## 9. Property and Equipment

March 31, 2026				
	Furniture, Fixtures & Office Equipment	Transportation Equipment	Construction in Progress	Total
<b>Cost</b>				
Beginning of year	P64,367,046	P21,600,123	P23,984,428	P109,951,597
Additions	1,130,625	-	-	1,130,625
End of year	65,497,671	21,600,123	23,984,428	111,082,222
<b>Accumulated Depreciation</b>				
Beginning of year	17,725,279	6,062,852	-	23,788,131
Depreciation (Note 14)	2,908,191	1,080,006	-	3,988,197
End of year	20,633,470	7,142,858	-	27,776,328
<b>Net Book Values</b>	<b>P44,864,201</b>	<b>P14,457,265</b>	<b>P23,984,428</b>	<b>P83,305,894</b>

December 31, 2025				
	Furniture, Fixtures & Office Equipment	Transportation Equipment	Construction in Progress	Total
<b>Cost</b>				
Beginning of year	P18,594,220	P20,951,727	P281,163,848	P320,709,795
Additions	45,772,826	5,667,956	223,713,000	275,153,782
Disposal	-	(5,019,560)	-	(5,019,560)
Reclassification (Note 8)	-	-	(480,892,420)	(480,892,420)
End of year	64,367,046	21,600,123	23,984,428	109,951,597
<b>Accumulated Depreciation</b>				
Beginning of year	6,332,324	3,224,040	-	9,556,364
Depreciation	11,392,955	4,607,661	-	16,000,616
Disposal	-	(1,768,849)	-	(1,768,849)
End of year	17,725,279	6,062,852	-	23,788,131
<b>Net Book Values</b>	<b>P46,641,767</b>	<b>P15,537,271</b>	<b>P23,984,428</b>	<b>P86,163,467</b>

In 2025, the Company reclassified certain assets under construction from the "Property and Equipment" account to the "Investment Properties" account, amounting to P480.9 million, to reflect their intended use and management's purpose for holding the assets.

## 10. Trade and Other Payables

	March 31, 2026	December 31, 2025
Taxes payable:		
Output tax payable	P72,275,720	P12,263,326
Deferred output VAT payable	39,054,358	39,956,355
Other tax payable	3,630,096	5,285,068
Accrued expenses	138,971,508	146,451,635
Accounts payable (Note 12)	33,934,210	15,285,952
Retention payable	14,594,848	8,420,201
Others	7,337,038	6,190,418
	<b>P309,797,778</b>	<b>P233,852,955</b>

- Taxes payable includes output VAT, deferred output VAT, documentary stamp taxes and expanded withholding taxes payable to the Philippine tax authority.
- Accrued expenses are reclassified to accounts payable upon receipt of the related invoice. These are generally payable under normal credit terms and are settled within twelve (12) months from the reporting date.
- Accounts payable includes amount payable to suppliers which are normally settled within the Company's normal operating cycle.

- d. Retention payable represents the amount withheld by the company from payments due to contractors, which is normally released within one year.
- e. Other payables consist of advances from officers and other nontrade payables.

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## 11. Deposits and Other Liabilities

	March 31, 2026	December 31, 2025
Security deposits (Note 12)	<b>₱352,260,031</b>	₱311,479,492
Advance rentals (Note 12)	<b>330,596,201</b>	287,398,804
	<b>682,856,232</b>	598,878,296
Less current portion of:		
Security deposits	<b>116,016,941</b>	95,219,673
Advance rentals	<b>20,327,047</b>	18,844,005
	<b>136,343,988</b>	114,063,678
	<b>₱546,512,244</b>	₱484,814,619

Security deposits pertain to the amounts paid by tenants at the inception of the lease which are refundable at the end of the lease term. Security deposits are initially recorded at fair value, which was obtained by discounting future cash flows using the applicable rates of similar types of instruments.

Advance rentals pertain to deposits from tenants which will be applied against receivables either at the beginning or at the end of lease term, depending on the lease contract.

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## 12. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual. In considering each related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company has transacted with LT Group, Inc. and other related parties as follows:

### **Parent Company and Entities under Common Control**

#### *Parent Company*

LT Group, Inc. (LTG)

#### *Entities under common control*

Allianz PNB Life Insurance, Inc.  
 Alliedbankers Insurance Corporation  
 Asia Brewery, Inc.  
 Basic Holdings Corporation  
 Eton Properties Management Corporation  
 Eton Properties Philippines, Inc.  
 Lucky Travel Corporation  
 Mabuhay Digital Technologies, Inc.  
 Macroasia Corporation  
 Macroasia Mining Corporation  
 PAL Holdings, Inc.  
 Philippine Airlines  
 Philippine National Bank

### Parent Company and Entities under Common Control

PNB Capital and Investment Corporation  
 PNB Employees Savings and Loans Association Inc.  
 PNB Retirees and Employees Multi-Purpose Cooperative  
 PNB Securities, Inc.  
 PNB-Mizuho Leasing and Finance Corporation  
 Tanduy Brands International, Inc.  
 Watery Business Solutions, Inc.

The Company has transacted with its parent and other related parties as follows:

	Financial Statement Account		Amount/Volume		Outstanding Balance		Terms and Conditions
			March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025	
<b>With LTG</b>	Lease receivables	c	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	Unsecured; noninterest-bearing, not impaired
<b>With subsidiaries of LTG</b>	Cash and cash equivalents	a	<b>59,963,484</b>	521,011,405	<b>2,500,226,186</b>	2,440,262,702	Deposits and placements; interest-bearing
	Financial assets at FVTPL	b	<b>22,833</b>	124,543	<b>3,392,761</b>	3,369,928	Unsecured; noninterest-bearing, not impaired
	Lease receivables	c	<b>166,908,722</b>	907,892,956	<b>605,014,404</b>	683,834,008	Unsecured; noninterest-bearing, not impaired
	Advance rental	c	<b>36,165,920</b>	(4,967,946)	<b>237,485,372</b>	201,319,452	Unsecured; noninterest-bearing
	Security deposit	c	<b>24,474,255</b>	(14,783,544)	<b>237,490,201</b>	213,015,946	Unsecured; noninterest-bearing
	Management fees	d	<b>7,560,000</b>	30,240,000	-	-	Unsecured; noninterest-bearing

As of March 31, 2026 and December 31, 2025, the outstanding related party balances are unsecured and settlement occurs in cash, unless otherwise indicated. The Company has not recorded any impairment of receivables relating to amounts owed by related parties, unless otherwise indicated. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which these related parties operate.

Other terms and conditions related to the above related party balances and transactions are as follows:

- The Company's cash in banks and cash equivalents are deposited with PNB. Interest income on its cash in banks and cash equivalents amounted to ₱24.5 million and ₱21.7 million for the three months ended March 31, 2026 and 2025, respectively (see Notes 4 and 13).
- The Company's investment in UITF Peso Money Market Fund recorded under "Financial assets at FVTPL" account is with PNB. Trading gain on its investment in UITF amounted to ₱22,833 and ₱32,184 for the three months ended March 31, 2026 and 2025, respectively (see Note 7).
- The Company has various lease contract with its related parties for the use of its office spaces. Outstanding lease receivables as of March 31, 2026 and December 31, 2025 amounted to ₱605.0 million and ₱683.8 million, respectively (see Note 6).

The related security deposits and advance rental received amounted to ₱237.5 million and ₱237.5 million, respectively, as of March 31, 2025, and ₱213.0 million and ₱201.3 million,

respectively, as of December 31, 2025. Rental income and rental dues recognized amounted to P166.9 million and P208.3 million for the three months ended March 31, 2026 and 2025, respectively (see Notes 11 and 13).

- d. The Company has existing service contract agreements with Basic Holdings Corporation. Total management fee recognized under “Outside services” amounted to P7.6 million and P10.1 million for the three months ended March 31, 2026 and 2025, respectively (see Note 14). There is no outstanding balance as of March 31, 2026 and December 31, 2025.

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### 13. Income

#### Rental Income and Dues

- a. Breakdown as follows:

	<b>March 31, 2026</b>	March 31, 2025
Rental income (Notes 8 and 12)	<b>P248,446,920</b>	P215,787,705
Rental dues (Notes 8 and 12)	<b>52,239,629</b>	55,566,007
	<b>P300,686,549</b>	P271,353,712

Rental dues are recognized over time. Rental dues are earned and collected from commercial tenants. There are no contract balances related to the rental dues as of March 31, 2026 and December 31, 2025.

- b. Performance Obligations

The Company recognizes rental dues charged to tenants using an input method to measure progress towards complete satisfaction of the services, since the customers simultaneously receive and consume the benefits as the Company performs its obligation. The Company has no outstanding performance obligations as of March 31, 2026 and December 31, 2025.

#### Interest and Other Income

	<b>March 31, 2026</b>	March 31, 2025
Interest income:		
Cash and cash equivalents (Notes 4)	<b>P24,540,276</b>	P 21,717,038
Financial assets at FVOCI (Note 5)	<b>67,500</b>	43,000
Mark-to-market gain on financial assets at FVTPL (Notes 7 and 12)	<b>32,630</b>	32,888
Other income	<b>1,084,423</b>	32,686
	<b>P25,724,829</b>	P21,825,612

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### 14. Cost and Expenses

- a. Cost of Rental Income

	<b>March 31, 2026</b>	March 31, 2025
Depreciation	<b>P41,372,326</b>	P42,277,931
Taxes and licenses	<b>35,116,178</b>	36,777,258
Utilities	<b>29,535,212</b>	34,759,298
Outside services (Note 12)	<b>26,928,122</b>	28,529,328
Personnel cost	<b>12,765,707</b>	5,676,615
Repairs and maintenance	<b>4,856,899</b>	5,785,954
Others	<b>1,955,233</b>	2,583,264
	<b>P152,529,677</b>	P156,389,648

Other cost of rental income consists of insurance, supplies, association dues, and rent of low value assets.

b. General and Administrative Expenses

	<b>March 31, 2026</b>	March 31, 2025
Personnel cost	<b>₱24,817,847</b>	₱21,490,322
Listing fee	<b>12,440,000</b>	–
Outside services	<b>9,923,464</b>	11,122,146
IT-related expenses	<b>4,118,133</b>	3,236,343
Depreciation expense	<b>3,988,197</b>	3,653,702
Taxes and licenses	<b>2,808,549</b>	4,148,509
Membership and association dues	<b>481,743</b>	99,821
Transportation and travel	<b>380,778</b>	878,038
Fines and penalties	<b>347,730</b>	20,000
Supplies expense	<b>158,307</b>	214,753
Trainings, seminars and representation	<b>131,704</b>	4,409,740
Miscellaneous expenses	<b>2,647,877</b>	1,507,253
	<b>₱62,244,329</b>	₱50,780,627

Miscellaneous expenses consist of rent expenses, telecommunication, gas and oil, notarial fees, meal reimbursements, and other expenses.

c. Personnel Cost

	<b>March 31, 2026</b>	March 31, 2025
Salaries and wages	<b>₱36,186,974</b>	₱26,633,122
Other employee benefits	<b>1,396,580</b>	533,815
	<b>₱37,583,554</b>	₱27,166,937

## 15. Retirement Liability

### Requirement of Republic Act (RA) 7641

RA 7641 provides for the minimum retirement pay to qualified private sector employees in the Philippines. Benefits due under RA 7641 are accounted for as defined benefit plan under PAS 19. However, there are instances when an employer establishes a defined contribution plan and does not have an equivalent defined benefit plan covering the benefits required under RA 7641.

An employee upon reaching the age of 60 years or more, but not beyond 65 years which is declared the compulsory retirement age, who has served at least five years in the said establishment, may retire and shall be entitled to retirement pay equivalent to at least one-half (1/2) month salary for every year of service, a fraction of at least six months being considered as one whole year.

The Company is in compliance of the minimum requirement of RA 7641 as at March 31, 2026 and December 31, 2025.

### Defined Benefit Plan

On February 26, 2025, the BOD approved the Company's defined benefit plan.

The fund is administered by PNB Trust (Trustee). The Trustee is responsible for investment of the assets. The Trustee proposes an investment strategy based on the investment instructions and, as approved, executes such strategy. When defining the investment strategy, the Trustee takes into account the plan's objectives, benefit obligations and risk capacity. The investment strategy is defined in the form of a long-term target structure (investment policy). The control, direction, and management of the fund shall reside in and be the sole responsibility of the Trustee.

Net retirement liability amounted to ₱3.8 million as of March 31, 2026 and December 31, 2025, respectively. Actuarial loss, net of deferred tax, amounted to ₱2.0 million as of March 31, 2026 and December 31, 2025. No retirement benefit was recognized for the first three months of 2026 and 2025 since the amount is not significant.

There are no unusual or significant risks to which the retirement liability exposes the Company. However, it should be noted that in the event a benefit claim arises under the retirement liability, the benefit shall immediately be due and payable from the Company.

The Company does not expect to make a contribution to the retirement liability during the next financial year.

## 16. Income Tax

- a. Details of the Company's provision for current income tax follow:

	<b>March 31, 2026</b>	March 31, 2025
RCIT	<b>₱22,391,089</b>	₱17,249,512
Final tax	<b>4,908,055</b>	4,343,369
	<b>₱27,299,144</b>	₱21,592,881

- b. The Company's recognized deferred income tax assets (liabilities) follow:

	<b>March 31, 2026</b>	December 31, 2025
Deferred income taxes recognized in profit or loss:		
Deferred income tax assets on:		
Advance rentals	<b>₱71,849,699</b>	₱71,849,699
Allowance for ECL	<b>5,005,283</b>	5,005,283
Unrealized loss on foreign exchange	<b>171,277</b>	171,277
Retirement benefits	<b>167,804</b>	167,804
	<b>77,387,951</b>	77,387,951
Deferred income tax liabilities on:		
Deferred rent	<b>(76,489,944)</b>	(76,489,944)
Accretion of security deposit	<b>(8,606,373)</b>	(8,606,373)
Unrealized gain on financial assets at FVTPL	<b>(109,206)</b>	(109,206)
	<b>(85,205,523)</b>	(85,205,523)
Deferred income taxes recognized in other comprehensive income:		
Deferred income tax asset on actuarial loss on retirement liability	<b>665,486</b>	665,486
Deferred income tax liability on gains arising from net unrealized gains on financial assets at FVOCI	<b>(28,049,189)</b>	(28,049,189)
	<b>(₱35,201,276)</b>	(₱35,201,276)

- c. The reconciliation of the provision for income tax computed using the statutory income tax rate to the provision for income tax as shown in the statements comprehensive of income is summarized as follows:

	<b>March 31, 2026</b>	March 31, 2025
Provision for income tax at the statutory income tax rate	<b>₱27,907,015</b>	₱21,498,213
Adjustments for:		
Income subjected to final tax	<b>(6,151,942)</b>	(5,440,010)
Final income tax	<b>4,908,055</b>	4,343,369
Adjustment in the current period for income tax as a result of OSD application	<b>636,016</b>	1,191,309
<b>Provision for income tax</b>	<b>₱27,299,144</b>	₱21,592,881

## 17. Equity

### Capital Stock

Information on the number of shares of the Company's capital stock as of March 31, 2026 and December 31, 2025 follow:

	Shares	Amount
Authorized capital stock - ₱1 par	50,500,000,000	₱50,500,000,000
Issued	46,932,100,000	46,932,100,000

There is no appropriation of retained earnings as of March 31, 2026 and December 31, 2025.

## 18. Leases

### The Company as lessor

The Company entered into lease agreements with related parties and third parties covering its investment property portfolio. These leases generally provide fixed monthly rent. The Company records rental income on a straight-line basis over the lease term.

Future minimum rental receivable under non-cancellable operating leases follows:

	<b>March 31, 2026</b>	December 31, 2025
Within one year	<b>₱1,005,154,907</b>	₱1,017,144,388
After one year but not more than two years	<b>975,279,976</b>	983,392,521
After two years but not more than three years	<b>931,919,566</b>	938,845,367
After three years but not more than four years	<b>940,100,740</b>	933,424,469
After four years but not more than five years	<b>711,501,764</b>	928,547,327
More than five years	<b>50,307,810</b>	74,077,997
	<b>₱4,614,264,763</b>	₱4,875,432,069

## 19. Earnings per Share

Basic and diluted earnings per share are computed as follows:

	<b>March 31, 2026</b>	March 31, 2025
Net income (a)	<b>₱84,328,917</b>	₱64,399,970
Weighted average number of shares issued and outstanding (b)	<b>46,932,100,000</b>	46,932,100,000
Basic and diluted earnings per share (a/b)	<b>₱0.002</b>	₱0.001

There are no potential dilutive capital stocks as of March 31, 2026 and 2025.

## 20. Operating Segment Information

The Company is organized into operating segments based on the location of its investment properties. Discrete financial information is provided on a property-by-property basis but grouped into the reportable segments above to members of executive management, who collectively comprise the chief operating decision maker (CODM). The CODM monitors this information for each reportable segment separately for the purpose of making decisions about resource allocation and performance assessment. All of the assets relating to the Company's operating segments are located in the Philippines.

Segment income, expenses, assets and liabilities are measured in accordance with PFRS. The presentation and classification of segment income and expenses are consistent with the statements of comprehensive income. The presentation and classification of segment assets and liabilities are consistent with the statements of financial position.

The following tables present income and expense information and certain assets and liabilities information regarding the different business segments as of March 31, 2026 and December 31, 2025 and for the three months ended March 31, 2026 and 2025:

	As of and for the three months ended March 31, 2026						
	Financial Center	Makati Center	CITEM*	Buendia	Others	Corporate	Total
Segment income	<b>₱149,224,037</b>	<b>₱95,826,838</b>	<b>₱50,400,000</b>	<b>₱3,150,000</b>	<b>₱2,085,674</b>	<b>₱25,724,829</b>	<b>₱326,411,378</b>
Segment expenses	<b>(94,063,783)</b>	<b>(47,855,650)</b>	<b>(1,473,900)</b>	<b>-</b>	<b>(332,568)</b>	<b>(71,048,105)</b>	<b>(214,774,006)</b>
Segment profit (loss)	<b>55,160,254</b>	<b>39,654,641</b>	<b>48,926,100</b>	<b>3,150,000</b>	<b>1,753,106</b>	<b>(45,323,276)</b>	<b>111,637,372</b>
Finance charges	-	-	-	-	-	(9,311)	(9,311)
Income (loss) before income tax	<b>55,160,254</b>	<b>39,654,641</b>	<b>48,926,100</b>	<b>3,150,000</b>	<b>1,753,106</b>	<b>(45,332,587)</b>	<b>111,628,061</b>
Provision for income tax	-	-	-	-	-	(27,299,144)	(27,299,144)
Net income (loss)	<b>55,160,254</b>	<b>39,654,641</b>	<b>48,926,100</b>	<b>3,150,000</b>	<b>1,753,106</b>	<b>(72,631,731)</b>	<b>84,328,917</b>
Other comprehensive income	-	-	-	-	-	7,247,335	7,247,335
Total comprehensive income (loss)	<b>₱55,160,254</b>	<b>₱39,654,641</b>	<b>₱48,926,100</b>	<b>₱3,150,000</b>	<b>₱1,753,106</b>	<b>(₱65,384,396)</b>	<b>₱91,576,252</b>
Segment assets	<b>₱35,411,286,769</b>	<b>₱6,038,018,476</b>	<b>₱107,209,390</b>	<b>₱5,751,502,950</b>	<b>₱18,311,437</b>	<b>₱3,380,942,764</b>	<b>₱50,707,271,786</b>
Segment liabilities	-	-	-	-	-	1,057,314,437	1,057,314,437
Capital expenditures:							
Investment properties	<b>11,186,583</b>	<b>43,794,257</b>	-	<b>22,469,503</b>	-	-	<b>77,450,343</b>
Property and equipment	<b>353,044</b>	<b>389,076</b>	-	-	-	<b>388,505</b>	<b>1,130,625</b>
Depreciation and amortization	<b>25,291,872</b>	<b>16,354,244</b>	<b>251,047</b>	-	<b>177,781</b>	<b>3,285,579</b>	<b>45,360,523</b>

\*Center for International Trade Expositions and Missions

	As of December 31, 2025 and for the three months ended March 31, 2025						
	Financial Center	Makati Center	CITEM*	Buendia	Others	Corporate	Total
Segment income	<b>₱186,669,487</b>	<b>₱76,667,391</b>	<b>₱4,650,616</b>	<b>₱2,825,504</b>	<b>₱540,714</b>	<b>₱21,825,612</b>	<b>₱293,179,324</b>
Segment expenses	<b>(112,531,230)</b>	<b>(42,536,976)</b>	<b>(1,137,859)</b>	<b>(563,356)</b>	<b>(554,832)</b>	<b>(49,846,022)</b>	<b>(207,170,275)</b>
Segment profit (loss)	<b>74,138,257</b>	<b>32,222,914</b>	<b>3,512,757</b>	<b>2,262,148</b>	<b>(14,118)</b>	<b>(28,020,410)</b>	<b>86,009,049</b>
Finance charges	-	-	-	-	-	(16,198)	(16,198)
Income (loss) before income tax	<b>74,138,257</b>	<b>32,222,914</b>	<b>3,512,757</b>	<b>2,262,148</b>	<b>(14,118)</b>	<b>(28,036,608)</b>	<b>85,992,851</b>
Provision for income tax	-	-	-	-	-	(21,592,881)	(21,592,881)
Net income (loss)	<b>74,138,257</b>	<b>32,222,914</b>	<b>3,512,757</b>	<b>2,262,148</b>	<b>(14,118)</b>	<b>(49,629,489)</b>	<b>64,399,970</b>
Other comprehensive income	-	-	-	-	-	882,597	882,597
Total comprehensive income (loss)	<b>₱74,138,257</b>	<b>₱32,222,914</b>	<b>₱3,512,757</b>	<b>₱2,262,148</b>	<b>(₱14,118)</b>	<b>(₱48,746,892)</b>	<b>₱65,282,567</b>
Segment assets**	<b>₱35,463,524,651</b>	<b>₱6,022,342,746</b>	<b>₱51,012,437</b>	<b>₱5,731,007,313</b>	<b>₱18,489,218</b>	<b>₱3,169,396,411</b>	<b>₱50,455,772,776</b>
Segment liabilities**	-	-	-	-	-	897,391,679	897,391,679
Capital expenditures:							
Investment properties	<b>1,800,310</b>	<b>2,446,084</b>	-	<b>30,019,701</b>	-	-	<b>34,266,095</b>
Property and equipment	-	<b>632,321</b>	-	-	-	<b>34,774,543</b>	<b>35,406,864</b>
Depreciation and amortization	<b>24,657,451</b>	<b>17,526,183</b>	<b>251,047</b>	-	<b>177,781</b>	<b>3,319,171</b>	<b>45,931,633</b>

\*Center for International Trade Expositions and Missions

\*\*As of December 31, 2025

Rental income and dues presented under Financial Center, Makati Center, CITEM and Buendia amounting to ₱166.9 million or 56% of the total for the three months ended March 31, 2026 and ₱208.3 million or 77% of the total for the three months ended March 31, 2025 were generated from the LTG and the entities under common control (see Note 12).

## 21. Financial Risk Management Objectives and Policies and Fair Value Disclosures

The Company's principal financial instruments are cash in banks, financial assets at FVTPL and financial assets at FVOCI. The Company has various financial assets and financial liabilities such as trade and other receivables, refundable deposits, trade and other payables and security deposits which arise directly from its operations. Management closely monitors the cash fund and financial transactions of the Company. Cash funds are normally deposited with banks considered as related parties, and financial transactions are normally dealt with related parties. These strategies, to an extent, mitigate the Company's interest rate and credit risks.

Exposure to credit, liquidity and foreign currency risks arises in the normal course of the Company's business activities. The main objectives of the Company's financial risk management policies are: (a) to identify and monitor such risks on an ongoing basis, (b) to minimize and mitigate such risks, and (c) to provide a degree of certainty about costs.

The BOD reviews and approves the policies for managing these risks which are described below.

### *Equity price risk*

Equity price risk is the risk that the fair values of investment in equity securities decrease as a result of changes in the levels of equity indices and the value of individual stocks.

The effect on equity and pre-tax income as a result of change in the fair value of equity instruments held as financial assets at FVOCI and financial assets at FVTPL, due to reasonably possible change in equity indices, with all other variables held constant are as follows:

	March 31, 2026		
	Change in Equity Price	Effect on Pre-tax Income	Effect on Equity*
Financial assets at FVTPL	+1.00%	₱34,194	₱-
	-1.00%	(34,194)	-
Financial assets at FVOCI	+3.32%	-	7,111,493
	-3.32%	-	(7,111,493)
	December 31, 2025		
	Change in Equity Price	Effect on Pre-tax income	Effect on Equity*
Financial assets at FVTPL	3.93%	₱133,818	₱-
	-3.93%	(133,818)	-
Financial assets at FVOCI	27.64%	-	57,137,961
	-27.64%	-	(57,137,961)

*\*The impact on the Company's equity for financial assets at FVOCI excludes the impact of transactions affecting income.*

### *Credit risk*

Credit risk refers to the potential loss arising from any failure by counterparties to fulfil their obligations, as and when they fall due.

Credit risk is the risk that the Company will incur a loss because its counterparties failed to discharge their contractual obligations. The Company's credit risks are primarily attributable to cash in banks, trade and other receivables and other financial assets.

The carrying amount of cash in banks, trade and other receivables and refundable deposits represent the Company's maximum exposure to credit risk.

The Company's maximum exposure to credit risk for the components of the statements of financial position follows:

	March 31, 2026	December 31, 2025
Financial assets at amortized cost:		
Cash and cash equivalents*	P2,500,345,666	P2,330,884,367
Trade and other receivables		
Lease receivables	774,254,322	770,192,676
Interest receivable	6,160,326	4,412,968
Others	20,021,133	20,021,133
Refundable deposits	1,559,378	1,559,378
	<b>P3,302,340,825</b>	<b>P3,127,070,522</b>

\*Excludes cash on hand amounting to P14,440 as of March 31, 2026 and December 31, 2025.

*Credit quality per class of financial assets*

Description of the credit quality grades used by the Company follows:

a. *Financial assets at FVTPL and FVOCI*

High grade - Counterparties that are consistently profitable, have strong fundamentals and pays out dividends.

Standard grade - Counterparties that recently turned profitable and have the potential of becoming a high-grade Company. These counterparties have sound fundamentals.

Substandard grade - Counterparties that are not yet profitable, speculative in nature but have the potential to turn around fundamentally.

b. *Lease receivables*

High grade - High probability of collection (the counterparty has the apparent ability to satisfy its obligation and the security on the receivables are readily enforceable).

Standard grade - Collections are probable due to the reputation and the financial ability of the counterparty to pay.

The tables below show credit quality by class of financial assets based on the Company's credit quality grades (gross of allowance for credit losses):

	March 31, 2026			Total
	Stage 1		Stage 3	
	High Grade	Standard Grade	Impaired	
Cash in banks	P129,372,063	P-	P-	P129,372,063
Cash equivalents	2,370,973,603	-	-	2,370,973,603
<b>Financial assets at FVTPL:</b>				
Investment in UITF	3,392,761	-	-	3,392,761
Equity securities	43,170	-	-	43,170
<b>Financial assets at FVOCI:</b>				
Equity securities	208,000,000	-	-	208,000,000
Government securities	5,941,927	-	-	5,941,927
<b>Loans and receivables:</b>				
Lease receivables	774,254,322	-	-	774,254,322
Interest receivable	6,160,326	-	-	6,160,326
Others	-	-	20,021,133	20,021,133
Refundable deposit	-	1,559,378	-	1,559,378
	<b>P3,498,138,172</b>	<b>P1,559,378</b>	<b>P20,021,133</b>	<b>P3,519,718,683</b>

December 31, 2025				
	Stage 1		Stage 3	Total
	High Grade	Standard Grade	Impaired	
Cash in banks	P174,197,091	P-	P-	P174,197,091
Cash equivalents	2,156,687,276	-	-	2,156,687,276
Financial assets at FVTPL:				
Investment in UITF	3,369,928	-	-	3,369,928
Equity securities	33,373	-	-	33,373
Financial assets at FVOCI:				
Equity securities	201,000,000	-	-	201,000,000
Government securities	5,694,592	-	-	5,694,592
Loans and receivables:				
Lease receivables	770,192,676	-	-	770,192,676
Interest receivable	4,412,968	-	-	4,412,968
Others	-	-	20,021,133	20,021,133
Refundable deposit	-	1,559,378	-	1,559,378
	<b>P3,315,587,904</b>	<b>P1,559,378</b>	<b>P20,021,133</b>	<b>P3,337,168,415</b>

For the three months ended March 31, 2026 and 2025, there is no set up of additional provisions on these receivables since management assessed that there is no credit risk arising from these receivables due to continuous collections from the related counterparties.

The credit risk exposure on the financial assets computed in 2025 is still consistent for the current period, as set out in the provision matrix below:

March 31, 2026:

(in millions)	Trade and other receivables						Total
	Refundable deposits	Days past due					
		Current	<31 days	31-60 days	61-90 days	> 90 days	
<b>Expected credit loss rate</b>	-%	0.01% - 4.23%	0.05% - 4.96%	0.05% - 5.46%	0.90% - 8.97%	2.00% - 10.28%	
<b>Total gross carrying amount</b>	P1.6	P303.8	P-	P0.1	P0.3	P496.2	P802.0
<b>Subjected to lifetime ECL</b>	-	-	-	-	-	20.0	20.0
<b>Estimated total gross carrying amount at default</b>	1.6	303.8	-	0.1	0.3	476.2	782.0
<b>Expected credit loss - 12-month ECL</b>	-	-	-	-	-	-	-
<b>Expected credit loss - lifetime ECL</b>	-	-	-	-	-	20.0	20.0
<b>Expected credit loss (Note 6)</b>	P-	P-	P-	P-	P-	P20.0	P20.0

December 31, 2025:

(in millions)	Trade and other receivables						Total
	Refundable deposits	Days past due					
		Current	<31 days	31-60 days	61-90 days	> 90 days	
<b>Expected credit loss rate</b>	-%	0.01% - 4.23%	0.05% - 4.96%	0.05% - 5.46%	0.90% - 8.97%	2.00% - 10.28%	
<b>Total gross carrying amount</b>	P1.6	P301.7	P-	P0.2	P0.4	P492.3	P796.2
<b>Subjected to lifetime ECL</b>	-	-	-	-	-	20.0	20.0
<b>Estimated total gross carrying amount at default</b>	1.6	301.7	-	0.2	0.4	472.3	776.2
<b>Expected credit loss - 12-month ECL</b>	-	-	-	-	-	-	-
<b>Expected credit loss - lifetime ECL</b>	-	-	-	-	-	20.0	20.0
<b>Expected credit loss (Note 6)</b>	P-	P-	P-	P-	P-	P20.0	P20.0

### Concentration risk

Concentrations arise when a number of counterparties are engaged in similar business activities having similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location. Such credit risk concentrations, if not properly managed, may cause significant losses that could threaten the Company's financial strength and undermine public confidence. Concentration risk per business.

Concentration risk of the Company could arise from revenue from a certain customer, particularly with related parties which comprises 56% of the total revenue.

### Liquidity risk

Liquidity risk is defined as risk that the Company would not be able to settle or meet its obligations on time or at a reasonable price. The Company maintains sufficient cash in order to fund its operations.

The following tables show the maturity profile of the Company's other financial liabilities (undiscounted amounts of principal and related interest) as well as the undiscounted cash flows from financial assets used for liquidity management.

As of March 31, 2026:

	On demand	Less than 1 year	More than 1 year	Total
<b>Financial liabilities:</b>				
Trade and other payables:				
Accrued expenses	P-	P138,971,508	P-	P138,971,508
Accounts payables	-	33,934,210	-	33,934,210
Others	-	7,337,035	-	7,337,035
Security deposits*	-	116,016,941	270,668,580	386,685,521
	P-	P296,259,694	P270,668,580	P566,928,274
<b>Financial assets:</b>				
Cash and cash equivalents	P2,500,360,106	P-	P-	P2,500,360,106
Financial assets at FVTPL	-	3,435,931	-	3,435,931
Trade and other receivables	-	780,414,648	-	780,414,648
	P2,500,360,106	P783,850,579	P-	P3,284,210,685

\*Including interest to maturity amounting to P34.4 million

As of December 31, 2025:

	On demand	Less than 1 year	More than 1 year	Total
<b>Financial liabilities:</b>				
Trade and other payables:				
Accrued expenses	P-	P146,451,635	P-	P 146,451,635
Accounts payables	-	15,285,952	-	15,285,952
Others	-	6,190,418	-	6,190,418
Security deposits*	-	95,219,673	250,685,309	345,904,982
	P-	P263,147,678	P250,685,309	P513,832,987
<b>Financial assets:</b>				
Cash and cash equivalents	P2,330,898,807	P-	P-	P2,330,898,807
Financial assets at FVTPL	-	3,403,301	-	3,403,301
Trade and other receivables	-	774,605,644	-	774,605,644
	P2,330,898,807	P778,008,945	P-	P3,108,907,752

\*Including interest to maturity amounting to P34.4 million

### Fair Value Information

Presented below is the comparison of the carrying values and fair values of the Company's financial assets and liabilities that are presented in the statements of financial position.

	March 31, 2026		December 31, 2025	
	Carrying Values	Fair Values	Carrying Values	Fair Values
<b>Financial Assets</b>				
Cash on hand	P14,440	P14,440	P14,440	P14,440
Cash in banks	129,372,063	129,372,063	174,197,091	174,197,091
Cash equivalent	2,370,973,603	2,370,973,603	2,156,687,276	2,156,687,276
Financial assets at FVTPL*	3,435,931	3,435,931	3,403,301	3,403,301
Financial assets at FVOCI	213,941,927	213,941,927	206,694,592	206,694,592
Trade and other receivables:				
Lease receivables	774,254,322	774,254,322	770,192,676	770,192,676
Interest	6,160,326	6,160,326	4,412,968	4,412,968
Refundable deposits*	1,559,378	1,559,378	1,559,378	1,559,378
	<b>P3,499,711,990</b>	<b>P3,499,711,990</b>	<b>P3,317,161,722</b>	<b>P3,317,161,722</b>

### Financial Liabilities

Trade and other payables:				
Accrued expenses	P138,971,508	P138,971,508	P146,451,635	P146,451,635
Accounts payable	33,934,210	33,934,210	15,285,952	15,285,952
Others	7,337,035	7,337,035	6,190,418	6,190,418
Security deposits**	352,260,031	352,260,031	311,479,492	311,479,492
	<b>P544,366,329</b>	<b>P544,366,329</b>	<b>P479,407,497</b>	<b>P479,407,497</b>

\*Presented as part of "Other current assets" account.

\*\*Presented as part of "Deposits and other liabilities" account.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

#### Cash, trade and other receivables and trade and other payables

The carrying values of the cash, trade and other receivables and trade and other payables approximate their fair values due to the short-term nature of these financial instruments.

#### Equity securities at FVTPL and FVOCI

Fair values are generally based on quoted market prices.

#### Government securities at FVOCI

Fair values are generally based upon quoted market prices. If the market prices are not readily available, fair values are estimated using either values obtained from independent parties offering pricing services or adjusted quoted market prices of comparable investments or using the discounted cash flow methodology.

#### Refundable deposits

The carrying value of deposits is the best estimate of its fair value since the related contracts and agreements pertaining to these deposits have indeterminable terms.

#### Security deposits

The fair values of security deposits are estimated using the discounted cash flow method based on the discounted value of future cash flows using the applicable risk-free rates for similar types of instruments. The discount rates used range from 4.00% to 7.00% as of March 31, 2026 and December 31, 2025. Management has determined the inputs to be Level 3.

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

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

In 2026 and 2025, there were no transfers between Levels 1 and 2 fair value measurements, and no transfers into and out of Level 3 measurements.

For all other financial instruments, fair value is determined using valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist and other revaluation models.

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## 22. Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating, complies with externally imposed capital requirements and maintains healthy capital ratios in order to support its business and maximize stockholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to stockholders, return capital to stockholders or issue new shares. No changes were made in the objectives, policies or processes for the period ended March 31, 2026 and December 31, 2025. Accordingly, the Company is not subject to externally imposed capital requirements.

The table below summarizes the total capital considered by the Company:

	<b>March 31 2026</b>	December 31, 2025
Capital stock	<b>₱46,932,100,000</b>	₱46,932,100,000
Retained earnings	<b>2,553,661,066</b>	2,469,332,149
	<b>₱49,485,761,066</b>	₱49,401,432,149

## Item 2. Management’s Discussion and Analysis

The following discussion and analysis of the Company’s results of operations and financial condition should be read in conjunction with the interim financial statements as at March 31, 2026 and December 31, 2025, and for the three months ended March 31, 2026 and 2025, included in this report.

### 2.1. RESULTS OF OPERATIONS

#### 3M 2026 vs 3M 2025

<i>(Amount in Thousands)</i>	March 2026	March 2025	Change	% Change
Revenue	₱300,687	₱271,354	₱29,333	11%
Direct cost	152,530	156,390	(3,860)	-2%
Gross profit	148,157	114,964	33,193	29%
Operating expenses	62,254	50,798	11,456	23%
Other income – net	25,725	21,826	3,899	18%
Earnings before income tax (EBIT)	111,628	85,992	25,636	30%
Income tax	27,299	21,593	5,706	26%
Net income after tax (NIAT)	84,329	64,399	19,930	31%
Other comprehensive income	7,247	883	6,365	721%
Total comprehensive income	91,576	65,282	26,294	40%
EBITDA	₱156,989	₱131,994	₱24,995	19%

**Revenues** – The Company posted gross revenues of ₱300.69 million for the three months ended March 31, 2026, which was higher by ₱29.33 million or 11%, compared to ₱271.35 million in the same period of 2025. Overall occupancy rose to 88% in the first three months of 2025, up from 83% in the same period of 2024. However, new tenants were offered lower rental rates, particularly at the PNB Financial Center, due to the continued oversupply of office space across Metro Manila, most notably in the Bay Area of Pasay.

**Direct Costs** – The Company’s direct costs totaled ₱152.53 million for the three months ended March 31, 2026, representing a ₱3.86 million or 2% decrease, compared to ₱156.39 million in the same period of 2025. This reduction was primarily due to the lower spending on utilities, outside services and repairs and maintenance, reflecting the ongoing cost-minimization and energy-efficiency strategy. The decrease was partially offset by an increase in direct employee headcount during the first three months of 2026.

**Operating Expenses** – The Company’s operating expenses amounted to ₱62.25 million for the three months ended March 31, 2026, which was higher by ₱11.46 million or 23%, compared to ₱50.80 million in the same period of 2025. This increase was driven by the rise in indirect employee headcount, as the Company strengthened its management team to enhance service quality and prepare for the launch of redevelopment plans and its listing with the PSE and SEC. Listing-related expenses also contributed to the increase. However, this was partially offset by a decrease in training, seminar, and representation expenses.

**Other Income** – This refers mostly to interest income from bank placements. In the first three months of 2026, it increased by ₱2.85 million or 13%, driven by a higher volume of investments compared to the same period in 2025.

**Income Tax** – The increase of ₱5.71 million or 26% in income tax was due to higher taxable income for the first three months of 2026 compared to the same period in 2025.

**Other Comprehensive Income** – This refers mostly to the valuation of equity and government securities of the Company. In the first three months of 2026, it increased by ₱6.37 million or 721%, driven by higher selling prices of equity securities compared to the same period in 2025.

**Profitability Metrics** – Given the above discussion, the profitability metrics are as follows:

1. Gross Profit amounted to ₱148.16 million, lower by ₱33.19 million or 29%.
2. Earnings Before Income Tax (EBIT) totaled ₱111.63 million, up from ₱85.99 million.
3. Net Income After Tax (NIAT) was ₱84.33 million, compared to ₱64.40 million.

4. Earnings Before Income tax, Depreciation and Amortization (EBITDA) amounted to ₱156.99 million, up from ₱131.99 million.

<b>Vertical Analysis (% of Revenue)</b>	<b>March 2026</b>	<b>March 2025</b>
Revenue	100%	100%
Direct cost	51%	57%
Gross profit	49%	43%
Operating expenses	21%	19%
Other income – net	9%	8%
Earnings before income tax (EBIT)	37%	32%
Income tax	9%	8%
Net income after tax (NIAT)	28%	24%
Other comprehensive income	2%	0%
Total comprehensive income	30%	24%
EBITDA	52%	49%

**Profitability Ratios:** Due to higher occupancy and the implementation of cost-minimization and energy-efficiency strategies, the gross profit margin improved in 2026 to 49%, up from 43% in 2025. In addition, cash optimization, net of increased operating expenses, led to higher EBIT, NIAT, and EBITDA margins, which rose to 37%, 28%, and 52%, respectively, compared to 32%, 24%, and 49% in 2025.

## 2.2. FINANCIAL CONDITION

### MARCH 31, 2026 vs DECEMBER 31, 2025

<i>(Amounts in thousands)</i>	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>Change</b>	<b>% Change</b>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	₱2,500,360	₱2,330,899	₱169,461	7%
Trade and other receivables	780,415	774,606	5,809	1%
Other current assets	252,373	216,612	35,761	17%
<b>Total Current Assets</b>	<b>3,533,148</b>	<b>3,322,117</b>	<b>211,031</b>	<b>6%</b>
<b>Noncurrent Assets</b>				
Financial assets at FVOCI	213,942	206,695	7,247	4%
Investment properties	46,558,945	46,522,867	36,078	0%
Property and equipment	83,306	86,163	(2,857)	-3%
Deferred rent assets – net of current portion	317,931	317,931	–	0%
<b>Total Noncurrent Assets</b>	<b>47,174,124</b>	<b>47,133,656</b>	<b>40,468</b>	<b>0%</b>
<b>TOTAL ASSETS</b>	<b>₱50,707,272</b>	<b>₱50,455,773</b>	<b>₱251,499</b>	<b>0%</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Trade and other payables	₱309,798	₱233,853	75,945	32%
Current portion of deposits and other current liabilities	136,344	114,064	22,280	20%
Income tax payable	25,610	25,610	–	0%
<b>Total Current Liabilities</b>	<b>471,752</b>	<b>373,527</b>	<b>98,225</b>	<b>26%</b>
<b>Noncurrent Liabilities</b>				
Deposits and other noncurrent liabilities - net of current portion	546,512	484,815	61,698	13%
Retirement liability	3,849	3,849	–	0%
Deferred income tax liabilities - net	35,201	35,201	–	0%
<b>Total Noncurrent Liabilities</b>	<b>585,562</b>	<b>523,865</b>	<b>61,698</b>	<b>12%</b>
<b>Total Liabilities</b>	<b>1,057,314</b>	<b>897,392</b>	<b>159,923</b>	<b>18%</b>
<b>Equity</b>				
Capital stock	46,932,100	46,932,100	–	0%
Retained earnings	2,553,661	2,469,332	84,329	3%
Other comprehensive income	164,196	156,949	7,247	5%
<b>Total Equity</b>	<b>49,649,957</b>	<b>49,558,381</b>	<b>91,576</b>	<b>0%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱50,707,272</b>	<b>₱50,455,773</b>	<b>₱251,499</b>	<b>0%</b>

**Assets:** The Company ended the period March 31, 2026 with total assets of ₱50.71 billion, an increase of ₱251.50 million from the December 31, 2025 balance of ₱50.46 billion. The portfolio remains heavily weighted toward revenue-generating investment properties, which comprise 92% of total assets. Further, working capital increased to ₱3.06 billion from ₱2.95 billion as of December 31, 2025, supporting operational flexibility and growth initiatives of the Company.

The following assets recorded significant changes of 5% or more between December 31, 2025 and March 31, 2026:

- **Cash and Cash Equivalents:** The 7% increase was driven by a net cash inflow from operations amounting to ₱248.04 million, partially offset by a net cash outflow from investing activities totaling ₱78.58 million. Most of the net cash flows were allocated to various short-term placements.
- **Other Current Assets:** The 17% increase was primarily due to prepayments of certain real property taxes and listing-related expenses in the first quarter of 2026. In addition, the rise in unapplied input tax also contributed to the increase.

**Liabilities:** The Company ended the period March 31, 2026 with total liabilities of ₱1.06 billion, up from ₱897.39 million as of December 31, 2025. The Company maintains a debt-to-equity ratio of 0.02:1, demonstrating strong solvency and a solid equity base that enables it to comfortably meet its financial obligations.

The following liabilities recorded significant changes of 5% or more between December 31, 2025 and March 31, 2026:

- **Trade and Other Payables:** The 32% increase mainly pertains to the additional trade payables to certain suppliers and gross output tax of revenue for the first three months of 2026.
- **Current Portion of Deposits and Other Current Liabilities:** The 20% increase was related to security deposits and advance rentals from tenants whose lease contracts are set to expire in 2026 and have not yet been renewed.
- **Deposits and Other Noncurrent Liabilities - Net of Current Portion:** The 13% increase relates to security deposits and advance rentals for new tenants in the first three months of 2026.

**Equity:** The Company ended the period March 31, 2026 with total equity of ₱49.65 billion, the bulk of which was contributed by capital stock amounting to ₱46.93 billion. Retained earnings stood at ₱2.55 billion, reflecting an increase of ₱84.33 million from NIAT in the first three months of 2026. Based on these figures, the Company's book value per share (BVPS) is ₱1.058, while its earnings per share (EPS) is ₱0.002.

Other comprehensive income pertains net unrealized gains on financial assets at FVOCI. The 5% increase was driven by an increase in the selling price/market value of various golf shares at the end of March 31, 2026.

## PART II – OTHER INFORMATION

### Item 3. Key Performance Indicators

The Company's key performance indicators (KPI) provide a comprehensive view of profitability, efficiency, and value creation. While certain metrics reflect adjustments compared to the previous year, the overall profile remains strong and demonstrates resilience in a dynamic market environment. The following discussion outlines the five (5) core KPIs and the basis for their determination:

Indicator	March 2026	March 2025	Remarks
Gross Profit Margin	49%	42%	Improvement of core profitability due to higher occupancy and cost management
NIAT Margin	28%	24%	Better bottom line-control despite higher operating expenses
EBITDA Margin	52%	49%	Robust cash flow generation and operational resilience
Return on Assets	0.002	0.001	More efficient use of assets to generate earnings
Return on Equity	0.002	0.001	Stronger shareholder returns despite earning moderation

The Company's KPIs reflect broad-based improvement, with profitability strengthening across all margins. Gross profit, NIAT, and EBITDA each posted higher percentages, while returns on both assets and equity doubled, albeit from a modest base, highlighting more efficient asset and capital deployment. Overall, the Company demonstrates accelerating financial performance, with rising margins and enhanced returns underscoring its readiness for sustainable long-term growth.

### Item 4. Other Matters

- (i) There are no other trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's increasing or decreasing liquidity in any material way. The Company has no debt for the past two years. Hence, the Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments. It does not have any liquidity problems.
- (ii) There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
- (iii) There are no known 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.
- (iv) On-going and planned capital expenditure projects of the Company includes the Board-approved capital expenditures of ₱1.58 billion for 2026. This budget includes allocations for costs associated with the redevelopment projects of the Buendia and Financial Center.
- (v) There are no known other trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales, revenue or income from continuing operations.
- (vi) There are no significant elements of income or loss that did not arise from the Company's continuing operations.
- (vii) Causes for any material change from period to period include vertical and horizontal analyses of any material item;
- (viii) There are no seasonal aspects that have a material effect on the financial condition or results of operations of the Company as of March 31, 2026.
- (ix) On March 23, 2026, the SEC issued a Pre-Effective Clearance on the Company's listing application, subject to further compliance. Subsequently, the SEC issued the Order of Registration on April 8, 2026, and the PSE released the Notice of Approval on May 8, 2026.

## SIGNATURES

According 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.

By:



**Karlu Tan-Say**  
President



**Benclano B. Carreon, Jr.**  
Chief Finance Officer

Date: May 13, 2026

## INDEX TO SUPPLEMENTARY SCHEDULES

Supplementary Schedules required by Revised Securities Regulation Code Rule 68:

<b>Schedule</b>	<b>Content</b>
A	Financial Assets
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related parties)
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
D	Long-Term Debt
E	Indebtedness to Related Parties
F	Guarantees of Securities of Other Issuers
G	Capital Stock
<b>Other Schedule</b>	Financial Soundness Indicators

**SCHEDULE A**

**SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS  
MARCH 31, 2026**

Name of Issuing Entity and Association of Each Issue	Number of Shares or Amount Shown in the Principal Amount of Bonds and Notes	Statement of Financial Position	Income Received and Accrued
<b>Cash in Banks and Cash Equivalents</b>			
Philippine Peso and US Dollar Deposits			
<i>Philippine National Bank</i>	P2,500,226,186	P2,500,226,186	P24,540,276
<i>Union bank of the Philippines</i>	119,480	119,480	-
<b>Financial Assets at FVTPL</b>			
PNB Prime Peso Money Market Fund			
<i>Philippine National Bank</i>	2,650,000	3,392,761	-
Equity Securities	16,664 shares	43,170	-
<b>Financial Assets at FVOCI</b>			
Government Securities	6,000,000	5,941,927	67,500
Golf Clubs	5 shares	208,000,000	-
		<b>P2,717,723,524</b>	<b>P24,607,776</b>

**SCHEDULE B**

**SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM DIRECTORS,  
OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS  
(OTHER THAN RELATED PARTIES)  
MARCH 31, 2026**

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Noncurrent	Balance at End of Period
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*The Company has no receivables from its directors, officers, employees, related parties and principal stockholders as of March 31, 2026.*

**SCHEDULE C**

**SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM RELATED PARTIES  
WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS  
MARCH 31, 2026**

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Noncurrent	Balance at End of Period
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*The Company has no subsidiaries; hence, it is not required to prepare consolidated financial statements.*

**SCHEDULE D**

**SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT  
MARCH 31, 2026**

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown under Caption "Current Portion of Long-term Debt" in related Statement of Financial Position	Amount Shown under Caption "Long-term Debt" in related Statement of Financial Position
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*The Company has no long-term debt as of March 31, 2026.*

**SCHEDULE E**

**SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO RELATED PARTIES (LONG-TERM  
LOANS FROM RELATED PARTIES)  
MARCH 31, 2026**

<u>Name of Related Party</u>	<u>Balance at Beginning of Period</u>	<u>Balance at End of Period</u>
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*The Company has no long-term loans from related parties as of March 31, 2026.*

**SCHEDULE F**

**SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF OTHER ISSUERS  
MARCH 31, 2026**

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount of Guaranteed and Outstanding	Amount Owned by Person for which Statement is Filed	Nature of Guarantee
<i>Not applicable</i>				

**SCHEDULE G**

**SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK  
MARCH 31, 2026**

<u>Title of Issue</u>	<u>Number of Shares Authorized</u>	<u>Number of Shares Issued and Outstanding at Shown Under related Balance Sheet</u>	<u>Number of Shares for Options, Warrants, Conversion and Other Rights</u>	<u>Number of Shares held by Related Parties</u>	<u>Directors, Officers and Employees</u>	<u>Others</u>
Common Stock	50,500,000,000	46,932,100,000	-	46,932,099,100	9	-

**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS  
MARCH 31, 2026 AND DECEMBER 31, 2025**

Ratio	Formula	March 31, 2026	December 31, 2025
Current ratio	Current assets / Current liabilities	<b>7.489</b>	8.894
Acid test ratio	Quick assets <sup>1</sup> / Current liabilities	<b>6.954</b>	8.314
Solvency ratio <sup>3</sup>	EBITDA / Total debt <sup>2</sup>	<b>N/A</b>	N/A
Debt-to-equity ratio	Total liabilities / Total equity	<b>0.021</b>	0.018
Asset-to-equity ratio	Total assets / Total equity	<b>1.021</b>	1.018
Interest rate coverage ratio <sup>3</sup>	EBITDA / Interest expense <sup>3</sup>	<b>N/A</b>	N/A
Return on equity <sup>4</sup>	Net income / Total average equity	<b>0.002</b>	0.001
Return on assets <sup>4</sup>	Net income / Total average assets	<b>0.002</b>	0.001
Net profit margin <sup>4</sup>	Net income / Revenue	<b>0.280</b>	0.237

<sup>1</sup>Total current assets excluding other current assets

<sup>2</sup>Current and noncurrent portion of long-term debt

<sup>3</sup>Not applicable since the Company has no long-term debt

<sup>4</sup>For the three months ended March 31, 2026 and 2025