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(Company's Full Name)

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(Business Address : No. Street/City/Province)

Atty. Gino Paulo O. Uy
Contact Person

(02) 8687 1195
Company Telephone Number

1	2	3	1
<i>Month</i>		<i>Day</i>	
Fiscal Year			

DEFINITIVE INFORMATION STATEMENT
FORM TYPE

Every Fourth Tuesday of May
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.		

Amended Articles Number/Section

362
Total No. of Stockholders

Total Amount of Borrowings		
Domestic		Foreign

To be accomplished by SEC Personnel concerned

File Number									
Document I.D.									

LCU

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes.

**NOTICE OF ANNUAL MEETING OF
STOCKHOLDERS**



CROWN EQUITIES

I N C O R P O R A T E D

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Dear Stockholder:

Please be advised that **CROWN EQUITIES, INC. (CEI)** will hold its annual meeting (**ASM**) of stockholders **VIRTUALLY**¹ on **May 26, 2026** (Tuesday) at 2:00 p.m.

The agenda of the meeting shall be as follows:

1. Call to Order
2. Certification of Notice and Determination of Quorum
3. Approval of the Minutes of the Previous Annual Stockholders' Meeting held on May 27, 2025
4. President's Report (Approval of Annual Report with Audited Financial Statements for the Year 2025)
5. Ratification of all acts of the Board, the Board Committees and Management during their term
6. Election of Directors
7. Appointment of the External Auditor for 2026-2027
8. Other Matters
9. Open Forum
10. Adjournment

Attached is the rationale for the above agenda items for reference.

Stockholders of record as of April 10, 2026 are entitled to notice of, and may attend and/or participate in the ASM, or any adjournment thereof, via proxy and remote communication, and vote *in absentia*.

Should you choose to participate in the ASM via remote communication and to cast your votes *in absentia*, please notify the Office of the Corporate Secretary at <asm_emails@crownequitiesinc.com> and submit the complete supporting documents no later than May 16, 2026. The detailed registration and voting procedures may be accessed at <<https://www.crownequitiesinc.com/investor/>>, and in the Guidelines for Participation via Remote Communication and Voting in Absentia (the "**Guidelines**") appended to the Information Statement.

In case you wish to appoint a proxy for the meeting, you may accomplish a proxy form (which need not be notarized) together with complete supporting documents indicated in the Guidelines and submit the same to the office of the Corporate Secretary at the 33rd Floor, The Orient Square, F. Ortigas Jr. Road, Ortigas Center, Pasig City via courier delivery **or** by email to <asm_emails@crownequitiesinc.com> **on or before May 16, 2026**.

¹ Through remote or electronic means of communication

Proxies and supporting documents submitted shall be validated on May 18, 2026 at the 5th Floor Crown Center, 158 Jupiter cor. N. Garcia Streets, Bel-Air, Makati City.

Stockholders who have successfully registered may cast their votes and will be provided the link for the meeting. For complete information on the ASM, please visit <<https://www.crownequitiesinc.com/investor/>>.

Your attendance is earnestly requested.


MARK O. VERGARA
Corporate Secretary

Rationale for Agenda Items:

Agenda Item No. 3: Approval of Minutes of the Annual Stockholders' Meeting Held on May 27, 2025

The Minutes of the annual stockholders' meeting held on May 27, 2025 were prepared within the period prescribed by pertinent laws, rules and regulations. The results of the annual stockholders' meeting were also disclosed with The Philippine Stock Exchange, Inc. after the annual meeting. The Board of Directors recommends the shareholders to consider subject minutes for approval on May 26, 2026.

Agenda Item No. 4: President's Report (Approval of Annual Report with Audited Financial Statements for the Year 2025)

The Company's 2025 performance results have been duly summarized in the Annual Report, which includes the Audited Financial Statements (AFS) of the Company for the year ended 2025. The AFS have been reviewed by the Audit Committee and the Board of Directors, and have been audited by the external auditors who expressed an unqualified opinion on the aforementioned financial statements. The Annual Report is posted in the Company's website.

Agenda Item No. 5: General ratification of the acts of the Board of Directors, Board Committees and the Management from the date of the last annual stockholders' meeting up to the date of this meeting

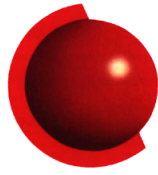
The Company's performance in 2025, as detailed in the Annual Report, is attributed to the strategic directions and key policies set by the Board of Directors which were effectively executed and complied with by management in conformance with good corporate governance and ethical best practices.

Agenda Item No. 6: Election of Directors for 2026-2027

The Company's Nomination Committee has pre-screened the list of candidates for directors. Their proven competence, expertise and qualifications based on current regulatory standards, will help sustain the Company's solid performance for the benefit of all its shareholders.

Agenda Item No. 7: Appointment of External Auditor

Based on the recommendation of the Audit Committee, the Board will appoint the Company's external auditors for the fiscal year 2026. This is pursuant to the Securities and Exchange Commission's rotation requirement of external auditor every five (5) years under SRC Rule 68 (3)(b)(iv). The external auditor to be appointed is a leading auditing firm in the country and is duly accredited with the SEC.



CROWN EQUITIES

I N C O R P O R A T E D

**CROWN EQUITIES, INC.
2026 ANNUAL STOCKHOLDERS' MEETING
May 26, 2026**

PROXY

I/We, the undersigned stockholder/s of CROWN EQUITIES, INC. (CEI), hereby appoint/s _____ / the Chairman of the meeting as my/our attorney and proxy, with power of substitution, to represent and vote _____ shares registered in my/our name, at the Annual Meeting of the Stockholders of CEI on May 26, 2026, and at any of the adjournments thereof, for the purpose of acting on the following matters:

	FOR	AGAINST	ABSTAIN
I. Approval of the minutes of the previous Annual Stockholders' Meeting held on May 27, 2025	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
II. President's Report (Approval of Annual Report with Audited Financial Statements for the Year 2025)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
III. Ratification of all acts of the Board, the Board Committees and Management during their term	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
IV. Election of Directors	FOR	AGAINST	ABSTAIN
<input type="radio"/> a) Vote equally all nominees or distribute or cumulate my shares to nominee/s listed below (in alphabetical order):			
Clare D. Alvarez	<input type="radio"/> _____ SHARES	<input type="radio"/> _____ SHARES	<input type="radio"/> _____ SHARES
Manuel Estanislao Dimaculangan	<input type="radio"/> _____ SHARES	<input type="radio"/> _____ SHARES	<input type="radio"/> _____ SHARES
Christopher Brian C. Dy	<input type="radio"/> _____ SHARES	<input type="radio"/> _____ SHARES	<input type="radio"/> _____ SHARES
Romuald U. Dy Tang	<input type="radio"/> _____ SHARES	<input type="radio"/> _____ SHARES	<input type="radio"/> _____ SHARES
Rodolfo B. Fernandez	<input type="radio"/> _____ SHARES	<input type="radio"/> _____ SHARES	<input type="radio"/> _____ SHARES
George L. Go	<input type="radio"/> _____ SHARES	<input type="radio"/> _____ SHARES	<input type="radio"/> _____ SHARES
Patrick Warren D. Go	<input type="radio"/> _____ SHARES	<input type="radio"/> _____ SHARES	<input type="radio"/> _____ SHARES
Esther Wileen S. Go	<input type="radio"/> _____ SHARES	<input type="radio"/> _____ SHARES	<input type="radio"/> _____ SHARES
Nixon Y. Lim	<input type="radio"/> _____ SHARES	<input type="radio"/> _____ SHARES	<input type="radio"/> _____ SHARES
Eugene B. Macalalag	<input type="radio"/> _____ SHARES	<input type="radio"/> _____ SHARES	<input type="radio"/> _____ SHARES

Conrado G. Marty	<input type="radio"/> _____	<input type="radio"/> _____	<input type="radio"/> _____
	SHARES	SHARES	SHARES
Armando T. Po	<input type="radio"/> _____	<input type="radio"/> _____	<input type="radio"/> _____
	SHARES	SHARES	SHARES
Reynaldo V. Reyes	<input type="radio"/> _____	<input type="radio"/> _____	<input type="radio"/> _____
	SHARES	SHARES	SHARES
Melvin Andrew O. Vergara	<input type="radio"/> _____	<input type="radio"/> _____	<input type="radio"/> _____
	SHARES	SHARES	SHARES
Wilfrido V. Vergara	<input type="radio"/> _____	<input type="radio"/> _____	<input type="radio"/> _____
	SHARES	SHARES	SHARES

- b) Withhold authority to vote for all nominees listed above.
- c) Withhold authority to vote for nominees listed:

V. Appointment of External Auditor – R.G. Manabat & Co.

THIS PROXY SHOULD BE RECEIVED BY THE OFFICE OF THE CORPORATE SECRETARY TOGETHER WITH OTHER DOCUMENTARY REQUIREMENTS ON OR BEFORE MAY 16, 2026, SATURDAY, THE DEADLINE OF SUBMISSION OF PROXIES.

THIS PROXY IS NOT REQUIRED TO BE NOTARIZED, AND WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AND AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED 'FOR' THE ELECTION OF ALL NOMINEES AND FOR THE APPROVAL OF THE MATTERS STATED ABOVE, AND FOR SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY MANAGEMENT OR THE BOARD OF DIRECTORS.

THIS PROXY SHALL CONTINUE UNTIL SUCH TIME THAT THE SAME IS WITHDRAWN BY ME/US THROUGH NOTICE IN WRITING DELIVERED TO THE OFFICE OF THE CORPORATE SECRETARY BEFORE THE DATE OF ANY SUCH MEETING OR ADJOURNMENT(S) THEREOF.

AS APPLICABLE, I/WE HEREBY CONSENT TO THE PROCESSING OF MY/OUR PERSONAL INFORMATION FOR PURPOSES OF THE CEI ANNUAL STOCKHOLDERS' MEETING.

IN WITNESS WHEREOF, I/we have hereunto affixed my/our signature this _____, at _____.

Printed Name of Stockholders

DATE

Signatures of Stockholder(s) / Authorized Signatory

**DEFINITIVE INFORMATION
STATEMENT**

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

[] Preliminary Information Statement

[X] Definitive Information Statement

2. Name of Registrant as specified in its charter: CROWN EQUITIES, INC.

3. PHILIPPINES

Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number: 39745

5. BIR Tax Identification Code: 002-837-461

6. Crown Center, 158 Jupiter corner N. Garcia Streets, Bel-Air, Makati City

Address of principal office

1209

Postal Code

7. Registrant's telephone number, including area code: (632) 8899-0081, (632) 8899-0455

8. Date, time and place of the meeting of security holders

May 26, 2026 (Tuesday) at 2:00 PM

The meeting will be conducted virtually and participation for stockholders will be via remote communication (Zoom). During the meeting, the presiding officer will be at the principal office of the Corporation.

9. Approximate date on which the Information Statement is first to be sent or given to security holders

May 5, 2026

10. In case of Proxy Solicitations: (N/A)

Name of Person Filing the Statement/Solicitor: _____

Address and Telephone No.: _____

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class

Number of Shares of Common Stock
Outstanding or Amount of Debt Outstanding

Common Shares

14,959,999,950 (as of March 31, 2026)

12. Are any or all of registrant's securities listed in a Stock Exchange?

Yes X No _____

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange / Common Shares

INFORMATION REQUIRED IN INFORMATION SHEET

**WE ARE NOT ASKING YOU FOR A PROXY
AND YOU ARE NOT REQUESTED TO SEND US A PROXY**

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

- (a) Date, time and place of meeting of security holders

May 26, 2026 (Tuesday) at 2:00 PM

The meeting will be conducted virtually and participation for stockholders will be via remote communication. During the meeting, the presiding officer will be at the principal office of the Corporation.

Complete mailing address of the principal office of the registrant

**Crown Center
Jupiter Cor. N. Garcia Sts.
Bel-air, Makati City, 1209**

- (b) Approximate date on which the Information Statement is first to be sent or given to security holders:

May 5, 2026

2. Dissenter's Right for Appraisal

When a proposed corporate action would involve a substantial and fundamental change in the Corporation in the cases provided by law, a stockholder may exercise his appraisal rights. Pursuant to Section 80 of the Revised Corporation Code of the Philippines, a stockholder has a right to dissent and demand payment of the fair value of his share: (i) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares or authorizing preferences over the outstanding shares or extending or shortening the term of corporate existence; (ii) in case of any sale, lease, mortgage or disposition of all or substantially all of the corporate property or assets; (iii) in case of merger or consolidation; and (iv) in case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

The procedure for the exercise of a stockholder's appraisal right as provided in Section 81 of the Revised Corporation Code is as follows:

- (1) A stockholder shall have dissented to such corporate action;
- (2) Within thirty (30) days after the date on which the vote was taken, the dissenting stockholder shall make a written demand on the Corporation for payment of the fair value of his shares.

Failure to make the demand within such period shall be deemed a waiver of the appraisal right.

- (3) Within ten (10) days after demanding payment for his shares, the dissenting stockholder shall submit to the Corporation the certificate(s) of stock representing his shares for notation thereon that such shares are dissenting shares. His failure to do so shall, at the option of the Corporation, terminate his appraisal rights.
- (4) No demand for payment as aforesaid may be withdrawn by the dissenting stockholder unless the Corporation consents thereto.

- (5) If the corporate action is implemented or effected, the Corporation shall pay to such dissenting stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of a merger if such be the corporate action involved.
- (6) If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the dissenting stockholder and the Corporation cannot agree on the fair value of the shares, it shall appraised and determined by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the Corporation, and the third by the two (2) thus chosen.
- (7) The findings of a majority of the appraisers shall be final, and their award shall be paid by the Corporation within thirty (30) days after such award is made. No payment shall be made to any dissenting stockholder unless the Corporation has unrestricted retained earnings in its books to cover such payment.
- (8) Upon payment of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Corporation.

There are no matters to be presented to the stockholders for approval which may give rise to the exercise of a dissenter's right of appraisal.

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

No directors or officers, nominees for election as directors, and associates of any of the aforementioned persons of the Corporation have any substantial interest in any matter to be acted upon other than the election to office. In addition, no director has informed the Corporation in writing that he intends to oppose any action to be taken by the Corporation at the meeting.

4. Voting Securities and Principal Holders Thereof

There is only one class of capital stock issued and outstanding – common shares.

- (a.) The number of shares outstanding and entitled to vote in the stockholders' meeting is 14,959,999,950 shares as of April 30, 2026.
- (b.) The record date for purposes of determining stockholders entitled to vote in the meeting is April 10, 2026. A stockholder is entitled to cumulative voting in the election of directors (by which he can cumulate his shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal) or he may distribute them on the same principle among as many candidates as he shall see fit; provided that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected. There are no conditions precedents for the exercise of the cumulative voting rights in the election of directors.
- (c.) Each shareholder holding Common Shares as of April 10, 2026 is entitled to as many votes as there are directors to be elected. Thus, if there are fifteen (15) directors to be elected, each Common Share is entitled to fifteen (15) votes. Such shareholder may cumulate and cast all his votes in favor of one candidate or distribute them among as many candidates as he shall see fit, provided that the total number of votes cast by him does not exceed the number of shares owned by him multiplied by the number of directors to be elected.
- (d.) As of March 31, 2026, the number of common shares owned and held by non-Philippine nationals is 121,999,920 shares, representing approximately 0.82% of the total issued and outstanding shares of the Corporation.

(e.) Security Ownership of Certain Record and Beneficial Owners and Management of the Corporation.

Security Ownership of Certain Record and Beneficial Owners

The persons known to the Corporation to be directly or indirectly the record or beneficial owner of more than five (5%) of the Corporation's voting securities as of April 30, 2026 are as follows:

(1) Title of Class	(2) Name, address of record owner and relationship with Issuer	(3) Name of beneficial owner and relationship with record owner	(4) Citizenship	(5) No. Of Shares held	(6) Percent of Ownership
Common Shares	PCD Nominee Corp. ¹ 37/F Tower 1 Enterprise Center Ayala Ave. corner Paseo de Roxas, Makati City <i>Stockholder</i>	Various shareholders	Filipino	13,986,584,479	93.49%

As of April 30, 2026, the following are known to the Corporation as the PCD participants holding 5% or more of the Corporation's voting securities:

Name	Address	No. of Shares	Percent of Shareholdings
Guild Securities, Inc. Clare D. Alvarez President	Unit 1215 Tower One & Exchange Plaza, Ayala Avenue, Makati City	7,295,695,529	52.16%
Caballes-Go Securities Inc. Melvin O. Vergara President	1606 Robinsons Equitable Tower ADB Avenue corner P. Poveda Road, Ortigas Center, Pasig City	2,216,719,581	15.85%
Marian Securities, Inc. Richard L. Lee President	Unit 1710-1711, 17 th Floor, Philippine Stock Exchange Tower, 5 th Avenue cor. 28 th Street Bonifacio Global City, Taguig City	1,074,772,600	7.68%
	TOTAL	10,587,187,710	75.69%

To the best knowledge of the Corporation, no security holder has created a voting trust for the purpose of conferring upon a trustee the right to vote pertaining to shares of stock of the Corporation.

¹ PCD Nominee Corp. (PCD), a wholly owned subsidiary of Philippine Central Depository, Inc., is the registered owner of shares in the books of the Corporation's transfer agents in the Philippines. The beneficial owners of such shares are PCD's participants, who hold the shares on their behalf or in behalf of their clients.

Security Ownership of Management

Security Ownership of Management and Directors as of April 30, 2026 is as follows:

<u>Title of Class</u>	<u>Names of Beneficial Owner</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Citizenship</u>	<u>Percent of Ownership</u>
A. Directors				
Common Shares	George L. Go	774,638,380 ^{db1}	Filipino	5.178%
Common Shares	Clare D. Alvarez	663,539,302 ^{db2}	Filipino	4.435%
Common Shares	Nixon Y. Lim	431,948,000 ^d	Filipino	2.887%
Common Shares	Patrick Warren D. Go	1,107,859,260 ^d	Filipino	7.41%
Common Shares	Wilfrido V. Vergara	24,833,600 ^{db3}	Filipino	0.166%
Common Shares	Ramon A. Recto	11,968,000 ^{db4}	Filipino	0.080%
Common Shares	Christopher Brian C. Dy	8,582,000 ^d	Filipino	0.057%
Common Shares	Reynaldo V. Reyes	550,000 ^{db5}	Filipino	0.004%
Common Shares	Manuel E. Dimaculangan	500,000 ^{db6}	Filipino	0.003%
Common Shares	Conrado G. Marty	88,008 ^d	Filipino	0.001%
Common Shares	Melvin Andrew O. Vergara	11,000 ^d	Filipino	nil
Common Shares	Emilio S. De Quiros, Jr.	11,000 ^d	Filipino	nil
Common Shares	Rodolfo B. Fernandez	10,088 ^d		nil
B. Executive Officers				
Common Shares	Romuald Dy Tang	87,992,000 ^{db7}	Filipino	0.588%
Common Shares	Eugene B. Macalalag	20,000,088 ^d	Filipino	0.133%
All Directors and Officers as a Group		3,132,530,726		20.95%

^d – these are directly owned by the aforementioned director or officer

^{db1} – 132,950,000 of these are registered in one of the PCD member companies but beneficially owned by the director while 623,992,500 are indirectly beneficially owned by the director through Mrs. Rosie D. Go.

^{db2} – 181,412,000 of these are registered in one of the PCD member companies but beneficially owned by the director

^{db3} – 10,000,000 of these are registered in one of the PCD member companies but beneficially owned by the director

^{db4} – 500,000 of these are registered in one of the PCD member companies but beneficially owned by the director

^{db5} – 86,970,000 of these are registered in one of the PCD member companies but beneficially owned by the director

^{db6} – 18,740,000 of these are registered in one of the PCD member companies but beneficially owned by the director

^{db7} – 77,700,000 of these are registered in one of the PCD member companies but beneficially owned by the director

There are no arrangements that may result in a change in control of the Corporation, nor has there been any change in control since the beginning of the last fiscal year.

5. Directors and Executive Officers

The general management of the Corporation is vested in a board of competent directors, committees and officers, elected in accordance with the Corporation's By-Laws, as amended to date, and its Manual on Corporate Governance ("the Manual"). As required under its Manual, the Corporation has independent members of the Board of Directors. An independent director means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to materially interfere with his exercise of independent judgment in carrying out his responsibilities.

(a) Below is a list of incumbent directors and executive officers of the Corporation and their respective business experiences for the past five (5) years:

Mr. George L. Go, 83 years old, Filipino, is presently the Chairman of the Board of Directors of the Corporation. He has been a Director of the Corporation since 1995. He is also the Chairman of the Nominations Committee and a Member of the Executive Committee, Investment Committee and the Compensation and Remuneration Committee. Mr. Go is also the Chairman of the Board of Crown Central Properties Corp., Parkfield Land Holdings, Inc., Healthcare Systems of Asia Philippines, Inc. and Fortmed Medical Clinics Makati, Inc. Mr.

Go earned his bachelor's degree in Economics from Youngstown University, U.S.A and completed an Advanced Management Program in Harvard Business School, U.S.A.

Mr. Wilfrido V. Vergara, 81 years old, Filipino, has been the Vice Chairman of the Board of Directors of the Corporation since May 2002. He is the Chairman of the Executive Committee, the Investment Committee and the Compensation and Remunerations Committee. Mr. W.V. Vergara is the Chairman of the Board of Directors of Argent Capital Holdings Corporation and also the Vice Chairman of Fortmed Medical Clinics Makati, Inc. and Healthcare Systems Asia Philippines, Inc. He is also a Director of Crown Central Properties Corp. and Parkfield Land Holdings, Inc. Mr. Vergara obtained his Bachelor's Degree in Economics from the Ateneo de Manila University.

Mr. Romuald U. Dy Tang, 73 years old, Filipino, has been a member of the Board of Directors of the Corporation since 2008 and was elected President of the Corporation in May 2010. Mr. Dy Tang is also a Member of the Executive Committee, Nominations Committee, the Compensation and Remuneration Committee and Investment Committee. He is likewise a Director and President of Argent Capital Holdings, Inc. and a member of the Board of Directors of Crown Central Properties Corp., Healthcare Systems of Asia Philippines, Inc., Fortmed Medical Clinics Makati, Inc. and Parkfield Landholdings, Inc. Mr. Dy Tang earned his Bachelor of Science in Business Administration from De La Salle University, Manila.

Mr. Patrick Warren D. Go, 57 years old, Filipino, has been a Director of the Corporation since 1995. He is the Treasurer and the Compliance Officer of the Corporation. He also serves as the Treasurer of Healthcare Systems of Asia Philippines, Inc., Fortmed Medical Clinics Makati, Inc. He is a director and the Treasurer of Crown Central Properties Corp., Parkfield Land Holdings, Inc. and Argent Capital Holdings Corp. Prior to that, he was Vice President at Banco De Oro. Mr. Go graduated from San Francisco State University, U.S.A in 1992 earning a Bachelor of Science degree in both Finance and Real Estate. He is the son of Mr. George L. Go.

Mr. Eugene B. Macalalag, 58 years old, Filipino, has been a member of the Board of Directors of the Corporation since May 2003. He is the First Vice President of the Corporation. Mr. Macalalag is also the President and Director of Healthcare Systems of Asia Philippines, Inc. and FortMED Medical Clinics Makati, Inc. He is also the President of Crown Central Properties Corp. and Parkfield Land Holdings, Inc. and a director of Argent Capital Holdings Corporation. He joined Crown Equities, Inc. in April 1996. Mr. Macalalag graduated *Magna cum Laude* from the Divine Word University of Tacloban and holds a Bachelor of Science degree in Commerce – Accounting. He earned his Masters degree in Business Administration from the De La Salle University, Manila.

Mr. Ramon A. Recto, 93 years old, Filipino, has been an Independent Director of the Corporation since May 2002. He is a Member of the Audit Committee, Corporate Governance Committee and the Nominations Committee. Mr. Recto was the President of Marcventures Holdings, Inc. and Lepanto Consolidated Mining Corporation. Mr. Recto obtained both of his Bachelor's Degrees in Electrical Engineering and in Mechanical Engineering from the University of the Philippines. He also earned his Master's Degree in Industrial Management from the same University.

Mr. Conrado G. Marty, 79 years old, Filipino, has been a member of the Board of Directors of the Corporation since 2006. Mr. Marty is also the Chairman of the Audit Committee of the Corporation. He is the Chairman of Universal LMS Finance and Leasing Corporation and is also the Vice Chairman of Hariphil Asia Resources Inc. Mr. Marty holds a Bachelor in Business Administration Major in Accounting from University of the East and is a Certified Public Accountant. He obtained his Master in Business Administration major in Finance from the Wharton School, University of Pennsylvania.

Mr. Manuel E. Dimaculangan, 59 years old, Filipino, serve as an independent director of the corporation since 2022. He is the President and CEO of Pacific World Security. He is also an independent Director of Coyiuto Securities.

Mr. Melvin Andrew O. Vergara, 53 years old, Filipino, has been a member of the Board of Directors since May 2011. He is also currently a Director of Healthcare Systems of Asia Philippines, Inc. and FortMED Clinics Makati. He was a consultant of the same company from 2000 to 2002. He earned his Degree in Business Administration from the University of Sto. Tomas. He is the son of Wilfrido V. Vergara.

Mr. Christopher Brian C. Dy, 41 years old, Filipino, is the Assistant Vice President of the Corporation. Mr. Dy has been a member of the Board of Directors of the Corporation since May 2011. He is also the Vice President of Crown Central Properties Corporation and the Assistant Vice President of Parkfield Land Holdings, Inc. and Argent Capital Holdings Corp. He also served as the purchasing officer of Fortmed Medical Clinics in 2010. He took up securities training in Guild Securities, Inc. from 2009 to 2010 and worked for 3M Philippines for the Projections Systems and Optical Systems divisions. He was also a Property Specialist of Ayala Land Premier in 2006. He earned his Bachelor of Science in Management, Major in Management Communications Technology from the Ateneo de Manila University. He is the son of Mr. Romuald U. Dy Tang.

Mr. Nixon Y. Lim, 55 years old, Filipino, graduated B.S Physics at De La Salle University, Manila in 1991. He is currently the Chairman of the Related Party Transaction Committee of the Corporation and a Member of the Board Risk Oversight Committee and Investments Committee. He is the President of Greenstone Packaging Corporation, Lamitek Systems, Inc. and Greenkraft Corporation. In addition, he is also the President of GreenSiam Resources Corporation, Steniel Mindanao Packaging Corporation, Steniel Cavite Packaging Corp., and Chairman and CEO of Steniel Manufacturing Corporation.

Atty. Rodolfo B. Fernandez, 69 years old, Filipino, is an independent director of the Corporation. He is also the Chairman of the Corporate Governance Committee and member of the Audit Committee and Board Risk Oversight Committee. Atty. Fernandez is currently an independent director of Medco Holdings, Inc. and sits in the board of Reference Group Financial Services, Inc. He is also a director and corporate secretary of The Organization of Property Stakeholders. He was formerly Chief Compliance and AMLA Officer of BPI Family Savings Bank, Head of Compliance and Legal of BPI Asset Management and Trust Group (AMTG) and BPI Mutual Fund Companies, Head of the BPI Account Management 4, Chief Legal Counsel of Far East Bank and Trust Co., and Head of Legal and Product Development of FEBTC – Trust Department. An expert and lecturer on estate planning, he obtained his Bachelor of Laws from the UP College of Law and his AB Political Science from the University of Santo Tomas.

Mr. Reynaldo V. Reyes, 83 years old, is an independent director of both the Corporation and Argent Capital Holdings, Inc. He is also a Member of the Corporate Governance Committee, Related Party Transaction Committee, and Investments Committee. Mr. Reyes spent his most productive years as a military serviceman from age 17 to compulsory retirement at age 56. He served as a PAF line pilot, Squadron Commander, Wing Commander and went on to become Air Division Commander stationed in Zamboanga, Mindanao after which he was placed in command of the Western Command (WESCOM) in charge of Palawan and the West Philippine Sea. He had modest exposure in business management while detailed at the Defense Department as head of the Defense Management Division and Deputy Assistant Secretary for Comptrollership. There he served in concurrent capacity as Senior Vice President of the AFP pension fund performing a wide range of functions from lending, treasury management and managing property holdings of the fund. He was a member of the Philippine Stock Exchange from 1999 to 2006, being then the Chairman and President of stock brokerage firm Public Securities Corporation. He was at the same time President and

CEO of an investment house, Resources and Investments Corporate House Inc. (RICH). He served as Director of the Securities Clearing Corporation (SCCP), and also as member of the PSE Listing Committee. Mr. Reyes graduated from the Philippine Military Academy in 1964 with a Bachelor's Degree. His in-service career training included courses in Resource Management at the US Naval Post Graduate School in Monterey, USA; Industrial College of the US Armed Forces; Command and Staff Course at the Air University, Montgomery, Alabama, USA and ADMU MBA off-campus course.

Mr. Emilio S. de Quiros, Jr., 77 years old, is an Independent Director of the Corporation. He is the Chairman of the Board Risk Oversight Committee. He is also a member of the Compensation and Remuneration Committee, Related Party Transaction Committee and Investments Committee. Mr. De Quiros is also an independent director of Atlas Consolidated Mining and Development Corporation, an independent director of Sunlife Investment Management & Trust Corporation and an Independent Director of Capital Markets Integrity Corporation. He was previously the President and Chief Executive Officer of the Social Security System (SSS) and also served as a Director of Belle Corporation, UnionBank of the Philippines, Philex Mining Corporation and Philhealth Insurance Corporation. Prior to his appointment as President of SSS, he served as Executive Vice President of Bank of the Philippine Islands and President of Ayala Life Insurance Inc., Ayala Plans Inc. and a director of BPI Bancassurance, Inc. Mr. De Quiros graduated from Ateneo de Naga with a Bachelor of Arts in Economics degree (Cum Laude), and holds a Master of Arts in Economics degree from University of the Philippines.

Ms. Clare D. Alvarez, Filipino, has been a member of the Board of Directors of the Corporation since 2022. She is the President, CEO and Nominee of Guild Securities, Inc. and a Assoc. Director in Globe Telecom, Inc. Ms. Alvarez graduated from University of Asia and the Pacific and holds a bachelor degree in Arts major in Humanities and Business Administration. She obtained her Master's Degree in Business Management from Asian Institute of Management.

Mr. Billy John E. Sia, 42 years old, Filipino, currently serves as the Vice President of the Corporation. He is also the Finance Head and a Director of Crown Central Properties Corp. He has a combined 17 years of experience in controllership, audit and information technology in industries such as banking, real estate and manufacturing. Mr. Sia graduated from De La Salle University, Manila in 2005 earning a Bachelor of Science degree in Accountancy and a Bachelor of Arts degree in Political Science. He placed 19th in the May 2006 CPA licensure examination.

Attendance in Board Meetings

Below is the attendance of the Directors for the meetings held as of December 2025:

	No. of Meetings Attended	Total No. of Meetings	Percentage
George L. Go	5	5	100%
Wilfrido V. Vergara	5	5	100%
Romuald Dy Tang	5	5	100%
Clare D. Alvarez	5	5	100%
Christopher Brian C. Dy	5	5	100%
Patrick Warren D. Go	5	5	100%
Nixon Y. Lim	5	5	100%
Eugene B. Macalalag	5	5	100%
Conrado G. Marty	5	5	100%
Ramon A. Recto	5	5	100%
Melvin Andrew O. Vergara	5	5	100%

Emilio S. De Quiros, Jr.	5	5	100%
Manuel E. Dimaculangan	5	5	100%
Rodolfo B. Fernandez	5	5	100%
Reynaldo V. Reyes	5	5	100%

Directorships in other reporting companies:

Within the last five (5) years, the following directors are also directors of other reporting companies as listed below:

Mr. Emilio S. De Quiros, Jr., Lead independent director of Atlas Consolidated Mining & Development Corporation.

Mr. Nixon Y. Lim, Chairman, President and CEO of Steniel Manufacturing Corporation.

Atty. Rodolfo B. Fernandez, independent director of Medco Holdings, Inc.

(a) Significant Employees

The Corporation has no employee who is not an executive officer but is expected to make a significant contribution to the business.

(b) Family Relationships

Mr. Patrick Warren D. Go, Compliance Officer and member of the Board of Directors, is the son of Mr. George L. Go, Chairman of the Board of Directors. Mr. Melvin Andrew O. Vergara is the son of Mr. Wilfrido V. Vergara, Vice Chairman of the Board of Directors while Mr. Christopher Brian C. Dy is the son of Mr. Romuald U. Dy Tang, President. Aside from the foregoing, no other directors or executive officer are related up to the fourth civil degree either by consanguinity or affinity.

The Corporation has no controlling or parent company.

(c) Involvement in Certain Legal Proceedings

The Corporation has no knowledge of the involvement of the current directors and executive officers, in any legal proceedings as defined in the Securities Regulation Code for the last five years up to the date of this report.

Further, the Corporation is not involved in or aware of any material legal proceedings, tax assessments and tax cases in court or other regulatory bodies as at and for the year ended December 31, 2025, that may significantly affect the Corporation, or any of its subsidiaries or affiliates.

(d) Certain Relationships and Related Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. Transactions between related parties are on arm's length basis in a manner similar to transactions with non-related parties.

During the last three years, there were no transactions or series of similar transactions with or involving the Corporation or any of its subsidiaries in which a director, executive officer, nominee for election as

a director or stockholder owning ten percent (10%) or more of total outstanding shares and members of their immediate family, had or is to have a direct or indirect material interest.

There are no known related party transactions other than those described in Note 22 (Related Party Transactions) of the Notes to the Consolidated Financial Statements incorporated herein by reference.

(e) The Corporation has no controlling or parent company.

(f) Independent Directors

The independent directors, through the Nomination Committee, are identified, screened, endorsed and nominated for election to the Board of Directors in accordance with Rule 38 of the Securities Regulation Code, as amended (“SRC”).

The Nomination Committee, created by the Board under its Corporate Governance Manual, endorsed the following persons for election to regular membership in the Board of Directors at the forthcoming annual stockholders’ meeting:

Clare D. Alvarez	Patrick Warren D. Go	Conrado G. Marty
Christopher Brian C. Dy	Esther Wileen S. Go	Melvin Andrew O. Vergara
Romuald U. Dy Tang	Nixon Y. Lim	Wilfrido V. Vergara
George L. Go	Eugene B. Macalalag	

Ms. Esther Wileen S. Go, 54, Filipino, is a new nominee for Director of the Corporation. She is currently the President and Chief Executive Officer of MediLink Network, an electronic network serving the health ecosystem. She is also a Director of Security Bank, Equicom Savings Bank, Maxicare Healthcare Corporation, and Maxicare Life Insurance Corporation. She was a Vice President of CitiGroup New York handling Operations, Product Development, e-Strategy and Implementation, and Payment Innovation. Prior to this, she worked with Booz Allen Hamilton, SM Department Stores, Equitable Card Network, and the US Committee for UNICEF. Ms. Go holds a Master’s degree in Business Administration from Harvard Business School and a Bachelor of Arts degree with double majors in Computer Science and Economics (magna cum laude) from Smith College. She currently holds 200,00 common shares of the Corporation.

The Nomination Committee also conducted the nomination of independent directors in accordance with SRC Rule 38. The recommendations have been signed by the nominating stockholder together with the acceptance and conformity by the would-be nominees. There were four nominations made. The Nomination Committee, after pre-screening the qualifications of the nominees, endorsed the election of the following independent directors:

Mr. Manuel E. Dimaculangan
Mr. Rodolfo B. Fernandez
Mr. Armando T. Po
Mr. Reynaldo V. Reyes

as the only and final candidates for Independent Directorship. They were nominated by Mr. Noel Z. Bundalian, a stockholder of the Corporation and to the Corporation’s knowledge, there is no relationship between the nominees for independent directors and Mr. Bundalian.

Mr. Armando T. Po, 62, Filipino, is a new nominee for Independent Director of the Corporation. He is the founder of Unitec Resources Inc., a Manila-based construction and engineering company specializing in electrical installation and related services. He currently serves as its Chairman and President. Mr. Po is a licensed electrical contractor with an AA category classification, specializing in electrical works. He holds a Bachelor of Science in Business Administration, major in Management, from San Beda College. He currently holds 200,000 common shares of the Corporation.

All four nominees for Independent Directorship each has a cumulative term of less than nine (9) years as independent directors of the Corporation, in compliance with SEC Memorandum Circular ('MC') No. 19, Series of 2016.

Pursuant to the SEC Rules on the Nomination and Election of Independent Directors, there will be no more nominations on the floor during the stockholders' meeting as the final list of candidates will be the basis for the election of the four (4) independent directors.

The abovementioned nominated persons will be presented to the Corporation's shareholders for election at the annual stockholders' meeting. Each director shall hold office for one (1) year from the time of his election until his successor is duly elected and qualified. The abovementioned nominated persons will be presented to the Corporation's shareholders for election at the annual stockholders' meeting. The nominated individuals possess all the qualifications and none of the disqualifications provided in the SRC and its Implementing Rules and Regulations.

Further, no director has resigned or declined to stand for re-election to the Board of Directors since the date of the last Annual Shareholders' Meeting because of a disagreement with the Corporation any matter relating to its operations, policies or practices.

The members of the Nomination Committee are as follows:

- Mr. George L. Go – Chairman
- Mr. Wilfrido V. Vergara – Member
- Mr. Romuald U. Dy Tang – Member
- Mr. Ramon A. Recto – Member

The members of the Nomination Committee and the other committees are appointed during the organizational board meeting held right after the annual shareholders' meeting. All members attended the sole meeting of the Nomination Committee meeting held for the year 2025.

6. Compensation of Directors and Executive Officers

Board Remuneration:

The Board receives a per diem of P20k per meeting. No other arrangement is made with anyone except that each Board member is entitled to a proportionate share in the profit sharing as declared and as approved by the Board of Directors. There are no outstanding warrants or options held by directors and officers. There are no actions to be taken with regard to election, any bonus or profit-sharing, change in pension/retirement plan, granting of or extension of any options, warrants or rights to purchase any securities.

The Corporation's Executive Officers consist only of the following key personnel: the Chairman, Vice-Chairman, President, First Vice-President, Vice President and Treasurer.

The aggregate compensation paid or incurred during the last two fiscal years and estimated to be paid in the ensuing fiscal year to the Executive Officers and Directors of the Corporation are as follows:

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS					
Name and Principal Position	Year	Salary/Fees	Bonus	Other Annual Compensation	Total
Compensation of Executive Officers*					
George L. Go, Chairman	2026 (Est.)	P13.50 million	P2.85 million		P16.35 million
Wilfrido V. Vergara, Vice Chairman	2025	P13.00 million	P3.00 million		P16.00 million
Romuald U. Dy Tang, President					
Eugene B. Macalalag, First VP	2024	P12.40 million	P5.20 million		P17.60 million
Billy John E. Sia, VP					
Patrick D. Go, Treasurer					

All Other Directors and Officers as a Group	2026 (Est.)	P 3.50 million	P 0.95 million		P 4.45 million
	2025	P 3.20 million	P 1.00 million		P 4.20 million
	2024	P 3.20 million	P 1.70 million		P 4.90 million

** The Chairman, Vice Chairman, President, First Vice President, Vice President and Treasurer are the only executive officers of Crown Equities, Inc.*

As provided in the Corporation's by-laws, directors shall receive a reasonable per diem allowance for their attendance at each meeting. Further, as compensation, the Board shall receive and allocate an amount of not more than ten percent (10%) of the net income before income tax of the Corporation during the preceding year. Such compensation shall be determined and apportioned among the Directors in such manner as the Board may deem proper.

7. Independent Public Accountants

During the annual stockholders meeting held on May 27, 2025, the firm of R.G. Manabat & Co. was appointed as auditors for the fiscal year 2025. At the annual stockholders' meeting, authorized representatives of R.G. Manabat & Co. are expected to be present and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

In compliance with SRC Rule 68, as amended par. 3(b)(ix) on the five (5) year rotation of the External Auditor, the Corporation engaged R.G. Manabat & Co. for the examination of the Corporation's financial statements for the years ended 2025. Previously, the Corporation engaged Reyes Tacandong & Co. as its External Auditor for the years ended 2023, 2022, 2021, 2020 and 2019. The Corporation is compliant with the rotation requirement of its external auditor as required under SRC Rule 68 (3)(b)(iv) as it changed its external auditor for the year 2024.

The Corporation has had no material disagreement with R.G. Manabat & Co. on any matter of accounting principle or practices or disclosures in the Corporation's financial statements.

During the 2026 annual stockholders' meeting, R.G. Manabat & Co. will be endorsed and recommended to the shareholders to be re-appointed as the Company's external auditor for the fiscal year 2026.

For the audit of the Corporation's financial statements, the aggregate fee billed by the independent auditors was P1.20 million in 2025, P0.95 million in 2024, and P1.12 million in 2023. There were no other professional fees billed by the independent auditors during the year. The Audit Committee reviews all proposals for services to be rendered by the independent auditor. In the last two (2) years, the Corporation did not engage the independent public accountants for any services other than the regular conduct of independent audit of the year-end financial statements.

The members of the Audit Committee are as follows:

Mr. Conrado G. Marty – Chairman
Mr. Rodolfo B. Fernandez – Member
Mr. Ramon A. Recto – Member

8. Compensation Plans

Stock Options, Warrants or Rights Plan

On May 31, 2002, the stockholders approved a stock option plan for directors and executive officers of the Corporation as may be designated by the Board.

The Corporation's stock option plan entitles, on grant date, the directors and executive officers of the Corporation to purchase shares of stock of the Corporation at par value or book value, whichever is

higher. The underlying shares subject to the stock option plan covers 2,400,000,000 common shares representing 10% of the authorized capital stock of the Corporation. The stock option shall be subject to vesting according to such schedule as shall be approved by the BOD, provided that vesting shall lapse after five years from entitlement date, and provided further that with respect to executive officers, vesting shall expire upon their resignation from the Corporation. The number of underlying common shares in respect of outstanding options and/or the exercise price shall be correspondingly adjusted in the event of any stock dividend declaration, stock split, merger, consolidation, or the similar or analogous change in the corporate structure or capitalization of the Group. The terms and conditions of the stock option plan may be amended by the resolution of the BOD, except that any increase in the maximum number of shares or any decrease in the exercise price shall require the approval of stockholders representing at least two-thirds of the outstanding capital stock.

No stock option has been granted from the time the stock option plan was approved.

Description of Corporation's Securities

(a) Common Stock

The shares of the Corporation which are issued and outstanding are common shares having dividend and voting rights. There are no material rights of security holders owning common shares other than those provided by law. There is no current provision in the Articles of Incorporation or By-laws of the Company that would delay, defer, or prevent a change in control of the Corporation.

As amended by the Board of Directors and Stockholders in its meeting held on April 23, 1996 and May 7, 1996, respectively, the Corporation's Articles of Incorporation provides that no holder of any class of shares of the Corporation shall have as such holder, any pre-emptive right to acquire, purchase or subscribe to any share of the capital stock of any class of the Corporation which it may issue or sell whether out of the number of shares authorized or out of shares of the capital stock of any class of the Corporation acquired by it after the issue thereof; nor shall any holder of any class of shares of the Corporation have as such shareholder, any pre-emptive right to acquire, purchase, or subscribe to any obligation which the Corporation may issue or sell that shall be convertible into or exchangeable for any shares of the capital stock of any class of the Corporation or to which shall be attached or appertain any warrant or any instrument that shall confer upon the owner of such obligation, warrant or instrument the right to subscribe to or to acquire or purchase from the Corporation, any share of its capital stock of any class.

There are no other classes of capital stock authorized for issue by the Corporation.

(b) Stock Options

On May 2, 2002, the Board has authorized the implementation of a stock option plan for directors and executive officers of the Corporation as maybe designated by the Board of Directors. Please refer to Item 8 above for the details of the stock option.

(c) Securities subject for Redemption Call

Except in respect of common shares of the Corporation which are the underlying shares for the stock option plan, there are no securities of the Company subject to redemption or call.

9. Authorizations or Issuance of Securities Other Than for Exchange

On May 28, 2024, stockholders' of the Corporation approved the declaration of property dividends to be paid at an entitlement ratio of 0.10 common share for every one (1) CEI common share held by all eligible stockholders as of record date and payment date to be determined by the Management of CEI, subject to the necessary regulatory approvals. On September 30, 2019, the Corporation issued stock dividends in the amount of Ten Percent (10%) of the issued and outstanding shares of stock, or one

billion, three hundred fifty-nine million, nine hundred ninety-nine thousand, nine hundred ninety (1,359,999,990) shares pursuant to the stock dividend declaration approved by the Corporation on February 26, 2019 and ratified by the stockholders at the annual stockholders' meeting held on May 7, 2019.

10. Modification or Exchange of Securities

No action will be presented for shareholders' approval at this year's annual meeting which involves the modification of any class of the Corporation's securities, or the issuance of one class of the Corporation's securities in exchange for outstanding securities of another class

11. Financial and Other Information

The Consolidated Audited Financial Statements of the Corporation for the year ended December 31, 2025 are attached as Annex A. The Management's Discussion & Analysis is incorporated in the attached Management Report.

Representatives of the Corporation's external auditor, R.G. Manabat & Co., are expected to be present at the annual stockholders' meeting, and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions from stockholders. The Corporation has no material disagreement with R.G. Manabat & Co., on any matter of accounting principle of practices or disclosures in the Corporation's financial statements.

12. Mergers, Consolidations, Acquisitions, and Similar Matter

No action will be presented for shareholders' approval at this year's annual meeting regarding mergers, consolidations, acquisitions and similar matter.

13. Acquisition and Disposition of Property

No action will be presented for shareholders' approval at this year's annual meeting in respect of any acquisition or disposition of property of the Corporation.

14. Restatement of Accounts

The Corporation is not taking any action which involves the restatement of any of its assets, capital or surplus accounts.

15. Action with Respect to Reports and Other Proposed Action

During the Annual Stockholders' Meeting held on May 27, 2025 via remote communication, a total of 8,688,864,111 shares were present, in person or by proxy, representing approximately 58.08% of the outstanding shares of the Corporation.

The Stockholders approved the Minutes of the Previous Annual Stockholders Meeting held last May 28, 2024, ratified the resolutions passed by its Board of Directors and the President covering the period from May 28, 2024 up to May 27, 2025, and noted the Management and Financial Reports for 2024. The Stockholders likewise cast all their votes equally in favor of the 15 individuals nominated as Directors who shall serve for the ensuing year and until their successors are duly elected and qualified.

The following matters with respect to minutes of the stockholders' meeting of the Company and resolutions adopted by its Board of Directors will be presented for approval during the stockholders' meeting:

- a) Minutes of the annual meeting of stockholders held on May 27, 2025, appended to this Information Statement. These minutes fully reflect the proceedings during the meeting, including:
- 1) a description of the voting and vote tabulation procedures used in the previous meeting;
 - 2) a description of the opportunity given to stockholders to ask questions and a record of the questions asked and answers given;
 - 3) a record of the voting results for each agenda item; and
 - 4) the list of directors and officers and a description of stockholders who participated in the meeting, certified duly certified to by the Corporate Secretary, and verified and validated by the Company's Stock Transfer Agent, Professional Stock Transfer, Inc.

These minutes were posted in the Company's website within twenty-four (24) hours from adjournment of the meeting. The office of the Corporate Secretary has in its custody the full list and names of stockholders who participated in meeting.

- b) General approval and ratification of the acts of the Board of Directors, its Committees, and the Management during their term of office commencing from the date of the last annual stockholders' meeting up to the date of this year's meeting. These are covered by Resolutions of the Board of Directors and were entered into or made in the ordinary course of business, the significant acts or transactions which are covered by appropriate disclosures with the Securities and Exchange Commission and Philippine Stock Exchange, Inc.

There are no other matters that would require approval of the stockholders.

For the period ended December 31, 2025, there are no known related party transactions other than those described in Note 23 (Related Party Transactions) of the Notes to the Consolidated Financial Statements incorporated herein by reference.

There is likewise no material information on the current stockholders and their voting rights requiring disclosure.

All stockholders as of Record Date are entitled to vote in absentia for this meeting by registering and voting through the Company's secure online voting facility. For the detailed discussion of stockholders' voting rights and voting procedures, please refer to Item 19 (Voting Procedures) and the "Guidelines for Participation via Remote Communication and Voting in Absentia" appended to this Information Statement.

There is no action to be taken with respect to any report of the Corporation or of its directors, officers or committees, except for the approval of the minutes of the previous annual meeting of the Corporation.

At the annual meeting, shareholders will be asked to approve and ratify the acts of the Board of Directors during their term of office. The matters for stockholders' ratification are acts of the Board for the previous year up to the date of the annual meeting which were entered into or made in the ordinary course of business, the significant acts or transactions of which are covered by appropriate disclosures with the Securities and Exchange Commission and The Philippine Stock Exchange, Inc.:

Date of Disclosure	Subject
February 25, 2025	Results of the meeting of the regular meeting of the Board of Crown Equities held on February 25, 2025. <ol style="list-style-type: none"> 1. Setting the annual stockholders' meeting on May 27, 2025; 2. Setting the record date to April 11, 2025.

Date of Disclosure	Subject
February 26, 2025	Update on stock dividend declaration approved by the Board last February 28, 2023 that was not presented for stockholders' approval during the 2023 Annual Stockholders Meeting on May 23, 2023 based on subsequent management decision
May 27, 2025	Results of the Annual Stockholders' Meeting and Organizational Board Meeting of Crown Equities held on May 27, 2025 via Remote Communication (Zoom).
May 31, 2025	Submission of the Integrated Annual Corporate Governance Report
December 16, 2025	Disclosure of the acquisition of shares by Crown Equities of the combined 52% equity shares in Crown Central Properties Corporation (CCPC) of Federal Land, Inc. (FLI) and Horizon Land Property Development Corp. (HLPDC), subject to closing terms and conditions to be agreed upon by the parties. CCPC is currently a joint venture between Crown Equities and FLI, and is currently 48% owned by CEI.
February 24, 2026	Results of the meeting of the regular meeting of the Board of Crown Equities held on February 24, 2026. <ol style="list-style-type: none"> 1. Setting the annual stockholders' meeting on May 26, 2026; 2. Setting the record date to April 10, 2026.

16. Matter Not Required to be Submitted

There is no action to be taken with respect to any matter which is required to be submitted to a vote of security holders.

17. Amendment of Charter, By-Laws or Other Documents

There is no action to be taken with respect to any amendment of the Corporation's Articles of Incorporation, By-Laws and other charter documents which is required to be submitted to a vote of security holders.

18. Other Proposed Actions

Other than the matters indicated in the Notice and Agenda included in this Information Statement, there are no other actions proposed to be taken at the annual meeting.

19. Voting Procedures, Requirement and Method of Counting

The following are observed in the conduct of election, appointment, ratification or approval:

(a.) Manner of Voting. Stockholders of record are entitled to one (1) vote per share.

For the purpose of electing directors, a stockholder may vote such number of his shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them in the same principle among as many candidates as he shall see fit.

There is no manner of voting prescribed in the Corporation's Amended By-Laws. Hence, unless required by law, or demanded by a stockholder present or represented at the meeting and entitled to vote thereat, voting need not be by ballot and will be done by show of hands, viva voce, or by balloting. The Corporation's Corporate Secretary shall be authorized to count all votes cast.

(b.) Voting Requirements.

With respect to the election of directors, candidates who received the highest number of votes shall be declared elected. With respect to the ratification of acts of the Board of Directors and Management, the approval of the audited financial statements, the appointment of the independent auditor, and the approval of the minutes of the previous stockholders' meeting, the vote of the stockholders representing majority of the outstanding capital stock entitled to vote and represented in the meeting is required.

With respect to the ratification of the amendments of the Articles of Incorporation pursuant to the extension of the corporate term form another fifty (50) years, the vote of the stockholders representing two-thirds (2/3) of the outstanding capital stock entitled to vote and represented in the meeting is required.

(c.) Method of Counting Votes.

Counting of votes will be done by the Corporate Secretary or his authorized representative(s), with the assistance of the representatives of the stock transfer agent of the Corporation. All votes attaching to the shares of stock, owned by stockholders whose proxies were received by the Corporation will be cast in accordance with the instructions given or authority granted under the proxies where such shares have voting rights.

For this year's Annual Stockholders' Meeting, the Board of Directors approved a resolution allowing the stockholders to participate in the meeting via remote communication and to vote *in absentia*.

Stockholders as of Record Date and their proxy holders who have successfully registered their intention to participate in the annual meeting via remote communication and to vote *in absentia*, duly verified and validated by the Company, shall be allowed to cast their votes on specific agenda items, including the election of directors. Votes will be tabulated and counted at the close of voting for each agenda item during the meeting.

The detailed guidelines for participation and voting for this meeting are set forth in the "Guidelines for Participating via Remote Communication and Voting in Absentia" appended as Schedule "A" to this Information Statement.

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete, and correct. This report is signed in the City of Makati on this May 5, 2026.

CROWN EQUITIES, INC.



MARK O. VERGARA
Corporate Secretary

MANAGEMENT REPORT

REPORT ACCOMPANYING INFORMATION STATEMENT

REQUIRED UNDER SRC RULE 20

(A) Consolidated Audited Financial Statements

The Corporation's consolidated audited financial statements for the period ended December 31, 2025 together with the Statement of Management Responsibility for Financial Statements are attached, and made an integral part thereof

(B) Changes in and Disagreements with Auditor on Accounting and Financial Disclosure

There were no changes in and disagreements with accountants on accounting and financial disclosures for the recent fiscal year.

(C) Management Discussion and Analysis of Financial Condition and Results of Operation

The Corporation has adopted all the relevant Philippine Financial Reporting Standards (PFRS) in its financial statements. The Corporation's financial statements for 2025 and the comparatives presented for 2024 and 2023 comply with all presentation and disclosure requirements.

Management's discussion of the Corporation's financial condition and results of operation presented below should be read in conjunction with the attached audited consolidated financial statements of the Corporation and its subsidiaries.

(1) Changes in Financial Position and Results of Operation

Financial Condition

Period ended March 31, 2026 versus Period ended December 31, 2025

	March 2026 Unaudited	December 2025 Audited	Increase (Decrease)	% Change
ASSETS				
Current Assets				
Cash and cash equivalents	542,416,784	587,497,140	(45,080,356)	-7.67%
Short-term investments	52,581,731	47,206,418	5,375,313	11.39%
Investments in quoted shares	165,299,332	108,315,647	56,983,685	52.61%
Receivables - net	74,231,645	65,871,751	8,359,894	12.69%
Inventories	54,984,091	55,930,827	(946,736)	-1.69%
Other current assets	44,393,694	43,070,319	1,323,375	3.07%
Total Current Assets	933,907,277	907,892,102	26,015,175	2.87%
Noncurrent Assets				
Installment contracts receivable – net of current portion	68,058,930	67,441,258	617,672	0.92%
Loans receivable – net of current portion	9,397,418	9,454,503	(57,085)	-0.60%
Investment properties	1,225,357,329	1,225,129,133	228,196	0.02%
Property and equipment	251,921,344	251,052,358	868,986	0.35%
Goodwill	21,740,604	21,740,604	-	0.00%
Deferred income tax assets - net	10,977,391	9,791,312	1,186,079	12.11%
Other noncurrent assets	16,044,848	16,511,832	(466,984)	-2.83%
Total Noncurrent Assets	1,603,497,864	1,601,121,000	2,376,864	0.15%
TOTAL ASSETS	2,537,405,141	2,509,013,102	28,392,039	1.13%

As of March 31, 2026, total assets amounted to P2.54 billion, representing a 1% increase from December 31, 2025.

- Cash and cash equivalents and short-term investments, which are maintained to meet liquidity requirements, decreased by 6% to a total of P595.00 million as of March 31, 2026, driven by additional acquisitions of investments in quoted shares.
- Investment in quoted shares grew by 53% to P165.30 million as a result of additional acquisitions.
- Current receivables rose by 13% to P74.23 million as of March 31, 2026, brought about by receivables from a joint venture partner.
- Deferred income tax assets increased by 12% to P10.98 million attributable to the unfavorable changes in market valuation of investments in quoted shares during the first quarter of 2026.

	March 2026 Unaudited	December 2025 Audited	Increase (Decrease)	% Change
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	182,487,458	166,961,399	15,526,059	9.30%
Income tax payable	1,516,025	865,677	650,348	75.13%
Total Current Liabilities	184,003,483	167,827,076	16,176,407	9.64%
Noncurrent Liabilities				
Net retirement benefits liability	34,660,964	33,309,099	1,351,865	4.06%
Deferred income tax liabilities - net	8,489,846	7,911,104	578,742	7.32%
Security deposits	5,225,227	5,143,109	82,118	1.60%
Total Noncurrent Liabilities	48,376,037	46,363,312	2,012,725	4.34%
TOTAL LIABILITIES	232,379,520	214,190,388	18,189,132	8.49%
Equity				
Capital stock	1,977,523,246	1,977,523,246	-	0.00%
Additional paid-in capital	118,570,274	118,570,274	-	0.00%
Other equity reserves	(24,775,297)	(24,775,297)	-	0.00%
Treasury stock - at cost	(481,523,251)	(481,523,251)	-	0.00%
Retained earnings	644,880,098	634,701,041	10,179,057	1.60%
Equity attributable to equity holders of the Parent Company	2,234,675,070	2,224,496,013	10,179,057	0.46%
Non-controlling interests	70,350,551	70,326,701	23,850	0.03%
TOTAL EQUITY	2,305,025,621	2,294,822,714	10,202,907	0.44%
TOTAL LIABILITIES AND EQUITY	2,537,405,141	2,509,013,102	28,392,039	1.13%

As of March 31, 2026, total liabilities amounted to P232.38 million, representing an 8% increase from December 31, 2025.

- Accounts and other payables increased by 9% to P182.49 million as of March 31, 2026, as a result of operating obligations during the period.
- Income tax payable increased by 75% to P1.52 million, primarily attributable to revenue generated from real estate activities during the period.

Total equity increased by P10.20 million to P2.31 billion as a result of net income generated during the period.

Results of Operations
For period ended March 31, 2026 versus March 31, 2025

	For the period ended March 2026 Unaudited	For the period ended March 2025 Unaudited	Variance	%
				Variance
REVENUE				
Real estate sales	8,766,457	20,953,382	(12,186,925)	-58.16%
Sale of services	19,342,429	17,882,829	1,459,600	8.16%
Rental income	5,849,101	4,671,244	1,177,857	25.22%
Interest income from installment contracts receivable	4,086,235	3,179,136	907,099	28.53%
Dividend income	913,034	1,289,711	(376,677)	-29.21%
	38,957,256	47,976,302	(9,019,046)	-18.80%
DIRECT COSTS	11,804,305	14,599,389	(2,795,084)	-19.15%
GROSS INCOME	27,152,951	33,376,913	(6,223,962)	-18.65%
SELLING AND ADMINISTRATIVE EXPENSES	29,438,356	28,859,784	578,572	2.00%
OTHER INCOME – Net	16,419,926	12,985,364	3,434,562	26.45%
INCOME BEFORE INCOME TAX	14,134,521	17,502,493	(3,367,972)	-19.24%
INCOME TAX EXPENSE	3,931,614	3,672,260	259,354	7.06%
NET INCOME	10,202,907	13,830,233	(3,627,326)	-26.23%
TOTAL COMPREHENSIVE INCOME	10,202,907	13,830,233	(3,627,326)	-26.23%
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company	10,179,057	10,171,760	7,297	0.07%
Non-controlling interests	23,850	3,658,473	(3,634,623)	-99.35%
	10,202,907	13,830,233	(3,627,326)	-26.23%

- Total consolidated revenues for the period amounted to P38.96 million, representing a 19% decrease compared to the same period in 2025.
 - Real estate revenues—compromising sales, interest income and rental income—contributed 48% of consolidated revenues. Real estate sales from Palma Real Residential Estates and Cypress Towers amounted to P8.77 million, due to fewer accounts that reached the collection threshold. Rental income from office leases at Crown Center, as well as condominium units and parking spaces at Cypress Towers, increased to P5.85 million, driven by new tenant move-ins and escalation clauses in existing lease agreements.
 - Revenue from sale of medical services amounted to P19.34 million during the period, representing an 8% increase and contributing 50% to consolidated revenues.
- Consolidated gross income amounted to P27.15 million for the period ended March 31, 2026. Gross income margin was maintained at 70% despite lower revenues.
- Other income amounted to P16.42 million, posting a 26% increase, primarily driven by favorable changes in foreign exchange rates.
- Consolidated net income amounted to P10.20 million for the period ended March 31, 2026. Net income margin registered at 26% during the period.

Financial Condition**Period end December 31, 2025 versus Period end December 31, 2024**

	December 2025 Audited	December 2024 Audited	Inc/(Dec)	% of Change
ASSETS				
Current Assets				
Cash and cash equivalents	587,497,140	649,740,893	(62,243,753)	-10%
Short-term investments	47,206,418	73,708,106	(26,501,688)	-36%
Investments in quoted shares	108,315,647	84,571,666	23,743,981	28%
Receivables - net	65,871,751	58,460,186	7,411,565	13%
Inventories	55,930,827	74,257,660	(18,326,833)	-25%
Other current assets	43,070,319	39,236,824	3,833,495	10%
Total Current Assets	907,892,102	979,975,335	(72,083,233)	-7%
Noncurrent Assets				
Installment contracts receivable - net of current portion	67,441,258	63,924,667	3,516,591	6%
Loans receivable - net of current portion	9,454,503	9,753,007	(298,504)	-3%
Investment properties	1,225,129,133	1,209,864,212	15,264,921	1%
Property and equipment	251,052,358	261,880,156	(10,827,798)	-4%
Goodwill	21,740,604	21,740,604	-	0%
Deferred income tax assets - net	9,791,312	12,214,596	(2,423,284)	-20%
Other noncurrent assets	16,511,832	16,528,586	(16,754)	0%
Total Noncurrent Assets	1,601,121,000	1,595,905,828	5,215,172	0%
	2,509,013,102	2,575,881,163	(66,868,061)	-3%

As of December 31, 2025, total assets stood at P2.51 billion, representing a decrease of P66.87 million or 3% from prior year, largely driven by a decline in current assets.

Current assets decreased by P 72.08 million or 7% to P 907.89 million, primarily due to lower cash and cash equivalents and short-term investments, mainly attributable to the acquisition of the remaining non-controlling interests in CCPC. Inventories declined to P55.93 million, consistent with the continued conversion into sales of house and lot units in Palma Real and condominium units in Cypress Towers. These were partially offset by increases in investments in quoted shares due to additional acquisitions and favorable market movements, and in receivables, arising from real estate and medical revenues during the year.

Noncurrent assets increased slightly by P5.22 million to P1.60 billion, mainly driven by the increase in investment properties. Investment properties, which amounted to P1.23 billion as of year-end, consist mostly of properties in Taguig, Batangas, and Bulacan. This was partially offset by the decline in property and equipment due to depreciation and limited capital expenditures during the year.

	December 2025 Audited	December 2024 Audited	Inc/(Dec)	% of Change
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	166,961,399	176,404,536	(9,443,137)	-5%
Income tax payable	865,677	754,349	111,328	15%
Total Current Liabilities	167,827,076	177,158,885	(9,331,809)	-5%
Noncurrent Liabilities				
Net retirement benefits liability	33,309,099	29,744,978	3,564,121	12%
Deferred income tax liabilities - net	7,911,104	6,237,125	1,673,979	27%
Security deposits	5,143,109	4,217,691	925,418	22%
Total Noncurrent Liabilities	46,363,312	40,199,794	6,163,518	15%
Total Liabilities	214,190,388	217,358,679	(3,168,291)	-1%
Equity				
Capital stock	1,977,523,246	1,977,523,246	-	0%
Additional paid-in capital	118,570,274	118,570,274	-	0%
Treasury stock - at cost	(481,523,251)	(481,523,251)	-	0%
Other equity reserves	(24,775,297)	(20,175,638)	(4,599,659)	23%
Retained earnings	634,701,041	603,673,585	31,027,456	5%
Equity attributable to equity holders of the Parent Company	2,224,496,013	2,198,068,216	26,427,797	1%
Non-controlling interests	70,326,701	160,454,268	(90,127,567)	-56%
Total Equity	2,294,822,714	2,358,522,484	(63,699,770)	-3%
	2,509,013,102	2,575,881,163	(66,868,061)	-3%

Total liabilities as of December 31, 2025 amounted to P 214.19 million, a decrease of P 3.17 million or 1% from P 217.36 million as of December 31, 2024.

Current Liabilities decreased by P 9.33 million or 5% to P167.83 million, primarily due to the reduction in accounts and other payables, reflecting settlement of operating obligations during the year. This was partially offset by an increase in noncurrent liabilities by P6.16 million or 15% to P46.36 million, mainly attributable to the recognition of additional retirement benefits liability for the year.

Total equity as of December 31, 2025 amounted to P2.29 billion, a decrease of P63.70 million or 3% from P2.36 billion as of December 31, 2024.

Aside from the changes in retained earnings coming from the net income for the year, another significant movement in total equity pertains to the decrease in non-controlling interests brought about by the additional ownership interest in CCPC.

Overall, the financial position reflects a significant portion of the total assets in long-term assets, particularly investment properties, while maintaining a relatively low level of liabilities, with obligations primarily arising from operating activities.

Results of Operations
For the period ended December 31, 2025 versus December 31, 2024

	2025	2024	Inc/(Dec)	% of Change
	Audited	Audited		
REVENUE				
Real estate sales	75,098,657	21,574,140	53,524,517	248%
Sale of services	56,620,178	61,505,146	(4,884,968)	-8%
Rental income	20,680,153	16,981,328	3,698,825	22%
Interest income from installment contracts receivable	13,746,601	12,819,848	926,753	7%
Dividend income	4,513,991	4,561,348	(47,357)	-1%
	170,659,580	117,441,810	53,217,770	45%
DIRECT COSTS	56,848,785	42,067,189	14,781,596	35%
GROSS INCOME	113,810,795	75,374,621	38,436,174	51%
SELLING AND ADMINISTRATIVE EXPENSES	(124,754,411)	(98,582,221)	(26,172,190)	27%
OTHER INCOME - Net	53,588,731	57,395,403	(3,806,672)	-7%
INCOME BEFORE INCOME TAX	42,645,115	34,187,803	8,457,312	25%
PROVISION FOR (BENEFIT FROM) INCOME TAX				
Current	8,370,132	5,959,757	2,410,375	40%
Deferred	3,685,118	(326,723)	4,011,841	-1228%
	12,055,250	5,633,034	6,422,216	114%
NET INCOME	30,589,865	28,554,769	2,035,096	7%
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurement gain on net retirement benefits liability - net of tax	1,210,365	1,120,700	89,665	8%
Unrealized fair value loss on financial assets at fair value through other comprehensive income (FVOCI)	-	(2,493,532)	2,493,532	-100%
TOTAL COMPREHENSIVE INCOME	31,800,230	27,181,937	4,618,293	17%
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company	16,532,870	22,006,732	(5,473,862)	-25%
Noncontrolling interests	14,056,995	6,548,037	7,508,958	115%
	30,589,865	28,554,769	2,035,096	7%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company	17,742,886	20,602,115	(2,859,229)	-14%
Noncontrolling interests	14,057,344	6,579,822	7,477,522	114%
	31,800,230	27,181,937	4,618,293	17%
BASIC/DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	0.00111	0.00147	(0.00037)	-25%

Total consolidated revenues amounted to P170.66 million of which P88.85 million or 52% came from realized real estate sales and related interest on installment contracts receivable. Revenue on real estate sales surged 248% in 2025 due to increase recognition from existing projects. Sales on medical services, which made up 33% of consolidated revenues in 2025, declined by 8%. Rental income and dividend income accounted for 12% and 3% of revenues, respectively.

Meanwhile, total costs and expenses in 2025 amounted to P181.60 million with direct costs increasing by 35% to P56.85 million, owing to volume of real estate sales. Direct costs for real estate sales were at P21.53 million, 254% increase from last year while direct costs for services decreased from last year at P30.14 million. Additionally, general operating expenses increased from P98.58 million to P124.75 million in 2025.

Other income decreased by 7% to P53.58 million in 2025, primarily due to lower interest income resulting from reduced in cash and cash equivalents during the year. This was partially offset by the higher unrealized gains on investments in quoted shares and favorable foreign exchange movement.

Net income for the year 2025 amounted to P30.59 million compared to P28.55 million in the previous year.

Calendar Year Ended December 31, 2024 and 2023

**CROWN EQUITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	December 2024 Audited	December 2023 Audited	Increase (Decrease)	% Change
ASSETS				
Current Assets				
Cash and cash equivalents	P 649,740,893	P 767,717,527	(117,976,634)	-15.37%
Short-term investments	73,708,106	17,790,000	55,918,106	314.32%
Investments in quoted shares	84,571,666	85,865,768	(1,294,102)	-1.51%
Receivables – net	58,460,186	65,200,713	(6,740,527)	-10.34%
Inventories	74,257,660	77,831,881	(3,574,221)	-4.59%
Other current assets	39,236,824	40,021,408	(784,584)	-1.96%
Total Current Assets	979,975,335	1,054,427,297	(74,451,962)	-7.06%
Noncurrent Assets				
Installment contracts receivable – net of current portion	63,924,667	81,243,140	(17,318,473)	-21.32%
Loans receivable – net of current portion	9,753,006	10,032,911	(279,905)	-2.79%
Investment properties	1,209,864,212	1,072,639,762	137,224,450	12.79%
Property and equipment	261,880,156	271,392,417	(9,512,261)	-3.50%
Goodwill	21,740,604	21,740,604	-	0.00%
Deferred tax assets	12,214,598	12,486,216	(271,618)	-2.18%
Other noncurrent assets	16,528,585	19,001,107	(2,472,522)	-13.01%
Total Noncurrent Assets	1,595,905,828	1,488,536,157	107,369,671	7.21%
TOTAL ASSETS	P 2,575,881,163	P 2,542,963,454	32,917,709	1.29%

Total assets as of year-end 2024 amounted to P2.58 billion consisting of P979.98 million total current assets and P1.60 billion in noncurrent assets. Investment properties makeup 47% of total assets while cash and cash equivalents and short-term investments, both held for immediate liquidity requirements, constitute 28%.

Investments in quoted shares is a major component of current assets amounting to P84.57 million. Inventories come in third largest amounting to P74.26 million which is mainly composed of the house units and lot units inventory of Palma Real and a few in Cypress Towers. Receivables of P58.46 million include installment contracts receivable which pertain to real estate sales. These are collectible in various installment periods of up to 15 years and earn interest at 10% to 16% per annum.

Out of the total P1.60 billion noncurrent assets, P1.21 billion pertains to investment properties consisting mostly of properties in Taguig, Batangas, and Bulacan. The increase in investment properties in 2024 resulted from the completion of the consolidation of the land assets in Taguig.

	December 2024 Audited	December 2023 Audited	Increase (Decrease)	% Change
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	P 176,404,536	P 157,301,572	19,102,964	12.14%
Income tax payable	754,349	1,162,508	(408,159.00)	-35.11%
Total Current Liabilities	177,158,885	158,464,080	18,694,805	11.80%
Noncurrent Liabilities				
Net Retirement benefits liability	29,744,978	26,979,499	2,765,479	10.25%
Deferred tax liabilities	6,237,125	6,461,899	(224,774)	-3.48%
Security deposits	4,217,691	4,140,506	77,185	1.86%
Total Noncurrent Liabilities	40,199,794	37,581,904	2,617,890	6.97%
TOTAL LIABILITIES	217,358,679	196,045,984	21,312,695	10.87%
Equity				
Capital stock	1,977,523,246	1,977,523,246	-	0.00%
Additional paid-in capital	118,570,274	118,570,274	-	0.00%
Retained earnings	603,673,585	581,666,853	22,006,732	3.78%
Other comprehensive income (loss)	(20,175,638)	(18,771,021)	(1,404,617)	7.48%
	2,679,591,467	2,658,989,352	20,602,115	0.77%
Treasury stock - at cost	(481,523,251)	(481,523,251)	-	0.00%
Equity Attributable to Equity Holders of the Parent Company	2,198,068,216	2,177,466,101	20,602,115	0.95%
Non-controlling interests	160,454,268	169,451,369	(8,997,101)	-5.31%
TOTAL EQUITY	2,358,522,484	2,346,917,470	11,605,014	0.49%
TOTAL LIABILITIES AND EQUITY	P 2,575,881,163	P 2,542,963,454	32,917,709	1.29%

Total liabilities amounted to P217.36 million of which P176.40 million represent customers' deposits, closing fees, and trade liabilities including liabilities to doctors, contractors, and suppliers.

There were no other significant movements in the equity accounts during the year except for changes in retained earnings coming from the net income for the year.

CROWN EQUITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the period ended		Variance	%
	2024 Audited	2023 Audited		
REVENUE				
Sale of services	P 61,505,146	P 68,697,725	(7,192,579)	-10%
Real estate sales	21,574,140	63,181,118	(41,606,978)	-66%
Rental income	16,981,328	16,622,127	359,201	2%
Interest income from installment contracts receivable	12,819,848	16,170,301	(3,350,453)	-21%
Dividend income	4,561,348	5,757,732	(1,196,384)	-21%
	117,441,810	170,429,003	(52,987,193)	-31%
DIRECT COSTS	42,067,189	54,946,219	(12,879,030)	-23%
GROSS INCOME	75,374,621	115,482,784	(40,108,163)	-35%
SELLING AND ADMINISTRATIVE EXPENSES	98,582,221	96,817,649	1,764,572	2%
OTHER INCOME (CHARGES) – Net	57,395,404	44,332,582	13,062,822	29%
INCOME BEFORE INCOME TAX	34,187,803	62,997,717	(28,809,914)	-46%
PROVISION FOR (BENEFIT FROM) INCOME TAX			-	
INCOME TAX EXPENSE- NET	5,633,034	9,971,329	(4,338,295)	-44%
	5,633,034	9,971,329	(4,338,295)	-44%
NET INCOME	28,554,769	53,026,388	(24,471,619)	-46%
OTHER COMPREHENSIVE INCOME				
<i>Remeasurement gain (loss) on retirement benefits liability - net of tax</i>	1,120,700	324,267	796,433	246%
<i>Unrealized fair value loss on financial assets at fair value through other comprehensive income (FVOCI)</i>	(2,493,532)	-		
TOTAL COMPREHENSIVE INCOME	P 27,181,937	P 53,350,655	(26,168,718)	-49%
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company	P 22,006,732	P 39,529,284	(17,522,552)	-44%
Non-controlling interests	6,548,037	13,497,104	(6,949,067)	-51%
	P 28,554,769	P 53,026,388	(24,471,619)	-46%

Results of Operation

Total consolidated revenues amounted to P117.44 million of which P34.39 million or 29% came from realized real estate sales and related interest on installment contracts receivable. Revenue on real estate sales declined 66% in 2024 due to fewer recognition from existing projects. Sales on medical services, which made up 52% of consolidated revenues in 2024, declined by 10%. Rental income and dividend income accounted for 14% and 4% of revenues, respectively.

Meanwhile, total costs and expenses in 2024 amounted to P140.65 million with direct costs decreasing by 23% to P42.07 million, owing to volume of real estate sales. Direct costs for real estate sales were at P6.09 million, 66% decrease from last year while direct costs for services also decreased from last year at P30.80 million. In the contrary, general operating expenses increased from P96.82 million to P98.58 million in 2024.

Net other income increased by 29% to P57.40 million in 2024 as a result of interest income earned on bank placements and recoveries in foreign exchange rates and market value of quoted shares.

Net income for the year 2024 amounted to P28.55 million compared to P53.03 million in the previous year.

Calendar Year Ended December 31, 2023 and 2022

**CROWN EQUITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	December 2023	December 2022	Increase (Decrease)	% Change
	Audited	Audited		
ASSETS				
Current Assets				
Cash and cash equivalents	P 767,717,527	P 611,599,640	156,117,887	25.53%
Short-term investments	17,790,000	34,395,000	(16,605,000)	-48.28%
Investments in quoted shares	85,865,768	161,851,145	(75,985,377)	-46.95%
Receivables – net	65,200,713	71,206,861	(6,006,148)	-8.43%
Inventories	77,831,881	88,990,602	(11,158,721)	-12.54%
Other current assets	40,021,408	40,846,876	(825,468)	-2.02%
Total Current Assets	1,054,427,297	1,008,890,124	45,537,173	4.51%
Noncurrent Assets				
Installment contracts receivable – net of current portion	81,243,140	84,951,745	(3,708,605)	-4.37%
Loans receivable – net of current portion	10,032,911	-	10,032,911	0.00%
Investment properties	1,072,639,762	1,070,106,650	2,533,112	0.24%
Property and equipment	271,392,417	270,121,934	1,270,483	0.47%
Goodwill	21,740,604	21,740,604	-	0.00%
Deferred tax assets	12,486,216	21,012,556	(8,526,340)	-40.58%
Other noncurrent assets	19,001,107	17,841,253	1,159,854	6.50%
Total Noncurrent Assets	1,488,536,157	1,485,774,742	2,761,415	0.19%
TOTAL ASSETS	P 2,542,963,454	P 2,494,664,866	48,298,588	1.94%

Total assets as of year-end 2023 amounted to P2.54 billion consisting of P1.05 billion total current assets and P1.49 billion in noncurrent assets. Investment properties makeup 42% of total assets while cash and cash equivalents and short-term investments, both held for immediate liquidity requirements, constitute 31%.

Next to cash and cash Equivalents of P767.72 million, Investments in quoted shares is a major component of current assets amounting to P85.87 million. Inventories come in third largest amounting to P77.83 million which is mainly composed of the house units and lot units inventory of Palma Real and a few in Cypress Towers. Receivables of P65.20 million include installment contracts receivable which pertain to real estate sales. These are collectible in various installment periods of up to 15 years and earn interest at 10% to 16% per annum.

Out of the total P1.49 billion noncurrent assets, P1.07 billion pertains to investment properties consisting mostly of properties in Taguig, Batangas, and Bulacan.

	December 2023		December 2022		Increase	% Change
	Audited		Audited		(Decrease)	
LIABILITIES AND EQUITY						
Current Liabilities						
Accounts and other payables	P	157,301,572	P	156,181,308	1,120,264	0.72%
Income tax payable		1,162,508		1,747,040	(584,532.00)	-33.46%
Total Current Liabilities		158,464,080		157,928,348	535,732	0.34%
Noncurrent Liabilities						
Net Retirement benefits liability		26,979,499		23,954,096	3,025,403	12.63%
Deferred tax liabilities		6,461,899		15,375,782	(8,913,883)	-57.97%
Security deposits		4,140,506		3,839,825	300,681	7.83%
Total Noncurrent Liabilities		37,581,904		43,169,703	(5,587,799)	-12.94%
TOTAL LIABILITIES		196,045,984		201,098,051	(5,052,067)	-2.51%
Equity						
Capital stock		1,977,523,246		1,977,523,246	-	0.00%
Additional paid-in capital		118,570,274		118,570,274	-	0.00%
Retained earnings		581,666,853		542,137,569	39,529,284	7.29%
Other comprehensive income (loss)		(18,771,021)		(19,038,931)	267,910	-1.41%
		2,658,989,352		2,619,192,158	39,797,194	1.52%
Treasury stock - at cost		(481,523,251)		(481,523,251)	-	0.00%
Equity Attributable to Equity Holders of the Parent Company		2,177,466,101		2,137,668,907	39,797,194	1.86%
Non-controlling interests		169,451,369		155,897,908	13,553,461	8.69%
TOTAL EQUITY		2,346,917,470		2,293,566,815	53,350,655	2.33%
TOTAL LIABILITIES AND EQUITY	P	2,542,963,454	P	2,494,664,866	48,298,588	1.94%

Total liabilities amounted to P196.05 million of which P157.30 million represent customers' deposits, closing fees, and trade liabilities including liabilities to doctors, contractors, and suppliers.

There were no other significant movements in the equity accounts during the year except for changes in retained earnings coming from the net income for the year.

CROWN EQUITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the period ended		Variance	%
	2023 Audited	2022 Audited		
REVENUE				
Sale of services	P 68,697,725	P 65,470,038	3,227,687	5%
Real estate sales	63,181,118	112,671,264	(49,490,146)	-44%
Rental income	16,622,127	14,455,349	2,166,778	15%
Interest income from installment contracts receivable	16,170,301	19,571,409	(3,401,108)	-17%
Dividend income	5,757,732	10,611,771	(4,854,039)	-46%
	170,429,003	222,779,831	(52,350,828)	-23%
DIRECT COSTS	54,946,219	71,418,756	(16,472,537)	-23%
GROSS INCOME	115,482,784	151,361,075	(35,878,291)	-24%
SELLING AND ADMINISTRATIVE EXPENSES	96,817,649	103,874,676	(7,057,027)	-7%
OTHER INCOME (CHARGES) – Net	44,332,582	35,622,109	8,710,473	24%
INCOME BEFORE INCOME TAX	62,997,717	83,108,508	(20,110,791)	-24%
PROVISION FOR (BENEFIT FROM) INCOME TAX				
INCOME TAX EXPENSE- NET	9,971,329	14,638,863	(4,667,534)	-32%
	9,971,329	14,638,863	(4,667,534)	-32%
NET INCOME	53,026,388	68,469,645	(15,443,257)	-23%
OTHER COMPREHENSIVE INCOME				
<i>Remeasurement gain (loss) on retirement benefits liability - net of tax</i>	324,267	1,824,004	(1,499,737)	-82%
TOTAL COMPREHENSIVE INCOME	P 53,350,655	P 70,293,649	(16,942,994)	-24%
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company	P 39,529,284	P 50,664,302	(11,135,018)	-22%
Non-controlling interests	13,497,104	17,805,343	(4,308,239)	-24%
	P 53,026,388	P 68,469,645	(15,443,257)	-23%

Results of Operation

Total consolidated revenues amounted to P170.43 million of which P79.35 million or 47% came from realized real estate sales and related interest on installment contracts receivable while P68.70 million or 40% came from sale of medical services. Rental income and dividend income accounted for 10% and 3% of revenues, respectively.

The total revenues for 2023 were lower than that of the previous year. Revenue mix changed during the year with real estate sales decreasing to 44% of total revenue and sale of medical services increased to 5% of total revenue. Rental and dividend income accounted for 11% of total revenue.

Meanwhile, total costs and expenses in 2023 amounted to P151.76 million with direct costs decreasing by 23% to P54.95 million, owing to volume of real estate sales. Direct costs for real estate sales were at P17.95 million, 50% decrease from last year while direct costs for services increased from last year at P32.03 million. General operating expenses decreased from P103.87 million to P96.82 million in 2023.

Net other income for 2023 amounted to P44.33 million including interest income on bank placements amounting to P32.55 million. For 2022, net other income amounted to P35.62 million including interest income on bank placements amounting to P9.14 million

Net income for the year 2023 amounted to P53.03 million compared to P68.47 million in the previous year.

Key Performance Indicators

Period ended March 31, 2026 versus Period ended December 31, 2025

Indicator	As of		Formula
	Mar 2026	Dec 2025	
Current Ratio	5.08x	5.41x	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Cash Ratio	2.95x	3.50x	$\frac{\text{Cash and Cash equivalents}}{\text{Current Liabilities}}$
Debt-Equity Ratio	0.10x	0.09x	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$
Debt-Asset Ratio	0.09x	0.09x	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
Asset-Equity Ratio	1.10x	1.09x	$\frac{\text{Total Asset}}{\text{Total Equity}}$
Investment Ratio	0.48x	0.49x	$\frac{\text{Total Investment and Advances}}{\text{Total Asset}}$
Gross Income Margin	69.70%	66.69%	$\frac{\text{Gross Income}}{\text{Net Revenues}}$
Net Income Margin	26.19%	17.92%	$\frac{\text{Net Income}}{\text{Net Revenues}}$
Return on Assets	1.62%	1.20%	$\frac{\text{Net Income}}{\text{Average Total Assets}}$
Earnings (Loss) Per Share	0.00068	0.00111	$\frac{\text{Net Income after Non – controlling}}{\text{Total Shares Subscribed}}$

The group measures its performance based on the utilization of assets and the return on its investments.

- **Liquidity**

Current ratio and cash ratio posted at 5.08x and 2.95x, respectively. The group remains in sound liquidity position as of March 31, 2026.

- **Solvency / Leverage**

Leverage stance remained stable as of March 31, 2026 with debt-equity ratio at 0.10x, debt-asset ratio at 0.09x and asset-equity ratio at 1.10x resulting from efficient management of liabilities. The group has a nil interest coverage ratio as it has not incurred any interest expense for the period.

- **Investment**

The group's investment ratio remained positive at 0.48x as of March 31, 2026.

- **Profitability**

Gross income and net income margins increased to 69.70% and 26.19%, respectively, for the period ended March 31, 2026 compared to December 31, 2025.

- Return on Assets

The annualized return on assets as of March 31, 2026 increased to 1.62% due to higher net income for the quarter ended compared to 1.20% for the whole year of 2025.

- Earnings per Share

The group's earnings per share is 0.00068 for the first quarter of 2026. The number of outstanding shares remained the same as the previous year 2025.

Period ended December 31, 2025 versus Period ended December 31, 2024 versus Period ended December 31, 2023

Indicator	As of			Formula
	Dec 2025	Dec 2024	Dec 2023	
Current Ratio	5.41x	5.53x	6.65x	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Cash Ratio	3.50x	3.67x	4.84x	$\frac{\text{Cash and Cash equivalents}}{\text{Current Liabilities}}$
Debt-Equity Ratio	0.09x	0.09x	0.08x	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$
Debt-Asset Ratio	0.09x	0.08x	0.08x	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
Asset-Equity Ratio	1.09x	1.09x	1.08x	$\frac{\text{Total Asset}}{\text{Total Equity}}$
Interest Coverage Ratio	N/A	N/A	N/A	$\frac{\text{Earnings before Interest and Taxes}}{\text{Interest Expense}}$
Net Profit Margin	17.92%	24.31%	31.11%	$\frac{\text{Net Income}}{\text{Net Revenues}}$
Investment Ratio	0.49x	0.47x	0.42x	$\frac{\text{Total Investment and Advances}}{\text{Total Assets}}$
Return on Assets	1.20%	1.12%	2.11%	$\frac{\text{Net Income}}{\text{Average Total Assets}}$
Earnings Per Share	0.00111	0.00147	0.00264	$\frac{\text{Net Income after Minority Interest}}{\text{Total Shares Subscribed}}$

Liquidity

In 2025, current ratio decreased to 5.41x as of December 31, 2025 compared to 5.53x as of December 31, 2024 resulting from decrease in cash as a result of additional ownership in CCPC. Cash ratio likewise decreased to 3.50x as of December 31, 2025 from 3.67x as of December 31, 2024.

Current ratio decreased to 5.53x as of December 31, 2024 compared to 6.65x as of December 31, 2023 resulting from decrease in cash and cash equivalents and increase in accounts and other payables. Cash ratio decreased to 3.67x as of December 31, 2024 from 4.84x as of December 31, 2023.

Solvency/Leverage

As of December 31, 2025, debt-equity ratio remained at 0.09x from same ratio last year. Meanwhile, debt-asset ratio is at 0.08x as of December 31, 2023. Asset-equity ratio also remained at 1.09x from the same ratio as of December 31, 2024. The Company has a nil interest coverage ratio as it has zero loans and therefore no interest expense was incurred in 2025.

Debt-equity ratio on December 31, 2024 increased to 0.09x from 0.08x as of December 31, 2023. Meanwhile, debt-asset ratio remained at 0.08x from the same ratio December 31, 2023. Asset-equity ratio increased to 1.09x as of December 31, 2024 from 1.08x as of December 31, 2023. The Company has a nil interest coverage ratio as it has zero loans and therefore no interest expense was incurred in 2024.

Investment Ratio

Investment ratio increased to 0.49x as of December 31, 2025, from 0.47x as of December 31, 2024 due to additions to investment properties.

Investment ratio also increased to 0.47x as of December 31, 2024, from 0.42x as of December 31, 2023 due to additions to investment properties.

Profitability

Net income margin for the year 2025 was lower than the previous year, decreasing to 17.92% compared to 24.31% in 2024 due to the rise in selling and administrative expenses in 2025.

Net income margin for the year 2024 was also lower than the previous year, decreasing to 24.31% compared to 31.11% in 2023 due to gain on sale of marketable securities and higher interest income on placements.

Return on Assets

The increase in net income and decrease in total asset in 2025 resulted in a higher return on assets at 1.20% from 1.12% as of December 31, 2024.

Return on assets decreased to 1.12% as of December 31, 2024 from 2.11% as of December 31, 2023 as a result of lower net income in 2024.

Earnings Per Share

Earnings per share decreased to P0.00111 as of December 31, 2025 compared to P0.00147 as of December 31, 2024. Income attributable to shareholders of the Corporation decreased while Corporation's average number of outstanding shares remained the same from the previous year.

Earnings per share decreased to P0.00147 as of December 31, 2024 compared to P0.00264 as of December 31, 2023. Income attributable to shareholders of the Corporation decreased while Corporation's average number of outstanding shares remained the same from the previous year.

(i) Past and Future Financial Condition with Particular Emphasis on the Prospects for the Future

The Corporation continues to generate revenues from its real estate projects, particularly Cypress Towers and Palma Real Residential Estates. Aggregate revenue of real estate sales and related interest on installment contracts receivable amounted to P88.85 million. The healthcare business, on the other hand, generated P56.62 million during the year.

The Palma Real Residential Estates is expected to continue selling. The project continues to market house and lot packages intended to promote community build-up. Future sales are still expected to be realized as Palma Real is now accessible both from the Sta. Rosa-Tagaytay road and from the Mamplasan exit of the South Luzon Expressway via the Cavite-Laguna Expressway.

The FortMED clinics have seen improvements in earnings for the past two years. The clinic operations are focused on sustaining profitability through calibrated market positioning paired with continuous improvement in process efficiency.

The Corporation has no known trends, demands, commitments, events or uncertainties in the present operations of the Company that is likely to result in the Company's liquidity increasing or decreasing in any material way. It is not aware of any events that will trigger direct or contingent financial obligation that is material to the company, including any default or breach of any note, loan, lease, or other indebtedness or other financing arrangements requiring to make payments. Furthermore, there is no significant amount in trade payables that has not been paid within the stated trade terms. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligation), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

The Corporation has no material commitment for capital expenditure. Management is not aware of any trends, events or uncertainties that have or will have material impact on net sales or revenues or income from continuing operations neither of its operating subsidiaries nor of any seasonal aspects that had a material effect on the financial condition or results of operation of the Company.

The Corporation and its subsidiaries have neither issued nor invested in any financial instruments or complex securities that will make them susceptible to the effects of any global financial condition. It has neither foreign currency denominated nor local peso denominated loans. The Corporation's financial risk exposure is limited to its investments in the equities market reported as Investments in Quoted Shares in its balance sheet though insignificant compared to the Corporation's total asset base. Moreover, these investments are always marked to market thus reflecting the most verifiable values available. The Corporation's risk management policies are religiously observed and fair values of investments are reviewed by the Executive Committee on a regular basis.

(ii) Material Change

- (i) Any known trends, events or uncertainties (material impact on liquidity)

The Corporation has no known trends, demand, commitments, events or uncertainties in the present operations of the Corporation that is likely to result in the Corporation's liquidity increasing or decreasing in any material way.

- (ii) Events that will trigger direct or contingent financial obligation that is material to the Corporation, including any default or acceleration of an obligation.

The Corporation is not aware of any events that will trigger direct or contingent financial obligation that is material to the Corporation, including any default or acceleration of an obligation.

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

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

- (iv) Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures.

As of the date of this report, the Corporation has no material commitment for capital expenditure.

- (v) Any known trends, events or Uncertainties (Material Impact on Sales)

Except for the impact of the Covid19 pandemic which slowed down patient visits in Fortmed Clinics, there are no known trends, events or uncertainties that would have potential material impact on revenues.

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

There are no significant elements of income or loss (from continuing operations).

- (vii) Seasonal Aspects that have Material effect on the Financial Statements

There are no seasonal aspects that has a material effect on the financial statements.

(D) Brief Description of the General Nature and Scope of Business of the Corporation

The Corporation is a Filipino-owned publicly-listed investment holding corporation. Through its subsidiaries, the Corporation acquired various real estate properties to be developed into commercial, industrial, residential, or mixed-use areas. The Corporation also has investments in healthcare business particularly in two medical ambulatory care clinics.

Subsidiaries currently in operation include FortMed Medical Clinics Makati, Inc., Crown Central Properties Corporation, Healthcare Systems of Asia Philippines, Inc., Argent Capital Holdings Corporation and Parkfield Land Holdings, Inc., which currently functions as a land banking entity.

The Corporation's main business is investment holding. Through its own subsidiaries or partnerships with major real estate and property development companies, it acquires, develop and sell real estate properties. Real estate sales are undertaken through a combination of in-house marketing group and third-party brokers and agents. The Corporation also delivers outpatients medical and health care services through its ambulatory care centers. All of the Corporation's revenues are generated locally.

There are several players in the real estate industry competing for developments in prime areas. Historically, the industry has been led by highly-capitalized firms. Although these companies have been leading the industry, the Corporation has been focusing on residential development through niche markets. The Corporation aims to continue developing real estate where opportunities for growth are identified. At present, the location and price of the residential units offered by the Corporation give an edge in the competition.

Property development businesses involve significant risks including the risks that construction may not be completed on schedule or within the allocated budget; and that such projects may not achieve

the anticipated sales. In addition, real estate development projects typically require substantial capital expenditure during construction and it may take years before the projects generate cash flows.

Increasing threat from competition has been the main risk in the healthcare business. Growth in the number of healthcare providers delivering similar services has been affecting profitability across companies. Moreover, the business is characterized by substantial recurring capital expenditure for medical technology in order to provide a comprehensive healthcare service, on top of rising operating costs. However, being a basic necessity, the healthcare business could likewise provide sustainable revenues.

As a business in the real estate and health care services, the Corporation does not rely on a few customers ensuring the continuity of revenue streams for the company. Furthermore, the Corporation does not rely on a limited number of suppliers in providing products and services that may contribute to risks of non-performance of the Corporation. The Corporation also does not have any major supply contracts.

The Corporation does not have any patents, trademarks, copyrights, licenses, franchises, concessions, or royalty agreements held. As it currently stands, there are no government regulations specifically covering the Corporation's business. There is a possibility that the government may impose certain regulations which may include securing special permits, imposing regulatory fees and controls over the Corporation's products and services but these types of regulations would not be a hindrance to the Corporation's business. Furthermore, the costs incurred for purposes of complying with environmental laws consist primarily of payments for mandated fees for the issuance of business permits which are standard in the industry and is minimal.

The Corporation did not spend significant amount on developmental activities during the last three fiscal years.

The Corporation and its subsidiaries currently employ 76 officers and staff, including 50 medical and administrative officers and staff in the healthcare operations. There is no existing Collective Bargaining Agreement between the Corporation and its employees. There are no supplemental benefits or incentive arrangements with the employees, aside from those provided by law.

a. Real Estate and Property Development

1. Crown Equities, Inc.

The Cypress Tower is a residential condominium complex composed of three buildings: the Altiva Tower, the Belmira Tower, and the Celesta Tower. Residents enjoy a good view of the Laguna Lake to the east as well as the Manila Bay to the west. The Cypress Tower boasts of its perfect accessibility from either the north or the south of Metro Manila via the Circumferential Road 5. The Corporation likewise sells house units in Palma Real Residential Estate.

The Corporation also owns real estate property in Sto. Tomas, Batangas. Some of the properties are still in the process of titling. The properties are mostly located in Brgy. San Miguel, Sto. Tomas, Batangas, about 56 kilometers from the central business district of Makati City. It is accessible by any land transport from Manila via the South Luzon Expressway and the Maharlika highway. The Corporation also owns real estate property in Taguig City, consisting of a contiguous land parcel located on the periphery of Fort Bonifacio Global City.

In 2025, the Corporation as a separate entity generated revenue of P93.63 million, representing 36% of total revenue of CEI and its subsidiaries, the Group, P39.30 million of

which came from recognized sale of real estate units and related interest on installment contracts receivable and P23.99 million of which came from rental income.

2. Crown Central Properties Corporation

Crown Central Properties Corporation (CCPC) was incorporated on September 3, 1996 as a joint venture between the Corporation and Solid Share Holdings, Inc., now Federal Land, Inc., an affiliate of a major banking group. On December 16, 2025, CCPC became a wholly-owned subsidiary of the Corporation as a result of acquisition by CEI of the remaining non-controlling interests in CCPC.

In October 2003, CCPC entered into a Memorandum of Agreement with Sta. Lucia Realty and Development, Inc. whereby the former shall contribute land and its improvements while the latter shall be responsible for completing the development of a subdivision project. The agreement called for a 60%-40% sharing of revenues in favor of CCPC. The project was completed and marketing is on-going.

The subdivision, named Palma Real Residential Estates, is strategically located near the boundary of Sta. Rosa and Biñan, in the province of Laguna, a few minutes away from educational institutions in the area such as Don Bosco and De La Salle University. Among residential subdivisions in its class, Palma Real is one of those nearest to these educational institutions. Although competition is considered tight given the number of residential subdivisions within its five-kilometer radius, Palma Real enjoys an advantage given its proximity to these schools, the industrial park, the commercial district in the area, and access via the Mamplasan exit of the South Luzon Expressway connecting to the Sta. Rosa-Tagaytay highway. The subdivision is also accessible via the Cavite-Laguna Expressway (CALAX).

CCPC contributed 29% to the total revenue of the Group in 2025 having aggregate revenue of P49.55 million from Palma Real Residential Estates sales.

3. Parkfield Land Holdings, Inc.

Parkfield Land Holdings, Inc. (PLHI), a 75%-owned subsidiary of the Corporation, was incorporated on April 11, 2001 primarily to acquire, develop, sell and hold for investment real estate properties. PLHI owns parcels of land located in San Jose del Monte, Bulacan.

PLHI has no significant business developments involving the properties and does not intend to develop its properties within the next twelve months.

b. Healthcare

Healthcare System of Asia Phils., Inc.

Healthcare System of Asia Philippines, Inc. (HSAPI) was established on July 26, 1996 to deliver medical and health care services and healthcare systems, in general. HSAPI currently has two operational ambulatory care clinics: the FortMED Medical Clinics – Makati and FortMED Medical Clinics – Sta. Rosa, which started operations in 1997 and 1998, respectively.

The healthcare business operates in a competitive environment where key factors include the reputation and availability of medical professionals, quality of facilities, service efficiency and accessibility of clinic locations.

The two FortMED Clinics provide a wide range of medical services at reasonable prices. These clinics house diagnostic and ambulatory treatment apparatus including ultrasound

machines and modern laboratory equipment. The clinics offer cardio-pulmonary testing, radiologic procedures, laboratory blood chemistry and hematology, and sub-specialist consultation.

FortMED-Makati is strategically located in Bel-Air Village, Makati which is easily accessible to both residents and employees in the Makati business district. FortMED-Sta. Rosa is in Greenfield Business Park, Sta. Rosa, a booming commercial district in the vicinity of a light industrial park which is home to multinational companies.

The clinics offer a fast one-stop shop type of professional service and easy accessibility to results through the clinics' proprietary clinic information system and computerized processes. The clinics also provide private duty nurses to address the need for professional health care in clients' premises.

The FortMED Clinics are accredited by the Department of Health (DOH). Necessary licenses have been secured from the DOH to operate the various facilities of the clinics including the radiology and laboratory facilities which is also licensed by the Dangerous Drug Board (DDB). License to operate is secured from the Department of Health on a regular basis.

The unique focus of medical practice at FortMED is to assist the patient and family in obtaining comprehensive interdisciplinary health care that is both accessible and acceptable. The concepts of patient participation, patient education, health promotion and illness prevention are basic parts of the integrated treatment plan. The professional staff recognizes the importance of technological and cultural dimensions of health and their influences on the individual, families, and communities serviced. The physicians also recognize their responsibility to respect each patient without bias, assisting the patient to make sound decisions about their health care.

FortMED Clinics generated aggregate revenue of P56.62 million in 2025 representing 33% of the Group's revenues.

c. Investment Holding

Argent Capital Holdings Corporation

Argent Capital Holdings Corporation (ACHC) was incorporated and registered with the SEC on August 28, 2019. A wholly-owned subsidiary, ACHC was established to engage in investing activities.

(E) Directors and Executive Officers

(a.) The incumbent directors and executive officers of the Corporation are as follows:

Mr. George L. Go, 83 years old, Filipino, is presently the Chairman of the Board of Directors of the Corporation. He has been a Director of the Corporation since 1995. He is also the Chairman of the Nominations Committee and a Member of the Executive Committee, Investment Committee and the Compensation and Remuneration Committee. Mr. Go is also the Chairman of the Board of Crown Central Properties Corp., Parkfield Land Holdings, Inc., Healthcare Systems of Asia Philippines, Inc. and Fortmed Medical Clinics Makati, Inc. Mr. Go earned his bachelor's degree in Economics from Youngstown University, U.S.A and completed an Advanced Management Program in Harvard Business School, U.S.A.

Mr. Wilfrido V. Vergara, 81 years old, Filipino, has been the Vice Chairman of the Board of Directors of the Corporation since May 2002. He is the Chairman of the Executive Committee, the Investment Committee and the Compensation and Remunerations Committee. Mr. W.V. Vergara is

the Chairman of the Board of Directors of Argent Capital Holdings Corporation and also the Vice Chairman of Fortmed Medical Clinics Makati, Inc. and Healthcare Systems Asia Philippines, Inc. He is also a Director of Crown Central Properties Corp. and Parkfield Land Holdings, Inc. Mr. Vergara obtained his Bachelor's Degree in Economics from the Ateneo de Manila University.

Mr. Romuald U. Dy Tang, 73 years old, Filipino, has been a member of the Board of Directors of the Corporation since 2008 and was elected President of the Corporation in May 2010. Mr. Dy Tang is also a Member of the Executive Committee, Nominations Committee, the Compensation and Remuneration Committee and Investment Committee. He is likewise a Director and President of Argent Capital Holdings, Inc. and a member of the Board of Directors of Crown Central Properties Corp., Healthcare Systems of Asia Philippines, Inc., Fortmed Medical Clinics Makati, Inc. and Parkfield Landholdings, Inc. Mr. Dy Tang earned his Bachelor of Science in Business Administration from De La Salle University, Manila.

Mr. Patrick Warren D. Go, 57 years old, Filipino, has been a Director of the Corporation since 1995. He is the Treasurer and the Compliance Officer of the Corporation. He also serves as the Treasurer of Healthcare Systems of Asia Philippines, Inc., Fortmed Medical Clinics Makati, Inc. He is a director and the Treasurer of Crown Central Properties Corp., Parkfield Land Holdings, Inc. and Argent Capital Holdings Corp. Prior to that, he was Vice President at Banco De Oro. Mr. Go graduated from San Francisco State University, U.S.A in 1992 earning a Bachelor of Science degree in both Finance and Real Estate. He is the son of Mr. George L. Go.

Mr. Eugene B. Macalalag, 58 years old, Filipino, has been a member of the Board of Directors of the Corporation since May 2003. He is the First Vice President of the Corporation. Mr. Macalalag is also the President and Director of Healthcare Systems of Asia Philippines, Inc. and FortMED Medical Clinics Makati, Inc. He is also the President of Crown Central Properties Corp. and Parkfield Land Holdings, Inc. and a director of Argent Capital Holdings Corporation. He joined Crown Equities, Inc. in April 1996. Mr. Macalalag graduated *Magna cum Laude* from the Divine Word University of Tacloban and holds a Bachelor of Science degree in Commerce – Accounting. He earned his Masters degree in Business Administration from the De La Salle University, Manila.

Mr. Ramon A. Recto, 93 years old, Filipino, has been an Independent Director of the Corporation since May 2002. He is a Member of the Audit Committee, Corporate Governance Committee and the Nominations Committee. Mr. Recto was the President of Marcventures Holdings, Inc. and Lepanto Consolidated Mining Corporation. Mr. Recto obtained both of his Bachelor's Degrees in Electrical Engineering and in Mechanical Engineering from the University of the Philippines. He also earned his Master's Degree in Industrial Management from the same University.

Mr. Conrado G. Marty, 79 years old, Filipino, has been a member of the Board of Directors of the Corporation since 2006. Mr. Marty is also the Chairman of the Audit Committee of the Corporation. He is the Chairman of Universal LMS Finance and Leasing Corporation and is also the Vice Chairman of Hariphil Asia Resources Inc. Mr. Marty holds a Bachelor in Business Administration Major in Accounting from University of the East and is a Certified Public Accountant. He obtained his Master in Business Administration major in Finance from the Wharton School, University of Pennsylvania.

Mr. Manuel E. Dimaculangan, 59 years old, Filipino, serve as an independent director of the corporation since 2022. He is the President and CEO of Pacific World Security. He is also an independent Director of Coyiuto Securities.

Mr. Melvin Andrew O. Vergara, 53 years old, Filipino, has been a member of the Board of Directors since May 2011. He is also currently a Director of Healthcare Systems of Asia Philippines, Inc. and FortMED Clinics Makati. He was a consultant of the same company from 2000 to 2002. He earned his Degree in Business Administration from the University of Sto. Tomas. He is the son of Wilfrido V. Vergara.

Mr. Christopher Brian C. Dy, 41 years old, Filipino, is the Assistant Vice President of the Corporation. Mr. Dy has been a member of the Board of Directors of the Corporation since May 2011. He is also the Vice President of Crown Central Properties Corporation and the Assistant Vice President of Parkfield Land Holdings, Inc. and Argent Capital Holdings Corp. He also served as the purchasing officer of Fortmed Medical Clinics in 2010. He took up securities training in Guild Securities, Inc. from 2009 to 2010 and worked for 3M Philippines for the Projections Systems and Optical Systems divisions. He was also a Property Specialist of Ayala Land Premier in 2006. He earned his Bachelor of Science in Management, Major in Management Communications Technology from the Ateneo de Manila University. He is the son of Mr. Romuald U. Dy Tang.

Mr. Nixon Y. Lim, 55 years old, Filipino, graduated B.S Physics at De La Salle University, Manila in 1991. He is currently the Chairman of the Related Party Transaction Committee of the Corporation and a Member of the Board Risk Oversight Committee and Investments Committee. He is the President of Greenstone Packaging Corporation, Lamitek Systems, Inc. and Greenkraft Corporation. In addition, he is also the President of GreenSiam Resources Corporation, Steniel Mindanao Packaging Corporation, Steniel Cavite Packaging Corp., and Chairman and CEO of Steniel Manufacturing Corporation.

Atty. Rodolfo B. Fernandez, 69 years old, Filipino, is an independent director of the Corporation. He is also the Chairman of the Corporate Governance Committee and member of the Audit Committee and Board Risk Oversight Committee. Atty. Fernandez is currently an independent director of Medco Holdings, Inc. and sits in the board of Reference Group Financial Services, Inc. He is also a director and corporate secretary of The Organization of Property Stakeholders. He was formerly Chief Compliance and AMLA Officer of BPI Family Savings Bank, Head of Compliance and Legal of BPI Asset Management and Trust Group (AMTG) and BPI Mutual Fund Companies, Head of the BPI Account Management 4, Chief Legal Counsel of Far East Bank and Trust Co., and Head of Legal and Product Development of FEBTC – Trust Department. An expert and lecturer on estate planning, he obtained his Bachelor of Laws from the UP College of Law and his AB Political Science from the University of Santo Tomas.

Mr. Reynaldo V. Reyes, 83 years old, is an independent director of both the Corporation and Argent Capital Holdings, Inc. He is also a Member of the Corporate Governance Committee, Related Party Transaction Committee, and Investments Committee. Mr. Reyes spent his most productive years as a military serviceman from age 17 to compulsory retirement at age 56. He served as a PAF line pilot, Squadron Commander, Wing Commander and went on to become Air Division Commander stationed in Zamboanga, Mindanao after which he was placed in command of the Western Command (WESCOM) in charge of Palawan and the West Philippine Sea. He had modest exposure in business management while detailed at the Defense Department as head of the Defense Management Division and Deputy Assistant Secretary for Comptrollership. There he served in concurrent capacity as Senior Vice President of the AFP pension fund performing a wide range of functions from lending, treasury management and managing property holdings of the fund. He was a member of the Philippine Stock Exchange from 1999 to 2006, being then the Chairman and President of stock brokerage firm Public Securities Corporation. He was at the same time President and CEO of an investment house, Resources and Investments Corporate House Inc. (RICH). He served as Director of the Securities Clearing Corporation (SCCP), and also as member of the PSE Listing Committee. Mr. Reyes graduated from the Philippine Military Academy in 1964 with a Bachelor's Degree. His in-service career training included courses in Resource Management at the US Naval Post Graduate School in Monterey, USA; Industrial College of the US Armed Forces; Command and Staff Course at the Air University, Montgomery, Alabama, USA and ADMU MBA off-campus course.

Mr. Emilio S. de Quiros, Jr., 77 years old, is an Independent Director of the Corporation. He is the Chairman of the Board Risk Oversight Committee. He is also a member of the Compensation and Remuneration Committee, Related Party Transaction Committee and Investments Committee. Mr. De Quiros is also an independent director of Atlas Consolidated Mining and Development Corporation, an independent director of Sunlife Investment Management & Trust Corporation and

an Independent Director of Capital Markets Integrity Corporation. He was previously the President and Chief Executive Officer of the Social Security System (SSS) and also served as a Director of Belle Corporation, UnionBank of the Philippines, Philex Mining Corporation and Philhealth Insurance Corporation. Prior to his appointment as President of SSS, he served as Executive Vice President of Bank of the Philippine Islands and President of Ayala Life Insurance Inc., Ayala Plans Inc. and a director of BPI Bancassurance, Inc. Mr. De Quiros graduated from Ateneo de Naga with a Bachelor of Arts in Economics degree (Cum Laude), and holds a Master of Arts in Economics degree from University of the Philippines.

Ms. Clare D. Alvarez, Filipino, has been a member of the Board of Directors of the Corporation since 2022. She is the President, CEO and Nominee of Guild Securities, Inc. and a Assoc. Director in Globe Telecom, Inc. Ms. Alvarez graduated from University of Asia and the Pacific and holds a bachelor degree in Arts major in Humanities and Business Administration. She obtained her Master's Degree in Business Management from Asian Institute of Management.

Mr. Billy John E. Sia, 42 years old, Filipino, currently serves as the Vice President of the Corporation. He is also the Finance Head and a Director of Crown Central Properties Corp. He has a combined 17 years of experience in controllership, audit and information technology in industries such as banking, real estate and manufacturing. Mr. Sia graduated from De La Salle University, Manila in 2005 earning a Bachelor of Science degree in Accountancy and a Bachelor of Arts degree in Political Science. He placed 19th in the May 2006 CPA licensure examination.

(b.) Significant Employees

The Corporation has no employee who is not an executive officer but is expected to make a significant contribution to the business.

(c.) Family Relationships

Mr. Patrick Warren D. Go, Compliance Officer and member of the Board of Directors, is the son of Mr. George L. Go, Chairman of the Board of Directors. Mr. Melvin Andrew O. Vergara is the son of Mr. Wilfrido V. Vergara, Vice Chairman of the Board of Directors while Mr. Christopher Brian C. Dy is the son of Mr. Romuald U. Dy Tang, President. Aside from the foregoing, no other directors or executive officer are related up to the fourth civil degree either by consanguinity or affinity.

(d.) Involvement in Certain Legal Proceedings

The Corporation has no knowledge of the involvement of the current directors and executive officers, in any legal proceedings as defined in the Securities Regulation Code for the last five (5) years up to the date of this report.

Further, the Corporation is not involved in or aware of any material legal proceedings, tax assessments and tax cases in court or other regulatory bodies as at and for the year ended December 31, 2025, that may significantly affect the Corporation, or any of its subsidiaries or affiliates.

(e.) Certain Relationships and Related Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. Transactions between related parties are on arm's length basis in a manner similar to transactions with non-related parties.

During the last three years, there were no transactions or series of similar transactions with or involving the Corporation or any of its subsidiaries in which a director, executive officer, nominee for election as a director or stockholder owning ten percent (10%) or more of total outstanding shares and members of their immediate family, had or is to have a direct or indirect material interest.

(f.) The Corporation has no controlling or parent company.

(F) Market Price and Dividends

(a) Market Price

The Corporation's securities are traded only in the Philippine Stock Exchange and no market for the shares is expected to be developed outside the Philippines. For the last two (2) years, the highs and lows of stock market prices for Crown Equities, Inc.'s equity shares are as follows:

		HIGH	LOW
2026	January-March	0.0820	0.0710
2025	October - December	0.079	0.067
	July - September	0.079	0.057
	April - June	0.063	0.052
	January - March	0.057	0.050
2024	October - December	0.066	0.053
	July - September	0.083	0.060
	April - June	0.097	0.068
	January - March	0.120	0.058

As of April 30, 2026, the closing price of the Corporation's common shares was 0.0810, thus resulting in a market capitalization of P1,211,759,995.95 (based on 14,959,999,950 outstanding common shares).

(b) Holders

There were 362 shareholders of CEI as of April 30, 2026. The top 20 stockholders on record as of April 30, 2026 are as follows:

	NAME	CITIZENSHIP	TOTAL SHARES	%
1	PCD NOMINEE CORP.	Filipino / Others	13,986,584,479	93.4932
2	TONG, MARIE LOUISE Y.	Filipino	245,905,000	1.6438
3	TONG, ROBIN Y.	Filipino	245,905,000	1.6438
4	TONG, WELLINGTON Y.	Filipino	245,905,000	1.6438
5	DAVID GO SECURITIES, CORP.	Filipino	30,800,000	0.2059
6	GCV MANAGEMENT & CONSULTING CORPORATION	Filipino	24,085,600	0.1610
7	ACUNA, EMMANUEL E.	Filipino	20,213,600	0.1351
8	PINPIN, ELISA T.	Filipino	13,200,000	0.0882
9	ALCANTARA, EDITHA	Filipino	8,800,000	0.0588
10	ONG, RODERICK PHILIP	Filipino	8,800,000	0.0588
11	RIEZA, RENE DANIEL S.	Filipino	8,800,000	0.0588
12	KATSUTOSHI, SHIMIZU	Filipino	6,160,000	0.0412
13	ONGSIAKO, MARGARITA	Filipino	5,438,400	0.0364
14	LEE II, ANTHONY PETER BRYAN TIONG	Filipino	5,280,000	0.0353
15	PO, ALFONSO L. &/OR LETTY PO	Filipino	4,400,000	0.0294

16	REYES, MICHAEL	Filipino	4,400,000	0.0294
17	TE, LUIS SOW	Filipino	4,400,000	0.0294
18	WARD MANAGEMENT CORPORATION	Filipino	4,400,000	0.0294
19	JOCELYN N. YUJUICO ITF CHILDREN	Filipino	3,520,000	0.0235
20	ACUNA, ROSARIO	Filipino	3,080,000	0.0206

As of April 30, 2026, the number of PCD Nominee-lodged common shares owned and held by non-Philippine nationals is 115,047,040.

(c) Dividends

- On February 28, 2023, the Board of Directors (BOD) declared ten percent (10%) stock dividends to be distributed to the shareholders, subject to the necessary corporate and regulatory approvals, if any.
- There were no stock dividends declared, approved and issued on common shares prior to 2023.
- On May 4, 2024, the BOD approved the declaration of property dividends at an entitlement ratio of 0.10 common shares, to be issued from treasury shares, for every one common share. This supersedes BOD's approval of stock dividend declaration on February 28, 2023, which was not presented for stockholder's approval.
- The Company is not required to declare cash dividends under applicable regulations. Notwithstanding this, it declared property dividends in 2024, subject to SEC approval.
- Except for the availability of retained earnings, there are no restrictions that limit the ability of the Corporation to pay dividends on common equity and no such restriction is expected to arise in the future.

(d) Recent Sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction

In the last three (3) years, the Corporation has not sold unregistered or exempt securities, nor has it issued securities constituting an exempt transaction.

(G) Compliance with Leading Practices on Corporate Governance

(a) Evaluation System

Since the implementation of its Manual on Corporate Governance in 2003, compliance with it has been satisfactory and no sanction has been imposed on any member of the organization for deviating from the Manual.

The Corporation adopted and implemented its Manual on Corporate Governance in 2003 to institutionalize the principles of good corporate governance in the entire organization and to supplement its By-Laws. The Corporation maintains at least three (3) independent directors in its Board and has designated a Compliance Officer to oversee the implementation of the Manual. Pursuant to the Manual, the Corporation created a Nomination Committee to pre-screen and shortlist all candidates nominated to become a member of the Board. A Compensation and Remuneration Committee was also formed to develop policies on executive remuneration; and an Audit Committee to check all financial reports and to provide oversight on financial management functions.

In addition to the foregoing committees, the Corporation has an Executive Committee that regularly

meets to discuss the Corporation's day-to-day operation.

To ensure optimum Board performance, the Corporation conducts annual performance evaluations of the Board of Directors, its individual members and Board Committees. Through the evaluation process, directors identify areas for improvement, as well as other forms of assistance that they may need in the performance of their duties. The Board reviews the results of these evaluations and agrees on clear action plans to address any issues raised.

The Manual defines the Corporation's compliance system and identifies the roles and responsibilities of the Board and Management in relation to corporate governance. It contains the Corporation's policies on disclosures and transparency, corporate governance and the rights and protection of stakeholders.

(b) Measures on Leading Practices of Good Corporate Governance

The Board of Directors shall review the Manual from time to time and recommend the amendment thereof with the goal of achieving better transparency and accountability. The Compliance Officer continues to evaluate the compliance of the Corporation, its directors, officers, and employees with its existing Manual, which may be amended from time to time.

(c) Any Deviation from the Manual

There was no material deviation in compliance with the Manual for the year 2025.

(d) Improvement of the Corporate Governance

In 2017, the Corporation amended its Manual to comply with the Revised Code of Corporate Governance.

The Corporation has adopted the policy of reviewing its Manual on an annual basis at the Board level with the aim of constantly improving its corporate governance.

Undertaking to Provide Annual Report

The Corporation undertakes to provide, without charge, each stockholder a copy of the Corporation's Annual Report on SEC Form 17-A upon written request to the Corporation addressed to:

**ATTY. MARK O. VERGARA
Corporate Secretary
5/F Crown Center
158 N. Garcia Corner Jupiter Streets
Makati City**

At the discretion of the Corporation, a charge may be made for exhibits, provided such charge is limited to reasonable expenses incurred by the Corporation in furnishing such exhibits.



CROWN EQUITIES
I N C O R P O R A T E D

CROWN EQUITIES, INC.
2026 ANNUAL STOCKHOLDERS' MEETING
May 26, 2026 at 2:00 p.m.

Guidelines for Participating via Remote Communication and Voting In Absentia

The 2026 Annual Stockholders' Meeting ("ASM") of Crown Equities, Inc. ("CEI" or the "Company") will be held on **May 26, 2026**, Tuesday, at **2:00 p.m.** Stockholders of record as of April 10, 2026 are entitled to notice of, to attend and, to participate in and vote at the ASM or any adjournment thereof.

CEI will not be conducting a physical ASM. Stockholders may attend, vote at, and participate in, the ASM via proxy and remote communication or *in absentia*.

Pursuant to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 6-2020, which allow voting *in absentia*, the Company has set up the following procedure for stockholder registration, participation via remote communication and voting *in absentia* on the ASM agenda items.

Stockholders who vote *in absentia* or who participate via remote communication shall be deemed present for purposes of quorum.

(1) Pre-ASM Registration and Validation Procedures

Stockholders who choose to participate in the ASM via remote communication and cast their votes *in absentia* must notify the Corporate Secretary *no later than* **May 16, 2026** by submitting the complete supporting documents with transmittal letter to the Office of the Corporate Secretary at Martinez Vergara & Gonzalez Sociedad located at the 33rd Floor, The Orient Square, F. Ortigas Jr. Road, Ortigas Center, Pasig City via COURIER/PERSONAL DELIVERY **OR** by sending scanned copies of the foregoing via EMAIL to **<asm_emails@crownequitiesinc.com>** .

Scanned copies of the documents submitted as attachments via email must be in clear copies in JPG or PDF format, with each file size not exceeding 2MB.

The Office of the Corporate Secretary, via-email reply within three (3) business days from receipt of the documents, will either confirm successful registration and provide the link and meeting details to the Company's 2026 ASM **OR** require resubmission in case of deficient documents. Should you not receive an e-mail reply within three (3) business days from receipt of your submission, please call +632 8687 1195.

Documentary Requirements

Certificated Individual Stockholders

1. Stockholder's valid government-issued ID² with photo, signature and personal details, preferably with residential address
2. Stock certificate number/s
3. A valid and active e-mail address and contact number of the stockholder
4. In case of proxy appointment, a duly accomplished and signed proxy indicating the votes on the agenda items.

Certificated Multiple Stockholders or Joint Owners

1. Valid government-issued ID³ of ALL stockholders-- with photo, signature and personal details, preferably with residential address
2. Stock certificate number/s
3. A valid and active e-mail address and contact number of the authorized representative
4. Proof of authority of stockholder voting the shares signed by the other registered stockholders, for shares registered in the name of multiple stockholders (need not be notarized)
5. In case of proxy appointment, a duly accomplished and signed proxy indicating the votes on the agenda items.

Certificated Corporate/Partnership Stockholders

1. Secretary's Certification of Board resolution attesting to the authority of the representative to participate by remote communication for and on behalf of the Corporate/Partnership
2. Stock certificate number/s
3. Authorized representative's valid government-issued ID⁴ with photo, signature and personal details, preferably with residential address
4. A valid and active e-mail address and contact number of the authorized representative
5. In case of proxy appointment, a duly accomplished and signed proxy indicating the votes on the agenda items.

Stockholders with Shares under PCD Participant/Broker Account

1. Certification from broker as to the number of shares owned by the stockholder
2. Stockholder's valid government-issued ID⁵ with photo, signature and personal details, preferably with residential address
3. A valid and active e-mail address and contact number of the stockholder
4. In case of proxy appointment, a duly accomplished and signed proxy indicating the votes on the agenda items.

² E.g. passport, driver's license, unified multipurpose ID

³ Same as above

⁴ Same as above

⁵ Same as above

(2) Online Voting

Stockholders who have successfully registered will be duly notified via email by the Office of the Corporate Secretary. Registered stockholders may then cast their votes for the agenda items by accomplishing the print-out of CEI's ballot form. The ballot form can be accessed and downloaded from CEI's website at <<https://www.crownequitiesinc.com/investor/>>.

Steps for Voting

1. Access and download the ballot form.
2. Vote on each agenda item on the ballot print-out.

Kindly refer to the rationale for agenda items appended to the Notice of Meeting for a brief description of each agenda item.

- 2.a. Stockholders may vote "Yes", "No", or "Abstain" on each agenda item for approval.
- 2.b. For the election of directors, a stockholder has the following options:
 - i. vote for all nominees;
 - ii. withhold vote for any of the nominees; or
 - iii. vote for certain nominees only

***Reminder:** A stockholder (a) may vote such number of his/her shares for as many persons as there are directors to be elected, or (b) may cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected (15 Directors) multiplied by the number of his shares shall equal, or (c) may distribute them on the same principle among as many candidates as he/she shall see fit, provided, that the total number of votes cast shall not exceed the number of shares owned by the stockholder.*

3. Upon finalizing his/her vote, the stockholder can submit the ballot by sending a **clear, scanned copy** thereof in **JPG or PDF** format to <asm_emails@crownequitiesinc.com> **no later than May 25, 2026.**

The e-mail attachment file size must not exceeding 2MB.

(3) ASM Proper

Stockholders who have successfully registered can participate via remote means of communication by accessing the link and meeting details provided by the Office of the Corporate Secretary. Instructions on how to join the meeting will also be provided to registered stockholders in the confirmation of registration via e-mail reply from <asm_emails@crownequitiesinc.com> .

The meeting proceedings shall be recorded and adequately maintained by the Company in video and/or audio format, and will be made available to participating stockholders upon request. Stockholders may access the recording of the ASM by sending an e-mail request to <asm_emails@crownequitiesinc.com> .

Open Forum

The Company will hold an Open Forum during a portion of the virtual ASM, during which the meeting's moderator will read and where representatives of the Company shall endeavor to answer as many of the matters or issues raised by stockholders as time will permit.

Stockholders may send their questions/comments in advance by sending an email with the subject head "**ASM 2026 Open Forum**" to <asm_emails@crownequitiesinc.com> not later than 5:00 p.m. of May 25, 2026. Stockholders may also course their comments and/or questions during the ASM through the remote platform.

Matters or issues raised and received but not entertained during the Open Forum due to time constraints will be addressed separately by CEI through the stockholders' email address.

For any clarifications on the foregoing procedures, or for any other ASM-related queries, please contact the Office of the Corporate Secretary at <asm_emails@crownequitiesinc.com> or the Company at <asm_emails@crownequitiesinc.com>.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

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

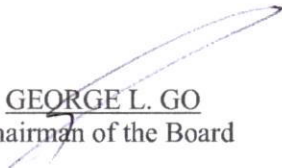
The management of **Crown Equities, Inc. and Subsidiaries** (the Group) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

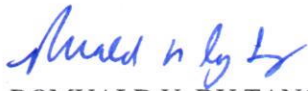
In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the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

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

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

R.G. Manabat and Co. and Reyes Tacandong & Co., the independent auditors appointed by the stockholders as at and for the years ended December 31, 2025 and 2024 and as at and for the year ended December 31, 2023, respectively, have audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.


GEORGE L. GO
Chairman of the Board


ROMUALD U. DY TANG
President


PATRICK D. GO
Treasurer

APR 08 2026

SUBSCRIBED AND SWORN to before me this _____ affiant exhibiting to me their Tax Identification Number, as follows:

NAMES	TIN
George L. Go	100-929-738
Romuald U. Dy Tang	115-321-304
Patrick D. Go	149-511-050

Doc No. 29
Page No. 52
Book No. XXIV
Series of 7070

ATTY. RYAN ANTONIO PERENA
NOTARY PUBLIC for MAKATI CITY
Commission No. M-012 until Dec. 31, 2027
Roll of Attorneys 77327
PTR No. 10764513; 01/02/2026; Makati City
IBP OR No. 566188 12/16/2025; Pasig City
MCLE Compliance No. VIII-0000389
8553 San Jose St., Guadalupe Nuevo, Makati City

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2025 and 2024
and
INTERIM FINANCIAL
STATEMENTS ENDING MARCH 31,
2026**



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 002-837-461-000
Name	: CROWN EQUITIES INC
RDO	: 049
Form Type	: 1702
Reference No.	: 462600072036596
Amount Payable (Over Remittance)	: -33,287,662.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2025
Date Filed	: 04/14/2026
Tax Type	: IT

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CROWN EQUITIES, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024
(With Comparative Figures for 2023)

With Independent Auditors' Report

R.G. Manabat & Co.



R.G. Manabat & Co.
The KPMG Center, 6/F
6787 Ayala Avenue, Makati City
Philippines 1209
Telephone +63 (2) 8885 7000
Fax +63 (2) 8894 1985
Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

REPORT OF INDEPENDENT AUDITORS

The Stockholders and Board of Directors
Crown Equities, Inc.
5th Floor Crown Center
158 Jupiter cor. N. Garcia Sts.
Bel-Air Makati City

Opinion

We have audited the consolidated financial statements of Crown Equities, Inc. and its Subsidiaries (“the Group”), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes, comprising material accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to audits of the consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements of public interest entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until September 20, 2026
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

Key Audit Matters

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

Revenue recognition

Refer to Notes 2 and 17 to the consolidated financial statements for the disclosures regarding the Group's revenue recognition.

The Risk

Revenue is an important measure used to evaluate the performance of the Group and is generated from various sources. It is accounted for when control of the goods or services is transferred to the customer over time or at a point in time, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. While revenue recognition and measurement is generally not complex for the Group, revenues may be inappropriately recognized in order to improve business results and achieve revenue growth in line with the objectives of the Group, and with certain incentives tied up to the overall financial performance, thus increasing the risk of material misstatement.

Our Response

We performed the following audit procedures, among others, on revenue recognition:

- We evaluated and assessed the revenue recognition policies in accordance with PFRS 15, *Revenue from Contracts with Customers*, for contracts with customers and PFRS 16, *Leases*, for lease contracts.

As part of our revenue recognition testing for real estate sales, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales collections from buyers with accumulated payments above the collection threshold. We traced the analysis to cancelled sales monitoring and supporting documents such as Notice of Cancellations.

- We evaluated and assessed the design and operating effectiveness of the key controls over the revenue process.
- We inspected, on a sampling basis, revenue transactions to supporting documentation such as the related contracts with customers, i.e., Health Maintenance Organization (HMO), billing statements and patient's Statement of Accounts (SOA) for sale of services; Contracts to Sell (CTS), Deeds of Absolute Sale (DOAS), invoices, official receipts and bank deposits slips for real estate sales; and lease contracts and other relevant supporting documents for rental and other revenue, to ascertain that the revenue recognition criteria is met.
- We performed recalculation procedures over interest income on real estate sales.

- We performed sales cut-off procedures by testing, on a sampling basis, sales transactions on varying numbers in the last month of the financial year and in the first month of the following financial year to relevant supporting documentation as indicated above, to assess whether these sales transactions are recorded in the appropriate financial year.
- We tested journal entries posted in revenue accounts based on high risk criteria, including inspection of the source documentation to assess the validity of the business rationale and substantiation of corroborating evidence.

Fair Value of Investment Properties

Refer to Note 10 to the consolidated financial statements for the disclosure regarding the Group's investment properties.

The Group accounts for its investment properties using the cost model and discloses the fair value as required under PAS 40, *Investment Property*. As at December 31, 2025, the carrying value and fair value of the Group's investment properties amounted to P1.23 billion and P5.38 billion, respectively.

The Risk

The disclosure on fair value of the Group's investment properties is a significant disclosure given that the determination of the fair value of these properties involves significant management judgment and use of assumptions by management when selecting the appropriate valuation techniques and inputs, which are influenced by the prevailing market rates and comparable market transactions and subject to higher level of estimation uncertainty due to the current economic conditions.

Our Response

We examined supporting documents such as contracts, Deeds of Absolute Sale, Tax Declaration of Real Property, Transfer of Certificate of Title, supplier invoices and/or official receipts to validate additions to investment properties.

To determine fair value, we obtained the latest appraisal reports and evaluated appropriateness of assumption and valuation method used and completeness of the information relied upon in the reports. We also evaluated the independence, competence and objectivity of the external expert engaged by the management to value the investment properties by ensuring the expert is an accredited appraiser by the Philippine Securities and Exchange Commission.

We have also reviewed the reasonableness of the assumptions used to estimate the fair value of the Group's investment properties by: (1) testing raw land's value by referring to the value of similar properties; (2) testing condominium units and parking slots with the current fair value based on comparable properties; (3) utilizing the carrying values for building and land improvements; and (4) performing sensitivity analysis on assumptions used in determining the fair values.

Other Matter

The consolidated financial statements of the Group for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on March 26, 2024.

Other Information

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

R.G. Manabat & Co.



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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Emerald Anne C. Bagnes.

R.G. MANABAT & CO.

A handwritten signature in black ink, appearing to read 'Emerald Anne C. Bagnes', written over a light blue horizontal line.

EMERALD ANNE C. BAGNES

Partner

CPA License No. 0083761

SEC Accreditation No. 83761-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and up to audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

Tax Identification No. 102-082-332

BIR Accreditation No. 08-001987-012-2024

Issued July 17, 2024; valid until July 17, 2027

PTR No. MKT 10764382

Issued January 5, 2026 at Makati City

April 6, 2026

Makati City, Metro Manila

CROWN EQUITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2025	2024
ASSETS			
Current Assets			
Cash and cash equivalents	4, 27, 28	P587,497,140	P649,740,893
Short-term investments	5, 27, 28	47,206,418	73,708,106
Investments in quoted shares	6, 27, 28	108,315,647	84,571,666
Receivables - net	7, 27, 28	65,871,751	58,460,186
Inventories	8	55,930,827	74,257,660
Other current assets	9	43,070,319	39,236,824
Total Current Assets		907,892,102	979,975,335
Noncurrent Assets			
Installment contracts receivable - net of current portion	7, 27, 28	67,441,258	63,924,667
Loan receivable - net of current portion	7, 27, 28	9,454,503	9,753,007
Investment properties	10	1,225,129,133	1,209,864,212
Property and equipment	11	251,052,358	261,880,156
Goodwill	12	21,740,604	21,740,604
Deferred income tax assets - net	26	9,791,312	12,214,596
Other noncurrent assets	13, 27, 28	16,511,832	16,528,586
Total Noncurrent Assets		1,601,121,000	1,595,905,828
		P2,509,013,102	P2,575,881,163
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts and other payables	14, 27, 28	P166,961,399	P176,404,536
Income tax payable		865,677	754,349
Total Current Liabilities		167,827,076	177,158,885
Noncurrent Liabilities			
Net retirement benefits liability	15	33,309,099	29,744,978
Deferred income tax liabilities - net	26	7,911,104	6,237,125
Security deposits	25, 27, 28	5,143,109	4,217,691
Total Noncurrent Liabilities		46,363,312	40,199,794
Total Liabilities		214,190,388	217,358,679
Equity			
Capital stock	16	1,977,523,246	1,977,523,246
Additional paid-in capital	16	118,570,274	118,570,274
Other equity reserves		(24,775,297)	(20,175,638)
Treasury stock - at cost	16	(481,523,251)	(481,523,251)
Retained earnings		634,701,041	603,673,585
Equity attributable to equity holders of the Parent Company		2,224,496,013	2,198,068,216
Non-controlling interests	16	70,326,701	160,454,268
Total Equity		2,294,822,714	2,358,522,484
		P2,509,013,102	P2,575,881,163

See Notes to the Consolidated Financial Statements.

CROWN EQUITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(With Comparative Figures for the Year Ended December 31, 2023)

	Note	2025	2024	2023
REVENUE	17			
Real estate sales		P75,098,658	P21,574,140	P63,181,118
Sale of services		56,620,177	61,505,146	68,697,725
Rental income	25	20,680,153	16,981,328	16,622,127
Interest income from installment contracts receivable	7	13,746,601	12,819,848	16,170,301
Dividend income	6	4,513,991	4,561,348	5,757,732
		170,659,580	117,441,810	170,429,003
DIRECT COSTS	18	56,848,785	42,067,189	54,946,219
GROSS INCOME		113,810,795	75,374,621	115,482,784
SELLING AND ADMINISTRATIVE EXPENSES	19	(124,754,411)	(98,582,221)	(96,817,649)
OTHER INCOME - Net	22	53,588,731	57,395,403	44,332,582
INCOME BEFORE INCOME TAX		42,645,115	34,187,803	62,997,717
INCOME TAX EXPENSE	26	12,055,250	5,633,034	9,971,329
NET INCOME		30,589,865	28,554,769	53,026,388
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurement gain on net retirement benefits liability - net of tax	15	1,210,365	1,120,703	324,267
Changes in fair value reserve of financial assets at fair value through other comprehensive income (FVOCI)	13	-	(2,493,535)	-
TOTAL COMPREHENSIVE INCOME		P31,800,230	P27,181,937	P53,350,655
NET INCOME ATTRIBUTABLE TO				
Equity holders of the Parent Company		P16,532,870	P22,006,732	P39,529,284
Non-controlling interests		14,056,995	6,548,037	13,497,104
		30,589,865	28,554,769	53,026,388

Forward

	<i>Note</i>	2025	2024	2023
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Equity holders of the Parent Company		P17,742,886	P20,602,115	P39,797,194
Non-controlling interests		14,057,344	6,579,822	13,553,461
		P31,800,230	P27,181,937	P53,350,655
BASIC/DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY				
	24	P0.0011	P0.0015	P0.0026

See Notes to the Consolidated Financial Statements.

CROWN EQUITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(With Comparative Figures for the Year Ended December 31, 2023)

	Attributable to Equity Holders of the Parent Company							Non-controlling Interests (Notes 2 and 16)	Total Equity
	Note	Capital Stock (Note 16)	Additional Paid-in Capital (Note 16)	Other Equity Reserves (Notes 13 and 15)	Treasury Stock (Note 16)	Retained Earnings	Total		
Balance at December 31, 2022		P1,977,523,246	P118,570,274	(P19,038,931)	(P481,523,251)	P542,137,569	P2,137,668,907	P155,897,908	P2,293,566,815
Total Comprehensive Income for the Year									
Net income for the year		-	-	-	-	39,529,284	39,529,284	13,497,104	53,026,388
Other comprehensive income		-	-	267,910	-	-	267,910	56,357	324,267
Balance at December 31, 2023		1,977,523,246	118,570,274	(18,771,021)	(481,523,251)	581,666,853	2,177,466,101	169,451,369	2,346,917,470
Total Comprehensive Income for the Year									
Net income for the year		-	-	-	-	22,006,732	22,006,732	6,548,037	28,554,769
Other comprehensive income (loss)		-	-	(1,404,617)	-	-	(1,404,617)	31,785	(1,372,832)
Dividends declared by a subsidiary	16	-	-	-	-	22,006,732	20,602,115	6,579,822	27,181,937
Balance at December 31, 2024		1,977,523,246	118,570,274	(20,175,638)	(481,523,251)	603,673,585	2,198,068,216	160,454,268	2,358,522,484
Total Comprehensive Income for the Year									
Net income for the year		-	-	-	-	16,532,870	16,532,870	14,056,995	30,589,865
Other comprehensive income		-	-	1,210,016	-	-	1,210,016	349	1,210,365
Acquisition of non-controlling interests	16	-	-	(1,210,016)	-	16,532,870	17,742,886	14,057,344	31,800,230
Dividends declared by a subsidiary	16	-	-	(5,809,675)	-	14,494,586	8,684,911	(82,169,526)	(73,484,615)
Balance at December 31, 2025		P1,977,523,246	P118,570,274	(P24,775,297)	(P481,523,251)	P634,701,041	P2,224,496,013	P70,326,701	P2,294,822,714

See Notes to the Consolidated Financial Statements.

CROWN EQUITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(With Comparative Figures for the Year Ended December 31, 2023)

		Years Ended December 31		
	Note	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		P42,645,115	P34,187,803	P62,997,717
Adjustments for:				
Depreciation	18, 19, 21	17,156,591	16,786,984	14,820,040
Retirement benefits costs	15	5,177,941	4,259,751	3,800,306
Loss on cancelled contracts and forfeited customer deposits	22	1,708,916	770,996	220,531
Unrealized loss (gain) on changes in fair value of:				
Short-term investments	5, 22	381,687	(758,106)	-
Investments in quoted shares	6, 22	(11,218,807)	(3,051,300)	6,069,675
Interest income from:				
Cash in banks and cash equivalents	4, 22	(25,421,982)	(36,684,748)	(32,547,888)
Installment contracts receivable	7	(13,746,601)	(12,819,849)	(16,170,301)
Loan receivable	7, 22	(646,087)	(663,527)	(41,167)
Unrealized foreign exchange gains - net	22	(8,784,774)	(5,086,318)	(970,289)
Dividend income	6, 17	(4,513,991)	(4,561,348)	(5,757,732)
Gain on redemption of short-term investments	22	(3,540,204)	(2,071,808)	(1,160,356)
Gain on sale of investments in quoted shares		(1,129,339)	(4,605,916)	(11,921,494)
Reversal of allowance for impairment losses on receivables	7, 22	-	-	(523,257)
Operating income (loss) before working capital changes		(1,931,535)	(14,297,386)	18,815,785
Decrease (increase) in:				
Short-term investments		29,660,205	(53,088,192)	(16,629,644)
Investments in quoted shares		(11,395,835)	8,951,381	81,837,196
Receivables		(12,427,766)	25,024,928	10,279,943
Inventories		18,973,882	1,745,525	10,310,938
Other current assets		(3,833,496)	1,842,284	1,716,748
Increase (decrease) in:				
Accounts and other payables		(15,845,838)	5,690,979	857,836
Security deposits		925,418	77,185	563,108
Cash generated from (absorbed by) operations		4,125,035	(24,053,296)	107,751,910
Interest received		37,905,361	48,556,110	48,759,356
Dividends received		4,513,991	4,561,348	5,757,732
Income taxes paid		(8,250,114)	(6,367,916)	(13,102,627)
Retirement benefits paid		-	-	(342,547)
Net cash flows provided by operating activities		38,294,273	22,696,246	148,823,824

Forward

		Years Ended December 31		
	Note	2025	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES				
Collections of loan receivable:				
Interest	7, 22	P646,087	P663,527	P -
Principal	7	279,905	262,464	15,497
Decrease (increase) in other noncurrent assets		16,754	(21,013)	-
Additions to:				
Investment properties	10	(9,935,064)	(125,321,205)	(3,194,600)
Property and equipment	11	(4,830,482)	(5,766,048)	(14,581,251)
Loan granted to a third party	7	-	-	(10,310,872)
Net cash flows used in investing activities		(13,822,800)	(130,182,275)	(28,071,226)
CASH FLOWS FROM FINANCING ACTIVITIES				
Acquisition of non-controlling interests in a subsidiary	16	(73,484,615)	-	-
Dividends paid to non-controlling interests	16	(22,015,385)	(15,576,923)	-
Cash flows used in financing activities		(95,500,000)	(15,576,923)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(71,028,527)	(123,062,952)	120,752,598
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		8,784,774	5,086,318	970,289
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		649,740,893	767,717,527	645,994,640
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	P587,497,140	P649,740,893	P767,717,527

See Notes to the Consolidated Financial Statements.

CROWN EQUITIES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(With Comparative Figures As At and For the Year Ended December 31, 2023)

1. General Information

Corporate Information

Crown Equities, Inc. (“CEI” or the “Parent Company”) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on October 24, 1969. The registration was extended for another 50 years in 2018. Under the Revised Corporation Code of the Philippines (the “RCC”), which was signed into law on February 20, 2019, a corporation with certificate of incorporation issued prior to the effective date of the RCC and which continues to exist shall have perpetual existence. Accordingly, the Parent Company has perpetual corporate term. The Parent Company is an investment holding company, currently engaged in the business of real estate development and healthcare through its subsidiaries. Its shares of stock are listed on the Philippine Stock Exchange (PSE). The Parent Company is also the ultimate parent company.

The Parent Company’s registered office is located at 5th Floor Crown Center, 158 Jupiter cor. N. Garcia Sts., Bel-Air Makati City.

The consolidated financial statements include the accounts of CEI and the following subsidiaries (collectively, the “Group”):

Name of Subsidiary	% of Ownership			Nature of Business	Principal Place of Business
	2025	2024	2023		
Crown Central Properties Corp. (CCPC) ^(a)	100%	48%	48%	Real Estate	Biñan, Laguna
Parkfield Land Holdings, Inc. (PLHI)	75%	75%	75%	Real Estate	Makati City
Healthcare Systems of Asia Phils., Inc. (HSAPI)	97%	97%	97%	Holding	Makati City
Fortmed Medical Clinics Makati, Inc. (FMCMI) ^(b)	97%	97%	97%	Healthcare	Makati City
Argent Capital Holdings Corporation (ACHC)	100%	100%	100%	Holding	Makati City

^(a) The remaining non-controlling interests were acquired by CEI in December 2025.

^(b) Indirectly owned through HSAPI.

CCPC

CCPC was incorporated and registered with the SEC on September 3, 1996 and is engaged in acquiring, developing and selling real estate properties. CCPC has completed projects in Palma Real Residential Estates, located in Biñan, Laguna (see Note 25).

On December 16, 2025, CCPC became a wholly-owned subsidiary of the Parent Company as a result of acquisition by CEI of the remaining non-controlling interests in CCPC. Prior to the said acquisition, ownership interest in CCPC represents 48% and management has determined that the Parent Company has control over the financial and operating policies of CCPC through representation on the Board of Directors (BOD) (see Notes 3 and 16).

PLHI

PLHI was incorporated and registered with the SEC on April 11, 2001 and is engaged in acquiring, developing and selling real estate properties. As at December 31, 2025 and 2024, PLHI holds parcels of land for undeterminable future use.

HSAPI

HSAPI was incorporated and registered with the SEC on July 26, 1996 as an investment holding company. HSAPI owns 100% interest ownership in FMCMI.

FMCMI

FMCMI was incorporated and registered with the SEC on January 21, 1997 and is engaged in providing and delivering medical and health care services. FMCMI has two clinics located in Makati City and Sta. Rosa City, Laguna.

ACHC

ACHC was incorporated and registered with the SEC on August 28, 2019 and is engaged in investing activities.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards are based on International Financial Reporting Standards (IFRS) Accounting Standards issued by the International Accounting Standards Board (IASB). PFRS Accounting Standards, which are issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC), consist of PFRS Accounting Standards, Philippine Accounting Standards (PASs) and Philippine Interpretations.

The consolidated financial statements were approved and authorized for issue by the Board of Directors (BOD), through the Executive Committee, on March 10, 2026.

Functional and Presentation Currency

The consolidated financial statements are presented in Philippine Peso (Peso), the Group's functional currency. All values are rounded to the nearest Peso except when otherwise indicated.

Basis of Measurement

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for the following which are measured using alternative basis at each reporting date:

<u>Account</u>	<u>Measurement basis</u>
Short-term investments designated at fair value through profit or loss (FVTPL)	Fair value
Investments in quoted shares	Fair value
Investment in unquoted shares designated at fair value through other comprehensive income (FVOCI)	Fair value
Net retirement benefits liability	Present value of the defined benefit obligation less fair value of plan assets

Adoption of Amended Accounting Standards

The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial year, except for the adoption of the following amended accounting pronouncement which became effective January 1, 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these amendments to standards did not have an impact on the consolidated financial statements of the Group.

The nature and impact of the amendments to standard are described below:

- *Lack of Exchangeability (Amendments to PAS 21, The Effects of Changes in Foreign Exchange Rates)*

The amendments clarify that a currency is exchangeable into another currency when a company is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

When a currency is not exchangeable, a company needs to estimate a spot rate. The objective in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how to estimate the spot exchange rate to meet the objective and an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments require new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements, including the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process, and risks to the company because the currency is not exchangeable.

Comparative information is not restated and the effect of initially applying the amendments are adjusted to the opening balance of retained earnings, or to the cumulative amount of translation differences if the company uses a presentation currency other than its functional currency.

The standard has no impact on the Group's financial reporting.

Standards Issued But Not Yet Adopted

A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2025. However, the Group has not early adopted the following new or amended standards in preparing these consolidated financial statements. The Group is still in the process of assessing the impact of the new standards. Unless otherwise stated, none of these are expected to have a significant impact on the Group's consolidated financial statements.

Effective January 1, 2026

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures*)

- Annual Improvements to PFRS Accounting Standards - Volume 11
 - a. Hedge Accounting by a First-time Adopter (Amendments to PFRS 1, *First-time Adoption of International Financial Reporting Standards*)
 - b. Gain or Loss on Derecognition (Amendments to PFRS 7)
 - c. Introduction, Disclosure of Difference Between Fair Value and Transaction Price, and Credit Risk Disclosures (Amendments to Guidance on implementing PFRS 7)
 - d. Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9)
 - e. Determination of 'De Facto Agent' (Amendments to PFRS 10, *Consolidated Financial Statements*)
 - f. Cost Method (Amendments to PAS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to PFRS 9 and PFRS 7)

Effective January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*

PFRS 18 will replace PAS 1, *Presentation of Financial Statements*, and aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information.

A More Structured Income Statement

PFRS 18 promotes a more structured income statement. It introduces a newly defined 'operating profit or loss' and 'profit or loss before financing and income tax' subtotals, and a requirement for all income and expenses to be classified into three new distinct categories - operating, investing, and financing - based on a company's main business activities. PFRS 18 also requires companies to analyze their operating expenses directly on the face of the income statement - either by nature, by function or on mixed basis. Companies need to choose the presentation method that provides the 'most useful structured summary' of those expenses. New disclosures apply if any operating expenses are presented by function.

Management-defined Performance Measures

PFRS 18 provides a definition for management-defined performance measures (MPMs) and introduces specific disclosure requirements. MPMs are subtotals of income and expenses that are used in public communications outside the financial statements, communicate management's view of an aspect of the financial performance of the entity as a whole and are not a required subtotal or a common income and expense subtotal listed in PFRS 18. For each MPM presented, companies will need to explain in a single note to the financial statements why the measure provides useful information and how it is calculated, and to reconcile it to an amount determined under PFRS Accounting Standards.

Greater Disaggregation of Information

PFRS 18 provides enhanced guidance on how companies group information in the financial statements, including newly defined roles of the primary financial statements and the notes, principles of aggregation and disaggregation based on shared and non-shared characteristics, and specific guidance for labelling and describing items in a way that faithfully represents an item's characteristics.

PFRS 18 also now requires goodwill to be presented as a line item in the statement of financial position. Consequential amendments to PAS 7, *Statement of Cash Flows*, require the use of the operating profit or loss subtotal as the starting point when presenting operating cash flows under the indirect method and eliminate the options for classifying interest and dividend cash flows.

PFRS 18 also amends PAS 33, *Earnings per Share*, to permit companies to disclose additional amounts per share using as numerator a required income and expenses total or subtotal, a common subtotal listed in PFRS 18 or an MPM disclosed by the entity.

PFRS 18 applies for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. It applies retrospectively in accordance with PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. Specific reconciliations are required to be disclosed. Eligible entities including venture capital organizations, mutual funds and some insurers will be allowed to change their election for measuring investments in associates and joint ventures from equity method to fair value through profit or loss.

- PFRS 19, *Subsidiaries without Public Accountability: Disclosures*

Deferred Local Implementation

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to PFRS 10 and PAS 28, *Investments in Associates and Joint Ventures*)

Amendments to IFRS not yet adopted by the FSRSC as part of PFRS Accounting Standards

- Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates*)
- Disclosures about Uncertainties in the Financial Statements (Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36, *Impairment of Assets*, and IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*)

Basis of Consolidation

The consolidated financial statements of the Group comprise the financial statements of the Parent Company and its subsidiaries.

Subsidiaries are all entities in which the Group has control. The Parent Company controls an entity when the Parent Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Control is generally accompanied by a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are substantive are considered when assessing whether the Group controls an entity. The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The assets, liabilities, income and expenses of subsidiaries are consolidated from the date when the Parent Company obtains control and continue to be consolidated until the date when such control ceases. The results of operations of the subsidiaries acquired or disposed of are included in the consolidated statements of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.

The financial statements of the subsidiaries are prepared using the same reporting period of the Parent Company. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intercompany balances and transactions, including intercompany profits and unrealized profits and losses, are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the equity holders of the Parent Company. Upon the loss of control, the Group derecognizes the related assets (including goodwill), liabilities, any non-controlling interest and the other components of equity related to the subsidiary. Gain or loss arising from the loss of control is recognized in profit or loss. If the Group retains an interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently, it is accounted for as an equity-accounted investee or as financial assets at FVOCI depending on the level of interest retained.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not wholly-owned and are presented in the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of financial position, separately from the equity attributable to the Parent. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent and to the non-controlling interests, even if this results in the non-controlling interests having deficit balance. Non-controlling interests represent the interests of minority shareholders of CCPC (prior to the acquisition as disclosed in Note 1), PLHI, HSAPI and FMCI.

Business Combination and Goodwill

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value except that:

- deferred income tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with PAS 12, *Income Taxes*, and PAS 19, *Employee Benefits*, respectively;
- liabilities and equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangement of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with PFRS 2, *Share-based Payment*, at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with PFRS 5, *Non-current assets Held for Sale and Discontinued Operations*, are measured in accordance with that Standard.

Goodwill, which arose from the acquisition of controlling shares in HSAPI in 2014, is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date fair value amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in the consolidated profit or loss as bargain purchase gain.

Goodwill is not amortized but is reviewed for impairment at least annually. For purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the synergies of the combination. In certain circumstances where it is not possible to complete the initial allocation of the goodwill to a CGU or group of CGUs for impairment purposes before the end of the annual period in which the combination is effected, the goodwill (or part of it) is left unallocated for that period. Goodwill must then be allocated before the end of the first annual period beginning after the acquisition date.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interest are measured at fair value or, when applicable, on the basis specified in another PFRS Accounting Standards.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the changes in fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with PFRS 9 or PAS 37 as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amount arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Material Accounting Policies

The material accounting policies that have been used in the preparation of the consolidated financial statements are summarized below. These accounting policies have been consistently applied to all years presented, unless otherwise stated.

Financial Assets and Liabilities

Initial Recognition

The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of a financial instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Financial instruments are recognized initially at fair value. Transaction costs are included in the initial measurement of the Group's financial instruments, except for financial instruments classified at FVTPL.

"Day 1" Difference

Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Group deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

Classification and Subsequent Measurement of Financial Assets

The Group classifies its financial assets, at initial recognition, in the following categories: financial assets at FVTPL, financial assets at amortized cost, debt investments at FVOCI and equity investments at FVOCI. The classification depends on the Group's business model for managing financial instruments and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

As at December 31, 2025 and 2024, the Group has no debt investments at FVOCI.

Financial Assets at FVTPL

Financial assets at FVTPL are either classified as held for trading or designated at FVTPL. Financial assets are classified as held for trading if it meets either of the following conditions:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;

- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or designated as effective hedging instrument).

This category includes equity instruments which the Group had not irrevocably elected to classify at FVOCI at initial recognition. This category includes debt instruments whose cash flows are not “solely for payment of principal and interest” assessed at initial recognition of the assets, or which are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The Group may, at initial recognition, designate a financial asset meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset or financial liability at FVTPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets or liabilities.

After initial recognition, financial assets at FVTPL are subsequently measured at fair value. Unrealized gains or losses arising from the fair valuation of financial assets at FVTPL are recognized in profit or loss.

As at December 31, 2025 and 2024, the Group designated its short-term investments and investments in quoted shares as financial assets at FVTPL.

Financial Assets at Amortized Cost

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

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest rate (EIR) method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through an amortization process. Financial assets at amortized cost are included under current assets if realizability or collectibility is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2025 and 2024, the Group’s cash and cash equivalents, receivables, refundable deposits and construction bond (presented under “Other noncurrent assets” account in the consolidated statements of financial position) are classified under this category.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of placement and which are subject to an insignificant risk of changes in value.

Financial Assets at FVOCI

For debt instruments that meet the contractual cash flow characteristic and are not designated at FVTPL under the fair value option, the financial assets shall be measured at FVOCI if both of the following conditions are met:

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

For equity instruments, the Group may irrevocably designate the financial asset to be measured at FVOCI in case the above conditions are not met.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in "Other comprehensive income (OCI)" are reclassified from equity to profit or loss as a reclassification adjustment.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Foreign currency gains or losses and unrealized gains or losses from equity instruments are recognized in OCI and presented in the equity section of the consolidated statement of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods, even if the asset is sold or impaired. The cumulative fair value adjustment is transferred to retained earnings when the asset is sold.

As at December 31, 2025 and 2024, the Group designated its investment in unquoted shares as a financial asset at FVOCI.

Classification and Subsequent Measurement of Financial Liabilities

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

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

As at December 31, 2025 and 2024, the Group's accounts and other payables (excluding contract liabilities, statutory payable, deposits for document processing, and unearned rental income) and security deposits are classified under this category.

Reclassification

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

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVTPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

For a financial asset reclassified out of the financial assets at FVTPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new gross carrying amount.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in other comprehensive income is removed from equity and adjusted against the fair value of the financial asset. The financial asset is measured at the reclassification day as if it had always been measured at amortized cost.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed of. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

For a financial asset reclassified out of the financial assets at FVTPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new gross carrying amount. Meanwhile, for a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVTPL, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

Impairment of Financial Assets

The Group recognizes an allowance for expected credit losses (ECL) which is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

For receivables (excluding installment contracts receivable), the Group has applied the simplified approach and has calculated ECL based on the lifetime ECL. The expected loss rates are initially based on the Company's historical default rates. These historical default rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their payables to the Group. The Group has identified macroeconomic factors (i.e., gross domestic product growth rate) that are relevant, and accordingly, adjusts the historical loss rates based on expected changes in these factors.

For installment contracts receivable and other financial assets at amortized cost, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

To measure the ECL, these have been grouped based on shared credit risk characteristics and the days past due. ECL is derived by calculating the cumulative loss rates of a given installment contracts receivable pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period.

The information on the number of defaults during fixed time intervals of the accounts is utilized to create the probability model. It allows the evaluation of the loan activity from its origination period until the end of the contract period., These are discounted back to the time of default (i.e., is defined by the Group as upon cancellation of cost to sell) using the appropriate effective interest rate, usually being the original effective interest rate or an approximation thereof.

As part of the analysis, the management considers any credit enhancement such as collaterals or security; whereas if the carrying value of the installment contracts receivable exceeds the fair value of the credit enhancement, the ECL is recognized; otherwise, it will not be taken up.

Derecognition

Financial Assets

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

- the contractual rights to the cash flows from the financial asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities

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

Offsetting

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

Classification of Financial Instrument between Liability and Equity

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

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

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

Fair Value Measurement

A number of the Group's accounting policies and disclosures require the measurement of fair value for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using another valuation technique. Where applicable, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

Further information about the assumptions made in measuring fair values is included in the following notes to consolidated financial statements:

- Note 3 - Significant Judgments, Accounting Estimates and Assumptions
- Note 6 - Investments in Quoted Shares
- Note 10 - Investment Properties
- Note 13 - Investment in Unquoted Shares under "Other Noncurrent Assets"
- Note 27 - Fair Values of Financial Assets and Financial Liabilities

Inventories

Inventories are initially measured at cost. Subsequently, inventories are stated at the lower of cost and net realizable value (NRV).

Real Estate Inventories

Real estate inventories include constructed houses, lots, condominium units and parking slots which are for sale in the ordinary course of business rather than to be held for rental or capital appreciation. Costs include the acquisition cost of the land plus costs incurred for the development and improvement of the properties. NRV is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. Cost represents price using a specific identification method.

Repossessed property arising from sales cancellation is recognized at cost. The difference between the carrying amount of the receivable or contract asset to be derecognized plus any amount to be refunded to customers and the cost of the repossessed property is recognized in the consolidated statements of comprehensive income.

Medical Supplies

Medical supplies pertain to medical, laboratory and pharmacy supplies. Costs comprise purchase price determined using the first-in, first-out method plus other costs that have been incurred in bringing the inventories to their present location and condition. NRV is the estimated selling price less costs to sell. In determining the NRV, the Group considers any adjustment necessary for obsolescence.

When the NRV of the inventories is lower than the cost, the Group provides for an allowance for the decline in the value of inventories and recognizes the write-down as an expense in profit or loss. The amount of any reversal of any write-down of inventories, arising from an increase in NRV, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs. When inventories are sold or used in operations, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

Creditable Withholding Taxes (CWTs)

CWTs represent the amount withheld by the Group's customers in relation to its income. CWTs can be carried forward to the succeeding year when in excess of income tax payable and utilized as payment for income taxes provided that these are properly supported with certificates of creditable tax withheld at source. CWTs are stated at face amount less any impairment in value.

Value-added Tax (VAT)

Revenue, expenses, and assets are recognized net of the amount of VAT, if applicable. Input VAT pertains to the 12% indirect tax paid by the Group in the course of the Group's trade or business on local purchase of goods or services. Deferred input VAT pertains to input VAT on accumulated purchases of property and equipment. This is amortized over five (5) years or the life of the property and equipment, whichever is shorter, in accordance with the Bureau of Internal Revenue (BIR) regulation. Output VAT pertains to the 12% tax due on the local sale of goods and services by the Group.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statements of financial position. When input VAT exceeds output VAT, the excess is recognized as an asset in the consolidated statements of financial position to the extent of the recoverable amount.

Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or both, and that are not occupied by the Group.

Investment properties, except land, are measured at cost less accumulated depreciation and any impairment in value. Land is stated at cost, less any impairment in value. The carrying amount includes the cost of replacing part of existing investment properties at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Depreciation are calculated on a straight-line basis over the estimated useful life (EUL) of 25 to 30 years.

The EUL and depreciation method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of investment properties.

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

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

Property and Equipment

Items of property and equipment, except land, are stated at cost less accumulated depreciation and any impairment in value. Land is stated at cost, less any impairment in value.

The initial cost of property and equipment comprises its purchase price, after deducting trade discounts and rebates, and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized in profit or loss in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. The cost of replacing a component of an item of property and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

When significant parts of an item of property and equipment have different useful lives, these are accounted for as separate items (major components) of property and equipment.

Depreciation is calculated on a straight-line basis over the following EUL:

<u>Asset Type</u>	<u>Useful Life in Years</u>
Building and building improvements	10 - 30
Medical equipment	5 - 7
Transportation equipment	5
Office furniture, fixtures and equipment	3 - 5

The EUL and depreciation method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment. Any change in the expected EUL and methods of depreciation are adjusted prospectively from the time the change was determined necessary.

Fully depreciated and amortized assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of those assets.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment losses are removed from the accounts. Any resulting gain or loss from the retirement or disposal of property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognized in profit or loss in the year the item is derecognized.

Interests in Joint Operations

A joint arrangement is an arrangement whereby the parties are bound by a contractual arrangement and such contractual arrangement gives two or more of those parties joint control of the arrangement. A joint arrangement is either a joint operation or joint venture.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

A joint operation involves the use of assets and other resources of the Group and other venturers rather than the establishment of a corporation, partnership or other entity. The Group accounts for the assets it controls, and the liabilities and expenses it incurs, and the share of the income that it earns from the sale of goods, properties or services by the joint operation. The amounts of these related accounts are presented as part of the regular asset and liability accounts and income and expense accounts of the Group.

The Group accounted for its interest in Santa Lucia Realty and Development Inc. (SLRDI) as a joint operation (see Note 25).

Impairment of Nonfinancial Assets

The carrying amounts of nonfinancial assets, other than inventories and deferred income tax assets, are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists and when the carrying amounts exceed the estimated recoverable amounts, the assets or CGUs are written-down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less costs of disposal and its value in use. Fair value less costs of disposal 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, less costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset or CGU. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined (net of depreciation for investment properties and property and equipment) had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation is adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Employee Benefits

Short-term Benefits

Short-term employee benefits are recognized as an expense in the period when the economic benefits are given. Unpaid benefits at the end of the accounting period are recognized as accrued expenses while benefits paid in advance are recognized as prepayments to the extent that it will lead to a reduction in future payments. Short-term benefits given by the Group to its employees include salaries and wages, social security contributions, short-term compensated absences and non-monetary benefits.

Retirement Benefits

The retirement benefit costs are actuarially determined using the projected unit credit method. This method reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries. The calculation of defined benefit liability is performed by a qualified actuary.

The Group recognizes current service costs, past service costs and interest expense on the retirement benefits liability in profit or loss. Interest expense is calculated by applying the discount rate to measure the retirement benefits liability at the beginning of the annual period to the then retirement benefit liability, taking into account any changes in the defined obligation during the period as a result of contributions and benefit payments.

Remeasurements of retirement benefits liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held in trust and managed by a trustee bank. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. The fair value of the plan assets is based on the market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The net retirement benefits liability recognized by the Group is the present value of the defined benefit obligation reduced by the fair value of plan assets. The present value of defined benefit obligation is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related retirement benefits liability.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting date.

Equity

Capital Stock and Additional Paid-in Capital

Capital stock and additional paid-in capital are classified as equity. Capital stock is recognized as issued when the stock is paid for or subscribed under a binding subscription agreement and is measured at par value. The transaction costs incurred as a necessary part of completing an equity transaction are accounted for as a part of that transaction and are deducted from additional paid-in capital, net of related tax benefits.

When the shares are sold at premium, the difference between the proceeds and the par value is credited to "Additional paid-in capital" (APIC) account.

Retained Earnings

Retained earnings represent the cumulative balance of periodic net income, dividend distributions, prior period adjustments and effect of changes in accounting policy and capital adjustments.

Dividends are recognized as a liability and deducted from retained earnings when declared and approved by the BOD and, where required, by the stockholders and relevant regulatory authorities. Dividends for the year that are declared and approved after the reporting date, if any, are dealt with as an event after the reporting date and disclosed accordingly.

OCI

This pertains to the cumulative unrealized fair value losses on financial asset at FVOCI and cumulative remeasurement gains on the Group's net retirement benefits liability arising from experience adjustments and changes in financial assumptions. Unrealized fair value loss on financial asset at FVOCI and remeasurement gains on net retirement benefits liability, and the corresponding deferred income tax component of the remeasurement on net retirement benefits liability, are recognized immediately in OCI and are included in equity. These are not reclassified to profit or loss in subsequent periods.

Treasury Stock

Own equity instruments which are reacquired are recognized at cost and are deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in APIC. Voting rights related to treasury stock are nullified for the Group and no dividends are allocated to them. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to APIC to the extent of the specific APIC when the shares are issued and to retained earnings for the remaining balance. The retained earnings account is restricted to payment of dividends to the extent of the cost of treasury shares.

Non-Controlling Interest

Non-controlling interests are recognized and measured at the proportionate share of the non-controlling interest to the net assets of the Group. When non-controlling interest is subsequently acquired, the difference between the acquisition price and the carrying value of the interest as at acquisition date is recognized as equity reserve under "Other equity reserves" account in the consolidated statements of financial position.

Revenue Recognition

The Group generates revenue primarily from real estate sales and sale of premium quality healthcare services. Other revenue sources include rental income from investment properties, dividend income and interest income.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services. The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has assessed that it acts as a principal in all of its revenue arrangements.

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

- *Real Estate Sales*

The Group assesses whether it is probable that the economic benefits will flow to the Group when the contract price is collectible. Collectibility of the contract price is demonstrated by the buyer's commitment to pay, which is supported by the buyer's initial and continuous investments that motivate the buyer to honor its obligation. Collectibility is also assessed by considering factors such as collections and credit standing of the buyer. Management regularly evaluates the historical sales cancellation and back-outs, if it would still support its current threshold of buyer's equity before commencing revenue recognition.

The Group derives its real estate revenue from sale of house and lot, condominium units and parking slots. Revenue from sales of completed real estate projects is accounted for using the full accrual method.

Revenue for real estate sales for completed real estate projects is recognized at a point in time, when control is transferred. The transfer of control coincides with the execution of the Contract to Sell (CTS) or Deed of Absolute Sale (DOAS) which provides the customer the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset.

Pending recognition of sale, cash received from buyers are presented as "Contract liabilities" account in the consolidated statements of financial position. Collections from real estate buyers which are intended for the completion of closing requirements are presented as "Deposits for document processing" under "Accounts and other payables" account in the consolidated statements of financial position.

Information about the Company's Performance Obligation

The Group entered into contract to sell with one identified performance obligation which is the sale of the house and lot, since the Group integrates the lot it sells with the associated infrastructure to be able to transfer the lot promised in the contract. Included in this performance obligation is the Group's services to transfer the title to the buyer for a corresponding contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

Payment commences upon signing of the reservation agreement and the consideration is payable through post-dated checks under the Group's internal financing scheme typically ranging from one to 15 years at fixed monthly payments. The contract may, however, be fully settled through external financing at the option of the buyer. The Group provides a quality assurance warranty which is not treated as a separate performance obligation.

- *Sale of Services*
Revenue is recognized when the performance of contractually agreed healthcare services has been rendered. Revenue from healthcare services is gross of physician's fee.

Revenue from Other Sources

Revenue from other sources is recognized as follows:

- *Rental Income*
Rental income is recognized on a straight-line basis over the lease term. Income collected in advance is deferred and is recognized as "Unearned rental income" under "Accounts and other payables" account in the consolidated statements of financial position.
- *Dividend Income*
Dividend income is recognized on the date when the Group's right to receive payment is established, which is generally when shareholders approve the dividend.

- *Interest Income*

Interest income on financial assets at amortized cost calculated using the EIR method is recognized as interest income under revenue. Interest income is calculated by applying the EIR to the gross carrying amount of a financial asset, except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the EIR is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). Interest income is presented as such where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Other Income

The Group's other sources of income, which are mainly from gains on disposal of assets, contract cancellations and forfeitures, surcharges, and other fees, are recognized as income when earned. Income from forfeitures (e.g., collections) is recognized upon default of potential buyers, subject to the provisions of Republic Act (RA) No. 6552, *Realty Installment Buyer Protection Act*, upon prescription of the period for the payment of required amortizations from defaulting buyers.

Contract Balances

Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Assets

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

As at December 31, 2025 and 2024, the Group does not have outstanding contract assets.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration is due) from the customer. If a customer pays a consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made by the customer or when the payment is due (whichever is earlier). Contract liabilities are recognized as revenue as the Group performs its obligation under the contract. Contract liabilities also include payments received by the Group from customers for which revenue recognition has not yet commenced.

As at December 31, 2025 and 2024, the balances of contract liabilities are disclosed in Note 14.

Cost to Obtain a Contract

If the Group expects to recover the incremental costs of obtaining a contract with a customer, the costs are recognized as an asset. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Selling and Administrative Expenses" account in the consolidated statements of comprehensive income. Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Contract Fulfillment Asset

Contract fulfillment costs are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred. When determining the appropriate accounting treatment for such costs, the Group first considers any other applicable standards. If those standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15. If other standards are not applicable to contract fulfillment costs, the Group applies the following criteria which, if met, result in capitalization: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered. The assessment of these criteria requires the application of judgment, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.

As at December 31, 2025 and 2024, the Group does not have cost to obtain a contract and contract fulfillment cost.

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Cost and expenses are recognized in profit or loss on the basis of : (i) a direct association between the costs incurred and the earning of specific items of income; (ii) systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or (iii) immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the consolidated statements of financial position as an asset.

Cost of Real Estate Sales

Cost of real estate sales is recognized in profit or loss upon sale and is determined with reference to the specific costs incurred on the property, allocated to saleable areas based on relative size and takes into account the percentage of completion used for revenue recognition purposes.

Cost of Services

Cost of services is recognized as expense when the related services are rendered.

Selling and Administrative Expenses

Selling expenses are costs incurred to sell and market the goods. Administrative expenses constitute costs of administering the business activities of the Group. These are recognized as expenses in the period when these are incurred.

Foreign Currency Transactions and Translation

Transactions in currencies other than functional currency of the entities included in the Group are initially recorded using the exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in currencies other than the functional currencies of the entities in the Group are retranslated at the rates prevailing at the end of the reporting date period. Gains or losses arising from retranslation are recognized in profit or loss in the period in which they arise. Foreign currency gains and losses are reported on a net basis.

For income tax reporting purposes, foreign exchange gains or losses are treated as taxable income or deductible expenses in the year such are realized.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, it has both of the following:

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

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

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

Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which these are earned.

Group as a Lessor

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. In determining significant risks and benefits of ownership, the Group considers, among others, the significance of the lease term as compared with the EUL of the related asset. Rental income is recognized over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which use benefit is derived. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income.

The Group requires its tenants to pay leasehold rights pertaining to the right to use the leased unit which is reported under "Security deposits" in the consolidated statements of financial position. These are refundable to the lessee at the end of the lease term, but may be forfeited, in which case recognized as "Other Income" in the consolidated statements of comprehensive income."

Income Taxes

Income tax expense comprises current income tax and deferred income tax. Income tax expense is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or in OCI in which case it is recognized in equity or in OCI.

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Income Tax

Deferred income tax is provided, using the 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 income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences and carryforward benefits of unused net operating loss carryover (NOLCO) and unused tax credits from the excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carryforward benefits of NOLCO and excess MCIT over RCIT can be utilized within the period allowed by the tax regulations.

The carrying amount of a deferred income tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax asset to be utilized within the period allowed by the tax regulations. Unrecognized deferred income 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 all or part of the deferred income tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate and tax law that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The income tax effects from an uncertain tax position are recognized when it is not probable that the position will be accepted based on its technical merits and assuming that the tax authorities will examine the uncertain tax treatments and have full knowledge of all relevant information. They are measured by either determining the single most likely amount or the sum of the probability-weighted amounts in a range of possible outcomes depending on which method the Group expects to better predict the resolution of the uncertainty. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred income tax assets and liabilities are offset if there is a legally enforceable right to set-off current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, and they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase due to the passage of time is recognized as interest expense.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the consolidated financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements on the period in which the change occurs.

Events After the Reporting Date

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

Earnings Per Share (EPS)

Basic EPS is computed by dividing net income for the period attributable to common stockholders of the Parent Company by the weighted average number of common shares issued and outstanding during the period adjusted for any stock dividends issued. Diluted EPS is computed by dividing net income for the period attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the period after giving effect to assumed conversion of dilutive potential common shares. Basic and diluted EPS are adjusted to give retroactive effect to any stock dividends declared during the period.

As at December 31, 2025 and 2024, the Group has no dilutive potential common shares.

Operating Segments

For management purposes, the Group is divided into operating segments per product and service (real estate, healthcare services, and investment holdings) according to the nature of the products and services provided. The Group's identified operating segments are consistent with the segments reported to the BOD which is the Group's chief operating decision maker. Financial information on operating segments is presented in Note 29.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Group's consolidated financial statements in accordance with PFRS Accounting Standards requires management to exercise judgments, make accounting estimates and use assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The judgments, estimates and assumptions used in the consolidated financial statements are based on management's evaluation of relevant facts and circumstances as at the reporting date. The estimates and underlying assumptions are reviewed on an ongoing basis. Actual results could differ from these estimates. Changes in accounting estimates are recognized in the year in which the estimate is revised if the change affects only that year or in the year of the revision and future periods if the change affects both current and future years.

Critical Accounting Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most material effect on the amounts recognized in the consolidated financial statements.

Classifying Financial Instruments

The classification of a financial instrument largely depends on the Group's business model and its contractual cash flow characteristics.

Management has determined that the Group's investments in quoted shares are acquired principally for the purpose of selling in the near term; hence, the Group classified their investments in quoted shares as financial assets at FVTPL.

Management has determined that the Group's investment in unquoted shares is to be held indefinitely and will be sold in response to liquidity requirements; hence, the Group classified their investment in unquoted shares as a financial asset at FVOCI.

Distinction between Real Estate Inventories, Property and Equipment and Investment Properties

The Group determines whether a property is classified as real estate inventories, investment properties, or property and equipment by considering whether the property is occupied substantially for use by or in operations of the Group; for sale in the normal operating cycle; or held primarily to earn rental income and capital appreciation.

Real estate inventories comprise condominium units and residential properties that are held for sale in the ordinary course of business. Principally, these are properties that the Group develops and intends to sell before or on completion of construction.

Investment properties consist of properties which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

Property and equipment are tangible items that are held for use in the delivering or supply of goods or services and are expected to be used for more than one period. These are properties which are owner-occupied and are substantially for use of the Group or in the operations.

Classifying Lease Commitments

The Group as lessor has entered into lease agreements for its office building and condominium units and parking slots. The Group has determined, based on the evaluation of terms and conditions of agreement, that as lessor, it retains all the significant risks and benefits of ownership related to the leased properties. Accordingly, the agreements are accounted for as operating leases.

The amount of rental income earned is disclosed in Note 25.

Classifying Interest in a Joint Operation

CCPC has, after considering the structure and form of the arrangement by the parties in the contractual arrangement and its rights and obligations arising from the arrangement, classified its interest in a joint arrangement with the Developer under PFRS 11, *Joint Arrangements*, as a joint operation. As a consequence, CCPC accounts for the assets, liabilities, revenues and expenses relating to its interest in the joint operation only to the extent of the its interest in the joint operation (see Note 25).

Real Estate Revenue Recognition

- *Assessing Existence of a Contract*

The Group's primary document for a contract with a customer is a signed CTS and DOAS. It has determined that the combination of the other signed documentations such as reservation agreements, buyers' computation sheets, invoices and official receipts, would contain all the criteria to qualify as contract with the customer under PFRS 15.

Management also considers the selling prices of the real estate property and other fees and charges collected from the buyers that are not held on behalf of other parties in determining the transaction price.

- *Assessing Revenue Recognition Threshold*

Part of the Group's assessment process before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. Collectability of the sales price is demonstrated by the buyer's commitment to pay, which in turn is supported by substantial initial and continuing investments that give the buyer a stake in the property is sufficient to the effect that the risk of loss through default motivates the buyer to honor its obligation to the seller. Collectability is also assessed by considering factors such as past history with the buyer, and the pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs if it would still support its current threshold of buyer's equity before commencing revenue recognition.

Determining Reportable Operating Segments

The Group has determined that it has reportable segments based on the following thresholds:

- a. Its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments.
- b. The absolute amount of its reported profit or loss is 10% or more, in absolute amount, of (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined reported loss of all operating segments that reported a loss.
- c. Its assets are 10% or more of the combined assets of all operating segments.

Evaluating and Assessing Control over Investee

The Parent Company refers to the guidance in PFRS 10 when determining whether the Parent Company controls an investee. Particularly, the Parent Company controls an investee when it is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Company considers the purpose and design of the investee, its relevant activities and how decisions about those activities are made and whether the rights give it the current ability to direct the relevant activities.

The Parent Company controls an investee if and only if it has all the following:

- a. power over the investee;
- b. exposure or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's return.

Prior to the acquisition of the remaining non-controlling interests in CCPC (see Note 1), ownership interest in CCPC represents 48% and management has determined that the Parent Company has control over the financial and operating policies of CCPC through representation on the BOD of CCPC. Accordingly, CCPC was considered as a subsidiary.

Critical Accounting Estimates and Assumptions

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

Assessing ECL of Financial Assets

While cash and cash equivalents, refundable deposits and construction bond are also subject to the impairment requirements of PFRS 9, the assessed impairment loss is not material considering the related Group's historical experience, profile of the counterparties, and the relative amount of the financial assets which is further discussed in Note 28 to the consolidated financial statements.

- *Receivables (Excluding Installment Contracts Receivable)*

The Group applies the simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics such as revenue type, collateral or type of customer and the days past due.

The expected loss rates are initially based on the Group's historical default rates. These historical default rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their payables to the Group. The Group has identified macroeconomic factors that are relevant, and accordingly, adjusts the historical loss rates based on expected changes in these factors.

- *Installment Contracts Receivable and Other Financial Assets at Amortized Cost*

The Group applies the general approach in measuring ECL which uses a 12-month or lifetime ECL for all installment contracts receivable and other financial assets at amortized cost. To measure the ECL, these have been grouped based on shared credit risk characteristics and the days past due. ECL is derived by calculating the cumulative loss rates of a given installment contracts receivable pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period.

The information on the number of defaults during fixed time intervals of the accounts is utilized to create the probability model. It allows the evaluation of the loan activity from its origination period until the end of the contract period., These are discounted back to the time of default (i.e., is defined by the Group as upon cancellation of contract to sell) using the appropriate effective interest rate, usually being the original effective interest rate or an approximation thereof.

As part of the analysis, the management considers any credit enhancement such as collaterals or security; whereas if the carrying value of the installment contract receivable exceeds the fair value of the credit enhancement, the ECL is recognized; otherwise, it will not be taken up.

The assessment of the correlation between historical default rates, forecast economic conditions, ECL and the related fair value of the credit enhancement involves estimation uncertainty. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

The information about the ECL on the Group's financial assets at amortized cost is disclosed in Note 28. The amount of impairment loss on receivables is disclosed in Note 7. The carrying amounts of these financial assets are disclosed in Notes 4, 7 and 13.

Estimating the Fair Value of Financial Instruments

When the fair values of financial assets and financial liabilities recorded or disclosed in the consolidated statements of financial position cannot be measured based on quoted prices in active markets, their fair value is determined using internal valuation techniques using generally accepted market valuation models. Valuation may involve inputs that may require a degree of judgment when establishing fair values. These estimates may include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments (see Note 27).

Evaluation of NRV of Inventories

The Group determines the NRV of inventories annually in accordance with the accounting policy stated in Note 2.

In determining the NRV for real estate inventories, the Group considers the current selling price of the inventories for sale less estimated costs to complete and sell, with reference to market conditions and prices existing at the reporting date and is determined in light of recent market transactions and having taking suitable external advice.

For medical supplies, NRV is determined using based on the current replacement cost of the inventories adjusted for any obsolescence.

Inventories are written-down below cost when the estimated NRV is found to be lower than the cost. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

The amount of inventories carried at the lower of cost and NRV is disclosed in Note 8.

Estimating Useful Lives of Investment Properties and Property and Equipment

The useful lives of the Group's investment properties (excluding land) and property and equipment (excluding land) are estimated based on the period over which the assets are expected to be available for use. Such estimate is based on a collective assessment of industry practices, internal technical valuation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limitations on the use of the assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in these factors and circumstances. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful life of any property and equipment would increase the recorded operating expenses and decrease noncurrent assets.

There were no changes in the EUL of these assets in 2025, 2024 and 2023. The carrying amounts of investment properties and property and equipment are disclosed in Notes 10 and 11, respectively.

Determining the Fair Value of Investment Properties

Investment properties are measured at cost but fair values are disclosed. The Group engaged external qualified appraiser to determine the fair value of its investment properties. The fair values of investment properties were based on the valuation performed in 2024 using appropriate valuation techniques. The fair values of land, condominium units and parking slots were determined using market data approach. Market data approach involves the comparison of the land to those that are more or less located within the vicinity of the appraised property and are subject of recent sales and offerings. If there is limited data within the area, the independent appraiser considers the expansion of the research on properties considered comparable. Adjustments were made to arrive at the market value by considering the location, size, shape, utility, desirability and time element. The valuation techniques and inputs used in the fair value measurement of investment properties are disclosed in Note 10 to the consolidated financial statements.

The latest independent appraiser's report was at December 31, 2024.

For the purpose of fair value disclosures, the Group has determined the nature, characteristics and risks of the investment properties and the level of the fair value hierarchy.

Details of investment properties are disclosed in Note 10 to the consolidated financial statements.

Impairment Assessment of Nonfinancial Assets and Goodwill

The Group assesses impairment on its nonfinancial assets (excluding goodwill) whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Group considers in deciding whether to perform an asset impairment review include the following:

- significant underperformance of a business in relation to expectations;
- significant negative industry or economic trends;
- significant changes or planned changes in the use of the assets; and
- obsolescence or physical damage of an asset.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. Recoverable amount represents the greater of the fair value less costs of disposal and the value in use.

Goodwill is tested for impairment annually and more frequently, when circumstances indicate that the carrying amount may be impaired. The recoverable amounts of the CGUs containing goodwill were determined through Fair Value Less Costs of Disposal (FVLCD) approach and Value-in-Use (VIU) calculations using cash flow projections from financial budgets approved by management covering a five-year period. The assumptions used for each valuation approach are disclosed in Note 12 to the consolidated financial statements.

The following bases were used to develop the assumptions used in each valuation approach include, among others:

FVLCD

Fair values of investment properties were determined by third party appraiser through comparable properties whose values were adjusted to take into account the overall characteristics of the Group investment properties.

VIU

Growth rate estimates - growth rates were based on experiences and strategies developed for the main operating subsidiaries. The prospect for the industry was also considered in estimating the growth rates.

Discount rates - discount rates were estimated based on the industry weighted average cost of capital, which includes the cost of equity and debt after considering the gearing ratio.

Calculated VIU for goodwill recoverability testing is most sensitive to changes in discount rate and terminal growth rate.

No provision for impairment loss was recognized on nonfinancial assets (excluding investment properties) and goodwill. The carrying values of the Group's other assets (excluding refundable deposits and construction bond), property and equipment and goodwill are disclosed in Notes 9, 11, 12 and 13.

Allowance for losses on and carrying amount of investment properties are disclosed in Note 10.

Estimating Retirement Benefit Liability

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

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on 1994 Group Annuity Mortality Table and is modified accordingly with estimates of mortality improvements. Future salary increases are based on expected future inflation rates.

While the Group believe that the assumptions are reasonable and appropriate, significant changes in assumptions could materially affect the cost of employee benefits and related obligations.

The amount of retirement benefits cost recognized and the carrying amount of net retirement benefits liability are disclosed in Note 15.

Assessing Recoverability of Deferred Income Tax Assets

The Group reviews its deferred income tax assets at each reporting date and reduces the 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 deferred income tax assets include an amount which relates to the carried forward tax losses, excess MCIT over RCIT and other deductible temporary differences of the Parent Company and its subsidiaries. The Parent Company and its subsidiaries have incurred tax losses and excess MCIT over RCIT. The carried forward tax losses and excess MCIT over RCIT have an expiration of three years from the taxable year when such tax losses were incurred, except for losses incurred in 2020 and 2021, which have an expiration of five years from the year they were incurred. However, the Company has concluded that they will not benefit from the said tax losses and excess MCIT over RCIT before they eventually expire. Deferred income tax assets were recognized only up to the extent of forecasted taxable income in subsequent periods. Each forecast was based on each of the Parent Company and the subsidiaries' past results and future expectations of revenue and expenses. The Group has unrecognized deferred income tax assets in respect of its NOLCO, excess MCIT over RCIT and other deductible temporary differences disclosed in Note 26. The outcomes within the next financial year with respect to the results of operations of the Parent Company and subsidiaries that are different from the assumption could require a material adjustment to the carrying amount of the Group's deferred income tax assets.

The amounts of recognized and unrecognized deferred income tax assets are disclosed in Note 26.

Contingencies

The Group is a party to certain lawsuits or claims arising from the ordinary course of business. However, the Group's management and legal counsel believe that the eventual liabilities under these lawsuits or claims, if any, will not have a material effect on the consolidated financial statements. Accordingly, no liability for probable losses arising from contingencies was recognized in the consolidated financial statements as at December 31, 2025 and 2024 (see Note 25).

4. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand	P25,000	P25,000
Cash in banks	3,139,115	17,084,818
Cash equivalents	584,333,025	632,631,075
	P587,497,140	P649,740,893

Cash in banks earns annual interest at prevailing bank deposit rates. Cash equivalents are short-term placements made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group and earn interest at prevailing short-term placement rates.

Interest income earned from cash in banks and cash equivalents amounted to P25.42 million, P36.68 million and P32.55 million in 2025, 2024, and 2023, respectively (see Note 22).

The Group's exposures to credit risk, interest rate risk and foreign currency risk related to cash and cash equivalents are disclosed in Note 28 to the consolidated financial statements.

5. Short-term Investments

Short-term investments amounting to P47.21 million and P73.71 million as at December 31, 2025 and 2024, respectively, pertain to Unit Investment Trust Fund (UITFs) investments that are convertible to cash and held to meet immediate cash requirements, complementing cash equivalents.

Unrealized gains (losses) on changes in fair value of short-term investments amounted to (P0.38 million), P0.76 million and nil in 2025, 2024 and 2023, respectively. Redemption of the short-term investments resulted in a realized gain amounting to P3.54 million, P2.07 million and P1.16 million in 2025, 2024 and 2023, respectively (see Note 22).

6. Investments in Quoted Shares

This account pertains to marketable equity securities that are listed and traded in the PSE and foreign stock exchange designated as financial assets at FVTPL.

The movements in the balances of investments in quoted shares are as follows:

	<i>Note</i>	2025	2024
Cost			
Balance at beginning of year		P75,683,829	P80,029,231
Additions		28,597,911	17,001,966
Withdrawals		(16,072,737)	(21,347,368)
Balance at end of year		88,209,003	75,683,829
Accumulated Unrealized Fair Value			
Gains			
Balance at beginning of year		8,887,837	5,836,537
Changes in fair values during the year	22	11,218,807	3,051,300
Balance at end of year		20,106,644	8,887,837
		P108,315,647	P84,571,666

The fair values of the investments in quoted shares were determined based on the closing bid prices at the end of reporting period categorized under Level 1 of the fair value hierarchy (see Note 27).

Unrealized gains (losses) on changes in fair value of investments in quoted shares amounted to P11.22 million, P3.05 million and (P6.07 million) in 2025, 2024 and 2023, respectively (see Note 22).

Sale of investments in quoted shares resulted in a realized gains amounting to P1.13 million, P4.61 million and P11.92 million in 2025, 2024, and 2023, respectively (see Note 22).

Dividend income generated from these investments amounted to P4.51 million, P4.56 million and P5.76 million in 2025, 2024 and 2023, respectively (see Note 17).

7. Receivables

This account consists of:

	Note	2025	2024
Installment contracts receivable	25	P86,593,486	P80,022,085
Due from Project Developer	25	23,395,413	23,227,359
Receivables from:			
Patient services		21,159,456	18,591,801
Contractors		12,741,843	12,741,843
Real estate buyers		2,989,009	2,502,615
Loan receivable	23	9,753,006	10,032,911
Billed rentals	25	2,663,908	1,850,584
Others		5,527,028	5,224,299
		164,823,149	154,193,497
Less allowance for impairment losses		22,055,637	22,055,637
		142,767,512	132,137,860
Less noncurrent portion of:			
Installment contracts receivable		67,441,258	63,924,667
Noncurrent portion of loan receivable		9,454,503	9,753,007
		P65,871,751	P58,460,186

Installment Contracts Receivable

Installment contracts receivable pertain to real estate sales. These are collectible in various installment periods of up to 15 years and earn interest at 10% to 16% per annum.

Interest income earned from installment contracts receivable amounted to P13.75 million, P12.82 million and P16.17 million in 2025, 2024 and 2023, respectively (see Note 17).

Other Receivables

Due from Project Developer pertain to collections of installment receivables by joint venture partners which are to be remitted to the Group (see Note 25).

Receivables from patient services are noninterest-bearing and are normally collectible within 30 to 60 days.

Receivables from contractors pertain to advance payments made to contractors. These receivables are impaired and are fully provided with allowance for impairment loss as management assessed that the said receivables are not recoverable.

Receivable from real estate buyers includes processing fees paid by the Group in advance that are necessary to transfer the title to the buyers which are chargeable to the buyers.

Others pertain to pass-through expenses paid by the Company to be collected from the relevant third party.

Loan Receivable

In 2023, the Parent Company entered into a Loan and Security Agreement, which became a related party loan in 2024. The loan has a term of 20 years and is payable based on the scheduled payments defined in the agreement, with an annual interest of 6.50% and is secured by a parcel of land (see Note 23).

The movements in the loan receivable account are as follows:

	2025	2024
Balance at beginning of year	P10,032,911	P10,295,375
Collections	(279,905)	(262,464)
Balance at end of year	9,753,006	10,032,911
Less current portion	298,503	279,904
Noncurrent portion	P9,454,503	P9,753,007

Interest income earned from loan receivable amounted to P0.65 million, P0.66 million and P0.04 million in 2025, 2024 and 2023, respectively (see Note 22).

Allowance for Impairment Losses

As at December 31, 2025 and 2024, allowance for impairment losses on receivables amounted to P22.06 million. No impairment loss or reversal of allowance for impairment loss was recognized in 2025 and 2024. In 2023, the Group recognized a gain on the reversal of allowance for impairment losses amounting to P0.52 million (see Note 22).

The Group's exposure to credit risk related to receivables is disclosed in Note 28 to the consolidated financial statements.

8. Inventories

This account consists of:

	2025	2024
At cost:		
Houses and lots	P38,229,642	P54,811,598
Condominium units and parking slots	16,183,310	17,842,913
Medical supplies	1,517,875	1,603,149
	P55,930,827	P74,257,660

Houses and lots pertain to units in Palma Real Residential Estates with movements as follows:

	<i>Note</i>	2025	2024
Balance at beginning of year		P54,811,598	P57,816,134
Construction costs		2,492,911	1,784,339
Repossession from cancelled contracts		647,049	1,296,560
Cost of real estate sales	18	(19,721,916)	(6,085,435)
Balance at end of year		P38,229,642	P54,811,598

Condominium units and parking slots pertain to units in Cypress Towers with movements as follows:

	<i>Note</i>	2025	2024
Balance at beginning of year		P17,842,913	P17,808,900
Additions from renovations		143,863	34,013
Cost of real estate sales	18	(1,803,466)	-
Balance at end of year		P16,183,310	P17,842,913

Cost of inventories recognized as expense is as follows:

	Note	2025	2024	2023
Houses and lots	18	P19,721,916	P6,085,435	P16,454,934
Condominium units and parking lots	18	1,803,466	-	1,495,181
Medical supplies	18	6,442,282	7,687,050	5,896,490
		P27,967,664	P13,772,485	P23,846,605

No purchase commitments, liens and encumbrances pertaining to inventories.

9. Other Current Assets

This account consists of:

	2025	2024
Creditable withholding taxes	P37,334,783	P33,520,857
Prepaid expenses	5,157,538	4,924,088
Input VAT	268,271	538,812
Advances to officers and employees	264,666	203,910
Current portion of deferred input VAT	45,061	49,157
	P43,070,319	P39,236,824

Prepaid expenses mainly pertain to prepayments of rent, insurance premiums and real property taxes.

Input VAT represents VAT imposed on the Group by its suppliers for the acquisition of goods and services required under Philippine taxation laws and regulations. Input VAT is applied against output VAT.

Advances to officers and employees are advances for various business-related expenses and are subject to liquidation within 30 days.

10. Investment Properties

The movements in the account are as follows:

	Note	2025		Total
		Land	Condominium Units and Parking Slots	
Cost				
January 1, 2024		P1,101,348,290	P44,854,942	P1,146,203,232
Additions		138,733,125	-	138,733,125
December 31, 2024		1,240,081,415	44,854,942	1,284,936,357
Additions		16,763,232	-	16,763,232
December 31, 2025		1,256,844,647	44,854,942	1,301,699,589
Accumulated Depreciation				
January 1, 2024		-	18,050,397	18,050,397
Depreciation	21	-	1,508,675	1,508,675
December 31, 2024		-	19,559,072	19,559,072
Depreciation	21	-	1,498,311	1,498,311
December 31, 2025		-	21,057,383	21,057,383
Allowance for Impairment Losses				
December 31, 2025 and 2024		55,513,073	-	55,513,073
Carrying Amounts				
December 31, 2024		P1,184,568,342	P25,295,870	P1,209,864,212
December 31, 2025		P1,201,331,574	P23,797,559	P1,225,129,133

The Group's investment properties pertain to several parcels of land which are held for capital appreciation and are located in Taguig, Batangas and Bulacan. Investment properties also include a number of condominium units and parking slots in Cypress Towers which earn rental income.

In 2025, the Group entered into a contract for an additional purchase price relating to existing parcels of land amounting to P13.77 million, P6.83 million of which remained unpaid as at December 31, 2025.

In 2024, the Group acquired certain parcels of land amounting to P136.16 million, P13.41 million of which remained unpaid as at December 31, 2024. The remaining unpaid balance was subsequently settled in 2025.

There are no significant changes in the composition and condition of the investment properties, other than the additions during the year, that would have an impact in the valuation of these assets.

The aggregate fair value of the Group's investment properties amounted to P5.38 billion as at December 31, 2025 and 2024, respectively. The latest independent appraisal report was dated December 31, 2024. There are no changes in the valuation technique used in determining the fair value of the investment properties from previous year.

The assumptions used in the valuation and fair value hierarchy category of each assumption are as follows:

	Approach	Fair Value Hierarchy
<i>Land</i>		
Price per sqm	Market Data Approach	Level 2
Value adjustments	Market Data Approach	Level 3
<i>Building, Building Improvements, Condominiums and Parking Slots</i>		
Replacement cost	Cost Approach	Level 3

Description of valuation techniques used and key inputs to valuation on investment properties are as follows:

Market Data Approach

Market data approach is used to estimate valuation of land. It involves the comparison of the properties to those that are more or less located within the vicinity of the appraised properties and are subject of recent sales and offerings. Adjustments were made to the valuation of land to arrive at the market value by considering the location, size, shape, utility, desirability and time element.

Cost Approach

Cost Approach is based on the reproduction or replacement cost of building and building improvements, less total accumulated depreciation.

The key inputs to fair valuation are as follows:

- Price Per Sqm is the estimated value prevailing in the real estate market depending on the location, area, shape and time element.
- Value Adjustments are fair value adjustments are made to bring the comparative values in approximation to the investment properties taking into account the location, size, time element, and terrain, among others.

Sensitivity Analysis

Significant increase (decrease) in price per square meter would result in a significantly higher (lower) fair value measurement. Significant increase (decrease) in value adjustments would result in a lower (higher) fair value measurement.

As at December 31, 2025 and 2024, allowance for probable losses on investment properties amounted to P55.51 million, which was recognized to cover losses on potential claims on certain parcels of land.

Rental income generated from investment properties amounted to P20.68 million, P16.98 million and P16.62 million in 2025, 2024 and 2023, respectively (see Notes 17 and 25). Related direct operating costs incurred pertain to depreciation and real property taxes aggregating to P5.19 million, P5.18 million and P4.97 million in 2025, 2024 and 2023, respectively.

Owner-occupied Property

As at December 31, 2025 and 2024, the carrying amount of the Group's owner-occupied property presented as part of "Property and equipment" account amounted to P162.72 million and P167.64 million, respectively.

The Group has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements, other than those already reflected or disclosed in the consolidated financial statements.

11. Property and Equipment

The movements for each class of property and equipment are as follows:

	Note	Land	Building and Building Improvements	Medical Equipment	Transportation Equipment	Office Furniture, Fixtures and Equipment	Total
Cost							
January 1, 2024		P120,132,721	P218,142,383	P68,107,303	P33,725,443	P37,876,921	P477,984,771
Additions		-	756,289	812,857	3,146,875	1,050,027	5,766,048
December 31, 2024		120,132,721	218,898,672	68,920,160	36,872,318	38,926,948	483,750,819
Additions		-	1,453,250	2,545,357	-	831,875	4,830,482
December 31, 2025		120,132,721	220,351,922	71,465,517	36,872,318	39,758,823	488,581,301
Accumulated and Depreciation							
January 1, 2024		-	89,097,383	62,752,802	18,062,891	36,679,278	206,592,354
Depreciation	21	-	8,867,055	1,516,917	4,143,880	750,457	15,278,309
December 31, 2024		-	97,964,438	64,269,719	22,206,771	37,429,735	221,870,663
Depreciation	21	-	8,894,048	1,419,116	4,559,304	785,812	15,658,280
December 31, 2025		-	106,858,486	65,688,835	26,766,075	38,215,547	237,528,943
Carrying Amounts							
December 31, 2024		P120,132,721	P120,934,234	P4,650,441	P14,665,547	P1,497,213	P261,880,156
December 31, 2025		P120,132,721	P113,493,436	P5,776,682	P10,106,243	P1,543,276	P251,052,358

Cost of fully depreciated and amortized property and equipment still in use amounted to P121.84 million and P118.54 million as at December 31, 2025 and 2024, respectively.

The Group has no restriction on its property and equipment and none of these have been pledged as security for its obligations.

12. Goodwill

Goodwill resulted from the acquisition of 97% ownership of HSAPI by the Parent Company in 2014. As a result of the acquisition, the Parent Company acquired control over FMCMI, a wholly-owned subsidiary of HSAPI. The goodwill arising from the acquisition amounted to P21.74 million.

Impairment Testing of Goodwill

The Parent Company performed its annual impairment test as at December 31, 2025 and 2024. The CGUs were identified and separated on the basis of the independent cash inflows.

The management identified the investment properties and operations of FMCMI as separate CGUs valued using FVLCD and VIU approach, respectively.

a. *FVLCD*

The recoverable amounts of the investment properties were determined using FVLCD. In determining the fair values of the investment properties, the Parent Company engaged third party appraiser and the latest independent appraisal report was dated December 31, 2024. There are no changes in the composition and condition of the investment properties that would have an impact in the valuation of these assets and there are no changes in the valuation technique used in determining the fair value of the investment properties from previous year.

Description of valuation techniques used and key inputs to valuation on investment properties are as follows:

Market Data Approach

Market data approach is used to estimate valuation of land. It involves the comparison of the land to those that are more or less located within the vicinity of the appraised properties and are subject of recent sales and offerings. Adjustments were made to the valuation of land to arrive at the market value by considering the location, size, shape, utility, desirability and time element.

Cost Approach

Cost Approach is based on the reproduction or replacement cost of building and building improvements, less accumulated depreciation.

The key inputs to fair value valuation are as follows:

- Price Per Sqm is the estimated value prevailing in the real estate market depending on the location, area, shape and time element.
- Value Adjustments are fair value adjustments made to bring the comparative values in approximation to the investment properties taking into account the location, size, time element, and terrain, among others.

The costs of disposal are the estimated costs that the management expects to incur to effect the sale of the investment properties.

The significant assumptions and the fair value hierarchy category of each assumption for FVLCD, as applicable, are as follows:

	Management Assumptions		Fair Value Hierarchy
	2025	2024	
Price per sqm	P84,000	P84,000	Level 2
Value adjustments	25% - 65%	25% - 65%	Level 3
Cost of disposal	5%	5%	-

Sensitivity Analysis on FVLCD Assumptions

The fair value of the investment properties will increase (decrease) if:

- Price per sqm of the comparable properties were higher (lower)
- Value adjustments to price per sqm of the comparable properties were lower (higher)
- Cost of disposal were lower (higher)

b. VIU

The recoverable amount of one of the CGUs has been determined based on a VIU calculation using cash flow projections from financial budgets approved by management covering a five-year period. Cash flows beyond the 5-year period are extrapolated using a constant growth rate for the industry. The projected cash flows have been updated to reflect the expected demand over FMCMI's healthcare services.

The calculation of value in use of the CGUs is most sensitive to the following assumptions:

- Growth rates used to extrapolate cash flows beyond the forecast period
- Discount rates
- Gross margins

Growth Rate Estimates

Rates are based on management's expectation of FMCMI's operations benchmarked on the published industry research.

Discount Rate

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Parent Company benchmarked on the prevailing money market fund rates. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate, where appropriate.

Gross Margins

Gross margins are based on average values achieved in one to five years preceding the beginning of the budget period. These are expected to be steady or consistent over the period of projection.

Management assumptions on VIU are as follows:

	2025	2024
Discount rate	6%	6%
Growth rate	12-16%	12-16%
Gross margin	41% - 47%	45% - 49%

Sensitivity on VIU Assumptions

Management believes that any possible change in the key assumptions on which the recoverable amount is based would not cause its carrying amount to exceed its recoverable amount.

13. Other Noncurrent Assets

This account consists of:

	2025	2024
Investment in unquoted shares - net	P47,344,660	P47,344,660
Refundable deposits	1,933,028	1,914,249
Noncurrent portion of deferred input VAT	780,853	825,914
Others	946,824	937,296
	51,005,365	51,022,119
Net unrealized fair value loss	(34,493,533)	(34,493,533)
	P16,511,832	P16,528,586

Investment in unquoted shares pertains to the Group's 18% equity interest in Asian Alliance Holdings & Development Corp., designated by management as financial assets at FVOCI.

The assumed fair value of the said equity investment amounted to P12.85 million as at December 31, 2025 and 2024, determined using the investee's latest net asset value. In 2024, the Group recognized a fair value loss amounting to P2.49 million on the investment in unquoted shares. As at December 31, 2025 and 2024, net unrealized fair value loss relating to the Group's investment in unquoted shares amounted to P34.49 million. Management does not plan to sell or dispose of the shares within one year from the reporting date.

Sensitivity Analysis

Significant increase (decrease) in the net asset would result in a significantly higher (lower) fair value measurement.

Refundable deposits pertain to bill deposits and guaranty deposits paid to utility companies.

Other noncurrent assets include cash bond paid to a government agency, construction bond and others that are individually immaterial.

The Group's exposure to credit risk related to other noncurrent assets is disclosed in Note 28 to the consolidated financial statements.

14. Accounts and Other Payables

This account consists of:

	Note	2025	2024
Trade payable	25	P120,598,156	P133,084,934
Contract liabilities		16,126,509	18,685,837
Deposits for document processing		10,001,548	7,450,353
Statutory payable		7,295,205	5,916,719
Unearned rental income	25	4,566,747	2,733,751
Payable to directors and officers	23	3,702,210	3,965,105
Accrued expenses:			
Professional fees		937,435	826,512
Outsourced service		755,675	682,337
Commission		704,824	950,655
Utilities and Communication		302,371	284,102
Others		13,484	11,575
Others	25	1,957,235	1,812,656
		P166,961,399	P176,404,536

Trade payable pertains to outstanding liabilities for land, payable to a joint venture partner for its share in the collections received by the Group and payable to contractors and suppliers. These are noninterest-bearing and are normally settled on a 30 to 60-day credit terms.

Contract liabilities represent payments of buyers which do not qualify yet for revenue recognition as real estate sales and nonrefundable reservation fees received from prospective buyers. The Group requires buyers to pay a minimum percentage of the total selling price before they enter into a sale transaction. Collections from buyers which have not reached the minimum required percentage are treated as contract liabilities. Revenue recognized in 2025, 2024 and 2023 from contract liabilities amounted to P10.95 million, P3.94 million and P10.14 million, respectively.

Deposits for document processing represent collections from real estate buyers which are intended for the completion of closing requirements.

Statutory payable includes amounts payable to government agencies such as BIR, SSS, PhilHealth and Pag-IBIG which are normally settled in the following month.

Accrued expenses consist mainly of utilities, communication, outsourced services, and professional fees which are normally settled in the following month.

Others pertain mainly to construction bond and security deposit.

The Group's exposure to liquidity risk related to accounts and other payables is disclosed in Note 28 to the consolidated financial statements.

15. Net Retirement Benefits Liability

The Group has a funded, non-contributory tax-qualified defined benefit type of retirement plan (the Plan) covering substantially all of its regular employees. The benefits are based on a defined benefit formula.

The Plan is administered by a local bank as trustee and provides for a lump-sum benefit payment upon retirement. The Plan provides for a minimum benefit of one-half month of final salary per year of credited service. The benefit shall be payable to employees with at least five years of continuous service and attained age of:

- 60 years;
- 50 years with completion of at least 10 years of service; or
- More than 60, on a case-to-case and year-to-year extension basis.

The latest actuarial valuation report of the retirement plan was made as at December 31, 2025.

Under the existing regulatory framework, Republic Act 7641, *The Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

Retirement benefits cost is included as part of "Salaries, wages and other benefits" under "Selling and Administrative Expenses" account in the consolidated statements of comprehensive income (see Notes 19 and 20).

The Plan typically exposes the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will result in remeasurement loss and may create a plan deficit.

Interest Risk

A decrease in the government bond interest rate will increase the plan liability.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the actuarial valuations were as follows:

	2025	2024
Discount rate	6.31% - 6.41%	6.09% - 6.17%
Expected rate of salary increases	5.00%	5.00%

The following are the turnover rate assumption in 2025 and 2024:

Age	2025	2024
17 - 24	5%	5%
25 - 29	3%	3%
30 - 49	1%	1%

Mortality rates in 2025 and 2024 are based on the “1994 US Group Annuity Mortality Table”. Disability rate is based on “1952 Disability Table” from the Society of the Actuaries in the Philippines.

Details of retirement benefits cost are as follows:

	2025	2024	2023
Current service cost	P3,426,540	P2,621,039	P2,085,415
Interest expense	2,059,557	1,869,645	1,991,619
Interest income	(243,606)	(230,933)	(276,728)
Past service cost due to separation	(64,550)	-	-
	P5,177,941	P4,259,751	P3,800,306

The following table shows reconciliation from the opening balances to the closing balances of the net retirement benefits liability and its components:

	Present Value of Defined Benefit Obligation		Fair Value of Plan Assets		Net Retirement Benefits Liability	
	2025	2024	2025	2024	2025	2024
Balance at beginning of year	P33,722,766	P30,778,652	P3,977,788	P3,799,153	P29,744,978	P26,979,499
Recognized in Profit or Loss						
Current service cost	3,426,540	2,621,039	-	-	3,426,540	2,621,039
Interest expense	2,059,557	1,869,645	-	-	2,059,557	1,869,645
Interest income	-	-	243,606	230,933	(243,606)	(230,933)
Past service cost due to separation	(64,550)	-	-	-	(64,550)	-
	5,421,547	4,490,684	243,606	230,933	5,177,941	4,259,751
Recognized in OCI						
Remeasurements from:						
Actuarial gains arising from:						
Experience adjustments	(1,347,558)	(1,486,873)	-	-	(1,347,558)	(1,486,873)
Change in financial assumptions	(293,411)	(59,697)	-	-	(293,411)	(59,697)
Return on plan assets excluding interest	-	-	(27,149)	(52,298)	27,149	52,298
	(1,640,969)	(1,546,570)	(27,149)	(52,298)	(1,613,820)	(1,494,272)
Balance at end of year	P37,503,344	P33,722,766	P4,194,245	P3,977,788	P33,309,099	P29,744,978

As at December 31, 2025 and 2024, the fair value of plan assets by each class are as follows:

	2025	2024
Deposits in banks	P2,836,303	P2,594,588
Equity securities	1,344,288	1,353,040
Other assets	16,135	43,950
Other accountabilities	(2,481)	(13,790)
	P4,194,245	P3,977,788

The composition of the fair value of the Fund includes:

Deposit in Banks - includes savings, demand deposits and special savings account (SSA).

Equity Securities - includes investments in common shares of corporations listed in the PSE.

Other Assets - includes accrued interest receivable from deposits in banks.

Other Accountabilities - pertain mainly to charges of trust or in the management of the Plan.

The recommended contribution for the Groups retirement fund for the year 2026 amounted to P17.03 million (based on the Funding Valuation as of December 31, 2025).

The weighted-average duration of the net retirement benefits liability is 17 to 23 years as at December 31, 2025 and 2024.

Sensitivity Analysis on the Actuarial Assumptions

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	Increase (Decrease)	Effect on Defined Benefit Obligation
<u>2025</u>		
Discount rates	+50 basis points	(P594,970)
	-50 basis points	657,208
Future salary increases	+1.00%	1,349,752
	-1.00%	(1,128,751)
<u>2024</u>		
Discount rates	+50 basis points	(538,365)
	-50 basis points	595,977
Future salary increases	+1.00%	1,224,567
	-1.00%	(1,019,741)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Maturity analysis of the undiscounted benefit payments:

	2025	2024
Less than five years	P33,338,874	P31,107,389
Five years but less than 10 years	6,092,016	3,759,911
More than 10 years	224,766,310	194,033,350

Remeasurement Gains

The cumulative remeasurement gains on net retirement benefits liability included as part of "Other equity reserves" in equity as at December 31 are as follows:

	Accumulated Remeasurements	Deferred Income Tax (see Note 26)	Accumulated Remeasurements - net of Tax
Balance as at December 31, 2023	P17,380,509	P4,043,817	P13,336,692
Remeasurement gains	1,494,272	373,569	1,120,703
Balance as at December 31, 2024	18,874,781	4,417,386	14,457,395
Remeasurement gains	1,613,820	403,455	1,210,365
Balance as at December 31, 2025	P20,488,601	P4,820,841	P15,667,760

Asset-liability Matching (ALM)

The Group has no specific matching strategy for retirement. The Group is not required to pre-fund the future defined benefits payable under the retirement plan before they become due. For this reason, the amount and timing of contributions depends on the Group's discretion. However, in the event a benefit claim arises, the Group will pay the obligation.

16. Equity

Capital Stock

Details of the Parent Company's capital stock with P0.10 par value per share as at December 31, 2025 and 2024 are as follows:

	Shares	Amount
Authorized	24,000,000,000	P2,400,000,000
Issued*		
Balance at beginning and end of year	19,775,232,460	P1,977,523,246

* The number of issued shares include treasury shares.

APIC represents the excess of proceeds over aggregate par or stated value of common shares which amounted to P118.57 million as at December 31, 2025 and 2024.

Details of the Group's treasury stock are as follows:

	2025	2024
Treasury Stock		
4,815,232,510 common shares with average cost of P0.10 per share	P481,523,251	P481,523,251

Dividend Declaration of Parent Company

On February 28, 2023, the BOD of the Parent Company approved the declaration of stock dividend amounting to P150.00 million, subject to compliance with regulatory requirements. Subsequently, on May 4, 2024, the BOD of the Parent Company approved the declaration of a property dividend, to be distributed from the Parent Company's treasury shares at an entitlement ratio of 0.10 common share for every one (1) Parent Company common share held. On December 10, 2024, the BOD of the Parent Company clarified that the stock dividend approved in 2023 was to be superseded by the property dividend approved in May 2024. As at December 31, 2025, the property dividend declared is still subject to SEC approval.

Dividend Declaration of CCPC

- On October 22, 2025, the BOD of CCPC approved the declaration of cash dividends amounting to P42.40 million or P0.33 per share to stockholders of record as at December 31, 2024. The dividends attributable to the Parent Company and non-controlling interest amounted to P20.38 million and P22.02 million, respectively.
- On August 20, 2024, the BOD of CCPC approved the declaration of cash dividends amounting to P30.00 million or P0.23 per share to stockholders of record as at December 31, 2023. The dividends attributable to the Parent Company and non-controlling interest amounted to P14.42 million and P15.58 million, respectively.

Dividend Declaration of FMCFI

- On December 02, 2025, the BOD of FMCFI approved the declaration of cash dividends amounting to P3.50 million or P0.20 per share to stockholders of record as at December 02, 2025. The dividends are expected to be paid to HSAPI on or before December 31, 2026.

There were no dividends declarations from any subsidiary within the Group in 2023.

The Parent Company's track of record of its securities as follows:

Date of Approval	Issued and Subscribed		Issue/ Offer Price
	No. of Shares	Amount	
October 24, 1969	1,699,999,995	P1,699,999,995	P1.00
January 10, 2008*	11,900,000,015	(339,999,994)	0.10
August 18, 2014	4,815,232,470	481,523,247	0.10
May 7, 2019	1,359,999,980	135,999,998	0.10

**In 2008, the Parent Company had capital restructuring which resulted in decrease in subscribed capital from P1.70 billion to P1.36 billion and reduction in the par value per share from P1 par value per share to P0.10 par value per share.*

The Parent Company has 362 shareholders as at December 31, 2025 and 2024.

Retained Earnings

In accordance with SEC Memorandum Circular No. 16-2023 issued in December 2023, the Parent Company's retained earnings available for dividend declaration as of December 31, 2025 and 2024 amounted to P278.01 million and P254.66 million, respectively.

Other Equity Reserves

This account consists of the following:

	Note	2025	2024	2023
Net unrealized fair value loss on financial assets at FVOCI	13	P34,493,533	P34,493,533	P32,000,000
Difference between the acquisition price and carrying value of acquired NCI in CCPC		5,809,675	-	-
Cumulative remeasurement gains on net retirement benefits liability - net of tax	15	(15,667,760)	(14,457,395)	(13,336,692)
Others		139,849	139,500	107,713
		P24,775,297	P20,175,638	P18,771,021

Non-controlling Interests

The Group's non-controlling interests represent ownership of non-controlling interests shareholders over the following subsidiaries:

	2025	2024	2023
PLHI	25%	25%	25%
HSAPI	3%	3%	3%
FMCM I	3%	3%	3%
CCPC	0%	52%	52%

Details are as follows:

	2025	2024	2023
PLHI			
January 1	P68,423,414	P68,514,601	P68,605,787
Share in net loss	(96,007)	(91,187)	(91,186)
December 31	68,327,407	68,423,414	68,514,601
HSAPI			
January 1	595,257	588,678	594,210
Share in net income (loss)	1,210	6,579	(5,532)
December 31	596,467	595,257	588,678
FMCM I			
January 1	1,732,546	1,514,924	1,160,720
Share in net income (loss)	(339,783)	201,410	345,937
Share in OCI	10,064	16,212	8,267
December 31	1,402,827	1,732,546	1,514,924
CCPC			
January 1	89,703,051	98,833,166	85,537,191
Share in net income	14,491,575	6,431,235	13,247,885
Share in OCI	(9,715)	15,573	48,090
Dividends paid to NCI	(22,015,385)	(15,576,923)	-
Acquisition of NCI by CEI	(82,169,526)	-	-
December 31	-	89,703,051	98,833,166
	P70,326,701	P160,454,268	P169,451,369

On December 16, 2025, the Parent Company acquired the remaining non-controlling interests in CCPC, which is equivalent to 67,500,000 shares, for a total consideration of P73.48 million, thereby increasing its ownership interest from 48% to 100%. The difference between the total consideration and the carrying value of the non-controlling interests amounting to P5.81 million was recognized as part of "Other equity reserves" account under "Equity" in the consolidated statements of financial position.

Non-controlling interests amounted to P70.33 million and P160.45 million as at December 31, 2025 and 2024, respectively. Related dividends allocated to non-controlling interests amounted to P22.02 million and P15.58 million in 2025 and 2024, respectively. The dividends were paid in cash.

The summarized financial information of subsidiaries with material non-controlling interest as at and for the years ended December 31, 2025, 2024 and 2023 are as follows:

PLHI

	2025	2024	2023
Statements of Financial Position			
Current assets	P104,088	P104,310	P190,292
Noncurrent assets	278,199,343	277,764,816	277,518,000
Current liabilities	(5,743,142)	(4,924,808)	(4,399,225)
Noncurrent liabilities	(5,317,971)	(5,317,971)	(5,317,971)
Statements of Financial Performance			
Expenses	(384,029)	(364,749)	(364,744)
Net loss	(384,029)	(364,749)	(364,744)
Total comprehensive loss	(384,029)	(364,749)	(364,744)
Statements of Cash Flows			
Cash flows arising from:			
Operating activities	425,000	170,000	-
Investing activities	(425,000)	(170,000)	-

CCPC

	2025	2024	2023
Statements of Financial Position			
Current assets	P200,011,969	P216,268,153	P224,037,343
Noncurrent assets	35,393,380	38,421,220	42,805,849
Current liabilities	(70,321,793)	(75,918,428)	(69,789,723)
Noncurrent liabilities	(6,831,138)	(5,968,259)	(6,648,493)
Statements of Financial Performance			
Revenue	49,549,087	23,231,005	48,282,636
Net income	27,868,415	12,367,761	25,476,701
Total comprehensive income	27,849,732	12,397,710	25,569,181
Statements of Cash Flows			
Cash flows arising from:			
Operating activities	48,059,929	3,622,695	46,643,107
Financing activities	(42,400,000)	(30,000,000)	-
Investing activities	(10,422)	-	(22,969)

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit standing and stable capital ratios in order to support its business and maximize shareholder value. The Group maintains its current capital structure and will make adjustments, if necessary, in order to generate a reasonable level of returns to stockholders over the long term.

The Group reviews its capital structure on an annual basis. As part of it review, the Group considers the cost of capital and the risks associated with it.

The Group monitors capital using debt to equity ratio, which is total debt divided by total equity as follows:

	2025	2024
Debt	P214,190,388	P217,358,679
Equity	2,294,822,714	2,358,522,484
Debt-to-Equity Ratio	0.09:1	0.09:1

Debt is composed of all liabilities while equity includes capital stock, APIC, retained earnings, other equity reserves and non-controlling interests, less treasury stock.

Pursuant to the PSE's rules on minimum public ownership, at least 10% of the issued and outstanding shares of a listed company must be owned and held by the public. The public ownership is about 30.3% and 18.7% as at December 31, 2025 and 2024, respectively.

There were no changes were made in the Group's objectives, policies or processes in 2025 and 2024.

17. Revenue

This account consists of:

	Note	2025			Total
		Real Estate Activities	Healthcare Activities	Investing Activities	
Revenue from Contracts with Customers					
Recognized at a point in time:					
Real estate sales:					
Sale of houses and lots	25	P67,652,229	P -	P -	P67,652,229
Sale of condominium units and parking slots		7,446,429	-	-	7,446,429
Sale of services		-	56,620,177	-	56,620,177
Recognized over time -					
Interest income	7	13,746,601	-	-	13,746,601
Revenue from Other Sources					
Dividend income	6	-	-	4,513,991	4,513,991
Rental income	10, 25	20,680,153	-	-	20,680,153
		P109,525,412	P56,620,177	P4,513,991	P170,659,580

	Note	2024			Total
		Real Estate Activities	Healthcare Activities	Investing Activities	
Revenue from Contracts with Customers					
Recognized at a point in time:					
Real estate sales:					
Sale of houses and lots	25	P21,574,140	P -	P -	P21,574,140
Sale of services		-	61,505,146	-	61,505,146
Recognized over time -					
Interest income	7	12,819,848	-	-	12,819,848
Revenue from Other Sources					
Dividend income	6	-	-	4,561,348	4,561,348
Rental income	10, 25	16,981,328	-	-	16,981,328
		P51,375,316	P61,505,146	P4,561,348	P117,441,810

	Note	2023			Total
		Real Estate Activities	Healthcare Activities	Investing Activities	
Revenue from Contracts with Customers					
Recognized at a point in time:					
Real estate sales:					
Sale of houses and lots	25	P56,786,475	P -	P -	P56,786,475
Sale of condominium units and parking slots		6,394,643	-	-	6,394,643
Sale of services		-	68,697,725	-	68,697,725
Recognized over time -					
Interest income	7	16,170,301	-	-	16,170,301
Revenue from Other Sources					
Dividend income	6	-	-	5,757,732	5,757,732
Rental income	10, 25	16,622,127	-	-	16,622,127
		P95,973,546	P68,697,725	P5,757,732	P170,429,003

18. Direct Costs

This account consists of:

	Note	2025	2024	2023
Cost of real estate sales		P21,525,382	P6,085,435	P17,950,115
Cost of services		30,135,343	30,800,250	32,029,964
Depreciation	21	4,398,215	4,410,892	4,195,528
Taxes and licenses		789,845	770,612	770,612
		P56,848,785	P42,067,189	P54,946,219

Cost of real estate sales consists of:

	Note	2025	2024	2023
Cost of:				
House and lots sold	8, 25	P19,721,916	P6,085,435	P16,454,934
Condominium units and parking slots sold	8	1,803,466	-	1,495,181
		P21,525,382	P6,085,435	P17,950,115

Cost of services consists of:

	Note	2025	2024	2023
Contracted services		P9,793,714	P10,259,547	P13,405,152
Salaries, wages and other benefits	20	8,178,817	6,747,136	6,869,579
Medical supplies used	8	6,442,282	7,687,050	5,896,490
Depreciation	21	1,419,116	1,516,917	1,333,099
Utilities		2,151,875	1,916,716	1,809,007
Outside services		1,353,080	1,653,381	2,372,377
Others		796,459	1,019,503	344,260
		P30,135,343	P30,800,250	P32,029,964

19. Selling and Administrative Expenses

This account consists of:

	Note	2025	2024	2023
Salaries, wages and other benefits	20	P37,485,936	P33,287,786	P29,149,615
Taxes and licenses		25,517,654	6,604,228	6,532,170
Depreciation	21	11,339,260	10,859,175	9,291,413
Outside services		10,792,572	9,876,937	8,840,402
Meetings and seminars		6,455,800	6,313,152	5,773,764
Directors' and officers' profit-sharing remuneration	23	3,702,210	3,965,105	6,888,504
Supplies		3,469,255	4,085,996	2,733,908
Professional fees		3,264,161	3,630,298	3,467,737
Utilities		3,196,412	2,800,068	2,423,373
Unrecoverable input VAT		3,123,931	1,798,870	3,580,976
Commissions		3,023,143	3,255,184	3,623,952
Repairs and maintenance		2,714,721	2,415,014	2,615,644
Insurance		2,516,443	2,394,950	2,113,950
Transportation and travel		1,696,758	1,696,123	1,748,036
Director's fees	23	1,444,444	1,511,111	1,644,444
Postage and communication		708,951	694,558	655,630
Committee meetings		600,000	525,000	515,000
Association dues		488,941	480,787	480,787
Advertising		256,156	259,429	205,208
Others		2,957,663	2,128,450	4,533,136
		P124,754,411	P98,582,221	P96,817,649

Taxes and licenses include real property taxes, documentary stamp taxes, business taxes and other non-recurring tax payments.

20. Personnel Costs

This account consists of:

	Note	2025	2024	2023
Salaries and wages		P33,422,059	P29,785,990	P26,308,531
Retirement benefit costs	15	5,177,941	4,259,751	3,800,306
Other employee benefits		7,064,753	5,989,181	5,910,357
		P45,664,753	P40,034,922	P36,019,194

Personnel costs are charged to:

	Note	2025	2024	2023
Direct costs	18	P8,178,817	P6,747,136	P6,869,579
Selling and administrative expenses	19	37,485,936	33,287,786	29,149,615
		P45,664,753	P40,034,922	P36,019,194

21. Depreciation

Depreciation is attributable to:

	Note	2025	2024	2023
Property and equipment	11	P15,658,280	P15,278,309	P13,310,769
Investment properties	10	1,498,311	1,508,675	1,509,271
		P17,156,591	P16,786,984	P14,820,040

Depreciation is charged to:

	Note	2025	2024	2023
Direct costs	18	P5,817,331	P5,927,809	P5,528,627
Selling and administrative expenses	19	11,339,260	10,859,175	9,291,413
		P17,156,591	P16,786,984	P14,820,040

22. Other Income - Net

This account consists of:

	Note	2025	2024	2023
Interest income from:				
Cash in banks and cash equivalents	4	P25,421,982	P36,684,748	P32,547,888
Loan receivable	7	646,087	663,527	41,167
Unrealized gains (losses) on changes in:				
Fair value of investments in quoted shares	6	11,218,807	3,051,300	(6,069,675)
Foreign exchange rates		8,784,774	5,086,318	970,289
Fair value of short-term investments	5	(381,687)	758,106	-
Gains (losses) on:				
Redemption of short-term investments	5	3,540,204	2,071,808	1,160,356
Sale of investments in quoted shares	6	1,129,339	4,605,916	11,921,494
Cancelled contracts and forfeited customer deposits		(1,708,916)	(770,996)	(220,531)
Reversal of impairment losses on receivables	7	-	-	523,257
Association dues		2,629,844	2,032,491	1,862,353
Utilities recharge		1,204,954	1,068,524	687,365
Surcharge income		1,087,448	693,109	910,723
Others		15,895	1,450,552	(2,104)
		P53,588,731	P57,395,403	P44,332,582

23. Related Party Transactions

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities that are under common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel, directors, or its stockholders.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

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

The following table summarizes the Group's significant transactions and balances with related parties as at December 31, 2025 and 2024:

Category/ Transaction	Note	Amount of Transaction		Outstanding Balances		Terms and Conditions
		2025	2024	2025	2024	
Key Management Personnel						
<i>Receivables</i>						
Loan	7, 23a	P -	P -	P9,753,006	P10,032,911	Interest-bearing; secured; no impairment
<i>Accounts and Other Payables</i>						
Directors and officers profit-sharing	14, 19, 23b	3,702,210	3,965,105	3,702,210	3,965,105	Due on demand; noninterest-bearing; unsecured
Director's fees	19, 23c	1,444,444	1,511,111	-	-	

- The Group granted a long-term loan in 2023 that became a related party loan in 2024 (see Note 7).
- The directors and officers of the Group are entitled to receive profit-sharing based on the performance by the Group.
- Directors fees are per diem as provided to directors during Group's meetings and events.

The outstanding balances with related parties are expected to be settled in cash.

Key Management Compensation

Compensation of key management personnel pertaining to short-term salaries, government mandated benefits and post-employment benefits amounted to P20.57 million, P18.05 million and P14.37 million in 2025, 2024 and 2023, respectively.

Balances and Transactions between Consolidated Entities Eliminated during Consolidation

Below are the balances and transactions among related parties which are eliminated in the consolidated financial statements as at December 31, 2025 and 2024, respectively.

Amounts owed by	Amounts owed to	Nature	2025	2024
HSAPI	Parent Company	Advances	P72,189,862	P72,189,862
PLHI	Parent Company	Reimbursements	5,353,618	4,535,284
		Deposit for future stock subscription	2,866,376	2,866,376
PLHI	Parent Company	Security deposits	480,296	480,296
Parent Company	FMCMI	Advances	287,324	287,324
CCPC	Parent Company	Security deposits	66,635	44,700
HSAPI	CCPC			

Below are the transactions among related parties, which are eliminated in the consolidated financial statements for the years ended December 31, 2025, 2024 and 2023, respectively.

Rent Income	Rental Expense	2025	2024	2023
Parent Company	FMCMI	P4,384,800	P4,384,800	P4,384,800
HSAPI	CCPC	266,541	266,541	266,541
		P4,651,341	P4,651,341	P4,651,341

Management Fee	Management Fee	2025	2024	2023
CCPC	Parent Company	P7,200,000	P7,200,000	P7,200,000

Dividends Declared	Dividend Income	2025	2024	2023
CCPC	Parent Company	P20,384,615	P14,423,077	P -
FMCMI	HSAPI	3,500,000	-	-
		P23,884,615	P14,423,077	P -

24. Earnings Per Share

The calculation of the basic EPS is based on the following data:

	2025	2024	2023
Net income attributable to equity holders of the Parent Company	P16,532,870	P22,006,732	P39,529,284
Weighted average number of common shares issued and outstanding	14,959,999,950	14,959,999,950	14,959,999,950
	P0.0011	P0.0015	P0.0026

Basic EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year. The weighted average number of shares refers to shares in circulation during the period that is after the effect of treasury stock.

	2025	2024	2023
Issued and outstanding shares	19,775,232,460	19,775,232,460	19,775,232,460
Treasury shares	(4,815,232,510)	(4,815,232,510)	(4,815,232,510)
Average number of shares	14,959,999,950	14,959,999,950	14,959,999,950

As at December 31, 2025, 2024 and 2023, the Parent Company has no dilutive or potential dilutive share.

25. Commitments and Contingencies

A. Lease Agreements

The Group leased out certain commercial spaces of its building to several parties under various cancellable and noncancellable operating lease agreements for periods between one to ten years. All leases include an annual escalation clause based on rental rates.

Security deposits amounting to P5.36 million and P4.48 million as at December 31, 2025 and 2024, respectively, are noninterest-bearing and will be refunded at the end of the lease term. This amount includes current portion presented as part of "Accounts and other payables" account amounting to P0.21 million in 2025 and P0.26 million in 2024 (see Note 14).

Unearned rental income amounted to P4.57 million and P2.73 million as at December 31, 2025 and 2024, respectively (see Note 14).

Rental income recognized amounted to P20.68 million, P16.98 million and P16.62 million in 2025, 2024 and 2023, respectively (see Note 17).

Billed rentals amounted to P2.66 million and P1.85 million as at December 31, 2025 and 2024, respectively (see Note 7).

Future minimum lease receivables to be collected based on existing contract are as follows:

	2025	2024
Not later than one year	P16,416,019	P15,400,616
Later than one year but not later than five years	35,654,904	46,129,165
	P52,070,923	P61,529,781

B. Joint Operation Arrangement with SLRDI

On October 23, 2003, CCPC entered into a Memorandum of Agreement (the "Agreement") with SLRDI (the "Project Developer") wherein CCPC contributed land and the improvements thereon, while the Developer completed the development of the Palma Real Residential Estates project in Biñan, Laguna (the "Project") and handles all the expenses necessary in preparing the lots into saleable units.

The Agreement has the following significant provisions, among others:

- The Developer shall be solely liable for any and all expenses to be incurred in the construction and development to be introduced by SLRDI on the Project, government agency, sub-contractor, supplier or third party in connection with the development of the Project;
- CCPC shall be paid 60% of the sales proceeds while SLRDI shall be paid 40% of the sales proceeds. CCPC and SLRDI shall shoulder the corresponding taxes of their respective share of the proceeds;
- The proceeds from the sale of lots shall be deposited in the joint bank account of the CCPC and SLRDI; and
- CCPC and SLRDI shall nominate a marketing manager that will handle the sale of lots in the Project. The marketing manager shall present a marketing plan to CCPC and SLRDI.

The development of the residential lots was completed, and the Project started selling lots in 2004.

The revenue and the corresponding cost of real estate sales from the joint operation arrangement with SLRDI, which are included as part of “Sale of houses and lots” and “Cost of houses and lots sold”, respectively, are as follows:

	2025	2024	2023
Sale of houses and lots	P41,472,050	P15,458,268	P39,310,947
Cost of houses and lots sold	8,155,523	3,406,826	8,561,847

Installment contracts receivable related to the Agreement amounted to P45.55 million and P46.42 million as at December 31, 2025 and 2024, respectively (see Note 7).

Due to SLRDI relating to the share of SLRDI amounting to P27.78 million and P33.52 million as at December 31, 2025 and 2024, respectively, is included as part of “Trade payable” under “Accounts and other payables” account in the consolidated statements of financial position. Titles to the sold houses and lots are transferred to the buyer only upon full payment of the contract price (see Note 14).

The “Due from Project Developer” under “Receivables” account in the consolidated statements of financial position pertains to the unremitted collections amounting to P23.13 million and P22.96 million as at December 31, 2025 and 2024, respectively (see Note 7). Collections are deposited to the joint bank account of the Developer and CCPC.

As at December 31, 2025 and 2024, there were no outstanding contingent liabilities and commitments with respect to the joint operations arrangement.

C. Contingencies

The Group is a party to certain claims, assessments and contingencies arising in the ordinary course of business. Management has assessed these in consultation with legal advisors, and believes that the resolution of these matters is not expected to have a material adverse effect on the Group’s financial position or results of operations.

Disclosures have been made in accordance with the principles of PAS 37, where appropriate. Certain information required under the standard has been withheld to avoid prejudicing the Group's position in ongoing proceedings. Should circumstances change, the Group will reassess and apply the appropriate treatment under PAS 37 in future periods.

26. Income Taxes

Components of income tax expense are as follows:

	2025	2024	2023
Current income tax			
RCIT	P6,690,688	P4,941,486	P9,554,869
MCIT	1,679,444	1,018,271	912,092
	8,370,132	5,959,757	10,466,961
Deferred (benefit from) income tax	3,685,118	(326,723)	(495,632)
	P12,055,250	P5,633,034	P9,971,329

Deferred Income Taxes

Net deferred income tax assets (liabilities) as at December 31, 2025 and 2024 presented in the consolidated statements of financial position on a net basis by entity are as follows:

	2025	2024
Deferred income tax assets:		
Parent Company	P6,308,218	P8,889,989
FMCMI	3,483,094	3,324,607
	P9,791,312	P12,214,596
Deferred income tax liabilities:		
CCPC	(P6,655,547)	(P5,788,744)
ACHC	(1,255,557)	(448,381)
	(P7,911,104)	(P6,237,125)

For the years ended December 31, 2025 and 2024, the income tax effects of the temporary differences that resulted in deferred income tax assets and liabilities are presented below:

2025	January 1, 2025	Recognized in Profit or Loss	Recognized in OCI	December 31, 2025
Deferred Income Tax Assets (Liabilities)				
Retirement benefits liability	P11,853,630	P1,294,485	P -	P13,148,115
Allowance for probable losses on investment properties	6,365,152	-	-	6,365,152
Allowance for impairment losses on receivables	5,513,909	-	-	5,513,909
Payable to directors and officers	991,276	(65,723)	-	925,553
Accrued expenses	610,593	(90,635)	-	519,958
Excess gross profit over collections	(11,533,509)	(1,381,971)	-	(12,915,480)
Remeasurement losses (gains) on retirement benefits	(4,417,386)	-	(403,455)	(4,820,841)
Unrealized gain from changes in fair value of short-term investments and investments in quoted shares	(2,134,615)	(2,525,350)	-	(4,659,965)
Unrealized foreign exchange gain	(1,271,579)	(924,614)	-	(2,196,193)
	P5,977,471	(P3,693,808)	(P403,455)	P1,880,208

2024	January 1, 2024	Recognized in Profit or Loss	Recognized in OCI	December 31, 2024
Deferred Income Tax Assets (Liabilities)				
Retirement benefits liability	P10,788,692	P1,064,938	P -	P 11,853,630
Allowance for probable losses on investment properties	6,365,152	-	-	6,365,152
Allowance for impairment losses on receivables	5,513,909	-	-	5,513,909
Payable to directors and officers	1,722,126	(730,850)	-	991,276
Accrued expenses	399,386	211,207	-	610,593
Excess gross profit over collections	(14,478,559)	2,945,050	-	(11,533,509)
Remeasurement losses (gains) on retirement benefits	(4,043,817)	-	(373,569)	(4,417,386)
Unrealized gain from changes in fair value of short-term investments and investments in quoted shares	(242,572)	(1,892,043)	-	(2,134,615)
Unrealized foreign exchange gain	-	(1,271,579)	-	(1,271,579)
	P6,024,317	P326,723	(P373,569)	P5,977,471

Deferred income tax assets have not been recognized in respect of the following items on certain entities within the Group after the management assessed that each entity may not be able to generate sufficient taxable income from which the deferred income tax assets can be applied in future periods:

	2025	2024
Allowance for probable losses on investment properties	P30,052,468	P30,052,468
NOLCO	10,517,422	11,244,598
MCIT	2,424,138	1,404,375
Unearned rental income and others	477,239	348,595
	P43,471,267	P43,050,036

The details of the Group's NOLCO and MCIT, which can be claimed as deductions from future taxable income and as tax credits against future regular income tax liabilities, respectively, are as follows:

NOLCO

Inception Year	Amount	Incurred During the Year	Expired/ Applied During the Year	Balance At the End of Year	Expiry Year
2025	P -	P384,029	P -	P384,029	2028
2024	9,135,584	-	-	9,135,584	2027
2023	823,858	-	(176,723)	647,135	2026
2022	474,182	-	(474,182)	-	2025
2021	350,674	-	-	350,674	2026
2020	460,300	-	(460,300)	-	2025
	P11,244,598	P384,029	(P1,111,205)	P10,517,422	

Under Revenue Regulations No. 25-2020, NOLCO incurred for the taxable years 2021 and 2020 will be carried over for the next five (5) consecutive taxable years immediately following the year of such loss and NOLCO incurred for taxable year 2022 and beyond can be carried over for the next three consecutive years.

MCIT

Inception Year	Amount	Incurred During the Year	Expired/ Applied During the Year	Balance At the End of Year	Expiry Year
2025	P -	P1,238,484	P -	P1,238,484	2028
2024	1,018,271	-	(8,691)	1,009,580	2027
2023	176,074	-	-	176,074	2026
2022	210,030	-	(210,030)	-	2025
	P1,404,375	P1,238,484	(P218,721)	P2,424,138	

Under the “Corporate Recovery and Tax Incentives for Enterprises (the “Act”) which took effect on July 1, 2020, domestic corporations are subject to 25% or 20% RCIT depending on the amount of total assets and total amount of taxable income. In addition, MCIT shall be computed at 1% of gross income for a period of three years until June 30, 2023 and will revert to 2% starting July 1, 2023.

The reconciliation of income tax expense computed at the statutory income tax rate and at effective income tax rate is as follows:

	2025	2024	2023
Income tax expense computed at statutory tax rates	P16,083,419	P11,848,065	P15,749,432
Tax effects of:			
Income subject to final tax and exempt from income tax	(11,784,957)	(12,076,162)	(7,744,084)
Nondeductible expenses	6,440,605	2,712,862	1,512,841
Changes in unrecognized deferred income tax assets	1,316,183	3,200,386	415,964
Nontaxable income	-	(52,117)	-
Change in tax rate and others	-	-	37,176
	P12,055,250	P5,633,034	P9,971,329

27. Fair Values of Financial Assets and Financial Liabilities

The table below presents the carrying amounts and fair values of the Group's financial assets and financial liabilities.

	2025		2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
At amortized cost:				
Cash and cash equivalents	P587,497,140	P587,497,140	P649,740,893	P649,740,893
Receivables	142,767,512	142,767,512	132,137,860	132,137,860
Refundable deposits and construction bond*	2,064,928	2,064,928	2,046,149	2,046,149
At FVTPL -				
Short-term investments	47,206,418	47,206,418	73,708,106	73,708,106
Investments in quoted shares	108,315,647	108,315,647	84,571,666	84,571,666
At FVOCI -				
Investment in unquoted shares	12,851,127	12,851,127	12,851,127	12,851,127
	P900,702,772	P900,702,772	P955,055,801	P955,055,801
Financial Liabilities				
At amortized cost:				
Accounts and other payables**	P128,756,994	P128,756,994	P141,355,448	P141,355,448
Security deposits	5,357,505	5,357,505	4,480,119	4,480,119
	P134,114,499	P134,114,499	P145,835,567	P145,835,567

*Included in "Other noncurrent assets" accounts

**Excluding contract liabilities, deposits for document processing, statutory payable and unearned rental income.

The Group has determined that the carrying amounts of cash and cash equivalents, receivables, accounts and other payables (excluding contract liabilities, deposits for document processing, statutory payable and unearned rental income) approximate their fair values because these are mostly short term in nature.

The fair value of installment contracts receivable under "Receivables" account approximates its carrying amount as its interest rate approximates the market rate for a similar instrument.

The fair values of refundable deposits, construction bond and security deposits approximate their carrying amounts. The management believes that the effect of discounting the future receipts/payments from these financial instruments using the prevailing market rates is not significant.

The details on fair value hierarchy and basis used in determining fair values of financial instruments measured at fair value are as follows:

	Basis for Fair Value	Fair Value Hierarchy
Short-term investments	Net Asset Value Per Unit (NAVPU)	Level 2
Investments in quoted shares	Quoted closing/bid price	Level 1
Investment in unquoted shares	Net assets	Level 3

The unobservable input on valuation of investment in unquoted shares include the net asset value which impacts the valuation of the investment. If the net asset value of the investment increased (decreased) by 1% with all other variables held constant, net income and equity as at and for the years ended December 31, 2025 and 2024 would have been higher (lower).

The fair value hierarchy groups the financial instruments into Levels 1 to 3 based on the degree to which the fair value is observable. There were no transfers to and from Level 1, 2 and 3 in 2025 and 2024.

28. Financial Instruments Risk Management Policies and Objectives

The Group's financial assets comprise of cash and cash equivalents, receivables, refundable deposits, construction bond, financial assets at FVTPL and financial asset at FVOCI. The Group's financial liabilities comprise accounts and other payables (excluding contract liabilities, deposits for document processing, statutory payable and unearned rental income) and security deposits. The main purpose of these financial instruments is to finance the Group's operations.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. The Group's BOD and management review and approve the policies for managing each of the risks summarized below.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to market risk specifically to foreign currency risk, interest rate risk and equity price risk. Financial instruments affected by market risk include cash and cash equivalents and equity investments.

The sensitivity analyses in the following sections relate to the consolidated statements of financial position as at December 31, 2025 and 2024.

The sensitivity of the relevant items in the consolidated statements of comprehensive income is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at December 31, 2025 and 2024.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group has transactional currency exposures arising from cash and cash equivalents and investments in quoted shares that are denominated in currencies other than the functional currency.

The Group does not enter into forward contracts to hedge currency exposures. To mitigate the Group's exposure to foreign currency risk, foreign currency cash flows and fluctuations in the foreign exchange rates are monitored.

The carrying amounts of the Group's foreign currency denominated assets are as follows:

Foreign Currency	Amount in Foreign Currency		Equivalent in PHP	
	2025	2024	2025	2024
<u>Cash in Banks</u>				
US Dollar (USD)	2,598	106,069	P152,732	P6,135,559
Singapore Dollar	4,483	10,224	205,431	436,472
Japanese Yen (JPY)	286,638	286,638	107,661	105,253
Great British Pound (GBP)	14	-	1,086	-
<u>Investments in Quoted Shares</u>				
USD	215,789	71,100	12,686,211	4,112,804
SGD	456,070	288,813	20,896,979	12,329,994
JPY	11,322,653	13,932,000	4,252,788	5,115,830
Hongkong Dollar (HKD)	1,899,372	1,770,224	14,372,358	13,220,741

For purposes of translating the outstanding balance of the Group's foreign currency-denominated assets, the exchange rates applied were as follows:

Foreign Currency	Exchange Rate to PHP	
	2025	2024
USD	P58.79	P57.85
SGD	45.82	42.69
JPY	0.38	0.37
HKD	7.57	7.47
GBP	79.41	-

Sensitivity Analysis

The following tables demonstrates the sensitivity to a reasonably possible change in foreign exchange rates, with all variables held constant, on the Group's income before income tax (due to changes in the fair value of monetary assets):

	Increase (Decrease) in Foreign Currency Rate		Effect on Income Before Income Tax	
			Increase (Decrease)	
	2025	2024	2025	2024
USD	0.10%	0.80%	P13,103	P82,384
	-0.10%	-0.80%	(13,103)	(82,384)
SGD	6.74%	1.33%	1,423,248	169,883
	-6.74%	-1.33%	(1,423,248)	(169,883)
JPY	0.96%	11.11%	41,793	580,120
	-0.96%	-11.11%	(41,793)	(580,120)
HKD	1.24%	0.62%	178,351	82,138
	-1.24%	-0.62%	(178,351)	(82,138)
GBP	3.87%	-	42	-
	-3.87%	-	(42)	-

Equity Price Risk

Equity price risk exposure relates to fluctuation in fair values as a result of changes in market prices of financial assets at FVTPL arising from factors affecting all instruments traded in the market. The Group's market risk policy requires it to manage such risk by setting and monitoring objectives and constraints on investments.

The analyses below are performed for reasonably possible movements in the PSE and other stock exchanges, with all other variables held constant, showing the impact on income before income tax and equity of the Group's unrealized gain and loss on investments in quoted shares:

	Increase (Decrease) in Foreign Currency Rate		Effect on Income Before Income Tax and Equity	
			Increase (Decrease)	
	2025	2024	2025	2024
PSE	7%	1%	P4,085,456	P604,278
	-7%	-1%	(4,085,456)	(604,278)
Others	26%	18%	13,334,019	6,234,649
	-26%	-18%	(13,334,019)	(6,234,649)

The sensitivity analyses shown above are based on the assumption that the movement in PSE composite index and other stock exchanges will most likely be limited to an upward or downward fluctuation of 7% and 26% in 2025, respectively, and 1% and 18% in 2024, respectively.

The analyses below are performed for reasonably possible movements in the UITFs with all other variables held constant, showing the impact on equity of the Company's unrealized gain and loss on short-term investments as a result of 100 basis points increase (decrease) in interest rates:

	2025		2024	
	Effect on Income before Income Tax	Duration	Effect on Income before Income Tax	Duration
BDO UITF Money Market	+/- P176,931	0.48 year	+/- P401,518	0.58 year
BDO UITF Short Term	+/- 295,093	0.17 year	+/- 335,563	0.25 year

Interest Rate Risk

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

The primary source of the Group's interest rate risk relates to its cash and cash equivalents. The interest rates on cash and cash equivalents are disclosed in Note 4. Cash and cash equivalents are short-term in nature and with the current interest rate level, any variation in the interest will not have a material impact on the profit or loss of the Group.

The following table demonstrates the sensitivity of the Group's income before income tax to a reasonably possible change in interest rates of its cash and cash equivalents as at December 31, with all variables held constant:

	Increase (Decrease) in Interest Rate	Effect on Income Before Income Tax
		Increase (Decrease)
2025	+100 basis points	P5,874,971
	-100 basis points	(5,874,971)
2024	+100 basis points	6,497,409
	-100 basis points	(6,497,409)

Credit Risk

Credit risk is the risk when a counterparty fails to fulfill its obligations to the Group. The Group's credit risks are primarily attributable to installment contracts receivable, and other financial assets. The Group has adopted stringent procedures in evaluating and accepting risk by setting counterparty and transaction limits. In addition, the Group has policies in place to ensure that sales are made to customers with an appropriate credit history.

In respect of installments receivable from the sale of real estate properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structure. Customer payments are facilitated through various collection modes including the use of post-dated checks. Exposure to bad debts is not significant as title to real estate properties are not transferred to the buyers until full payment has been made and the requirement for remedial procedures is minimal given the profile of the buyers. Also, to the extent allowed by regulations, certain payments are not returned which minimizes exposure to bad debts.

In respect of billed rental receivables, credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Group security deposits and advance rentals which helps reduce the Group's credit risk exposure in case of defaults by the tenants. For existing tenants, the Group has put in place a monitoring and follow-up system. Receivables are being aged and analyzed on a continuous basis to minimize credit risk.

Other financial assets comprised cash and cash equivalents (excluding cash on hand), refundable deposits, construction bond and receivables. The Group adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank limits are established on the basis of an internal rating system that principally covers the areas at liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. Nevertheless, the Group closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

The Group's maximum exposure to credit risk as at December 31, 2025 and 2024 is equal to the carrying values of its financial assets, except for installment contracts receivable and loan receivable. The table below shows the gross maximum exposure of the Group to credit risk before taking into consideration collateral and other credit enhancements.

	<i>Note</i>	2025	2024
Cash in banks and cash equivalents	4	P587,472,140	P649,715,893
Receivables - net	7	142,767,512	132,137,860
Refundable deposits	13	1,933,028	1,914,249
Construction bond	13	131,900	131,900
		P732,304,580	P783,899,902

Maximum Exposure to Credit Risk after Credit Enhancements

The table below shows the maximum exposures to credit risk of the Group on its installment contracts receivable and loan receivable, after considering the effects of credit enhancements:

Credit Risk Exposure Relating to Balance Sheet Assets	Carrying Amount	2025		
		Fair Value of Collateral or Credit Enhancement	Maximum Exposure to Credit Risk after Credit Enhancements	Financial Effect of Collateral or Credit Enhancement
Installment contracts receivables	P86,593,486	P259,447,200	P -	P259,447,200
Loan receivable	9,753,006	7,912,000	1,841,006	7,912,000
	P96,346,492	P267,359,200	P1,841,006	P267,359,200

Credit Risk Exposure Relating to Balance Sheet Assets	Carrying Amount	2024		
		Fair Value of Collateral or Credit Enhancement	Maximum Exposure to Credit Risk after Credit Enhancements	Financial Effect of Collateral or Credit Enhancement
Installment contracts receivables	P80,022,085	P249,809,200	P -	P249,809,200
Loan receivable	10,032,911	7,912,000	2,120,911	7,912,000
	P90,054,996	P257,721,200	P2,120,911	P257,721,200

Credit Enhancements

For installment contracts receivable, title to condominium units, houses and lots is not transferred to the buyer until full payment has been made. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another Contract to Sell to another customer after certain proceedings had been completed. Given this, based on the experience of the Group, the maximum exposure to credit risk at the reporting date is nil considering that fair value less cost to repossess of the real estate projects is higher than the exposure at default (i.e., recovery rate is more than 100%).

The loan receivable is secured by a pledge of parcel of land and upon default and breach of contract by the borrower, the Parent Company has the right to encumber the said property to satisfy the loan (see Note 7).

Credit Quality Rating

Credit risk is managed on a group basis. The Group deals only with reputable banks and customers to limit this risk. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The compliance with credit limits by customers is regularly monitored by management.

The Group limits its exposure to credit risk by investing its cash and cash equivalents only with banks that have good credit standing and reputation in the local and international banking industry. For installment contracts receivable, loan receivable, refundable deposits and construction bond and other receivables, credit risk is low since the Group only transacted with reputable companies with respect to these financial assets or the financial assets have credit enhancements.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

As at December 31, 2025 and 2024, the amount of cash and cash equivalents is neither past due nor impaired and was classified as "High Grade"; installment contracts receivable and other receivables (excluding impairment), refundable deposits and construction bond were classified as "Standard Grade"; and impaired other receivables were classified as "Substandard Grade". The credit quality of such financial assets at amortized cost is managed by the Group using the internal credit quality ratings as follows:

- *High Grade*
Pertains to counterparty who is not expected by the Group to default in settling its obligations, thus credit risk exposure is minimal. This normally includes large prime financial institutions and companies. Credit quality was determined based on the credit standing of the counterparty.
- *Standard Grade*
Pertains to counterparty with performance rating ranging from satisfactory to acceptable and repayment capacity has to be monitored. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.
- *Substandard Grade*
Substandard grade financial assets are those which are considered worthless. These are accounts which have the probability of impairment based on historical trends.

The tables below show the credit quality of financial assets as at December 31, 2025 and 2024:

	2025					Total
	Neither Past Due nor Impaired			Past Due but not Impaired	Impaired	
	High Grade	Standard Grade	Substandard Grade			
Cash in banks and cash equivalents	P587,472,140	P -	P -	P -	P -	P587,472,140
Receivables	-	142,767,512	-	-	22,055,637	164,823,149
Refundable deposits	-	1,933,028	-	-	-	1,933,028
Construction bond	-	131,900	-	-	-	131,900
	P587,472,140	P144,832,440	P -	P -	P22,055,637	P754,360,217

	2024					Total
	Neither Past Due nor Impaired			Past Due but not Impaired	Impaired	
	High Grade	Standard Grade	Substandard Grade			
Cash in banks and cash equivalents	P649,715,893	P -	P -	P -	P -	P649,715,893
Receivables	-	132,137,860	-	-	22,055,637	154,193,497
Refundable deposits	-	1,914,249	-	-	-	1,914,249
Construction bond	-	131,900	-	-	-	131,900
	P649,715,893	P134,184,009	P -	P -	P22,055,637	P805,955,539

Impairment of Receivables (excluding Installment Contracts Receivable)

An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due for groupings of customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Impairment of Installment Contracts Receivable and Other Financial Assets at Amortized Cost

It is the Group's policy to measure ECL on these instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

Using the ECL allowance, the credit risk exposure on the Group's impaired receivables amounted to P22.06 million as at December 31, 2025 and 2024, respectively (see Note 7).

The table below presents the summary of the Company's exposure to credit risk and shows the credit quality of the assets by indicating whether the assets are subjected to 12-month ECL or lifetime ECL. Assets that are credit-impaired are separately presented.

	2025			Total
	12-month ECL	Lifetime ECL		
		Not credit impaired	Credit impaired	
Cash and cash equivalents	P587,472,140	P -	P -	P587,472,140
Receivables	96,346,492	46,421,020	22,055,637	164,823,149
Refundable deposits	-	1,933,028	-	1,933,028
Construction bond	-	131,900	-	131,900
	P683,818,632	P48,485,948	P22,055,637	P754,360,217

	2024			
	Lifetime ECL			Total
	12-month ECL	Not credit impaired	Credit impaired	
Cash and cash equivalents	P649,715,893	P -	P -	P649,715,893
Receivables	90,054,996	42,082,864	22,055,637	154,193,497
Refundable deposits	-	1,914,249	-	1,914,249
Construction bond	-	131,900	-	131,900
	P739,770,889	P44,129,013	P22,055,637	P805,955,539

As at December 31, 2025 and 2024, the aging of analysis of the Group's financial assets is as follows:

	2025				Total
	Current	1 to 30 Days	31 to 60 Days	More than 60 Days	
Cash in banks and cash equivalents	P587,472,140	P -	P -	P -	P587,472,140
Receivables	130,128,459	3,868,114	3,238,423	27,588,153	164,823,149
Refundable deposits	1,933,028	-	-	-	1,933,028
Construction bond	131,900	-	-	-	131,900
	P719,665,527	P3,868,114	P3,238,423	P27,588,153	P754,360,217

	2024				Total
	Current	1 to 30 Days	31 to 60 Days	More than 60 Days	
Cash in banks and cash equivalents	P649,715,893	P -	P -	P -	P649,715,893
Receivables	121,838,685	4,272,199	1,282,029	26,800,584	154,193,497
Refundable deposits	1,914,249	-	-	-	1,914,249
Construction bond	131,900	-	-	-	131,900
	P773,600,727	P4,272,199	P1,282,029	P26,800,584	P805,955,539

Concentration Risk

There are no credit concentration risks relating to the Group's revenues in 2025, 2024 and 2023.

Liquidity Risk

Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet commitments from financial instruments. It may result from either the inability to sell assets quickly at fair values or failure to collect from counterparty.

The Group's objective is to maintain a balance between continuity of funding and flexibility through related party advances and aims to manage liquidity as follows:

- To ensure that adequate funding is available at all times;
- To meet commitments as they arise without recurring unnecessary costs; and
- To be able to assess funding when needed at the least possible cost.

The tables below summarize the maturity profile of the Group's financial liabilities at December 31, based on contractual undiscounted payments and based on the earliest date on which the Group can be required to pay:

	2025			Total
	Payable in Demand	Within One Year	More than One Year	
Accounts payable and others liabilities*	P3,702,210	P125,054,784	P -	P128,756,994
Security deposits	-	-	5,357,505	5,357,505
	P3,702,210	P125,054,784	P5,357,505	P134,114,499

*Excluding contract liabilities, deposits for document processing, statutory payable and unearned rental income.

	2024			Total
	Payable in Demand	Within One Year	More than One Year	
Accounts payable and others liabilities*	P3,965,105	P137,390,343	P -	P141,355,448
Security deposits	-	-	4,480,119	4,480,119
	P3,965,105	P137,390,343	P4,480,119	P145,835,567

*Excluding contract liabilities, deposits for document processing, statutory payable and unearned rental income.

29. Operating Segment Information

Business Segments

For management purposes, the Group is organized into three major business segments, namely real estate, healthcare services and investment holdings. These are also the bases of the Group in reporting its primary segment information.

- (a) The real estate segment involves acquisition of land, planning and developing residential communities such as development and sale of condominium units and parking slots, residential lots and housing units.
- (b) Healthcare services involve delivering outpatient healthcare services through ambulatory care centers. These include the sale of services.
- (c) The investment holding creates project investments and later disposes these investments after creating value. This includes transactions on investments in associates and acquisition and sale of investments in quoted shares.

The Group's management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue, and net income; and is measured consistently in the consolidated financial statements. The Group's management reporting and controlling systems use accounting policies that are the same as those described in Note 2 in the Material Accounting Policy Information under PFRS Accounting Standards.

Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist principally of cash and cash equivalents, short-term investments, receivables, inventories, property and equipment, and investment properties. Segment liabilities include all operating liabilities and consist principally of accounts payable and accrued expenses and payable to non-controlling interests.

Financial information about reportable segments follows (in thousands):

	2025				Total
	Real Estate	Healthcare Services	Investment Holdings	Eliminating Entries	
Segment revenue	P110,946	P56,620	P3,093	P -	P170,659
Inter-segment revenue	32,236	-	3,500	(35,736)	-
Net revenue	143,182	56,620	6,593	(35,736)	170,659
Direct costs	26,423	33,205	290	(3,069)	56,849
Gross income	P116,759	P23,415	P6,303	(P32,667)	P113,810
Other income - net	P45,405	P1,733	P6,489	(P38)	P53,589
Segment results					
Income before income tax	P46,287	(P11,122)	P7,480	P -	P42,645
Income tax expense	(10,989)	(204)	(862)	-	(12,055)
Net income	P35,298	(P11,326)	P6,618	P -	P30,590
Segment assets	P3,004,205	P59,599	P166,297	(P721,088)	P2,509,013
Segment liabilities	P211,373	P16,338	P74,345	(P87,866)	P214,190
<i>Other Information</i>					
Investment properties additions (see Note 10)	P16,763	P -	P -	P -	P16,763
Property and equipment additions (see Note 11)	1,701	3,129	-	-	4,830
Depreciation (see Notes 10, 11 and 21)	P13,971	P1,762	P1,424	P -	P17,157
	2024				Total
	Real Estate	Healthcare Services	Investment Holdings	Eliminating Entries	
Segment revenue	P53,004	P61,505	P2,933	P -	P117,442
Inter-segment revenue	26,274	-	-	(26,274)	-
Net revenue	79,278	61,505	2,933	(26,274)	117,442
Direct costs	11,006	33,870	260	(3,069)	42,067
Gross income	P68,272	P27,635	P2,673	(P23,205)	P75,375
Other income - net	P50,294	P2,177	P4,962	(P38)	P57,395
Segment results					
Income before income tax	P19,703	PP8,430	P6,055	P -	P34,188
Income tax expense	(3,453)	(1,716)	(464)	-	(5,633)
Net income	P16,250	P6,714	P5,591	P -	P28,555
Segment assets	P3,003,487	P69,316	P155,178	(P652,100)	P2,575,881
Segment liabilities	P224,813	P11,565	P73,344	(P92,363)	P217,359
<i>Other Information</i>					
Investment properties additions (see Note 10)	P138,733	P -	P -	P -	P138,733
Property and equipment additions (see Note 11)	4,329	1,437	-	-	5,766
Depreciation (see Notes 10, 11 and 21)	P13,634	P1,793	P1,360	P -	P16,787

	2023				Total
	Real Estate	Healthcare Services	Investment Holdings	Eliminating Entries	
Segment revenue	P100,192	P68,698	P1,539	P -	P170,429
Inter-segment revenue	11,851	-	-	(11,851)	-
Net revenue	112,043	68,698	1,539	(11,851)	170,429
Direct costs	22,644	35,099	272	(3,069)	54,946
Gross income	P89,399	P33,599	P1,267	(P8,782)	P115,483
Other income - net	P41,355	P1,353	P1,624	P -	P44,332
Segment results					
Income before income tax	P45,229	P15,082	P2,687	P -	P62,998
Income tax expense	(6,421)	(3,551)	-	-	(9,972)
Net income	P38,808	P11,531	P2,687	P -	P53,026
Segment assets	P3,066,235	P62,717	P56,641	(P642,630)	P2,542,963
Segment liabilities	P266,768	P12,220	P58	(P83,000)	P196,046
<i>Other Information</i>					
Investment properties additions (see Note 10)	P3,195	P -	P -	P -	P3,195
Property and equipment additions (see Note 11)	11,777	2,804	-	-	14,581
Depreciation (see Notes 10, 11 and 21)	P13,487	P1,333	P -	P -	P14,820

Major Customer

The Group does not have a single customer from which sales revenue generated amounted to 10% or more of the total revenue of the Group.

30. Note to Consolidated Statements of Cash Flows

The Group's non-cash transactions include:

- In 2025, the Group entered into a contract for an additional purchase price relating to existing parcels of land amounting to P13.77 million, P6.83 million of which remained unpaid as at December 31, 2025.
- In 2024, the Group acquired certain parcels of land amounting to P136.16 million, P13.41 million of which remained unpaid as at December 31, 2024. The remaining unpaid balance was subsequently settled in 2025.

Supplemental information with respect to the statements of cash flows arising from financing activities in 2025 and 2024 relating to dividends payable is as follows:

	Dividends Payable
Balance as at January 1, 2023	P -
Changes from financing cash flows:	
Dividends paid to non-controlling interests	(15,576,923)
Non-cash changes on dividend declaration	15,576,923
Balance as at December 31, 2024	-
Changes from financing cash flows:	
Dividends paid to non-controlling interests	(22,015,385)
Non-cash changes on dividend declaration	22,015,385
Balance as at December 31, 2025	P -

Reconciliation of financing cash flows arising from the acquisition of NCI in a subsidiary is presented in Note 16.

R.G. Manabat & Co.



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REPORT OF INDEPENDENT AUDITORS ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and Board of Directors
Crown Equities, Inc.
5th Floor Crown Center
158 Jupiter cor. N. Garcia Sts.
Bel-Air Makati City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Crown Equities, Inc. and Subsidiaries (the “Group”) as at December 31, 2025 and 2024 and for the years then ended, and have issued our report thereon dated April 6, 2026.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation and their appropriateness or usefulness to the intended users, are the responsibility of the Group’s management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies.

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until September 20, 2026
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

R.G. Manabat & Co.



This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the consolidated financial statements as at December 31, 2025 and 2024 and for the years then ended, and no material exceptions were noted.

R.G. MANABAT & CO.

A handwritten signature in black ink, appearing to read 'Emerald Anne C. Bagnes'.

EMERALD ANNE C. BAGNES

Partner

CPA License No. 0083761

SEC Accreditation No. 83761-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and up to audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

Tax Identification No. 102-082-332

BIR Accreditation No. 08-001987-012-2024

Issued July 17, 2024; valid until July 17, 2027

PTR No. MKT 10764382

Issued January 5, 2026 at Makati City

April 6, 2026

Makati City, Metro Manila

R.G. Manabat & Co.



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REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

The Stockholders and Board of Directors
Crown Equities, Inc.
5th Floor Crown Center
158 Jupiter cor. N. Garcia Sts.
Bel-Air Makati City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Crown Equities, Inc. and Subsidiaries (the “Group”) as at December 31, 2025 and 2024 and for the years then ended, included in this Form 17-A, and have issued our report thereon dated April 6, 2026.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in the following accompanying additional components is the responsibility of the Group’s management. Such additional components include:

- Reconciliation of Retained Earnings Available for Dividend Declaration;
- Map of Group of Companies within which the Company belongs; and
- Supplementary Schedules of Annex 68-J.

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until September 20, 2026
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

R.G. Manabat & Co.



This supplementary information is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

R.G. MANABAT & CO.

A handwritten signature in black ink, reading 'Emerald Anne C. Bagnes'.

EMERALD ANNE C. BAGNES

Partner

CPA License No. 0083761

SEC Accreditation No. 83761-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and up to audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

Tax Identification No. 102-082-332

BIR Accreditation No. 08-001987-012-2024

Issued July 17, 2024; valid until July 17, 2027

PTR No. MKT 10764382

Issued January 5, 2026 at Makati City

April 6, 2026

Makati City, Metro Manila

CROWN EQUITIES, INC. AND SUBSIDIARIES FINANCIAL SOUNDNESS INDICATORS

Below is a schedule of financial soundness indicators of the Group.

Ratio	Formula	2025	2024
Current ratio	Current assets	P907,892,102	P979,975,335
	Divide by current liabilities	167,827,076	177,158,885
	Current Ratio	5.41	5.53
Acid test ratio	Current assets	P907,892,102	P979,975,335
	Less:		
	Inventories	55,930,827	74,257,660
	Other current assets	43,070,319	39,236,824
	Quick assets	808,890,956	866,480,851
	Divide by current liabilities	167,827,076	177,158,885
Acid Test Ratio	4.82	4.89	
Solvency ratio	Income before tax	P42,645,115	P34,187,803
	Add depreciation and amortization	17,156,591	16,786,984
	Net income before depreciation and amortization	59,801,706	50,974,787
	Divide by total liabilities	214,190,388	217,358,679
	Solvency Ratio	0.28	0.23
Debt-to-equity ratio	Total liabilities	P214,190,388	P217,358,679
	Divide by total equity	2,294,822,714	2,358,522,484
	Debt-to-Equity Ratio	0.09	0.09
Asset-to-equity ratio	Total assets	P2,509,013,102	P2,575,881,163
	Divide by total equity	2,294,822,714	2,358,522,484
	Asset-to-Equity Ratio	1.09	1.09
Interest rate coverage ratio	Income before tax	P42,645,115	P34,187,803
	Add interest expense	-	-
	Pretax income before interest	42,645,115	34,187,803
	Divide by interest expense	-	-
	Interest Rate Coverage Ratio	N/A	N/A
Return on equity	Net income attributable to equity holders of the Parent Company	P16,532,870	P22,006,732
	Equity:		
	Beginning of year	2,358,522,484	2,346,917,470
	End of year	2,294,822,714	2,358,522,484
		4,653,345,198	4,705,439,954
	Divide by	2	2
	Average equity	2,326,672,599	2,352,719,977
	Return on Equity	0.71%	0.94%
Return on assets	Net income	P30,589,865	P28,554,769
	Total assets:		
	Beginning of year	2,575,881,163	2,542,963,454
	End of year	2,509,013,102	2,575,881,163
		5,084,894,265	5,118,844,617
	Divide by	2	2
	Average assets	2,542,447,133	2,559,422,309
Return on Assets	1.20%	1.12%	
Net profit margin	Net income	P30,589,865	P28,554,769
	Revenue	170,659,580	117,441,810
	Net Profit Margin	0.18	0.24

**RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025**

CROWN EQUITIES, INC.

5th Floor Crown Center, 158 Jupiter cor. N. Garcia Sts., Bel-Air Makati City

Unappropriated Retained Earnings, beginning of the reporting period		P254,658,946
Add: <u>Category A</u>: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	P -	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	-
Less: <u>Category B</u>: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	-	
Retained Earnings appropriated during the reporting period	-	
Effects of restatements or prior-period adjustments	-	
Others (describe nature)	-	-
Unappropriated Retained Earnings, as adjusted		254,658,946
Add/Less: Net Income (loss) for the current year		28,198,381
Less: <u>Category C.1</u>: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	7,132,830	
Unrealized foreign exchange gain of Investment Property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	
Sub-total		(7,132,830)

Forward

Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	P -	
Realized fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	1,104,904	
Realized foreign exchange gain of Investment Property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	
Sub-total		1,104,904
Add: Category C.3: Unrealized income recognized in profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	(1,104,904)	
Reversal of previously recorded fair value gain of Investment Property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	
Sub-total		(1,104,904)
Adjusted Net Income/Loss		21,065,551
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	
Sub-total		-
Add/Less: Category E: Adjustment related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	
Sub-total		-

Forward

Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividend distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	P -	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	3,161,080	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set-up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	(877,167)	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others (describe nature)	-	
Sub-total		2,283,913
Total Retained Earnings, end of the reporting period available for dividend		P278,008,410

CROWN EQUITIES, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES AS REQUIRED BY PART II OF THE
REVISED SRC RULE 68
DECEMBER 31, 2025

Schedule	Description	Page
A	Financial Assets	1
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	N/A
C	Amounts Receivable from Related Parties which are Eliminated During the Consolidation of the Financial Statements	3
D	Long-Term Debt	N/A
E	Indebtedness to Related Parties (Long-Term Loans from Related Companies)	N/A
F	Guarantees of Securities of Other Issuers	N/A
G	Capital Stock	4

SCHEDULE A

CROWN EQUITIES, INC. AND SUBSIDIARIES

FINANCIAL ASSETS
DECEMBER 31, 2025

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount	Amount Shown on the Balance Sheet	Values Based on Market Quotation at End of Reporting Period	Income Received and Accrued
Fair Value through Profit or Loss				
ABOITIZ POWER CORPORATION	100,000	4,400,000	4,400,000	235,000
ACEN CORPORATION	130,090	335,845	335,845	1,505
AREIT, INC.	60,000	2,610,000	2,610,000	94,800
BASIC ENERGY CORPORATION	3,333	390	390	-
BELLE CORPORATION	75	99	99	5
BGF ASIAN HIGH YIELD BOND FUND A6	14,393	4,256,148	4,256,148	332,196
BYD COMPANY LIMITED	19,920	14,372,358	14,372,358	184,316
CHINA BANKING CORPORATION	17,972	1,024,404	1,024,404	44,930
CITICORE ENERGY REIT CORP.	1,028,800	3,672,816	3,672,816	207,818
COSCO CAPITAL, INC.	22,000	153,780	153,780	10,032
CYBER BAY CORPORATION	1,200,000	-	-	-
D&L INDUSTRIES, INC.	11,000	42,350	42,350	2,343
DOUBLEDRAGON PROPERTIES CORP. PREFERRED SHARES	23,200	2,250,400	2,250,400	224,692
EAST WEST BANKING CORPORATION	38,617	447,957	447,957	46,660
EMPIRE EAST LAND HOLDINGS, INC.	220,000	22,880	22,880	-
ESR-REIT	26,594	3,302,214	3,302,214	209,870
EXPORT AND INDUSTRY BANK, INC.	3,310,000	-	-	-
FILINVEST REIT CORP.	427,200	1,324,320	1,324,320	103,810
GLOBE TELECOM, INC.	1,282	2,030,688	2,030,688	128,200
GMA NETWORK, INC.	271,500	1,486,815	1,486,815	135,750

Forward

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount	Amount Shown on the Balance Sheet	Values		Income Received and Accrued
			Based on Market Quotation at End of Reporting Period	Based on Market Quotation at End of Reporting Period	
IP E-GAME VENTURES, INC.	10,000,000	-	-	-	-
MANILA ELECTRIC COMPANY	15,000	8,610,000	8,610,000	375,960	375,960
MANILA MINING CORP.	8,988	66	66	-	-
MANILA WATER COMPANY, INC.	269,100	10,844,730	10,844,730	495,413	495,413
MAPLETREE INDUSTRIAL TRUST	150,000	14,295,746	14,295,746	536,725	536,725
MAYNILAD WATER SERVICES, INC.	60,000	1,014,000	1,014,000	-	-
MREIT, INC.	81,500	1,141,000	1,141,000	81,657	81,657
NEXTGENESIS CORPORATION	15,000	-	-	-	-
NICKEL ASIA CORPORATION	303,700	1,181,393	1,181,393	54,666	54,666
NISSAN MOTOR CO. LTD.	29,025	4,252,788	4,252,788	-	-
ORIENTAL PETROLEUM AND MINERALS CORPORATION	67,021,003	804,252	804,252	33,510	33,510
OUE REIT	200,000	3,299,018	3,299,018	80,576	80,576
PLDT INC.	7,820	9,853,200	9,853,200	742,900	742,900
SHANG PROPERTIES, INC.	332,277	1,176,261	1,176,261	91,276	91,276
SHELL PILIPINAS CORPORATION	93,700	649,341	649,341	-	-
SPC POWER CORPORATION	10,000	97,400	97,400	4,000	4,000
UNION BANK OF THE PHILS. INC.	3,981	105,895	105,895	8,981	8,981
UNIVERSAL ROBINA CORPORATION	12,000	807,600	807,600	46,400	46,400
XAG	2,000	8,430,063	8,430,063	-	-
ZEUS HOLDINGS, INC.	290,000	19,430	19,430	-	-
	85,831,070	108,315,647	108,315,647	4,513,991	4,513,991

SCHEDULE G

CROWN EQUITIES, INC. AND SUBSIDIARIES
AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED
DURING THE CONSOLIDATION OF THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Name of and Designation of Debtor	Beginning of Year	Additions	Amounts collected	Amounts Written-off	Current	Noncurrent	Balance at End of Year
Healthcare Systems Asia Phils. Inc.	P72,189,862	P -	P -	P -	P72,189,862	P -	P72,189,862
Crown Central Properties Corp.	287,324	-	-	-	287,324	-	287,324
Parkfield Land Holdings, Inc.	4,535,284	818,334	-	-	5,353,618	-	5,353,618
	P77,012,470	P818,334	P -	P -	P77,830,804	P -	P77,830,804

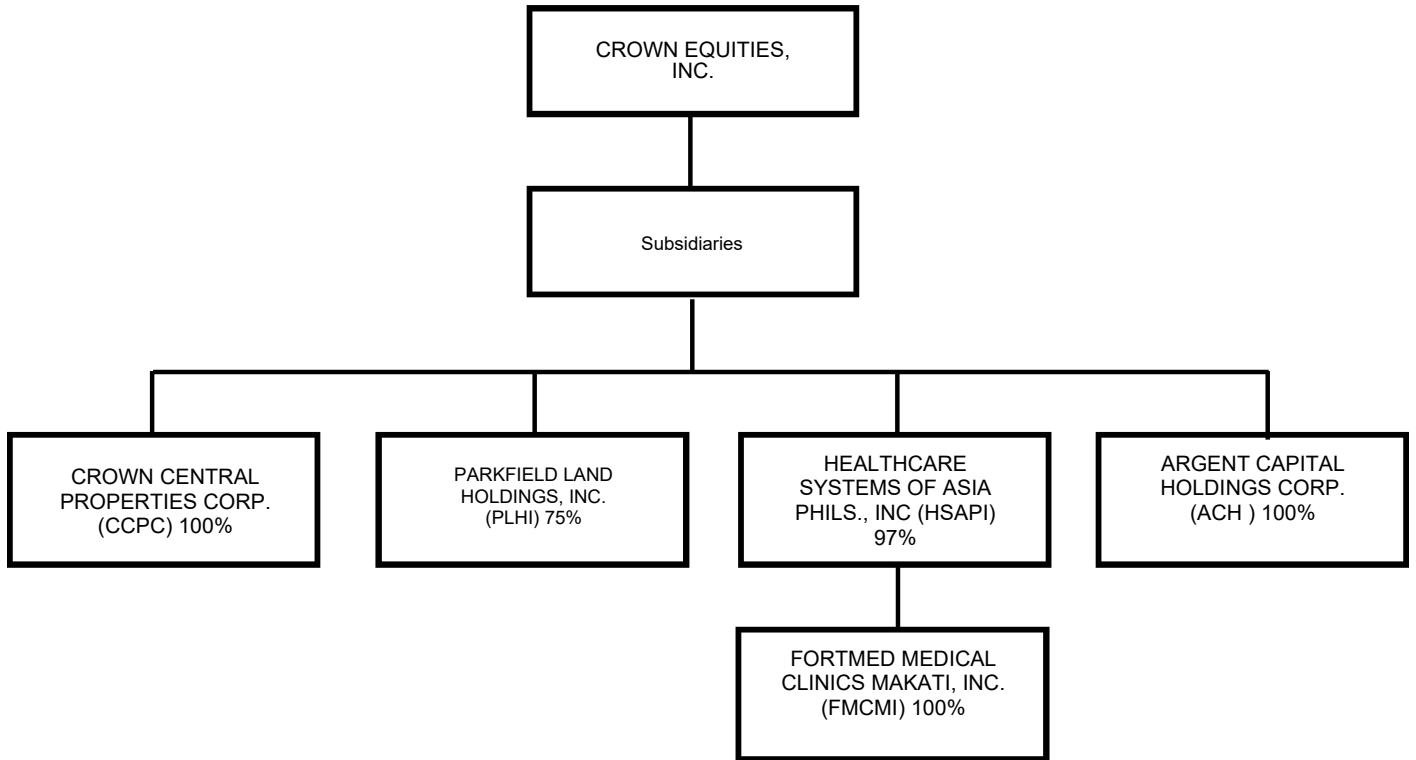
CROWN EQUITIES, INC. AND SUBSIDIARIES
CAPITAL STOCK
DECEMBER 31, 2025

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as Shown under the Related Statement of Financial Position Caption	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Related Parties	Number of Shares Held by	
					Directors, Officers and Employees*	Others
Common Stock	24,000,000,000	14,959,999,950	P -	P -	3,132,530,726	11,827,469,224

CROWN EQUITIES, INC. AND SUBSIDIARIES

CONGLOMERATE MAP

DECEMBER 31, 2025



ANNEX A
CROWN EQUITIES, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL
AUDITOR FEE-RELATED INFORMATION
FOR THE YEARS DECEMBER 31, 2025 and 2024

	2025	2024
Total Audit Fees	P1,200,000	P950,000
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Non-audit Fees	-	-
Total Audit and Non-audit Fees	P1,200,000	P950,000
Audit and Non-audit Fees of Other Related Entities		
Audit fees	P -	P -
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Audit and Non-audit Fees of Other Related Entities	P -	P -



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

The management of **Crown Equities, Inc.** (the Parent Company) is responsible for the preparation and fair presentation of the separate financial statements including the schedules attached therein, as at December 31, 2025 and 2024 and for each of the three years in period ended December 31, 2025, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

R.G. Manabat and Co. and Reyes Tacandong & Co., the independent auditors appointed by the stockholders as at and for the years ended December 31, 2025 and 2024, and as at and for the year ended December 31, 2023, respectively, have audited the separate financial statements of the Parent Company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.


GEORGE L. GO
Chairman of the Board


ROMUALD U. DY TANG
President


PATRICK D. GO
Treasurer

APR 08 2026

SUBSCRIBED AND SWORN to before me this _____ affiant exhibiting to me their Tax Identification Number, as follows:

NAMES	TIN
George L. Go	100-929-738
Romuald U. Dy Tang	115-321-304
Patrick D. Go	149-511-050

Doc No. 250
Page No. 5
Book No. XXIV
Series of 2020

ATTY. RYAN PERENA
NOTARY PUBLIC for MAKATI CITY
Commission No. M-012 until Dec. 31, 2027
Roll of Attorneys 77327
PTR No. 10764513; 01/02/2026; Makati City
IBP OR No. 566188 12/16/2025; Pasig City
MCLE Compliance No. VIII-0000389
8553 San Jose St., Guadalupe Nuevo, Makati City

CROWN EQUITIES, INC.

SEPARATE FINANCIAL STATEMENTS
December 31, 2025 and 2024
(With Comparative Figures for 2023)

With Independent Auditors' Report

R.G. Manabat & Co.



R.G. Manabat & Co.
The KPMG Center, 6/F
6787 Ayala Avenue, Makati City
Philippines 1209
Telephone +63 (2) 8885 7000
Fax +63 (2) 8894 1985
Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

REPORT OF INDEPENDENT AUDITORS

The Stockholders and Board of Directors
Crown Equities, Inc.
5th Floor Crown Center
158 Jupiter cor. N. Garcia Sts.
Bel-Air, Makati City

Opinion

We have audited the separate financial statements of Crown Equities, Inc. (the “Parent Company”), which comprise the separate statements of financial position as at December 31, 2025 and 2024, and the separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the years then ended, and notes, comprising material accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Parent Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to audits of the separate financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the separate financial statements of public entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until September 20, 2026
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029
financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

Other Matter

The separate financial statements of the Parent Company for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those separate financial statements on March 26, 2024.

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

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

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

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

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

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

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

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

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

R.G. Manabat & Co.



Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue

The Parent Company presented the supplementary information on taxes, duties and license fees in a schedule attached to the annual income tax return instead of as an additional note to the financial statements based on RR No. 15-2010 of the Bureau of Internal Revenue. The said information is not a required part of the basic financial statements under the PFRS Accounting Standards. Our opinion on the basic financial statements is not affected by the subject information.

The engagement partner on the audit resulting in this independent auditors' report is Emerald Anne C. Bagnes.

R.G. MANABAT & CO.

A handwritten signature in black ink, appearing to read 'Emerald Anne C. Bagnes', written in a cursive style.

EMERALD ANNE C. BAGNES

Partner

CPA License No. 0083761

SEC Accreditation No. 83761-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and up to audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

Tax Identification No. 102-082-332

BIR Accreditation No. 08-001987-012-2024

Issued July 17, 2024; valid until July 17, 2027

PTR No. MKT 10764382

Issued January 5, 2026 at Makati City

April 6, 2026

Makati City, Metro Manila

R.G. Manabat & Co.



R.G. Manabat & Co.
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Philippines 1209
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Internet www.home.kpmg/ph
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SUPPLEMENTAL WRITTEN STATEMENT OF AUDITORS

The Stockholders and Board of Directors
Crown Equities, Inc.
5th Floor Crown Center
158 Jupiter cor. N. Garcia Sts.
Bel-Air, Makati City

We have audited the accompanying separate financial statements of Crown Equities, Inc. (the "Parent Company") as at and for the year ended December 31, 2025, on which we have rendered our report dated April 6, 2026.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Parent Company has three hundred sixty-two (362) stockholders owning one hundred (100) or more shares each.

R.G. MANABAT & CO.

EMERALD ANNE C. BAGNES

Partner

CPA License No. 0083761

SEC Accreditation No. 83761-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and up to audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

Tax Identification No. 102-082-332

BIR Accreditation No. 08-001987-012-2024

Issued July 17, 2024; valid until July 17, 2027

PTR No. MKT 10764382

Issued January 5, 2026 at Makati City

April 6, 2026

Makati City, Metro Manila

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until September 20, 2026

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

CROWN EQUITIES, INC.
SEPARATE STATEMENTS OF FINANCIAL POSITION

December 31			
	Note	2025	2024
ASSETS			
Current Assets			
Cash and cash equivalents	4, 26, 27	P429,769,652	P485,023,156
Short-term investments	5, 26, 27	10,511,643	20,783,762
Investments in quoted shares	6, 26, 27	72,940,572	55,427,768
Receivables	7, 26, 27	22,285,875	19,244,012
Real estate inventories	8	18,715,182	29,448,267
Due from related parties	17, 26, 27	72,477,186	72,477,186
Other current assets	9	36,273,486	32,665,467
Total Current Assets		662,973,596	715,069,618
Noncurrent Assets			
Installment contracts receivable - net of current portion	7, 26, 27	32,059,265	25,519,380
Loan receivable - net of current portion	7, 26, 27	9,454,503	9,753,007
Investments in subsidiaries	12	636,755,037	563,270,422
Investment properties	10	1,114,367,881	1,106,210,571
Property and equipment	11	10,531,034	15,286,389
Deferred income tax assets - net	24	6,308,218	8,889,988
Other noncurrent assets	13, 26, 27	18,046,567	18,091,628
Total Noncurrent Assets		1,827,522,505	1,747,021,385
		P2,490,496,101	P2,462,091,003
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts and other payables	14, 26, 27	P91,076,603	P94,961,417
Noncurrent Liabilities			
Net retirement benefits liability	15	26,459,625	24,142,384
Security deposits	25	5,623,405	4,742,687
Total Noncurrent Liabilities		32,083,030	28,885,071
Total Liabilities		123,159,633	123,846,488
Equity			
Capital stock	16	1,977,523,246	1,977,523,246
Additional paid-in capital	16	118,570,274	118,570,274
Other equity reserves	13, 15	(28,811,649)	(29,705,221)
Treasury stock - at cost	16	(481,523,251)	(481,523,251)
Retained earnings		781,577,848	753,379,467
Total Equity		2,367,336,468	2,338,244,515
		P2,490,496,101	P2,462,091,003

See Notes to the Separate Financial Statements.

CROWN EQUITIES, INC.
SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(With Comparative Figures for the Year Ended December 31, 2023)

	<i>Note</i>	2025	2024	2023
REVENUE				
Real estate sales	18	P33,626,608	P6,115,872	P23,870,171
Rental income	18, 25	23,991,562	20,298,483	19,939,282
Dividend income	6, 18	23,145,116	17,385,792	4,218,762
Management fees	18	7,200,000	7,200,000	7,200,000
Interest income	7	5,669,565	5,047,112	7,198,612
		93,632,851	56,047,259	62,426,827
DIRECT COSTS				
Cost of real estate sales	8, 19	13,369,859	2,678,609	9,388,268
Depreciation	10, 21	8,962,172	9,009,856	8,369,490
Taxes and licenses		3,285,259	3,548,665	3,130,462
		25,617,290	15,237,130	20,888,220
GROSS INCOME		68,015,561	40,810,129	41,538,607
SELLING AND ADMINISTRATIVE EXPENSES	20	(76,084,402)	(64,226,091)	(63,671,879)
OTHER INCOME - Net	23	39,756,664	43,282,338	35,760,105
INCOME BEFORE INCOME TAX		31,687,823	19,866,376	13,626,833
PROVISION FOR (BENEFIT FROM) INCOME TAX	24	3,489,442	1,233,811	(253,689)
NET INCOME		28,198,381	18,632,565	13,880,522
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurement gain (loss) on net retirement benefits liability - net of tax	15	893,572	550,328	(43,784)
Changes in fair value reserve of financial assets at fair value through other comprehensive income (FVOCI)	13	-	(2,493,532)	-
		893,572	(1,943,204)	(43,784)
TOTAL COMPREHENSIVE INCOME		P29,091,953	P16,689,361	P13,836,738

See Notes to the Separate Financial Statements.

CROWN EQUITIES, INC.

**SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**
(With Comparative Figures for the Year Ended December 31, 2023)

	Capital Stock (Note 16)	Additional Paid-in Capital (see Note 16)	Other Equity Reserves (Notes 13, 15)	Treasury Shares (see Note 16)	Retained Earnings	Total Equity
Balance at December 31, 2022	P1,977,523,246	P118,570,274	(P27,718,233)	(P481,523,251)	P720,866,380	P2,307,718,416
Total Comprehensive Income for the Year						
Net income for the year	-	-	-	-	13,880,522	13,880,522
Other comprehensive loss	-	-	(43,784)	-	-	(43,784)
Balance at December 31, 2023	1,977,523,246	118,570,274	(27,762,017)	(481,523,251)	734,746,902	2,321,555,154
Total Comprehensive Income for the Year						
Net income for the year	-	-	-	-	18,632,565	18,632,565
Other comprehensive loss	-	-	(1,943,204)	-	-	(1,943,204)
Balance at December 31, 2024	1,977,523,246	118,570,274	(29,705,221)	(481,523,251)	753,379,467	2,338,244,515
Total Comprehensive Income for the Year						
Net income for the year	-	-	-	-	28,198,381	28,198,381
Other comprehensive income	-	-	893,572	-	-	893,572
Balance at December 31, 2025	P1,977,523,246	P118,570,274	(P28,811,649)	(P481,523,251)	P781,577,848	P2,367,336,468

See Notes to the Separate Financial Statements.

CROWN EQUITIES, INC.
SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(With Comparative Figures for the Year Ended December 31, 2023)

	<i>Note</i>	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		P31,687,823	P19,866,376	P13,626,833
Adjustments for:				
Depreciation	21	13,955,237	13,616,430	11,781,373
Retirement benefits cost	15	3,508,670	3,082,409	2,712,252
Unrealized loss (gain) on changes in:				
Fair value of short-term investments	5, 23	22,119	(33,762)	-
Foreign exchange rates	23	(8,784,774)	(5,086,318)	(970,289)
Fair value of investments in quoted shares	6, 23	(7,132,830)	(614,055)	6,449,322
Dividend income	18	(23,145,116)	(17,385,792)	(4,218,762)
Interest income from:				
Cash and cash equivalents	4	(17,220,520)	(27,583,692)	(25,344,862)
Installment contracts receivable	7	(5,669,565)	(5,047,112)	(7,198,612)
Loan receivable	7, 23	(646,087)	(663,527)	(41,167)
Loss (gain) on:				
Sale of investments in quoted shares	6, 23	(1,104,904)	(4,351,148)	(12,278,632)
Redemption of short-term investments	5, 23	(707,990)	(1,047,026)	(377,327)
Contract cancellations and forfeitures	23	(35,714)	619,605	(8,459)
Reversal of allowance for impairment losses on receivables	7, 23	-	-	(471,236)
Operating loss before working capital changes		(15,273,651)	(24,627,612)	(16,339,566)
Decrease (increase) in:				
Short-term investments		10,957,990	(15,702,974)	4,000,000
Investments in quoted shares		(9,275,070)	10,468,955	72,049,859
Receivables		(8,904,272)	10,953,860	10,558,365
Real estate inventories		10,733,085	986,256	2,436,888
Other assets		(3,562,957)	(39,669)	(2,684,191)
Increase (decrease) in:				
Accounts and other payables		(10,677,268)	265,312	(4,177,250)
Security deposits		880,718	77,186	563,108
Cash generated from (absorbed by) operations		(25,121,425)	(17,618,686)	66,407,213
Dividends received		23,145,116	17,385,792	4,218,762
Interest received		22,231,207	33,120,503	32,961,968
Income taxes paid		(1,205,529)	(1,002,496)	(912,092)
Net cash provided by operating activities		19,049,369	31,885,113	102,675,851

Forward

	Note	2025	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES				
Collections of loans receivable:	7			
Principal		P279,905	P262,464	P15,497
Interest		646,087	663,527	-
Acquisition of non-controlling interests in a subsidiary	12	(73,484,615)	-	-
Additions to:				
Investment properties	10	(10,291,314)	(125,907,494)	(4,000,884)
Property and equipment	11	(237,710)	(3,572,510)	(10,493,404)
Loan granted to a related party	7, 17	-	-	(10,310,872)
Net cash used in investing activities		(83,087,647)	(128,554,013)	(24,789,663)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(64,038,278)	(96,668,900)	77,886,188
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		8,784,774	5,086,318	970,289
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		485,023,156	576,605,738	497,749,261
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	P429,769,652	P485,023,156	P576,605,738

See Notes to the Separate Financial Statements.

CROWN EQUITIES, INC.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (With Comparative Figures As At and For the Year Ended December 31, 2023)

1. Corporate Information

Crown Equities, Inc. (CEI or the “Parent Company”), a public corporation under Section 17.2 of the Securities Regulation Code (SRC), was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on October 24, 1969. The Parent Company is an investment holding company, currently engaged in the business of real estate development and healthcare through its subsidiaries. Its shares are listed on the Philippine Stock Exchange (PSE).

The Parent Company has ownership interests in the following subsidiaries, all incorporated in the Philippines:

Name of Subsidiary	% of Ownership			Nature of Business	Principal Place of Business
	2025	2024	2023		
Crown Central Properties Corp. (CCPC)(a)	100%	48%	48%	Real Estate	Biñan, Laguna
Parkfield Land Holdings, Inc. (PLHI)	75%	75%	75%	Real Estate	Makati City
Healthcare Systems of Asia Phils., Inc. (HSAPI)	97%	97%	97%	Holding	Makati City
Fortmed Medical Clinics Makati, Inc. (FMCM)(b)	97%	97%	97%	Healthcare	Makati City
Argent Capital Holdings Corporation (ACHC)	100%	100%	100%	Holding	Makati City

(a) On December 16, 2025, CCPC became a wholly-owned subsidiary of CEI as a result of acquisition by CEI of the remaining non-controlling interests in CCPC. Prior to the said acquisition, the Parent Company's management has determined that it has control over the financial and operating policies of CCPC through representation on the Board of Directors (BOD) (see Notes 3 and 12).

(b) Indirectly owned through HSAPI.

CEI is also the ultimate parent company.

The Parent Company's registered office is at located at 5th Floor Crown Center, 158 Jupiter cor. N. Garcia Sts., Bel-Air Makati City.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

The separate financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards are based on International Financial Reporting Standards (IFRS) Accounting Standards issued by the International Accounting Standards Board (IASB). PFRS Accounting Standards, which are issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC), consist of PFRS Accounting Standards, Philippine Accounting Standards (PASs) and Philippine Interpretations.

In accordance with Paragraph 4 of PFRS 10, *Consolidated Financial Statements*, the Parent Company prepares consolidated financial statements in which the Parent Company consolidates the financial statements accounts of its subsidiaries. Such consolidated financial statements provide information about the economic activities of the Parent Company and its subsidiaries, with CEI as the parent entity. The consolidated financial statements, which have been prepared in accordance with PFRS Accounting Standards, are available through the Philippine SEC.

The separate financial statements were approved and authorized for issue by the Board of Directors (BOD), through the Executive Committee, on March 10, 2026.

Functional and Presentation Currency

The separate financial statements are presented in Philippine Peso (Peso), the Parent Company’s functional currency. All values are rounded to the nearest Peso except when otherwise indicated.

Basis of Measurement

The separate financial statements of the Parent Company have been prepared on a historical cost basis, except for the following which are measured using alternative basis at each reporting date:

Account	Measurement basis
Short-term investments designated at fair value through profit or loss (FVTPL)	Fair value
Investments in quoted shares	Fair value
Investment in unquoted shares designated at fair value through other comprehensive income (FVOCI)	Fair value
Net retirement benefits liability	Present value of the defined benefit obligation less fair value of plan assets

Adoption of Amended Accounting Standards

The accounting policies adopted in the preparation of the Parent Company’s separate financial statements are consistent with those of the previous financial year, except for the adoption of the following amended accounting pronouncement which became effective January 1, 2025. The Parent Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these amendments to standard did not have an impact on the separate financial statements of the Parent Company.

The nature and impact of the amendments to standard are described below:

- *Lack of Exchangeability (Amendments to PAS 21, The Effects of Changes in Foreign Exchange Rates)*

The amendments clarify that a currency is exchangeable into another currency when a company is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

When a currency is not exchangeable, a company needs to estimate a spot rate. The objective in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how to estimate the spot exchange rate to meet the objective and an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments require new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements, including the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process, and risks to the company because the currency is not exchangeable.

Comparative information is not restated and the effect of initially applying the amendments are adjusted to the opening balance of retained earnings, or to the cumulative amount of translation differences if the company uses a presentation currency other than its functional currency.

The standard has no impact on the Parent Company's financial reporting.

Standards Issued But Not Yet Adopted

A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2025. However, the Parent Company has not early adopted the following new or amended standards in preparing these separate financial statements. The Parent Company is still in the process of assessing the impact of the new standards. Unless otherwise stated, none of these are expected to have a significant impact on the Parent Company's separate financial statements.

Effective January 1, 2026

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures*)
- Annual Improvements to PFRS Accounting Standards - Volume 11
 - a. Hedge Accounting by a First-time Adopter (Amendments to PFRS 1, *First-time Adoption of International Financial Reporting Standards*)
 - b. Gain or Loss on Derecognition (Amendments to PFRS 7)
 - c. Introduction, Disclosure of Difference Between Fair Value and Transaction Price, and Credit Risk Disclosures (Amendments to Guidance on implementing PFRS 7)
 - d. Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9)
 - e. Determination of 'De Facto Agent' (Amendments to PFRS 10, *Consolidated Financial Statements*)
 - f. Cost Method (Amendments to PAS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to PFRS 9 and PFRS 7)

Effective January 1, 2027

- PFRS 17, *Insurance Contracts*

- PFRS 18, *Presentation and Disclosure in Financial Statements*
PFRS 18 will replace PAS 1, *Presentation of Financial Statements*, and aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information.

A More Structured Income Statement

PFRS 18 promotes a more structured income statement. It introduces a newly defined 'operating profit or loss' and 'profit or loss before financing and income tax' subtotals, and a requirement for all income and expenses to be classified into three new distinct categories - operating, investing, and financing - based on a company's main business activities. PFRS 18 also requires companies to analyze their operating expenses directly on the face of the income statement - either by nature, by function or on mixed basis. Companies need to choose the presentation method that provides the 'most useful structured summary' of those expenses. New disclosures apply if any operating expenses are presented by function.

Management-defined Performance Measures

PFRS 18 provides a definition for management-defined performance measures (MPMs) and introduces specific disclosure requirements. MPMs are subtotals of income and expenses that are used in public communications outside the financial statements, communicate management's view of an aspect of the financial performance of the entity as a whole and are not a required subtotal or a common income and expense subtotal listed in PFRS 18. For each MPM presented, companies will need to explain in a single note to the financial statements why the measure provides useful information and how it is calculated, and to reconcile it to an amount determined under PFRS Accounting Standards.

Greater Disaggregation of Information

PFRS 18 provides enhanced guidance on how companies group information in the financial statements, including newly defined roles of the primary financial statements and the notes, principles of aggregation and disaggregation based on shared and non-shared characteristics, and specific guidance for labelling and describing items in a way that faithfully represents an item's characteristics.

PFRS 18 also now requires goodwill to be presented as a line item in the statement of financial position. Consequential amendments to PAS 7, *Statement of Cash Flows*, require the use of the operating profit or loss subtotal as the starting point when presenting operating cash flows under the indirect method and eliminate the options for classifying interest and dividend cash flows.

PFRS 18 also amends PAS 33, *Earnings per Share*, to permit companies to disclose additional amounts per share using as numerator a required income and expenses total or subtotal, a common subtotal listed in PFRS 18 or an MPM disclosed by the entity.

PFRS 18 applies for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. It applies retrospectively in accordance with PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. Specific reconciliations are required to be disclosed. Eligible entities including venture capital organizations, mutual funds and some insurers will be allowed to change their election for measuring investments in associates and joint ventures from equity method to fair value through profit or loss.

- PFRS 19, *Subsidiaries without Public Accountability: Disclosures*

Deferred Local Implementation

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to PFRS 10 and PAS 28, *Investments in Associates and Joint Ventures*)

Amendments to IFRS not yet adopted by the FSRSC as part of PFRS Accounting Standards

- Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates*)
- Disclosures about Uncertainties in the Financial Statements (Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36, *Impairment of Assets*, and IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*)

Material Accounting Policies

The material accounting policies that have been used in the preparation of the separate financial statements are summarized below. These accounting policies have been consistently applied to all years presented, unless otherwise stated.

Financial Assets and Liabilities

Initial Recognition

The Parent Company recognizes a financial asset or a financial liability in the separate statements of financial position when it becomes a party to the contractual provisions of a financial instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date, i.e., the date that the Parent Company commits to purchase or sell the asset.

Financial instruments are recognized initially at fair value. Transaction costs are included in the initial measurement of the Parent Company's financial instruments, except for financial instruments classified at FVTPL.

"Day 1" Difference

Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Parent Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Parent Company deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Parent Company determines the appropriate method of recognizing the "Day 1" difference.

Classification and Subsequent Measurement of Financial Assets

The Parent Company classifies its financial assets, at initial recognition, in the following categories: financial assets at FVTPL, financial assets at amortized cost, debt investments at FVOCI and equity investments at FVOCI. The classification depends on the Parent Company's business model for managing financial instruments and the contractual cash flow characteristics of the financial assets.

Financial assets are not reclassified subsequent to initial recognition unless the Parent Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial Assets at FVTPL

Financial assets at FVTPL are either classified as held for trading or designated at FVTPL. A financial asset is classified as held for trading if it meets either of the following conditions:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or designated as effective hedging instrument).

This category includes equity instruments which the Parent Company had not irrevocably elected to classify at FVOCI at initial recognition. This category includes debt instruments whose cash flows are not “solely for payment of principal and interest” assessed at initial recognition of the assets, or which are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The Parent Company may, at initial recognition, designate a financial asset meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset or financial liability at FVTPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets or liabilities.

After initial recognition, financial assets at FVTPL are subsequently measured at fair value. Unrealized gains or losses arising from the fair valuation of financial assets at FVTPL are recognized in profit or loss.

As at December 31, 2025 and 2024, the Parent Company’s short-term investments and investments in quoted shares are considered as financial assets at FVTPL.

Financial Assets at Amortized Cost

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

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest rate (EIR) method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through an amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2025 and 2024, the Parent Company's cash and cash equivalents, receivables, due from related parties, refundable deposits and construction bond (presented as part of "Others" under "Other noncurrent assets" account in the separate statements of financial position) are classified under this category.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of placement and which are subject to an insignificant risk of changes in value.

Financial Assets at FVOCI

For debt instruments that meet the contractual cash flow characteristic and are not designated at FVTPL under the fair value option, the financial assets shall be measured at FVOCI if both of the following conditions are met:

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

For equity instruments, the Parent Company may irrevocably designate the financial asset to be measured at FVOCI in case the above conditions are not met.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, interest income (calculated using the EIR method), foreign currency gains or losses and impairment losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in "Other comprehensive income" (OCI) are reclassified from equity to profit or loss as a reclassification adjustment.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Foreign currency gains or losses and unrealized gains or losses from equity instruments are recognized in OCI and presented in the equity section of the separate statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods, even if the asset is sold or impaired. The cumulative fair value adjustment is transferred to retained earnings when the asset is sold.

As at December 31, 2025 and 2024, the Parent Company designated its investment in unquoted shares as a financial asset at FVOCI.

Classification and Subsequent Measurement of Financial Liabilities

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

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

As at December 31, 2025 and 2024, the Parent Company's accounts and other payables (excluding contract liabilities, statutory payable, unearned rental income and deposits for document processing) and security deposits are classified under this category.

Reclassification

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

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVTPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

For a financial asset reclassified out of the financial assets at FVTPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new gross carrying amount.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI is removed from equity and adjusted against the fair value of the financial asset. The financial asset is measured at the reclassification date as if it had always been measured at amortized cost.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed of. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

For a financial asset reclassified out of the financial assets at FVTPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new gross carrying amount. Meanwhile, for a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVTPL, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

Impairment of Financial Assets

The Parent Company recognizes an allowance for expected credit losses (ECL) which is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Parent Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

For receivables (excluding installment contracts receivable), the Parent Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The expected loss rates are initially based on the Parent Company's historical default rates. These historical default rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their payables to the Parent Company. The Parent Company has identified macroeconomic factors that are relevant, and accordingly, adjusts the historical loss rates based on expected changes in these factors.

For installment contracts receivable and other financial assets at amortized cost, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Parent Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

To measure the ECL, these have been grouped based on shared credit risk characteristics and the days past due. ECL is derived by calculating the cumulative loss rates of a given installment contracts receivable pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period.

The information on the number of defaults during fixed time intervals of the accounts is utilized to create the probability model. It allows the evaluation of the loan activity from its origination period until the end of the contract period., These are discounted back to the time of default (i.e., is defined by the Parent Company as upon cancellation of contract to sell) using the appropriate effective interest rate, usually being the original EIR or an approximation thereof.

As part of the analysis, the management considers any credit enhancement such as collaterals or security; whereas if the carrying value of the Installment Contracts Receivable exceeds the fair value of the credit enhancement, the ECL is recognized; otherwise, it will not be taken up.

Derecognition

Financial Assets

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

- the contractual rights to the cash flows from the financial asset have expired; or

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

When the Parent Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Parent Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Parent Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Parent Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities

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

Offsetting

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

Classification of Financial Instrument between Liability and Equity

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

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

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

Fair Value Measurement

A number of the Parent Company's accounting policies and disclosures require the measurement of fair value for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using another valuation technique. Where applicable, the Parent 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.

When measuring the fair value of an asset or a liability, the Parent Company uses market observable data as far as possible. Fair values are categorized in different levels of the fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

Further information about the assumptions made in measuring fair values is included in the following notes to financial statements:

- Note 3 - Significant Judgments, Accounting Estimates and Assumptions
- Note 6 - Investments in Quoted Shares
- Note 10 - Investment Properties
- Note 13 - Investment in Unquoted Shares under "Other Noncurrent Assets"
- Note 27 - Fair Values of Financial Assets and Financial Liabilities

Real Estate Inventories

Real estate inventories include properties being constructed for sale in the ordinary course of business rather than to be held for rent or capital appreciation. Real estate inventories are initially measured at cost. Subsequently, real state inventories are stated at the lower of cost and net realizable value (NRV).

Costs include the acquisition cost of the land plus costs incurred for development and improvement of the properties. NRV is the estimated selling price in the ordinary course of business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale. Cost represents price using specific identification method.

Repossessed property arising from sales cancellation is recognized at cost. The difference between the carrying amount of the receivable or contract asset to be derecognized plus any amount to be refunded to customers and the cost of the repossessed property is recognized in the separate statements of comprehensive income.

When the NRV of the inventories is lower than the cost, the Parent Company provides for an allowance for the decline in the value of inventories and recognizes the write-down as an expense in profit or loss. The amount of any reversal of any write-down of inventories, arising from an increase in NRV, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs. When inventories are sold or used in operations, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

Creditable Withholding Taxes (CWTs)

CWTs represent the amount withheld by the Parent Company's customers in relation to its income. CWTs can be carried forward to the succeeding year when in excess of income tax payable and utilized as payment for income taxes provided that these are properly supported with certificates of creditable tax withheld at source. CWTs are stated at face amount less any impairment in value.

Value-added Tax (VAT)

Revenue, expenses, and assets are recognized net of the amount of VAT, if applicable. Input VAT pertains to the 12% indirect tax paid by the Parent Company in the course of the Parent Company's trade or business on local purchase of goods or services. Deferred input VAT pertains to input VAT on accumulated purchases of property and equipment. This is amortized over five (5) years or the life of the property and equipment, whichever is shorter, in accordance with the Bureau of Internal Revenue (BIR) regulation. Output VAT pertains to the 12% tax due on the local sale of goods and services by the Parent Company.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the separate statements of financial position. When input VAT exceeds output VAT, the excess is recognized as an asset in the separate statements of financial position to the extent of the recoverable amount.

Investments in Subsidiaries

A subsidiary is an entity in which the Parent Company has control. The Parent Company has control over an investee when it is exposed, or has rights, to variable returns from its involvement with that investee; and when it has the ability to affect those returns. An investment in a subsidiary is accounted for at cost, including transaction costs, less impairment losses, if any. The Parent Company recognizes income from the investments when its right to receive dividend is established. The Parent Company accounts for its investments in subsidiaries at cost. When the Parent Company loses control over a subsidiary, any interest retained in the former subsidiary is measured at fair value.

Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business or for administrative purposes.

Building and building improvements, except land, are measured at cost less accumulated depreciation and any impairment in value. Land is stated at cost less any impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Depreciation is calculated on a straight-line basis over the estimated useful life (EUL) of 30 years.

The EUL and depreciation method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of investment properties.

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

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

Property and Equipment

Items of property and equipment are stated at cost less accumulated depreciation and any impairment in value.

The initial cost of property and equipment comprises its purchase price, after deducting trade discounts and rebates, and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized in profit or loss in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. The cost of replacing a component of an item of property and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Parent Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

When significant parts of an item of property and equipment have different useful lives, these are accounted for as separate items (major components) of property and equipment.

Depreciation is calculated on a straight-line basis over the EUL of the property and equipment:

<u>Asset Type</u>	<u>EUL</u>
Office furniture, fixtures and equipment	3 to 5 years
Transportation and other equipment	5 years

The EUL and depreciation method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment. Any change in the expected EUL and methods of depreciation is adjusted prospectively from the time the change was determined necessary.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of those assets.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment losses are removed from the accounts. Any resulting gain or loss from the retirement or disposal of property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognized in profit or loss in the year the item is derecognized.

Impairment of Nonfinancial Assets

The carrying amounts of nonfinancial assets, other than inventories and deferred income tax assets, are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists and when the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units (CGUs) are written-down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less costs of disposal and its value in use. Fair value less costs of disposal 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, less costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset or CGU. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined (net of depreciation for investment properties and property and equipment) had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation is adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Employee Benefits

Short-term Benefits

Short-term employee benefits are recognized as an expense in the period when the economic benefits are given. Unpaid benefits at the end of the accounting period are recognized as accrued expense while benefits paid in advance are recognized as prepayment to the extent that it will lead to a reduction in future payments. Short-term benefits given by the Parent Company to its employees include salaries and wages, social security contributions, short-term compensated absences and non-monetary benefits.

Retirement Benefits

The retirement benefit costs are actuarially determined using the projected unit credit method. This method reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries. The calculation of defined benefit liability is performed by a qualified actuary.

The Parent Company recognizes current service costs, past service costs and interest expense on the retirement benefits liability in profit or loss. Interest expense is calculated by applying the discount rate to measure the retirement benefits liability at the beginning of the annual period to the then retirement benefit liability, taking into account any changes in the defined obligation during the period as a result of contributions and benefit payments.

Remeasurements of retirement benefits liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held in trust and managed by a trustee bank. Plan assets are not available to the creditors of the Parent Company, nor can they be paid directly to the Parent Company. The fair value of the plan assets is based on the market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The net retirement benefits liability recognized by the Parent Company is the present value of the defined benefit obligation reduced by the fair value of plan assets. The present value of defined benefit obligation is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related retirement benefits 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.

Equity

Capital Stock and Additional Paid-in Capital

Capital stock and additional paid-in capital are classified as equity. Capital stock is recognized as issued when the stock is paid for or subscribed under a binding subscription agreement and is measured at par value. The transaction costs incurred as a necessary part of completing an equity transaction are accounted for as a part of that transaction and are deducted from additional paid-in capital, net of related tax benefits.

When the shares are sold at premium, the difference between the proceeds and the par value is credited to "Additional paid-in capital" (APIC) account.

Retained Earnings

Retained earnings represent the cumulative balance of periodic net income, dividend distributions, prior period adjustments and effect of changes in accounting policy and capital adjustments.

Dividends are recognized as a liability and deducted from retained earnings when declared and approved by the BOD and, where required, by the stockholders and relevant regulatory authorities. Dividends for the year that are declared and approved after the reporting date, if any, are dealt with as an event after the reporting date and disclosed accordingly.

OCI

This pertains to the cumulative unrealized fair value losses on financial assets at FVOCI and cumulative remeasurement gains on the Parent Company's net retirement benefits liability arising from experience adjustments and changes in financial assumptions. Unrealized fair value loss on financial assets at FVOCI and remeasurement of net retirement benefits liability, and the corresponding deferred income tax component of the remeasurement of net retirement benefits liability, are recognized immediately in OCI and are included in equity. These are not reclassified to profit or loss in subsequent periods.

Treasury Stock

Own equity instruments which are reacquired are recognized at cost and are deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury stock are nullified for the Parent Company and no dividends are allocated to them. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to APIC to the extent of the specific APIC when the shares are issued and to retained earnings for the remaining balance. The retained earnings account is restricted to payment of dividends to the extent of the cost of treasury shares.

Revenue Recognition

The Parent Company generates revenue primarily from real estate sales. Other revenue sources include rental income from investment properties, management fees and income from investing activities.

Revenue from Contracts with Customers

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

The Parent Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Parent Company has assessed that it acts as a principal in all of its revenue arrangements.

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

- *Real Estate Sales*

The Parent Company assesses whether it is probable that the economic benefits will flow to the Parent Company when the contract price is collectible. Collectibility of the contract price is demonstrated by the buyer's commitment to pay, which is supported by the buyer's initial and continuous investments that motivate the buyer to honor its obligation. Collectibility is also assessed by considering factors such as collections and credit standing of the buyer. Management regularly evaluates the historical sales cancellation and back-outs, if it would still support its current threshold of buyer's equity before commencing revenue recognition.

The Parent Company derives its real estate revenue from sale of houses, condominium units and parking slots. Revenue from sales of completed real estate projects is accounted for using the full accrual method.

Revenue for real estate sales for completed real estate projects is recognized at a point in time, when control is transferred. The transfer of control coincides with the execution of the Contract to Sell (CTS) or Deed of Absolute Sale (DOAS) which provides the customer the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset.

Pending recognition of sale, cash received from buyers are presented as "Contract liabilities" account in the separate statements of financial position. Collections from real estate buyers which are intended for the completion of closing requirements are presented as "Deposits for document processing" under "Accounts and other payables" account in the separate statements of financial position.

- *Management Fees*

Management fees are recognized when related services are rendered.

Revenue from Other Sources

Revenue from other sources is recognized as follows:

- *Rental Income*

Rental income is recognized on a straight-line basis over the lease term.

- *Dividend Income*

Dividend income is recognized on the date when the Parent Company's right to receive payment is established, which is generally when shareholders approve the dividend.

- *Interest Income*

Interest income on financial assets at amortized cost calculated using the EIR method is recognized as interest income under revenue. Interest income is calculated by applying the EIR to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the EIR is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). Interest income is presented as such where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Other Income

The Parent Company's other sources of income, which are mainly from gains on disposal of assets, contract cancellations and forfeitures, surcharges, and other fees, are recognized as income when earned. Income from forfeitures (e.g, collections) is recognized upon default of potential buyers, subject to the provisions of Republic Act (RA) No. 6552, *Realty Installment Buyer Protection Act*, upon prescription of the period for the payment of required amortizations from defaulting buyers.

Contract Balances

Receivables

A receivable represents the Parent Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Assets

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

As at December 31, 2025 and 2024, the Parent Company does not have outstanding contract assets.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Parent Company has received a consideration (or an amount of consideration is due) from the customer. If a customer pays a consideration before the Parent Company transfers goods or services to the customer, a contract liability is recognized when the payment is made by the customer or when the payment is due (whichever is earlier). Contract liabilities are recognized as revenue as the Parent Company performs its obligation under the contract. Contract liabilities also include payments received by the Parent Company from customers for which revenue recognition has not yet commenced.

As at December 31, 2025 and 2024, the balances of contract liabilities are disclosed in Note 14.

Cost to Obtain a Contract

If the Parent Company expects to recover the incremental costs of obtaining a contract with a customer, the costs are recognized as an asset. The Parent Company has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Selling and Administrative Expenses" account in the separate statements of comprehensive income. Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Contract Fulfillment Asset

Contract fulfillment costs are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred. When determining the appropriate accounting treatment for such costs, the Parent Company first considers any other applicable standards. If those standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15. If other standards are not applicable to contract fulfillment costs, the Parent Company applies the following criteria which, if met, result in capitalization: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered. The assessment of these criteria requires the application of judgment, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.

As at December 31, 2025 and 2024, the Parent Company does not have cost to obtain a contract and contract fulfillment cost.

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Cost and expenses are recognized in profit or loss on the basis of: (i) a direct association between the costs incurred and the earning of specific items of income; (ii) systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or (iii) immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the separate statements of financial position as an asset.

Cost of Real Estate Sales

Cost of real estate sales is recognized in profit or loss upon sale and is determined with reference to the specific costs incurred on the property, allocated to saleable areas based on relative size and takes into account the percentage of completion used for revenue recognition purposes.

Selling and Administrative Expenses

Selling expenses are costs incurred to sell and market the goods. Administrative expenses constitute costs of administering the business activities of the Parent Company. These are recognized as expenses in the period when these are incurred.

Foreign Currency Transactions and Translation

Transactions in currencies other than functional currency of the entities included in the Parent Company are initially recorded using the exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in currencies other than the functional currencies of the entities in the Parent Company are retranslated at the rates prevailing at the end of the reporting date period. Gains or losses arising from retranslation are recognized in profit or loss in the period in which they arise. Foreign currency gains and losses are reported on a net basis.

For income tax reporting purposes, foreign exchange gains or losses are treated as taxable income or deductible expenses in the year such are realized.

Leases

The Parent Company assesses at contract inception whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified assets for a period of time, the Parent Company assesses whether, throughout the period of use, it has both of the following:

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

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

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

Leases where the Parent Company retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which these are earned.

Parent Company as a Lessor

Leases where the Parent Company does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. In determining significant risks and benefits of ownership, the Parent Company considers, among others, the significance of the lease term as compared with the EUL of the related asset. Rental income is recognized over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which use benefit is derived. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income.

The Parent Company requires its tenants to pay leasehold rights pertaining to the right to use the leased unit which is reported under "Security deposits" in the separate statements of financial position. These are refundable to the lessee at the end of the lease term, but may be forfeited, in which case recognized as "Other Income" in the separate statements of comprehensive income.

Income Taxes

Income tax expense comprises current income tax and deferred income tax. Income tax expense is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or in OCI, in which case it is recognized in equity or OCI.

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Income Tax

Deferred income tax is provided, using the 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 income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences and carryforward benefits of unused net operating loss carryover (NOLCO) and unused tax credits from the excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carryforward benefits of NOLCO and excess MCIT over RCIT can be utilized within the period allowed by the tax regulations.

The carrying amount of a deferred income tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax asset to be utilized within the period allowed by the tax regulations. Unrecognized deferred income 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 all or part of the deferred income tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate and tax law that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

The Parent Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The income tax effects from an uncertain tax position are recognized when it is not probable that the position will be accepted based on its technical merits and assuming that the tax authorities will examine the uncertain tax treatments and have full knowledge of all relevant information. They are measured by either determining the single most likely amount or the sum of the probability-weighted amounts in a range of possible outcomes depending on which method the Parent Company expects to better predict the resolution of the uncertainty. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred income tax assets and liabilities are offset if there is a legally enforceable right to set-off current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, and they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Provisions

Provisions are recognized when the Parent Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase due to the passage of time is recognized as interest expense.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the separate financial statements. These are disclosed in the notes to separate financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the separate financial statements but are disclosed in the notes to separate financial statements when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the separate financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the separate financial statements on the period in which the change occurs.

Events After the Reporting Date

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

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Parent Company's separate financial statements requires management to make judgments and estimates that affect the amounts reported in the separate financial statements and accompanying notes. The judgments and estimates used in the separate financial statements are based on management's evaluation of relevant facts and circumstances as at the reporting date.

While the Parent Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the year in which the estimate is revised if the change affects only that year or in the year of the revision and future years if the change affects both current and future years.

The Parent Company believes that the following represent a summary of these significant judgments, estimates and assumptions and the related impact and associated risks in the separate financial statements:

Classifying Financial Instruments

The classification of a financial instrument largely depends on the Parent Company's business model and its contractual cash flow characteristics.

Management has determined that the Parent Company's investments in quoted shares are acquired principally for the purpose of selling in the near term; hence, the Parent Company classified its investments in quoted shares as financial asset at FVTPL.

Management has determined that the Parent Company's investment in unquoted shares is to be held indefinitely and will be sold in response to liquidity requirements; hence, the Parent Company classified its investment in unquoted shares as financial asset at FVOCI.

Distinction Between Real Estate Inventories, Property and Equipment and Investment Properties

The Parent Company determines whether a property is classified as real estate inventories, investment properties, or property and equipment by considering whether the property is occupied substantially for use by or in operations of the Parent Company; for sale in the normal operating cycle; or held primarily to earn rental income and capital appreciation.

Real estate inventories comprise condominium units and residential properties that are held for sale in the ordinary course of business. Principally, these are properties that the Parent Company develops and intends to sell before or on completion of construction.

Investment properties consist of properties which are not occupied substantially for use by, or in the operations of, the Parent Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

Property and equipment are tangible items that are held for use in the delivering or supply of goods or services and are expected to be used for more than one period. These are properties which are owner-occupied and are substantially for use of the Parent Company or in the operations.

Classifying Lease Commitment

The Parent Company has entered into lease agreements for its office building and condominium units and parking slots. The Parent Company has determined, based on the evaluation of terms and conditions of agreement, that the lessor retains all the significant risks and benefits of ownership related to the leased properties. Accordingly, the agreements are accounted for as operating leases.

The amount of rental income is disclosed in Notes 18 and 25.

Evaluating and Assessing Control over Investee

The Parent Company refers to the guidance in PFRS 10 when determining whether the Parent Company controls an investee. Particularly, the Parent Company controls an investee when it is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Parent Company considers the purpose and design of the investee, its relevant activities and how decisions about those activities are made and whether the rights give it the current ability to direct the relevant activities.

The Parent Company controls an investee if and only if it has all the following:

- a. power over the investee;
- b. exposure or rights, to variable returns from its involvement with the investee, and
- c. the ability to use its power over the investee to affect the amount of the investor's return.

Prior to the acquisition of the remaining non-controlling interests in CCPC (see Note 1), ownership interest in CCPC represents 48%. Management has determined that the Parent Company has control over the financial and operating policies of CCPC through representation on the BOD of CCPC. Accordingly, CCPC is considered as a subsidiary.

Assessing ECL of Financial Assets

While cash and cash equivalents and refundable deposits are also subject to the impairment requirements of PFRS 9, the assessed impairment loss is not material.

- *Receivables (Excluding Installment Contracts Receivable)*
The Parent Company applies the simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are initially based on the Parent Company's historical default rates. These historical default rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Parent Company has identified macroeconomic factors that are relevant, and accordingly adjusts the historical loss rates based on expected changes in these factors.

- *Installment Contracts Receivable and Other Financial Assets at Amortized Cost*
The Parent Company applies the general approach in measuring ECL which uses a 12-month or lifetime ECL for all installment contracts receivable and other financial assets at amortized cost. To measure the ECL, these have been grouped based on shared credit risk characteristics and the days past due.

The information on the number of defaults during fixed time intervals of the accounts is utilized to create the probability model. It allows the evaluation of the loan activity from its origination period until the end of the contract period. These are discounted back to the time of default (i.e., is defined by the Parent Company as upon cancellation of contract to sell) using the appropriate effective interest rate, usually being the original EIR or an approximation thereof.

As part of the analysis, the management considers any credit enhancement such as collaterals or security; whereas if the carrying value of the installment contracts receivable exceeds the fair value of the credit enhancement, the ECL is recognized; otherwise, it will not be taken up.

The assessment of the correlation between historical default rates, forecast economic conditions and ECL involves estimation uncertainty. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Parent Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECL on the Parent Company's financial assets at amortized cost is disclosed in Note 26. The amount of impairment loss on receivables is disclosed in Note 7. The carrying amounts of these financial assets are disclosed in Notes 4, 7 and 13.

Estimating Fair Value of Financial Instruments

When the fair values of financial assets and financial liabilities recorded or disclosed in the separate statements of financial position cannot be measured based on quoted prices in active markets, their fair value is determined using internal valuation techniques using generally accepted market valuation models. Valuation may involve inputs that may require a degree of judgment when establishing fair values. These estimates may include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

The information on fair value measurement of financial assets and liabilities is disclosed in Note 27.

Evaluation of NRV of Real Estate Inventories

The Parent Company determines the NRV of real estate inventories annually in accordance with the accounting policy stated in Note 2. In determining the NRV, the Parent Company considers the current selling price of the real estate inventories for sale, with reference to market conditions and prices existing at the reporting date, less estimated costs to complete and sell. The Parent Company writes down the carrying amount of the real estate inventories when the NRV becomes lower than the carrying amount. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

The amount of real estate inventories carried at the lower of cost and NRV is disclosed in Note 8.

Estimating the Useful Lives of Investment Properties and Property and Equipment.

The useful lives of the Parent Company's investment properties (excluding land) and property and equipment are estimated based on the period over which the assets are expected to be available for use. Such estimate is based on a collective assessment of industry practices, internal technical valuation and experience with similar assets. The EUL of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limitations on the use of the assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in these factors and circumstances. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful life of any property and equipment would increase the recorded operating expenses and decrease noncurrent assets.

There were no changes in the EUL of these assets in 2025 and 2024. The carrying amounts of investment properties and property and equipment are disclosed in Notes 10 and 11, respectively.

Determining the Fair Value of Investment Properties

Investment properties are measured at cost but fair values are disclosed. The Parent Company engaged external qualified appraiser to determine the fair value of its investment properties. The fair values of investment properties were based on the valuation performed in 2024 using appropriate valuation techniques. The fair values were determined using market data approach. Market data approach involves the comparison of the land to those that are more or less located within the vicinity of the appraised property and are subject of recent sales and offerings. If there is limited data within the area, the independent appraiser considers the expansion of the research on properties considered comparable. Adjustments were made to arrive at the market value by considering the location, size, shape, utility, desirability and time element. The valuation techniques and inputs used in the fair value measurement of investment properties are disclosed in Note 10 to the separate financial statements.

The latest independent appraiser's report was as at December 31, 2024.

For the purpose of fair value disclosures, the Parent Company has determined the nature, characteristics and risks of the investment properties and the level of the fair value hierarchy.

Details of investment properties are disclosed in Note 10 to the separate financial statements.

Impairment Assessment of Nonfinancial Assets

The Parent Company assesses impairment on its nonfinancial assets, other than real estate inventories and deferred income tax assets, whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Parent Company considers in deciding whether to perform an asset impairment review include the following:

- significant underperformance of a business in relation to expectations;
- significant negative industry or economic trends;
- significant changes or planned changes in the use of the assets; and
- obsolescence or physical damage of an asset.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. Recoverable amount represents the greater of the fair value less costs of disposal and the value in use.

No provision for impairment loss was recognized on the Parent Company's nonfinancial assets in 2025, 2024 and 2023. Allowance for losses on and carrying amount of investment properties are disclosed in Note 10. The carrying amounts of the Parent Company's property and equipment, investments in subsidiaries, and other nonfinancial assets (excluding construction bond and refundable deposits) are disclosed in Notes 11, 12 and 13.

Estimating Retirement Benefits Liability

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

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on 1994 US Group Annuity Mortality Table and is modified accordingly with estimates of mortality improvements. Future salary increases are based on expected future inflation rates.

While the Parent Company believes that the assumptions are reasonable and appropriate, significant changes in assumptions could materially affect the cost of employee benefits and related obligations.

The amount of retirement benefits costs recognized and the carrying amount of net retirement benefits liability are disclosed in Note 15.

Assessing Recoverability of Deferred Income Tax Assets

The Parent Company reviews its deferred income tax assets at each reporting date and reduces the 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 deferred income tax assets include an amount which relates to the carried forward tax losses, excess MCIT over RCIT and other deductible temporary differences. The carried forward tax losses and excess MCIT over RCIT have an expiration of three years from the taxable year when such tax losses were incurred, except for losses incurred in 2020 and 2021 which have an expiration of five years from the year they were incurred. However, the Parent Company has concluded that they will not benefit from the said tax losses and excess MCIT over RCIT before they eventually expire. Deferred income tax assets were recognized only up to the extent of forecasted taxable income in subsequent periods. The forecast was based on the Parent Company's past results and future expectations of revenue and expenses. The Parent Company has unrecognized deferred income tax assets in respect of its net operating loss carryover (NOLCO) and excess MCIT over RCIT disclosed in Note 24. The outcomes within the next financial year with respect to the results of operations of the Parent Company that are different from the assumption could require a material adjustment to the carrying amount of the Parent Company's deferred income tax assets.

The amounts of recognized and unrecognized deferred tax assets are disclosed in Note 24.

Real Estate Revenue Recognition

▪ *Assessing Existence of a Contract*

The Parent Company's primary document for a contract with a customer is a signed CTS and DOAS. The Parent Company has determined that the combination of the other signed documentations such as reservation agreements, buyers' computation sheets, invoices and official receipts, would contain all the criteria to qualify as contract with the customer under PFRS 15.

Management also considers the selling prices of the real estate property and other fees and charges collected from the buyers that are not held on behalf of other parties in determining the transaction price.

▪ *Assessing Revenue Recognition Threshold*

Part of the Parent Company's assessment process before revenue recognition is to assess the probability that the Parent Company will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. Collectability of the sales price is demonstrated by the buyer's commitment to pay, which in turn is supported by substantial initial and continuing investments that give the buyer a stake in the property sufficient that the risk of loss through default motivates the buyer to honor its obligation to the seller. Collectability is also assessed by considering factors such as past history with the buyer, and the pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs if it would still support its current threshold of buyer's equity before commencing revenue recognition.

Contingencies

The Parent Company is a party to certain lawsuits or claims arising from the ordinary course of business. However, the Parent Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims, if any, will not have a material effect on the separate financial statements. Accordingly, no liability for probable losses arising from contingencies was recognized in the separate financial statements as at December 31, 2025 and 2024.

4. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash in banks	P1,934,343	P12,824,292
Cash equivalents	427,835,309	472,198,864
	P429,769,652	P485,023,156

Cash in banks earns interest at prevailing bank deposit rates. Cash equivalents are short-term placements made for varying periods of up to three months depending on the immediate cash requirements of the Parent Company and earn interest at prevailing short-term placement rates.

Interest income earned from cash in banks and cash equivalents amounted to P17.22 million, P27.58 million and P25.34 million in 2025, 2024, and 2023, respectively (see Note 23).

The Parent Company's exposures to credit risk, interest rate risk and foreign currency risk related to cash and cash equivalents are disclosed in Note 26 to the separate financial statements.

5. Short-term Investments

Short-term investments amounting to P10.51 million and P20.78 million as at December 31, 2025 and 2024, respectively, pertain to Unit Investment Trust Fund (UITFs) investments that are convertible to cash and held to meet immediate cash requirements, complementing cash equivalents.

Unrealized gains (losses) on changes in fair value of short-term investments amounted to (P0.02 million), P0.03 million and nil in 2025, 2024 and 2023, respectively. Redemption of the short-term investments resulted in a realized gain amounting to P0.71 million, P1.05 million, and P0.38 million in 2025, 2024 and 2023, respectively (see Note 23).

6. Investments in Quoted Shares

This account pertains to marketable equity securities that are listed and traded in the PSE and foreign stock exchanges designated as financial assets at FVTPL.

The movements in the balance of investments in quoted shares are as follows:

	Note	2025	2024
Cost			
Balance at beginning of year		P48,716,590	P54,834,397
Additions		25,540,111	13,059,466
Withdrawals		(15,160,137)	(19,177,273)
Balance at end of year		59,096,564	48,716,590
Accumulated Unrealized Fair Value			
Gains			
Balance at beginning of year		6,711,178	6,097,123
Changes in fair value	23	7,132,830	614,055
Balance at end of year		13,844,008	6,711,178
		P72,940,572	P55,427,768

The fair values of the investments in quoted shares were determined based on the closing bid prices at the end of reporting period categorized under Level 1 of the fair value hierarchy (see Note 27).

Unrealized gains (losses) on changes in fair value of investments in quoted shares amounted to P7.13 million, P0.61 million and (P6.45 million) in 2025, 2024 and 2023, respectively (see Note 23).

Sale of investments in quoted shares resulted in a realized gains amounting to P1.10 million, P4.35 million and P12.28 million in 2025, 2024 and 2023, respectively (see Note 23).

Dividend income from these securities amounted to P2.76 million, P2.96 million and P4.22 million in 2025, 2024 and 2023, respectively (see Note 18).

7. Receivables

This account consists of:

	Note	2025	2024
Installment contracts receivable		P41,040,167	P33,602,140
Loan receivable		9,753,006	10,032,911
Billed rentals	25	2,668,808	1,825,243
Receivables from real estate buyers		2,318,594	1,970,808
Due from project developer		270,326	270,326
Others		9,839,831	8,906,060
		65,890,732	56,607,488
Less allowance for impairment losses		2,091,089	2,091,089
		63,799,643	54,516,399
Less noncurrent portion of:			
Installment contracts receivable		32,059,265	25,519,380
Loan receivable		9,454,503	9,753,007
		P22,285,875	P19,244,012

Installment Contracts Receivable

Installment contracts receivable pertain to real estate sales. These are collectible in various installment periods of up to 15 years and earn interest at 10% to 16% per annum.

Interest income earned from installment contracts receivable amounted to P5.67 million, P5.05 million and P7.20 million in 2025, 2024 and 2023, respectively (see Note 18).

Loan Receivable

In 2023, the Parent Company entered into a Loan and Security Agreement, which became a related party loan in 2024. The loan has a term of 20 years and is payable based on the scheduled payments defined in the agreement, with an annual interest rate of 6.50% and is secured by a parcel of land (see Note 17).

The movements in the loans receivable account are as follows:

	2025	2024
Balance at beginning of year	P10,032,911	P10,295,375
Collections	(279,905)	(262,464)
Balance at end of year	9,753,006	10,032,911
Less current portion	298,503	279,904
Noncurrent portion	P9,454,503	P9,753,007

Interest income earned from loans receivable amounted to P0.65 million, P0.66 million and P0.04 million in 2025, 2024 and 2023, respectively (see Note 23).

Receivable from Real Estate Buyers

Receivable from real estate buyers includes processing fees paid by the Parent Company that are necessary to transfer the title to the buyers which are chargeable to the buyers.

Due from Project Developer

Due from project developer relates to collections of installment receivables by the project developer which are not yet remitted to the Parent Company.

Others

Others pertain to pass-through expenses paid by the Parent Company to be collected from the relevant third party.

Allowance for Impairment Losses

As at December 31, 2025 and 2024, allowance for impairment losses on receivables amounted to P2.09 million. No impairment loss or reversal of allowance for impairment loss was recognized in 2025 and 2024. In 2023, the Parent Company recognized a gain on the reversal of allowance for impairment losses amounting to P0.47 million (see Note 23).

The Parent Company's exposure to credit risk related to receivables is disclosed in Note 26 to the separate financial statements.

8. Real Estate Inventories

This account consists of:

	2025	2024
At cost:		
Houses	P2,531,872	P11,605,354
Condominium units and parking slots	16,183,310	17,842,913
	P18,715,182	P29,448,267

Houses pertain to units in Palma Real Residential Estates with movements as follows:

	<i>Note</i>	2025	2024
Balance at beginning of year		P11,605,354	P11,567,923
Construction costs		2,492,911	1,658,340
Repossession from cancelled contracts		-	1,057,700
		14,098,265	14,283,963
Cost of houses sold	19	(11,566,393)	(2,678,609)
Balance at end of year		P2,531,872	P11,605,354

Condominium units and parking slots pertain to units in Cypress Towers with movements as follows:

	<i>Note</i>	2025	2024
Balance at beginning of year		P17,842,913	P17,808,900
Additions from renovations		143,863	34,013
Cost of real estate sales	19	(1,803,466)	-
Balance at end of year		P16,183,310	P17,842,913

Cost of real estate inventories recognized as expense is as follows:

	<i>Note</i>	2025	2024	2023
Houses	19	P11,566,393	P2,678,609	P7,893,087
Condominium units and parking slots	19	1,803,466	-	1,495,181
		P13,369,859	P2,678,609	P9,388,268

No purchase commitments, liens and encumbrances pertaining to real estate inventories.

9. Other Current Assets

This account consists of:

	2025	2024
Creditable withholding taxes	P33,287,662	P29,918,727
Prepayments:		
Insurance	1,348,272	1,213,194
Real property tax	1,328,141	1,332,705
Others	203,679	128,560
Advances to employees	60,671	23,124
Current portion of deferred input VAT	45,061	49,157
	P36,273,486	P32,665,467

Advances to employees are advances for various business-related expenses and are subject to liquidation within 30 days.

10. Investment Properties

The movements in the account are as follows:

	<i>Note</i>	Land	Building and Building Improvements	Total
Cost				
January 1, 2024		P858,932,530	P219,191,935	P1,078,124,465
Additions		138,563,125	756,289	139,319,414
December 31, 2024		997,495,655	219,948,224	1,217,443,879
Additions		16,338,232	781,250	17,119,482
December 31, 2025		1,013,833,887	220,729,474	1,234,563,361
Accumulated Depreciation				
January 1, 2024		-	76,762,846	76,762,846
Depreciation	21	-	9,009,856	9,009,856
December 31, 2024		-	85,772,702	85,772,702
Depreciation	21	-	8,962,172	8,962,172
December 31, 2025		-	94,734,874	94,734,874
Allowance for Impairment Losses				
December 31, 2025 and 2024		25,460,606	-	25,460,606
Carrying Amounts				
December 31, 2024		P972,035,049	P134,175,522	P1,106,210,571
December 31, 2025		P988,373,281	P125,994,600	P1,114,367,881

The Parent Company's investment properties pertain to several parcels of land which are held for capital appreciation and are located in Taguig and Batangas. Investment properties also include building and building improvements located in Makati and Taguig, which earn rental income.

In 2025, the Parent Company entered into a contract for an additional purchase price relating to existing parcels of land amounting to P13.77 million, P6.83 million of which remained unpaid as at December 31, 2025.

In 2024, the Parent Company acquired certain parcels of land amounting to P136.16 million, P13.41 million of which remained unpaid as at December 31, 2024. The remaining unpaid balance was subsequently settled in 2025.

Fair Values

The aggregate fair value of the Parent Company's investment properties amounted to P5.41 billion as at December 31, 2025 and 2024. The latest independent appraiser's report was dated December 31, 2024. There are no significant changes in the composition and condition of the investment properties, other than the additions during the year, that would have an impact in the valuation of these assets and there are no changes in the valuation technique used in determining the fair value of the investment properties from previous year.

The assumptions used in the valuation and fair value hierarchy category of each assumption are as follows:

	Approach	Fair Value Hierarchy
<i>Land</i>		
Price per sqm	Market Data Approach	Level 2
Value adjustments	Market Data Approach	Level 3
<i>Building and Building Improvements</i>		
Replacement cost	Cost Approach	Level 3

Description of valuation techniques used and key inputs to valuation on investment properties are as follows:

Market Data Approach

Market data approach is used to estimate valuation of land. It involves the comparison of the properties to those that are more or less located within the vicinity of the appraised properties and are subject of recent sales and offerings. Adjustments were made to the valuation of land to arrive at the market value by considering the location, size, shape, utility, desirability and time element.

Cost Approach

Cost Approach is based on the reproduction or replacement cost of building and building improvements, less total accumulated depreciation.

The key inputs to fair valuation are as follows:

- Price Per Sqm is the estimated value prevailing in the real estate market depending on the location, area, shape and time element.
- Value Adjustments are fair value adjustments made to bring the comparative values in approximation to the investment properties taking into account the location, size, time element, and terrain, among others.

Sensitivity Analysis

Significant increase (decrease) in price per square meter would result in a significantly higher (lower) fair value measurement. Significant increase (decrease) in value adjustments would result in a lower (higher) fair value measurement.

As at December 31, 2025 and 2024, allowance for probable losses on investment properties amounted P25.46 million, which was recognized to cover losses on potential claims on certain parcels of land.

Rental income amounted to P23.99 million, P20.30 million and P19.94 million in 2025, 2024 and 2023, respectively (see Note 18). The related direct costs incurred pertain to depreciation and real property taxes aggregating to P12.25 million, P12.56 million and P11.50 million in 2025, 2024 and 2023, respectively.

The Parent Company has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements, other than those already reflected or disclosed in the separate financial statements.

11. Property Equipment

The movements for each class of the property and equipment account are as follows:

	Note	Office Furniture, Fixtures and Equipment	Transportation and Other Equipment	Total
Cost				
January 1, 2024		P9,937,605	38,125,478	P48,063,083
Additions		421,785	3,150,725	3,572,510
December 31, 2024		10,359,390	41,276,203	51,635,593
Additions		237,710	-	237,710
December 31, 2025		10,597,100	41,276,203	51,873,303
Accumulated Depreciation				
January 1, 2024		9,266,599	22,476,031	31,742,630
Depreciation	21	478,887	4,127,687	4,606,574
December 31, 2024		9,745,486	26,603,718	36,349,204
Depreciation	21	429,785	4,563,280	4,993,065
December 31, 2025		10,175,271	31,166,998	41,342,269
Carrying Amounts				
December 31, 2024		P613,904	P14,672,485	P15,286,389
December 31, 2025		P421,829	P10,109,205	P10,531,034

Cost of fully depreciated assets still in use amounted to P28.07 million and P27.43 million as at December 31, 2025 and 2024, respectively.

The Parent Company has no restriction on its property and equipment and none of these have been pledged as security for its obligations.

12. Investments in Subsidiaries

This account consists of investments in the following entities:

Entity	2025	2024
PLHI	P228,509,912	P228,509,912
HSAPI	222,260,510	222,260,510
CCPC	135,984,615	62,500,000
ACHC	50,000,000	50,000,000
	P636,755,037	P563,270,422

The investments in subsidiaries are carried at cost.

The movements in the investments in subsidiaries are as follows:

	2025	2024
Balance at beginning of year	P563,270,422	P563,270,422
Additions during the year	73,484,615	-
Balance at end of year	P636,755,037	P563,270,422

Details about the subsidiaries are as follows:

PLHI

PLHI was incorporated and registered with the SEC on April 11, 2001 and is engaged in acquiring, developing and selling real estate properties. As at December 31, 2025, PLHI only holds parcels of land for undeterminable future use.

In 2011, the Parent Company made deposits for stock subscription on future increase in PLHI's authorized capital amounting to P2.87 million. As at December 31, 2025, the planned increase in PLHI's authorized capital stock has not yet been finalized, thus, no application has been made with the SEC (see Note 17).

CCPC

CCPC was incorporated and registered with the SEC on September 3, 1996 and is engaged in acquiring, developing and selling real estate properties. CCPC has completed projects in Palma Real Residential Estates, located in Biñan, Laguna.

On December 16, 2025, the Parent Company acquired the remaining non-controlling interests in CCPC, which is equivalent to 67,500,000 shares, for a total consideration of P73.84 million, thereby increasing the Parent Company's ownership interest from 48% to 100%.

In 2025, CCPC declared a cash dividend amounting to P42.40 million or P0.33 per share for shareholders of record as at December 31, 2024. Of the total amount, P20.38 million pertains to the Parent Company (see Notes 17 and 18).

In 2024, CCPC declared a cash dividend amounting to P30.00 million or P0.23 per share for shareholders of record as at December 31, 2023. Of the total amount, P14.42 million pertains to the Parent Company (see Notes 17 and 18).

HSAPI

HSAPI was incorporated and registered with the SEC on July 26, 1996 as an investment holding company. HSAPI has 100% equity interest in FMCMCI.

FMCMCI

FMCMCI was incorporated and registered with the SEC on January 21, 1997 and is engaged in providing and delivering medical and health care services. FMCMCI has two clinics located in Makati City and Sta. Rosa, Laguna.

ACHC

ACHC was incorporated and registered with the SEC on August 28, 2019 and is engaged in investing activities.

The summarized financial information of the subsidiaries as at and for the years ended December 31, 2025, 2024 and 2023 are as follows:

2025	CCPC	PLHI	HSAPI	ACHC
Statements of Financial Position				
Current assets	P200,011,969	P104,088	P8,683,777	P69,944,014
Noncurrent assets	35,393,380	278,199,343	87,674,405	-
Current liabilities	(70,321,793)	(5,743,142)	(72,975,960)	(118,375)
Noncurrent liabilities	(6,831,138)	(5,317,971)	-	(1,255,557)
Statements of Financial Performance				
Revenue	49,549,087	-	4,839,933	-
Costs and expenses	(19,829,236)	(384,029)	(1,903,216)	(198,484)
Other income - net	5,648,205	-	631,010	7,611,146
Net income (loss)	27,868,415	(384,029)	3,540,327	6,577,500
Total comprehensive income (loss)	27,849,732	(384,029)	3,540,327	6,577,500
Statements of Cash Flows				
Cash flows from:				
Operating activities	48,059,929	425,000	2,314,317	795,185
Investing activities	(10,422)	(425,000)	(672,000)	-
Financing activities	(42,400,000)	-	-	-
<hr/>				
2024	CCPC	PLHI	HSAPI	ACHC
Statements of Financial Position				
Current assets	P216,268,153	P104,310	P4,246,635	P62,504,671
Noncurrent assets	38,421,220	277,764,816	88,426,792	-
Current liabilities	(75,918,428)	(4,924,808)	(72,831,532)	(63,709)
Noncurrent liabilities	(5,968,259)	(5,317,971)	-	(448,380)
Statements of Financial Performance				
Revenue	23,231,005	-	1,334,186	-
Costs and expenses	(15,655,817)	(364,749)	(1,700,680)	(101,061)
Other income - net	7,011,694	-	592,883	5,967,343
Net income (loss)	12,367,761	(364,749)	219,304	5,409,211
Total comprehensive income (loss)	12,397,710	(364,749)	219,304	5,409,211
Statements of Cash Flows				
Cash flows from:				
Operating activities	3,622,695	170,000	(39,270)	(2,789,237)
Investing activities	-	(170,000)	-	-
Financing activities	(30,000,000)	-	-	-
<hr/>				
2023	CCPC	PLHI	HSAPI	ACHC
Statements of Financial Position				
Current assets	P224,037,343	P190,292	P2,705,812	P56,641,280
Noncurrent assets	42,805,849	277,518,000	89,786,866	-
Current liabilities	(69,789,723)	(4,399,225)	(72,870,087)	(57,909)
Noncurrent liabilities	(6,648,493)	(5,317,971)	-	-
Statements of Financial Performance				
Revenue	48,282,636	-	1,334,186	-
Costs and expenses	(21,726,415)	(364,744)	(1,838,456)	(156,156)
Other income - net	5,594,986	-	319,863	2,843,249
Net income (loss)	25,476,701	(364,744)	(184,407)	2,687,093
Total comprehensive income (loss)	25,569,181	(364,744)	(184,407)	2,687,093
Statements of Cash Flows				
Cash flows from:				
Operating activities	46,643,107	-	1,070,481	16,425,917
Investing activities	(22,969)	-	(125,443)	-

13. Other Noncurrent Assets

This account consists of:

	<i>Note</i>	2025	2024
Investment in unquoted shares - net		P47,344,660	P47,344,660
Deposits for stock subscription	17	2,866,376	2,866,376
Refundable deposits		980,731	980,731
Noncurrent portion of deferred input VAT		780,853	825,914
Others		567,480	567,480
		52,540,100	52,585,161
Net unrealized fair value loss		(34,493,533)	(34,493,533)
		P18,046,567	P18,091,628

Investment in unquoted shares pertains to the Parent Company's 18% equity interest in Asian Alliance Holdings & Development Corp., designated by management as financial assets at FVOCI.

The assumed fair value of the said equity investment amounted to P12.85 million as at December 31, 2025 and 2024, determined using the investee's latest net asset value. In 2024, the Parent Company recognized a fair value loss amounting P2.49 million. As at December 31, 2025 and 2024, net unrealized fair value loss relating to the Parent Company's investment in unquoted shares amounted to P34.49 million. Management does not plan to sell or dispose of the shares within one year from the reporting date.

Sensitivity Analysis

Significant increase (decrease) in the net asset would result in a significantly higher (lower) fair value measurement.

Refundable deposits pertain to bill deposits and guaranty deposits paid to utility companies.

Others include construction bond amounting to P0.13 million as at December 31, 2025 and 2024.

The Parent Company's exposure to credit risk related to refundable deposits and construction bond is disclosed in Note 26 to the separate financial statements.

14. Accounts and Other Payables

This account consists of:

	Note	2025	2024
Trade payable		P54,318,574	P64,089,550
Contract liabilities		13,566,191	12,646,166
Deposits for document processing		10,001,548	7,450,353
Unearned rental income	25	4,125,175	2,385,157
Statutory payable		2,757,576	1,767,883
Payable to directors and officers	17	3,702,210	3,965,105
Accrued expenses:			
Outsourced services		755,675	682,337
Professional fees		702,740	566,760
Commission		78,504	449,272
Utilities and communication		190,571	173,602
Others		877,839	785,232
		P91,076,603	P94,961,417

Trade payable pertains to the outstanding liabilities for purchase of land, payable to contractors and suppliers. These are noninterest-bearing and are normally settled on a 30 to 60-day credit terms.

Contract liabilities represent payments of buyers which do not qualify yet for revenue recognition as real estate sales and nonrefundable reservation fees received from prospective buyers. The Parent Company requires buyers to pay a minimum percentage of the total selling price before they enter into a sale transaction. Collections from buyers which have not reached the minimum required percentage are treated as contract liabilities. Revenue recognized in 2025, 2024 and 2023 from contract liabilities amounted to P4.59 million, P0.01 million and P3.44 million, respectively.

Deposits for document processing represent collections from real estate buyers which are intended for the completion of closing requirements.

Statutory payable includes amounts payable to government agencies such as BIR, SSS, PhilHealth and Pag-IBIG which are normally settled in the following month.

Accrued expenses consist mainly of utilities, communication, outsourced services and professional fees which are normally settled in the following month.

The Parent Company's exposure to liquidity risk related to accounts and other payables is disclosed in Note 26 to the separate financial statements.

15. Net Retirement Benefits Liability

The Parent Company has a funded, non-contributory tax-qualified defined benefit type of retirement plan (the Plan) covering substantially all of its regular employees. The Parent Company values its defined benefit obligation using the projected unit credit method. This Plan is administered by a local bank as trustee and provides for a lump-sum benefit payment upon retirement. The Plan provides for a minimum benefit of one-half month of final salary per year of credited service. The benefit shall be payable to employees with at least five years of continuous service and attained age of:

- 60 years;
- 50 years with completion of at least 10 years of service; or
- More than 60, on a case-to-case and year-to-year extension basis.

The latest actuarial valuation report of the retirement plan was made as at December 31, 2025.

Under the existing regulatory framework, Republic Act 7641, *The Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The plan typically exposes the Parent Company to actuarial risks such as: interest rate risk, longevity risk, investment risk, and salary risk.

Interest Risk

A decrease in the government bond interest rate will increase the plan liability.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Investment Risk

if the actual return on plan assets is below the discount rate used in calculating the present value of the retirement liability, a plan deficit will arise. However, the compositions of plan assets are balanced enough not to expose the Parent Company to significant concentrations of investment risk.

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2025	2024
Discount rate	6.31%	6.09%
Expected rate of salary increases	5.00%	5.00%

The following are the turnover rate assumption in 2025 and 2024:

Age	2025	2024
17 - 24	5%	5%
25 - 29	3%	3%
30 - 49	1%	1%

Mortality rates in 2025 and 2024 are based on the “1994 US Group Annuity Mortality Table”. Disability rate is based on “1952 Disability Table” from the Society of the Actuaries in the Philippines.

Retirement benefits costs presented as part of “Salaries, wages and other benefits” account under “Selling and Administrative Expenses” in the separate statements of comprehensive income are as follows (see Notes 20 and 22):

	2025	2024	2023
Current service cost	P2,038,399	P1,759,528	P1,346,393
Interest cost	1,609,087	1,455,027	1,524,074
Interest income	(138,816)	(132,146)	(158,215)
	P3,508,670	P3,082,409	P2,712,252

The following table shows reconciliation from the opening balances to the closing balances of the net retirement benefits liability and its components:

	Present Value of Defined Benefit Obligation		Fair Value of Plan Assets		Net Retirement Benefits Liability	
	2025	2024	2025	2024	2025	2024
Balance at beginning of year	P26,421,788	P23,970,785	P2,279,404	P2,177,040	P24,142,384	P21,793,745
Recognized in Profit or Loss						
Current service cost	2,038,399	1,759,528	-	-	2,038,399	1,759,528
Interest expense	1,609,087	1,455,027	-	-	1,609,087	1,455,027
Interest income	-	-	138,816	132,146	(138,816)	(132,146)
	3,647,486	3,214,555	138,816	132,146	3,508,670	3,082,409
Recognized in OCI						
Remeasurements from:						
Actuarial gains arising from:						
Experience adjustments	(1,058,090)	(753,184)	-	-	(1,058,090)	(753,184)
Change in financial assumptions	(148,118)	(10,368)	-	-	(148,118)	(10,368)
Return on plan assets	-	-	(14,779)	(29,782)	14,779	29,782
	(1,206,208)	(763,552)	(14,779)	(29,782)	(1,191,429)	(733,770)
Balance at end of year	P28,863,066	P26,421,788	P2,403,441	P2,279,404	P26,459,625	P24,142,384

As at December 31, 2025 and 2024, the fair value of plan assets by each class are as follows:

	2025	2024
Deposits in banks	P1,625,295	P1,486,784
Equity securities	770,321	775,337
Other assets	9,246	25,185
Other accountabilities	(1,421)	(7,902)
	P2,403,441	P2,279,404

The composition of the fair value of the Fund includes:

Deposit in Banks - includes savings, demand deposits and special savings account (SSA).

Equity Securities - includes investments in common shares of corporations listed in the PSE.

Other Assets - includes accrued interest receivable from deposits in banks.

Other Accountabilities - pertain mainly to charges of trust or in the management of the Plan.

Sensitivity Analysis on the Actuarial Assumptions

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	Increase (Decrease)	Effect on Defined Benefit Obligation
<u>2025</u>		
Discount rates	+50 basis points	(P310,962)
	-50 basis points	347,455
Future salary increases	+1.00%	723,097
	-1.00%	(591,105)
<u>2024</u>		
Discount rates	+50 basis points	(244,684)
	-50 basis points	273,716
Future salary increases	+1.00%	568,885
	-1.00%	(464,185)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Maturity analysis of the undiscounted benefit payments:

	2025	2024
Less than five years	P28,840,592	P27,839,143
More than 10 years	98,610,926	89,183,657

The weighted-average duration of the net retirement benefits liability is 17 years as at December 31, 2025 and 2024.

Remeasurement Gain

The cumulative remeasurement gain on retirement benefits liability recognized in equity are as follows:

	Accumulated Remeasurement	Deferred Income Tax (see Note 24)	Accumulated Remeasurement - net of tax
Balance as at December 31, 2022	P5,709,021	P1,427,254	P4,281,767
Remeasurement losses	(58,379)	(14,595)	(43,784)
Balance as at December 31, 2023	5,650,642	1,412,659	4,237,983
Remeasurement gains	733,770	183,442	550,328
Balance as at December 31, 2024	6,384,412	1,596,101	4,788,311
Remeasurement gains	1,191,429	297,857	893,572
Balance as at December 31, 2025	P7,575,841	P1,893,958	P5,681,883

The recommended contribution for the Parent Company's retirement fund for the year 2026 amounted to P15.07 million (based on the Funding Valuation as at December 31, 2025).

Asset-liability Matching (ALM)

The Parent Company has no specific matching strategy for retirement. The Parent Company is not required to pre-fund the future defined benefits payable under the retirement plan before they become due. For this reason, the amount and timing of contributions depend on the Parent Company's discretion. However, in the event a benefit claim arises, the Parent Company will pay the obligation.

16. Equity

Capital Stock

Details of the Parent Company's capital stock with P0.10 par value as at December 31, 2025 and 2024 are as follows:

	Shares	Amount
Authorized	24,000,000,000	P2,400,000,000
Issued*		
Balance at beginning and end of year	19,775,232,460	P1,977,523,246

**The number of issued shares include treasury shares.*

APIC represents the excess of proceeds over aggregate par or stated value of common shares which amounted to P118.57 million as at December 31, 2025 and 2024.

Details of the Parent Company's treasury stock are as follows:

	2025	2024
Treasury Stock		
4,815,232,510 common shares with average cost of P0.10 per share	P481,523,251	P481,523,251

Dividend Declaration

On February 28, 2023, the BOD of the Parent Company approved the declaration of stock dividends amounting to P150.00 million, subject to compliance with regulatory requirements. Subsequently, on May 4, 2024, the BOD of the Parent Company approved the declaration of a property dividend, to be distributed from the Parent Company's treasury shares at an entitlement ratio of 0.10 common share for every one (1) Parent Company common share held. On December 10, 2024, the BOD of the Parent Company clarified that the stock dividend approved in 2023 was to be superseded by the property dividend approved in May 2024. As at December 31, 2025, the property dividend declared is still subject to SEC approval.

The Parent Company's track of record of its securities as follows:

Date of Approval	Issued and Subscribed		Issue/ Offer Price
	No. of Shares	Amount	
October 24, 1969	1,699,999,995	P1,699,999,995	P1.00
January 10, 2008*	11,900,000,015	(339,999,994)	0.10
August 18, 2014	4,815,232,470	481,523,247	0.10
May 7, 2019	1,359,999,980	135,999,998	0.10

**In 2008, the Parent Company had capital restructuring which resulted in a decrease in subscribed capital from P1.70 billion to P1.36 billion and reduction in the par value per share from P1 par value per share to P0.10 par value per share.*

The Parent Company has 362 shareholders as at December 31, 2025 and 2024.

Retained Earnings

In accordance with SEC Memorandum Circular No. 16-2023 issued in December 2008, the Parent Company's retained earnings available for dividend declaration as at December 31, 2025 and 2024 amounted to P278.01 million and P254.66 million, respectively.

Other Equity Reserves

This account includes cumulative remeasurement gain on net retirement benefits liability and net unrealized fair value loss on investment in unquoted shares at FVOCI (see Notes 13 and 15).

Capital Management

The primary objective of the Parent Company's capital management is to ensure that it maintains a strong credit standing and stable capital ratios in order to support its business and maximize shareholder value. The Parent Company maintains its current capital structure and will make adjustments, if necessary, in order to generate a reasonable level of returns to stockholders over the long term.

The Parent Company reviews its capital structure on an annual basis. As part of its review, the Parent Company considers the cost of capital and the risks associated with it.

The Parent Company monitors capital using debt to equity ratio, which is total debt divided by total equity as follows:

	2025	2024
Debt	P123,159,633	P123,846,488
Equity	2,367,336,468	2,338,244,515
Debt-to-Equity Ratio	0.05:1	0.05:1

Debt is composed of all liabilities while equity includes capital stock, additional paid-in capital, other equity reserves, and retained earnings less treasury stock.

Pursuant to the PSE's rules on minimum public ownership, at least 10% of the issued and outstanding shares of a listed company must be owned and held by the public. The public ownership is about 30.3% and 18.7% as at December 31, 2025 and 2024, respectively.

There were no changes were made in the Parent Company's objectives, policies or processes in 2025 and 2024.

17. Related Party Transactions

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities that are under common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel, directors, or its stockholders.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

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

The following table summarizes the Parent Company's significant transactions and balances with related parties as at December 31, 2025 and 2024:

Category/ Transaction	Note	Amount of Transaction		Outstanding Receivable (Payable)		Terms and Conditions
		2025	2024	2025	2024	
Key Management Personnel						
<i>Receivables</i>						
Loan	7, 17a	P -	P -	P9,753,006	P10,032,911	Interest-bearing; secured; no impairment; collectible in cash
Interest income from loan receivable	23	646,087	663,527	-	-	
Collection		(646,087)	(663,527)	-	-	
<i>Accounts and Other Payables</i>						
Directors and officers profit-sharing	14, 17b, 20	3,702,210	3,965,105	(3,702,210)	(3,965,105)	noninterest-bearing; unsecured; payable in cash; payable on demand
Director fees Payments	17c, 20	1,444,444	1,511,111	-	-	
		(1,444,444)	(1,511,111)	-	-	
Subsidiaries						
<i>Due from Subsidiaries</i>						
Advances for working capital	17d	98,783,255	-	72,477,186	72,477,186	Noninterest-bearing; unsecured; no impairment, collectible in cash, due on demand
Collections		(98,783,255)	-	-	-	

Forward

Category/ Transaction	Note	Amount of Transaction		Outstanding Receivable (Payable)		Terms and Conditions
		2025	2024	2025	2024	
<i>Deposits for Future Stock Subscription</i>						
Deposits	12, 17e	P -	P -	P2,866,376	P2,866,376	Noninterest-bearing; unsecured, no impairment
<i>Security Deposits</i>						
Rental Deposits	17f, 25	-	-	(480,296)	(480,296)	Noninterest-bearing; unsecured
Reimbursements	17g	818,334	525,583	5,353,618	4,535,284	Noninterest-bearing; unsecured; no impairment, due on demand
Dividend income	12, 17h, 18	20,384,615	14,423,077	-	-	
Collection		(20,384,615)	(14,423,077)	-	-	
Management fees	17i, 18	7,200,000	7,200,000	-	-	
Collection		(7,200,000)	(7,200,000)	-	-	
Rental Income	17j, 18	4,384,800	4,384,800	-	-	
Collection		(4,384,000)	(4,384,000)	-	-	

- a. The Parent Company granted a long-term loan in 2023 that became a related party loan in 2024 (see Note 7).
- b. The directors and officers of the Parent Company are entitled to receive profit-sharing based on the performance of the Parent Company.
- c. Directors fees pertains to per diem of directors during Parent Company's meetings and events.
- d. The Parent Company provides financial support to its subsidiary through advances for working capital requirements. These advances are intended to fund the subsidiary's operational needs and are noninterest-bearing, and unsecured.
- e. The Parent Company made deposits for stock subscription on future increase in the subsidiary's authorized capital. As at December 31, 2025, the planned increase in authorized capital stock has not yet been finalized, thus, no application has been made with the SEC (see Note 12).
- f. The Parent Company received security deposits from a related party by virtue of the lease agreement (see Note 25).
- g. The Parent Company charges its subsidiary for expenses paid on behalf of its subsidiary which amounted to P0.82 million and P0.53 million in 2025 and 2024, respectively.
- h. The Parent Company's subsidiary declared a P42.40 million and P30.00 million cash dividend in 2025 and 2024, respectively. Of the total amount, P20.38 million and P14.42 million in 2025 and 2024, respectively, pertains to the Parent Company (see Note 12).
- i. The Parent Company entered into a management services agreement with a subsidiary for back-office and operational services which include among others, bookkeeping and accounting, brokers management and tax compliance. In consideration, the Parent Company receives a fixed management fee amounting to P0.60 million per month.
- j. The Parent Company earns rental income from leasing its property to a related party. Rental income is recognized on a straight-line basis over the lease term in accordance with the lease agreement.

The outstanding balances with related parties are expected to be settled in cash.

Key Management Compensation

Compensation of key management personnel consisting of short-term salaries, government mandated benefits and post-employment benefits amounted to P16.79 million, P15.04 million and P11.47 million in 2025, 2024, and 2023, respectively.

18. Revenue

This account consists of:

		2025			
Note	Investing Activities	Real Estate Activities	Service	Total	
Revenue from Contracts with Customers					
Recognized at a point in time:					
Real estate sales	P -	P33,626,608	P -	P33,626,608	
Management fees	-	-	7,200,000	7,200,000	
Recognized over time -					
Interest income	5,669,565	-	-	5,669,565	
Revenue from Other Sources					
Rental income	23,991,562	-	-	23,991,562	
Dividend income	23,145,116	-	-	23,145,116	
		P52,806,243	P33,626,608	P7,200,000	P93,632,851

		2024			
Note	Investing Activities	Real Estate Activities	Service	Total	
Revenue from Contracts with Customers					
Recognized at a point in time:					
Real estate sales	P -	P6,115,872	P -	P6,115,872	
Management fees	-	-	7,200,000	7,200,000	
Recognized over time -					
Interest income	5,047,112	-	-	5,047,112	
Revenue from Other Sources:					
Rental income	20,298,483	-	-	20,298,483	
Dividend income	17,385,792	-	-	17,385,792	
		P42,731,387	P6,115,872	P7,200,000	P56,047,259

		2023			
Note	Investing Activities	Real Estate Activities	Service	Total	
Revenue from Contracts with Customers:					
Recognized at a point in time:					
Real estate sales	P -	P23,870,171	P -	P23,870,171	
Management fees	-	-	7,200,000	7,200,000	
Recognized over time -					
Interest income	7,198,612	-	-	7,198,612	
Revenue from Other Sources:					
Rental income	19,939,282	-	-	19,939,282	
Dividend income	4,218,762	-	-	4,218,762	
		P31,356,656	P23,870,171	P7,200,000	P62,426,827

Dividend income is attributable to:

	Note	2025	2024	2023
Dividends declared by subsidiaries	12, 17	P20,384,615	P14,423,077	P -
Investments in quoted shares	6	2,760,501	2,962,715	4,218,762
		P23,145,116	P17,385,792	P4,218,762

19. Cost of Real Estate Sales

This account consists of:

	Note	2025	2024	2023
Houses	8	P11,566,393	P2,678,609	P7,893,087
Condominium units and parking slots	8	1,803,466	-	1,495,181
		P13,369,859	P2,678,609	P9,388,268

20. Selling and Administrative Expenses

This account consists of:

	Note	2025	2024	2023
Salaries, wages and other benefits	22	P24,322,247	P22,502,712	P19,125,086
Taxes and licenses		9,302,279	659,919	760,443
Outside services		8,628,955	7,849,043	7,087,561
Meetings and seminars		5,924,157	5,804,781	5,465,762
Depreciation	11	4,993,065	4,606,574	3,411,883
Directors and officers profit sharing remuneration	17	3,702,210	3,965,105	6,888,504
Supplies		3,069,363	3,654,047	2,289,208
Utilities		2,491,360	2,178,832	1,861,166
Professional fees		1,995,462	2,611,265	2,085,036
Insurance		1,969,046	1,991,025	1,695,125
Repairs and maintenance		1,900,483	1,726,282	1,873,840
Director's fees	17	1,444,444	1,511,111	1,644,444
Commissions		1,425,553	1,665,491	1,591,342
Transportation and travel		1,234,378	1,215,107	1,179,968
Unrecoverable input VAT		781,538	443,269	2,177,425
Committee meetings		600,000	525,000	515,000
Association dues		488,941	480,787	480,787
Listing fees		255,958	253,500	256,875
Others		1,554,963	582,241	3,282,424
		P76,084,402	P64,226,091	P63,671,879

Taxes and licenses include real property taxes, documentary stamp taxes, business taxes and other non-recurring tax payments.

21. Depreciation

Depreciation is attributable to:

	Note	2025	2024	2023
Investment properties	10	P8,962,172	P9,009,856	P8,369,489
Property and equipment	11	4,993,065	4,606,574	3,411,883
		P13,955,237	P13,616,430	P11,781,372

Depreciation on investment properties and property and equipment are recognized under "Direct Costs" and "Selling and Administrative Expenses", respectively (see Notes 10 and 11).

22. Personnel Costs

This account consists of:

	Note	2025	2024	2023
Salaries and wages		P17,372,328	P16,298,144	P13,242,033
Retirement benefit costs	15	3,508,670	3,082,409	2,712,252
Other employee benefits		3,441,249	3,122,159	3,170,801
		P24,322,247	P22,502,712	P19,125,086

Personnel costs are charged to "Selling and Administrative Expenses" account (see Note 20).

23. Other Income - net

This account consists of:

	Note	2025	2024	2023
Interest income on:				
Cash in banks and cash equivalents	4	P17,220,520	P27,583,692	P25,344,862
Loan receivable	7	646,087	663,527	41,167
Unrealized gain (loss) on changes in:				
Foreign exchange rates		8,784,774	5,086,318	970,289
Fair value of investments in quoted shares	6	7,132,830	614,055	(6,449,322)
Fair value of short-term investments	5	(22,119)	33,762	-
Association dues		2,226,644	1,629,291	1,603,605
Utilities recharges		1,161,293	905,136	519,346
Gain (loss) on:				
Sale of investments in quoted shares	6	1,104,904	4,351,148	12,278,632
Redemption of short-term investments	5	707,990	1,047,026	377,327
Contract cancellations and forfeitures		35,714	(619,605)	8,459
Surcharge		741,961	524,531	596,338
Gain on reversal of allowance for impairment losses on receivables	7	-	-	471,236
Others		16,066	1,463,457	(1,834)
		P39,756,664	P43,282,338	P35,760,105

24. Income Taxes

Components of provision for (benefit from) income tax are as follows:

	2025	2024	2023
Current income tax	P1,205,529	P1,002,496	P912,092
Deferred income tax	2,283,913	231,315	(1,165,781)
	P3,489,442	P1,233,811	(P253,689)

The Parent Company's current income tax expense represents MCIT in 2025, 2024 and 2023.

For the years ended December 31, 2025 and 2024, the income tax effects of the temporary differences that resulted in deferred income tax assets and liabilities are presented below:

2025	Balance at January 1	Recognized in Profit or Loss	Recognized in OCI	Balance at December 31
Deferred Income Tax Assets (Liabilities)				
Retirement benefits liability	P7,631,698	P877,167	P -	P8,508,865
Allowance for probable losses on investment properties	6,365,152	-	-	6,365,152
Payable to directors and officers	991,276	(65,723)	-	925,553
Allowance for impairment losses on receivables	522,772	-	-	522,772
Accrued expenses	456,013	28,488	-	484,501
Unrealized gains from changes in fair value of short-term investments and investments in quoted shares	(1,686,235)	(1,777,679)	-	(3,463,914)
Excess gross profit over collections	(2,523,008)	(421,552)	-	(2,944,560)
Unrealized foreign exchange gains	(1,271,579)	(924,614)	-	(2,196,193)
Remeasurement gains on retirement benefits	(1,596,101)	-	(297,857)	(1,893,958)
	P8,889,988	(P2,283,913)	(P297,857)	P6,308,218

2024	Balance at January 1	Recognized in Profit or Loss	Recognized in OCI	Balance at December 31
Deferred Income Tax Assets (Liabilities)				
Retirement benefits liability	P6,861,096	P770,602	P -	P7,631,698
Allowance for probable losses on investment properties	6,365,152	-	-	6,365,152
Payable to directors and officers	1,722,126	(730,850)	-	991,276
Allowance for impairment losses on receivables	522,772	-	-	522,772
Accrued expenses	269,480	186,533	-	456,013
Excess gross profit over collections	(4,780,650)	2,257,642	-	(2,523,008)
Unrealized gains from changes in fair value of short-term investments and investments in quoted shares	-	(1,686,235)	-	(1,686,235)
Remeasurement gains on retirement benefits	(1,412,659)	-	(183,442)	(1,596,101)
Unrealized foreign exchange gains	(242,572)	(1,029,007)	-	(1,271,579)
	P9,304,745	(P231,315)	(P183,442)	P8,889,988

Deferred income tax assets have not been recognized in respect of the following items after the management assessed that each entity may not be able to generate sufficient taxable income from which the deferred income tax assets can be applied in future periods:

	2025	2024
NOLCO	P8,770,835	P8,770,835
MCIT	2,064,187	1,388,036
	P10,835,022	P10,158,871

The NOLCO, which was incurred in 2024, amounting to P8.77 million can be claimed as deduction from future taxable income until 2027.

The details of the Parent Company's MCIT, which can be claimed as tax credits against future income tax liabilities, are as follows:

Year	Amount	Additions During the Year	Expired During the Year	Balance at End of Year	Expiry Year
2025	P -	P885,617	P -	P885,617	2028
2024	1,002,496	-	-	1,002,496	2027
2023	176,074	-	-	176,074	2026
2022	209,466	-	(209,466)	-	2025
	P1,388,036	P885,617	(P209,466)	P2,064,187	

The reconciliation between the provision for income tax based on statutory tax rate and the effective income tax rate on income before income tax is as follows:

	2025	2024	2023
Provision for income tax computed at statutory tax rate	P7,921,956	P4,966,594	P3,406,708
Tax effects of:			
Income subject to a final tax and exempt from income tax	(8,750,097)	(9,558,606)	(6,880,246)
Nondeductible expenses	3,431,966	2,630,620	3,043,775
Changes in unrecognized deferred income tax assets	885,617	3,195,203	176,074
	P3,489,442	P1,233,811	(P253,689)

25. Commitments and Contingencies

A. Operating Lease Agreements

The Parent Company leased out certain commercial spaces of its building to several parties under various cancellable and noncancellable operating lease agreements for periods between 1 to 10 years. All leases include an annual escalation clause based on rental rates.

Security deposits amounting to P5.62 million and P4.74 million as at December 31, 2025 and 2024, respectively, are noninterest-bearing and will be refunded at the end of the lease term.

Unearned rental income presented under "Accounts and other payables" account in the separate statements of financial position amounted to P4.13 million and P2.39 million as at December 31, 2025 and 2024 (see Note 14).

Rental income recognized amounted to P23.99 million, P20.30 million and P19.94 million in 2025, 2024 and 2023, respectively (see Note 18).

Billed rental receivable amounted to P2.67 million and P1.83 million as at December 31, 2025 and 2024, respectively (see Note 7).

Future minimum lease receivables to be collected based on existing contracts are as follows:

	2025	2024
Not later than one year	P15,432,138	P14,810,162
Later than one year but not later than five years	34,925,189	46,129,165
	P50,357,327	P60,939,327

B. Management Services Agreement

The Parent Company entered into management services agreement with a subsidiary to cover the cost of backroom personnel and the related overhead. Under the terms of agreement, the Parent Company shall bill the subsidiary for a fixed management fee for the services rendered. Management fees amounted to P7.20 million in 2025, 2024 and 2023 (see Note 18).

C. Contingencies

The Parent Company is a party to certain claims, assessments and contingencies arising in the ordinary course of business. Management has assessed these matters, in consultation with legal advisors, and believes that the resolution of these matters is not expected to have a material adverse effect on the Parent Company's unconsolidated financial position or results of operations.

Disclosures have been made in accordance with the principles of PAS 37, where appropriate. Certain information required under the standard has been withheld to avoid prejudicing the Parent Company's position in ongoing proceedings. Should circumstances change, the Parent Company will reassess and apply the appropriate accounting treatment under PAS 37 in future periods.

26. Financial Instruments Risk Management Policies and Objectives

The Parent Company's financial assets comprise of cash and cash equivalents, receivables, refundable deposits, construction bond, short-term investments and investments in quoted and unquoted shares. The Parent Company's financial liabilities comprise accounts and other payables (excluding contract liabilities, deposits for document processing unearned rental income and statutory payable) and security deposits. The main purpose of these financial instruments is to finance the Parent Company's operations.

The main risks arising from the Parent Company's financial instruments are market risk, credit risk and liquidity risk. The Parent Company's BOD and management review and approve the policies for managing each of the risks summarized below.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Parent Company is exposed to market risk specifically to interest rate risk, foreign currency risk and equity price risk. Financial instruments affected by market risk include cash and cash equivalents and equity investments.

The sensitivity analyses in the following sections relate to the separate statements of financial position as at December 31, 2025 and 2024.

The sensitivity of the relevant items in the separate statements of comprehensive income is the effect of the assumed changes in respective market risks. This is based on the financial assets and liabilities held as at December 31, 2025 and 2024.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Parent Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Parent Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Parent Company has transactional currency exposures arising from purchase and construction contract transactions denominated in currencies other than the functional currency. The Parent Company does not enter into forward contracts to hedge currency exposures. To mitigate the Parent Company's exposure to foreign currency risk, foreign currency cash flows and fluctuations in the foreign exchange rates are monitored.

The carrying amounts of the Parent Company's foreign currency denominated assets are as follows:

Foreign Currency	Amount in Foreign Currency		Equivalent in PHP	
	2025	2024	2025	2024
<u>Cash in Banks</u>				
US Dollar (USD)	2,598	106,069	P152,732	P6,135,559
Singapore Dollar (SGD)	4,483	10,224	205,431	436,472
Japanese Yen (JPY)	286,638	286,638	107,661	105,253
Great British Pound (GBP)	14	-	1,086	-
<u>Investments in Quoted Shares</u>				
USD	215,789	71,100	12,686,211	4,112,804
SGD	456,070	288,813	20,896,979	12,329,994
JPY	11,322,653	13,932,000	4,252,788	5,115,830
Hongkong Dollar (HKD)	1,899,372	1,770,224	14,372,358	13,220,741

For purposes of translating the outstanding balance of the Parent Company's foreign currency-denominated assets, the exchange rates applied were as follows:

Foreign Currency	Exchange Rate to PHP	
	2025	2024
USD	P58.79	P57.85
SGD	45.82	42.69
JPY	0.38	0.37
HKD	7.57	7.47
GBP	79.41	-

Sensitivity Analysis

The following tables demonstrates the sensitivity to a reasonably possible change in foreign exchange rates, with all variables held constant, of the Parent Company's income before income tax (due to changes in the fair value of monetary assets and liabilities):

	Increase (Decrease) in Foreign Currency Rate		Effect on Income Before Income Tax	
			Increase (Decrease)	
	2025	2024	2025	2024
USD	0.10%	0.80%	P13,103	P82,384
	-0.10%	-0.80%	(13,103)	(82,384)
SGD	6.74%	1.33%	1,423,248	169,883
	-6.74%	-1.33%	(1,423,248)	(169,883)
JPY	-0.96%	11.11%	41,793	580,120
	0.96%	-11.11%	(41,793)	(580,120)
HKD	1.24%	0.62%	178,351	82,138
	-1.24%	-0.62%	(178,351)	(82,138)
GBP	3.87%	-	42	-
	-3.87%	-	(42)	-

Equity Price Risk

Equity price risk exposure relates to fluctuation in fair values as a result of changes in market prices of financial assets at FVTPL arising from factors affecting all instruments traded in the market. The Parent Company's market risk policy requires it to manage such risk by setting and monitoring objectives and constraints on investments.

The following table demonstrates the sensitivity to a reasonably possible change in the PSE and other stock exchange index, with all other variables held constant, of the Parent Company's unrealized gain and loss on investments in quoted shares:

	Increase (Decrease) in Composite Index		Effect on Income Before Income Tax	
			Increase (Decrease)	
	2025	2024	2025	2024
PSE	7%	1%	P1,509,619	P250,588
	-7%	-1%	(1,509,619)	(250,588)
Others	26%	18%	13,334,019	6,234,649
	-26%	-18%	(13,334,019)	(6,234,649)

The sensitivity analyses shown above are based on the assumption that the movement in PSE composite index and other stock exchanges will most likely be limited to an upward or downward fluctuation of 7% and 26% in 2025 and 1% and 18% in 2024.

The analyses below are performed for reasonably possible movements in the UITFs with all other variables held constant, showing the impact on equity of the Parent Company's unrealized gain and loss on short-term investments as a result of 100 basis points increase (decrease) in interest rates:

	2025		2024	
	Effect on Income before Income Tax	Duration	Effect on Income before Income Tax	Duration
	BDO UITF Money Market	+/- P41,059	0.05 year	+/- P190,213
BDO UITF Short Term	+/- 64,057	0.03 year	+/- 17,624	0.22 year

Interest Rate Risk

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

The primary source of the Parent Company's interest rate risk relates to its cash and cash equivalents. The interest rates on cash and cash equivalents are disclosed in Note 4. Cash and cash equivalents are short-term in nature and with the current interest rate level, any variation in the interest will not have a material impact on the profit or loss of the Parent Company.

The following table demonstrates the sensitivity of the Parent Company's income before income tax to a reasonably possible change in interest rates of its cash and cash equivalents as at December 31, with all variables held constant:

	Increase (Decrease) in Interest Rate	Effect on Income Before Income Tax Increase (Decrease)
2025	+100 basis points	P4,297,697
	-100 basis points	(4,297,697)
2024	+100 basis points	4,850,232
	-100 basis points	(4,850,232)

Credit Risk

Credit risk is the risk when a counterparty fails to fulfill its obligations to the Parent Company. Counterparties such as banks and customers who pay on or before due date have minimum risk exposure because default in settling its obligations is remote. The Parent Company has adopted stringent procedures in evaluating and accepting risk by setting counterparty and transaction limits. In addition, the Parent Company has policies in place to ensure that sales are made to customers with an appropriate credit history. The Parent Company deals only with reputable banks and customers to limit this risk.

In respect of installments receivable from the sale of real estate properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Parent Company also undertakes supplemental credit review procedures for certain installment payment structures. Customer payments are facilitated through various collection modes including the use of post-dated checks. Exposure to bad debts is not significant as title to real estate properties are not transferred to the buyers until full payment has been made and the requirement for remedial procedures is minimal given the profile of the buyers. Also, to the extent allowed by regulations, certain payments are not returned which minimizes exposure to bad debts.

Other financial assets comprised cash and cash equivalents, receivables, due from related parties, refundable deposits and construction bond. The Parent Company adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank limits are established on the basis of an internal rating system that principally covers the areas at liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. Nevertheless, the Parent Company closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

The Parent Company's maximum exposure to credit risk as at December 31, 2025 and 2024 is equal to the carrying values of its financial assets, except for installment contracts receivable and loan receivable. The table below shows the gross maximum exposure of the Parent Company to credit risk before taking into consideration collateral and other credit enhancements:

	Note	2025	2024
Cash and cash equivalents	4	P429,769,652	P485,023,156
Receivables - net	7	63,799,643	54,516,399
Due from related parties	17	72,477,186	72,477,186
Refundable deposits	13	980,731	980,731
Construction bond*	13	131,900	131,900
		P567,159,112	P613,129,372

* Included as part of "Others" under "Other noncurrent assets" account

Maximum Exposure to Credit Risk after Credit Enhancements

The table below shows the maximum exposures to credit risk of the Parent Company on its installment contracts receivable and loan receivable, after considering the effects of credit enhancements:

Credit Risk Exposure Relating to Balance Sheet Assets	Carrying Amount	2025		
		Fair Value of Collateral or Credit Enhancement	Maximum Exposure to Credit Risk after Credit Enhancements	Financial Effect of Collateral or Credit Enhancement
Installment contracts receivables	P41,040,167	P115,248,000	P -	P115,248,000
Loan receivable	9,753,006	7,912,000	1,841,006	7,912,000
	P50,793,173	P123,160,000	P1,841,006	P123,160,000

Credit Risk Exposure Relating to Balance Sheet Assets	Carrying Amount	2024		
		Fair Value of Collateral or Credit Enhancement	Maximum Exposure to Credit Risk after Credit Enhancements	Financial Effect of Collateral or Credit Enhancement
Installment contracts receivables	P33,602,140	P108,598,000	P -	P108,598,000
Loan receivable	10,032,911	7,912,000	2,120,911	7,912,000
	P43,635,051	P116,510,000	P2,120,911	P116,510,000

Credit Enhancements

For installment contracts receivable, title to condominium units and houses is not transferred to the buyer until full payment has been made. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another contract to sell to another customer after certain proceedings had been completed. Given this, based on the experience of the Parent Company, the maximum exposure to credit risk at the reporting date is nil considering that fair value less cost to repossess of the real estate projects is higher than the exposure at default (i.e., recovery rate is more than 100%).

The loan receivable is secured by a pledge of parcel of land and upon default and breach of contract by the borrower, the Parent Company has the right to encumber the said property to satisfy the loan (see Note 7).

Credit Quality Rating

Credit risk is managed on a group basis. The Parent Company deals only with reputable banks and customers to limit this risk. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the Parent Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The compliance with credit limits by customers is regularly monitored by management.

The Parent Company limits its exposure to credit risk by investing its cash and cash equivalents only with banks that have good credit standing and reputation in the local and international banking industry. For installment contracts receivable, loan receivable, refundable deposits, construction bond and other receivables, credit risk is low since the Parent Company only transacted with reputable companies with respect to these financial assets or the financial assets have credit enhancements.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

As at December 31, 2025 and 2024, the amount of cash and cash equivalents is neither past due nor impaired and was classified as "High Grade"; refundable deposits, construction bond, due from related parties and receivables (excluding impaired) were classified as "Standard Grade"; and impaired receivables were classified as "Substandard Grade". The credit quality of such financial assets at amortized cost is managed by the Parent Company using the internal credit quality ratings as follows:

- *High Grade*
Pertains to counterparty who is not expected by the Parent Company to default in settling its obligations, thus credit risk exposure is minimal. This normally includes large prime financial institutions and companies. Credit quality was determined based on the credit standing of the counterparty.
- *Standard Grade*
Pertains to counterparty with performance rating ranging from satisfactory to acceptable and repayment capacity has to be monitored. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.
- *Substandard Grade*
Substandard grade financial assets are those which are considered worthless. These are accounts which have the probability of impairment based on historical trend.

The tables below show the credit quality of financial assets as at December 31, 2025 and 2024:

	2025					
	Neither Past Due nor Impaired			Past Due but not Impaired	Impaired	Total
	High Grade	Standard Grade	Substandard Grade			
Cash in banks and cash equivalents	P429,769,652	P -	P -	P -	P -	P429,769,652
Receivables	-	63,799,643	-	-	2,091,089	65,890,732
Due from related parties	-	72,477,186	-	-	-	72,477,186
Refundable deposits	-	980,731	-	-	-	980,731
Construction bond	-	131,900	-	-	-	131,900
	P429,769,652	P137,389,460	P -	P -	P2,091,089	P569,250,201

	2024					Total
	Neither Past Due nor Impaired			Past Due but not Impaired	Impaired	
	High Grade	Standard Grade	Substandard Grade			
Cash in banks and cash equivalents	P485,023,156	P -	P -	P -	P -	P485,023,156
Receivables	-	54,516,399	-	-	2,091,089	56,607,488
Due from related parties	-	72,477,186	-	-	-	72,477,186
Refundable deposits	-	980,731	-	-	-	980,731
Construction bond	-	131,900	-	-	-	131,900
	P485,023,156	P128,106,216	P -	P -	P2,091,089	P615,220,461

Impairment of Receivables (excluding Installment Contracts Receivable and Loan Receivable)

An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due for groupings of customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Impairment of Installment Contracts Receivable and Other Financial Assets at Amortized Cost

It is the Parent Company's policy to measure ECL on the above instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Parent Company limits its exposure to credit risk by investing its cash and cash equivalents only with banks that have good credit standing and reputation in the local and international banking industry.

For installment contracts receivable, loan receivable, due from project developer, due from related parties, refundable deposits, construction bond and other receivables, credit risk is low since the Parent Company only transacted with reputable companies with respect to these financial assets or the financial assets have credit enhancements.

Using the ECL allowance, the credit risk exposure on the Parent Company's impaired receivables amounted to P2.09 million in 2025 and 2024 (see Note 7).

The table below presents the summary of the Parent Company's exposure to credit risk and shows the credit quality of the assets by indicating whether the assets are subjected to 12-month ECL or lifetime ECL. Assets that are credit-impaired are separately presented.

	2025			Total
	12-month ECL	Lifetime ECL		
		Not credit impaired	Credit impaired	
Cash and cash equivalents	P429,769,652	P -	P -	P429,769,652
Receivables	50,793,173	13,006,470	2,091,089	65,890,732
Due from related parties	-	72,477,186	-	72,477,186
Refundable deposits	-	980,731	-	980,731
Construction bond	-	131,900	-	131,900
	P480,562,825	P86,596,287	P2,091,089	P569,250,201

	2024			
	Lifetime ECL			
	12-month ECL	Not credit impaired	Credit impaired	Total
Cash and cash equivalents	P485,023,156	P -	P -	P485,023,156
Receivables	43,635,051	10,881,348	2,091,089	56,607,488
Due from related parties	-	72,477,186	-	72,477,186
Refundable deposits	-	980,731	-	980,731
Construction bond	-	131,900	-	131,900
	P528,658,207	P84,471,165	P2,091,089	P615,220,461

As at December 31, 2025 and 2024, the aging analysis of the Parent Company's financial assets is as follows:

	2025				
	Current	1 to 30 Days	31 to 60 Days	More than 60 Days	Total
Cash and cash equivalents	P429,769,652	P -	P -	P -	P429,769,652
Receivables	61,565,786	100,397	19,353	4,205,196	65,890,732
Due from related parties	-	-	-	72,477,186	72,477,186
Refundable deposits	980,731	-	-	-	980,731
Construction bond	131,900	-	-	-	131,900
	P492,448,069	P100,397	P19,353	P76,682,382	P569,250,201

	2024				
	Current	1 to 30 Days	31 to 60 Days	More than 60 Days	Total
Cash and cash equivalents	P485,023,156	P -	P -	P -	P485,023,156
Receivables	52,239,238	107,557	23,373	4,237,320	56,607,488
Due from related parties	-	-	-	72,477,186	72,477,186
Refundable deposits	980,731	-	-	-	980,731
Construction bond	131,900	-	-	-	131,900
	P538,375,025	P107,557	P23,373	P76,714,506	P615,220,461

Concentration Risk

There are no credit concentration risks relating to the Parent Company's revenues in 2025, 2024 and 2023.

Liquidity Risk

Liquidity risk arises from the possibility that the Parent Company may encounter difficulties in raising funds to meet commitments from financial instruments. It may result from either the inability to sell assets quickly at fair values or failure to collect from counterparty.

The Parent Company's objective is to maintain a balance between continuity of funding and flexibility through related party advances and aims to manage liquidity as follows:

- To ensure that adequate funding is available at all times;
- To meet commitments as they arise without recurring unnecessary costs; and
- To be able to assess funding when needed at the least possible cost.

The tables below summarize the maturity profile of the Parent Company's financial liabilities based on undiscounted cash flows and based on the earliest date on which the Parent Company can be required to pay:

	2025					
	Payable on Demand	30 Days	60 Days	90 Days	120 Days and More	Total
Accounts payable and others*	P3,702,210	P2,605,329	P54,318,574	P -	P -	P60,626,113
Security deposits	-	-	-	-	5,623,405	5,623,405
	P3,702,210	P2,605,329	P54,318,574	P -	P5,623,405	P66,249,518

*Excluding contract liabilities, deposits for document processing, unearned rental income and statutory payable

	2024					Total
	Payable on Demand	30 Days	60 Days	90 Days	120 Days and More	
Accounts payable and others*	P3,965,105	P2,657,203	P64,089,550	P -	P -	P70,711,858
Security deposits	-	-	-	-	4,742,687	4,742,687
	P3,965,105	P2,657,203	P64,089,550	P -	P4,742,687	P75,454,545

*Excluding contract liabilities, deposits for document processing, unearned rental income and statutory payable

27. Fair Values of Financial Assets and Liabilities

The table below presents the carrying amounts and fair values of the Parent Company's financial assets and financial liabilities.

	2025		2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
At amortized cost:				
Cash and cash equivalents	P429,769,652	P429,769,652	P485,023,156	P485,023,156
Receivables	63,799,643	63,799,643	54,516,399	54,516,399
Due from related parties	72,477,186	72,477,186	72,477,186	72,477,186
Refundable deposits and construction bond*	1,112,631	1,112,631	1,112,631	1,112,631
At FVTPL -				
Investments in quoted shares	72,940,572	72,940,572	55,427,768	55,427,768
Short-term Investments	10,511,643	10,511,643	20,783,762	20,783,762
At FVOCI -				
Investment in unquoted shares	12,851,127	12,851,127	12,851,127	12,851,127
	P663,462,454	P663,462,454	P702,192,029	P702,192,029
Financial Liabilities				
At amortized cost:				
Accounts and other payables**	P60,626,113	P60,626,113	P70,711,858	P70,711,858
Security deposits	5,623,405	5,623,405	4,742,687	4,742,687
	P66,249,518	P66,249,518	P75,454,545	P75,454,545

*Included in "Other noncurrent assets" account

**Excluding contract liabilities, deposits for document processing, unearned rental income and statutory payable

The Parent Company has determined that the carrying amounts of cash and cash equivalents, receivables, due from related parties, accounts and other payables (excluding contract liabilities, deposits for document processing and statutory payable) reasonably approximate their fair values because these are mostly short term in nature.

The fair value of installment contracts receivable under "Receivables" account approximates its carrying amount as its interest rate approximates the market rate for a similar instrument.

The fair values of refundable deposits, construction bond and security deposits approximate its carrying amount. Management believes that the effect of discounting the future receipts/payments from these financial instruments using the prevailing market rates is not significant.

The details on fair value hierarchy and basis used in determining fair value of financial instruments measured at fair value are as follows:

	Basis for Fair Value	Fair Value Hierarchy
Short-term investments	Net Asset Value Per Unit (NAVPU)	Level 2
Investments in quoted shares	Quoted closing/bid price	Level 1
Investment in unquoted shares	Net assets	Level 3

The unobservable input on valuation of investment in unquoted shares include the net asset value which impacts the valuation of the investment. As at December 31, 2025 and 2024, if the net asset value of the investment increased (decreased) by 1% with all other variables held constant, net income and equity as at and for the years ended December 31, 2025 and 2024 would have been higher (lower).

The fair value hierarchy groups the financial instruments into Levels 1 to 3 based on the degree to which the fair value is observable. There were no transfers to and from Level 1, 2 and 3 in 2025 and 2024.

28. Note to Separate Statements of Cash Flows

The Parent Company's non-cash transactions include:

- In 2025, the Parent Company entered into a contract for an additional purchase price relating to existing parcels of land amounting to P13.77 million, P6.83 million of which remained unpaid as at December 31, 2025 (see Note 10).
- In 2024, the Parent Company acquired certain parcels of land amounting to P136.16 million, P13.41 million of which remained unpaid as at December 31, 2024. The remaining unpaid balance was subsequently settled in 2025 (see Note 10).

29. Supplementary Information Required by the BIR

The BIR has issued RR No. 15-2010 which requires certain tax information to be disclosed in the notes to the separate financial statements. The Parent Company presented the required supplementary tax information as a separate schedule attached to its annual income tax return.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended: **March 31, 2026**
2. Commission Identification Number: **39745**
3. BIR Tax Identification No.: **002-837-461**
4. Exact name of issuer as specified in its charter: **CROWN EQUITIES, INC.**
5. Province, country or other jurisdiction of in Company or organization: **Philippines**
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office: **Crown Center, 158 Jupiter Corner N. Garcia Streets, Bel-Air, Makati City** Postal Code: **1209**
8. Issuer's telephone number, including area code: **(632) 8899-0081, (632) 8899-0455**
9. Former name, former address and former fiscal year, if changed since last report: N/A
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

<u>Title of each Class</u>	<u>Number of shares of common stock outstanding and amount of debt outstanding</u>
Common	14,959,999,950 shares

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

Yes No

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

Philippine Stock Exchange / Common Shares

12. Indicate by check mark whether the registrant:

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

Yes No

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

Yes No

COVER SHEET

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S.E.C. Registration Number

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D	I	A	R	I	E	S																			

(Group's Full Name)

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M	a	k	a	t	i	C	i	t	y																

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

Atty. Gino Paulo O. Uy

Contact Person

(02) 8687 1195

Group Telephone Number

1	2		3	1
<i>Month</i>			<i>Day</i>	

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FORM TYPE

<i>Month</i>			<i>Day</i>	

Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings											

Domestic

Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Remarks = pls. use black ink for scanning purposes.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Please see Annex A

Item 2. Management's Discussion & Analysis of Financial Condition and Result of Operations

Financial Condition

Period ended March 31, 2026 versus Period ended December 31, 2025

	March 2026 Unaudited	December 2025 Audited	Increase (Decrease)	% Change
ASSETS				
Current Assets				
Cash and cash equivalents	542,416,784	587,497,140	(45,080,356)	-7.67%
Short-term investments	52,581,731	47,206,418	5,375,313	11.39%
Investments in quoted shares	165,299,332	108,315,647	56,983,685	52.61%
Receivables - net	74,231,645	65,871,751	8,359,894	12.69%
Inventories	54,984,091	55,930,827	(946,736)	-1.69%
Other current assets	44,393,694	43,070,319	1,323,375	3.07%
Total Current Assets	933,907,277	907,892,102	26,015,175	2.87%
Noncurrent Assets				
Installment contracts receivable – net of current portion	68,058,930	67,441,258	617,672	0.92%
Loans receivable – net of current portion	9,397,418	9,454,503	(57,085)	-0.60%
Investment properties	1,225,357,329	1,225,129,133	228,196	0.02%
Property and equipment	251,921,344	251,052,358	868,986	0.35%
Goodwill	21,740,604	21,740,604	-	0.00%
Deferred income tax assets - net	10,977,391	9,791,312	1,186,079	12.11%
Other noncurrent assets	16,044,848	16,511,832	(466,984)	-2.83%
Total Noncurrent Assets	1,603,497,864	1,601,121,000	2,376,864	0.15%
TOTAL ASSETS	2,537,405,141	2,509,013,102	28,392,039	1.13%

As of March 31, 2026, total assets amounted to P2.54 billion, representing a 1% increase from December 31, 2025.

- Cash and cash equivalents and short-term investments, which are maintained to meet liquidity requirements, decreased by 6% to a total of P595.00 million as of March 31, 2026, driven by additional acquisitions of investments in quoted shares.
- Investment in quoted shares grew by 53% to P165.30 million as a result of additional acquisitions.
- Current receivables rose by 13% to P74.23 million as of March 31, 2026, brought about by receivables from a joint venture partner.
- Deferred income tax assets increased by 12% to P10.98 million attributable to the unfavorable changes in market valuation of investments in quoted shares during the first quarter of 2026.

	March 2026 Unaudited	December 2025 Audited	Increase (Decrease)	% Change
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	182,487,458	166,961,399	15,526,059	9.30%
Income tax payable	1,516,025	865,677	650,348	75.13%
Total Current Liabilities	184,003,483	167,827,076	16,176,407	9.64%
Noncurrent Liabilities				
Net retirement benefits liability	34,660,964	33,309,099	1,351,865	4.06%
Deferred income tax liabilities - net	8,489,846	7,911,104	578,742	7.32%
Security deposits	5,225,227	5,143,109	82,118	1.60%
Total Noncurrent Liabilities	48,376,037	46,363,312	2,012,725	4.34%
TOTAL LIABILITIES	232,379,520	214,190,388	18,189,132	8.49%
Equity				
Capital stock	1,977,523,246	1,977,523,246	-	0.00%
Additional paid-in capital	118,570,274	118,570,274	-	0.00%
Other equity reserves	(24,775,297)	(24,775,297)	-	0.00%
Treasury stock - at cost	(481,523,251)	(481,523,251)	-	0.00%
Retained earnings	644,880,098	634,701,041	10,179,057	1.60%
Equity attributable to equity holders of the Parent Company	2,234,675,070	2,224,496,013	10,179,057	0.46%
Non-controlling interests	70,350,551	70,326,701	23,850	0.03%
TOTAL EQUITY	2,305,025,621	2,294,822,714	10,202,907	0.44%
TOTAL LIABILITIES AND EQUITY	2,537,405,141	2,509,013,102	28,392,039	1.13%

As of March 31, 2026, total liabilities amounted to P232.38 million, representing an 8% increase from December 31, 2025.

- Accounts and other payables increased by 9% to P182.49 million as of March 31, 2026, as a result of operating obligations during the period.
- Income tax payable increased by 75% to P1.52 million, primarily attributable to revenue generated from real estate activities during the period.

Total equity increased by P10.20 million to P2.31 billion as a result of net income generated during the period.

Results of Operations

For period ended March 31, 2026 versus March 31, 2025

	For the period ended March 2026 Unaudited	For the period ended March 2025 Unaudited	Variance	%
				Variance
REVENUE				
Real estate sales	8,766,457	20,953,382	(12,186,925)	-58.16%
Sale of services	19,342,429	17,882,829	1,459,600	8.16%
Rental income	5,849,101	4,671,244	1,177,857	25.22%
Interest income from installment contracts receivable	4,086,235	3,179,136	907,099	28.53%
Dividend income	913,034	1,289,711	(376,677)	-29.21%
	38,957,256	47,976,302	(9,019,046)	-18.80%
DIRECT COSTS	11,804,305	14,599,389	(2,795,084)	-19.15%
GROSS INCOME	27,152,951	33,376,913	(6,223,962)	-18.65%
SELLING AND ADMINISTRATIVE EXPENSES	29,438,356	28,859,784	578,572	2.00%
OTHER INCOME – Net	16,419,926	12,985,364	3,434,562	26.45%
INCOME BEFORE INCOME TAX	14,134,521	17,502,493	(3,367,972)	-19.24%
INCOME TAX EXPENSE	3,931,614	3,672,260	259,354	7.06%
NET INCOME	10,202,907	13,830,233	(3,627,326)	-26.23%
TOTAL COMPREHENSIVE INCOME	10,202,907	13,830,233	(3,627,326)	-26.23%
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company	10,179,057	10,171,760	7,297	0.07%
Non-controlling interests	23,850	3,658,473	(3,634,623)	-99.35%
	10,202,907	13,830,233	(3,627,326)	-26.23%

- Total consolidated revenues for the period amounted to P38.96 million, representing a 19% decrease compared to the same period in 2025.
 - Real estate revenues—comprising sales, interest income and rental income—contributed 48% of consolidated revenues. Real estate sales from Palma Real Residential Estates and Cypress Towers amounted to P8.77 million, due to fewer accounts that reached the collection threshold. Rental income from office leases at Crown Center, as well as condominium units and parking spaces at Cypress Towers, increased to P5.85 million, driven by new tenant move-ins and escalation clauses in existing lease agreements.
 - Revenue from sale of medical services amounted to P19.34 million during the period, representing an 8% increase and contributing 50% to consolidated revenues.
- Consolidated gross income amounted to P27.15 million for the period ended March 31, 2026. Gross income margin was maintained at 70% despite lower revenues.
- Other income amounted to P16.42 million, posting a 26% increase, primarily driven by favorable changes in foreign exchange rates.
- Consolidated net income amounted to P10.20 million for the period ended March 31, 2026. Net income margin registered at 26% during the period.

Key Performance Indicators**Period ended March 31, 2026 versus Period ended December 31, 2025**

Indicator	As of		Formula
	Mar 2026	Dec 2025	
Current Ratio	5.08x	5.41x	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Cash Ratio	2.95x	3.50x	$\frac{\text{Cash and Cash equivalents}}{\text{Current Liabilities}}$
Debt-Equity Ratio	0.10x	0.09x	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$
Debt-Asset Ratio	0.09x	0.09x	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
Asset-Equity Ratio	1.10x	1.09x	$\frac{\text{Total Asset}}{\text{Total Equity}}$
Investment Ratio	0.48x	0.49x	$\frac{\text{Total Investment and Advances}}{\text{Total Asset}}$
Gross Income Margin	69.70%	66.69%	$\frac{\text{Gross Income}}{\text{Net Revenues}}$
Net Income Margin	26.19%	17.92%	$\frac{\text{Net Income}}{\text{Net Revenues}}$
Return on Assets	1.62%	1.20%	$\frac{\text{Net Income}}{\text{Average Total Assets}}$
Earnings (Loss) Per Share	0.00068	0.00111	$\frac{\text{Net Income after Non-controlling Interest}}{\text{Total Shares Subscribed}}$

The group measures its performance based on the utilization of assets and the return on its investments.

- Liquidity

Current ratio and cash ratio posted at 5.08x and 2.95x, respectively. The group remains in sound liquidity position as of March 31, 2026.

- Solvency / Leverage

Leverage stance remained stable as of March 31, 2026 with debt-equity ratio at 0.10x, debt-asset ratio at 0.09x and asset-equity ratio at 1.10x resulting from efficient management of liabilities. The group has a nil interest coverage ratio as it has not incurred any interest expense for the period.

- Investment

The group's investment ratio remained positive at 0.48x as of March 31, 2026.

- Profitability

Gross income and net income margins increased to 69.70% and 26.19%, respectively, for the period ended March 31, 2026 compared to December 31, 2025.

- Return on Assets

The annualized return on assets as of March 31, 2026 increased to 1.62% due to higher net income for the quarter ended compared to 1.20% for the whole year of 2025.

- Earnings per Share

The group's earnings per share is 0.00068 for the first quarter of 2026. The number of outstanding shares remained the same as the previous year 2025.

PART II - OTHER INFORMATION

There is no information not previously reported in a report on SEC Form 17-C that will be reported under this section.

The Company and its subsidiaries have no significant investment in any complex financial instruments. They have neither foreign currency denominated nor local peso-denominated loans. The Company's financial risk exposure is limited to its investments reported as "Investments in quoted shares" and "Short-term investments" in its Statement of Financial Position. These investments are always marked to market thus reflecting the most verifiable values available.

The Company's risk management policies are diligently observed and fair values of investments are reviewed by the Executive Committee on a regular basis.

Management has no known trends, demands, commitments, events or uncertainties in the present operations of the Company that is likely to result in the Company's liquidity increasing or decreasing in any material way nor it is aware of any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation and there are no material off-balance sheet transactions, arrangements, obligations (including contingent obligation), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

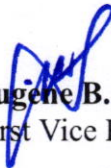
As of this report, the Company has no material commitment for capital expenditure. Management is not aware of any trends, events or uncertainties that have or will have material impact on net sales or revenues or income from continuing operations neither of its operating subsidiaries nor of any seasonal aspects that had a material effect on the financial condition or results of operation of the Company.

SIGNATURES

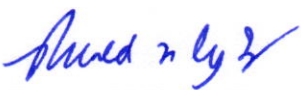
Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CROWN EQUITIES, INC.

By:



Eugene B. Macalalag
First Vice President



Romuald U. Dy Tang
President

Date: April 30, 2026

CROWN EQUITIES, INC. AND SUBSIDIARIES

UNAUDITED FINANCIAL STATEMENTS

MARCH 31, 2026

CROWN EQUITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 2026 Unaudited	December 2025 Audited
ASSETS		
Current Assets		
Cash and cash equivalents	542,416,784	587,497,140
Short-term investments	52,581,731	47,206,418
Investments in quoted shares	165,299,332	108,315,647
Receivables - net	74,231,645	65,871,751
Inventories	54,984,091	55,930,827
Other current assets	44,393,694	43,070,319
Total Current Assets	933,907,277	907,892,102
Noncurrent Assets		
Installment contracts receivable – net of current portion	68,058,930	67,441,258
Loans receivable – net of current portion	9,397,418	9,454,503
Investment properties	1,225,357,329	1,225,129,133
Property and equipment	251,921,344	251,052,358
Goodwill	21,740,604	21,740,604
Deferred income tax assets - net	10,977,391	9,791,312
Other noncurrent assets	16,044,848	16,511,832
Total Noncurrent Assets	1,603,497,864	1,601,121,000
TOTAL ASSETS	2,537,405,141	2,509,013,102
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables	182,487,458	166,961,399
Income tax payable	1,516,025	865,677
Total Current Liabilities	184,003,483	167,827,076
Noncurrent Liabilities		
Net retirement benefits liability	34,660,964	33,309,099
Deferred income tax liabilities - net	8,489,846	7,911,104
Security deposits	5,225,227	5,143,109
Total Noncurrent Liabilities	48,376,037	46,363,312
TOTAL LIABILITIES	232,379,520	214,190,388
Equity		
Capital stock	1,977,523,246	1,977,523,246
Additional paid-in capital	118,570,274	118,570,274
Other equity reserves	(24,775,297)	(24,775,297)
Treasury stock - at cost	(481,523,251)	(481,523,251)
Retained earnings	644,880,098	634,701,041
Equity attributable to equity holders of the Parent Company	2,234,675,070	2,224,496,013
Non-controlling interests	70,350,551	70,326,701
TOTAL EQUITY	2,305,025,621	2,294,822,714
TOTAL LIABILITIES AND EQUITY	2,537,405,141	2,509,013,102

CROWN EQUITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the period ended March 2026 Unaudited	For the period ended March 2025 Unaudited
REVENUE		
Real estate sales	8,766,457	20,953,382
Sale of services	19,342,429	17,882,829
Rental income	5,849,101	4,671,244
Interest income from installment contracts receivable	4,086,235	3,179,136
Dividend income	913,034	1,289,711
	38,957,256	47,976,302
DIRECT COSTS	11,804,305	14,599,389
GROSS INCOME	27,152,951	33,376,913
SELLING AND ADMINISTRATIVE EXPENSES	29,438,356	28,859,784
OTHER INCOME – Net	16,419,926	12,985,364
INCOME BEFORE INCOME TAX	14,134,521	17,502,493
INCOME TAX EXPENSE	3,931,614	3,672,260
NET INCOME	10,202,907	13,830,233
TOTAL COMPREHENSIVE INCOME	10,202,907	13,830,233
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent Company	10,179,057	10,171,760
Non-controlling interests	23,850	3,658,473
	10,202,907	13,830,233

CROWN EQUITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	March 2026 Unaudited	March 2025 Unaudited
EQUITY ATTRIBUTABLE TO EQUITY		
HOLDERS OF THE PARENT COMPANY		
CAPITAL STOCK	1,977,523,246	1,977,523,246
ADDITIONAL PAID-IN CAPITAL	118,570,274	118,570,274
TREASURY SHARES - at cost	(481,523,251)	(481,523,251)
OTHER EQUITY RESERVES		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Net Unrealized Fair Value Losses on Financial Assets At FVOCI		
Balance at beginning of year	(34,493,533)	(34,493,533)
Balance at end of year	(34,493,533)	(34,493,533)
Difference between the acquisition price and carrying value of acquired NCI in a subsidiary		
Balance at beginning of year	(5,984,615)	-
Balance at end of year	(5,984,615)	-
Cumulative Remeasurement Gains on Net Retirement Benefits Liability		
Balance at beginning of year	15,702,851	14,317,895
Balance at end of year	15,702,851	14,317,895
	(24,775,297)	(20,175,638)
RETAINED EARNINGS		
Balance at beginning of year	634,701,041	603,673,585
Net income	10,179,057	10,171,760
Balance at end of year	644,880,098	613,845,345
	2,234,675,070	2,208,239,976
NON-CONTROLLING INTERESTS		
Balance at beginning of year	70,326,701	160,454,268
Total comprehensive income	23,850	3,658,473
Balance at end of year	70,350,551	164,112,741
	2,305,025,621	2,372,352,717

CROWN EQUITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	March 31 , 2026	March 31 , 2025
	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	14,134,521	17,502,493
Adjustments for:		
Depreciation	4,230,476	4,267,008
Retirement benefits costs	1,351,866	1,171,229
Gain on cancelled contracts and forfeited customer deposits	(10,714)	(57,143)
Unrealized loss (gain) on changes in fair value of:		
Short-term investments	1,755	(333,431)
Investments in quoted shares	4,257,267	(6,629,643)
Interest income from:		
Cash in banks and short-term placements	(5,622,956)	(7,234,279)
Installment contracts receivable	(4,086,235)	(3,179,136)
Loans receivable	(116,489)	(119,847)
Unrealized foreign exchange loss (gain)	(10,175,831)	2,647,055
Dividend income	(913,034)	(1,289,711)
Loss on sale of investments in quoted shares	3,502,847	-
Operating income before working capital changes	6,553,473	6,744,595
Decrease (increase) in:		
Short-term investments	(5,377,068)	7,700,000
Investments in quoted shares	(64,743,799)	(4,420,847)
Receivables	(8,973,983)	(14,278,680)
Inventories	946,736	5,203,374
Other assets	(856,396)	350,538
Increase (decrease) in:		
Accounts and other payables	15,536,773	(2,405,911)
Security deposits	82,118	1,013,186
Cash absorbed by operations	(56,832,145)	(93,745)
Interest received	9,709,191	10,413,415
Dividends received	913,034	1,289,711
Income taxes paid	(3,888,603)	(2,900,332)
Net cash flows provided by operating activities	(50,098,523)	8,709,049
CASH FLOWS FROM INVESTING ACTIVITIES		
Collections of loans receivable		
Interest	116,489	119,847
Principal	53,502	50,143
Additions to:		
Investment properties	(595,000)	(2,362,522)
Property and equipment	(4,732,655)	(2,822,483)
Net cash flows used in investing activities	(5,157,664)	(5,015,015)

(forward)

	March 31 , 2026	March 31 , 2025
	Unaudited	Unaudited
NET INCREASE (DECREASE)		
IN CASH AND CASH EQUIVALENTS	(55,256,187)	3,694,034
EFFECT OF FOREIGN EXCHANGE RATE		
CHANGES ON CASH AND CASH		
EQUIVALENTS	10,175,831	(2,647,055)
CASH AND CASH EQUIVALENTS AT		
BEGINNING OF PERIOD	587,497,140	649,740,893
CASH AND CASH EQUIVALENTS AT		
END OF PERIOD	542,416,784	650,787,872

CROWN EQUITIES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

General Information

Crown Equities, Inc. (“CEI” or the “Parent Company”), a public corporation under Section 17.2 of the Securities Regulation Code (SRC), was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on October 24, 1969. The registration was extended for another 50 years in 2018. Under the Revised Corporation Code of the Philippines (the “RCC”), which was signed into law on February 20, 2019, a corporation with certificate of incorporation issued prior to the effective date of the RCC and which continues to exist shall have perpetual existence. Accordingly, the Parent Company has perpetual corporate terms. The Parent Company is an investment holding company, currently engaged in the business of real estate development and healthcare through its subsidiaries. Its shares of stock are listed on the Philippine Stock Exchange (PSE).

The Parent Company’s registered office address is located at the 5th Floor Crown Center, 158 Jupiter cor. N. Garcia Sts., Bel-Air, Makati City.

Subsidiaries

The consolidated financial statements include the accounts of CEI and the following subsidiaries (collectively referred herein as the “Group”) as at March 31, 2026 and 2025:

Name of Subsidiary	% of Ownership		Nature of Business	Principal Place of Business
	2026	2025		
Crown Central Properties, Corp. (CCPC) ^(a)	100%	48%	Real Estate	Biñan, Laguna
Parkfield Land Holdings, Inc. (PLHI)	75%	75%	Real Estate	Makati City
Healthcare Systems of Asia Phils., Inc (HSAPI)	97%	97%	Holding	Makati City
Fortmed Medical Clinics Makati, Inc. (FMCMCI) ^(b)	97%	97%	Healthcare	Makati City
Argent Capital Holdings Corporation (ACHC)	100%	100%	Holding	Makati City

(a) The remaining non-controlling interests were acquired by CEI in December 2025.

(b) Indirectly owned through HSAPI.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards are based on International Financial Reporting Standards (IFRS) Accounting Standards issued by the International Accounting Standards Board (IASB). PFRS Accounting Standards, which are issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC), consist of PFRS Accounting Standards, Philippine Accounting Standards (PASs) and Philippine Interpretations.

Basis of Measurement

The consolidated financial statements are presented in Philippine Peso (Peso), the Group’s functional currency.

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for the following which are measured using alternative basis at each reporting date:

Account	Measurement basis
Short-term investments designated at fair value through profit or loss (FVTPL)	Fair value
Investments in quoted shares	Fair value
Investments in unquoted shares designated at fair value through other comprehensive income (FVOCI)	Fair value
Net retirement benefits liability	Present value of the defined benefit obligation less fair value of plan assets

Basis of Consolidation

The consolidated financial statements of the Group comprise the financial statements of the Parent Company and its subsidiaries.

Subsidiaries. Subsidiaries are entities in which the Group has control. The Group controls a subsidiary if it is exposed or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Control is generally accompanied by a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are substantive are considered when assessing whether the Group controls an entity. The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date when the Group obtains control and continue to be consolidated until the date when such control ceases. The results of operations of the subsidiaries acquired or disposed of are included in the consolidated statements of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.

The financial statements of the subsidiaries are prepared using the same reporting period of the Parent Company. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Intercompany balances and transactions, including intercompany profits and unrealized profits and losses, are eliminated in full.

A change in the ownership interest of a subsidiary, without a change in control, is accounted for as an equity transaction. Upon the loss of control, the Group derecognizes the assets (including goodwill) and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Gain or loss arising from the loss of control is recognized in profit or loss. If the Group retains an interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently, it is accounted for as an equity-accounted investee or as financial assets at FVOCI depending on the level of interest retained.

Non-controlling Interests. Non-controlling interests represent the portion of profit or loss and net assets not held by the Group, presented within equity in the consolidated statements of financial position, separately from equity attributable to equity holders of the Parent Company. Non-controlling interests represent the interests of minority shareholders of CCPC (prior to the acquisition as disclosed in Note1), PLHI, HSAPI and FMCMI.

3. Commitments and Contingencies

There are commitments, guarantees, litigations and contingent liabilities that arise in the normal course of the Group's operations which are not reflected in the accompanying financial statements.

4. Other Information

Business Segments

For management purposes, the Group is organized into three (3) major business segments namely real estate, healthcare services and investment holdings. These are also the basis of the Group in reporting its primary segment information.

- a. The real estate segment involves acquisition of land, planning and developing residential communities such as development and sale of condominium units and parking slots, residential lots and housing units.
- b. Healthcare services involve delivering outpatient healthcare services through ambulatory care centers. These include the sale of services.
- c. Investment holdings create project investments and later dispose these investments after creating value.

The following tables present revenue and profit information regarding business segments of the Group for the period ended March 31, 2026 and 2025 and certain assets and liability information regarding industry segments as at March 31, 2026 and 2025 (in thousands):

Business Segments

	Year to Date March 31, 2026				Total
	Real Estate	Healthcare Services	Investment Holdings	Eliminating Entries	
Revenue	20,057	19,342	721	(1,163)	38,957
Direct costs	2,284	9,920	367	(767)	11,804
Gross income	17,773	9,422	354	(396)	27,153
Other income - net	14,401	208	1,810	-	16,419
Segment results					
Income before income tax	9,704	2,396	2,034	-	14,134
Income tax expense	2,836	808	287	-	3,931
Net income	6,868	1,588	1,747	-	10,203
Non-controlling interests	(25)	48	1	-	24
Equity holders of the Parent Company	6,893	1,540	1,746	-	10,179
Segment assets	3,087,287	63,129	190,599	(803,610)	2,537,405
Segment liabilities	287,588	18,281	96,900	(170,388)	232,381
Other Information					
Depreciation	3,460	403	367	-	4,230
Investment properties additions	595	-	-	-	595
Property and equipment additions	4,563	169	(0)	-	4,733
Investments and advances - net	636,755	-	21,329	(658,084)	-

	Year to Date March 31, 2025				
	Real Estate	Healthcare	Investment	Eliminating	Total
Revenue	32,085	17,883	971	(2,963)	47,976
Direct costs	6,199	8,834	333	(767)	14,599
Gross income	25,886	9,049	638	(2,196)	33,377
Other income - net	10,601	535	1,849	-	12,985
Segment results					
Income before income tax	11,950	3,191	2,361	-	17,502
Income tax expense	2,776	616	280	-	3,672
Net income	9,174	2,575	2,081	-	13,830
Non-controlling interests	3,580	77	1	-	3,658
Equity holders of the Parent Company	5,594	2,498	2,080	-	10,172
Segment assets	3,003,842	72,396	157,594	(642,738)	2,591,094
Segment liabilities	215,995	12,069	73,678	(83,000)	218,742
<i>Other Information</i>					
Depreciation	3,525	408	334	-	4,267
Investment properties additions	2,363	-	-	-	2,363
Property and equipment additions	208	2,614	-	-	2,822
Investments and advances - net	563,270	-	21,329	(584,599)	-

Earnings Per Share

Earnings per share is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year. Earnings per share were computed as follows:

	As of March 31, 2026	As of March 31, 2025
Net income attributable to equity holders of the Parent Company	10,179,057	10,171,760
Weighted average number of common shares issued and outstanding	14,959,999,950 0.00068	14,959,999,950 0.00068

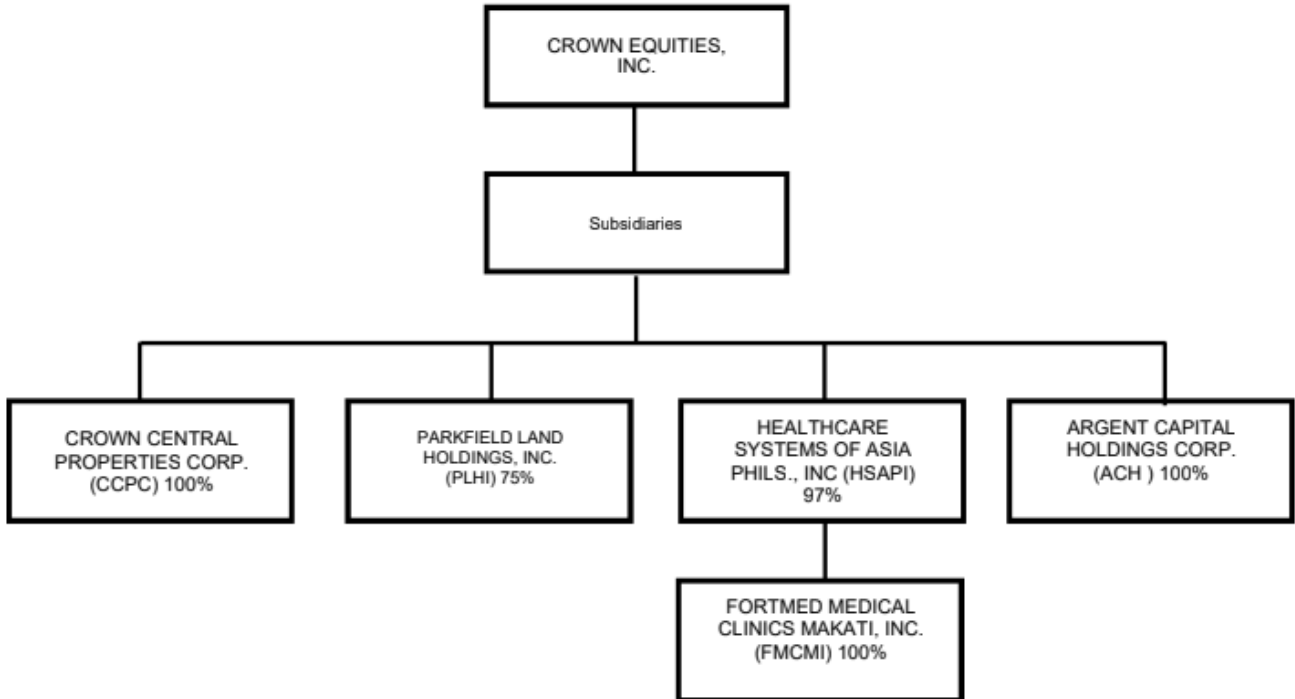
CROWN EQUITIES, INC. AND SUBSIDIARIES

Aging of Financial Assets

As of March 31, 2026

	Current	1 to 30 Days	31 to 60 Days	More than 60 Days	Total
A. Cash and cash equivalents	542,416,784	-	-	-	542,416,784
B. Trade receivables					
Installment contracts receivable	83,099,642	10,673	19,454	2,927,923	86,057,692
Receivables from patient services	7,832,975	3,326,693	1,239,321	8,251,743	20,650,732
	90,932,617	3,337,366	1,258,775	11,179,666	106,708,424
Less: Allowance for impairment losses	-	-	-	(7,222,703)	(7,222,703)
Net trade receivables	90,932,617	3,337,366	1,258,775	3,956,963	99,485,721
C.					
Non-trade receivables					
Due from project developer	31,985,618	-	-	270,326	32,255,944
Receivables from real estate buyers	2,985,766	-	-	-	2,985,766
Loans receivable	9,699,504	-	-	-	9,699,504
Billed rentals	1,564,271	-	-	1,707,535	3,271,806
Others	5,696,787	-	-	13,125,398	18,822,185
	51,931,946	-	-	15,103,259	67,035,205
Less: Allowance for impairment losses	-	-	-	(14,832,933)	(14,832,933)
Net non-trade receivables	51,931,946	-	-	270,326	52,202,272
Total receivables	142,864,563	3,337,366	1,258,775	4,227,289	151,687,993

CROWN EQUITIES, INC. AND SUBSIDIARIES
CONGLOMERATE MAP
March 31, 2026



CROWN EQUITIES, INC. AND SUBSIDIARIES
SCHEDULE OF ALL PHILIPPINE FINANCIAL REPORTING STANDARDS
AND INTERPRETATIONS AS AT MARCH 31, 2026

Title	Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements			
Conceptual Framework Phase A: Objectives and qualitative characteristics	✓		
PFRS Practice Statement Management Commentary			✓
PFRS Practice Statement 2: Making Materiality Judgments			✓

Philippine Financial Reporting Standards (PFRS)

PFRS	Title	Adopted	Not Adopted	Not Applicable
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	✓		
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
	Amendments to PFRS 1: First-time Adoption of Philippine Financial Reporting Standards - Deletion of Short-term Exemptions for First-time Adopters	✓		
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
	Amendments to PFRS 2: Classification and Measurement of Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations	✓		
	Amendment to PFRS 3: Accounting for Contingent Consideration in a Business Combination			✓

PFRS	Title	Adopted	Not Adopted	Not Applicable
	Amendment to PFRS 3: Scope Exceptions for Joint Ventures	✓		
PFRS 4	Insurance Contracts			✓
	Amendments to PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PFRS 4: Applying PFRS 9, <i>Financial Instruments</i> with PFRS 4, <i>Insurance Contracts</i>			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations	✓		
	Amendment to PFRS 5: Changes in Methods of Disposal			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	✓		
	Amendment to PFRS 7: Servicing Contracts			✓
	Amendment to PFRS 7: Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements			✓
PFRS 8	Operating Segments	✓		
	Amendments to PFRS 8: Aggregation of Operating Segments	✓		
	Amendments to PFRS 8: Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets	✓		
PFRS 9	Financial Instruments	✓		
PFRS 10	Consolidated Financial Statements	✓		
	Amendments to PFRS 10: Transition Guidance			✓
	Amendments to PFRS 10: Investment Entities			✓

PFRS	Title	Adopted	Not Adopted	Not Applicable
	Amendments to PFRS 10: Investment Entities: Applying the Consolidation Exception			✓
PFRS 11	Joint Arrangements	✓		
	Amendments to PFRS 11: Transition Guidance			✓
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations			✓
PFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendments to PFRS 12: Transition Guidance			✓
	Amendments to PFRS 12: Investment Entities			✓
	Amendments to PFRS 12: Investment Entities: Applying the Consolidation Exception			✓
	Amendment to PFRS 12: Clarification of the Scope of the Standard	✓		
PFRS 13	Fair Value Measurement	✓		
	Amendment to PFRS 13: Short-term receivables and Payables	✓		
	Amendment to PFRS 13: Portfolio Exception			✓
PFRS 14	Regulatory Deferral Accounts			✓
PFRS 15	Revenue from Contracts with Customers	✓		
	Amendments to PFRS 15: Clarifications to PFRS 15	✓		

Philippine Accounting Standards (PASs)

PAS	Title	Adopted	Not Adopted	Not Applicable
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendments to PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendment to PAS 1: Clarification of the Requirements for Comparative Presentation	✓		
	Amendments to PAS 1: Disclosure Initiative	✓		
	Amendments to PAS 1: Classification of Liabilities as Current or Noncurrent	✓		
PAS 2	Inventories	✓		

PAS	Title	Adopted	Not Adopted	Not Applicable
PAS 7	Statement of Cash Flows	✓		
	Amendments to PAS 7: Disclosure Initiative	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 12	Income Taxes	✓		
	Amendments to PAS 12: Deferred Tax Related Assets and Liabilities from a Single Transaction	✓		
	Amendments to PAS 12: Recovery of Underlying Assets	✓		
	Amendments to PAS 12: Recognition of Deferred Tax Assets for Unrealized Losses	✓		
PAS 16	Property, Plant and Equipment	✓		
	Amendment to PAS 16: Classification of Servicing Equipment			✓
	Amendment to PAS 16: Revaluation Method - Proportionate Restatement of Accumulated Depreciation			✓
	Amendment to PAS 16: Property, Plant and Equipment - Clarification of Acceptable Methods of Depreciation and Amortization	✓		
	Amendment to PAS 16: Agriculture: Bearer Plants			✓
PAS 17	Leases	✓		
PAS 19 (Revised)	Employee Benefits	✓		
	Amendment to PAS 19: Defined Benefit Plans: Employee Contributions	✓		
	Amendment to PAS 19: Discount Rate: Regional Market Issue			✓
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs			✓
PAS 24 (Revised)	Related Party Disclosures	✓		

PAS	Title	Adopted	Not Adopted	Not Applicable
	Amendment to PAS 24: Key Management Personnel	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements	✓		
	Amendments to PAS 27: Investment Entities	✓		
	Amendments to PAS 27: Equity Method in Separate Financial Statements			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
	Amendments to PAS 28: Investment Entities: Applying the Consolidation Exception			✓
	Amendments to PAS 28: Measuring an Associate or Joint Venture at Fair Value			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Financial Instruments: Presentation	✓		
	Amendments to PAS 32: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 32: Tax Effect of Distribution to Holders of Equity Instruments	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting			✓
	Amendment to PAS 34: Interim Financial Reporting and Segment Information for Total Assets and Liabilities			✓
	Amendment to PAS 34: Disclosure of Information 'Elsewhere in the Interim Financial Report'			✓
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		

PAS	Title	Adopted	Not Adopted	Not Applicable
PAS 38	Intangible Assets	✓		
	Amendment to PAS 38: Revaluation Method - Proportionate Restatement of Accumulated Amortization			✓
	Amendment to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
PAS 40	Investment Property	✓		
	Amendment to PAS 40: Clarifying the Interrelationship between PFRS 3 and PAS 40 when Classifying Property as Investment Property or Owner-occupied Property			✓
	Amendments to PAS 40: Transfers of Investment Property	✓		
PAS 41	Agriculture			✓
	Amendment to PAS 41: Agriculture: Bearer Plants			✓

Philippine Interpretations

Interpretations	Title	Adopted	Not Adopted	Not Applicable
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease			✓
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC-9: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment			✓
IFRIC 12	Service Concession Arrangements			✓

Interpretations	Title	Adopted	Not Adopted	Not Applicable
IFRIC 14	PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies			✓
IFRIC 22	Foreign Currency Transactions and Advance Consideration			✓

PHILIPPINE INTERPRETATIONS - SIC

Interpretations	Title	Adopted	Not Adopted	Not Applicable
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-15	Operating Leases - Incentives			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
SIC-29	Service Concession Arrangements: Disclosures.			✓
SIC-32	Intangible Assets - Web Site Costs			✓

**RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
AS OF MARCH 31, 2026**

CROWN EQUITIES, INC.

5th Floor Crown Center, 158 Jupiter cor. N. Garcia Sts., Bel-Air Makati City

Unappropriated Retained Earnings, beginning of the reporting period	P278,008,410
Add: Net income for the current year	1,863,170
Add: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	5,621,830
Add: Category C.2: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Realized fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	3,502,847
Add: Category C.3: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Reversal of previously recorded fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	(3,502,847)
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement in deferred tax recognized in profit or loss	(1,108,198)
TOTAL RETAINED EARNINGS, END OF THE REPORTING PERIOD AVAILABLE FOR DIVIDEND	P284,385,212

Crown Equities, Inc.
Schedule M – Key Performance Indicator
March 31, 2026

Indicator	As of		Formula
	Mar 2026	Dec 2025	
Current Ratio	5.08x	5.41x	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Cash Ratio	2.95x	3.50x	$\frac{\text{Cash and Cash equivalents}}{\text{Current Liabilities}}$
Debt-Equity Ratio	0.10x	0.09x	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$
Debt-Asset Ratio	0.09x	0.09x	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
Asset-Equity Ratio	1.10x	1.09x	$\frac{\text{Total Asset}}{\text{Total Equity}}$
Investment Ratio	0.48x	0.49x	$\frac{\text{Total Investment and Advances}}{\text{Total Asset}}$
Gross Income Margin	69.70%	66.69%	$\frac{\text{Gross Income}}{\text{Net Revenues}}$
Net Income Margin	26.19%	17.92%	$\frac{\text{Net Income}}{\text{Net Revenues}}$
Return on Assets	1.62%	1.20%	$\frac{\text{Net Income}}{\text{Average Total Assets}}$
Earnings (Loss) Per Share	0.00068	0.00111	$\frac{\text{Net Income after Non-controlling Interest}}{\text{Total Shares Subscribed}}$

**MINUTES OF THE ANNUAL
STOCKHOLDERS' MEETING HELD
ON 27 MAY 2025**

MINUTES OF THE ANNUAL MEETING
OF THE SHAREHOLDERS
OF

CROWN EQUITIES, INC.

Held via Remote Communication
on May 27, 2025 at 2:00 p.m.

STOCKHOLDERS PRESENT:

	<u>No. of Shares</u>	<u>Percentage</u>
Total shares issued and outstanding	14,959,999,950	100%
Stockholders present and represented	8,688,864,111	58.08%

DIRECTORS PRESENT:

Mr. George L. Go	-	Chairman
Mr. Wilfrido V. Vergara	-	Vice Chairman
Mr. Romuald U. Dy Tang	-	President
Ms. Clare D. Alvarez	-	Director
Mr. Christopher Brian C. Dy	-	Director
Mr. Patrick Warren D. Go	-	Treasurer
Mr. Nixon Y. Lim	-	Director
Mr. Eugene B. Macalalag	-	Director
Mr. Conrado G. Marty	-	Director
Mr. Ramon A. Recto	-	Director
Mr. Melvin Andrew O. Vergara	-	Director
Mr. Emilio S. de Quiros, Jr.	-	Independent Director
Mr. Manuel E. Dimaculangan	-	Independent Director
Mr. Rodolfo B. Fernandez	-	Lead Independent Director
Mr. Reynaldo V. Reyes	-	Independent Director

PROCEEDINGS

I. CALL TO ORDER

Mr. George L. Go, Chairman, presided over the meeting and called the meeting to order. Atty. Mark O. Vergara, Corporate Secretary, recorded the minutes of the proceedings.

II. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary certified that notices of the Annual Meeting of the Stockholders together with the agenda and the Definitive Information Statement of **CROWN EQUITIES, INC.** (the **Corporation**) were uploaded via PSE Edge and posted on

the Company's website beginning May 6, 2025. In addition, the notice of the meeting was published both in print and online formats on May 5 and 6, 2025 in The Manila Times, and Business Mirror, newspapers of general circulation. A total of 8,688,864,111 common shares, or approximately 58.08 % of the outstanding shares of the Corporation as of record date April 11, 2025 are present or represented in the meeting. Thus, the Corporate Secretary certified that there was a quorum to transact business. Further, the Corporate Secretary informed the stockholders and other participants that the meeting will be recorded.

III. APPROVAL OF MINUTES OF 2024 ANNUAL STOCKHOLDERS' MEETING

The Chairman presented for approval the Minutes of the Annual Stockholders' Meeting held on May 28, 2024. The Corporate Secretary informed the stockholders that unqualified votes cast for each item for approval at today's meeting shall be counted in favor of the matter under consideration. Based on the tabulation of votes, stockholders representing or owning the required majority vote passed and approved the minutes of the Stockholders' Meeting on May 28, 2024:

"RESOLVED, that the stockholders of the Crown Equities, Inc. (the 'Corporation') approve the minutes of the Annual Stockholders' Meeting of the Corporation held on May 28, 2024."

Stockholders representing or owning 8,688,864,111 common shares approved the foregoing resolution. No stockholder objected nor abstained from voting.

IV. PRESIDENT'S REPORT

For the next Agenda item, Mr. Romuald U. Dy Tang, President, was called to give a report on the operations of the Corporation for the fiscal year 2024 and on the Audited Financial Statements as of December 31, 2024. The Audited Financial Statements for 2024, together with the interim financial statements as of March 31, 2025, were appended to the Definitive Information Statement.

Based on the tabulation of votes, stockholders representing or owning the required majority vote approved the Report on Operations and the Audited Financial Statements as of year ended December 31, 2024:

"RESOLVED, that the stockholders of Crown Equities, Inc. (the 'Corporation') approve the President's Report on Operations and the Audited Financial Statements of the Corporation as of December 31, 2024 prepared by the external auditor, R.G. Manabat & Co."

Stockholders representing or owning 8,688,864,111 common shares approved the foregoing resolution. No stockholder objected nor abstained from voting.

V. APPROVAL AND RATIFICATION OF THE ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT FOR THE FISCAL YEAR 2024

The Chairman presented for approval the acts and proceedings of the Board of Directors, Board Committees and Management of the Corporation for the fiscal year 2024. Based on the tabulation of votes, stockholders representing or owning the required majority vote passed and approved the following resolution:

“**RESOLVED**, that the stockholders of Crown Equities, Inc. (the ‘Corporation’) approve all the acts of the Board of Directors, Board Committees and Management of the Corporation for the fiscal year 2024.”

Stockholders representing or owning 8,688,864,111 common shares approved the foregoing resolution. No stockholder objected nor abstained from voting.

VI. ELECTION OF DIRECTORS

For the next item in the agenda, the Chairman explained that in accordance with the Revised Corporation Code and the By-Laws of the Corporation, the Nomination Committee reviewed and qualified the nominees to the Board of Directors. There were fifteen (15) qualified nominees, nominated to the Board of Directors.

In accordance with the By-Laws of the Corporation, the following persons were nominated as directors of the Corporation:

1. Mr. George L. Go
2. Mr. Wilfrido V. Vergara
3. Mr. Romuald U. Dy Tang
4. Ms. Clare D. Alvarez
5. Mr. Christopher Brian C. Dy
6. Mr. Patrick Warren D. Go
7. Mr. Nixon Y. Lim
8. Mr. Eugene B. Macalalag
9. Mr. Conrado G. Marty
10. Mr. Ramon A. Recto
11. Mr. Melvin Andrew O. Vergara
12. Mr. Emilio S. De Quiros, Jr. as Independent Director
13. Mr. Manuel E. Dimaculangan as Independent Director
14. Mr. Rodolfo B. Fernandez as Independent Director
15. Mr. Reynaldo V. Reyes as Independent Director

This announcement was followed by a motion to consider all the nominees duly-elected members of the Board of Directors for the ensuing year.

Based on the tabulation of votes, each nominee garnered the votes of stockholders representing or owning 8,688,864,111 common shares. Thereafter, the Chairman declared

that all the nominees were elected as directors of the Corporation for a term of one (1) year or until their successors are duly elected and qualified. Upon motion duly made and seconded, the following resolution was approved:

“RESOLVED, that the following persons be as they are elected Directors of Crown Equities, Inc. for the year 2025-2026:

1. Mr. George L. Go
2. Mr. Wilfrido V. Vergara
3. Mr. Romuald U. Dy Tang
4. Ms. Clare D. Alvarez
5. Mr. Christopher Brian C. Dy
6. Mr. Patrick Warren D. Go
7. Mr. Nixon Y. Lim
8. Mr. Eugene B. Macalalag
9. Mr. Conrado G. Marty
10. Mr. Ramon A. Recto
11. Mr. Melvin Andrew O. Vergara
12. Mr. Emilio S. De Quiros, Jr. as Independent Director
13. Mr. Manuel E. Dimaculangan as Independent Director
14. Mr. Rodolfo B. Fernandez as Independent Director
15. Mr. Reynaldo V. Reyes as Independent Director”

VII. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman explained that the Audit Committee has pre-screened and recommended, and the Board has endorsed for consideration of the stockholders, the appointment of R.G. Manabat & Co. as the Corporation’s External Auditor for the fiscal year 2025. There being no other nominations, the nominations were closed.

Based on the tabulation of votes, stockholders representing or owning the required majority vote approved the appointment of R.G. Manabat & Co. as the Corporation’s external auditor for the fiscal year 2025. Thus, the shareholders present and represented approved the following resolutions:

“RESOLVED, that R.G. Manabat & Co. is appointed as the external auditor of Crown Equities, Inc. (the ‘Corporation’) for the fiscal year 2025;

“RESOLVED, FURTHER, that any one (1) of the President, First Vice President or Treasurer of the Corporation be authorized to negotiate the terms of the engagement of R.G. Manabat & Co. and to sign, execute and deliver any and all documents and to do any and all acts necessary to implement the foregoing resolution.”

Stockholders representing or owning 8,688,864,111 common shares approved the foregoing resolution. No stockholder objected nor abstained from voting.

VIII. OPEN FORUM

The Chairman proceeded to the open forum. Shareholders were allowed to submit their questions through e-mail and the chatbox. The Chairman asked the Host to read the questions. There were no questions sent via chatbox or email.

IX. OTHER MATTERS

There were no other matters discussed during the stockholders' meeting.

X. ADJOURNMENT

There being no other matters to be discussed, the meeting was, upon motion made and duly seconded, adjourned.

Certified Correct:

MARK O. VERGARA
Corporate Secretary

Attested:

George L. Go
Chairman of the Meeting