

COVER SHEET

SEC Registration Number

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Company Name

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| P | H | I | L | I | P | P | I | N | E | E | S | T | A | T | E | S | C | O | R | P | O | R | A | T | I | O | N |
| A | N | D | S | U | B | S | I | D | I | A | R | Y | | | | | | | | | | | | | | | |
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Principal Office (No./Street/Barangay/City/Town)Province)

| | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 3 | 5 | T | H | F | L | O | O | R | , | O | N | E | C | O | R | P | O | R | A | T | E | | | | | |
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| C | O | R | . | M | E | R | A | L | C | O | A | V | E | . | , | O | R | T | I | G | A | S | | | | |
| C | E | N | T | E | R | , | P | A | S | I | G | C | I | T | Y | | | | | | | | | | | |

Form Type

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| 1 | 7 | - | Q |
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Department requiring the report

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| C | R | M | D |
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Secondary License Type, If Applicable

| | | | |
|---|---|--|--|
| N | A | | |
|---|---|--|--|

COMPANY INFORMATION

Company's Email Address

| |
|-------------------------------|
| phes_finance@yahoo.com |
|-------------------------------|

Company's Telephone Number/s

| |
|------------------|
| 8637-3112 |
|------------------|

Mobile Number

| |
|--------------------|
| 09178338243 |
|--------------------|

No. of Stockholders

| |
|------------|
| 709 |
|------------|

Annual Meeting
Month/Day

| |
|--|
| |
|--|

Fiscal Year
Month/Day

| |
|--------------------|
| December/31 |
|--------------------|

CONTACT PERSON INFORMATION

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

Name of Contact Person

| |
|-------------------------|
| Jocelyn A. Valle |
|-------------------------|

Email Address

| |
|-------------------------------|
| phes_finance@yahoo.com |
|-------------------------------|

Telephone Number/s

| |
|------------------|
| 8637-3112 |
|------------------|

Mobile Number

| |
|-----------|
| NA |
|-----------|

Contact Person's Address

| |
|---|
| 35th Floor, One Corporate Centre, Doña Julia Vargas Ave. Corner Meralco Avenue, Ortigas Center, Pasig City |
|---|

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

SEC Number 112978
File Number _____

PHILIPPINE ESTATES CORPORATION

Company's Full Name

35TH Floor One Corporate Centre, Julia Vargas cor. Meralco Ave., Ortigas Center, Pasig City

Company's Address

8637-3112

Telephone Number

DECEMBER 31

**Fiscal Year Ending
(Month and day)**

SEC-FORM 17-Q

Form Type

N.A.

Amendment Designation(If applicable)

March 31, 2026

Period Ended Date

N.A.

Secondary License Type and File Number

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 **112978**

3. BIR Tax Identification No. **000-263-366**

PHILIPPINE ESTATES CORPORATION

4. Exact name of registrant as specified in its charter

Metro Manila, Philippines

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: SEC Use Only

7. Address of issuer's principal office
35th Floor One Corporate Centre, Julia Vargas cor. Meralco Ave., Ortigas Center, Pasig City

8. Issuer's telephone number, including area code
(632) 8637-3112

9. Former name, former address and former fiscal year, if changed since last report **NA**

10. Securities registered pursuant to Section 4 and 8 of the RSA: Common shares **5,000,000,000** with par Value of P1.00 per share

Number of Shares Common Stock Issued Outstanding: **2,891,099,660 Common Shares**

Amount of Debt Outstanding: P 167,505,436 (as per Financial Statements)

11. Are any or all of the securities listed on the Philippine 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 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 hereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such report)
Yes No

b) has been subject to such filing requirements for the past 90 days
Yes No

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

The Quarterly Financial Statements of the Company for the period ending March 31, 2026 are incorporated herein by reference and attached as an integral part of this Quarterly Report.

Statement of Compliance

The Financial Statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) issued by the Accounting Standards Council (ASC).

Earnings per Share

Basic Earnings per share is determined by dividing the Net Income by the weighted average number of shares issued and subscribed during the period.

Financial Information

- a. The management maintains the same system of accounting policies and methods of computation in the Interim Financial Statements.
- b. There were no changes in accounting estimates of amounts reported in interim periods of current financial year or even in prior financial years
- c. There were no issuances, repurchases and repayments of equity securities
- d. There were no changes in the composition of the issuer during the interim period i.e. Business Combinations, Acquisitions, or Disposal of Subsidiaries and Long-term Investments, Restructuring and Discontinuing operations
- e. There were no dividends declared and paid on the Company's Common Equity.
- f. There have been no material events that happened subsequent to the interim period that needs disclosure herein.
- g. The Company is contingently liable for existing lawsuits and claims from third parties arising from the ordinary course of business. Management believes that the ultimate liability for the abovementioned lawsuits and claims, if any, would not be material in relation to the Financial Position and Operating Results of the Company's operations.

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

1. Plan of Operation

Philippine Estates Corporation continues to drive growth across its key developments in Cebu, Iloilo, Bulacan and Luzon/Iloilo expansion, reinforcing its commitment to delivering quality homes and expanding its real estate portfolio. As the Company enters the first quarter of 2026, it remains focused and envisioned on completing ongoing projects, optimizing sales and marketing strategies, networks, and laying the groundwork for future developments.

Ongoing Project Developments

Bulacan

In Wellford Homes Malolos, the project continues to demonstrate steady market absorption and development progress. Phase 2 is already fully sold out, with land development works completed. Meanwhile, Phase 1 has only a limited number of units remaining, with townhouse units now being positioned as ready-for-move-in offerings. Land development for Phase 1 is also nearing completion, with ongoing works focused on road construction and drainage installation.

For Phase 3, the project has already been launched to the sellers, introducing a new single-attached house model to the market. This initiative is intended to refresh product offerings and strengthen sales positioning. In support of this, clearing operations are set to commence, alongside ongoing engineering studies to ensure readiness for full-scale development.

In terms of utilities, several homeowners have already been provided with permanent power connections, and the Company continues to coordinate with Meralco to extend this service to remaining units. The planned donation of a 1,000-square meter parcel of land to the City of Malolos Water District for the development of a water supply distribution system remains in progress, with continued discussions and planning activities being undertaken with the Water District.

These ongoing initiatives reflect the Company’s continued commitment to delivering a well-developed, service-ready community while sustaining project momentum.

Cebu

Wellford Residences Mactan (Building 1 – Madison) continues to demonstrate stable sales performance, reflecting sustained market interest. Preparations for Building 2 (Washington) are underway, with coordination efforts focused on ensuring readiness for the next phase of development. In addition, the Company is offering a limited number of units for lease within the project, providing an alternative revenue stream while supporting project activation.

For our horizontal developments, project performance remains encouraging. Pacific Grand Townhomes and Pacific Grand Villas Phases 1, 2, and 3 house-and-lots are fully sold out, while only a few units remain in Phase 2, reflecting strong market absorption. To further diversify offerings, the Company is developing new house-and-lot options within these phases. Perimeter fencing for Pacific Grand Villas is currently being completed to enhance site security.

Meanwhile, Pacific Grand Villas Phase 5 is now moving forward with the preparation of technical documents for Site Development Plan approval and related permit applications, marking the start of its reactivation phase.

In addition, Pacific Grand Townhomes has completed all land development works, and the Company is currently finalizing requirements for the Certificate of Completion, in preparation for project turnover to homeowners.

Iloilo

In Iloilo, Wellford Homes at Jaro Grand Estates Phase 3 – Parcel B is progressing steadily, with ongoing site works focused on initial infrastructure and utility development.

Meanwhile, Chateaux Geneva, Costa Smeralda, and Wellford Homes – Parcel A continue to demonstrate strong market absorption, with inventories nearing full sell-out. For completed developments such as Chateaux Geneva and Costa Smeralda, the Company is currently undertaking road maintenance works to ensure site quality and usability. Costa Smeralda is also undergoing processing for its Certificate of Completion in preparation for turnover.

Upcoming Residential and Commercial Projects

Luzon Expansion

The Company aims to continue to strengthen its presence in Luzon through the development of strategically located residential communities and mixed-use estates catering to the evolving needs of Filipino families.

The Development Permit application for Wellford Homes Santa Maria is currently underway, following the completion of its Site Development Plan. The Company continues to coordinate with relevant agencies to address final requirements. The project is positioned as a mixed-use community integrating residential, open space, and amenity components.

The Company is also advancing pre-development activities for two additional residential projects:

- Winfields Village Tanza (Cavite): A 19.7-hectare horizontal development envisioned to provide modern suburban living with enhanced connectivity to the Cavite–Laguna–Batangas corridor. The project aims to offer affordable yet quality housing options that align with the Company’s mid-cost market positioning.
- Wellford Homes Balagtas (Bulacan): A 10-hectare residential subdivision in the planning stage, intended to address the continuing housing demand within Bulacan’s rapidly expanding urban belt.

Iloilo Expansion

In Iloilo, the Company is pursuing expansion initiatives through a feasibility study for a proposed commercial building near Jaro Grand Estates. Concurrently, a re- masterplanning exercise is being undertaken to better integrate Jaro Grand Estates and optimize its long-term development potential.

Further opportunities for mixed-use and residential expansion are also under review, aligned with the region’s continued growth.

The Company continues to develop and generate cash flow through the following projects:

Pacific Grand Villas Phase IV

Phase 4 of Pacific Grand Villas features some 356 prime residential lot units. In this project we introduced at least four more new house models to satisfy the evolving demands of the market. This project caters also to an international blend of buyers, just like the earlier phases, making Pacific Grand Villas an international community that meets global standards and lifestyle.

Costa Smeralda.

The second of our exclusive residential communities in Iloilo City, Costa Smeralda is themed after the famed Italian coastal resorts. Offering 395 lot-units, we introduced in this village four trendy yet sophisticated house designs of varying floor areas, blending form and function to perfectly suit the requirements of discriminating buyers.

Wellford Homes – Jaro, Parcel A

This project is our third residential community in Iloilo City. The house-and lot packages are mainly designed for homebuyers inclined for economy, maximizing value-for- money. Consisting of about 10 hectares, the initial offering is an American inspired two bungalow-type house model. These single-level houses are very much suited also for senior citizens and retirees. The project was launched in November 2016, with the land development and house construction almost completed.

Wellford Homes – Malolos

Wellford Homes is a residential development with an area of approximately 6.7 hectares located in Barangay Longos, Malolos City, Bulacan. This horizontal development is American inspired. Housing design reflects the suburban feel with the American ambiance reflected even in the design of the community facilities and amenities. The subdivision is designed to provide generous areas for roads and open spaces, which accounts for nearly 42% of the total developable area. It is an affordable and quality development that offers a master planned community with a total of 554 residential units with two-storey houses and lot-only properties envisioned to be completed by 2028.

Wellford Residences – Mactan

As the Company's answer to the housing backlog in the economic sector in the area, PHES launched Wellford Residences-Mactan. WR-Mactan is a two-tower medium rise condominium project in one of the Company's prime and highly accessible properties in Mactan, Cebu. Located in Barangay Suba-Basbas in the City of Lapu-Lapu, the project will be composed of 197 residential units and 38 parking spaces. Building 1 (Madison) was completed in July 2024, while Building 2 (Washington) has been fully planned, and the Company is closely monitoring inventory levels to strategically time its launch in alignment with market demand.

Wellford Homes @ Jaro Grand Estates (Phase 3) - Parcel B

In line with the Company's aim of expanding the existing American-inspired subdivision project Wellford Homes I, located at Jaro, Iloilo, the Company launched Wellford Homes II (WHII) in 2022. WHII have an area of about 9.0 hectares and offered a total of 440 units. The development is envisioned to be completed by 2028. It offered two (options) of a two (2)-storey single-detached units with gross floor area ranging from 63 to 73 sqm. The Company was able to secure its License to Sell (LTS) for lots only with the Department of Human Settlements and Urban Development (DHSUD) in May 2022. In the same year, the Company applied for the amendment of the License to Sell of Wellford Homes Parcel B, to allow the Company to offer housing units

in the said project. The amended License to Sell and Certificate of Registration were subsequently secured from DHSUD.

2. Financial Position

As of March 31, 2026, the Company maintained a solid financial position, with total assets reaching ₱3.66B. Liquidity was notably strong, as reflected by a current ratio of 5.62:1, driven by current assets of ₱3.14B compared to current liabilities of only ₱0.56B. The debt-to-equity ratio stood at a conservative 0.29:1, highlighting the Company's low financial leverage and prudent capital structure. Overall, the balance sheet demonstrates solid liquidity, minimal financial risk, and long-term financial stability and growth. Hereunder are the significant or material changes in the Balance Sheet accounts as of March 31, 2026.

Causes for material changes (5% or more) from period to period:

- a. Cash – the increase of 58.83% was mainly due to collections from buyers, loan proceeds for working capital from Philippine Bank of Communications and Luzon Development Bank, and the placement of short-term time deposits.
- b. Trade and other receivables (net) – the increase of 24.02% was primarily due to increase of completed units for the quarter, which were reclassified from contract assets to receivables.
- c. Contract Assets - the decrease of -6.85% was due to the recognition of installment contracts receivable for units already completed and delivered by the Company.
- d. Prepayments and other current assets – the increase of 8.93% was primarily due to the net increase in input VAT arising from payments to contractors, as well as higher creditable withholding taxes.
- e. Contract liabilities - the increase of 12.19% was primarily driven by higher collections from buyers under Contract to Sell arrangements, which exceeded the revenue recognized based on the percentage of completion of project deliverables during the quarter.
- f. Customers' deposits – the decrease of -5.94% was due to an increase in reported sales from the reservations made in prior's year.
- g. Borrowings (non- current portion) - the increase of 130.06% primarily due to additional loan availments from Philippine Bank of Communications and Luzon Development Bank.
- h. Retention payable and refundable bonds – the decrease of -15.94% pertains to the 10% retention from each progress billing of contractors, which will be released upon the full completion of ongoing projects.
- i. Retirement benefits obligation - the decrease of -32.64% was primarily attributable to contributions made by the Company to its retirement fund during the quarter, resulting in a corresponding reduction in the retirement benefits obligation

3. Result of Operations

For the first quarter of 2026, the Company posted consolidated net sales of ₱50.87M, representing an increase of ₱16.33M or 47.26% from ₱34.55M recorded in the same period in 2025. The growth in revenues was mainly driven by improved sales performance across the Company's operating segments during the quarter.

Correspondingly, gross profit increased to ₱23.44M from ₱17.46M in the first quarter of 2025, reflecting a growth of ₱5.98M or 34.28%. The improvement in gross profit was attributable to higher sales and sustained margin performance.

Operating expenses decreased by ₱6.84M or -24.51% compared to the same period last year, indicating the Company's continued efforts in cost management and operational efficiency. Finance costs likewise declined by ₱0.29M or -7.55%, mainly due to lower borrowing costs and reduced financing requirements during the period.

Despite the favorable operating performance, the Company reported net income before tax of ₱1.90M for the quarter, significantly lower by -99.43% compared to the same period in 2025. The decline was primarily attributable to the partial collection of just compensation from the expropriation of certain properties in Iloilo recognized during the same quarter last year. No similar collection was recorded during the first quarter of 2026, resulting in the significant year-on-year decrease in pre-tax income.

Comparative Top Key Performance Indicators of the Company:

Management evaluates the Company's performance as it relates to the following:

- a. Sales – The Company gauges its performance by determining the Return on Sales (net income after tax over the net sales). It indicates net profitability of each peso of sales.
- b. Accounts Receivable – The Company assesses the efficiency in collecting receivables and in managing of credit by determining the past due ratio thru the aging of receivables.
- c. Gross Profit Margin – Measures effectiveness of pricing and control of project development cost. This is derived by dividing Gross Profit over Net Sales.
- d. Working Capital – The Company's ability to meet obligations is measured by determining Current Assets over Current Liabilities. Working Capital turnover is calculated by dividing Sales over Average Net Working Capital.

Variance Analysis – Another tool that measures efficiency on how the actual sales were attained via a vis forecasted sales.

| <u>INDICATOR</u> | <u>Q1 2026</u> | <u>Q1 2025</u> |
|--------------------------|----------------|----------------|
| Return on sales | 0.69% | 878.78% |
| Past due ratio | 8.00% | 7.05% |
| Gross Profit rate | 46.09% | 50.54% |
| Working Capital Turnover | 0.02 | 0.02 |

4. Other Notes to 1Q 2026 Operations and Financials:

Analysis of material events and uncertainties known to management that would address the past and would have an impact on future operations:

- **Any known trends, demands, commitments, events or uncertainties that will have an impact on the issuer's liquidity;**

At present, the uncertainty that may have a material impact on sales is the economic situation. The seemingly improving economic situation has already translated into a significant buying mood for the real estate market. Overall, there are no contingencies that may affect future operations of the Company. In such eventuality, the resolution of this is dependent to a large extent, on the efficacy of the fiscal measures and other actions.

- **Any event that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;**

The Company sees no event that will trigger direct or contingent financial obligation that is material to the Company.

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

There were no material off-balance sheet transactions, agreements, obligations, (including contingent obligations), and other relationship of the Company with unconsolidated entities or other persons created during the reported period.

- **Any material commitments for capital expenditures, the general purpose of such commitments and expected sources of funds of such expenditures.**

There were no any material commitments for capital expenditures, the general purpose of such commitments and expected sources of funds of such expenditures.

- **Any known trends, events or uncertainties (Material Impact on Sales)**

There were no any known trends, events or uncertainties (Material Impact on Sales).

- **Any significant elements of income or loss (from continuing operations)**

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

- **Seasonal aspects that had material effect on the financial condition or results of operation.**

Projects are launched at no particular time of the year depending on several factors such as completion of plans and permits and appropriate timing in terms of market condition and strategies. Development and construction works follow.

- **Internal and external sources of liquidity**

Collections from selling activities provide liquidity. Externally, the Company avails of credit lines offered by banks and other financial institution, private or government. The Company periodically reviews its capital structure and existing obligations.

Compliance with Leading Practice on Corporate Governance

The Company has adopted the Manual of Corporate Governance and full compliance with the same has been made since the adoption of the Manual.

The Company is taking further steps to enhance adherence to principles and practices of good corporate governance. Among these are as follows:

- Organizational and Procedural Controls
- Independent Audit Mechanism
- Regular Reporting to Audit Committee
- Creation of Board Committees
- Financial and Operational Reporting
- Compliance to Government Regulatory and Reportorial Requirements
- Disclosure of Transparency to the Public

There was no deviation committed by any of the Company's directors and/or officers on the Manual of Corporate Governance during the period covered in this report.

PART II – OTHER INFORMATION

Disclosure not made under SEC FORM 17-C: **NONE**

| PHILIPPINE ESTATES CORPORATION AND SUBSIDIARY | | |
|---|----------------------|----------------------|
| STATEMENTS OF FINANCIAL POSITION | | |
| | Unaudited F/S | Audited F/S |
| | 31-Mar-26 | 31-Dec-25 |
| ASSETS | | |
| Current Assets | | |
| Cash | 28,459,151 | 17,918,349 |
| Trade and other receivables (net) | 215,511,665 | 173,773,874 |
| Contract assets | 193,653,700 | 207,891,333 |
| Advances to related parties (net) | 634,963,327 | 634,963,327 |
| Real estate inventories, net | 1,997,193,462 | 1,986,121,265 |
| Prepayments and other current assets | 66,209,252 | 60,781,072 |
| | 3,135,990,557 | 3,081,449,220 |
| Non-current Assets | | |
| Advances to related parties (net of current portion) | 449,128,376 | 448,885,775 |
| Property and equipment, net | 25,595,268 | 26,241,847 |
| Financial Asset at FVOCI | 27,717,623 | 27,717,623 |
| Investment property | 162,394 | 162,394 |
| Deferred tax assets | 13,600,862 | 13,600,862 |
| Other noncurrent assets | 11,517,543 | 11,737,613 |
| | 527,722,066 | 528,346,114 |
| TOTAL ASSETS | 3,663,712,623 | 3,609,795,334 |
| LIABILITIES AND EQUITY | | |
| Current Liabilities | | |
| Accounts payable and other liabilities | 287,373,526 | 277,999,186 |
| Borrowings (current portion) | 103,293,919 | 103,293,919 |
| Income tax payable | 2,411,629 | 2,411,629 |
| Lease liabilities | 654,334 | 654,334 |
| Contract Liabilities | 155,669,771 | 138,750,380 |
| Customers' deposits | 8,170,187 | 8,685,818 |
| | 557,573,366 | 531,795,266 |
| Non-current Liabilities | | |
| Advances from related parties | 5,829,852 | 5,829,852 |
| Borrowings (non- current portion) | 64,211,517 | 27,911,373 |
| Lease liabilities (net of current portion) | 0 | 0 |
| Retention payable and refundable bonds | 34,356,892 | 40,869,753 |
| Deferred Tax Liabilities | 152,998,246 | 152,998,246 |
| Retirement benefits obligation | 4,128,130 | 6,128,130 |
| | 261,524,637 | 233,737,354 |
| Total liabilities | 819,098,003 | 765,532,620 |
| Equity | | |
| Capital Stock | 2,891,099,660 | 2,891,099,660 |
| Remeasurement gain on retirement benefits | 10,292,769 | 10,292,769 |
| Unrealized fair value loss on financial assets at FVOCI | -22,282,377 | -22,282,377 |
| Deficit | -34,495,432 | -34,847,338 |
| Total equity | 2,844,614,620 | 2,844,262,714 |
| TOTAL LIABILITIES AND EQUITY | 3,663,712,623 | 3,609,795,334 |

| PHILIPPINE ESTATES CORPORATION AND SUBSIDIARY | | | | | |
|--|--|----------------|---------------------|----------------------|---------------------|
| STATEMENT OF INCOME AND DEFICIT | | | | | |
| | | 2026 | | 2025 | |
| | | Jan-Mar | Year to date | Jan-Mar | Year to date |
| REAL ESTATE SALES | | 50,876,154 | 50,876,154 | 34,549,295 | 34,549,295 |
| LESS: COST OF SALES | | 27,429,794 | 27,429,794 | 17,088,436 | 17,088,436 |
| GROSS PROFIT | | 23,446,361 | 23,446,361 | 17,460,859 | 17,460,859 |
| OPERATING EXPENSES | | 21,054,650 | 21,054,650 | 27,890,128 | 27,890,128 |
| NET OPERATING INCOME (LOSS) | | 2,391,711 | 2,391,711 | (10,429,269) | (10,429,269) |
| FINANCE COST | | (3,575,532) | (3,575,532) | (3,867,644) | (3,867,644) |
| CLAIM FROM EXPROPRIATION CASE | | (7,036) | (7,036) | 345,707,231 | 345,707,231 |
| OTHER INCOME | | 3,090,487 | 3,090,487 | 2,659,188 | 2,659,188 |
| NET INCOME (LOSS) | | 1,899,630 | 1,899,630 | 334,069,506 | 334,069,506 |
| LESS: INCOME TAX | | (1,547,724) | (1,547,724) | (30,455,629) | (30,455,629) |
| DEFERRED INCOME TAX | | 0 | - | - | - |
| NET INCOME (LOSS) AFTER PROVISION | | 351,906 | 351,906 | 303,613,877 | 303,613,877 |
| RETAINED EARNINGS, BEGINNING | | (34,847,338) | (34,847,338) | (221,302,547) | (221,302,547) |
| NET INCOME (LOSS) | | 351,906 | 351,906 | 303,613,877 | 303,613,877 |
| RETAINED EARNINGS, END | | (34,495,432) | (34,495,432) | 82,311,330 | 82,311,330 |
| EARNINGS (LOSS) PER SHARE * | | 0.00 | 0.00 | 0.11 | 0.11 |
| * Based on Weighted Average number of common shares outstanding | | | | 2,891,099,660 | |

PHILIPPINE ESTATES CORPORATION AND SUBSIDIARY
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

| | CAPITAL STOCK | Remeasurement gain on retirement benefits | Unrealized fair value loss on financial assets at FVOCI | DEFICIT | TOTAL |
|--|--------------------------|--|--|--------------------|----------------------|
| Subscribed and paid at December 31, 2024 | 2,891,099,660 | 9,070,990 | -22,282,377 | -221,302,547 | 2,656,585,726 |
| Net Income (Loss) as of March 31, 2025 | | | | 303,613,877 | 303,613,877 |
| Balance at March 31, 2025 | 2,891,099,660 | 9,070,990 | -22,282,377 | 82,311,330 | 2,960,199,603 |
| Subscribed and paid at December 31, 2025 | 2,891,099,660 | 10,292,769 | -22,282,377 | -34,847,338 | 2,844,262,714 |
| Net Income (Loss) as of March 31, 2026 | | | | 351,906 | 351,906 |
| Balance at March 31, 2026 | 2,891,099,660 | 10,292,769 | -22,282,377 | -34,495,432 | 2,844,614,620 |

| PHILIPPINE ESTATES CORPORATION AND SUBSIDIARY | | | | | | | |
|--|---|--|--|--|--|--------------------------|--------------------------|
| STATEMENT OF CASH FLOW | | | | | | | |
| | | | | | | March 2026 | March 2025 |
| CASH FLOW FROM OPERATING ACTIVITIES: | | | | | | | |
| | Net Income (Loss) | | | | | 351,906 | 303,613,877 |
| | Adjustment to reconcile net income (loss) to net cash provided by operating activities: | | | | | | |
| | Depreciation and Amortization | | | | | 784,934 | 507,956 |
| | Amortization of deferred charges | | | | | | |
| | Income from insurance claims | | | | | | |
| | Gain on sale of property and equipment | | | | | | |
| | Provision for doubtful accounts | | | | | | |
| | Decrease (increase) in assets: | | | | | | |
| | | Trade and other receivables (net) | | | | (41,737,791) | 8,798,098 |
| | | Contract assets | | | | 14,237,633 | (15,904,407) |
| | | Real estates Inventories | | | | (11,072,197) | (23,364,513) |
| | | Prepayments and other current assets | | | | (5,428,180) | 8,897,163 |
| | | Other Assets | | | | 220,070 | (149,724) |
| | Increase (decrease) in liabilities: | | | | | | |
| | | Accounts payable and other liabilities | | | | 9,374,339 | 45,281,106 |
| | | Contract Liabilities | | | | 16,919,391 | 7,030,252 |
| | | Accrued expenses | | | | | 0 |
| | | Customers' Deposit | | | | (515,631) | 797,846 |
| | | Retention payable and refundable bonds | | | | (6,512,861) | 1,352,588 |
| | | Retirement benefits obligation | | | | (2,000,000) | |
| | | Deferred Income | | | | | 0 |
| | Net cash provided by (used in) operating activities | | | | | <u>(25,378,387)</u> | <u>336,860,242</u> |
| CASH FLOW FROM INVESTING ACTIVITIES: | | | | | | | |
| | Additions to raw land inventory | | | | | | |
| | Additions to equipment | | | | | (138,355) | (407,635) |
| | Deductions to real estate held for sale | | | | | | |
| | Proceeds from sale of property & equipment | | | | | - | |
| | Net cash provided by (used in) investing activities | | | | | <u>(138,355)</u> | <u>(407,635)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES: | | | | | | | |
| | Additional deposits on subscription | | | | | | |
| | Net decrease(increase) in due to affiliates | | | | | (242,600) | (271,527,644) |
| | Proceeds from SRO | | | | | 0 | 0 |
| | Payment of long-term debts | | | | | | |
| | Payment for short-term borrowings | | | | | 0 | |
| | Proceeds of short term borrowings | | | | | 36,300,144 | 1,400,123 |
| | Net cash provided by (used in) financing activities | | | | | <u>36,057,544</u> | <u>(270,127,521)</u> |
| NET INCREASE (DECREASE) IN CASH | | | | | | 10,540,802 | 66,325,086 |
| ADJUSTMENT OF PRIOR PERIODS | | | | | | - | |
| CASH AT BEGINNING | | | | | | 17,918,349 | 28,666,483 |
| CASH, ENDING BALANCE | | | | | | <u>28,459,151</u> | <u>94,991,569</u> |

PROPERTY AND EQUIPMENT (net)

Property and equipment as of March 31, 2026 is as follows:

| PHILIPPINE ESTATES CORPORATION AND SUBSIDIARY | | | | | |
|--|---------------------------|---------------------------------|--------------------------|-----------------------------------|--------------------|
| PROPERTY, PLANT AND EQUIPMENT | | | | | |
| | | | | | |
| | Right-of-use Asset | Transportation Equipment | Computer Software | Building & Machineries | TOTAL |
| | | | | Furniture & Fixtures | |
| | | | | Office Equipment | |
| Cost | | | | | |
| At January 1, 2026 | 2,796,430 | 7,385,021 | 350,000 | 102,741,549 | 113,273,000 |
| Additions | 0 | 0 | 0 | 138,355 | 138,355 |
| Disposals | - | - | - | - | 0 |
| March 31, 2026 | 2,796,430 | 7,385,021 | 350,000 | 102,879,904 | 113,411,355 |
| | | | | | - |
| Accumulated Depreciation | | | | | |
| At January 1, 2026 | -1,725,738 | -7,385,021 | -350,000 | -77,570,395 | -87,031,153 |
| Additions | 0 | -13,958 | 0 | -770,976 | -784,934 |
| Disposals | - | - | - | - | - |
| March 31, 2026 | -1,725,738 | -7,398,978 | -350,000 | -78,341,371 | -87,816,087 |
| | | | | | - |
| Net Book Value | | | | | |
| At January 1, 2026 | 1,070,693 | 0 | 0 | 25,171,155 | 26,241,847 |
| March 31, 2026 | 1,070,693 | -13,958 | 0 | 24,538,533 | 25,595,268 |

BUSINESS SEGMENT INFORMATION

The business segment report of the Company as of March 31, 2026 is as follows:

| PHILIPPINE ESTATES CORPORATION | | | | | | | |
|---------------------------------------|----------------------|--------------------|--------------------|----------------------|------------------|-------------------|----------------------|
| SEGMENT REPORT | | | | | | | |
| March 31, 2026 | | | | | | | |
| | Metro Manila | Cebu | Bulacan | Iloilo | Davao | Valenzuela | Total |
| Revenue | | | | | | | |
| Sales | 0 | 2,037,797 | 38,153,994 | 10,684,363 | 0 | 0 | 50,876,154 |
| Cost of sale | 0 | 1,178,480 | 20,972,500 | 5,278,814 | 0 | 0 | 27,429,794 |
| Gross Profit | 0 | 859,318 | 17,181,494 | 5,405,549 | 0 | 0 | 23,446,361 |
| Other income | 881 | 1,512,415 | 341,183 | 840,552 | 106,977 | 281,444 | 3,083,451 |
| | 881 | 2,371,733 | 17,522,677 | 6,246,101 | 106,977 | 281,444 | 26,529,812 |
| Expenses | | | | | | | |
| Depreciation | 784,934 | 0 | 0 | 0 | 0 | 0 | 784,934 |
| Loss on Cancelled Contracts | 0 | 1,623,223 | 1,909,358 | 759,201 | 0 | 0 | 4,291,782 |
| Other expenses | 8,741,690 | 2,624,793 | 1,560,784 | 2,863,206 | 0 | 187,461 | 15,977,934 |
| | 9,526,624 | 4,248,017 | 3,470,142 | 3,622,407 | 0 | 187,461 | 21,054,650 |
| Segment income (loss) | (9,525,743) | (1,876,284) | 14,052,535 | 2,623,694 | 106,977 | 93,983 | 5,475,162 |
| Finance cost | 3,575,532 | 0 | 0 | 0 | 0 | 0 | 3,575,532 |
| Retirement Benefit Expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Provision for Income Tax | 1,547,724 | 0 | 0 | 0 | 0 | 0 | 1,547,724 |
| Net income (loss) for the year | (14,648,999) | (1,876,284) | 14,052,535 | 2,623,694 | 106,977 | 93,983 | 351,906 |
| Segment | 1,387,515,196 | 412,785,097 | 406,941,740 | 1,424,356,756 | 2,736,122 | 15,776,850 | 3,650,111,761 |
| Deferred tax assets | 13,600,862 | | | | | | 13,600,862 |
| Total assets | 1,401,116,058 | 412,785,097 | 406,941,740 | 1,424,356,756 | 2,736,122 | 15,776,850 | 3,663,712,623 |
| Segment liabilities | 23,522,347 | 117,966,659 | 228,722,779 | 268,507,121 | 788,329 | 7,957,203 | 647,464,437 |
| Borrowings | 167,434,654 | 0 | 0 | 70,782 | 0 | 0 | 167,505,436 |
| Retirement benefits obligation | 4,128,130 | 0 | 0 | 0 | 0 | 0 | 4,128,130 |
| Total liabilities | 195,085,131 | 117,966,659 | 228,722,779 | 268,577,902 | 788,329 | 7,957,203 | 819,098,003 |



QUALITY.
OUR DISTINCTION.
OUR COMMITMENT.

AGING OF RECEIVABLES
AS OF MARCH 31, 2026

| PROJECT | PROJECT | RECEIVABLE BALANCE | CURRENT | PAST DUE | | | | | TOTAL |
|----------------------------------|-------------------------|-----------------------|----------------------|-------------|-------------|-------------|-------------|---------------------|---------------------|
| | | | | 1-30 | 31-60 | 61-90 | 91-120 | 121-180 | |
| PACIFIC GRAND VILLAS PHASE 1B | | 2,864,632.05 | 1,712,495.39 | - | - | - | - | 1,152,136.66 | 1,152,136.66 |
| LOT | PGV1B | 222,780.67 | 222,780.67 | | | | | | |
| H&L | PGV1B | 2,641,851.38 | 1,489,714.72 | | | | | 1,152,136.66 | 1,152,136.66 |
| PACIFIC GRAND VILLAS PHASE 1C | | 1,652,335.67 | 1,192,478.23 | - | - | - | - | 459,857.44 | 459,857.44 |
| LOT | PGV1C | 179,226.11 | 164,148.33 | | | | | 15,077.78 | 15,077.78 |
| H&L | PGV1C | 1,473,109.56 | 1,028,329.90 | | | | | 444,779.66 | 444,779.66 |
| PACIFIC GRAND VILLAS PHASE 4A | | 3,977,235.67 | 3,649,206.09 | - | - | - | - | 328,029.58 | 328,029.58 |
| LOT | PGV4A | 3,023,059.11 | 2,733,830.98 | | | | | 289,228.13 | 289,228.13 |
| H&L | PGV4A | 954,176.56 | 915,375.11 | | | | | 38,801.45 | 38,801.45 |
| PACIFIC GRAND VILLAS PHASE 4B | | 8,278,089.20 | 8,242,841.54 | - | - | - | - | 35,247.66 | 35,247.66 |
| LOT | PGV4B | 3,230,249.73 | 3,229,809.65 | | | | | 440.08 | 440.08 |
| H&L | PGV4B | 5,047,839.47 | 5,013,031.89 | | | | | 34,807.58 | 34,807.58 |
| PACIFIC GRAND TOWNHOMES | | 5,663,228.11 | 5,284,333.94 | - | - | - | - | 378,894.17 | 378,894.17 |
| H&L | PGT | 5,663,228.11 | 5,284,333.94 | | | | | 378,894.17 | 378,894.17 |
| WELLFORD RESIDENCES MADISON BLDG | | 24,426,976.81 | 24,426,976.81 | - | - | - | - | - | - |
| CONDO | WRM | 24,426,976.81 | 24,426,976.81 | | | | | | |
| LOT | WRM | - | - | | | | | | |
| CEBU TOTAL | | 46,862,497.51 | 44,508,332.00 | - | - | - | - | 2,354,165.51 | 2,354,165.51 |
| CHATEAUX GENEVA | | - | - | - | - | - | - | - | - |
| LOT | CG | - | - | | | | | | |
| H&L | CG | - | - | | | | | | |
| COSTA SMERALDA | | 32,828,496.77 | 32,734,488.05 | - | - | - | - | 94,008.72 | 94,008.72 |
| LOT | CS | 7,466,808.90 | 7,427,796.55 | | | | | 39,012.35 | 39,012.35 |
| H&L | CS | 25,361,687.87 | 25,306,691.50 | | | | | 54,996.37 | 54,996.37 |
| WELLFORD HOMES | | 13,838,645.05 | 13,838,645.05 | - | - | - | - | - | - |
| H&L | WFH | 13,838,645.05 | 13,838,645.05 | | | | | | |
| WELLFORD HOMES - 2 | | - | - | - | - | - | - | - | - |
| LOT | WFH - 2 | - | - | | | | | | |
| H&L | WFH - 2 | - | - | | | | | | |
| ILOILO TOTAL | | 46,667,141.82 | 46,573,133.10 | - | - | - | - | 94,008.72 | 94,008.72 |
| PLASTIC CITY INDUSTRIAL PARK | | 4,560,710 | - | - | - | - | - | 4,560,710 | 4,560,710 |
| EMBASSY POINTE | | 9,049,365 | - | - | - | - | - | 9,049,365 | 9,049,365 |
| AMAIA LAND CORP. | | - | - | - | - | - | - | - | - |
| METRO MANILA | | 13,610,075 | - | - | - | - | - | 13,610,075 | 13,610,075 |
| WELLFORD HOMES - MALOLOS | | 93,742,605.74 | 93,742,605.74 | - | - | - | - | - | - |
| LOT | WFM | 19,143,457.87 | 19,143,457.87 | | | | | | |
| H&L | WFM | 74,599,147.87 | 74,599,147.87 | | | | | | |
| GRAND TOTAL | | 200,882,320 | 184,824,071 | - | - | - | - | 16,058,249 | 16,058,249 |
| | <i>* Past Due Ratio</i> | 100% | 92.0% | 0.0% | 0.0% | 0.0% | 0.0% | 8.0% | 8.0% |

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 thereto duly authorized.

Issuer : **ELVIRA A. TING**
Title : **PRESIDENT / CEO**
Signature : 
Date : 7 May 2026

Principal Financial Accounting Officer Controller : **JOCELYN A. VALLE**
Title : **FINANCE HEAD / COMPLIANCE OFFICER**
Signature : _____
Date : 7 May 2026