COVER SHEET

SEC Registration Number

1	1	2	9	7	8					

Company Name

PHILIPPINE ESTATES CORPORATION
AND SUBSIDIARY

Principal Office (No./Street/Barangay/City/Town)Province)

35TH FLOOR, ONE CORPORATE
CENTRE, DOÑA JULIA VARGAS AVE.
COR. MERALCO AVE., ORTIGAS
CENTER, PASIG CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-Q	CRMD	NA

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
phes_finance@yahoo.com	8637-3112	09178338243

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
709		December/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Jocelyn A. Valle	phes_finance@yahoo.com	8637-3112	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 daysfrom the occurrence thereof with information and complete contact details of the new contact person designated.

SEC Number **<u>112978</u>**
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

<u>8637-3112</u>
Telephone Number

<u>DECEMBER 31</u>
Fiscal Year Ending
(Month and day)

<u>SEC-FORM 17-Q</u>
Form Type

N.A.

Amendment Designation(If applicable)

<u>June 30, 2026</u>
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 **June 30, 2026**

2. Commission identification number **112978**

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

4. **PHILIPPINE ESTATES CORPORATION**
Exact name of registrant as specified in its charter

5. **Metro Manila, Philippines**
Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: SEC Use Only

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

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

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: **₱ 174,528,808 (as per Financial Statements)**

11. Are any or all of the securities listed on the Philippine Stock Exchange?
Yes[**x]** 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[**x**] No [ ]

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

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

The Quarterly Financial Statements of the Company for the period ending June 30, 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 Operations

The Q2 2026 Plan of Operations outlines Philippine Estates Corporation's key operational priorities for the third quarter of 2026. The Company's focus remains on completing ongoing developments, advancing regulatory requirements, improving existing communities, and preparing future residential projects for implementation. These initiatives are intended to sustain project delivery, support sales performance, and strengthen the Company's long-term development pipeline.

Ongoing Project Developments

A. Bulacan

Wellford Homes Malolos

Wellford Homes Malolos has reached a significant development milestone with the completion of land development works for Phases 1 and 2. All internal roads, drainage facilities, and related infrastructure have been completed, allowing the project to transition toward full community occupancy and turnover.

Sales efforts continue for the few remaining inventory in Phase 1, with the available townhouse units being positioned as ready-for-occupancy homes. Marketing activities for Phase 3 likewise continue, following the introduction of the project's new single-attached house model.

The Company also continues to coordinate with Meralco for the installation of permanent electrical service connections to the remaining occupied and soon-to-be occupied units. Coordination with the City of Malolos Water District likewise remains ongoing for the proposed permanent water distribution facility, intended to support the project's long-term utility requirements.

These activities are directed toward completing the remaining project obligations while ensuring that the development continues to meet the needs of existing and future homeowners.

B. Cebu

Wellford Residences Mactan

Wellford Residences Mactan (Building 1 – Madison) continues to maintain stable occupancy and sales performance. Preparatory activities for Building 2 (Washington) remain under evaluation in line with prevailing market conditions. The Company likewise continues to offer selected units under its Lease with Option to Purchase program to provide additional market opportunities and improve project utilization.

In line with the enhancement of project amenities, the Company is currently preparing the plans and technical documents for the proposed swimming pool. The pool is targeted for bidding and contractor award within 2026, with construction likewise scheduled to commence within the year, subject to the completion of the necessary plans, approvals, and procurement requirements.

Pacific Grand Townhomes

Following the completion of all housing units and land development works, current activities are focused on the clearing and improvement of the parks and playground areas, as well as enhancement of the guardhouse. These works form part of the Company's commitment to completing the project's common open spaces prior to turnover.

Pacific Grand Villas

Development efforts at Pacific Grand Villas are currently centered on the improvement of existing community amenities and the drainage system. Beautification works and the development of parks and playgrounds are underway to further improve the quality of the subdivision and provide additional value to homeowners.

Preparatory work for the reactivation of Phase 5 application likewise continues through the completion of the necessary engineering documents and regulatory requirements for future implementation.

C. Iloilo

Wellford Homes at Jaro Grand Estates – Phase 3, Parcel B

Development activities at Parcel B continue to progress in accordance with the implementation schedule. The initial portion of the land development works, which has already been awarded to the contractor, is on track for completion by the end of the year.

Backfilling activities within the residential house areas will commence thereafter to prepare the site for the succeeding phase of development. Upon completion of these works, the Company will proceed with the bidding and award of the remaining upper portion of Parcel B, allowing construction activities to continue without interruption.

For the Company's completed developments, Chateaux Geneva and Costa Smeralda continue to exhibit healthy inventory absorption. Routine road maintenance and site improvement works remain ongoing to preserve the quality of the communities. Processing of the Certificate of Completion for Costa Smeralda also continues in preparation for project turnover.

<u>Upcoming Residential and Commercial Projects</u>

- **Luzon Expansion**

The Company continues to pursue strategic expansion opportunities within Central Luzon through the development of new residential communities and the acquisition of future project sites.

Wellford Homes Santa Maria

The Development Permit for Wellford Homes Santa Maria has already been issued, marking the completion of a major regulatory milestone for the project.

The application for the project's License to Sell is currently on hold while the Company evaluates alternative approaches on how best to comply with the latest guidelines on socialized housing requirement, as released by the DHSUD. This assessment is intended to determine the most practical and sustainable compliance strategy prior to the continuation of the regulatory process.

- **Future Residential Developments**

The Company also continues to undertake planning and pre-development activities for the following residential projects:

- **Winfields Village Tanza (Cavite)** – A proposed 19.7-hectare horizontal residential development envisioned to provide quality and affordable housing within the rapidly developing Cavite growth corridor.
- **Wellford Homes Balagtas (Bulacan)** – A proposed 10-hectare residential subdivision currently in the planning stage, intended to address the increasing housing demand within the province of Bulacan.

In support of the Company's long-term expansion plans, feasibility studies and preliminary project evaluations are likewise being undertaken for prospective residential developments in Pandi and Plaridel, both situated in Bulacan. These properties are being assessed for their development potential and strategic fit within the Company's future project pipeline.

- **Iloilo Expansion**

In Iloilo, the Company continues to evaluate opportunities for future growth through complementary residential and commercial developments.

A feasibility study for a proposed commercial development adjacent to Jaro Grand Estates remains in progress. At the same time, a remaster planning exercise is being undertaken to optimize land use, improve connectivity within the estate, and support future phases of development.

These initiatives are intended to maximize the long-term value of the Company's landholdings while positioning the Iloilo portfolio for sustained 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 June 30, 2026, the Company remained in a strong financial position, with total assets amounting to ₱3.80 billion. It continued to maintain a healthy liquidity position, as evidenced by a current ratio of 5.35:1, supported by current assets of ₱3.21 billion against current liabilities of ₱0.60 billion. This indicates that the Company has more than sufficient current resources to meet its short-term obligations.

The Company also maintained a conservative capital structure, with a debt-to-equity ratio of 0.29:1, reflecting low financial leverage and a strong equity base. Overall, the Company's balance sheet demonstrates sound liquidity, prudent financial management, and the financial capacity to support its ongoing operations, project development activities, and future growth initiatives.

The following discussion highlights the significant or material changes in the Company's balance sheet accounts as of June 30, 2026, compared with December 31, 2025. These changes represent movements of 5% or more during the period.

Causes for Material Changes

a. Cash – the increase of 275.02% was primarily due to the proceeds from working capital loans obtained from Philippine Bank of Communications and Luzon Development Bank, as well as the partial collection of just compensation from the expropriation of properties in Iloilo.

b. Trade and other receivables (net) – the increase of 43.19% was primarily due to the reclassification of completed and delivered units from contract assets to installment contracts receivable during the period.

c. Contract Assets - the decrease of -8.55% was primarily due to the reclassification of contract assets to installment contracts receivable upon the completion and delivery of units during the quarter, in accordance with the Company's revenue recognition policy.

d. Prepayments and other current assets – the increase of 13.40% was primarily due to the net increase in input VAT resulting from payments to contractors, as well as higher creditable VAT arising from government collections.

e. Advances to related parties (net of current portion) - the increase of 13.43% was primarily due to additional advances made during the quarter.

f. Property and equipment, net - the decrease of -5.21% was primarily due to the depreciation recognized on office units and other fixed assets during the period.

g. Accounts payable and other liabilities - the increase of 9.24% was mainly due to higher payables to contractors under agreed payment terms and an increase in taxes payable, which are scheduled for remittance in the succeeding quarter.

h. Borrowings - the increase of 33.02% was primarily due to additional loans obtained from Luzon Development Bank and Phil. Bank of Communications for working capital purposes.

i. Income tax payable - the increase of 54.28% was mainly as a result of higher taxable income generated during the period.

j. Contract liabilities - the increase of 26.38% 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.

k. Customers' deposits – the decrease of -19.53% was mainly due to the recognition of reservation payments as declared sales upon the execution and notarization of the corresponding Contracts to Sell.

l. Retention payable and refundable bonds – the decrease of -9.56% was primarily due to the release and payment of retention amounts previously withheld from contractors' progress billings upon satisfaction of the applicable contractual requirements.

m. 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.

n. Retained Earnings (Deficit) - Retained earnings improved significantly to ₱54.63M, a substantial turnaround from the prior deficit of ₱-34.84M. This positive shift was primarily driven by a year-to-date net income of ₱89.47M

3. Result of Operations

For the second quarter of 2026, the Company generated consolidated net sales of ₱71.38 million, representing an increase of ₱43.28 million, or 154.02%, from ₱28.10 million recorded during the same period in 2025. The increase in net sales was primarily driven by the higher percentage of completion achieved on ongoing projects during the quarter. Since the Company recognizes revenue using the percentage-of-completion method, the advancement of project construction enabled the recognition of a greater portion of revenues, supplemented by improved sales performance across the Company's operating segments.

Gross profit likewise increased substantially to ₱37.32 million from ₱14.76 million in the second quarter of 2025, an improvement of ₱22.56 million, or 152.85%. The increase was primarily attributable to the higher level of revenue recognized from the advancement of project completion while maintaining healthy gross profit margins.

Operating expenses increased by ₱15.13 million, or 57.16%, compared with the same period last year. The increase was mainly due to higher business activity associated with the increased level of project implementation and sales, resulting in higher operating costs, as well as the continued impact of inflation on the cost of goods and services.

As a result, the Company reported net income before tax of ₱102.77 million for the second quarter of 2026, representing a significant increase of 900.10% compared with the same period in 2025. The substantial improvement in profitability was primarily attributable to the recognition of the partial collection of just compensation arising from the expropriation of certain properties in Iloilo during the quarter. No comparable expropriation-related collection was recognized in the corresponding period of 2025.

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.

INDICATOR	Q2 2026	Q2 2025
Return on sales	124.85%	-14.87%
Past due ratio	6.81%	7.79%
Gross Profit rate	52.28%	52.52%
Working Capital Turnover	0.03	0.01

4. Other Notes to 2Q 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
	30-Jun-26	31-Dec-25
ASSETS		
Current Assets		
Cash	67,197,287	17,918,349
Trade and other receivables (net)	248,823,080	173,773,874
Contract assets	190,120,221	207,891,333
Advances to related parties (net)	634,963,327	634,963,327
Real estate inventories, net	2,001,563,059	1,986,121,265
Prepayments and other current assets	68,923,879	60,781,072
	3,211,590,853	3,081,449,220
Non-current Assets		
Advances to related parties (net of current portion)	509,177,578	448,885,775
Property and equipment, net	24,873,927	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	11,457,623	11,737,613
	586,990,007	528,346,114
TOTAL ASSETS	3,798,580,860	3,609,795,334
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other liabilities	303,682,142	277,999,186
Borrowings (current portion)	110,317,291	103,293,919
Income tax payable	3,720,590	2,411,629
Lease liabilities	654,334	654,334
Contract Liabilities	175,348,397	138,750,380
Customers' deposits	6,989,294	8,685,818
	600,712,048	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
Retention payable and refundable bonds	36,963,907	40,869,753
Deferred Tax Liabilities	152,998,246	152,998,246
Retirement benefits obligation	4,128,130	6,128,130
	264,131,652	233,737,354
Total liabilities	864,843,700	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
Retained Earnings (Deficit)	54,627,108	-34,847,338
Total equity	2,933,737,160	2,844,262,714
TOTAL LIABILITIES AND EQUITY	3,798,580,860	3,609,795,334

PHILIPPINE ESTATES CORPORATION AND SUBSIDIARY
STATEMENT OF INCOME AND DEFICIT

	2026		2025	
	Apr-Jun	**Year to date**	**Apr-Jun**	**Year to date**
REAL ESTATE SALES	71,382,417	122,258,571	28,101,260	62,650,555
LESS: COST OF SALES	34,063,309	61,493,102	13,342,013	30,430,449
GROSS PROFIT	37,319,108	60,765,469	14,759,247	32,220,106
OPERATING EXPENSES	41,604,628	62,659,277	26,473,047	54,363,175
NET OPERATING INCOME (LOSS)	(4,285,520)	(1,893,808)	(11,713,800)	(22,143,069)
FINANCE COST	(4,703,135)	(8,278,667)	(3,763,439)	(7,631,083)
CLAIM FROM EXPROPRIATION CASE	109,903,390	109,896,354		345,707,231
OTHER INCOME	1,854,257	4,944,743	2,632,647	5,291,835
NET INCOME (LOSS)	102,768,992	104,668,622	(12,844,592)	321,224,914
LESS: INCOME TAX	13,646,452	15,194,176	(8,664,697)	21,790,932
DEFERRED INCOME TAX		-	-	-
NET INCOME (LOSS) AFTER PROVISION	89,122,540	89,474,446	(4,179,895)	299,433,982
RETAINED EARNINGS, BEGINNING	(34,495,432)	(34,847,338)	82,311,330	(221,302,547)
NET INCOME (LOSS)	89,122,540	89,474,446	(4,179,895)	299,433,982
RETAINED EARNINGS, END	54,627,108	54,627,108	78,131,435	78,131,435
EARNINGS (LOSS) PER SHARE *	0.03	0.03	(0.00)	0.10

**** 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 June 30, 2025				299,433,982	299,433,982
Balance at June 30, 2025	**2,891,099,660**	**9,070,990**	**-22,282,377**	**78,131,435**	**2,956,019,708**
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 June 30, 2026				89,474,446	89,474,446
Balance at June 30, 2026	**2,891,099,660**	**10,292,769**	**-22,282,377**	**54,627,108**	**2,933,737,160**

PHILIPPINE ESTATES CORPORATION AND SUBSIDIARY

STATEMENT OF CASH FLOW

	June 2026	June 2025
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Income (Loss)	89,474,446	299,433,982
Adjustment to reconcile net income (loss) to net		
Cash provided by operating activities:		
Depreciation and Amortization	1,541,571	1,553,147
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)	(75,049,207)	30,626,734
Contract assets	17,771,112	(26,773,733)
Real estates Inventories	(15,441,794)	(49,919,294)
Prepayments and other current assets	(8,142,808)	(4,755,267)
Other Assets	279,990	(176,956)
Increase (decrease) in liabilities:		
Accounts payable and other liabilities	26,991,918	41,862,073
Contract Liabilities	36,598,017	17,895,696
Accrued expenses		0
Customers' Deposit	(1,696,524)	1,745,414
Retention payable and refundable bonds	(3,905,846)	3,394,748
Retirement benefits obligation	(2,000,000)	
Net cash provided by (used in) operating activities	66,420,875	314,886,544
CASH FLOW FROM INVESTING ACTIVITIES:		
Additions to raw land inventory		
Additions to equipment	(173,651)	(516,747)
Deductions to real estate held for sale		
Proceeds from sale of property & equipment	-	
Net cash provided by (used in) investing activities	(173,651)	(516,747)
CASH FLOW FROM FINANCING ACTIVITIES:		
Additional deposits on subscription		
Net decrease(increase) in due to affiliates	(60,291,803)	(281,850,393)
Proceeds from SRO	0	0
Payment of long-term debts		
Payment for short-term borrowings	(76,816,164)	(68,374,576)
Proceeds of short term borrowings	120,139,681	74,905,103
Net cash provided by (used in) financing activities	(16,968,286)	(275,319,866)
NET INCREASE (DECREASE) IN CASH	49,278,938	39,049,931
ADJUSTMENT OF PRIOR PERIODS	-	
CASH AT BEGINNING	17,918,349	28,666,483
CASH, ENDING BALANCE	**67,197,287**	**67,716,414**

PROPERTY AND EQUIPMENT (net)

Property and equipment as of June 30, 2026 is as follows:

PHILIPPINE ESTATES CORPORATION AND SUBSIDIARY

PROPERTY, PLANT AND EQUIPMENT

	Right-of-use Asset	Transportation Equipment	Computer Software	Building & Machineries Furniture & Fixtures Office Equipment	TOTAL
Cost					
At January 1, 2026	2,796,430	7,385,021	350,000	102,741,549	113,273,000
Additions	0	0	0	173,651	173,651
Disposals	-	-			0
June 30, 2026	***2,796,430***	***7,385,021***	***350,000***	***102,915,200***	***113,446,651***
					-
Accumulated Depreciation					
At January 1, 2026	-1,725,738	-7,385,021	-350,000	-77,570,395	-87,031,153
Additions	0	0	0	-1,541,571	-1,541,571
Disposals	-	-			
June 30, 2026	***-1,725,738***	***-7,385,021***	***-350,000***	***-79,111,966***	***-88,572,724***
					-
Net Book Value					
At January 1, 2026	***1,070,693***	***0***	***0***	***25,171,155***	***26,241,847***
June 30, 2026	***1,070,693***	***0***	***0***	***23,803,234***	***24,873,927***

BUSINESS SEGMENT INFORMATION

The business segment report of the Company as of June 30, 2026 is as follows:

PHILIPPINE ESTATES CORPORATION								
SEGMENT REPORT								
June 30, 2026								
		Metro Manila	Cebu	Bulacan	Iloilo	Davao	Valenzuela	Total
Revenue								
	Sales	0	12,439,297	72,397,841	37,421,433	0	0	122,258,571
	Cost of sale	0	3,268,534	39,989,492	18,235,076	0	0	61,493,102
	Gross Profit	0	9,170,763	32,408,349	19,186,357	0	0	60,765,469
	Other income	49,965	2,231,061	800,427	1,089,401	213,954	559,935	4,944,744
		49,965	11,401,824	33,208,776	20,275,758	213,954	559,935	65,710,213
Expenses								
	Depreciation	1,541,571	0	0	0	0	0	1,541,571
	Loss on Cancelled Contracts	0	6,431,868	4,284,600	7,102,147	0	0	17,818,615
	Other expenses	23,479,789	5,622,934	3,894,893	9,810,996	0	490,479	43,299,091
		25,021,360	12,054,802	8,179,493	16,913,143	0	490,479	62,659,277
Segment income (loss)		(24,971,394)	(652,978)	25,029,283	3,362,615	213,954	69,456	3,050,936
	Finance cost	8,260,130	0	18,537	0	0	0	8,278,667
	Claims from expropriation case	0	0	0	109,896,354	0	0	109,896,354
	Provision for Income Tax	15,194,176	0	0	0	0	0	15,194,176
Net income (loss) for the year		(48,425,700)	(652,978)	25,010,746	113,258,969	213,954	69,456	89,474,447
	Segment	1,358,433,471	415,083,769	433,015,726	1,559,866,133	2,855,936	15,724,963	3,784,979,998
	Deferred tax assets	13,600,862						13,600,862
Total assets		1,372,034,333	415,083,769	433,015,726	1,559,866,133	2,855,936	15,724,963	3,798,580,860
	Segment liabilities	17,942,857	119,516,145	245,550,119	294,456,676	791,255	7,929,710	686,186,762
	Borrowings	174,458,026	0	0	70,782	0	0	174,528,808
	Retirement benefits obligation	4,128,130	0	0	0	0	0	4,128,130
Total liabilities		196,529,013	119,516,145	245,550,119	294,527,458	791,255	7,929,710	864,843,700

AGING OF RECEIVABLES
AS OF JUNE 25, 2026

PROJECT	PROJECT	RECEIVABLE BALANCE	CURRENT	PAST DUE					
				1-30	31-60	61-90	91-120	121-180	TOTAL
PACIFIC GRAND VILLAS PHASE 1B		**8,592,050.23**	**7,439,913.57**	**-**	**-**	**-**	**-**	**1,152,136.66**	**1,152,136.66**
LOT	PGV1B	5,950,198.85	5,950,198.85						-
H&L	PGV1B	2,641,851.38	1,489,714.72					1,152,136.66	1,152,136.66
		-	-	-	-	-	-	-	
PACIFIC GRAND VILLAS PHASE 1C		**1,514,632.53**	**1,054,775.09**	**-**	**-**	**-**	**-**	**459,857.44**	**459,857.44**
LOT	PGV1C	179,226.11	164,148.33					15,077.78	**15,077.78**
H&L	PGV1C	1,335,406.42	890,626.76					444,779.66	**444,779.66**
		-	-	-	-	-	-	-	
PACIFIC GRAND VILLAS PHASE 4A		**3,767,416.47**	**3,596,753.16**	**-**	**-**	**-**	**-**	**170,663.31**	**170,663.31**
LOT	PGV4A	2,628,754.87	2,496,893.01					131,861.86	131,861.86
H&L	PGV4A	1,138,661.60	1,099,860.15					38,801.45	38,801.45
		-	-	-	-	-	-	-	
PACIFIC GRAND VILLAS PHASE 4B		**6,183,857.35**	**6,148,609.69**	**-**	**-**	**-**	**-**	**35,247.66**	**35,247.66**
LOT	PGV4B	3,131,413.38	3,130,973.30					440.08	440.08
H&L	PGV4B	3,052,443.97	3,017,636.39					34,807.58	34,807.58
		-	-	-	-	-	-	-	
PACIFIC GRAND TOWNHOMES		**5,065,635.83**	**4,686,741.66**	**-**	**-**	**-**	**-**	**378,894.17**	**378,894.17**
H&L	PGT	5,065,635.83	4,686,741.66					378,894.17	378,894.17
				-	-	-	-	-	
WELLFORD RESIDENCES MADISON BLDG		**19,905,149.46**	**19,905,149.46**	**-**	**-**	**-**	**-**	**-**	**-**
CONDO	WRM	18,532,077.03	18,532,077.03						
LOT	WRM	1,373,072.43	1,373,072.43						
CEBU TOTAL		**45,028,741.87**	**42,831,942.63**	**-**	**-**	**-**	**-**	**2,196,799.24**	**2,196,799.24**
CHATEAUX GENEVA		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
LOT	CG	-	-					-	-
H&L	CG	-							-
		-	-	-	-	-	-	-	
COSTA SMERALDA		**39,256,289.80**	**39,174,207.87**	**-**	**-**	**-**	**-**	**82,081.93**	**82,081.93**
LOT	CS	2,638,271.64	2,598,438.04					39,833.60	39,833.60
H&L	CS	36,618,018.16	36,575,769.83					42,248.33	42,248.33
				-	-	-	-	-	
WELLFORD HOMES		**36,352,116.26**	**36,352,116.26**	**-**	**-**	**-**	**-**	**-**	**-**
H&L	WFH	36,352,116.26	36,352,116.26						-
		-	-	-	-	-	-	-	
WELLFORD HOMES - 2		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
LOT	WFH - 2	-	-						
H&L	WFH - 2	-	-						
		-	-	-	-	-	-	-	
ILOILO TOTAL		**75,608,406.06**	**75,526,324.13**	**-**	**-**	**-**	**-**	**82,081.93**	**82,081.93**
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		**98,997,657.97**	**98,997,657.97**	**-**	**-**	**-**	**-**	**-**	**-**
LOT	WFM	16,875,457.75	16,875,457.75						-
H&L	WFM	82,122,200.22	82,122,200.22						-
GRAND TOTAL		**233,244,881**	**217,355,925**	**-**	**-**	**-**	**-**	**15,888,956**	**15,888,956**
** Past Due Ratio*		*100%*	*93.2%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*6.8%*	*6.81%*

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	: 31 July 2026
Principal Financial Accounting Officer Controller	: **JOCELYN A. VALLE**
Title	: FINANCE HEAD
Signature	: ____________________
Date	: 31 July 2026