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 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)

September 30, 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 **September 30, 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

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

7. Address of issuer's principal office

(632) 8637-3112

8. 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: **₱ 135,733,103 (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 September 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 Q3 2026 Plan of Operations outlines Philippine Estates Corporation's key operational activities and priorities for the third quarter of 2026. During the period, the Company's focus remained on advancing ongoing land development works, sustaining sales and marketing initiatives, improving existing residential communities, and fulfilling regulatory requirements for current and prospective projects.

Significant activities during the quarter included the nearing completion of Package 1 land development works at Wellford Homes at Jaro Grand Estates – Phase 3 Parcel B, continued sales and marketing efforts across the Company's residential portfolio, and the commencement of bidding for the proposed swimming pool at Wellford Residences Mactan. The Company also continued evaluating technical requirements and development strategies for selected projects to support their implementation and long-term viability.

Ongoing Project Developments

A. Bulacan

Wellford Homes Malolos

The Company continued its various sales and marketing activities for Phase 3 of Wellford Homes Malolos to sustain sales momentum and promote the remaining available inventory.

For Phases 1 and 2, the Company is preparing for the development of the park and playground area to further enhance the community's amenities and provide additional recreational spaces for homeowners.

Permanent electrical service connections through Meralco have been established for units intended for turnover and units that are already occupied. Meanwhile, coordination meetings with the relevant water service provider continue in connection with the proposed water distribution facility intended to support the project's water supply requirements.

The Company is also evaluating the findings and recommendations of the geotechnical study to guide the planning and implementation of land development works for the remaining phases of the project. The technical evaluation remains ongoing, and the appropriate engineering measures will be determined upon completion of the assessment.

B. Cebu

Pacific Grand Villas

The Company continues to undertake amenity improvement works to enhance the quality of the existing community. Perimeter fence works are also among the project's ongoing improvement activities.

The reactivation of Phase 5 remains on hold. The Company will continue to assess the applicable requirements and conditions before proceeding with further development activities.

Pacific Grand Townhomes

As the Company continues to maintain its completed development, no additional material project developments or obligations were confirmed for the quarter for Pacific Grand Townhomes.

Wellford Residences Mactan

Wellford Residences Mactan continues to implement sales and marketing initiatives for Building 1 – Madison, including promotional activities, broker accreditation, and other efforts to improve market reach and sales performance. Selected units remain available under the Company's Lease with Option to Purchase program as an alternative offering for prospective buyers.

In line with the planned enhancement of project amenities, the bidding process for the proposed swimming pool has commenced. Contractor proposals are being evaluated in preparation for the selection and award of the project, subject to the completion of the necessary technical, procurement, and approval requirements.

The proposed development of Building 2 – Washington remains deferred pending the achievement of substantial sales performance for Building 1 – Madison. The timing of the next building's implementation will be assessed in consideration of market demand and the performance of the existing building.

C. Iloilo

Chateaux Geneva

Routine road maintenance and site improvement works continue at Chateaux Geneva to preserve the quality and condition of the existing community.

Costa Smeralda

Costa Smeralda is a completed residential development. The project continues to record sales from its few remaining inventory, with a number of units sold during the period. The Company continues to monitor the remaining available inventory and sustain sales efforts for the project.

Wellford Homes at Jaro Grand Estates – Parcel A

Parcel A has achieved full sales absorption, with all available units sold. The Company will continue to address any applicable remaining project obligations, if any, in accordance with the project's implementation and turnover requirements.

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

Land development works for Package 1 are nearing completion, marking a significant milestone in the implementation of Parcel B. The completion of these works will support the preparation of the site for succeeding development activities.

The Company continues to sustain sales and marketing efforts for Parcel B, which has demonstrated positive sales momentum during the quarter. The Company remains focused on supporting sales absorption while advancing the remaining development requirements**.**

Upcoming Residential and Commercial Projects

A. Luzon Expansion

Wellford Homes Santa Maria

The application for Wellford Homes Santa Maria's License to Sell remains on hold pending the resolution of the applicable socialized housing compliance requirements. The Company continues to evaluate alternative compliance approaches to determine the most practical and sustainable strategy before proceeding with the next stage of the regulatory process.

The Company will continue to assess the remaining regulatory and development requirements necessary to advance the project toward implementation.

B. Iloilo Expansion

Central Amenity Replanning – Jaro Grand Estates

The Company is replanning the central amenity area of Jaro Grand Estates to optimize land use and improve the overall development layout. The replanning exercise aims to align the proposed amenity development with the Company's long-term development strategy and assess opportunities to improve project implementation and cost allocation across the development.

Further evaluation will guide the appropriate planning approach and succeeding implementation activities**.**

Outlook for the Succeeding Quarter

For the succeeding quarter, the Company will prioritize the completion of Package 1 land development works at Wellford Homes at Jaro Grand Estates – Phase 3, Parcel B, sustain sales and marketing activities across its residential portfolio, and advance the evaluation and procurement process for the proposed swimming pool at Wellford Residences Mactan.

The Company will likewise continue the planned enhancement of community amenities at selected completed developments, evaluate the geotechnical findings for the retaining wall at Wellford Homes Malolos, and pursue the requirements necessary to advance Wellford Homes Santa Maria toward the next stage of regulatory compliance. The Company will also continue evaluating the central amenity area of Jaro Grand Estates to support the estate's long-term development objectives.

These initiatives are intended to support continued project implementation, strengthen sales performance, maintain the quality of existing communities, and preserve the Company's pipeline of future residential and commercial developments.

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 September 30, 2026, the Company maintained a strong financial position, with total assets amounting to ₱4.22 billion. Its liquidity remained robust, as reflected in a current ratio of 5.25:1, supported by current assets of ₱3.44 billion and current liabilities of ₱0.66 billion. This indicates that the Company has ample current assets to cover its short-term obligations, providing financial flexibility to meet its operating requirements and other near-term commitments.

The Company also sustained a conservative capital structure, with a debt-to-equity ratio of 0.28:1, reflecting a relatively low level of financial leverage and a solid equity base. Overall, the Company's financial position demonstrates sound liquidity, prudent financial management, and sufficient financial capacity to sustain ongoing operations, support project development activities, and pursue future growth opportunities.

The following discussion presents the significant or material changes in the Company's balance sheet accounts as of September 30, 2026, compared with December 31, 2025. The analysis focuses on accounts that recorded movements of 5% or more during the period, highlighting the principal changes in the Company's financial position.

Causes for Material Changes

a. Cash – the increase of 1528.59% was primarily due to the proceeds from the partial collection of just compensation from the expropriation of properties in Iloilo.

b. Trade and other receivables (net) – the increase of 77.58% 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 -21.46% 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 48.83% 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 55.76% was primarily due to additional advances made during the quarter.

f. Property and equipment, net - the decrease of -6.68% 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 36.63% 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. Income tax payable - the increase of 144.10% was mainly as a result of higher taxable income generated during the period.

i. Contract liabilities - the increase of 37.23% 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.

j. Customers' deposits – the decrease of -9.61% was mainly due to the recognition of reservation payments as declared sales upon the execution and notarization of the corresponding Contracts to Sell.

k. Retention payable and refundable bonds – the decrease of -7.15% was primarily due to the release and payment of retention amounts previously withheld from contractors' progress billings upon satisfaction of the applicable contractual requirements.

l. 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.

m. Retained Earnings (Deficit) - Retained earnings improved significantly to ₱419.83M, a substantial turnaround from the prior deficit of ₱-34.84M. This positive shift was primarily driven by a year-to-date net income of ₱454.68M

3. Result of Operations

For the third quarter of 2026, the Company generated consolidated net sales of ₱63.90 million, representing an increase of ₱10.57 million, or 19.82%, from ₱53.33 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 ₱36.24 million from ₱27.01 million in the third quarter of 2025, an improvement of ₱9.23 million, or 34.17%. 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 ₱14.48 million, or 60.81%, 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 ₱398.61 million for the third quarter of 2026, representing a significant increase of 29190.07% 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	Q3 2026	Q3 2025
Return on sales	571.52%	1.86%
Past due ratio	5.5%	5.92%
Gross Profit rate	56.71%	50.65%
Working Capital Turnover	0.02	0.02

4. Other Notes to 3Q 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 30-Sep-26	**Audited F/S 31-Dec-25**
ASSETS		
Current Assets		
Cash	291,817,074	17,918,349
Trade and other receivables (net)	308,595,369	173,773,874
Contract assets	163,269,691	207,891,333
Advances to related parties (net)	634,963,327	634,963,327
Real estate inventories, net	1,954,482,127	1,986,121,265
Prepayments and other current assets	90,458,056	60,781,072
	3,443,585,644	3,081,449,220
Non-current Assets		
Advances to related parties (net of current portion)	699,179,047	448,885,775
Property and equipment, net	24,488,565	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	11,467,410	11,737,613
	776,615,901	528,346,114
TOTAL ASSETS	4,220,201,545	3,609,795,334
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other liabilities	379,826,013	277,999,186
Borrowings (current portion)	71,521,586	103,293,919
Income tax payable	5,886,787	2,411,629
Lease liabilities	654,334	654,334
Contract Liabilities	190,400,769	138,750,380
Customers' deposits	7,851,519	8,685,818
	656,141,008	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	37,947,242	40,869,753
Deferred Tax Liabilities	152,998,246	152,998,246
Retirement benefits obligation	4,128,130	6,128,130
	265,114,987	233,737,354
Total liabilities	921,255,995	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)	419,835,498	-34,847,338
Total equity	3,298,945,550	2,844,262,714
TOTAL LIABILITIES AND EQUITY	4,220,201,545	3,609,795,334

PHILIPPINE ESTATES CORPORATION AND SUBSIDIARY					
STATEMENT OF INCOME AND DEFICIT					
		2026		2025	
		Jul-Sept	Year to date	Jul-Sept	Year to date
REAL ESTATE SALES		63,901,451	186,160,022	53,332,303	115,982,858
LESS: COST OF SALES		27,660,128	89,153,230	26,320,210	56,750,659
GROSS PROFIT		36,241,323	97,006,792	27,012,093	59,232,199
OPERATING EXPENSES		38,278,796	100,938,073	23,803,078	78,166,253
NET OPERATING INCOME (LOSS)		(2,037,473)	(3,931,281)	3,209,015	(18,934,054)
FINANCE COST		(4,087,855)	(12,366,522)	(3,948,812)	(11,579,895)
CLAIM FROM EXPROPRIATION CASE		400,848,773	510,745,127		345,707,231
OTHER INCOME		3,882,805	8,827,549	2,100,689	7,392,524
NET INCOME (LOSS)		398,606,250	503,274,873	1,360,892	322,585,806
LESS: INCOME TAX		33,397,861	48,592,037	369,315	22,160,247
DEFERRED INCOME TAX			-	-	-
NET INCOME (LOSS) AFTER PROVISION		365,208,389	454,682,836	991,577	300,425,559
RETAINED EARNINGS, BEGINNING		54,627,109	(34,847,338)	78,131,435	(221,302,547)
NET INCOME (LOSS)		365,208,389	454,682,836	991,577	300,425,559
RETAINED EARNINGS, END		419,835,498	419,835,498	79,123,012	79,123,012
EARNINGS (LOSS) PER SHARE *		0.13	0.16	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	Retained Earnings (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 September 30, 2025				300,425,559	300,425,559
Balance at September 30, 2025	**2,891,099,660**	**9,070,990**	**-22,282,377**	**79,123,012**	**2,957,011,285**
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 September 30, 2026				454,682,836	454,682,836
Balance at September 30, 2026	**2,891,099,660**	**10,292,769**	**-22,282,377**	**419,835,498**	**3,298,945,550**

PHILIPPINE ESTATES CORPORATION AND SUBSIDIARY		
STATEMENT OF CASH FLOW		
	Sept 2026	Sept 2025
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Income (Loss)	454,682,836	300,425,559
Adjustment to reconcile net income (loss) to net		
Cash provided by operating activities:		
Depreciation and Amortization	2,308,107	2,325,728
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)	(134,821,494)	(33,380,173)
Contract assets	44,621,642	(65,204,812)
Real estates Inventories	31,639,138	48,792,171
Prepayments and other current assets	(29,676,985)	(854,737)
Other Assets	270,203	(169,966)
Increase (decrease) in liabilities:		
Accounts payable and other liabilities	105,301,984	33,007,627
Contract Liabilities	51,650,389	12,934,004
Accrued expenses		0
Customers' Deposit	(834,299)	3,135,384
Retention payable and refundable bonds	(2,922,511)	4,324,933
Retirement benefits obligation	(2,000,000)	(1,000,000)
Net cash provided by (used in) operating activities	520,219,010	304,335,718
CASH FLOW FROM INVESTING ACTIVITIES:		
Additions to raw land inventory		
Additions to equipment	(554,825)	(763,032)
Deductions to real estate held for sale		
Proceeds from sale of property & equipment	-	
Net cash provided by (used in) investing activities	(554,825)	(763,032)
CASH FLOW FROM FINANCING ACTIVITIES:		
Additional deposits on subscription		
Net decrease(increase) in due to affiliates	(250,293,272)	(311,891,781)
Net decrease(increase) in due from affiliates		3,352
Proceeds from SRO	0	0
Payment of long-term debts		
Payment for short-term borrowings	(115,611,869)	(105,037,159)
Proceeds of short term borrowings	120,139,681	115,796,964
Net cash provided by (used in) financing activities	(245,765,460)	(301,128,624)
NET INCREASE (DECREASE) IN CASH	273,898,725	2,444,061
ADJUSTMENT OF PRIOR PERIODS	-	
CASH AT BEGINNING	17,918,349	28,666,483
CASH, ENDING BALANCE	**291,817,074**	**31,110,544**

PROPERTY AND EQUIPMENT (net)

Property and equipment as of September 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	554,825	554,825
Disposals	-	-			0
September 30, 2026	***2,796,430***	***7,385,021***	***350,000***	***103,296,374***	***113,827,825***
					-
Accumulated Depreciation					
At January 1, 2026	-1,725,738	-7,385,021	-350,000	-77,570,395	-87,031,153
Additions	0	0	0	-2,308,107	-2,308,107
Disposals	-	-			
September 30, 2026	***-1,725,738***	***-7,385,021***	***-350,000***	***-79,878,502***	***-89,339,260***
					-
Net Book Value					
At January 1, 2026	***1,070,693***	***0***	***0***	***25,171,155***	***26,241,847***
September 30, 2026	***1,070,693***	***0***	***0***	***23,417,872***	***24,488,565***

BUSINESS SEGMENT INFORMATION

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

PHILIPPINE ESTATES CORPORATION								
SEGMENT REPORT								
September 30, 2026								
		Metro Manila	Cebu	Bulacan	Iloilo	Davao	Valenzuela	Total
Revenue								
	Sales	0	22,476,147	90,632,747	73,051,128	0	0	186,160,022
	Cost of sale	0	5,080,859	50,227,071	33,845,300	0	0	89,153,230
	Gross Profit	0	17,395,288	40,405,676	39,205,828	0	0	97,006,792
	Other income	1,647,745	2,948,806	1,253,039	1,909,060	320,931	747,968	8,827,549
		1,647,745	20,344,094	41,658,716	41,114,888	320,931	747,968	105,834,341
Expenses								
	Depreciation	2,308,107	0	0	0	0	0	2,308,107
	Loss on Cancelled Contracts	0	6,431,868	3,668,917	3,980,878	0	0	14,081,663
	Other expenses	41,239,262	7,514,127	6,296,393	20,094,731	0	9,403,790	84,548,303
		43,547,369	13,945,994	9,965,310	24,075,609	0	9,403,790	100,938,073
Segment income (loss)		(41,899,624)	6,398,100	31,693,406	17,039,279	320,931	(8,655,822)	4,896,268
	Finance cost	12,347,985	0	18,537	0	0	0	12,366,522
	Claims from expropriation case	0	0	0	510,745,127	0	0	510,745,127
	Provision for Income Tax	48,592,037	0	0	0	0	0	48,592,037
Net income (loss) for the year		(102,839,646)	6,398,100	31,674,868	527,784,406	320,931	(8,655,822)	454,682,836
	Segment	2,009,150,479	196,725,076	436,413,572	1,545,963,161	2,625,980	15,722,415	4,206,600,683
	Deferred tax assets	13,600,862						13,600,862
Total assets		2,022,751,341	196,725,076	436,413,572	1,545,963,161	2,625,980	15,722,415	4,220,201,545
	Segment liabilities	14,742,960	122,424,455	258,656,878	368,034,686	804,093	16,731,691	781,394,762
	Borrowings	135,662,322	0	0	70,782	0	0	135,733,103
	Retirement benefits obligation	4,128,130	0	0	0	0	0	4,128,130
Total liabilities		154,533,411	122,424,455	258,656,878	368,105,467	804,093	16,731,691	921,255,995

PHILIPPINE ESTATES
QUALITY. OUR DISTINCTION. OUR COMMITMENT.

AGING OF RECEIVABLES
AS OF SEPT 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		**13,380,426**	**12,228,289**	**0**	**0**	**0**	**0**	**1,152,137**	**1,152,137**
LOT	PGV1B	10,738,574	10,738,574						0
H&L	PGV1B	2,641,851	1,489,715					1,152,137	1,152,137
** Past Due Ratio*		0	0	0	0	0	0	0	
PACIFIC GRAND VILLAS PHASE 1C		**1,493,837**	**1,049,058**	**0**	**0**	**0**	**0**	**444,780**	**444,780**
LOT	PGV1C	179,226	179,226						**0**
H&L	PGV1C	1,314,611	869,832					444,780	**444,780**
** Past Due Ratio*		0	0	0	0	0	0	0	
PACIFIC GRAND VILLAS PHASE 4A		**3,549,907**	**3,268,678**	**0**	**0**	**0**	**0**	**281,230**	**281,230**
LOT	PGV4A	2,457,889	2,215,461					242,428	242,428
H&L	PGV4A	1,092,018	1,053,216					38,801	38,801
** Past Due Ratio*		0	0	0	0	0	0	0	
PACIFIC GRAND VILLAS PHASE 4B		**5,447,724**	**5,412,476**	**0**	**0**	**0**	**0**	**35,248**	**35,248**
LOT	PGV4B	3,032,577	3,032,137					440	440
H&L	PGV4B	2,415,147	2,380,339					34,808	34,808
** Past Due Ratio*		0	0	0	0	0	0	0	
PACIFIC GRAND TOWNHOMES		**9,744,363**	**9,365,468**	**0**	**0**	**0**	**0**	**378,894**	**378,894**
H&L	PGT	9,744,363	9,365,468					378,894	378,894
** Past Due Ratio*		0	0	0	0	0	0	0	
WELLFORD RESIDENCES MADISON BLDG		**19,415,687**	**19,415,687**	**0**	**0**	**0**	**0**	**0**	**0**
CONDO	WRM	18,127,205	18,127,205						
LOT	WRM	1,288,483	1,288,483						
** Past Due Ratio*									
CEBU TOTAL		**53,031,944**	**50,739,656**	**0**	**0**	**0**	**0**	**2,292,288**	**2,292,288**
** Past Due Ratio*		*100%*	96%						4%
COSTA SMERALDA		**63,838,233**	**63,756,151**	**0**	**0**	**0**	**0**	**82,082**	**82,082**
LOT	CS	6,050,591	6,010,758					39,834	39,834
H&L	CS	57,787,642	57,745,393					42,248	42,248
** Past Due Ratio*		0		0	0	0	0	0	
WELLFORD HOMES		**45,305,361**	**45,305,361**	**0**	**0**	**0**	**0**	**0**	**0**
H&L	WFH	45,305,361	45,305,361						0
** Past Due Ratio*		0	0	0	0	0	0	0	
ILOILO TOTAL		**109,143,594**	**109,061,512**	**0**	**0**	**0**	**0**	**82,082**	**82,082**
** Past Due Ratio*		*100%*	*100%*						*0%*
PLASTIC CITY INDUSTRIAL PARK		**4,560,710**						**4,560,710**	**4,560,710**
EMBASSY POINTE		9,049,365						9,049,365	**9,049,365**
METRO MANILA		**13,610,075**	**0**	**0**	**0**	**0**	**0**	**13,610,075**	**13,610,075**
** Past Due Ratio*		*100%*	*0%*						*100%*
WELLFORD HOMES -MALOLOS		**115,449,053**	**115,449,053**	**0**	**0**	**0**	**0**	**0**	**0**
LOT	WFM	8,602,677	8,602,677						0
H&L	WFM	106,846,375	106,846,375						0
** Past Due Ratio*		100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
GRAND TOTAL		**291,234,666**	**275,250,221**	**0**	**0**	**0**	**0**	**15,984,445**	**15,984,445**
** Past Due Ratio*		*100%*	*94.5%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*5.5%*	*5.5%*

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	: 3 November 2026

Principal Financial Accounting Officer Controller	: **JOCELYN A. VALLE**
Title	: FINANCE HEAD
Signature	:
Date	: 3 November 2026