

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS**

**INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:
☐ Preliminary Information Statement
☒ Definitive Information Statement
2. Name of Registrant as specified in its charter **8990 HOLDINGS, INC.**
3. **Makati City, Metro Manila**
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number **CS200511816**
5. BIR Tax Identification Code **239-508-223-000**
6. **11th Floor, Liberty Center, 104 HV Dela Costa, Salcedo Village, Makati City, 1200 Philippines**
Address of principal office and postal code
7. Registrant's telephone number, including area code **(632) 8478-9659**
8. **24 August 2026, 11:00 am to be conducted by remote communication. The Chairman and Chairman Emeritus will conduct the online meeting from the principal place of business of the Company at 11th Floor, Liberty Center, 104 HV Dela Costa, Salcedo Village, Makati City. The Corporate Secretary will likewise participate in the online meeting from Makati City.**
Date, time and place of the meeting of security holders
9. **31 July 2026**
Approximate date on which the Information Statement is first to be sent or given to security holders
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the SRC (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common Shares	5,259,802,920

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

No

The Company voluntarily delisted from the Main Board of the Philippine Stock Exchange ("PSE") effective 31 October 2025, pursuant to PSE Clarificatory Note No. CN-2025-0042 dated 24 October 2025. Following the completion of the delisting and the tender offer by 8990 Housing Development Corporation for shares of the Company, the Company filed a Notice of Suspension of Duty to File Reports (SEC Form 17-EX) with the Securities and Exchange Commission ("SEC") on 6 May 2026, on the grounds that (i) as of 1 January 2026, the Company had only 33 stockholders holding at least 100 shares each (below the 100-stockholder threshold under SRC Rule 17.2.3), and (ii) the Company's securities are no longer listed on the PSE.

Furthermore, on 28 July 2026, the Company filed a verified Petition for Voluntary Revocation of Registration of Securities and Permit to Sell Securities (the "Petition") with the SEC, seeking the revocation of: (a) SEC-CFD Order No. 282, Series of 2010; (b) SEC-MSRD Order No. 23, Series of 2014; (c) SEC-MSRD Order No. 29, Series of 2015; and (d) SEC-MSRD Order No. 35, Series of 2017, together with their corresponding Certificates of Permit to Offer Securities for Sale, and confirmation of the termination of, and/or exemption from, the Company's reporting obligations under the SRC, on the ground that the Company is no longer a public company under the law. The Petition remains pending as of the date of this Information Statement.

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

**A copy of this Information Statement may be accessed through the Corporation's website:
<http://8990holdings.com/>**

8990 HOLDINGS, INC.
11th Floor, Liberty Center
104 H.V. Dela Costa Street, Salcedo Village, Makati City

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Please be advised that the Annual Meeting of the stockholders of **8990 HOLDINGS, INC.** (the “**Company**”) for the year 2026 will be conducted online on 24 August 2026 at 11:00 a.m. Stockholders who wish to participate in the proceedings may do so by signing on at the following URL address: <https://registration.8990holdings.com>.

The Chairman and Chairman Emeritus will conduct the online meeting from the principal place of business of the Company at 11th Floor, Liberty Center, 104 H.V. Dela Costa, Salcedo Village, Makati City. The Corporate Secretary will likewise participate in the online meeting from Makati City.

The following shall be the agenda of the meeting:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the minutes of the last stockholders' meeting held on 26 August 2025;
4. Presentation and Adoption of the President's Report and Annual Report and Approval of the Audited Financial Statements for the year 2025;
5. Ratification of all acts of the Board of Directors and Management since the last annual stockholders' meeting held on 26 August 2025;
6. Election of the Directors (including the Independent Directors) of the Company for the ensuing fiscal year;
7. Appointment of the external auditor of the Company for the fiscal year 2026;
8. Approval of the Increase in Par Value and the corresponding Amendment of the Seventh Article of the Articles of Incorporation; and
9. Adjournment

The Minutes of the 2025 Annual Meeting of Stockholders is available at the website of the Company, www.8990holdings.com, and will be appended to the Information Statement that will be distributed or disseminated to all stockholders as of the record date. An electronic copy of the Company's Information Statement, Management Report, and other pertinent documents are available on the Company's website at <http://8990holdings.com/>.

The Board of Directors has set 27 July 2026, as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Stockholders' Meeting.

For the welfare and convenience of the Company's shareholders, the Company will dispense with the physical attendance of stockholders at the meeting. Consequently, attendance will only be by remote communication, with voting being accomplished *in absentia* through proxies. In compliance with Section 15 of Mem. Circ. No. 6, series of 2020, the Chairman who is the presiding officer of the meeting shall call the meeting in Makati City, the city where the principal office of the Company is located.

Subject to validation procedures, stockholders may submit duly accomplished proxies on or before 14 August 2026 to the Office of the Corporate Secretary at Picazo Buyco Tan Fider Santos & Dee Law Offices, Penthouse, Liberty Center, 104 H.V. Dela Costa Street, Salcedo Village, Makati City and/or by email to cpalmagil@picazolaw.com or molizarondo@picazolaw.com. Validation of proxies is set on 19 August 2026 at 2:00 p.m.

The detailed rules and procedures for participating in the meeting through remote communication and for casting their votes in absentia are set forth in Annex "A" to the Information Statement.

Very truly yours,


CRISTINA S. PALMA GIL-FERNANDEZ
CORPORATE SECRETARY

AGENDA DETAILS AND RATIONALE

1. Call to Order

The Chairman of the Board of Directors, Mr. Mariano D. Martinez, will call the meeting to order.

2. Certification of Notice and Quorum

The Corporate Secretary, Atty. Cristina S. Palma Gil-Fernandez will certify that copies of the Notice of Meeting have been duly published in the business section of two (2) newspapers of general circulation, and will certify the number of shares represented in the meeting, for the purpose of determining the existence of quorum to validly transact business.

Pursuant to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 6, Series of 2020, the Corporation has set up a designated web address which may be accessed by the stockholders to participate and vote in absentia on the agenda items presented for resolution at the meeting. A stockholder who votes in absentia or who participates by remote communication shall be deemed present for purposes of quorum.

The following are the rules and procedures for the conduct of the meeting:

- (i) Stockholders may attend the meeting remotely, and may send their questions or comments prior to the meeting by e-mail at corpcommunication@8990holdings.com. The Company will endeavor to answer all questions submitted prior to and in the course of the meeting, or separately through the Company's Investor Relations Office.
- (ii) Each of the Agenda items which will be presented for resolution will be shown on the screen during the live streaming as the same is taken up at the meeting.
- (iii) Stockholders must notify the Company of their intention to participate in the meeting by remote communication to be included in determining quorum, together with the stockholders who voted by proxy.
- (iv) Voting shall only be allowed for stockholders present in the meeting, online or by proxy.
- (v) All the items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock represented at the meeting.
- (vi) Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his votes.
- (vii) The Company's stock transfer agent and Corporate Secretary will tabulate and validate all votes received.

3. Approval of the minutes of the last stockholders' meeting held on 26 August 2025

The minutes of the last Annual Meeting of Stockholders held on 26 August 2025 will be presented for approval by the stockholders, in keeping with Section 49 (a) of the Revised Corporation Code. A copy of such minutes has been uploaded on the Company's website and will also be distributed to the stockholders prior to the meeting.

4. Presentation and Adoption of the President's Report and Annual Report and Approval of the Audited Financial Statements for the year 2025

The President's Report of the Company for the year 2025 and the audited financial statements of the Company for the year ended 31 December 2025 (a copy of which is attached to this Information Statement) will be presented for the information, understanding, and approval of the stockholders. The President's Report and Annual Report for 2025 will provide context and details on the financial performance and results of operations of the Company for 2025. This report and presentation are in line with the Company's thrust to observe and abide by the best corporate governance practices. It will allow stockholders to understand the financial condition of the Company and they will be given the opportunity to propound questions to management on matters relating to the performance of the Company.

The comments and feedback from the stockholders and their approval or disapproval of these reports and the financial statements will provide guidance to the Board of Directors in the management of the business of the Company.

5. Ratification of all acts of the Board of Directors and Management since the last annual stockholders' meeting held on 26 August 2025

The ratification of all acts and resolutions of the Board of Directors and all the acts of management taken or adopted in 2025 will be sought from the stockholders during the meeting. A brief summary of these resolutions and actions are set forth in the Information Statement and the President's Report and the Annual Report for 2025, and relevant disclosures of the Company. Copies of the minutes of meetings of the Board of Directors are available for inspection by any stockholder at the principal office of the Company during business hours.

The ratification of the acts and resolutions of the Board and management will also serve as an avenue for the stockholders to better understand how the Board manages the business and operations of the Company. The ratification will also serve as confirmation by the stockholders that they approve of the manner by which the Board and management of the Company have been running its business and affairs.

6. Election of the Directors (including the Independent Directors) of the Company for the ensuing fiscal year;

The Corporate Secretary will present the names of the persons who have qualified and have been duly nominated for election as directors and independent directors of the Company consistent with the Company's By-Laws and Manual on Corporate Governance and other applicable laws and regulations.

The election of the members of the Board of Directors allows the stockholders to directly participate in the selection of the individuals who will serve in the Board which exercises the corporate powers of the Company.

The procedure for voting by remote communication, in absentia or by proxy, including cumulative voting, is provided in this Information Statement.

7. Appointment of the external auditor of the Company for Fiscal Year 2026

The Audit and Risk Management Committee is endorsing to the stockholders the re-appointment of Ramon F. Garcia & Company, CPAs (Crowe Philippines) as the external auditor of the Company for the fiscal year 2026.

The approval by the stockholders of the appointment of the external auditor provides an assurance that they remain independent from management and are capable of undertaking their purpose as such external auditor of the Company. Representatives of Ramon F. Garcia & Company, CPAs (Crowe Philippines) are expected to be present at the stockholders' meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

8. Approval of the Increase in Par Value and the corresponding Amendment of the Seventh Article of the Articles of Incorporation

At a special meeting of the Board of Directors held on 9 July 2026, the Board of Directors approved the Par Value Increase described herein. The Company proposes to increase the par value of its shares through the amendment of the Seventh Article of the Articles of Incorporation (the "Par Value Increase"), without, however, decreasing the amount of the authorized capital stock. The approval of stockholders shall be sought in relation to the following changes to the Articles of Incorporation:

- a. Increasing the par value of the Company's Common Shares from One Peso (Php1.00) per Common Share to Twenty Thousand Pesos (Php20,000.00) per Common Share, thereby resulting in the reduction in the number of the authorized Common Shares from Six Billion Eight Hundred Fifty Million (6,850,000,000) to Three Hundred Forty-Two Thousand Five Hundred (342,500);
- b. Increasing the par value of the Company's Voting Preferred Shares from One Centavo (Php0.01) per Voting Preferred Share to Two Hundred Pesos (Php200.00) per Voting Preferred Share, thereby resulting in the reduction in the number of the authorized Voting Preferred Shares from Five Billion (5,000,000,000) to Two Hundred Fifty Thousand (250,000); and
- c. Increasing the par value of the Company's Non-Voting Preferred Shares from One Peso (Php1.00) per Non-Voting Preferred Share to Twenty Thousand Pesos (Php20,000.00) per Non-Voting Preferred Share, thereby resulting in the reduction in the number of the authorized Non-Voting Preferred Shares from One Hundred Million (100,000,000) to Five Thousand (5,000).

The amended Seventh Article of the Articles of Incorporation of the Company shall read as follows:

SEVENTH: That the authorized capital stock of the Corporation is Seven Billion Pesos (Php7,000,000,000.00) Philippine currency, divided into **Three Hundred Forty-Two Thousand Five Hundred (342,500)** common shares with **a par value of Twenty Thousand Pesos (Php20,000.00)** per share, **Two Hundred Fifty Thousand (250,000)** voting preferred shares with par value of **Two Hundred Pesos (Php200.00)** per share and **Five Thousand (5,000)** non-voting, non-convertible, non-participating, redeemable, perpetual preferred shares with par value of **Twenty Thousand Pesos (Php20,000.00)** per share. *(As amended by the Board of Directors and stockholders during their meetings held on 13 June 2019 and 29 July 2019, respectively)*

The preferred shares may be issued from time to time in one or more series as the Board of Directors may determine, and authority is hereby expressly granted to the Board of Directors to establish and designate each particular series of the preferred

shares, to fix the number of shares to be included in each of such series, and to determine the cash dividend rate, the amount and price, and the rate, period and manner of redemption of the preferred shares for each of such series. To the extent not set forth in this Article Seventh, the specific terms and restrictions of each series of the preferred shares shall be specified in such resolutions (the "Enabling Resolutions for Preferred Shares") as may be adopted by the Board of Directors prior to the issue of each series, which Enabling Resolutions for Preferred Shares shall be filed with and approved by the Securities and Exchange Commission, and thereupon be deemed a part of these Articles of Incorporation.

The holders of the preferred shares of each series shall be entitled to receive cash dividends at such rate or amount as may be fixed in the Enabling Resolutions for Preferred Shares. Such dividends may be cumulative from and after the date of issue of the preferred shares, whether or not in any period the amount thereof is covered by available unrestricted retained earnings. No dividends shall be declared or paid on the common shares unless the full accumulated dividends on all preferred shares for all past dividend periods and for the current dividend period shall have been declared and paid by the Corporation. The holders of the preferred shares shall not be entitled to any participation or share in the retained earnings remaining after dividend payments shall have been made on the preferred shares.

The preferred shares shall be redeemable in such manner and within such period as may be fixed in the Enabling Resolutions for Preferred Shares for such series. Any and all preferred shares redeemed shall not be considered retired and may be re-issued by the Corporation.

In the event of liquidation, dissolution, bankruptcy, or winding up of the affairs of the Corporation, the holders of the preferred shares shall be entitled to be paid in full or ratably to the extent that the remaining assets of the Corporation will permit, an amount equivalent to the issue price of such preferred shares plus all accumulated and unpaid dividends up to the then current dividend period, before any asset of the Corporation shall be paid or distributed to the holders of the common shares. (As amended by the stockholders and Board of Directors during their respective meetings on 21 December 2012, and further amended on 31 January 2017)

The stockholders of the Corporation shall have no pre-emptive right to subscribe to any issued or dispositions of shares of any class or series of any class. (As amended on 05 April 2010, and further amended on 31 January 2017).

9. Other business that may properly be brought before the meeting.

Stockholders may be requested to consider such other issues/matters as may be raised throughout the course of the meeting.

10. Adjournment.

After all business has been considered and resolved, the Chairman shall declare the meeting adjourned.

Stockholders who will not, are unable, or do not expect to attend the meeting in person but would like to be represented thereat may choose to execute and send a proxy form to the Office of the Corporate Secretary (Atty. Cristina S. Palma Gil-Fernandez) at Picazo Buyco Tan Fider Santos & Dee Law Office, Penthouse, Liberty Center, 104 H.V. Dela Costa Street, Salcedo Village, Makati City, on or before 14 August 2026. A sample proxy form is provided below. Stockholders may likewise email a copy of the accomplished proxy

form to cpalmagil@picazolaw.com.

PROXY

The undersigned stockholder of **8990 HOLDINGS, INC.** (the "Company") hereby appoints the Chairman of the meeting, as attorney-in-fact or proxy, with power of substitution, to represent and vote ___ shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Stockholders' Meeting of the Company to be held on 24 August 2026 (Monday) at 11:00 a.m., to be conducted online, and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Approval of the Minutes of the Annual Stockholders' Meeting held on 26 August 2025
☐ For ☐ Against ☐ Abstain
2. Presentation and Adoption of the President's Report and Approval of the 2025 Audited Financial Statements
☐ For ☐ Against ☐ Abstain
3. Ratification of all acts of the Board of Directors and Management since the last Annual Stockholders' Meeting held on 26 August 2025
☐ For ☐ Against ☐ Abstain
4. Election of Directors for the ensuing year (Please indicate number of votes)

	FOR	AGAINST	ABSTAIN
1. Mariano D. Martinez			
2. Anthony Vincent Sotto			
3. Luis N. Yu, Jr.			
4. Diana Jean Ridad Yu			
5. Alexander Ace S. Sotto			
6. Luis Michael R. Yu			
7. Manuel S. Delfin, Jr.			
8. Margarita B. Martinez			
9. Manuel C. Crisostomo			
10. Arlene C. Keh			
11. Gwen Lourdes Lim (ID)			
12. Maria Paz I. Diokno (ID)			
13. Atty. Mark Werner J. Rosal (ID)			

5. Appointment of External Auditors for 2026
☐ For ☐ Against ☐ Abstain
6. Approval of the Increase in Par Value and the corresponding Amendment of the Seventh Article of the Articles of Incorporation
☐ For ☐ Against ☐ Abstain
7. Other Matters
☐ For ☐ Against ☐ Abstain

Printed Name of the Stockholder

**Signature of Stockholder/
Authorized Signatory**

Date

WE ARE NOT ASKING OR SOLICITING YOU FOR A PROXY.

Instructions

This proxy should be received by the Corporate Secretary on or before 14 August 2026, the deadline for submission of proxies.

This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted for the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the Information Statement.

A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy will also be considered revoked if the stockholder attends the meeting in person and expresses his intention to vote in person.

Notarization of this proxy is not required.

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

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders.

The Annual Meeting of the stockholders of 8990 HOLDINGS, INC. (the “**Company**”) will be held on **24 August 2026, Monday, 11:00 a.m., to be conducted via remote communication.**

The Chairman and Chairman Emeritus will conduct the online meeting from the principal place of business of the Company at the 11th Floor, Liberty Center, 104 HV Dela Costa, Salcedo Village, Makati City. The Corporate Secretary will likewise participate in the online meeting from Makati City.

This Information Statement will be first sent or given to security holders (by posting on the Company’s website) on or around 30 July 2026.

Item 2. Dissenters’ Right of Appraisal

Under Sections 41 and 80 of the Revised Corporation Code, the following are the instances when a stockholder may exercise his appraisal right:

1. In case an amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in this Code;
3. In case of merger or consolidation; and
4. In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

In order that a dissenting stockholder may exercise his appraisal right, such dissenting stockholder must have voted against the proposed corporate action at the annual meeting. Within thirty (30) days after the date of the annual meeting at which meeting such stockholder voted against the corporate action, the dissenting stockholder shall make a written demand on the Company for the fair value of his shares which shall be agreed upon by the dissenting stockholder and the Company. If the proposed corporate action is implemented, the Company shall pay the dissenting stockholder upon surrendering the certificates of stock representing his shares, the fair value of said shares on the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action. If the dissenting stockholder and the Company cannot agree on the fair value of the shares within sixty (60) days from the date of stockholders’ approval of the corporate action, then the determination of the fair value of the shares shall be determined by three (3) disinterested persons, one (1) of whom shall be named by the dissenting stockholder, one (1) by the Company and a third to be named by the two (2) already chosen. The findings of the majority of the appraisers shall be final and their award shall be paid by the Company within thirty (30) days after such award is made. The procedure to be followed in exercising the appraisal right shall be in accordance with Sections 80 to 85 of the Revised Corporation Code.

The proposed increase in par value of the Common Shares, Voting Preferred Shares, and Non-Voting Preferred Shares and the corresponding amendment of the Seventh Article of the Articles of Incorporation constitutes an amendment to the Articles of Incorporation that has the effect of changing or restricting the rights of stockholders or of authorizing preferences in any respect superior to those of outstanding shares of any class, within the meaning of Section 80 (a) of the Revised Corporation Code. Accordingly, stockholders who vote against this item may exercise their right of appraisal in accordance with Section 81 of the Revised

Corporation Code.

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

No director, nominee for election as director, or officer of the Company, or any of their respective associates, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon during the meeting, other than the election of directors in which the nominees themselves have an interest.

None of the incumbent directors, nominees for election as director, or any of their respective associates, has informed the Company of any intention to oppose any action to be taken by the Company at the stockholders' meeting.

CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

As of 30 July 2026, the Company's total outstanding shares entitled to vote consist of **5,259,802,920** common shares, with each share entitled to one (1) vote. As of 30 July 2026, a total of **66,657** common shares or 0.0012% of the outstanding capital stock of the Company are owned by foreigners.

The record date for the purpose of determining the stockholders entitled to vote is 27 July 2026.

Stockholders entitled to vote are also entitled to cumulative voting in the election of directors. Section 23 of the Revised Corporation Code provides, in part, that: *"....in stock corporations, stockholders entitled to vote shall have the right to vote the number of shares of stock standing in their own names in the stock books of the corporation at the time fixed in the bylaws or where the bylaws are silent, at the time of the election. The said stockholder may: (a) vote such number of shares for as many persons as there are directors to be elected; (b) cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of the shares owned; or (c) distribute them on the same principle among as many candidates as may be seen fit..."*

For this year's meeting, the Board of Directors had adopted a resolution to allow stockholders entitled to notice of, and to attend the meeting, to exercise their right to vote *in absentia*.

The Company has 43 stockholders of record as of 30 July 2026.¹ The following are the list of the top twenty (20) stockholders of the Company as of 30 July 2026:

Rank	Name of stockholder	Nat ur	Number of shares	Percentage
1	IHOLDINGS, INC.	Common	2,524,367,002	45.75%
2	8990 HOUSING DEVELOPMENT CORPORATION	Common	1,189,338,002	22.61%
3	KWANTLEN DEVELOPMENT CORPORATION	Common	1,116,335,095	21.22%
4	LUIS N. YU, JR.	Common	258,099,322	4.91%
5	MARIANO D. MARTINEZ JR.	Common	168,916,767	3.21%
6	MARIA LINDA BENARES MARTINEZ	Common	2,000,000	0.04%

¹ Consisting of thirty-nine (39) individual or direct registered holders (with two stockholders each appearing twice in the stockholders' list), and four (4) institutional registered holders, namely: PCD Nominee Corporation (Filipino), PCD Nominee Corporation (Non-Filipino), BDO Securities Corporation, and BPI Securities Corporation. Excludes 8990 Holdings, Inc., which holds 258,427,800 shares as treasury shares.

7	PCD NOMINEE CORPORATION (FILIPINO)	Common	126,888	0.00%
8	BDO SECURITIES CORPORATION FAO VARIOUS LOCAL INDIVIDUAL CLIENTS	Common	69,010	0.00%
9	BPI SECURITIES CORPORATION FAO GREGORIO LIM UYMATIAO AND/OR GEORGE LIM UYMATIAO	Common	37,000	0.00%
10	PCD NOMINEE CORPORATION (NON- FILIPINO)	Common	35,900	0.00%
11	RAMONCITA V. REYES	Common	30,000	0.00%
12	BPI SECURITIES CORPORATION FAO DANILO RAMIREZ CAUTON JR.	Common	26,400	0.00%
13	BPI SECURITIES CORPORATION FAO ANTHONY GERARD ORAIS LEUTERIO	Common	24,000	0.00%
14	LUIS MICHAEL R. YU III	Common	20,200	0.00%
15	GWEN LOURDES G. LIM	Common	20,100	0.00%
16	MANUEL CASTILLO CRISOSTOMO	Common	20,100	0.00%
17	ALEXANDER ACE S. SOTTO	Common	20,100	0.00%
18	MARIA PAZ DIOKNO	Common	20,100	0.00%
19	MARGARITA MARTHA B. MARTINEZ	Common	20,100	0.00%
20	ANTHONY VINCENT SOTTO	Common	20,001	0.00%
TOTAL ISSUED AND OUTSTANDING			5,518,230,720²	100%

Security Ownership of Record and Beneficial Owners of at least 5% of the Company's Securities as of the Record Date

The following are the owners of record of more than five percent (5%) of the Company's outstanding shares of stock, the number of shares owned and percentage of shareholdings of each of them, as of 30 July 2026:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	% of Total Outstanding Shares
Common	IHoldings, Inc. Unit 605, Ayala FGU Center, Cebu Business Park, Cebu City	The record owner is the beneficial owner of the shares indicated. Luis Michael R. Yu III is expected to vote the shares of IHoldings, Inc.	Filipino	2,524,367,002	45.75%

² This total includes the Company's 258,427,800 treasury shares. With the remaining shares held by stockholders outside of the top 20, this adds up to 5,518,230,720, the total number of the Company's issued shares.

Common	8990 Housing Development Corporation 8990 Building, Negros Street, Cebu Business Park, Cebu City	The record owner is the beneficial owner of the shares indicated. Luis Michael R. Yu is expected to vote the shares of 8990 Housing Development Corporation	Filipino	1,189,338,002	21.55%
Common	Kwantlen Development Corporation Unit 605, Ayala FGU Center, Cebu Business Park, Cebu City	The record owner is the beneficial owner of the shares indicated. Mariano D. Martinez, is expected to vote the shares of Kwantlen Development Corporation	Filipino	1,116,335,095	20.23%

Other than the abovementioned, the Company has no knowledge of any person who, as of the record date, was directly or indirectly the beneficial owner of, or who has voting power or investment power (pursuant to a voting trust or other similar agreement) with respect to, shares comprising more than five percent (5%) of the Company's outstanding common shares of stock.

Security Ownership of Management as of the Record Date

The following are the number of common shares of stock owned of record and beneficially by the directors and corporate officers of the Company, and the percentage of shareholdings of each, as of 30 July 2026:

Title of Class	Name of Beneficial Owner	No. of Shares	Citizenship	% to Total Outstanding Shares
Common	Luis N. Yu, Jr.	258,099,322	Filipino	4.91%
Common	Mariano D. Martinez	168,916,767	Filipino	3.21%
Common	Luis Michael R. Yu III	20,200	Filipino	0.00%
Common	Gwen Lourdes G. Lim	20,100	Filipino	0.00%
Common	Manuel C. Crisostomo	20,100	Filipino	0.00%
Common	Alexander Ace S. Sotto	20,100	Filipino	0.00%
Common	Margarita Martinez	20,100	Filipino	0.00%
Common	Maria Paz I. Diokno	20,100	Filipino	0.00%
Common	Manuel S. Delfin, Jr.	20,001	Filipino	0.00%

Common	Anthony Vincent Sotto	20,001	Filipino	0.00%
Common	Arlene C. Keh	20,001	Filipino	0.00%
Common	Richard L. Haosen	20,001	Filipino	0.00%
Common	Diana Jean Ridad Yu	20,000	Filipino	0.00%
Common	Roan Buenaventura-Torregoza	20,000	Filipino	0.00%
Common	Mark Werner J. Rosal	20,000	Filipino	0.00%
Common	Patricia Victoria G. Ilagan	0	Filipino	0.00%
Common	Hazel L. Helmuth	0	Filipino	0.00%
Common	Cristina S. Palma Gil-Fernandez	0	Filipino	0.00%
Total		427,256,793		8.12%

As of 30 July 2026, the foreign ownership level of 8990 Holdings, Inc. is as follows:

Security Type	Stock Symbol (PSE)	Number of Foreign-Owned Shares	Number of Local-Owned Shares	Number of Outstanding Voting Shares	Foreign Ownership (in%)
Common (voting)	HOUSE	66,657	5,259,736,263	5,259,802,920	0.0012%

Voting Trust Holders of 5% Or More

There are no persons who hold more than 5% of a class of shares in the Company under a voting trust or similar agreement.

Changes in Control

The Company is not aware of any voting trust agreements or any other similar agreements which may result in a change in control of the Company.

There has been no change in control of the Company since the beginning of the last fiscal year.

Item 5. Directors and Executive Officers

Term of Office

Directors shall hold office for a period of one (1) year until their successors shall have been elected and qualified during the succeeding annual meeting of the stockholders, except in case of death, resignation, disqualification or removal from office. The term of office of the officers is coterminous with that of the Directors that elected or appointed them unless such officers are sooner removed for cause.

Background Information

Directors

The following are the names, ages, citizenship and periods of service of the directors/independent directors of the Company who have been nominated for election at the Annual Meeting:

Incumbent Directors

#	Name	Age	Nationality	Position	Current Term	Period during which individual has served as such
1	Mariano D. Martinez	71	Filipino	Chairman of the Board	2025-2026	Since 2012
2	Anthony Vincent Sotto	50	Filipino	Director, President and CEO	2025-2026	Since 2021
3	Luis N. Yu, Jr.	70	Filipino	Chairman Emeritus	2025-2026	Since 2012
4	Manuel C. Crisostomo	71	Filipino	Director	2025-2026	Since 2016
5	Arlene C. Keh	58	Filipino	Director	2025-2026	Since 2012
6	Luis Michael R. Yu	37	Filipino	Director	2025-2026	Since 2023
7	Manuel S. Delfin, Jr.	65	Filipino	Director	2025-2026	Since 2012
8	Margarita B. Martinez	35	Filipino	Director	2025-2026	Since 2023
9	Diana Jean Ridad Yu	34	Filipino	Director	2025-2026	Since 2026
10	Alexander Ace Sotto	45	Filipino	Director	2025-2026	Since 2026
11	Maria Paz I. Diokno	74	Filipino	Independent Director	2025-2026	Since 2023
12	Gwen Lourdes Lim	69	Filipino	Independent Director	2025-2026	Since 2024
13	Mark Werner J. Rosal	51	Filipino	Independent Director	N/A	N/A

Officers

The following are the names, ages, positions, citizenship and periods of service of the incumbent officers of the Company:

Name	Age	Nationality	Position
Mariano D. Martinez	71	Filipino	Chairman of the Board
Anthony Vincent Sotto	50	Filipino	President and CEO
Alexander Ace Sotto	45	Filipino	Chief Operating Officer
Roan Buenaventura-Torregoza	40	Filipino	Chief Financial Officer
Richard L. Haosen	63	Filipino	Treasurer and Head of Treasury
Hazel L. Helmuth	40	Filipino	Compliance Officer
Cristina S. Palma Gil-Fernandez	57	Filipino	Corporate Secretary
Maureen Christine O. Lizarondo	39	Filipino	Asst. Corporate Secretary

Business Experience and Other Directorships**Directors**

The business experience of each of the nominees for director and the officers of the Company for the last five (5) years is as follows:

Mariano D. Martinez
Chairman of the Board

Mr. Martinez assumed chairmanship of the Company in September 2012. He is the President and CEO of Ceres Homes, Inc. (2002 to present). He is also the President of Kwantlen Development Corporation (2010 to present). Mr. Martinez had previously held the position of President for Happy Well Management & Collection Services Inc. (2008), BP Waterworks Incorporated (1997), 8990 Luzon Housing Development Corporation (until 2011) and Fog Horn, Inc. (until 2011). He is currently a Board Advisor to the SHDA, the largest industry organization for real estate developers in the Philippines. He held the positions of Chairman (2001-2002) and President (1999-2001) for the SHDA. Mr. Martinez holds a Bachelor of Science in Business Management degree from De La Salle College (1976). Mr. Martinez has more than 30 years of experience managing and heading companies engaged in Mass Housing subdivision development.

Luis N. Yu, Jr.
Chairman Emeritus and Director

Mr. Yu became a director of the Company in July 2012. Mr. Yu is the Founder and Chairman Emeritus of the Company. Mr. Yu is also the Chairman Emeritus of IHoldings, Inc. (2012 to present). He is also the Chairman of 8990 Cebu Housing Development Corporation, 8990 Visayas Housing Development Corporation, 8990 Davao Housing Development Corporation, 8990 Mindanao Housing Development Corporation, 8990 Iloilo Housing Development Corporation and 8990 Luzon Housing Development Corporation (2009 to present), 8990 Housing Development Corporation (2006 to present), Ceres Homes, Inc. (2002 to present), N&S Homes, Inc. (1998 to present), L&D Realty Holdings, Inc. (1998 to present), and Fog Horn (1994 to present). Mr. Yu is currently the President of DECA Housing Corporation (1995 to present). Mr. Yu holds a Master in Business Management degree from the Asian Institute of Management. Mr. Yu has more than 30 years of experience managing and heading companies engaged in Mass Housing subdivision development.

Manuel C. Crisostomo
Director

Mr. Crisostomo was Senior Vice President and CEO of the Home Development Mutual Fund (HDMF) from 2001 to 2002, capping a government career spanning various positions for 25 years. He was the President and CEO of Firm Builders Realty Development Corporation from 2005 to 2013 and served as National President and Chairman of SHDA from 2010 to 2011. Mr. Crisostomo has a BS Industrial Engineering degree from the University of the Philippines and passed the Career Executive Service Officer of the Civil Service Commission.

Arlene C. Keh
Director

Ms. Keh became an independent director of the Company in August 2012. Ms. Keh holds the position of

President of CG & E Holdings Corporation, Cypress Grove Estates Corporation, and CGE South Hills Ventures, Incorporated. She is also the Managing Director of Ceres Homes, Incorporated, Director and Treasurer of C-S Mansions and Development Corporation and Alabang Homes Condotel, Inc. Ms. Keh is a member of the Board of Governors of the SHDA, consultant to the Board of Directors of SM Foundation, Incorporated, and a member of the Board of Directors/Trustees of Foundation for Professional Training, Inc., Asian Appraisal Company, Incorporated and Amalgamated Project Management Services, Inc. Ms. Keh holds a Masters in Business Administration from the J.L. Kellogg Graduate School of Management, Northwestern University, Chicago Illinois, USA and the Hong Kong University of Science and Technology, Clearway Bay, Hong Kong. She has a Bachelor of Science in Biology degree (Summa Cum laude) from the University of the Philippines, where she also earned the Dean's Medal for the Highest Academic Achievement.

Manuel S. Delfin, Jr.

Director

Dr. Delfin is currently a partner in Allied Ophthalmic Consultants. He is also a consultant and the Vice-Chairman of the Department of Ophthalmology in Manila Doctors Hospital. He is also a consultant in Patients First Medical Center. Apart from his medical affiliations, he is also currently serving the following positions: (i) Corporate Secretary of UP Medical Foundation; (ii) President of Lakan Bakor Foundation; (iii) Treasurer of Philippine Glaucoma Society; (iv) Assistant Secretary of Philippine Glaucoma Foundation; (v) Director of Happy Wells Management & Corp.; and (vi) Director of 77 Avenida Corp. Dr. Delfin graduated with a bachelor's degree in Zoology from the University of the Philippines Diliman, cum laude, in 1982. He obtained his medical degree from the University of the Philippines College of Medicine in 1986. He also obtained his residency from the same university in 1990. He obtained his fellowship in Glaucoma from California Pacific Medical Center, USA, under Dr. Robert L. Stamper MD and Dr. Marc F. Lieberman MD.

Diana Jean R. Yu

Director

Ms. Yu is currently a Director of iHoldings Inc., a position she has held since February 2012. She most recently served as the Private Label Manager of Southeastasia Retail Inc. (SEARI) from June 2022 to August 2023, and previously served in the Retail Buyer department of SEARI from January 2015 to February 2019, handling wines and spirits from 2015 to 2018 and snacks and beverages from 2018 to 2019. Ms. Yu is also a Freelance Graphic and 3D Artist based in Manila, a role she has undertaken since 2014. Ms. Yu has over a decade of experience across retail management, private label development, and creative services.

Ms. Yu completed her Master of Business Administration at the Asian Institute of Management in March 2025. She obtained her Bachelor of Arts degree in Multimedia Arts from De La Salle – College of Saint Benilde in 2014. She completed her secondary education at University Hill Secondary School in Vancouver, Canada, and her primary education at Sacred Heart School – Hijas de Jesus in Cebu, Philippines.

Anthony Vincent Sotto

Director, and President and CEO

Atty. Anthony Vincent S. Sotto assumed the position of Deputy Chief Executive Officer of the Company in 2020, and was elected President and CEO of the Company in 2021. Prior to his current position, he served as Assistant General Manager of Credit & Collection and General Manager of Credit & Collection for 8990 Holdings, Inc. Before joining the company in 2003, he was an Associate Lawyer at Solis and Medina Law Offices from 2001 to 2002. Atty. Anthony Vincent S. Sotto graduated from the University of the Philippines-Cebu College with a degree in Bachelor of Arts in Political Science and graduated Bachelor of Laws in 2001 in the University of the Philippines Diliman Campus.

Alexander Ace S. Sotto

Director

Mr. Sotto began his 20-year career in the real estate industry when he joined the Company in 2004. He currently serves as Chief Operating Officer of the Company and as Advisor for the Subdivision and Housing Developers Association (SHDA) in Central Visayas. He previously served as Governor of SHDA for Visayas. He holds a Bachelor of Science degree in Civil Engineering from the University of San Carlos Technological Center, Talamban, Cebu City, which he obtained in 2002.

Margarita B. Martinez

Director

Ms. Martinez is currently the President and Managing Director of Bonnesmains Services Corp. She has held this position since 2012. Prior to this, she was an Apparel Buyer for Southeastasia Retail Inc. from October 2015 to July 2017. She finished her Bachelor of Arts in Fashion Media and Industries in Goldsmiths University of London, Singapore. She also has a Foundation in the Creative Arts Certificate from Lasalle College of the Arts Singapore, an Interdisciplinary Design Studies Certificate from Kwantlen Polytechnic University, BC Canada, and a Liberal Arts Studies Certificate from Corpus Christi College, BC Canada.

Luis Michael R. Yu III

Director

Mr. Yu is currently a director of Unido Capital Holdings, Inc., iHoldings, Inc., KuyaJ Group Holdings, Inc., Southeastasia Retail, Inc., Ikitchen, Inc., PLK Philippines, Inc., Grand Majestic Convention City, Inc., Manila Comisario Central, Inc., Icuisine, Inc., 100Holdings Ventures, Inc., One Vela Holdings, Inc. and 101Restaurant City, Inc., among other companies.

Gwen Lourdes G. Lim

Independent Director

Ms. Lim is currently the Vice Chairman of Southeastasia Retail, Inc., a position she has held since 2020, and previously served as its President from 2015 to 2022. Prior to this, she was Vice President for Buying at S&R Membership Shopping from 2005 to 2015. From 2003 to 2005, she was Head Buyer at Pricesmart Philippines, overseeing product selection and managing local and imported merchandise in coordination with the U.S. headquarters. She began her career in Shoemart, Inc. (SM Department Store) in 1994, rising to Division Merchandise Manager. Ms. Lim holds a Bachelor of Science degree in Management Engineering from Ateneo de Manila University, where she graduated in 1979.

Maria Paz I. Diokno

Independent Director

Ms. Diokno has been most recently engaged to assist in the day-to-day operations of an elevator company. She served as a corporate officer at General Elevator & Escalator Corporation from April 2011 to October 31, 2018. Prior to this engagement, she worked as an independent consultant, with private corporations developing strategy and financial structuring that include mergers, loan restructuring, IPOs, development of business plans and review of possible investment projects in various sectors such as information technology, manufacturing and service industries. She also worked with several private commercial banks and investment houses where areas of responsibility included the marketing and execution of investment banking products such as financial advisory, privatization, loan arrangements and syndications, debt and equity underwriting, and the like, including business development, packaging of credit facilities and preparation of industry studies. She held senior positions at AB Capital & Investment Corporation (1997–2000), Armstrong Pacific Co., Inc. (2000–2003), and Union Bank of the Philippines/UBP Capital Corporation (1988–1994), among others.

Ms. Diokno holds a Master in Business Administration degree from the Katholieke Universiteit te Leuven in Belgium, earned in 1981, and a Bachelor of Science in Business Administration degree from the University

of the Philippines, Diliman, obtained in 1974.

Mark Werner J. Rosal

Nominee for Independent Director

Atty. Mark Werner J. Rosal has been nominated for election as Independent Director of the Company at the 2026 Annual Stockholders' Meeting. Atty. Rosal is the Managing Partner of Rosal Bacalla Fortuna & Virtudazo Law Offices ("RBFV Law"), a position he has held since co-founding the firm in 2009. He specializes in Corporate and Civil Litigation, Corporate Rehabilitation and Insolvency, Banking Laws, Credit Transactions, Labor Laws, and utilities law (water and electricity/EPIRA). He currently serves as a Director of LBC Express Holdings, Inc., a publicly listed company, since 2015, and has previously served as Assistant Corporate Secretary and Director of local banks and domestic corporations.

Prior to founding RBFV Law, Atty. Rosal was an Associate Attorney at Balgos and Perez Law Offices (2003-2005) and at Angara Cruz Concepcion Regala and Abello Law Offices (ACCRALAW) (2005-2008). He obtained his law degree from the University of San Carlos, Cebu City in 2002, where he was recognized as one of the top students of his batch, and passed the 2002 Bar Examinations. He is also a licensed Physical Therapist, having graduated from Cebu Velez College in 1997.

The Company has complied with the guidelines on the nomination and election of independent directors set forth in Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code, which was adopted in the Amended By-Laws of the Company. The three (3) independent directors, Ms. Gwen Lourdes G. Lim, Ms. Maria Paz I. Diokno, and Atty. Mark Werner J. Rosal, were nominated by Raul Fortunato R. Rocha, a registered shareholder of the Company who is not a director, officer or substantial shareholder of the Company and is not related to either of the nominated independent directors. Mr. Rocha signed the recommendations and Ms. Gwen Lourdes G. Lim, Ms. Maria Paz I. Diokno, and Atty. Mark Werner J. Rosal accepted their nominations.

The qualifications of all nominated directors including the nominated independent directors, have been pre-screened in accordance with the rules of the Company. Only the nominees whose names appear on the Final List of Candidates are eligible for election as directors (independent or otherwise). No other nominations were entertained after the preparation of the Final List of Candidates and no further nominations shall be entertained or allowed during the annual stockholders' meeting. The list is made available to the Securities and Exchange Commission and to all the stockholder through the filing and distribution of the Information Statement. The name of the person or group of persons who recommended the nomination of the independent directors is identified in the Information Statement including any relationship with the nominee.

Officers

The business experience of each of the officers and executives of the Company for the last five (5) years is as follows:

Anthony Vincent Sotto

President and CEO

Please refer to the table of Directors above.

Alexander Ace S. Sotto

COO

Please refer to the table of Directors above.

Roan Buenaventura – Torregoza

Chief Financial Officer

Mrs. Roan Buenaventura-Torregoza assumed the position of Chief Financial Officer of the Company in September 2016. Prior to her current position, she served as Acting Chief Financial Officer, Deputy Chief Financial Officer, Assistant General Manager for Audit, and Management Services Manager for 8990 Holdings, Inc. Before joining the Company in 2014, she served as Account Officer of Wholesale Finance Department of BPI Family Savings Bank, Inc. from 2008 to 2012. Ms. Buenaventura-Torregoza finished her Master in Business Administration Concentration in Finance from Asian Institute of Management at W. Sycip Graduate School of Business Scholar in December 2013. She also has a degree in B.S. Business Administration from the University of the Philippines-Diliman (2007).

Richard L. Haosen

Treasurer and Head of Treasury

Mr. Richard L. Haosen, assumed the position of Treasurer of the Company in 2010. Mr. Haosen is also currently serving as the General Manager of 8990 Housing. Before joining the Company in 2010, he served as the Vice President/Division Head of the Business Lending Division – Cebu and the Business Lending Group – Visayas/Mindanao of Metropolitan Bank and Trust Company (MBTC) from 2006 to 2010. He also served as Unit Head of MBTC Cebu Account Management Unit from 2005 to 2006, and as Account Officer of MBTC Cebu Downtown Center Branch from 1994 to 2005. Mr. Haosen obtained his license as a Certified Public Accountant in 1982. He also has a degree in B.S. Commerce, major in Accounting from the Ateneo de Davao University (1982).

Hazel L. Helmuth

Compliance Officer

As General Manager of the Legal Department at 8990 Housing Development Corp., Atty. Helmuth managed all legal affairs, including land acquisition, litigation, corporate governance, and special projects for the leading mass housing developer. Previous roles include heading litigation and administrative departments at law firms in Cebu City, serving as Corporate Secretary for several corporate clients, and excelling in courtroom representation, contract management, and client relations. Additionally, she worked as Corporate Lawyer and Executive Assistant at a local BPO firm, overseeing operations, compliance, and strategic initiatives. Atty. Helmuth has been a member of the Philippine Bar since 2012. She obtained her Bachelor of Law degree at Arellano University School of Law in Manila in 2012. She is also a graduate of the University of the Philippines Los Baños with a Bachelor of Science Degree in Communications.

Cristina S. Palma Gil-Fernandez

Corporate Secretary

Atty. Palma Gil-Fernandez assumed the position of Corporate Secretary of the Company in September 2012. Atty. Palma Gil-Fernandez graduated with a Bachelor of Arts degree, Major in History (Honors) from the University of San Francisco in 1989, and with a Juris Doctor degree, second honors, from the Ateneo de Manila University in 1995. She is currently a Partner at Picazo Buyco Tan Fider Santos & Dee Law Offices and has over 30 years of experience in corporate and commercial law, with emphasis on the practice areas of banking, securities and capital markets (equity and debt), corporate reorganizations and restructurings and real estate. She currently serves as a Corporate Secretary for several large Philippine corporations, including three (3) publicly-listed corporations, and as Asst. Corporate Secretary, for one of the largest infrastructure companies in the country.

Maureen Christine O. Lizarondo

Assistant Corporate Secretary

Atty. Lizarondo assumed the position of Assistant Corporate Secretary of the Company in July 2015. She graduated cum laude with the degree of Bachelor of Arts, Major in Political Science, from the University of the Philippines in 2003, and with a Juris Doctor degree, second honors, from the Ateneo de Manila University in 2011. She is currently a Partner at Picazo Buyco Tan Fider Santos & Dee Law Offices.

Patricia Victoria G. Ilagan
Investor Relations Officer

Prior to joining the Company, Ms. Ilagan worked as an equities analyst at Philippine Equity Partners (a local research partner of Bank of America Merrill Lynch) from 2015 to 2017. She has a Master's Degree in Business Administration from Esade Business School and a Bachelor's Degree in Management from the Ateneo de Manila University. Her previous roles also include working as Senior Research Associate at Macquarie Capital Securities Philippines from 2010 to 2012 and Senior Manager for Financial Planning and Analysis at Bloomberry Resorts and Hotels, Inc. from 2012 to 2015.

Significant Employees

Apart from the directors and officers of the Company as enumerated above, the Company has no other significant employee.

Family Relationships

Except for Mr. Luis Michael R. Yu III and Ms. Diana Jean R. Yu, who are siblings, and children of Mr. Luis N. Yu, Jr., Ms. Margarita B. Martinez who is the daughter of Mr. Mariano D. Martinez, and Mr. Alexander Ace S. Sotto and Mr. Anthony Vincent Sotto who are siblings, none of the aforementioned Directors or Executive Officers or persons nominated or chosen by the Company to become Directors or Executive Officers is related to the others by consanguinity or affinity within the fourth civil degree.

No Director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual stockholders' meeting due to disagreement with the Company on any matter relating to the Company's operations, policies or practices.

Involvement in Certain Legal Proceedings

The Company is not aware of: (i) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to that time; (ii) any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses; (iii) any of the directors, nominees for election as directors, and executive officers being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and (iv) any of the directors and executive officers being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated, occurring during the past five (5) years up to the latest date that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter or control person of the Company.

To the best of its knowledge and belief, the Company is not involved in any litigation, arbitration, or claims (including personal injuries, employee compensation or product liability claims) of material importance, and the Company is not aware of any litigation, arbitration or claims of material importance pending or threatened against it that would have a material adverse effect on its business, financial condition, or results of operations.

Except as described below and other than those disclosed in the Company's Annual Report for 2025, and

the Financial Statements as of 31 December 2025, the Company has not had any transaction during the last two (2) years in which any Director or Executive Officer or any of their immediate family members had a direct or indirect interest.

For more discussion on Related Party Transactions, please see Note 21 of the Financial Statements as of 31 December 2025.

Directors Disclosures on Self-Dealing and Related Party Transactions

No material transaction, without proper disclosure, was undertaken by the Corporation in which any director, executive officer, or any nominee for election as director was involved or had a direct or indirect material interest.

Directors, officers and employees of the Corporation are required to promptly disclose any material business or family-related transactions with the Corporation to ensure that potential conflicts of interest are surfaced and brought to the attention of the management.

Appraisals and Performance Report of the Board

The directors' attendance record for Board meetings in 2025 is attached herein as Annex "F."

As of date, there is no formal appraisal or assessment process in respect of Board performance, although attendance by directors in board meetings are strictly monitored.

Board Committees

The members of the various committees of the Board of Directors as of 30 July 2026 are as follows:

Executive Committee

Mariano D. Martinez	-	Chairman
Luis N. Yu, Jr.	-	Member
Anthony Vincent S. Sotto	-	Member

Audit and Risk Management Committee

Gwen Lourdes G. Lim	-	Chairman (Independent Director)
Mariano D. Martinez	-	Member
Luis N. Yu, Jr.	-	Member

Nominations and Compensation Committee

Maria Paz I. Diokno	-	Chairman (Independent Director)
Mariano D. Martinez	-	Member
Anthony Vincent S. Sotto	-	Member

Corporate Governance Committee

Maria Paz I. Diokno	-	Chairman (Independent Director)
Luis N. Yu, Jr.	-	Member
Anthony Vincent S. Sotto	-	Member

Except as disclosed in Item 6 below, none of the aforementioned Directors and Executive Officers is covered by a special compensatory plan or arrangement, nor do any of them hold any outstanding warrants or options in respect of the Company or its shares.

Certifications of the nominees for Independent Directors are attached hereto as Annexes “B-1”, “B-2”, and “B-3”.

The President’s Certificate attesting to the fact that none of the directors and officers of the Company holds any position in any capacity in any government agency or instrumentality is hereto attached as Annex “C”.

Item 6. Compensation of Directors and Executive Officers

The following are the Company’s President and four most highly compensated executive officers for the year ended 31 December 2025:

Name	Position
Anthony Vincent S. Sotto	President and CEO
Alexander Ace Sotto	COO
Richard L. Haosen	Treasurer and Head of Treasury
Roan Buenaventura-Torregoza	Chief Financial Officer

The following table identifies and summarizes the aggregate compensation of the Company’s President and the four most highly compensated executive officers of the Company in fiscal years 2024, 2025, and 2026 (projected):

Aggregate compensation of the Company’s President and the four most highly compensated executive officers as named above in fiscal years 2024, 2025 and 2026 (estimated) in PhP	Year	Salary	Bonuses	Other Annual Compensation
	2026(projected)	17,596,464	1,565,767	
	2025	16,919,677	1,423,425	
	2024	16,897,276	1,294,023	
Aggregate compensation paid	2026(projected)	36,797,862	2,993,909	
	2025	35,382,560	2,721,735	
	2024	28,942,130	2,226,318	

The Company’s By-Laws provide that, by resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. Also provided therein is the compensation of directors which shall not be more than 10% of the net income before income tax of the Company during the preceding year, which shall be determined and apportioned among the directors in

such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting. The Board's Nomination and Compensation Committee shall have the responsibility of recommending such fees and other compensation of directors. In the past years and to date, the Committee did not recommend the payment of any compensation to directors based on the net income before income tax of the Company.

The following corporate officers of the Company hold shares in the Company as of 30 July 2026:

Name	Position	No. of shares
Mariano D. Martinez	Chairman	168,916,767 shares
Anthony Vincent S. Sotto	President and CEO	1 share
Alexander Ace S. Sotto	Chief Operating Officer	100 shares

Employment Contracts

Standard Arrangement

Other than payment of reasonable per diem as may be determined by the Board for every meeting, there are no standard arrangements pursuant to which directors of the Company are compensated, or were compensated, directly or indirectly, for any services provided as a director and for their committee participation or special assignments.

There are no special employment contracts between the Company and the named executive officers. Of the key executive officers named above, only Ms. Roan Buenaventura-Torregoza has an employment contract with the Company which has standard employment terms.

Other Arrangements

There are no other arrangements pursuant to which any director of the Company was compensated, or to be compensated, directly or indirectly, during 2025 for any service provided as a director.

Warrants and Options Outstanding

There are no outstanding warrants or options held by the President, the named executive officers, and all officers and directors as a group.

Item 7. Independent Public Accountants

The Board's Audit Committee is responsible for recommending the appointment, reappointment, and/or removal of the Company's external auditor. The Audit Committee recommended the re-election of Ramon F. Garcia & Company, CPAs (Crowe Philippines) as the Company's principal accountant and external auditor.

Ramon F. Garcia & Company, CPAs (Crowe Philippines) has audited the Company's financial statements without qualification for the period ending 31 December 2025. Representatives of the said firm are expected to be present at the annual stockholders' meeting. They will have the opportunity to make a statement if they desire to do so, and are expected to be available to respond to appropriate questions. The partner-in-charge

for the period indicated is Honorata L. Paguio.

During the Company's three most recent fiscal years or any subsequent interim periods, there was no instance where the Company's public accountants resigned or indicated that they decline to stand for re-election or were dismissed nor was there any instance where the Company had any disagreement with its public accountants on any accounting or financial disclosure issue.

The current and previous independent auditors engaged by the Company have no shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe to securities issued by the Company. All independent auditors do not have and will not receive any direct or indirect interest in the Company or in any of our securities (including options, warrants or rights thereof) pursuant to or in connection with the Common Shares.

The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

Apart from the foregoing audit-related services, our independent auditors have not rendered tax, accounting, compliance, advice, planning and other tax services for the Company within the last two fiscal years.

The 2025 audit of the Company is in compliance with paragraph (3)(b)(iv) of Securities Regulation Code Rule 68, as amended, which provides that the external auditor should be rotated, or the handling partner changed, every five (5) years or earlier.

Item 8. Compensation Plans

The Corporation has no employee stock option at the moment.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

Following the voluntary delisting of the Company from the Main Board of the Philippine Stock Exchange effective 31 October 2025, and in furtherance of the completion of the Company's privatization, the Board of Directors, in a special meeting held on 9 July 2026, approved the reverse stock split or increase in the par value of the Company's shares (the "Reverse Stock Split") and the corresponding amendment of the Seventh Article of the Company's Articles of Incorporation, as follows:

1. Increasing the par value of the Company's Common Shares from One Peso (Php1.00) per Common Share to Twenty Thousand Pesos (Php20,000.00) per Common Share, thereby resulting in the reduction in the number of the authorized Common Shares from Six Billion Eight Hundred Fifty Million (6,850,000,000) to Three Hundred Forty-Two Thousand Five Hundred (342,500);
2. Increasing the par value of the Company's Voting Preferred Shares from One Centavo (Php0.01) per Voting Preferred Share to Two Hundred Pesos (Php200.00) per Voting Preferred Share, thereby resulting in the reduction in the number of the authorized Voting Preferred Shares from Five Billion (5,000,000,000) to Two Hundred Fifty Thousand (250,000); and
3. Increasing the par value of the Company's Non-Voting Preferred Shares from One Peso (Php1.00) per Non-Voting Preferred Share to Twenty Thousand Pesos (Php20,000.00) per Non-Voting Preferred Share, thereby resulting in the reduction in the number of the authorized Non-Voting Preferred Shares from One Hundred Million (100,000,000) to Five Thousand (5,000).

Item 10. Modification or Exchange of Securities

Reverse Stock Split

The Company proposes to increase the par value of the Company's Common Shares from One Peso (Php1.00) per Common Share to Twenty Thousand Pesos (Php20,000.00) per Common Share, Voting Preferred Shares from One Centavo (Php0.01) per Voting Preferred Share to Two Hundred Pesos (Php200.00) per Voting Preferred Share, and Non-Voting Preferred Shares from One Peso (Php1.00) per Non-Voting Preferred Share to Twenty Thousand Pesos (Php20,000.00) per Non-Voting Preferred Share, thereby reducing the number of authorized Common Shares from Six Billion Eight Hundred Fifty Million (6,850,000,000) to Three Hundred Forty-Two Thousand Five Hundred (342,500), the number of authorized Voting Preferred Shares from Five Billion (5,000,000,000) to Two Hundred Fifty Thousand (250,000), and the number of authorized Non-Voting Preferred Shares from One Hundred Million (100,000,000) to Five Thousand (5,000) (the "Reverse Stock Split"), through the amendment of the Seventh Article of the Articles of Incorporation of the Company.

The Board of Directors approved the Reverse Stock Split at a special meeting of the Board held on 9 July

2026. The Reverse Stock Split will thereafter be submitted for stockholder approval thereafter at the 2026 Annual Stockholders' Meeting. The total authorized capital stock of the Corporation shall remain unchanged at Seven Billion Pesos (Php7,000,000,000.00).

The Reverse Stock Split shall be undertaken for the sole purpose of further reducing the number of shareholders of the Company to ensure that the Company, following the delisting of its common shares from the PSE, will remain a non-public and non-reporting company. Such privatization is expected to streamline the Company's shareholding structure, increase efficiency of operations, maximize productive use of manpower and resources, and generally reduce administrative costs.

Treatment of Fractional Shares

The Reverse Stock Split shall be effected through the increase in the par value of the Company's Common Shares³, resulting in the fractionalization of some shares, such that a stockholder's shares may be reduced to less than one (1) whole share, or a stockholder may end up with more than one (1) share but with a fractional remainder (i.e. 2.4 shares). With respect to stockholders with resulting fractional shares ("Affected Stockholders"), the following mechanics shall apply:

- a. All resulting fractional shares shall be dropped and cancelled and will be considered treasury shares. Affected shareholders (or those with resulting fractional shares) shall be entitled to be paid for their fractional shares in accordance with the paragraphs below.
- b. Affected shareholders who will still own more than one (1) share in the Corporation and with resulting fractional shares (i.e. 2.4 shares) shall be paid by the Corporation only for their fractional shares (i.e. 0.4 share). Payment shall be in cash, in an amount equivalent to Php10.42 multiplied by the number of common shares of the Corporation standing in the name of the relevant affected shareholder as of the date immediately preceding the date of approval by the SEC of the Reverse Stock Split (the "Cut-Off Date"), which has been reduced to fractional shares as a result of the Reverse Stock Split (i.e., 8,000 shares prior to the reduction to 0.4 share) (the "Payout Price"). After such payment, such affected shareholders shall continue to own whole number of shares in the Corporation (i.e. 2 shares).
- c. Affected shareholders whose shareholdings are reduced to less than one (1) share (the "Fractional Shareholders") shall likewise be entitled to a payout to be paid for their fractional shares in cash, equivalent to the Payout Price (as computed above), as of the Cut-Off Date. Thereafter, such Fractional Shareholder shall cease to be a shareholder in the Corporation.

Stockholders are advised to consult their own tax advisors concerning the tax consequences of, and the tax reporting and payment obligations arising from, their receipt from the Company of cash payment for fractional shares.

Except for the foregoing amendment to the Seventh Article of the Articles of Incorporation covering the Reverse Stock Split, consisting of the increase in the par value of the Company's Common Shares, Voting Preferred Shares, and Non-Voting Preferred Shares, there will be no other change in the terms and features of such shares nor in the rights of existing holders of said shares resulting from the foregoing modifications.

Item 11. Financial and Other Information⁴

³ Currently, no preferred shares are issued and outstanding.

⁴ On 6 May 2026, the Company filed a Notice of Suspension of Duty to File Reports (SEC Form 17-EX) with the Securities and Exchange Commission, on the basis that (i) as of 1 January 2026, the Company had only 33 stockholders holding at least 100 shares each, below the threshold of 100 stockholders under Section 17.2.3 of the Implementing Rules and Regulations of the Securities Regulation Code, and (ii) the Company's securities are no longer listed on the Philippine Stock Exchange, having been delisted effective 31 October 2025. Accordingly, the Company is not required to file SEC Form 17-A and 17-Q.

- a. The Management's Discussion and Analysis or Plan of Operation is attached hereto as Annex "D".
- b. The Minutes of the last Annual Stockholders' Meeting held on 26 August 2025 is attached herein as Annex "E."
- c. The Director Attendance Report for meetings held in 2025 is attached herein as Annex "F."
- d. The Audited Consolidated Financial Statements for 2025 is attached herein as Annex "G-1" and "G-2"
- e. If action to be taken is with respect to any matter specified in Items 9 or 10, furnish the following information: Audited Financial Statement, and Management Discussion and Analysis and Plan of Operation. The representatives of the principal accountants for the current fiscal year are expected to be present at the meeting and have the opportunity to make a statement if they desire to do so and are expected to be available to respond to questions.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

Not applicable.

Item 13. Acquisition or Disposition of Property

Not applicable.

Item 14. Restatement of Accounts

Not applicable.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The President's Report and the Audited Financial Statements for the year ended 31 December 2025 will be submitted for approval and ratification by the stockholders.

Item 16. Matters Not Required to be Submitted

Not applicable.

Item 17. Other Proposed Actions

Action with Respect to Reports

The following reports/minutes of meeting will be submitted for approval/confirmation by the stockholders:

1. President's Report and the Annual Report for the year 2025.
2. Audited Financial Statements for the year 2025.
3. Minutes of the Annual Meeting of the Stockholders held on 26 August 2025, which records the approval and/or ratification by the stockholders of the following matters:
 - a. Presentation and Adoption of the President's Report and Annual Report and Approval of the Audited Financial Statements for the year 2024;

- b. Approval of the Audited Financial Statements as of 31 December 2024;
 - c. Ratification of all acts of the Board of Directors and Management since the last annual stockholders' meeting held on 29 July 2024;
 - d. Election of the Directors (including the Independent Directors) of the Company for the ensuing fiscal year;
 - e. Appointment of External Auditors;
 - f. Approval of Voluntary Delisting from the Main Board of the Philippine Stock Exchange;
4. Approval of the Increase in Par Value and the Corresponding Amendment of the Seventh Article of the Articles of Incorporation.

Other Proposed Actions

1. Election of the members of the Board of Directors, including the Independent Directors, for the fiscal year 2027.
2. Ratification of all acts of the Board of Directors and Management since the last annual stockholders' meeting held on 26 August 2025 including:
 - (a) appointment of new directors;
 - (b) appointment of signatories for various transactions;
 - (c) authorization to act as surety for subsidiaries;
 - (d) investments;
 - (e) all material resolutions adopted by the Board and duly reported by the Company to the SEC through the filing of SEC Form 17-C, such as the election of new directors, and SEC Form 17-EX;
 - (f) all other resolutions adopted by the Board in the ordinary course of business; and
 - (g) all other acts executed by Management in the exercise of their functions in the regular and ordinary course of business of the Company.

Copies of the minutes of meetings of the Board of Directors are available for inspection by any stockholder upon written request at the principal office of the Company during business hours.

3. Appointment of external auditor for the ensuing fiscal year

Item 18. External Audit Fees

The following table sets out the aggregate fees billed for each of the last two years for professional services rendered by Ramon F. Garcia & Company, CPAs in the years ending 2023, 2024, and 2025:

	2023	2024	2025
Audit and Audit-related Fees ⁽¹⁾	12,250,000	13,150,000	13,150,000
All Other Fees ⁽²⁾	1,225,000	1,315,000	1,315,000
Total	13,475,000	14,465,000	14,465,000

- (1) *Audit and audit related fees include fees for the audit of annual financial statements and services that are normally provided by the independent auditor in connection with statutory and regulatory filings.*
- (2) *All other fees above include out-of-pocket expenses.*

The Corporation did not engage the services of the External Auditors and has not paid any other fees, except as stated above.

Item 19. Voting Procedure

Manner of Voting

In all items for approval, except in the election of directors, each share of stock entitles its registered owner to one vote.

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

Stockholders as of Record Date who have successfully registered their intention to participate in the annual meeting via remote communication and to vote *in absentia*, duly verified and validated by the Company shall be provided with unique log-in credentials to participate and watch the online meeting of the stockholders of the Company. A stockholder voting electronically in absentia shall be deemed present for purposes of quorum.

The Corporate Secretary and stock transfer agent will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies.

Voting requirements

- (a) With respect to the election of directors, candidates who received the highest number of votes shall be declared elected.
- (b) With respect to the adoption of the Audited Financial Statements for the year ended 31 December 2025, as well as the approval or ratification of the other actions set forth under the heading "Other Proposed Actions" above, the vote of majority of the outstanding capital stock entitled to vote and represented in the meeting is required to approve such matters.
- (c) With respect to the approval of the increase in par value and the amendment of the Seventh Article of the Articles of Incorporation, the affirmative vote of at least two-thirds (2/3) of the outstanding capital stock entitled to vote in the meeting is required.

Method of counting votes

The Corporate Secretary and stock transfer agent will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies at the Annual Meeting of the stockholders.

All votes received shall be tabulated by the Office of the Corporate Secretary with the assistance of the Company's stock transfer agent. The Corporate Secretary shall report the partial results of voting during the meeting. The actual voting results shall be reflected in the minutes of the meeting.

The detailed instructions for participation through remote communication are set forth in Annex "A" to the

Information Statement.

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY UNDERTAKES TO FURNISH SAID STOCKHOLDER A COPY OF SEC FORM 17-A FREE OF CHARGE, EXCEPT FOR EXHIBITS ATTACHED THERETO WHICH SHALL BE CHARGED AT COST. ANY WRITTEN REQUEST FOR A COPY OF SEC FORM 17-A SHALL BE ADDRESSED AS FOLLOWS:⁵

**8990 HOLDINGS, INC.
11th Floor, Liberty Center, 104 HV Dela Costa Street
Salcedo Village, Makati City, Philippines
Attention: PATRICIA VICTORIA G. ILAGAN**

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on 31 July 2026.

8990 HOLDINGS, INC.

By:



**MARIANO D. MARTINEZ
Chairman of the Board**

⁵ See footnote 4.

ANNEX A

VIRTUAL ANNUAL STOCKHOLDERS' MEETING AND REQUIREMENTS AND PROCEDURES FOR ELECTRONIC VOTING IN ABSENTIA

The Annual Meeting of the stockholders of 8990 HOLDINGS, INC. ("8990" or the "Company") will be held on 24 August 2026 at 11:00 a.m.

In order to ensure the safety and welfare of our stockholders, the Company will dispense with the physical attendance of stockholders at the meeting and will allow attendance only by remote communication and by voting in absentia, or voting through the Chairman of the meeting as proxy.

Pursuant to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 6, Series of 2020, the Corporation has set up a designated web address which may be accessed by the stockholders to participate and vote in absentia on the agenda items presented for resolution at the meeting. A stockholder who votes in absentia or who participates by remote communication shall be deemed present for purposes of quorum.

The following are the rules and procedures for the conduct of the meeting:

- (i) Stockholders may attend the meeting remotely through Zoom with links to be posted in 8990's website (the "Website"). Stockholders may send their questions or comments prior to the meeting by e-mail at corpcommunication@8990holdings.com. HOUSE's Electronic Registration and Online-voting (HERO) System shall include a mechanism by which questions may be posted live during the meeting. The Company will endeavor to answer all questions submitted prior to and in the course of the meeting, or separately through the Company's Investor Relations Office.
- (ii) Each of the Agenda items which will be presented for resolution will be shown on the screen during the live streaming as the same is taken up at the meeting.
- (iii) Stockholders must register through the Company's HERO System to personally participate in the meeting by remote communication and to be included in determining quorum, together with the stockholders who voted by proxy.
- (iv) Voting shall only be allowed for stockholders registered in the HERO System at <https://registration.8990holdings.com> or through the Chairman of the meeting as proxy.
- (v) All the items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock represented at the meeting.
- (vi) Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his votes.
- (vii) The Company's stock transfer agent and Corporate Secretary will tabulate and validate all votes received.

Registration Period

Registration to vote in absentia or via an absentee ballot may be made through the HERO System at <https://registration.8990holdings.com> from 9:00 a.m. of July 20, 2026 until 5:00 p.m. of August 13, 2026. Beyond this time and date, a stockholder may no longer be allowed to personally participate in the Annual Meeting of the stockholders but may still vote through the Chairman of the meeting as proxy, by submitting a duly accomplished proxy form, on or before August 14, 2026.

Registration Requirements

The following are needed for the online registration:

A. For individual Stockholders

1. The unique Stockholder ID which the Stockholder should request from Stock Transfer Service Inc., the stock transfer agent (STA) of 8990, before commencing with the online registration. Stockholders may reach the 8990 STA within the Registration Period, Monday to Friday from 9:00 a.m. to 5:00 p.m.
2. Full name of the Stockholder;
3. Valid and current email address;
4. Valid and current contact number, including the area code (landline or mobile number);
5. Citizenship/Nationality; and
6. Digital copy of the Stockholder's valid and unexpired government-issued ID (in JPG format).

B. For corporate Stockholders

1. Secretary's certificate or equivalent document (in case of a non-resident stockholder) attesting to the authority of the representative to vote for and on behalf of the corporation;
2. The unique Stockholder ID which the Stockholder should request from the 8990 STA before commencing with the online registration. Stockholders may reach the 8990 STA within the Registration Period, Monday to Friday from 9:00 a.m. to 5:00 p.m.
3. Full name of the Stockholder's Representative;
4. Valid and current email address of the Stockholder's Representative;
5. Valid and current contact number (landline or mobile number) of the Stockholder's Representative;
6. Citizenship/Nationality of the Stockholder's Representative; and
7. Digital copy of the valid and unexpired government-issued ID of the Stockholder's Representative (in JPG format).

C. For Stockholders with shares under Broker Accounts (PCD Nominees)

In addition to the requirements specified in Item A or B above:

1. A proxy from the broker authorizing the Stockholder to vote the shares under his/her account.; and
2. The unique Broker's ID assigned to stockholder's broker by the PCD, together with sub-ID number assigned by such broker to the stockholder, which the stockholder should request from such broker before commencing with the online registration.

In all cases, incomplete or inconsistent information may result in an unsuccessful registration. As a result, stockholders will not be allowed access to vote electronically *in absentia* but may still vote through the Chairman of the meeting as proxy, by submitting a duly accomplished proxy form, on or before August 14, 2026.

Online Registration Procedure

1. Prior to online registration:
 - (a) For shareholders holding share certificates, contact the 8990 STA via email to secure your unique Stockholder ID. Stockholders are encouraged to secure said unique Stockholder ID via email at corpcommunication@8990holdings.com as this has been set up as the primary manner for securing such ID. When contacting the 8990 STA, please be prepared to indicate your stock certificate number/s and corresponding number of shares.
 - (b) For stockholders whose shares are lodged under broker accounts, in addition to Item 1 (a) above, please contact your respective brokers to secure the necessary requirements under Item C (Registration Requirements).
2. Log-in into the 8990's HERO System using your unique individual Stockholder ID/Broker's ID. Please ensure that you have prepared the necessary information and requirements.
3. Read the Data Privacy Notice in the HERO System. If you agree to its terms, please check the box signifying your consent to the processing of your personal information which shall be used solely for purposes of Annual Stockholders' Meeting of 8990.
4. Enter the information required in the respective fields and upload the digital copies of your valid government-issued photo ID. When all information and digital copies have been uploaded, please click the "Submit" button.

Reminders:

- Please take note of your Stockholder ID/Broker ID and Authentication Code (as described below) and keep them in a safe place. While the Company shall endeavor to take all reasonable steps to generate replacements, the Company cannot in any way guarantee that it will be able to do so in a timely manner.
- A Stockholder's online registration cannot be completed if any of the mandatory requirements are not submitted.
- Only Stockholders who submitted the complete requirements thru the HERO System by August 13, 2026, 5:00 P.M., are entitled to personally participate in the Annual Stockholders' Meeting of 8990.
- In any event, stockholders whose registration cannot be completed may still vote through the Chairman of the meeting as proxy, by submitting a duly accomplished proxy form, on or before August 14, 2026.
- In case of any issues relating to your registration in the HERO System, or in case you lose your Stockholder ID or Authentication Code, please send an email to info@lbcexpressholdings.com.

Verification of Stockholder Registrations

The Company or the 8990 STA shall verify the information and details submitted through the Electronic Voting in Absentia System, starting on August 15, 2026.

After verification of complete submission of the required information and documents, the stockholder shall receive an e-mail confirming registration in the HERO System through the stockholder's e-mail address provided in such registration. Such e-mail confirmation shall include the stockholder's unique Authentication Code (for use during the online AGM) and detailed instructions on how to participate and cast votes in the Annual Meeting of the stockholders of the Company.

In the event that you have not received such e-mail notification by August 14, 2026 please call or contact the Company or the 8990 STA.

Annual Meeting of the Stockholders

The Annual Meeting of the stockholders of 8990 shall be broadcasted online. The procedure for online voting, as well as the manner by which stockholders may bring up questions or concerns to the Board of Directors, shall be emailed to stockholders who successfully registered before the lapse of the RegistrationPeriod and whose registration has been verified.

Data Privacy

Each individual stockholder's (or that of the corporate stockholder's Authorized representative) data will be collected, stored, processed and used exclusively for the purposes of electronic registration in the HERO System of 8990 for Annual Meeting of the stockholders. Personal information will be processed and retained in accordance with the Data Privacy Act of 2012 and applicable regulations. The detailed data privacy policy of the Company may be accessed through the Company's website.

Annex "B-1"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MARIA PAZ I. DIOKNO**, Filipino, of legal age and a resident of 24 Romulo St., North Susana Executive Village, Matandang Balara, Quezon City, after having been sworn in accordance with law, hereby depose and state that:

1. I am a nominee for independent director of **8990 HOLDINGS, INC.** (the "Corporation");
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
General Elevator & Escalator Corp.	Operations Officer	2011-2018
Sedgewick Traders Corporation	Vice President	2004-2007
First Savings Bank	President	June-August 2004
Armstrong Pacific Co., Incorporated	Vice President	2000-2003
AB Capital & Investment Corporation	First Vice President, Investment Banking Division	1997-2000
Equitable Banking Corporation/EBC Investments, Inc.	Vice President	1994-1997
Union Bank of the Philippines/UBP Capital Corporation	Vice President & Division Head Officer In Charge, Operations Division	1988-1994
Government Service Insurance System	Confidential Executive Assistant II Office of Board Member Carmen I. Diokno	April to August 1988
Merchants Investment Corporation	Manager	1982-1986
Insular Bank of Asia & America	Assistant Manager	1974-1978

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.

4. I am not related to any of the directors/officers/substantial shareholders of the Corporation (Covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code (where applicable).

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.

7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

[Signature page follows.]

IN WITNESS WHEREOF, I have affixed my signature this JUN 19 2026 at the City of Makati, Philippines.



MARIA PAZ I. DIOKNO
Independent Director

SUBSCRIBED AND SWORN to before me on JUN 19 2026 in Makati City, affiant exhibiting to me her DLN - NK5-70-04594 issued on 2022/04/21.

Doc No. 490 ;
Book No. 99 ;
Page No. VII ;
Series of 2026.



STEFFI MARTINA S. VALLE
Appointment No. M-317
Notary Public for Makati City
Until December 31, 2026
Liberty Center-Picazo Law
104 H.V. Dela Costa Street, Makati City
Roll of Attorney's No. 91591
PTR No. 10766613/Makati City/01-02-2026
IBP No. 536191/Iloilo City/12-23-2025
MCLE No. VIII-0032752/May 8, 2025

Annex "B-2"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **GWEN LOURDES LIM**, Filipino, of legal age and a resident of 1203 Peridot corner Emerald Streets, Posadas Village, Sucat, Muntinlupa City, after having been duly sworn to in accordance with law do hereby declare that:

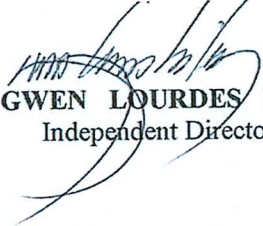
1. I am a nominee for independent director of **8990 HOLDINGS, INC.** (the "Corporation").
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Southesast Asia Retail Inc.	Vice Chairman	September 2, 2022-Present
	President	February 1, 2015-August 31, 2022
S&R Membership Shopping	Vice President - Buying	August 2005 to January 31, 2015
Pricesmart Philippines (PSMT Philippines Inc.)	Head Buyer	March 2003 to September 2005

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any of the directors/officer/substantial shareholder of the Corporation (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code (where applicable).
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

[Signature page follows.]

IN WITNESS WHEREOF, I have hereunto affixed my signature this JUN 19 2026 at JUN 19 2026.


GWEN LOURDES LIM
Independent Director

SUBSCRIBED AND SWORN to before me on JUN 19 2026 in Makati City, affiant
exhibiting to me her PPNO. P1889566B issued on 20 FEB 2020 by DFA NCR South.

Doc No. 489 ;
Page No. 99 ;
Book No. VII ;
Series of 2026.


STEFFI MARTINA S. VALLE
Appointment No. M-317
Notary Public for Makati City
Until December 31, 2026
Liberty Center-Picazo Law
104 H.V. Dela Costa Street, Makati City
Roll of Attorney's No. 91591
PTR No. 10766613/Makati City/01-02-2026
IBP No. 536191/Iloilo City/12-23-2025
MCLE No. VIII-0032752/May 8, 2025

Annex "B-3"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MARK WERNER J. ROSAL**, Filipino, of legal age and a resident of No. 39, Villa Terrace Subdivision, Green Hills Road, Brgy. Casuntingan, Mandaue City, after having been duly sworn to in accordance with law do hereby declare that:

- 1. I am a nominee for independent director of **8990 HOLDINGS, INC.** (the "Corporation).
- 2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Rosal Bacalla Fortuna & Virtudazo Law Offices (RBFV Law)	Managing Partner	2009 – Present
LBC Express Holdings, Inc. (Publicly Listed)	Director	2015 – Present
Balgos and Perez Law Offices	Associate Attorney	2003 – 2005
Angara Cruz Concepcion Regala and Abello Law Offices (ACCRALAW)	Associate Attorney	2005 – 2008
IBP Cebu City Chapter	Member	Incumbent
JCI Philippines	Senator	Incumbent
Lions Club (Cebu Capitol Chapter)	Member	Incumbent

- 3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
- 4. I am not related to any of the directors/officer/substantial shareholder of the Corporation (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code (where applicable).
- 5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
- 6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
- 7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

[Signature page follows.]

IN WITNESS WHEREOF, I have hereunto affixed my signature this 29 JUL 2026 at CEBU CITY.


MARK WERNER J. ROSAL
Independent Director

SUBSCRIBED AND SWORN to before me on 29 JUL 2026 in CEBU CITY, affiant exhibiting to me his DL. No. GO1-94-170-902 exp. on 2032-03-09.

Doc No. 202 ;
Page No. 100 ;
Book No. 7 ;
Series of 2026.




ATTY. ALEISHA MERYLL Z. ESCOBIA
Notary Public - Cebu City
Notarial Commission No. 022-22 until 31 December 2027
Roll of Attorneys No. 75687
PTR No. 2964619; Nov. 20, 2025; for 2026 Cebu City
IBP No. 558472; Nov. 12, 2025; for 2026 Cebu Province
MCLE Compliance No. VIII-No. 0016364; issued on 27 November 2024
Rm. 302, 8990 Bldg., Negros St., Cebu Business Park, Cebu City

Annex "C"

REPUBLIC OF THE PHILIPPINES
TALISAY CITY

)
) S.S.

CERTIFICATION

I, **ATTY. ANTHONY VINCENT S. SOTTO**, Filipino, of legal age and with office address at 8990 Corporate Center, Negros St, Cebu Business Park, Cebu City, after having been sworn in accordance with law, hereby certify that:

1. I am the President and Chief Executive Officer of **8990 HOLDINGS, INC.** (the "**Corporation**"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at the 11th Floor, Liberty Center, 104 H.V. Dela Costa St., Salcedo Village, Makati City.
2. Based on the records of the Corporation, none of the directors and principal officers of the Corporation hold any position in any capacity with any government agency or instrumentality.
3. I am executing this certification in relation to the submission of the Information Statement of the Corporation with the Securities and Exchange Commission.

[Signature page follows.]

IN WITNESS WHEREOF, I have affixed my signature this JUL 3 1 2026 in Talisay City Philippines.


ATTY. ANTHONY VINCENT S. SOTTO
President and Chief Executive Officer

JUL 3 1 2026

SUBSCRIBED AND SWORN to before me on _____ in Talisay City, affiant exhibiting to me his TIN No. 223-227-985-000.

Doc No. 446 ;
Book No. 91 ;
Page No. 23 ;
Series of 2026.


TIMOTHY CARL D. ALVELDA
Notary Public for Talisay City
Notarial Commission No. 2025-40-EJ, until 31 December 2026
Roll No. 83132, 3 June 2022
IBP O.R. No. 592659; Cebu Province; 12 January 2026
PTR No. 5136958; Talisay City; 14 January 2026
MCLE Compliance No. VIII-0016598, valid until 14 April 2028
Block 18 Lot 18, Deca Homes Baywalk Talisay 2, Brgy. Dumlog, Talisay City



I. Management Discussion and Analysis of Financial Condition and Results of Operations

Factors Affecting Results of Operations

The Company's results of operations are affected by a variety of factors. Set out below is a discussion of the most significant factors that have affected the Company's results in the past and which the Company expects to affect its financial results in the future. Factors other than those set out below could also have a significant impact on the Company's results of operations and financial condition in the future. See Risk Relating to the Companies Business.

General Global and Philippine Economic Conditions and the Condition of the Philippine Real Estate and Residential Housing Markets

The Company derives substantially all of its revenue from its mass housing development activities in the Philippines. The Philippine real estate and housing markets have historically been affected by the prevailing economic conditions in the Philippines, which may also be affected by the economic conditions in other parts of the world. Accordingly, the Company's results of operations may be significantly affected by the state of the global and Philippine economies generally and specifically the Philippine property and housing markets. The Philippine real estate and housing markets have historically been subject to cyclical trends, and property values have been affected by the supply of and demand for comparable properties, the rate of economic growth, the rate of unemployment, and political and social developments in the Philippines. Demand for new residential projects in the Philippines has historically also been affected by, among other things, prevailing political, social, and economic conditions in the Philippines, including overall growth levels, the value of the Philippine peso and interest rates, as well as the strength of the economy in other parts of the world, given that a substantial portion of demand comes from overseas Filipino workers. Furthermore, as the Company continues expanding its business, these operations will also be increasingly affected by general conditions in the global and Philippine economies. As a result, the Company expects that its results of operations will continue to vary from period to period largely as a result of general global and Philippine economic conditions.

Collection of Receivables

The Company's results of operations are also affected to a significant degree by the success and efficiency of its collection of receivables from its customers. If the Company experiences any significant delays or defaults on its collection of receivables, it could experience liquidity issues. In addition, a significant number of defaults may result in the Company taking on a significant amount of inventory for the housing units it would repossess from customers. In such an instance, there can be no guarantee that the Company will be able to dispose of these units quickly and at acceptable prices. Any of these occurrences in relation to failure to collect receivables from its customers in a timely manner or at all may have a material adverse effect on the Company's liquidity, financial condition, and results of operations.

Liquidity Risk Management

To better manage its liquidity risk, interest risk, as well as improve its cash conversion cycle, the Company typically enters into take-out arrangements with PAG-IBIG where it will transfer its CTS Gold Convertible receivables within four (4) years in exchange for cash. As of the date of this report, the Company has submitted to PAG-IBIG approximately four thousand seven hundred (4,700) CTS receivables, equivalent to approximately PhP4 billion. These accounts are currently being processed by PAG-IBIG, and at various stages of cycle completion. The acceptance or rejection of a CTS receivable by PAG-IBIG is based on certain guidelines of PAG-IBIG such as employment, number of contributions made by the homeowner/PAG-IBIG member and net disposable income, among other factors. The Company believes that substantially all of its requests for take-outs have been accepted by PAG-IBIG. However, in the event that a material number of take-up applications are delayed or even denied, the Company's cashflow and recognized revenues could be materially affected. Moreover, the conversion into cash of the Company CTS receivable as a result of take-ups by PAG-IBIG also affects the Company's results of operations. As greater amounts of CTS receivables are

converted due to the Company's take-up arrangements, the Company's finance income and receivables decrease while its cash balances correspondingly increase.

In addition to its receivables take-up arrangements with institutions such as PAG-IBIG, the Company also regularly adopts other measures to manage its level of receivables from its housing sales, as well as to generate cash necessary for operations. For example, the Company occasionally enters into loan arrangements with banks with its receivables portfolio as collateral. In addition, the Company also sells receivables to banks and other financial institutions on a non-recourse basis from time to time. The Company has also begun to explore possible securitization transactions with respect to its receivables portfolio. The success of any of these receivable management measures, depending on the amount involved and terms agreed, may affect the Company's results of operations in terms of its liquidity and the levels of its receivable assets.

Interest Rates

The Company generally charges its customers an annual interest rate of nine and a half percent (9.5%) on their housing loans under the CTS program. The Company's financing arrangements with commercial banks and other financial institutions are typically on a fixed interest basis, with interest rates typically averaging approximately six percent (6%) or seven percent (7%) per annum. As the Company typically only needs to borrow approximately half of the amount of loans it grants to its customers, the Company believes that it is substantially protected against fluctuations of interest rates in the market. However, in cases of extraordinary increases in interest rates, such as during the Asian financial crisis of the late 1990s or the global economic downturn of 2008, the Company's financial position and results of operations could be adversely affected.

Tax Incentives and Exemptions

As a developer of low-cost housing with mass housing unit price points not exceeding PhP1.9 million (for lots only) or PhP2.2 million (for residential house and lots or other residential dwellings), the Company benefits from an exemption on VAT under current tax laws and regulations. Furthermore, the accreditation of the Company's projects with unit prices between PhP450,000 and PhP3,000,000 with the BOI as under the IPP allows each accredited project to enjoy certain tax incentives. For each accredited project, the Company's sales of low cost subdivision lots and housing units are currently not subject to corporate income tax. Also, the Company's projects with unit price of PhP450,000 and under are considered socialized housing projects and enjoy income tax free status by virtue of Republic Act No. 7279. As such, the Company's sales of low cost subdivision lots and housing units are currently not subject to twelve percent (12%) VAT, and corporate income tax. In the event that the Company loses these tax exemptions or incentives or its tax holiday lapses or is not renewed, these sales would become subject to VAT and corporate income tax. These prospective tax charges will directly affect the Company's net income, and the Company expects that any changes in regulatory and tax policy and applicable tax rates may affect its results of operations from time to time.

Price Volatility of Construction Materials and Other Development Costs

The Company's cost of sales is affected by the price of construction materials such as steel, tiles, and cement, as well as fluctuations in electricity and energy prices. While the Company, as a matter of policy, attempts to fix the cost of materials components in its agreements with contractors, in cases where demand for steel, tiles, and cement are high or when there are shortages in supply, the contractors the Company hires for construction or development work may be compelled to raise their contract prices. With respect to electricity, higher prices generally result in a corresponding increase in the Company's overall development costs. As a result, rising costs for any construction materials or in the price of electricity will impact the Company's construction costs, cost of sales, and the price for its products. Any increase in prices resulting from higher construction costs could adversely affect demand for the Company's products and the relative affordability of such products, particularly as a mass housing developer. This could reduce the Company's profitability.

With regard to sales of subdivision house and lots, if the actual cost of completing the development of a particular project exceeds the Company's estimates, any increase in cost is recorded as part of the cost of sales of subdivision house and lots in the same project. This means that the cost of sales for future sales in

the same project will be higher.

Availability of Suitable Land for Development

The Company meticulously selects the sites for its mass housing development projects, typically undergoing a research process of anywhere from six (6) months to one (1) year before deciding to acquire land for its contemplated developments. After initializing projects in the Visayas and Mindanao, the Company is currently looking to expand its footprint in Luzon, and particularly the Metro and Greater Manila areas. To this end, the Company is currently examining its options for the acquisition of parcels of land in these areas. The Company selects the location of its developments based on numerous factors, such as proximity to public transportation hubs and employment areas, as well as vicinity to retail and other commercial establishments, among others. That said, properties which meet all these criteria may not be available for the price the Company is willing to pay, or the Company may encounter competing offers from other developers who may have more resources at their disposal. If the Company is unable to acquire or select the optimal parcels of land for its development projects and expansion plans or is unable to successfully grow and manage its landbank, its ability to meet its revenue and growth targets may be adversely affected.

Demand for Residential Properties

The Company has benefited from greater demand for residential properties resulting from, among other factors, growth of the Philippine economy, increasing number of Filipinos investing in the Philippine real estate market, strong levels of OFW remittances and increasing demand from expatriate Filipinos. In addition, the Company has also benefited specifically from the underserved backlog for mass housing in the Philippines in recent years. The increased demand for residential properties has been a significant factor in the Company's increased revenues and profits over the last three (3) years. In response to these developments, the Company has further increased the number of mass housing development projects. The Company has also begun to offer new mass housing residential products, such as condominiums, to address potential demand from specific target markets. It is unclear whether the demand for housing in the Philippines will remain high or continues to grow, or whether the demand for the Company's products will reach the levels anticipated by the Company. Negative developments with respect to demand for housing in the Philippines would in turn have a negative effect on the Company's operational results. Conversely, positive developments in housing demand would likely positively contribute to the Company's operational results as observed in the past.

Customers

The Company mainly focuses on serving the needs of the Mass Housing market. Specifically, the Company targets (a) the upper-end of the lower-class segment of society and (b) the lower-end of the middle class of the society. The Company's target market consists of buyers who are gainfully employed (such as government employees, business processing operations (BPO) employees, manufacturing workers, etc.). The Company likewise caters to OFWs, which, for many years, have played an important role in keeping the Philippine economy afloat through their remittances that help fuel consumption, specifically real estate purchases. The Company is not dependent on one or a few major customers.

Employees

As of December 31, 2025, the Company has a total of 719 employees. This is broken down as follows:

Function	Number of Employees
Managers	122
Finance	92
Accounting	36
Construction and Engineering	58
Conversion Staff	46

Credit & Collection Staff	67
Send-out and Documentation Staff	113
HR/Admin Staff	53
MIS	18
Planning	7
Pre-Documentation	26
Treasury	0
Records Management	13
Materials & Procurement	11
Receivables Management	7
Customer Service	17
Legal	9
Azalea/Deca Mall	0
Quality Assurance	9
Property Management	9
Internal Audit	5
Executive Office	1

Furthermore, to date, there is no existing collective bargaining agreement between the Company and its employees, and the Company's employees are not part of any labor union. The Company has not experienced any disruptive labor disputes, strikes, or threats of strikes, and management believes that the Company's relationship with its employee in general is satisfactory. The Company complies with minimum compensation and benefits standards as well as all other applicable labor and employment regulations.

Related Party Transactions

The Company, in its ordinary course of business, engages in transactions with related parties and affiliates. These transactions consist of granting of loans and advances and reimbursement of expenses, which can be settled in cash or through offsetting arrangement. The Company is not dependent on any of its related parties for its business.

Need for Government Approvals

The Philippines' housing market is highly regulated. The development of subdivision and other residential projects is subject to a wide range of government regulations, which, while varying from one locality to another, typically include zoning considerations as well as the requirement to procure a variety of environmental and construction-related permits. In addition, projects that are to be located on agricultural land must get clearance from the Department of Agrarian Reform ("DAR") so that the land can be re-classified as non-agricultural land and, in certain cases, tenants occupying agricultural land may have to be relocated at the Company's expense.

Presidential Decree No. 957, as amended, ("PD 957") and BP 220 are the principal statutes which regulate the development and sale of real property as part of a condominium project or subdivision. PD 957 and BP 220 cover subdivision projects for residential, commercial, industrial, or recreational purposes and condominium projects for residential or commercial purposes. The Department of Human Settlements and Urban Development ("DHSUD") is the administrative agency of the Government which enforces these statutes.

Regulations applicable to the Company's operations include standards regarding:

- the suitability of the site;
- road access;
- necessary community facilities;
- open spaces;
- water supply;
- sewage disposal systems;

- electricity supply;
- lot sizes;
- the length of the housing blocks; and
- house construction.

All subdivision development plans are required to be filed with and approved by the local government unit with jurisdiction over the area where the project is located. Approval of development plans is conditioned on, among other things, completion of the acquisition of the project site and the developer's financial, technical, and administrative capabilities and donation of roadways to and other easements in favor of the relevant government agencies. Alterations of approved plans that affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant government unit. There can be no assurance that the Company, its Subsidiaries, associates, or partners will be able to obtain governmental approvals for its projects or that when given, such approvals will be in accordance with the Company's planned timing for the relevant project and will not be later revoked. Any non-receipt or delay in receipt of approvals could affect the Company's ability to complete projects on time or at all.

In addition, owners of or dealers in real estate projects are required to obtain licenses to sell before making sales or other dispositions of subdivision lots and housing and condominium units. Project permits and any license to sell may be suspended, cancelled, or revoked by the HLURB based on its own findings or upon complaint from an interested party and there can be no assurance that the Company, its Subsidiaries, associates, or partners will in all circumstances, receive the requisite approvals, permits or licenses or that such permits, approvals, or licenses will not be cancelled or suspended. Any of the foregoing circumstances or events could affect the Company's ability to complete projects on time, within budget or at all, and could have material adverse effect on its financial condition and results of operations.

Research and Development

The Company engages in research and development activities relating to the construction methodology for its projects, particularly the use of pre-cast system manufacturing technology, the use of sustainable materials and the implementation of environmentally friendly initiatives such as waste-water facilities. The expenses incurred by the Company in connection with these activities are not material.

Compliance with Environmental Laws

In general, developers of real estate projects are required to submit project descriptions to regional offices of the Philippine Department of Environment and Natural Resources ("DENR"). For environmentally sensitive projects or at the discretion of the regional office of the DENR, a detailed Environmental Impact Assessment ("EIA") may be required and the developer will be required to obtain an Environmental Compliance Certificate ("ECC") to certify that the project will not have an unacceptable environmental impact. There can be no assurance that current or future environmental laws and regulations applicable to the Company will not increase the costs of conducting its business above currently projected levels or require future capital expenditures. In addition, if a violation of an ECC occurs or if environmental hazards on land where the Company's projects are located cause damage or injury to buyers or any third party, the Company may be required to pay a fine, to incur costs in order to cure the violation and to compensate its buyers and any affected third parties. The Company cannot predict what environmental legislation or regulations will be amended or enacted in the future, how existing or future laws or regulations will be enforced, administered or interpreted, or the amount of future expenditures that may be required to comply with these environmental laws or regulations or to respond to environmental claims. The introduction or inconsistent application of, or changes in, laws and regulations applicable to the Company's business could have a material adverse effect on its business, financial condition, and results of operations.

Critical Accounting Policies

Critical accounting policies are those that are both (i) relevant to the presentation of the Company's financial condition and results of operations and (ii) require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increase, those judgments become even more subjective and complex. To provide an

understanding of how the Company's management forms its judgments about future events, including the variables and assumptions underlying its estimates, and the sensitivity of those judgments to different circumstances, the critical accounting policies discussed below have been identified. While the Company believes that all aspects of its financial statements should be studied and understood in assessing its current and expected financial condition and results of operations, the Company believes that the following critical accounting policies warrant particular attention. For more information, see Notes 2 and 3 to the Company's Audited Consolidated Financial Statements.

DESCRIPTION OF CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME LINE ITEMS

The following table sets forth details for the Company's sales and other income line items for the periods indicated.

In million pesos	2025	2024	2023
Revenue	20,589.50	19,039.39	22,664.56
Cost of sales and services	11,382.19	10,930.22	12,735.09
Gross income	9,207.32	8,109.17	9,929.47
Operating expenses	4,199.20	2,906.44	2,953.82
Net operating income	5,008.12	5,202.74	6,975.65
Finance costs	1,325.31	1,520.10	2,197.24
Other income	1,977.99	2,149.54	3,075.24
Income before income tax	5,660.79	5,832.17	7,853.64
Provision for income tax	862.24	383.52	956.92
Net income	4,798.55	5,448.65	6,896.72
NET PROFIT ATTRIBUTABLE TO:			
Equity Holders of 8990 Holdings Inc.	4,790.38	5,426.97	6,884.54
Non-controlling Interests	8.17	21.68	12.18
	4,798.55	5,448.65	6,896.72

Revenue

The Company's revenue primarily comprises of those received from its sales of low-cost Mass Housing units and subdivision lots and medium-rise building housing units, rental services and other incidental income relating to its real estate operations, as well as revenues derived from its timeshare and hotel operations.

The Company does not derive any sales or revenues from foreign sales.

Cost of Sales and Services

Cost of sales and services comprise (i) the Company's costs of sales from its low-cost Mass Housing sales of housing units and subdivision lots, costs of sales from sales of MRB condominium units and costs of sales from sales of timeshares; (ii) cost of rental services; and (iii) the Company's costs of services from its hotel operations (including room and food and beverage sales).

Operating Expenses

Operating expenses generally include selling and administrative costs that are not directly attributable to the services rendered. Operating expenses of the Company comprise expenses related to marketing and selling, documentation, taxes and licenses, salaries and employment benefits, write-off of assets, provisions for

impairment losses, management and professional fees, communication, light and water, provisions for probable losses, security, messengerial and janitorial services, depreciation and amortization, transportation and travel, repairs and maintenance, rent, entertainment, amusement and representation, supplies, provisions for write-down, subscription dues and fees and miscellaneous expenses (such as extraordinary documentation expenses, liquidation and donation expenses, as well as other expenses).

Finance Costs

Finance costs comprise costs associated with the Company's borrowings, accretion of interest, bank charges and net interest expense on its pension obligations.

Other Income

Other income comprises the Company's interest income from its installment contract receivables, cash in bank and long-term investments. Other income of the Company also comprises income from water supply, gain on repossession of delinquent units and associated penalties, rent income, collection service fees, and other miscellaneous income (such as gain from sales cancellations, retrieval fees, association dues, and transfer fees). The Company also recorded other gains and losses, such as a gain from the sale of unquoted debt security classified as loans and other expenses, such as a loss on the sale of a subsidiary.

Provision for Income Tax

Provision for income tax comprises the Company's provisions for regular and minimum corporate income taxes, final taxes to be paid as well as provision for deferred income tax recognized.

Results of Operations

Year ended December 31, 2025 compared to year ended December 31, 2024

Revenue

For the year ended December 31, 2025, the Company recorded consolidated revenue of ₱20,589.5 million, an increase of 8 % from consolidated sales of ₱19,039.4 million recorded for the year ended December 31, 2024. The Company's real estate sales generated ₱20,218.3 million in revenues for the year ended December 31, 2025, an increase of 8% from the ₱18,754.5 million in revenues recorded for the year ended December 31, 2024.

Cost of Sales and Services

The Company's consolidated cost of sales and services for the year ended December 31, 2025 was ₱11,382.2 million, an increase of 4% from consolidated cost of sales and services of ₱10,930.2 million for the year ended December 31, 2024. The increase was mainly attributable to increases in cost of real estate operations.

Gross Income

The Company's consolidated gross income for the year ended December 31, 2025 was ₱9,207.3 million, an increase of 14% from consolidated gross income of ₱8,109.2 for the year ended December 31, 2024. The Company's gross income margin for the year ended December 31, 2025 was 44.72% compared to a gross income margin of 42.59% recorded for the year ended December 31, 2024.

Operating Expenses

For the year ended December 31, 2025, the Company recorded consolidated operating expenses of ₱4,199.2 million, an increase of 44% from consolidated operating expenses of ₱2,906.4 million recorded for the year ended December 31, 2024.

Other Operating Income (Expense)

The Company's consolidated other operating income (expense) for the year ended December 31, 2025 were ₱1,978.0 million, a decrease from consolidated other operating income (expense) of ₱2,149.5 million recorded for the year

ended December 31, 2024.

Finance Costs

The Company's consolidated finance costs for the year ended December 31, 2025 were ₱1,325.3 million, a decrease from consolidated finance costs of ₱1,520.1 million recorded for the year ended December 31, 2024.

Income before Income Tax

The Company's consolidated income before income tax for the year ended December 31, 2025 was ₱5,660.8 million, a decrease from consolidated income before income tax of ₱5,832.2 million recorded for the year ended December 31, 2024.

Provision for Income Tax

The Company's consolidated provision for income tax for the year ended December 31, 2025 was ₱862.2 million, an increase from consolidated provision for income tax of ₱383.5 million recorded for the year ended December 31, 2024.

Net Income

As a result of the foregoing, the Company's consolidated net income (attributable to Equity holders of 8990 Holdings Inc.) for the year ended December 31, 2025 was ₱4,790.4 million, a decrease of 11.73% from consolidated net income of ₱5,427.0 million recorded for the year ended December 31, 2024. The Company's consolidated net income margin for the year ended December 31, 2025 and 2024 is at 23.31% and 28.62%, respectively.

Year ended December 31, 2024 compared to year ended December 31, 2023

Revenue

For the year ended December 31, 2024, the Company recorded consolidated revenue of ₱19,039.4 million, a decrease of 16 % from consolidated sales of ₱22,664.6 million recorded for the year ended December 31, 2023. The Company's real estate sales generated ₱22,664.6 million in revenues for the year ended December 31, 2023, an increase of 5% from the ₱21,637.70 million in revenues recorded for the year ended December 31, 2022.

Cost of Sales and Services

The Company's consolidated cost of sales and services for the year ended December 31, 2024 was ₱10,930.2 million, a decrease of 14% from consolidated cost of sales and services of ₱12,735.1 million for the year ended December 31, 2023. The increase was mainly attributable to increases in cost of real estate operations.

Gross Income

The Company's consolidated gross income for the year ended December 31, 2024 was ₱8,109.2 million, a decrease of 18% from consolidated gross income of ₱9,929.5 million for the year ended December 31, 2023. The Company's gross income margin for the year ended December 31, 2024 was 42.6% compared to a gross income margin of 43.8% recorded for the year ended December 31, 2023.

Operating Expenses

For the year ended December 31, 2024, the Company recorded consolidated operating expenses of ₱2,906.4 million, a decrease of 2% from consolidated operating expenses of ₱2,953.8 million recorded for the year ended December 31, 2023.

Other Operating Income (Expense)

The Company's consolidated other operating income (expense) for the year ended December 31, 2024 were ₱2,149.5 million, a decrease from consolidated other operating income (expense) of ₱3,075.2 million recorded for the year ended December 31, 2023.

Finance Costs

The Company's consolidated finance costs for the year ended December 31, 2024 were ₱1,520.1 million, a decrease from consolidated finance costs of ₱2,197.2 million recorded for the year ended December 31, 2023.

Income before Income Tax

The Company's consolidated income before income tax for the year ended December 31, 2024 was ₱5,832.2 million, a decrease from consolidated income before income tax of ₱7,853.6 million recorded for the year ended December 31, 2023.

Provision for Income Tax

The Company's consolidated provision for income tax for the year ended December 31, 2024 was ₱383.5 million, a decrease from consolidated provision for income tax of ₱956.9 million recorded for the year ended December 31, 2023.

Net Income

As a result of the foregoing, the Company's consolidated net income (attributable to Equity holders of 8990 Holdings Inc.) for the year ended December 31, 2024 was ₱5,427.0 million, a decrease of 21.17% from consolidated net income of ₱6,884.5 million recorded for the year ended December 31, 2023. The Company's consolidated net income margin for the year ended December 31, 2024 and 2023 is at 30.43% and 30.43%, respectively.

Year ended December 31, 2023 compared to year ended December 31, 2022

Revenue

For the year ended December 31, 2023, the Company recorded consolidated revenue of ₱22,664.6 million, an increase of 5% from consolidated sales of ₱21,636.7 million recorded for the year ended December 31, 2022. The

increase was mainly attributable to increased real estate sales.

Cost of Sales and Services

The Company's consolidated cost of sales and services for the year ended December 31, 2023 was ₱12,735.1 million, an increase of 17% from consolidated cost of sales and services of ₱10,903.6 million for the year ended December 31, 2022. The increase was mainly attributable to increases in cost of real estate operations.

Gross Income

The Company's consolidated gross income for the year ended December 31, 2023 was ₱9,929.5 million, a decrease of 7% from consolidated gross income of ₱10,733.1 for the year ended December 31, 2022. The Company's gross income margin for the year ended December 31, 2023 was 43.8% compared to a gross income margin of 49.6% recorded for the year ended December 31, 2022.

Operating Expenses

For the year ended December 31, 2023, the Company recorded consolidated operating expenses of ₱2,953.8 million, a decrease of 8% from consolidated operating expenses of ₱3,197.3 million recorded for the year ended December 31, 2022.

Other Operating Income (Expense)

The Company's consolidated other operating income (expense) for the year ended December 31, 2023 were ₱3,075.2 million, an increase from consolidated other operating income (expense) of ₱2,816.5 million recorded for the year ended December 31, 2022.

Finance Costs

The Company's consolidated finance costs for the year ended December 31, 2023 were ₱2,197.2 million, an increase from consolidated finance costs of ₱1,912.9 million recorded for the year ended December 31, 2022.

Income before Income Tax

The Company's consolidated income before income tax for the year ended December 31, 2023 was ₱7,853.6 million, a decrease from consolidated income before income tax of ₱8,439.4 million recorded for the year ended December 31, 2022.

Provision for Income Tax

The Company's consolidated provision for income tax for the year ended December 31, 2023 was ₱956.9 million, an increase from consolidated provision for income tax of ₱786.1 million recorded for the year ended December 31, 2022.

Net Income

As a result of the foregoing, the Company's consolidated net income (attributable to Equity holders of 8990 Holdings Inc.) for the year ended December 31, 2023 was ₱6,884.5 million, a decrease of 9.83% from consolidated net income of ₱7,635.4 million recorded for the year ended December 31, 2022. The Company's consolidated net income margin for the year ended December 31, 2023 and 2022 is at 30.43% and 35.37%, respectively.

Financial Position

As at December 31, 2025 compared to as at December 31, 2024

Assets

Cash on Hand and in Banks

The Company's consolidated cash on hand and in banks were ₱1,332.3 million as at December 31, 2025, a decrease of 38% from consolidated cash on hand and in banks of ₱2,153.4 million as at December 31, 2024.

Current portion of trade and other receivables

The Company's consolidated current portion of trade and other receivables were ₱8,529.9 million as at December 31, 2025, a 5% increase from consolidated current portion of trade and other receivables of ₱8,160.5 million as at December 31, 2024.

Inventories

The Company's consolidated inventories were ₱77,717.2 million as at December 31, 2025, an increase of 21% from consolidated inventories of ₱64,389.7 million as at December 31, 2024. The increase was due mainly to work in progress inventories related to high rise building project in Urban Deca Homes Manila, Urban Deca Homes Ortigas, Urban Deca Tower Cubao and Urban Deca Homes Commonwealth.

Due from related parties

The Company's consolidated due from related parties were ₱4,457.0 million as at December 31, 2025, an increase of 41% from consolidated due from related parties of ₱3,152.2 million as at December 31, 2024

Other current assets

The Company's consolidated other current assets were ₱5,029.2 million as at December 31, 2025, a decrease of 20% from consolidated other current assets of ₱6,307.6 million as at December 31, 2024, primarily due to decreased advances to contractors in relation to construction of the Company's development projects.

Trade and other receivables – net of current portion

The Company's consolidated trade and other receivables – net of current portion were ₱17,151.1 million as at December 31, 2025, a decrease from consolidated trade and other receivables – net of current portion of ₱27,905.1 million as at December 31, 2024.

Property and equipment

The Company's consolidated property and equipment was ₱1,441.4 million as at December 31, 2025, an increase of 50% from consolidated property and equipment of ₱958.3 million as at December 31, 2024.

Investment properties

The Company's consolidated investment properties were ₱821.6 million as at December 31, 2025, an increase of 46% from consolidated investment properties of ₱564.8 million as at December 31, 2024.

Other noncurrent assets

The Company's consolidated other noncurrent assets were ₱519.1 million as at December 31, 2025, an increase of 15% from consolidated other noncurrent assets of ₱452.9 million as at December 31, 2024.

Liabilities

Current portion of trade and other payables

The Company's consolidated current portion of trade and other payables were ₱6,147.4 million as at December 31, 2025, an increase of 19% from consolidated current portion of trade and other payables of ₱5,178.7 million as at December 31, 2024.

Current portion of loans payable

The Company's consolidated current portion of loans payable were ₱21,889.7 million as at December 31, 2025, an increase of 38% from the consolidated current portion of loans payable of ₱15,840.8 million as at December 31, 2024.

Deposits from customers

The Company's consolidated deposits from customers were ₱4,791.7 million as at December 31, 2025, an increase of 207% from consolidated deposits from customers of ₱1,560.6 million as at December 31, 2024. The increase is mainly attributable to reservations and equity for payments in The Rise and Nila Project.

Due to related parties

The Company's consolidated due to related parties was ₱121.6 million as of December 31, 2025, a decrease from consolidated due to related parties of ₱158.8 million as at December 31, 2024.

Income tax payable

The Company's consolidated income tax payable was ₱46.5 million as of December 31, 2025, an increase from consolidated income tax payable of ₱45.6 million as at December 31, 2024.

As at December 31, 2024 compared to as at December 31, 2023

Assets

Cash on Hand and in Banks

The Company's consolidated cash on hand and in banks were ₱2,153.4 million as at December 31, 2024, a decrease of 14% from consolidated cash on hand and in banks of ₱2,453.3 million as at December 31, 2023.

Current portion of trade and other receivables

The Company's consolidated current portion of trade and other receivables were ₱8,160.5 million as at December 31, 2024, a 2% increase from consolidated current portion of trade and other receivables of ₱8,001.4 million as at December 31, 2023.

Inventories

The Company's consolidated inventories were ₱64,389.7 million as at December 31, 2024, an increase of 19% from consolidated inventories of ₱52,330.3 million as at December 31, 2023. The increase was due mainly to work in progress inventories related to high rise building project in Urban Deca Homes Manila, Urban Deca Homes Ortigas, Urban Deca Tower Cubao and Urban Deca Homes Commonwealth.

Due from related parties

The Company's consolidated due from related parties were ₱3,152.2 million as at December 31, 2024, a decrease of 3% from consolidated due from related parties of ₱3,261.7 million as at December 31, 2023.

Other current assets

The Company's consolidated other current assets were ₱6,307.6 million as at December 31, 2024, an increase of 7% from consolidated other current assets of ₱5,874.4 million as at December 31, 2023, primarily due to increased advances to contractors in relation to construction of the Company's development projects.

Trade and other receivables – net of current portion

The Company's consolidated trade and other receivables – net of current portion were ₱27,905.1 million as at December 31, 2024, a decrease from consolidated trade and other receivables – net of current portion of ₱33,163.7 million as at December 31, 2023.

Property and equipment

The Company's consolidated property and equipment was ₱958.3 million as at December 31, 2024, a decrease of 9% from consolidated property and equipment of ₱732.5 million as at December 31, 2023.

Investment properties

The Company's consolidated investment properties were ₱564.8 million as at December 31, 2024, an increase of 7% from consolidated investment properties of ₱527.0 million as at December 31, 2023.

Other noncurrent assets

The Company's consolidated other noncurrent assets were ₱452.9 million as at December 31, 2024, a 6% increase from consolidated other noncurrent assets of ₱425.8 million as at December 31, 2023.

Liabilities

Current portion of trade and other payables

The Company's consolidated current portion of trade and other payables were ₱5,178.7 million as at December 31, 2024, a decrease of 60% from consolidated current portion of trade and other payables of ₱8,303.5 million as at December 31, 2023.

Current portion of loans payable

The Company's consolidated current portion of loans payable were ₱15,840.8 million as at December 31, 2024, a decrease of 16% from the consolidated current portion of loans payable of ₱18,423.5 million as at December 31, 2023.

Deposits from customers

The Company's consolidated deposits from customers were ₱1,560.6 million as at December 31, 2024, an increase of 42% from consolidated deposits from customers of ₱899.3 million as at December 31, 2023.

Due to related parties

The Company's consolidated due to related parties was ₱158.8 million as of December 31, 2024, a decrease from consolidated due to related parties of ₱272.6 million as at December 31, 2023.

Income tax payable

The Company's consolidated income tax payable was ₱45.6 million as of December 31, 2024, a decrease from consolidated income tax payable of ₱93.6 million as at December 31, 2023.

Trade and other payables - net of current portion

The Company's consolidated trade and other payables – net of current portion was ₱91.9 million as of December 31, 2024, a decrease from consolidated trade and other payables – net of current portion of ₱378.9 million as at December 31, 2023.

Loans payable - net of current portion

The Company's consolidated loans payable – net of current portion was ₱29,459.8 million as of December 31, 2024, an increase from consolidated loans payable – net of current portion of ₱17,095.1 million as of December 31, 2023.

Deferred tax liability

The Company's consolidated deferred tax liability was ₱1,734.4 million as at December 31, 2024, an increase from consolidated deferred tax liability of ₱1,690.3 million as at December 31, 2023. This deferred tax liability was attributable to provision for income tax resulting from the delay in the income tax holiday accreditation for certain Company projects. Accreditation for these projects have since been obtained.

As at December 31, 2023 compared to as at December 31, 2022

Assets

Cash on Hand and in Banks

The Company's consolidated cash on hand and in banks were ₱2,453.3 million as at December 31, 2023, an increase of 66% from consolidated cash on hand and in banks of ₱1,482.2 million as at December 31, 2022.

Current portion of trade and other receivables

The Company's consolidated current portion of trade and other receivables were ₱8,001.4 million as at December 31, 2023, a 36% increase from consolidated current portion of trade and other receivables of ₱5,868.7 million as at December 31, 2022.

Inventories

The Company's consolidated inventories were ₱52,330.3 million as at December 31, 2023, an increase of 12% from consolidated inventories of ₱46,721.3 million as at December 31, 2022. The increase was due mainly to work in progress inventories related to high rise building project in Urban Deca Homes Manila, Urban Deca Homes Ortigas, Urban Deca Tower Cubao and Urban Deca Homes Commonwealth.

Due from related parties

The Company's consolidated due from related parties were ₱3,261.7 million as at December 31, 2023, an increase of 60% from consolidated due from related parties of ₱2,044.6million as at December 31, 2022.

Other current assets

The Company's consolidated other current assets were ₱5,874.4 million as at December 31, 2023, an increase of 6% from consolidated other current assets of ₱5,532.3 million as at December 31, 2022, primarily due to increased advances to contractors in relation to construction of the Company's development projects.

Trade and other receivables – net of current portion

The Company's consolidated trade and other receivables – net of current portion were ₱33,163.7 million as at December 31, 2023, a decrease from consolidated trade and other receivables – net of current portion of ₱38,035.2 million as at December 31, 2022.

Property and equipment

The Company's consolidated property and equipment was ₱732.5 million as at December 31, 2023, a decrease of 9% from consolidated property and equipment of ₱806.0 million as at December 31, 2022.

Investment properties

The Company's consolidated investment properties were ₱527.0 million as at December 31, 2023, an increase of 64% from consolidated investment properties of ₱321.1 million as at December 31, 2022.

Other noncurrent assets

The Company's consolidated other noncurrent assets were ₱425.8 million as at December 31, 2023, a slight decrease from consolidated other noncurrent assets of ₱426.0 million as at December 31, 2022.

Liabilities

Current portion of trade and other payables

The Company's consolidated current portion of trade and other payables were ₱8,303.5 million as at December 31, 2023, a decrease of 5% from consolidated current portion of trade and other payables of ₱8,786.0 million as at December 31, 2022.

Current portion of loans payable

The Company's consolidated current portion of loans payable were ₱18,423.5 million as at December 31, 2023, a decrease of 11% from the consolidated current portion of loans payable of ₱20,654.3 million as at December 31, 2022.

Deposits from customers

The Company's consolidated deposits from customers were ₱899.3 million as at December 31, 2023, a decrease of 16% from consolidated deposits from customers of ₱1,064.9 million as at December 31, 2022.

Due to related parties

The Company's consolidated due to related parties was ₱272.6 million as of December 31, 2023, a decrease from consolidated due to related parties of ₱289.5 million as at December 31, 2022.

Income tax payable

The Company's consolidated income tax payable was ₱93.6 million as of December 31, 2023, an increase from consolidated income tax payable of ₱60.6 million as at December 31, 2022.

Trade and other payables - net of current portion

The Company's consolidated trade and other payables – net of current portion was ₱378.9 million as of December 31, 2023, a decrease from consolidated trade and other payables – net of current portion of ₱938.6 million as at December 31, 2022.

Loans payable - net of current portion

The Company's consolidated loans payable – net of current portion was ₱17,095.1 million as of December 31, 2023, a decrease from consolidated loans payable – net of current portion of ₱21,325.0 million as of December 31, 2022.

Deferred tax liability

The Company's consolidated deferred tax liability was ₱1,690.3 million as at December 31, 2023, an increase from consolidated deferred tax liability of ₱1,560.8 million as at December 31, 2022. This deferred tax liability was attributable to provision for income tax resulting from the delay in the income tax holiday accreditation for certain Company projects. Accreditation for these projects have since been obtained.

Liquidity and Capital Resources

The Company mainly relies on the following sources of liquidity: (1) cash flow from operations, (2) cash generated from the sale or transfer of receivables to private financial institutions such as banks or to government housing related institutions such as the Home Development Mutual Fund ("Pag-IBIG"), and (3) financing lines provided by banks. The Company knows of no demands, commitments, events, or uncertainties that are reasonably likely to result in a material increase or decrease in liquidity. The Company is current on all of its loan accounts, and has not had any issues with banks to date. The Company does not anticipate having any cash flow or liquidity problems over the next 12 months. The Company is not in breach or default on any loan or other form of indebtedness.

The Company expects to meet its operating assets and liabilities, capital expenditure, dividend payment and investment requirements for the next 12 months primarily from its operating cash flows, borrowings, and proceeds of the Primary Offer. It may also from time to time seek other sources of funding, which may include debt or equity financings, depending on its financing needs and market conditions.

Cash Flows

The following table sets forth selected information from the Company's consolidated statements of cash flows for the periods indicated:

	For the years ended December 31,		
	2025	2024	2023
	in million pesos		
Net cash from (used in) operating activities	8,593.48	(3,183.15)	4,694.23
Net cash provided by (used in) investing activities	(2,535.70)	119.03	(1,315.99)
Net cash provided by (used in) financing activities	(6,878.83)	2,764.17	(2,407.16)
Net increase (decrease) in cash on hand and in banks	(821.04)	(299.94)	971.08
Cash on hand and in banks at beginning of year	2,153.37	2,453.31	1,482.23
Cash and cash equivalents of newly acquired subsidiary	-	-	-
Cash on hand and in banks at end of year	1,332.33	2,153.37	2,453.31

Cash flow used in operating activities

The revenue generated from its operations, primarily the sale of residential housing units, subdivision lots and MRB condominium units, primarily affects the Company's consolidated net cash used in operating activities. The Company's consolidated net cash from operating activities was ₱8,593.48 million for the year ended December 31, 2025, and consolidated net cash used in operating activities were ₱3,183.15 million, for the year ended December 31, 2024.

Cash flows used in investing activities

Consolidated net cash flow used in investing activities was ₱2,535.70 million for the year ended December 31, 2025 and consolidated net cash flow provided by investing activities was ₱119.03 million for the year ended December 31, 2024.

For the year ended December 31, 2025, consolidated net cash flow used in investing activities reflected acquisitions of property and equipment and purchase of investment properties.

Cash flow provided by financing activities

Consolidated net cash flow used in financing activities for the year ended December 31, 2025 was at ₱6,878.83 million while net cash flow provided by financing activities for the year ended December 31, 2024 was at ₱2,764.17 million.

For the year ended December 31, 2025, consolidated net cash flow used in financing activities was attributable mainly to the payment of the Company's loans during the year and shares held by subsidiary.

Key Performance Indicators

The table below sets forth key performance indicators for the Company for the years ended December 31, 2025 and 2024.

Key Performance Indicators	As of December 31. 2025 Audited	As of December 31. 2024 Audited
Current Ratio	2.90	3.62
Book Value Per Share	10.69	10.13
Debt to Equity Ratio	1.02	1.08
Net Debt to Equity Ratio	0.68	0.77
Asset to Equity Ratio	2.02	2.08
Asset to Debt Ratio	1.98	1.93
Interest Coverage Ratio	5.48	4.85

Debt Obligations and Facilities

As of December 31, 2025, the Company's total outstanding indebtedness was P47.1 billion, comprised of various short-term and long-term loans mainly from local banks, notes and bonds payable, with interest rates ranging from 4.05% to 7.0% per annum in 2025. The Company's interest rates are either subject to annual repricing or at variable rates. The Company's loans payable have maturities ranging from three months to five years, and are typically secured by receivables under its CTS In-house financing program, land held for future development, inventories and various properties of the Company.

Acceleration of Financial Obligations

There are no known events that could trigger a direct or contingent financial obligation that would have a material effect on the Company's liquidity, financial condition and results of operations.

Off Balance Sheet Arrangements

As of the date of this report, the Company has no material off-balance sheet transactions, arrangements, and obligations. The Company also has no unconsolidated subsidiaries.

Income or Losses Arising Outside of Continuing Operations

The Company has no sources of income or loss coming from discontinued operations. All of its Subsidiaries are expected to continue to contribute to the Company's operating performance on an ongoing basis and/or in the future.

Qualitative and Quantitative Disclosure of Market Risk

Credit Risk

The Company is exposed to credit risk from its in-house financing program. Credit risk is the risk of loss that may occur from the failure of a customer to abide by the terms and conditions of the customer's financial contract with the Company, principally the failure to make required payments on amounts due to the Company. The Company attempts to mitigate credit risk by measuring, monitoring, and managing the risk for each customer seeking to obtain in-house financing. The Company has a structured and standardized credit approval process, which includes conducting background and credit checks on prospective buyers using national credit databases and, where feasible, conducting physical verification of claims regarding residences and properties owned. From time to time, the Company utilizes its receivables rediscounting lines with banks and other financial institutions with its contracts receivables as collateral ("with recourse" transactions) and/or sells installment contract receivables on a "without recourse" basis.

Liquidity Risk

The Company faces the risk that it will not have sufficient cash flows to meet its operating requirements and its financing obligations when they come due.

To better manage its liquidity risk as well as improve its cash conversion cycle, the Company currently has take-out arrangements with HDMF where it will migrate its receivables under the CTS In-house financing program to HDMF's housing loan program for its members. For 2025, the Company has successfully migrated ₱18.5 billion worth of

receivables to HDMF. Also, in 2025, the Company continued the accreditation of its projects with various banks for its housing loan program.

In addition, the Company also pursues various sustainable strategies to better manage its liquidity profile. These include the sale to institutions (such as banks or government housing agencies).

Interest Rate Risk

Fluctuations in interest rates could negatively affect the margins of the Company in respect of its sales of receivables and could make it more difficult for the Company to procure new debt on attractive terms, or at all. The Company currently does not, and does not plan to, engage in interest rate derivative or swap activity to hedge its exposure to increases in interest rates.

Fluctuations in interest rates also have an effect on demand for the Company's products. As most of the Company's customers obtain some form of financing for their real estate purchases, interest rate levels could affect the affordability and desirability of the Company's subdivision lots and housing and condominium units.

Commodity Risk

As a property developer, the Company is exposed to the risk that prices for construction materials used to build its properties (including, among others, cement, and steel) will increase. These materials are global commodities whose prices are cyclical in nature and fluctuate in accordance with global market conditions. The Company is exposed to the risk that it may not be able to pass its increased costs to its customers, which would lower the Company's margins. The Company does not engage in commodity hedging but attempts to manage commodity risk by requiring its construction and development contractors to supply raw materials for the relevant construction and development projects (and bear the risk of price fluctuations).

Seasonality

There is no significant seasonality in the Company's sales. Delinquencies on the Company's receivables from homebuyers tend to increase in the months of June and December. During these months, the Company's customers' cash flows are impacted by the need to make tuition payments in June for their children's schooling and by Christmas Holiday-related expenditures in December. The Company mitigates this seasonality in collections by instituting credit and collection policies that encourage homebuyers to prioritize their amortization payments to the Company over other expenditures. These include incentives (i.e. vouchers for school supplies or Christmas season shopping at local stores that are given to homebuyers who are timely in their amortization payments) and remedial measures (i.e. fines for late amortization payments). For the most part, any spikes in delinquencies in June and December normalize in the succeeding month or two as homebuyers catch up on their payments.

II. Properties

The following table summarizes the various real estate properties owned by the Company not intended for use as the site of future projects as of December 31, 2025:

Subsidiary and Property Description				Present Use		Mortgages
		Location				
8990 Housing Development Corp.						
8990 Corporate Center		Negros St., Cebu Business Park, Cebu City		The three-storey building sits on a property owned by L and D Realty Corp, and affiliate of the Company. It is used as the headquarters of 8990 Housing. A portion of the ground floor and some areas of the 3 rd floor are leased out.		None
8990 Corporate Center		E. Quirino Ave., Davao City		The four-storey building serves as the Company's Davao branch. Some portions of the ground floor, the 3 rd floor and the		None

			4 th floor are leased out.		
3-hectare resort with the following amenities: clubhouse, swimming pool, basketball courts, mini soccer field and fishing lake.		Tacuman, Davao City	Serves as additional amenities for the subdivision residents.		None
7-hectare Wakeboard Park		Mintal, Davao	Wakeboard park with other amenities presently leased to Session Park		None
8990 Luzon					
12-hectare Wakeboard Park		Margot, Pampanga	Wakeboard park with other amenities presently leased to Session Park		None
8990 Holdings, Inc. Adriatico Office		Malate, Manila	The two-storey building serves as the Company's Manila office. It is currently servicing buyers of UDH Manila and eventually upcoming NCR projects.		None

The following table summarizes the various real estate properties leased by the Company:

	Name of Lessee	Monthly Rental (₱)	Term	Company
1	LFM Properties Corporation	80,550.40	8/1/2012-7/31/2013	HDC
		84,577.92	8/1/2013- 7/31/2015	
		88,807.04	8/1/2015- 7/31/2016	
		93,246.72	8/1/2016- 7/31/2017	
		97,909.28	8/1/2017- 7/31/2018	
		103,783.68	8/1/2018- 7/31/2019	
		110,010.88	8/1/2019- 7/31/2020	
		116,611.04	8/1/2020- 7/31/2021	
		104,117.00	8/1/2021- 7/31/2022	8990Holdings
		110,364.00	8/1/2022- 7/31/2023	
		116,986.00	8/1/2023- 7/31/2024	
		70,029.48	4/21/2019-4/20/2020	
		59,400.00	3/20/2020-2/19/2021	
		116,986.00	8/1/2024-7/31/2025	
		120,496.00	8/1/2025-7/31/2026	
		124,111.00	8/1/2025-7/31/2027	
2	SM Arena Complex Corporation	840,000.00	6/22/2013- 6/22/2014	HDC
		840,000.00	6/22/2015- 6/22/2016	
		840,000.00	6/22/2016- 6/22/2017	
		840,000.00	6/22/2017- 6/22/2018	

		840,000.00	6/22/2018-6/22/2019	TMPGI
		791,666.67	6/22/2019-6/22/2020	
		791,666.67	6/27/2022 - 6/26/2023	
		875,000.00	12/27/2023 - 06/26/2024	
		958,333.33	06/27/2024 - 06/26/2025	
		239,583.33	12/27/2025 - 03/26/2026	
		239,583.33	03/27/2026 - 06/26/2026	
3	Philippine Merchandise (2nd Floor) General Corporation	12,678.75	4/1/2005-3/31/2007	HDC/FHI
		14,212.27	4/1/2007-3/31/2008	
		51,075.92	4/1/2008-3/31/2009	
		56,183.50	4/1/2009-9/30/2009	
		118,309.68	6/1/2009-11/30/2009	
		124,225.17	6/1/2010-5/30/2011	
		136,253.04	9/1/2010-8/31/2011	
		149,878.34	9/1/2011-8/31/2012	
		164,866.18	9/1/2013-8/31/2015	
		180,320.00	9/1/2015-8/31/2017	
		177,100.00	9/1/2017-8/31/2019	
		202,500.00	9/1/2019-8/31/2021	
		193,453.00	6/1/2022-5/31/2024	
		203,106.75	6/1/2024-5/31/2025	
		213,262.09	6/1/2025-12/31/2025	
		49,580.44	7/1/2015-7/1/2016	

4	Philippine Merchandise (3rd Floor) General Corporation	159,600.00	7/1/2016-6/30/2018	HDC/FHI
		173,040.00	7/1/2018-6/30/2020	
		173,040.00	7/1/2020-6/30/2022	
		168,900.00	6/1/2022-5/31/2024	
		177,345.00	6/1/2024-5/31/2025	
5	Philippine Merchandise (5th Floor) General Corporation	176,960.00	2/1/2018-3/31/2020	HDC
		176,960.00	2/1/2020-3/31/2022	
		172,400.00	6/1/2022-5/31/2024	
		181,020.00	6/1/2024-5/31/2025	
		190,0741.00	6/1/2025-12/31/2025	
6	Philippine Merchandise Corporation (Mezzanine) General Corporation	77,040.00	6/1/2021-6/1/2022	HDC
		79,200.00	6/1/2022-6/1/2023	
7	Iloilo New Life Commercial Inc. (Mezzanine)	67,200.00	7/15/2017-01/14/2019	HDC
		67,200.00	1/15/2019-1/14/2020	
		67,200.00	1/15/2020-1/14/2021	
		60,000.00	1/15/2021-1/15/2022	
		60,000.00	1/16/2022-1/15/2023	
		60,000.00	1/16/2023-1/15/2024	
		66,000.00	1/16/2023-1/15/2024	
		66,000.00	1/16/2024-1/31/2025	
		66,000.00	2/1/2025-1/31/2026	

		66,000.00	2/1/2026-1/31/2027	
8	Iloilo New Life Commercial Inc. (Door 2)	23,520.00	8/1/2017-7/31/2018	HDC
		23,520.00	8/1/2018-7/31/2019	
		23,520.00	8/1/2019-7/31/2020	
		23,520.00	8/1/2020-7/31/2021	
		21,000.00	8/1/2021-7/31/2022	
		21,000.00	8/1/2022-7/31/2023	
		21,000.00	8/1/2023-7/31/2024	
		23,100.00	8/1/2024-7/31/2025	
		23,100.00	8/1/2025-7/31/2026	
9	Iloilo New Life Commercial Inc. (Door 3)	23,520.00	7/1/2017-6/30/2018	HDC
		23,520.00	7/1/2018-6/30/2019	

		23,520.00	7/1/2019-6/30/2020	
		23,520.00	7/1/2020-6/30/2021	
		21,000.00	7/1/2021-6/30/2022	
		21,000.00	7/1/2022-6/30/2023	
		21,000.00	7/1/2023-6/30/2024	
		23,100.00	7/1/2024-6/30/2025	
		23,100.00	7/1/2025-6/30/2026	
10	Priscilla Mae Animas	28,880.00	4/1/2019-3/31/2021	HDC
		30,208.00	4/1/2021-3/31/2023	
		29,040.00	4/7/2023-4/7/2025	

11	Otropunto Corp. (Ground Floor)	61,068.00	1/16/2016-1/15/2018	HDC
		67,175.02	1/16/2018-7/15/2018	
		67,175.02	7/16/2018-7/15/2019	
		67,175.02	7/16/2019-7/16/2020	
		67,175.02	7/16/2020-7/16/2021	
		64,176.12	7/16/2021-7/16/2022	
		66,338.75	7/16/2022-7/16/2023	
		66,338.75	7/16/2024-7/16/2025	
		66,338.75	7/16/2025-7/15/2026	
12	Otropunto Corp. (Room 202)	15,736.49	7/14/2021-7/16/2022	HDC
		17,453.19	7/16/2022-7/16/2023	
		26,443.00	7/16/2024-7/16/2025	
		26,443.00	7/16/2025-07/15/2026	
13	Otropunto Corp. (3rd Floor)	17,976.00	7/16/2022-7/16/2023	HDC
		16,311.40	7/16/2024-7/16/2025	
		16,311.40	7/16/2025-07/15/2026	
14	Calsado Enterprises	32,423.16	6/5/2016-6/4/2017	HDC
		32,423.16	6/5/2017-6/4/2018	
		33,896.95	6/5/2018-6/4/2019	
		17,997.40	8/5/2019-8/4/2020	
		17,997.40	8/5/2020-8/4/2021	
		18,471.16	8/5/2021-8/4/2022	
		38,592.26	6/5/2019-6/4/2020	LRC
15	Rosalinda M. Amit	38,592.26	6/5/2020-6/4/2021	HDC
16	Greencove Enterprise, Inc	40,364.15	6/5/2021-6/4/2022	HDC

	(Ground Floor)			
17	Greencove Enterprise, Inc (Third Floor)	40,223.33	6/5/2022-6/4/2023	HDC
19	Sps. Joseph C. Cañete & Maria Floren S. Cañete	40,223.33	6/5/2023-6/4/2024	8990 Monter razo Corp.
		40,223.33	6/5/2024-6/5/2025	
20	Manila Peninsula Hotel Inc.	42,234.50	6/5/2025-6/4/2026	8990 Monter razo Corp.
15	Rosalinda M. Amit	13,000.00	11/11/2021- 11/11/2022	HDC
16	Greencove Enterprise, Inc (Ground Floor)	104,500.00	3/20/2021-3/20/2026	HDC
17	Greencove Enterprise, Inc (Third Floor)	84,000.00	4/19/2021-3/20/2026	HDC
18	Sps. Joseph C. Cañete & Maria Floren S. Cañete	50,000.00	06/15/2023 - 06/15/2024	TMPGI
		52,500.00	06/16/2024 - 06/15/2025	
		52,500.00	06/16/2025 - 12/15/2025	
19	Manila Peninsula Hotel, Inc.	296,360.00	09/01/2023 - 09/31/2024	TMPGI
		271,040.00	10/01/2024 - 08/31/2026	
20	General Santos EMS Commercial Complex Door 5 and 6	33,072.00	4/07/2023-4/07/2025	HDC
21	Butuan City Blk. 2, L40 North Tower Subdivision, Libertad	13,000.00	5/01/2023-11/01/2023	HDC
		13,000.00	11/01/2023-5/01/2024	
		13,000.00	5/01/2024-11/01/2024	
22	Allan Gan Chua	150,000.00	8/30/2022-8/30/2023	HDC
		159,000.00	8/30/2023-8/30/2024	
		168,540.00	8/30/2024-8/30/2025	
		178,652.40	8/30/2025-8/30/2026	
23	A & S LAMPS CO. INC.	117,700.00	7/3/2025-7/2/2027	HDC
24	Nicole's 22 Corporation	64,800.00	06/15/2025- 06/14/2026	HDC

25	Goodhands Water Specialist, Inc.	51,465.00	02/01/2025- 02/01/2026	HDC
26	GCB Property Management Corporation	78,500.00	10/16/2025- 10/15/2026	HDC
27	Nuciti Central Properties & Dev't Corporation	60,000.00	07/22/2024- 07/21/2027	HDC

III. Market for Registrant's Common Equity and Related Stockholder Matters

Market Information

The Company has 5,518,210,720 total issued common shares, of which 258,427,800 shares are held by the Company as treasury shares. Accordingly, the total number of shares outstanding is 5,259,782,920.

The Company's common shares were previously listed and traded on the Philippine Stock Exchange, Inc. ("PSE") under the ticker symbol "HOUSE." On October 24, 2025, the PSE approved the Company's Petition for Voluntary Delisting pursuant to PSE Clarificatory Note No. CN-2025-0042. Accordingly, the Company's shares were officially delisted from the Official Registry of the PSE effective October 31, 2025. As of the date of this report, the Company's shares are no longer listed or traded on any stock exchange.

Holders

The Company has 43 stockholders of record as of 30 July 2026.¹ The following are the list of the top twenty (20) stockholders of the Company as of 30 July 2026:

Rank	Name of stockholder	Nature	Number of shares	Percentage
1	IHOLDINGS, INC.	Common	2,524,367,002	45.75%
2	8990 HOUSING DEVELOPMENT CORPORATION	Common	1,189,338,002	22.61%
3	KWANTLEN DEVELOPMENT CORPORATION	Common	1,116,335,095	21.22%
4	LUIS N. YU, JR.	Common	258,099,322	4.91%
5	MARIANO D. MARTINEZ JR.	Common	168,916,767	3.21%
6	MARIA LINDA BENARES MARTINEZ	Common	2,000,000	0.04%
7	PCD NOMINEE CORPORATION (FILIPINO)	Common	126,888	0.00%
8	BDO SECURITIES CORPORATION FAO VARIOUS LOCAL INDIVIDUAL CLIENTS	Common	69,010	0.00%
9	BPI SECURITIES CORPORATION FAO GREGORIO LIM UYMATIAO AND/OR GEORGE LIM UYMATIAO	Common	37,000	0.00%
10	PCD NOMINEE CORPORATION (NON-FILIPINO)	Common	35,900	0.00%
11	RAMONCITA V. REYES	Common	30,000	0.00%
12	BPI SECURITIES CORPORATION FAO DANILO RAMIREZ CAUTON JR.	Common	26,400	0.00%
13	BPI SECURITIES CORPORATION FAO ANTHONY GERARD ORAIS LEUTERIO	Common	24,000	0.00%
14	LUIS MICHAEL R. YU III	Common	20,200	0.00%
15	GWEN LOURDES G. LIM	Common	20,100	0.00%
16	MANUEL CASTILLO CRISOSTOMO	Common	20,100	0.00%
17	ALEXANDER ACE S. SOTTO	Common	20,100	0.00%
18	MARIA PAZ DIOKNO	Common	20,100	0.00%
19	MARGARITA MARTHA B. MARTINEZ	Common	20,100	0.00%

¹ Consisting of thirty-nine (39) individual or direct registered holders (with two stockholders each appearing twice in the stockholders' list), and four (4) institutional registered holders, namely: PCD Nominee Corporation (Filipino), PCD Nominee Corporation (Non-Filipino), BDO Securities Corporation, and BPI Securities Corporation. Excludes 8990 Holdings, Inc., which holds 258,427,800 shares as treasury shares.

20	ANTHONY VINCENT SOTTO	Common	20,001	0.00%
TOTAL ISSUED AND OUTSTANDING			5,518,230,720 ²	100%

The Company filed a Notice of Suspension of Duty to File Reports (SEC Form 17-EX) with the Securities and Exchange Commission on May 6, 2026, on the grounds that as of January 1, 2026, the Company had only thirty-three (33) stockholders holding at least one hundred (100) shares each, which is below the one hundred (100)-stockholder threshold under Section 17.2.3 of the Implementing Rules and Regulations of the Securities Regulation Code, and that the Company's securities are no longer listed on the PSE.

Dividends and Dividend Policy

Under Philippine law, dividends may be declared out of a corporation's Unrestricted Retained Earnings which shall be payable in cash, in property, or in stock to all stockholders on the basis of outstanding stock held by them. The amount of retained earnings available for declaration as dividends may be determined pursuant to regulations issued by the Philippine SEC. The approval of the Board of Directors is generally sufficient to approve the distribution of dividends, except in the case of stock dividends which requires the approval of stockholders representing not less than two-thirds of the outstanding capital stock at a regular or special meeting duly called for the purpose. From time to time, the Company may reallocate capital among its Subsidiaries depending on its business requirements.

The Philippine Corporation Code prohibits stock corporations from retaining surplus profits in excess of 100% of their paid-in capital stock, except when justified by definite corporate expansion projects or programs approved by the Board of Directors, or when the corporation is prohibited under any loan agreement with any financial institution or creditor from declaring dividend without its consent, and such consent has not yet been secured, or when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation.

Dividend History

Listed below are the cash dividends declared and/or paid by the Company.

Common Shares

Declaration Date: November 3, 2021
Record date: November 17, 2021
Payment date: December 10, 2021

Preferred Shares

5.50% per share

Declaration Date: January 26, 2024
Record date: January 29, 2024
Payment date: February 10, 2024

5.50% per share

Declaration Date: October 24, 2023
Record date: October 25, 2023
Payment date: November 10, 2023

5.50% per share

Declaration Date: July 24, 2023
Record date: July 27, 2023

² This total includes the Company's 258,427,800 treasury shares. With the remaining shares held by stockholders outside of the top 20, this adds up to 5,518,230,720, the total number of the Company's issued shares.

Payment date: August 10, 2023

5.50% per share

Declaration Date: February 24, 2022

Record date: January 27, 2023

Payment date: February 10, 2023

6.0263% per share

Declaration Date: February 17, 2022

Record date: February 28, 2022

Payment date: March 1, 2022

6.0263% per share

Declaration Date: February 17, 2022

Record date: May 18, 2022

Payment date: June 1, 2022

6.0263% per share

Declaration Date: February 17, 2022

Record date: August 18, 2022

Payment date: September 1, 2022

6.0263% per share

Declaration Date: February 17, 2022

Record date: November 17, 2022

Payment date: December 1, 2022

5.50% per share

Declaration Date: February 17, 2022

Record date: April 26, 2022

Payment date: May 10, 2022

5.50% per share

Declaration Date: February 17, 2022

Record date: July 27, 2022

Payment date: August 10, 2022

5.50% per share

Declaration Date: February 17, 2022

Record date: October 24, 2022

Payment date: November 10, 2022

5.50% per share

Declaration Date: February 24, 2021

Record date: October 29, 2021

Payment date: November 10, 2021

5.50% per share

Declaration Date: February 24, 2021

Record date: July 30, 2021

Payment date: August 10, 2021 5.50% per share

Declaration Date: February 24, 2021

Record date: April 30, 2021

Payment date: May 10, 2021

6.0263% per share

Declaration Date: February 16, 2021

Record date: November 18, 2021

Payment date: December 1, 2021

6.0263% per share

Declaration Date: February 16, 2021

Record date: August 18, 2021

Payment date: September 1, 2021

6.0263% per share

Declaration Date: February 16, 2021

Record date: May 18, 2021

Payment date: June 1, 2021

6.0263% per share

Declaration Date: February 16, 2021

Record date: February 28, 2021

Payment date: March 1, 2021

IV. COMPLIANCE WITH LEADING PRACTICES ON CORPORATE GOVERNANCE

The Company's Articles of Incorporation, Amended By-Laws, Manual on Corporate Governance ("CG Manual"), together with the respective charters of its Board of Directors and the Board Committees, as well as its company policies, incorporate the principles and best practices of corporate governance embodied in the Revised Corporation Code of the Philippines and the corporate governance-related issuances of the SEC and the PSE. The inclusion of good governance principles in the foregoing documents, and the adoption of the best practices of corporate governance company-wide, highlight 8990's commitment to observing the highest standards of corporate governance.

The Board spearheads the promotion and observance of good corporate governance. In line with the principles and recommendations under the SEC's MC No. 19, Series of 2016, or the Code of Corporate Governance for Publicly-Listed Companies ("CG Code"), the Board has approved the adoption of the Company's key Board charters to guide its members in the Board's oversight functions.

In compliance with prevailing SEC regulations and the PSE's disclosure rules, the Company's structured and unstructured disclosures and other information, as well as its Articles of Incorporation, By-Laws, CG Manual, the Board and the Board Committee Charters are accessible by investors and the general public through the Company's website and portal in PSE EDGE.

From the effectivity of its CG Manual to the date of this report, there is no known material deviation by the Company from its CG Manual.

In accordance with the CG Manual, the Board, together with Management, conducted annual trainings on corporate governance for 2025. The Board and 8990's key executive officers attend compliance and governance trainings by leading service providers to ensure that they are aligned with the developments in and/or best practices on good corporate governance and financial reporting.

The Company's Board has also conducted annual self-evaluation exercises to assess and evaluate their respective performance in the governance roles they have been entrusted with. The Company submits its Integrated Annual Corporate Governance Report (I-ACGR) annually, and has submitted its I-ACGR for 2024 on May 31, 2025.

Annex "E"

MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS OF 8990 HOLDINGS, INC.

Held via Remote Communication (Zoom Webinar)
On 26 August 2025, 11:00 a.m.

DIRECTORS AND OFFICERS PRESENT IN THE MEETING

Mariano D. Martinez, Jr.	-	Chairman
Luis N. Yu, Jr.	-	Chairman Emeritus and Director
Anthony Vincent Sotto	-	Director, President, and Chief Executive Officer
Manuel C. Crisostomo	-	Director
Arlene C. Keh	-	Director
Manuel S. Delfin, Jr.	-	Director
Raul Fortunato R. Rocha	-	Director
Ian Norman E. Dato	-	Director
Roan Buenaventura-Torregoza	-	Director and Chief Finance Officer
Luis Michael R. Yu	-	Director
Margarita B. Martinez	-	Director
Maria Paz I. Diokno	-	Independent Director
Gwen Lourdes Lim	-	Independent Director
Richard L. Haosen	-	Treasurer and Head of Treasury
Cristina S. Palma Gil-Fernandez	-	Corporate Secretary
Maureen O. Lizarondo-Medina	-	Assistant Corporate Secretary

SHARE INFORMATION

TOTAL ISSUED AND
OUTSTANDING SHARES:

5,261,181,820 common shares

TOTAL NUMBER OF
SHARES REPRESENTED
IN THIS MEETING¹:

444,522,595 shares held by attendees

4,237,959,835 represented by proxy

4,682,482,430 common shares (89%)

I. CALL TO ORDER

The Chairman of the Board, Mr. Mariano D. Martinez, Jr., called the meeting to order and presided over the same. The Corporate Secretary, Atty. Cristina S. Palma Gil-Fernandez, recorded the minutes of the meeting.

II. CERTIFICATION OF NOTICE AND QUORUM

Upon the request of the Chairman, the Corporate Secretary certified the following: (a) that notices of the meeting of the shareholders were published: (i) in print format and through a digital print copy in the Philippine Daily Inquirer on August 1 and 2, 2025, and (ii) in print format and through a digital print copy also of the Business Mirror on August 4 and 5, 2024; (b) that based on the Company's online registration system for this meeting, as of August 26, 2025, there are represented in the meeting, in person, through remote communication or in absentia or by proxy, shareholders owning 4,682,482,430 shares representing 89% of the total issued and outstanding capital stock of the Company; and (c) that the shareholders have been informed on the manner of voting for this meeting, details of which were provided in the Definitive Information Statement.

¹ List of Stockholders who attended the meeting is attached hereto as Annex A.

The Chairman also stated that more than a majority of the total outstanding voting stocks have cast their votes in favor of the specified agenda items, including the election of the 13 nominees to the Board of Directors. He added that the final tabulation of the actual votes cast in favor of each of the agenda items shall be reflected in the minutes of the stockholders' meeting and in the relevant disclosures to be filed by the Company with the Securities and Exchange Commission and the Philippine Stock Exchange, after the same shall have been reviewed and verified by the tabulators.

III. APPROVAL OF THE MINUTES OF THE LAST STOCKHOLDERS' MEETING

The stockholders, representing more than a majority of the entire outstanding voting stocks of the Company, voted to approve the minutes of the last stockholders' meeting held on 29 July 2024.

The breakdown of the votes cast on this matter was as follows:

For	Against	Abstain
4,682,482,430 shares equivalent to approximately 89% of the outstanding voting shares	-	-

IV. PRESIDENT'S REPORT AND ANNUAL REPORT FOR 2024

The President and CEO, Atty. Anthony Vincent Sotto, presented the President's Report and Annual Report highlighting the Company's performance for the year 2024.

In sum, the Company's financial performance are as follows:

In million pesos	FY23	FY24
Gross Revenue	P22,665	P19,039
Income After Tax	6,896	5,448
Gross Margin	44%	43%
Net Margin	30%	29%

The Company delivered 10,969 homes at the end of 2024.

Thereafter, the stockholders holding more than a majority of the outstanding voting stocks of the Company voted in favor of adopting the President's Report and the Annual Report for the year ended December 31, 2024.

A question was sent in for Atty. Anthony Vincent Sotto, noting that HDMF has recently launched a new Pambansang Pabahay para sa Pilipino (4PH) expanded program, which now includes horizontal housing. The shareholder asked how the Company intends to capitalize on this opportunity.

Atty. Sotto responded that officially, 8990 Holdings, Inc., through its Housing Development Corporation arm, has pledged over 9,000 housing units to the 4PH program. For this newly expanded 4PH program spearheaded by Pag-IBIG Fund, the Company is also looking to open

new branches, starting with Mabalacat, Cabanatuan, Tarlac, Urdaneta, Gapan, Lipa, Bacolod, Iloilo, San Miguel, Tagum, Panabo, and Indigos. He added that the Company is excited about the expanded 4PH program because it allows them to build not only vertical units but also horizontal units for socialized housing under 4PH.

A question was also raised for Ms. Roan Buenaventura-Torregoza regarding the performance of 8990's current projects. Ms. Buenaventura-Torregoza shared that the Company currently has 10 branches, each managing its own project. She added that the Company is working on expanding to at least 10 more branches over the next few years. The existing branches, she noted, are performing well and meeting their targets, with some already participating in the 4PH program.

Thereafter, the stockholders holding more than a majority of the outstanding voting stocks of the Company voted in favor of adopting the President's Report and the Annual Report for the year ended December 31, 2024.

The breakdown of the votes cast on this matter was as follows:

For	Against	Abstain
4,682,482,430 shares equivalent to approximately 89% of the outstanding voting shares	-	-

V. APPROVAL OF AUDITED FINANCIAL STATEMENTS

The stockholders holding more than a majority of the outstanding voting stocks of the Company voted in favor of the approval of the Audited Financial Statements as of 31 December 2024.

The breakdown of the votes cast on this matter was as follows:

For	Against	Abstain
4,682,482,430 shares equivalent to approximately 89% of the outstanding voting shares	-	-

VI. RATIFICATION OF ACTS OF BOARD OF DIRECTORS AND MANAGEMENT SINCE THE LAST ANNUAL STOCKHOLDERS' MEETING HELD ON 29 JULY 2024

The stockholders, representing more than a majority of the entire outstanding voting stock of the Company, voted to approve and ratify all acts of the Board of Directors and Management of the Company since the last Annual Stockholders' Meeting held on 29 July 2024, as set forth in the minutes of the meetings of the Board of Directors held during the same period and in the disclosures that have been duly filed with the Securities and Exchange Commission and the Philippine Stock Exchange.

Among the acts of the Board of Directors and Management which are for ratification, in addition to those disclosed in the audited financial statements, are the following:

- a. Appointment of new officers;
- b. Appointment of signatories for various transactions;
- c. Authorization to act as surety for subsidiaries;
- d. Investments;

- e. Approval of the voluntary delisting of the Company from the Main Board of the Philippine Stock Exchange;
- f. All material resolutions adopted by the Board and duly reported by the Company to the SEC and PSE through the filing of SEC Form 17-C, as well as those covered by minutes of board meetings which are available for inspection at the offices of the Company, including the following:
 - i. election of a new independent director,
 - ii. postponement of annual stockholders' meeting.
- g. All other resolutions adopted by the Board in the ordinary course of business; and
- h. All other acts executed by Management in the exercise of their functions in the regular and ordinary course of business of the Company.

The breakdown of the votes cast on this matter was as follows:

For	Against	Abstain
4,682,482,430 shares equivalent to approximately 89% of the outstanding voting shares	-	-

VII. ELECTION OF DIRECTORS

The following individuals have been nominated for election as directors of the Company for 2025:

Mariano D. Martinez
Anthony Vincent S. Sotto
Luis N. Yu, Jr.
Roan Buenaventura-Torregoza
Raul Fortunato R. Rocha
Ian Norman E. Dato
Luis Michael R. Yu
Manuel S. Delfin, Jr.
Margarita B. Martinez
Manuel C. Crisostomo
Arlene C. Keh
Gwen Lourdes Lim (Independent Director)
Maria Paz I. Diokno (Independent Director)

The Nomination Committee of the Board confirmed that all nominees possess all the qualifications and have none of the disqualifications to be elected as directors of the Company, and that Ms. Gwen Lourdes Lim and Ms. Maria Paz I. Diokno meet all the requirements for election as independent directors of the Company.

The Chair, representing more than a majority of the issued and outstanding shares of the Company, and acting on the instructions given by the relevant holders of said shares, cast the votes attaching to the same shares, in favor of all the 13 nominees to the Board of Directors of the Company, in accordance with the instructions given in the relevant proxy forms.

Votes were cast in respect of the election of the directors as follows:

Nominee	For	Against	Abstain
Mariano D. Martinez, Jr.	4,682,482,430	-	-

	voting shares representing 89% of the total outstanding voting shares		
Anthony Vincent S. Sotto	4,682,427,330 voting shares representing 89% of the total outstanding voting shares	55,100 voting shares representing 0% of the total outstanding voting shares	-
Luis N. Yu, Jr.	4,682,482,430 voting shares representing 89% of the total outstanding voting shares	-	-
Roan Buenaventura-Torregoza	4,679,047,630 voting shares representing 88.94% of the total outstanding voting shares	3,434,800 voting shares representing 0.07% of the total outstanding voting shares	-
Raul Fortunato R. Rocha	4,679,047,630 voting shares representing 88.94% of the total outstanding voting shares	3,434,800 voting shares representing 0.07% of the total outstanding voting shares	-
Ian Norman E. Dato	4,679,047,630 voting shares representing 88.94% of the total outstanding voting shares	3,434,800 voting shares representing 0.07% of the total outstanding voting shares	-
Luis Michael R. Yu	4,679,047,630 voting shares representing 88.94% of the total outstanding voting shares	3,434,800 voting shares representing 0.07% of the total outstanding voting shares	-
Manuel S. Delfin, Jr.	4,679,047,630 voting shares representing 88.94% of the total outstanding voting shares	3,434,800 voting shares representing 0.07% of the total outstanding voting shares	-
Margarita B. Martinez	4,679,047,630 voting shares representing 88.94% of the total outstanding voting shares	3,434,800 voting shares representing 0.07% of the total	-

		outstanding voting shares	
Manuel C. Crisostomo	4,679,047,630 voting shares representing 88.94% of the total outstanding voting shares	3,434,800 voting shares representing 0.07% of the total outstanding voting shares	-
Arlene C. Keh	4,679,047,630 voting shares representing 88.94% of the total outstanding voting shares	3,434,800 voting shares representing 0.07% of the total outstanding voting shares	-
Gwen Lourdes Lim (Independent Director)	4,682,482,430 voting shares representing 89% of the total outstanding voting shares	-	-
Maria Paz I. Diokno (Independent Director)	4,682,427,330 voting shares representing 89% of the total outstanding voting shares	55,100 voting shares representing 0% of the total outstanding voting shares	-

The Chairman accordingly declared the foregoing individuals to have been duly elected as directors of the Company for the year 2025.

VIII. APPOINTMENT OF EXTERNAL AUDITORS

The approval of the stockholders was sought for the delegation of the appointment of the external auditors of the Company for the fiscal year 2025. The stockholders voted on the re-appointment of Ramon F. Garcia & Company, CPAs (Crowe Philippines) as external auditors of the Company for the fiscal year 2025.

The breakdown of the votes cast on this matter was as follows:

For	Against	Abstain
4,682,482,430 shares equivalent to approximately 89% of the outstanding voting shares	-	-

IX. APPROVAL OF VOLUNTARY DELISTING FROM THE MAIN BOARD OF THE PHILIPPINE STOCK EXCHANGE

The approval of the stockholders was sought for the voluntary delisting of 8990 Holdings, Inc. from the Main Board of the Philippine Stock Exchange (PSE), in line with the tender offer initiated by 8990 Housing Development Corporation (HDC) to acquire the Company's outstanding common shares at ₱10.42 per common share on an all-cash basis, subject to the

terms and conditions of the Tender Offer Report. This tender offer price represents a 10% premium over the one-year Volume Weighted Average Price (VWAP) of the Company's shares from 16 July 2024 to 16 July 2025 and is at the highest end of the range provided in the independent valuation report and fairness opinion rendered for the tender offer.

Under the PSE's Amended Voluntary Delisting Rules, the voluntary delisting of the Company must be approved by: (a) at least two-thirds (2/3) of the entire membership of the Board of Directors, including the majority, but not less than two, of all of its independent directors; and (b) stockholders owning at least two-thirds (2/3) of the total outstanding and listed common shares of the Company. Further the number of votes cast against the delisting proposal should not exceed ten percent (10%) of the total outstanding and listed common shares of the Company.

The Corporate Secretary confirmed that during the 16 July 2025 Board Meeting, the Board of Directors unanimously approved a resolution authorizing the filing of an application for voluntary delisting, subject to compliance with applicable rules.

The stockholders then voted on the approval of the Company's voluntary delisting from the Philippine Stock Exchange. The breakdown of the votes cast on this matter was as follows:

For	Against	Abstain
4,682,482,430 shares equivalent to approximately 89% of the outstanding voting shares	-	-

X. ADJOURNMENT

There being no further business to transact, considering that more than a majority of the total outstanding capital stock present or represented and have voted in this meeting, all matters so far taken up by the stockholders during the Annual Shareholders' Meeting are hereby approved and carried, and the meeting was, adjourned.

CERTIFIED CORRECT:

CRISTINA S. PALMA GIL-FERNANDEZ
Corporate Secretary

ATTESTED BY:

MARIANO D. MARTINEZ, JR.
Chairman of the Board

Annex A

List of stockholders present in person or by proxy during the Annual Stockholders' Meeting on July 29, 2024:

- 1 Standard Chartered Bank
- 2 The Hongkong and Shanghai Banking Corp. Ltd. - Clients' Acct.
- 3 Citibank, N.A., Philippine Branch
- 4 Iholdings, Inc.
- 5 Kwantlen Development Corporation
- 6 Mariano D. Martinez
- 7 Luis N. Yu, Jr.
- 8 Manuel C. Crisostomo
- 9 Arlene C. Keh
- 10 Manuel L. Delfin, Jr.
- 11 Luis Michael R. Yu
- 12 Raul Fortunato R. Rocha
- 13 Ian Norman E. Dato
- 14 Margarita Martinez
- 15 Anthony Vincent S. Sotto
- 16 Richard L. Haosen
- 17 Roan Buenaventura-Torregoza
- 18 Alexander Ace S. Sotto
- 19 Gwen Lourdes Lim
- 20 Maria Paz I. Diokno

Annex “F”

8990 Holdings, Inc. – Director Attendance Report

There were a total of 10 regular and special Board meetings held by the Company in 2025. The minutes of these meetings are recorded. Furthermore, to the extent that disclosures are required, these meetings can be confirmed through the disclosures made by the Company both in Current Reports filed by the Company with the SEC and the disclosures made in the PSE Electronic Disclosure Generation Technology (EDGE) system.

The attendance of the Board in these meetings are as follows:

Director	No. of Meetings held during the year	No. of Meetings Attended
MARIANO D. MARTINEZ	10	10
LUIS N. YU, JR.	10	10
ANTHONY VINCENT SOTTO	10	10
ARLENE C. KEH	10	10
MANUEL C. CRISOSTOMO	10	10
MANUEL S. DELFIN, JR.	10	10
LUIS MICHAEL R. YU III	10	10
RAUL FORTUNATO R. ROCHA ¹	10	10
MARIA PAZ I. DIOKNO	10	10
IAN NORMAN E. DATO ²	10	10
ROAN B. TORREGOZA	10	10
MARGARITA B. MARTINEZ	10	10
GWEN LOURDES LIM	10	10

The Company did not conduct any Committee meetings in 2025.

¹ In a Board meeting held on 28 January 2026, the Board of Directors of the Company accepted the resignation of Mr. Raul Fortunato R. Rocha as a Director of the Company, effective immediately; in the same meeting, the Board elected Ms. Diana Yu as Director to fill the resulting vacancy.

² In a Board meeting held on 16 March 2026, the Board of Directors of the Company was advised that the Office of the Chairman received a letter from Mr. Ian Norman E. Dato tendering his resignation as a Director of the Company, effective 9 March 2026, which the Board accepted; in the same meeting, the Board elected Mr. Alexander Ace S. Sotto as Director to fill the resulting vacancy.



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph



The following document has been received:

Receiving: ICTD ERMD

Receipt Date and Time: May 15, 2026 04:40:33 PM

Company Information

SEC Registration No.: CS200511816

Company Name: 8990 HOLDINGS, INC.

Industry Classification: G51100

Company Type: Stock Corporation

Document Information

Document ID: OST105152026811386268

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2025

Submission Type: Annual

Remarks: None

Acceptance of this document is subject to review of forms and contents

for
AUDITED FINANCIAL STATEMENTS

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C	R	M	D
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N	/	A	
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COMPANY INFORMATION

8990holdings02@gmail.com

(032) 553-3915

0998609385

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August 26, 2025

December 31

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

Roan Buenaventura Torregozza

rbuenaventura@8990holdings.com

(032) 553-3915

09989609383

KM 19 ORTIGAS AVENUE EXTENSION ROSARIO 1609 CITY OF PASIG NCR, SECOND DISTRICT PHILIPPINES

2 : All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's record with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



Lae Duyogan <8990holdings02@gmail.com>

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eafs@bir.gov.ph <eafs@bir.gov.ph>

Fri, May 15, 2026 at 11:34 AM

To: 8990HOLDINGS02@gmail.com

Cc: 8990HOLDINGS02@gmail.com

Hi 8990 HOLDINGS, INC,

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Transaction Code: **AFS-0-XP3QM1P0BA99G9GM1WTZPZN0BK7GEBGK**Submission Date/Time: **May 15, 2026 11:34 AM**Company TIN: **239-508-223**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **8990 Holdings Inc** is responsible for the preparation and fair presentation of financial statements, including the schedules attached therein, as of and for the years ended December 31, 2025 and 2024 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

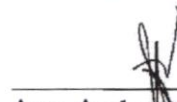
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

RAMON F. GARCIA AND CO., CPAs the independent auditors appointed by the stockholders, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.



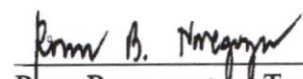
Mariano D. Martinez Jr.
Chairman of the Board



Atty. Anthony Vincent S. Sotto
President and Chief Executive Officer



Richard L. Haosen
Treasurer



Roan Buenaventura-Torregoza
Chief Financial Officer

Signed this day of: May 13, 2026

Subscribed and Sworn to before me this
MAY 14 2026 at PASIG CITY City, affiant
exhibiting to me his/her ID No. _____

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Page No. 42
Book No. 13
Series of 2006

ATTY. DARLAN KAYE S. AQUINO
NOTARY PUBLIC FOR AND IN THE CITY OF PASIG
Appointment No. 072 (2026-2027), valid until 31 Dec. 2027
Roll No. 72050
PTR No. 3963123; 05 January 26; Pasig City
IBP No. 570468; 23 December 25; Isabela
MCLE Compliance No. VII-0015543; exp. on 14 April 2026
ULAS Compliance No. N/A (Ongoing Compliance)

HOUSING THE FILIPINO PEOPLE

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of **8990 Holdings, Inc.** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2025. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited to, the value added tax, withholding tax returns, documentary stamp tax returns, and any other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2025 and the accompanying Annual Income Tax Return are in accordance with the books and records of the Company, complete and correct in all material respects. Management likewise affirms that:

- (a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) **8990 Holdings, Inc.** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.



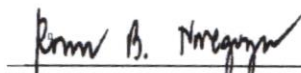
Mariano D. Martinez Jr.
Chairman of the Board



Atty. Anthony Vincent S. Sotto
President and Chief Executive Officer



Richard L. Haosen
Treasurer



Roan Buenaventura-Torregoza
Chief Financial Officer

Subscribed and Sworn to before me this
MAY 14 2026 at PASIG CITY, affiant
exhibiting to me his/her ID No. _____

Doc No. 424
Page No. 26
Book No. 16
Series of 2026

ATTY. DARIAN KAYES AQUINO
NOTARY PUBLIC FOR AND IN THE CITY OF PASIG
appointment No. 072 (2026-2027), valid until 31 Dec. 2027
Roll No. 72036
PTR No. 3968123; 05 January 26; Pasig City
IBP No. 570468; 23 December 25; Isabela
MCLE Compliance No. VII-0015543; exp. on 14 April 2027
ULAS Compliance No. N/A (Ongoing Compliance)

HOUSING THE FILIPINO PEOPLE

8990 HOLDINGS, INC.
STATEMENTS OF FINANCIAL POSITION OF THE PARENT COMPANY
AS AT DECEMBER 31, 2025 and 2024
(Amounts in Philippine Peso)

	Notes	2025	2024
<u>ASSETS</u>			
CURRENT ASSETS			
Cash on hand and in banks	7	P 1,273,297	P 13,175,747
Receivables	8	19,691,100	53,969,363
Loans receivables	9, 21	-	935,779,174
Due from related parties	21	351,113,803	354,839,923
Prepaid income tax		29,059,337	29,104,202
Other current assets - net	14	26,226,700	23,641,833
Total Current Assets		427,364,237	1,410,510,242
NON-CURRENT ASSETS			
Investments in subsidiaries	10	44,080,857,964	44,077,107,964
Right-of-use asset, net	16	2,094,456	3,417,270
Intangible asset, net	13	158,400	387,443
Other non-current assets	14	432,498	432,498
Deferred tax assets	19	308,969	250,364
Total Non-current Assets		44,083,852,287	44,081,595,539
TOTAL ASSETS		P 44,511,216,524	P 45,492,105,781
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Trade and other payables	15	P 13,888,458	P 54,200,479
Lease Liability	16	1,370,631	1,252,074
Due to related parties	21	311,817,956	2,309,110,429
Total Current Liabilities		327,077,045	2,364,562,982
NON-CURRENT LIABILITIES			
Lease liability	16	852,182	2,222,813
Pension liability	17	1,235,873	1,001,455
Total Non-current Liabilities		2,088,055	3,224,268
Total Liabilities		329,165,100	2,367,787,250
EQUITY			
Capital stock	18	5,517,990,720	5,517,990,720
Additional paid-in capital	18	28,374,009,351	28,374,009,351
Treasury shares, at cost	18	(3,060,268,409)	(3,043,595,037)
Revaluation reserve	17	(342,992)	(285,717)
Retained earnings	18	13,350,662,754	12,276,199,214
Total Equity		44,182,051,424	43,124,318,531
TOTAL LIABILITIES AND EQUITY		P 44,511,216,524	P 45,492,105,781

See Notes to Financial Statements.

8990 HOLDINGS, INC.
STATEMENTS OF COMPREHENSIVE INCOME OF THE PARENT COMPANY
FOR THE YEARS ENDED DECEMBER 31, 2025 , 2024 AND 2023
(Amounts in Philippine Peso)

	Notes	2025	2024	2023
REVENUES				
Dividend income	10, 21	P 1,116,219,630	P 3,750,718,033	P 2,742,303,771
Interest income	7, 9	7,952,591	68,955,711	52,380,894
Recovery of expected credit losses	8, 14	1,542,220	-	-
Other income		2,243,248	-	1,682,877
Share in net income of associate	11	-	17,705,874	45,858,106
Gain on redemption	18.2	-	1,085,386	-
Total Revenues		<u>1,127,957,689</u>	<u>3,838,465,004</u>	<u>2,842,225,648</u>
EXPENSES				
Professional fees		11,315,644	8,557,090	3,546,428
Subscription, dues and fees		7,211,394	2,204,192	2,205,342
Salaries and wages	21	3,974,760	3,976,860	3,641,820
Depreciation and amortization	12, 13, 16	1,551,857	1,361,783	1,238,460
Communication, light and water		226,961	217,058	211,047
Taxes and licenses		163,696	1,048,929	1,449,105
Pension cost	17	158,051	175,206	82,536
Rent	16	156,000	156,000	156,000
Representation		48,030	67,258	2,309,347
Miscellaneous	22	28,512,112	22,934,124	19,299,526
Total Expenses		<u>(53,318,505)</u>	<u>(40,698,500)</u>	<u>(34,139,611)</u>
OPERATING INCOME		1,074,639,184	3,797,766,504	2,808,086,037
FINANCE COSTS	16	<u>(169,308)</u>	<u>(119,439)</u>	<u>(120,957)</u>
INCOME BEFORE TAX		1,074,469,876	3,797,647,065	2,807,965,080
TAX (EXPENSE) BENEFIT	19	<u>(6,336)</u>	<u>30,695,721</u>	<u>(11,979,625)</u>
NET INCOME		<u>1,074,463,540</u>	<u>3,828,342,786</u>	<u>2,795,985,455</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss				
Gain (loss) on remeasurement of defined benefit post-employment obligation	17	(76,367)	217,839	(531,850)
Tax benefit (expense)	19	<u>19,092</u>	<u>(54,460)</u>	<u>132,963</u>
		<u>(57,275)</u>	<u>163,379</u>	<u>(398,887)</u>
TOTAL COMPREHENSIVE INCOME		<u>P 1,074,406,265</u>	<u>P 3,828,506,165</u>	<u>P 2,795,586,568</u>

See Notes to Financial Statements.

8990 HOLDINGS, INC.
STATEMENTS OF CHANGES IN EQUITY OF THE PARENT COMPANY
FOR THE YEARS ENDED DECEMBER 31, 2025 , 2024 AND 2023
(Amounts in Philippine Peso)

	Note	Capital Stock	Additional Paid-in Capital	Treasury Shares	Revaluation Reserve (Note 17)	Retained Earnings	Total Equity
Balance at January 1, 2025		5,517,990,720	28,374,009,351	(3,043,595,037)	(285,717)	12,276,199,214	43,124,318,531
Treasury Share Buy-back	18.3	-	-	(16,673,372)	-	-	(16,673,372)
Comprehensive income for the year							
Net income		-	-	-	-	1,074,463,540	1,074,463,540
Other comprehensive income		-	-	-	(57,275)	-	(57,275)
Balance at December 31, 2025		<u>5,517,990,720</u>	<u>28,374,009,351</u>	<u>(3,060,268,409)</u>	<u>(342,992)</u>	<u>13,350,662,754</u>	<u>44,182,051,424</u>
Balance at January 1, 2024		5,554,990,720	32,037,009,351	(1,822,144,768)	(449,096)	8,447,856,428	44,217,262,635
Redemption of preferred shares	18	- 37,000,000	- 3,663,000,000				(3,700,000,000)
Treasury Share Buy-back	18.3			(1,221,450,269)			(1,221,450,269)
Comprehensive income for the year							
Net income		-	-	-	-	3,828,342,786	3,828,342,786
Other comprehensive income		-	-	-	163,379	-	163,379
Balance at December 31, 2024		<u>5,517,990,720</u>	<u>28,374,009,351</u>	<u>(3,043,595,037)</u>	<u>(285,717)</u>	<u>12,276,199,214</u>	<u>43,124,318,531</u>
Balance at January 1, 2023		5,554,990,720	32,037,009,351	(1,806,540,154)	(50,209)	5,855,370,973	41,640,780,681
Cash dividends	18					(203,500,000)	(203,500,000)
Treasury Share Buy-back	18.3	-	-	(15,604,614)	-		(15,604,614)
Comprehensive income for the year							
Net income		-	-	-	-	2,795,985,455	2,795,985,455
Other comprehensive income		-	-	-	(398,887)	-	(398,887)
Balance at December 31, 2023		<u>5,554,990,720</u>	<u>32,037,009,351</u>	<u>(1,822,144,768)</u>	<u>(449,096)</u>	<u>8,447,856,428</u>	<u>44,217,262,635</u>

See Notes to Financial Statements.

8990 HOLDINGS, INC.
STATEMENTS OF CASH FLOWS OF THE PARENT COMPANY
FOR THE YEARS ENDED DECEMBER 31, 2025 , 2024 AND 2023
(Amounts in Philippine Peso)

	Notes	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before tax		P 1,074,469,876	P 3,797,647,065	P 2,807,965,080
Adjustments for:				
Dividend income	10, 21	(1,116,219,630)	(3,750,718,033)	(2,742,303,771)
Equity in net earnings of associate	11	-	(17,705,874)	(45,858,106)
Interest expense	16	169,308	107,017	87,605
Interest income	7, 9	(7,952,591)	(68,955,711)	(52,380,894)
Pension cost	17	158,051	175,206	82,536
Recovery of expected credit losses	8, 14	(1,542,220)	-	-
Depreciation and amortization	12, 13, 16	1,551,857	1,361,783	1,238,460
Gain on sale of PPE	12	-	-	(225,000)
Operating loss before working capital changes		(49,365,349)	(38,088,547)	(31,394,090)
Decrease in receivables		979,547,317	29,234,999	371,843,225
(Increase) Decrease in other current assets		(2,584,867)	(1,642,185)	2,562,670
Increase in other non-current assets		-	(38,607)	-
Decrease in trade and other payables		(40,312,022)	(16,044,782)	(10,052,061)
Cash generated from (Used in) operations		887,285,079	(26,579,121)	332,959,744
Interest received	7	4,931	13,489	5,863
Income taxes paid		-	-	(3,794,747)
Final taxes paid	19	(983)	(2,682)	(1,482)
Net Cash Generated from (Used in) Operating Activities		887,289,027	(26,568,314)	329,169,378
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividends received	10, 21	1,116,219,630	3,750,718,033	2,742,303,771
Advances granted to related parties	21	(52,021,708)	(18,994,164)	(2,507,225,000)
Interest received from loans to a third party	9	-	-	39,403,926
Acquisition of intangible asset	13	-	(214,286)	(297,000)
Termination of subscription agreement	11	-	284,728,856	-
Proceeds from sale of equipment	12	-	-	225,000
Subscription to shares of stock of a subsidiary	10	(3,750,000)	-	-
Net Cash Provided by Investing Activities		1,060,447,922	4,016,238,439	274,410,697
CASH FLOWS FROM FINANCING ACTIVITIES				
Redemption of preferred shares	18	-	(3,700,000,000)	-
Treasury Share Buy-back	18	(16,673,372)	(1,221,450,269)	(15,604,614)
Payments of dividends	18	-	-	(203,500,000)
Advances obtained from related parties	21,23	118,514,908	1,220,209,867	5,942,623
Repayment of advances obtained from related parties	21,23	(2,060,059,553)	(280,000,000)	(402,058,459)
Repayment of lease liability	16	(1,421,382)	(1,403,832)	(1,357,478)
Net Cash Used in Financing Activities		(1,959,639,399)	(3,982,644,234)	(616,577,928)
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS		(11,902,450)	7,025,891	(12,997,853)
CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR		13,175,747	6,149,856	19,147,709
CASH ON HAND AND IN BANKS AT END OF YEAR	7	P 1,273,297	P 13,175,747	P 6,149,856

See Notes to Financial Statements.

8990 HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS OF THE PARENT COMPANY
DECEMBER 31, 2025, 2024 and 2023
(Amounts in Philippine Peso)

1. CORPORATE INFORMATION

1.1 Incorporation and Operations

8990 Holdings, Inc. (the Company or the Parent Company) was incorporated in the Philippines, registered with the Securities and Exchange Commission (SEC) on July 8, 2005 and was listed in the Philippine Stock Exchange (PSE) on October 20, 2010. On August 29, 2025, the Company filed its Petition for Voluntary Delisting with the PSE and became effective on October 31, 2025.

The Company is a holding company. It is presently engaged in various activities related to personal and real property of every kind and description, including business activities of an investment holding company, without engaging in dealership in securities, in brokerage business, or in the business of an investment property.

As of December 31, 2025 and 2024, the Company has investments in the following wholly-owned subsidiaries (see Note 10):

- a) 8990 Housing Development Corporation (8990 HDC)
- b) Fog Horn, Inc. (FHI)
- c) 8990 Luzon Housing Development Corporation (8990 LHDC)
- d) 8990 Davao Housing Development Corporation (8990 DHDC)
- e) 8990 Leisure and Resorts Corporation (8990 LRC)
- f) 8990 Mindanao Housing Development Corporation (8990 MHDC)
- g) Piccadilly Premier Land Inc. (Piccadilly) – consisting of 68% direct ownership by the Parent and 32% indirect ownership through 8990 HDC

The above subsidiaries are all incorporated and operating in the Philippines, and except for 8990 LRC and FHI, are all engaged in real estate development. 8990 LRC is engaged in hotel and resorts business while FHI is engage in both real estate development and hotels and resorts.

The Company has 20% of shares of Scheirman Construction Consolidated Incorporated (SCCI) making it as associate of the said company. The associate was incorporated in the Philippines and registered with the SEC on July 16, 2016. The Associate is primarily engaged in general building construction as contractor and builder of residential homes, commercial and industrial buildings, barracks, piers and other edifications needed and necessary in the ordinary course of business. On July 9, 2024, the Company and SCCI mutually agreed to terminate the subscription agreement. As a result, the Company no longer holds any ownership interest in SCCI, and the investment associate has been derecognized from the Company's financial statements as at December 31, 2024.

The registered office address of the Company, which is also its principal place of business, is at 11th Floor Liberty Center, 104 H.V. Dela Costa, Salcedo Village, Makati City.

1.2 Approval of Financial Statements

The financial statements of the Company as at and for the year ended December 31, 2025 (including the comparative financial statements as at and for the year ended December 31, 2024 and 2023) were authorized for issue by the Company's Board of Directors (BOD) on May 13, 2026.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance

The financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs) Accounting Standards, which includes all applicable PFRSs, Philippine Accounting Standards (PAS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC) and Standing Interpretations Committee (SIC) as approved by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC) and Board of Accountancy (BOA) and adopted by the SEC.

The preparation of financial statements in conformity with PFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(b) Basis of Measurement

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. These financial statements have been prepared on the historical cost basis except for:

- i. financial instruments measured at amortized cost;
- ii. financial instruments which are valued at fair value;
- iii. defined benefit asset or obligation recognized as the net total of the fair value of plan assets less the present value of the defined benefit obligation; and
- iv. provisions measured at its best estimate of the expenditure required to settle the present obligation, with discounting if the effect of time value of money is material.

(c) Functional and Presentation Currency

The financial statements are presented in Philippine peso, which is the Company's functional and presentation currency.

2.2 Changes in Accounting Policies and Procedures

Standards issued and effective for the current year

- Amendments to PAS 21, *Lack of exchangeability*

The amendments set out to clarify when a currency is exchangeable into another currency and how an entity estimates a spot rate when a currency lacks exchangeability. These amendments require entities to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2025, with early application permitted.

The adoption of these amendments has no significant impact on the Company's financial statements.

Standards issued but not yet effective

The Parent Company will adopt the following new pronouncements when these become effective. Except as otherwise indicated, the Parent does not expect the adoption of these new pronouncements to have a significant impact on the financial statements.

Effective beginning on or after January 1, 2026

- Amendments to PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 36 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

Deferred Effectivity

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

Other PIC Q&As Issued in 2025

Q&A No. 2025-01, Timing of recognition for the cost of plastic packaging diversion activities under the Extended Producer Responsibility Act of 2022

2.3 Separate Financial Statements and Investments in Subsidiaries and Associate

These financial statements are prepared as the Parent Company's separate financial statements. The Parent Company also prepares and issues consolidated financial statements for the same period in accordance with PFRS.

Subsidiaries are entities over which the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Company controls an investee if and only if the Parent Company has:

- i. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- ii. Exposure, or rights, to variable returns from its involvement with the investee; and
- iii. The ability to use its power over the investee to affect its returns.

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- i. The contractual arrangement with the other vote holders of the investee;
- ii. Rights arising from other contractual arrangements; and
- iii. The Parent Company's voting rights and potential voting rights.

The Parent Company reassesses whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of controls indicated above.

The Parent Company's investments in subsidiaries are accounted for in these separate financial statements at cost, less any impairment.

Investment in associates are initially recognized at cost and subsequently accounted for using the equity method.

2.4 Financial Assets

(a) Classification, Measurement and Reclassification of Financial Assets

Financial assets are recognized initially at fair value. Transaction costs are included in the initial measurement of the Parent Company's financial assets.

All recognized financial assets are subsequently measured in their entirety at amortized cost. Interest income is recognized using the effective interest method based on the gross carrying amount of a financial asset.

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Exchange differences are recognized in profit or loss.

The Parent Company derecognized a financial asset only when the contractual rights to the asset's cash flows expire or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity.

(b) *Impairment of Financial Assets*

At the end of the reporting period, the Parent Company assesses and recognizes a provision for expected credit losses (ECL) on its financial assets measured at amortized cost. The measurement of the ECL involves consideration of broader range of information including past events (e.g., historical credit loss experience) and current conditions, adjusted for forward-looking factors specific to the counterparty or debtor and the economic environment that affect the collectability of the future cash flows of the financial assets. Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The amount of allowance for ECL is updated at the end of each reporting period to reflect the changes in credit risk of the financial asset since initial recognition. In assessing the credit quality of a financial asset, the Company assesses whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life of the financial asset between the reporting date and the date of the initial recognition. In determining whether the financial asset is in default, which is aligned with the definition of credit-impaired, the Company considers both quantitative and qualitative criteria.

The Company's credit exposures are concentrated on loans receivables, including those from related parties. For these financial assets, the ECLs are recognized in two stages. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures and provides for credit losses that are expected to result from default events that are possible within the next 12-months (12-month ECL). When there has been a significant increase in credit risk on a financial asset since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECL). For deposits in banks, the Company applies the low credit risk simplification and measures the ECL on the financial assets based on a 12-month basis unless there has been a significant increase in credit risk since origination, in that case, the loss allowance will be based on the lifetime ECL.

ECL measurement is a function of the following elements:

- *Probability of default* – it is an estimate of likelihood of a counterparty defaulting of its financial obligation over a given time horizon, either over the next 12 months or over the remaining lifetime of the obligation.

- *Loss given default* – it is an estimate of loss related to the amount that may not be recovered after the default occurs. It is based on the difference between the contractual cash flows due in accordance with the terms of the instrument and all the cash flows that the Company expects to receive discounted at an approximation of the original effective interest rate. The expected cash flows, considers recoveries from any credit enhancements that are integral to the financial instrument.
- *Exposure at default* – it represents the gross carrying amount of the financial assets in the event of default which pertains to its amortized cost.

The Company recognizes an impairment loss in profit or loss for all financial instruments subjected to impairment assessment with a corresponding adjustment to their carrying amount through a loss allowance account.

(c) *Derecognition of Financial Assets*

The Company derecognizes a financial asset only when the contractual rights to the asset's cash flows expire or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity.

2.5 *Financial Liabilities*

Financial liabilities, which include trade and other payables (except tax-related liabilities), and due to related parties are recognized when the Company becomes a party to the contractual terms of the instrument. These are recognized initially at their fair values and subsequently measured at amortized cost using effective interest method for maturities beyond one year, less settlement payments. All interest-related charges incurred on a financial liability are recognized as an expense in profit or loss as part of Finance Costs.

Dividend distributions to shareholders are recognized as financial liabilities upon declaration by the Company.

2.6 *Offsetting Financial Instruments*

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the statement of financial position when the Company currently has legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and, must be legally enforceable for both entity and all counterparties to the financial instruments.

2.7 *Determination and Measurement of Fair Value*

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

2.8 *Investment in Subsidiaries*

Investments in subsidiaries are accounted for and presented at cost less any impairment in value. Under the cost method, the Parent Company recognizes income from the investment in subsidiaries when its right to receive dividend is established.

2.9 *Provisions and Contingencies*

Provisions are recognized when present obligations will probably lead to an outflow of economic resources, and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements.

Similarly, possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying benefits is remote.

Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

2.10 *Revenue and Expense Recognition*

The Parent Company's revenues arise mainly from the dividends from subsidiaries, equity in net earnings of associate and interest income from loans receivables and cash in bank.

Cost and expenses are recognized in profit or loss upon utilization of goods or services or at the date they are incurred. All finance costs are reported in profit or loss on an accrual basis.

2.11 Leases- Company as Lessee

Parent Company as a lessee

The Parent Company recognizes a right-of-use assets and a lease liability at the lease commencement date. The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site in which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use assets reflect that the Company will exercise a purchase option. In that case, the right-of-use assets will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liabilities comprise fixed lease payments (including substance fixed payments).

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

2.12 Impairment of Non-financial Assets

The Parent Company's investments in subsidiaries, property and equipment, and other non-financial assets are subject to impairment testing. Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, assets are tested for impairment either individually or at the cash-generating unit level.

Impairment loss is recognized in profit or loss for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amounts which is the higher of its fair value less costs to sell and its value in use.

In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the assets or cash generating unit's recoverable amount exceeds its carrying amount.

2.13 *Employee Benefits*

The Parent Company provides post-employment benefits to employees through a defined benefit plan, defined benefit contribution plans, and other employee benefits.

The Company's defined benefit post-employment benefits plans cover all regular full-time employees.

The defined obligation is calculated annually by independent actuaries using the projected unit credit method.

2.14 *Income Taxes*

Tax expense recognized in profit or loss comprises the sum of current tax and deferred tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or liabilities comprise those claims from, or obligations to fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of reporting period. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is accounted for using the liability method, on temporary difference at the end of each reporting period between the tax base of assets and liabilities and their carrying amounts for the financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent it has become probable the future taxable profit will be available to allow such deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if the company has a legally enforceable right to offset current tax assets against current tax liabilities and the deferred taxes relate to the same entity and the same taxation authority.

2.15 Value – Added Tax (VAT)

Revenues, expenses, and assets are recognized, net of the amount of VAT, except when VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of "Other assets" in the statement of financial position.

2.16 Events after the End of the Reporting Period

Events after the end of the reporting period are those events, favorable or unfavorable that occur between the end of reporting period and the date when the financial statements are for issue.

Any post year-end event that provides additional information about the Company's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made the following judgments below and in the succeeding pages, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements.

(a) *Determination of Control*

The Company determines control when it is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. The Company controls an entity if and only if the Company has all of the following:

- i. Power over the entity;
- ii. Exposure, or rights, to variable returns from its involvement with the entity; and,
- iii. The ability to use its power over the entity to affect the amount of the Parent Company's returns.

The Company regularly reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The Company determined that it exercises control on all of its subsidiaries as it has all the elements of control listed above.

(b) *Determination of ECL on Financial Assets Measured at Amortized Cost*

When measuring provision for ECL for financial assets at amortized cost, management applies judgment in defining the criteria in assessing whether a financial asset has experienced significant increase in credit risk since initial recognition, which involve an assessment of the counterparties' default occurring over the life of the financial asset subjected to ECL assessment. This assessment takes into consideration both the quantitative and qualitative information about the credit quality of specific counterparty, which may be affected by forward-looking factors and economic environment. This information is incorporated by the Company in its ECL assessment which may result in different measurements of ECL as those information changes.

The information on the Company's ECL measurement and the credit quality of its financial assets measured at amortized cost are presented in more detail in Note 4.1.

(c) *Recognition of Provisions and Contingencies*

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions and contingencies are discussed in Note 2.9 and disclosures on relevant contingencies is presented in Note 20.

3.2 Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are presented in the succeeding page.

(a) *Estimation of Provision for ECL*

The measurement of the provision for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Together with the judgment applied by management in assessing whether a financial asset has experienced significant increase in credit risk since initial recognition, management makes an estimation of the contractual cash flows due from counterparty and those that the Company would expect to receive, taking into account any cash flows from the realization of any credit enhancements or other recovery strategies that the Company may execute depending on the possible arrangement with counterparties. Depending on the contractual terms of the financial assets and the expected timing of the recoveries, the determination of ECL calculates the time value of money that may require the use of a discounting factor.

The information on the Company's ECL measurement and the credit quality of its financial assets measured at amortized cost are presented in more detail in Note 4.1.

The recovery of expected credit losses in 2025 amounted to P283,820 while the provision for credit losses recognized in 2024 amounted to nil. The carrying amounts of receivables amounted to P19,691,100 and P53,969,363 as of December 31, 2025 and 2024, respectively (see Note 8).

(b) *Impairment of Non-Financial Assets*

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 2.12). Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in those assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

In 2025, the Company recognized recovery of impairment loss on its non-financial assets amounting to P1,258,400. Allowance for impairment losses on other assets amounted to P2,885,517 and P4,143,917 in 2025 and 2024, respectively. The carrying amount of other assets amounted to P26,659,198 and P24,074,331 as of December 31, 2025 and 2024, respectively (see Note 14).

In 2024, management has assessed that there were no indications of impairment on its non-financial assets as of the end of the reporting period. Accordingly, the Company did not recognize impairment losses on its non-financial assets.

The carrying values of the investments in subsidiaries, investment in associates and property and equipment, intangible assets, right of use of assets and other non-financial assets are disclosed in Notes 10, 11, 12, 13, 16 and 14, respectively.

(c) *Recognition of Deferred Tax Assets*

The Company reviews its deferred taxes at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. As at December 31, 2025 and 2024, management is of the opinion that the Company will not be able to fully utilize its deferred tax assets as it does not expect significant future taxable income to which the deferred tax assets can be applied. Accordingly, the Company did not recognize deferred tax assets except on the remeasurement loss on retirement obligation in both periods presented (see Notes 17 and 19).

The carrying value of recognized deferred tax assets amounted to P308,969 and P250,364 both in 2025 and 2024 while unrecognized deferred tax assets amounted to P21,748,075 and P123,924,862 in 2025 and 2024, respectively (see Note 19).

4 RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's principal financial instruments comprise of cash on hand and in banks, loans receivables, interest receivables (presented as part of Receivables), due from related parties, lease deposits (presented as Non-current), trade and other payables and due to related parties.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and market risk. The BOD reviews and approves policies for managing each of these risks.

4.1 Credit Risk

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligations, as and when the obligations fall due. The Company manages credit risk by assessing the creditworthiness of its counterparties. The Company continuously monitors the receivable balances with the result that an allowance is made for doubtful accounts.

(a) *Maximum Exposures to Credit Risk*

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the statements of financial position summarized as follows:

	Notes	2025	2024
Cash in banks	7	P 1,263,297	P 13,165,747
Receivables	8	19,691,100	53,969,363
Loans receivables	9	-	935,779,174
Due from related parties	21	351,113,803	354,839,923
*Lease deposits	14	432,498	432,498
		P 372,500,698	P 1,358,186,705

**Deposits is presented under other non-current assets in the statements of financial position.*

(b) *Credit Risk Management and Assessment*

(i) *Cash in banks*

As part of Company's policy, bank deposits are only maintained with reputable financial institutions with low credit risk based on externally available risk ratings or from the Company's internal credit grading that takes into consideration its banking relationship and activities with its depository banks. In addition, cash in banks are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P1 million for every depositor per banking institution.

(ii) *Loans and interest receivables*

Loans and interest receivables arising from cash advances extended by the Company to its subsidiaries are maturing within one to seven years.

Credit risk of loans receivables is managed primarily through continuing credit review analyses, which consider the age of accounts, historical collection and loss experience with a particular counterparty, and their liquidity condition.

For interest-bearing loans, the Company considers the loan in default and credit-impaired when contractual payment of interest are 90 days past due.

In the case of non-interest bearing loans to subsidiaries, the Company manages credit risk between entities within the 8990 Group consistent with how it monitors the liquidity of these entities which are managed together to ensure that their operating requirements, including maturing obligations to third parties are settled in a timely manner. Aligned with this policy, the Company may grant additional advances to its subsidiaries or extend the credit term as necessary. This policy provides the 8990 Group more leverage and strategic approach in managing cash.

As the principal amount of the Company's loans are maturing beyond one year with no historical default observed in the past years, the Company also assesses credit exposures of its loans and receivables by identifying other qualitative factors and circumstances, including adverse economic factors and entity-specific economic and operational challenges that may indicate that the counterparties may unlikely settle their obligations to the Company. This assessment may also consider the sufficiency of the counterparties' liquid assets in order to repay, including other expected manner of recovery.

(iii) *Due from related parties*

ECL for receivables from related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the counterparties' ability to repay the receivables upon demand at the reporting date taking into consideration the historical defaults from the counterparties. The Company does not consider any significant risks from the receivables provided to related parties since the Company's credit risks for liquid funds are considered negligible. Moreover, these related parties are operating subsidiaries that continuously generate positive results and cash flows. Hence, recognition of impairment loss is remote.

(iv) *Lease deposits*

Lease deposits pertains to the deposits from rental and electrical facilities. The Company considers its credit risk for lease and other deposits to be negligible considering its continuing business relationships with the counterparties and the absence of any historical experience indicating that the counterparties will unlikely settle their obligations as the deposits are refunded by the Company.

(c) *Credit Quality and ECL*

The Company's basis in grading its financial assets follows:

- High grade – Entities that are highly liquid, sustain operating trends, unlikely to be affected by external factors and have competent management that uses current business models.
- Standard grade – Entities that meet performance expectation, unlikely to be affected by external factors and have competent management that uses current business models.
- Substandard grade – Entities with marginal liquidity and have a declining trend in operations or an imbalanced position in the balance sheet, though not to the point that repayment is jeopardized.

The following tables show the credit quality per class of financial assets as at December 31:

	Neither past due nor impaired		Past due but not impaired		Impaired		Total	
	High grade		Standard grade					
<u>2025</u>								
Cash in banks	P	1,263,297	P	-	P	-	P	1,263,297
Receivables		-		19,691,100		-		19,691,100
Due from related Parties		351,113,803		-		-		351,113,803
*Lease deposits		-		432,498		-		432,498
	P	352,377,100	P	20,123,598	P	-	P	372,500,698
<u>2024</u>								
Cash in banks	P	13,165,747	P	-	P	-	P	13,165,747
Receivables		-		53,969,363		-	283,820	54,253,183
Loans receivables		935,779,174		-		-	-	935,779,174
Due from related Parties		354,839,923		-		-	-	354,839,923
*Lease deposits		-		432,498		-	-	432,498
	P	1,303,784,844	P	54,401,861	P	-	P	1,358,470,525

**Deposits is presented under other non-current assets in the statement of financial position*

Based on the quality of the Company's financial assets as at December 31, 2025 and 2024, which are neither past due nor impaired nor have experienced significant increase in credit risk since initial recognition, and the estimates of cash flows expected to be recovered from counterparties when these financial assets default, management has assessed that ECL as of December 31, 2025 and 2024 is insignificant.

4.2 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company seeks to manage its liquidity profile to be able to finance its working capital requirements. It may obtain cash advances from a related party to cover its financing requirements when such strategy will provide cost-efficient use of 8990 Group's resources.

The tables below show the maturity profile of the Company's financial instruments based on the contractual undiscounted cash flows.

		Within three months	Later than three months but not later than one year	Later than one year	Total
2025					
<i>Financial Liabilities</i>					
Trade and other payables*	P	13,818,043	P -	P -	P 13,818,043
Due to related parties		311,817,956	-	-	311,817,956
Lease liabilities		330,777	1,039,854	852,182	2,222,813
	P	325,966,776	P 1,039,854	P 852,182	P 327,858,812
2024					
<i>Financial Liabilities</i>					
Trade and other payables*	P	54,042,328	P -	P -	P 54,042,328
Due to related parties		2,309,110,429	-	-	2,309,110,429
Lease liabilities		301,909	950,165	2,222,813	3,474,887
	P	2,363,454,666	P 950,165	P 2,222,813	P 2,366,627,644

*Excludes withholding taxes and other government payables aggregating to P70,415 and P158,151 as of December 31, 2025 and 2024, respectively.

4.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices which may affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market exposures within acceptable parameters while optimizing the return.

As at December 31, 2025 and 2024, the Company has no financial instruments that are exposed to significant interest rate risk. The Company's cash in banks and loans receivables are subject to fixed interest rates.

The Company's United States (US) dollar-denominated financial instrument pertains only to cash in banks, translated into Philippine peso at the closing rates, amounting to P0.03 million in both 2025 and 2024. The exchange rates used are P58.805: US \$1 and P58.014: US \$1 as of December 31, 2025 and 2024, respectively.

Exposures to foreign exchange rates vary during the year depending on the volume of foreign currency denominated transactions. Nonetheless, the Company's exposure to foreign exchange risk is not material.

5 CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

5.1 Carrying Amounts and Fair Values of Financial Assets and Financial Liabilities

For the Company's financial assets and financial liabilities as of December 31, 2025 and 2024, management determined that the carrying amounts of these financial instruments are equal to or approximate their fair values. A comparison between the carrying amounts and fair values of these financial instruments is presented in Note 6.

See Notes 2.4 and 2.5 for a description of the accounting policies for each category of financial instrument. A description of the Company's risk management objectives and policies for financial instruments is provided in Note 4.

5.2 Offsetting of Financial Assets and Financial Liabilities

The following financial assets and financial liabilities with net amounts presented in the statements of financial position are subject to offsetting, enforceable master netting arrangements and similar agreements:

	Gross amounts recognized in the statement of financial position	Related amounts not set-off in the statement of financial position	Gross amounts offset in accordance with the offsetting criteria	Net amount
December 31, 2025				
Financial assets				
Due from related	P 406,861,631	P -	P 55,747,828	P 351,113,803
Financial liabilities				
Due to related	P 367,565,784	P -	P 55,747,828	P 311,817,956
	Gross amounts recognized in the statement of financial position	Related amounts not set-off in the statement of financial position	Gross amounts offset in accordance with the offsetting criteria	Net amount
December 31, 2024				
Financial assets				
Due from related	P 373,834,087	P -	P 18,994,164	P 354,839,923
Financial liabilities				
Due to related	P 2,328,104,593	P -	P 18,994,164	P 2,309,110,429

For financial liabilities (i.e., interest-bearing loans and borrowings and their corresponding deposits) subject to enforceable master netting agreements or similar arrangements, each agreement between the Company and counterparties allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and financial liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

6 FAIR VALUE MEASUREMENT AND DISCLOSURES

6.1 Fair Value Measurement

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

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

The principal or the most advantageous market must be accessible by the Parent Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

6.2 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or financial liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which an asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When the Company uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity's specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

6.3 Fair Value Comparison and Hierarchy of Financial Instruments

The following table summarizes the carrying amounts and fair values of the Company's financial assets and financial liability that are carried at amortized cost but the fair value of which are disclosed by level of the fair value hierarchy as of December 31, 2025 and 2024:

		Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
2025					
Financial Assets					
Cash on hand and in banks	P 1,273,297	P 1,273,297	P -	P -	P 1,273,297
Receivables	19,691,100	-	-	19,691,100	19,691,100
Due from related parties	351,113,803	-	-	351,113,803	351,113,803
Lease deposits	432,498	-	-	432,498	432,498
	P 372,510,698	P 1,273,297	P -	P 371,237,401	P 372,510,698
Financial Liabilities					
Trade and other payables*	P 13,818,043	P -	P -	P 13,818,043	P 13,818,043
Due to related parties	311,817,956	-	-	311,817,956	311,817,956
Lease liabilities	2,222,813	-	-	2,222,813	2,222,813
	P 327,858,812	P -	P -	P 327,858,812	P 327,858,812
2024					
Financial Assets					
Cash on hand and in banks	P 13,175,747	P 13,175,747	P -	P -	P 13,175,747
Receivables	53,969,363	-	-	53,969,363	53,969,363
Loans receivables	935,779,174	-	-	935,779,174	935,779,174
Due from related parties	354,839,923	-	-	354,839,923	354,839,923
Lease deposits	432,498	-	-	432,498	432,498
	P 1,358,196,705	P 13,175,747	P -	P 1,345,020,958	P 1,358,196,705
Financial Liabilities					
Trade and other payables*	P 54,042,328	P -	P -	P 54,042,328	P 54,042,328
Due to related parties	2,309,110,429	-	-	2,309,110,429	2,309,110,429
Lease liabilities	3,474,887	-	-	3,474,887	3,474,887
	P 2,366,627,644	P -	P -	P 2,366,627,644	P 2,366,627,644

*Excludes withholding taxes and other government payables aggregating to P70,415 and P158,151 as of December 31, 2025 and 2024, respectively.

There were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements in 2025 and 2024.

The following are the methods used to determine the fair value of financial assets and financial liabilities not presented in the statements of financial position at their fair values:

(a) *Cash on Hand and in Banks, and Trade and Other Payables*

The carrying amounts of these financial instruments approximate their fair values as these have short-term maturity.

(b) *Loans Receivables, Interest Receivables and Lease Deposits*

The estimated fair value of loans receivables, interest receivables and lease deposits represent the discounted amount of estimated future cash flows expected to be received from the instruments. Expected cash flows are discounted at current market rates to determine fair value.

(c) *Due from Related Parties, and Due to Related Parties*

The carrying amounts of due from/to related parties, which are to be received or paid on demand, approximate the fair values.

7 CASH ON HAND AND IN BANKS

The breakdown of this account as of December 31 is as follows:

	2025	2024
Cash in banks	P 1,263,297	P 13,165,747
Cash on hand	10,000	10,000
Total	P 1,273,297	P 13,175,747

Cash in banks generally earn interest at rates based on prevailing bank deposit annual rates ranging from 0.05% to 0.13% for both 2025 and 2024. Interest is presented as part of Interest Income in the statements of comprehensive income which amounts to P4,931 and P13,489 in 2025 and 2024, respectively.

8 RECEIVABLES

The breakdown of this account as of December 31 is as follows:

	2025	2024
Receivables from employees	P 735,000	P 13,263
Interest receivable	18,956,100	53,956,100
Other receivables	-	283,820
Subtotal	19,691,100	54,253,183
Provision for credit losses	-	(283,820)
Total	P 19,691,100	P 53,969,363

Receivables from employees refers to employee's cash advances which will be settled thru liquidation of expenses. These loans are non-interest bearing and have no terms.

Other receivables pertain to the advances to the third party which will be settled thru cash. These advances are non-interest bearing and have no terms.

Interest receivable pertains to accrued interest from the loan facility agreement between the Company and Dearborn Resources and Holdings, Inc. (Dearborn) (see Note 9.2).

Movement of allowance for impairment is as follows:

	2025	2024
Beginning of year	P 283,820	P 283,820
Recovery for the year	(283,820)	-
Ending balance	P -	P 283,820

Based on assessment made, the Company recognized a reversal of allowance for ECL amounting to P283,820 in 2025 and nil in 2024.

9 LOANS RECEIVABLES, Net

Loans receivables are composed of the following:

	Note	2025	2024
Loans to subsidiaries:	9.1, 21		
Principal		P -	P 943,726,834
Unamortized discount		-	(7,947,660)
Total		P -	P 935,779,174

All of the Company's loans receivables have been fully settled as of December 31, 2025 (see Note 4.1).

9.1 Loans to Subsidiaries

On September 1, 2015, the Company extended cash loans totaling P9.0 billion to its subsidiaries in varying terms of five, seven and 10 years as follows:

Subsidiaries	Original Maturity Date	Amount
8990 HDC		
Tranche 1	10/16/2020	P 6,714,748,082
Tranche 2	7/16/2022	375,500,000
Tranche 3	7/16/2025	218,910,000
8990 LHDC	10/16/2020	697,784,788
8990 DHDC	10/16/2020	305,459,915
FHI	10/16/2020	687,597,215
Total		P 9,000,000,000

The principal sum originally bears interest rates ranging from 12.42% to 13.73% per annum from September 1, 2015 to October 16, 2015. The principal amounts are payable at the maturity of the loans.

On October 17, 2015, the loan agreements were amended resulting in the loan becoming noninterest-bearing starting on that date. Accordingly, the said receivables were recognized at their present value using a discount rate of 6.21%, with the resulting discount amounting to P2,461.0 million representing the difference between the present value and face value recognized as an additional investment in the Company's subsidiaries (see Note 10).

In 2024, the Company extended the terms of its loans to 8990 LHDC and FHI until December 31, 2025. Subsequently, in 2025 the loans granted to 8990 LHDC, FHI and HDC Tranche 3 were fully settled. Accordingly, no outstanding loan receivables remained as of December 31, 2025 in relation to these loans.

Interest related to the accretion of discount from these loans receivables to subsidiaries amounted to P7.9 million and P13.9 million in 2025 and 2024, respectively, and is presented as part of Interest Income in the statements of comprehensive income.

9.2 Syndicated Loan

On December 29, 2017, a loan facility agreement between Dearborn Resources and Holdings, Inc. (Dearborn) and certain lenders was executed to provide a loan facility in the aggregate principal amount of P1.4 billion for the purpose of partially financing Dearborn's acquisition of certain contracts to sell of entities under the 8990 Group. Under the loan facility agreement, the Company committed to lend Dearborn the principal amount of up to but not in excess of P300.0 million which bears 16% interest per annum, payable monthly. On November 13, 2019, the Company agreed to extend the loan facility with Dearborn up to P665.0 million. As of December 31, 2019, the Company further extended by P 82,947,517 resulting to receivables of P 396,953,400 as of December 31, 2022 and 2021.

The loan granted under the facility agreement is unsecured and has a term of five years counting from the date of initial drawdown. However, the principal amount of the loan and any related accrued interest will be due and demandable in the event of default.

In 2022, Dearborn Resources and Holdings, Inc. and 8990 Holdings, Inc. entered into a loan extension agreement, extending the maturity date to December 27, 2023.

In 2023, Dearborn Resources settled its outstanding obligation maturing December 27, 2023 amounting to P396,953,440.

Interest earned from this loan receivable amounted to nil, P55.1 million and P39.4 million in 2025, 2024, and 2023, respectively, and are presented as part of Interest income in the statements of comprehensive income.

10 INVESTMENTS IN SUBSIDIARIES

The carrying amounts of the Company's investments in subsidiaries as of December 31, 2025 and 2024 are shown below.

<u>Subsidiaries</u>	<u>% ownership</u>	<u>2025</u>	<u>2024</u>
8990 HDC	100%	P 37,124,230,313	P 37,124,230,313
FHI	100%	5,065,823,989	5,065,823,989
8990 LHDC	100%	1,440,237,647	1,440,237,647
8990 DHDC	100%	317,246,364	317,246,364
8990 LRC	100%	39,227,936	39,227,936
8990 MHDC	100%	5,816,211	2,066,211
Piccadilly	68%	88,275,504	88,275,504
Total		<u>P 44,080,857,964</u>	<u>P 44,077,107,964</u>

All of the above subsidiaries are incorporated in the Philippines.

Investment in Piccadilly pertains to 994,160 common shares of Parent Company representing an aggregate of 68% of the outstanding capital stock of the said company.

On September 8, 2025, the Parent Company's wholly-owned subsidiary, 8990 HDC, entered into Share Purchase Agreement for the acquisition of the remaining 32% interest in Piccadilly. As a result, Piccadilly become a wholly owned subsidiary of the Parent, with 68% held directly by the Company and 32% held indirectly through 8990 HDC.

In 2025, the Company made an additional investment in its subsidiary, 8990 MHDC, in relation to its full share subscription. The transaction was recognized as an increase in investment in subsidiary and did not change the Company's controlling interest.

The total carrying amount of the investments in subsidiaries which are wholly-owned includes P2,461.0 million discount on loans extended to certain subsidiaries (see Note 9).

There were no disposed investments made in 2025 and 2024.

In 2025, 2024 and 2023, the Company received cash dividends from its subsidiaries:

<u>Subsidiaries</u>	<u>No. of Shares</u>	<u>Amount</u>
<u>2025</u>		
8990 HDC	15,000,000,000	P 846,257,603
8990 DHDC	2,313,995	269,962,027
		<u>P 1,116,219,630</u>
<u>2024</u>		
8990 HDC	15,000,000,000	P 3,750,718,033
<u>2023</u>		
8990 HDC	15,000,000,000	P 2,742,303,771

11 INVESTMENTS IN ASSOCIATE

On March 15, 2021, 8990 Holdings Inc and Scheirman Construction Consolidated Incorporated (SCCI) entered into a Subscription agreement wherein the Company agreed to subscribed an aggregate of Forty-five thousand (45,000) common shares to be issued out of the unissued portion of the existing authorized capital stock and the increase authorized capital stock of SCCI at the aggregate issue price of Eighty Million Pesos (P80,000,000.00) or approximately One Thousand Seven Hundred Seventy-seven and 78/100 Pesos (P1,777.78) per shares. The Subscribed Shares constitutes 20% of the resulting total outstanding capital stock of SCCI.

On July 8, 2022, the company entered into a new Subscription Agreement with SCCI purchasing 60,000 common shares equivalent to Sixty Million Pesos (P60,000,000.00).

The total subscribed shares after the additional investment constitutes 20% of the resulting total outstanding capital stock of the SCCI after their increase in capital stock.

On July 9, 2024, 8990 Holdings Inc and Scheirman Construction Consolidated Incorporated (SCCI) mutually agreed to terminate the subscription agreement. As a result, the company no longer holds any ownership interest in SCCI, and the investment in associate has been derecognized from the company's financial statement. No gain or loss was recognized on the termination of subscription agreement.

The Company's share in SCCI's net income amounted to nil and P17,705,874 for 2025 and 2024, respectively.

Movement of Investment in associate and share in net income are as follows:

	Investment in associate			Share in net income of associate		
	2025		2024	2025		2024
Beginning of year	P	-	P 140,000,000	P	-	P 127,022,982
Addition		-	-		-	17,705,874
Termination		-	(140,000,000)		-	(144,728,856)
Ending Balance	P	-	P -	P	-	P -

12 PROPERTY AND EQUIPMENT, Net

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of 2025 and 2024 are as follows:

	Leasehold Improvements	Furniture, Fixtures and Office Equipment	Transportation Equipment	Low Value Asset	Total
December 31, 2025					
Cost	P 1,380,881	P 1,482,692	P -	P 31,920	P 2,895,493
Accumulated depreciation	(1,380,881)	(1,482,692)	-	(31,920)	(2,895,493)
Net carrying amount	P -	P -	P -	P -	P -
December 31, 2024					
Cost	P 1,380,881	P 1,482,692	P -	P 31,920	P 2,895,493
Accumulated depreciation	(1,380,881)	(1,482,692)	-	(31,920)	(2,895,493)
Net carrying amount	P -	P -	P -	P -	P -

In 2023, the Company disposed fully depreciated transportation equipment, with original cost of P1,083,050. Proceeds from disposal amounts to P225,000.

As of December 31, 2025 and 2024, the total cost of the fully amortized property and equipment, which are still being used by the Company, amounts to P2.9 million for both years.

13 INTANGIBLE ASSET, Net

Movement of intangible asset for 2025 and 2024 are as follows:

	2025	2024
Cost		
Beginning Balance	P 511,286	P 297,000
Additions	-	214,286
Ending Balance	P 511,286	P 511,286
Accumulated amortization		
Beginning Balance	P (123,843)	P (19,800)
Provisions	(229,043)	(104,043)
Ending Balance	P (352,886)	P (123,843)
Carrying value	P 158,400	P 387,443

14 OTHER ASSETS, Net

Details of this account are presented below.

	Note	2025	2024
Current:			
Input value-added tax (VAT)		P 19,169,882	P 16,761,424
Waterlines		7,621,790	7,621,790
Receivable from regulatory agencies		2,076,561	2,076,561
Others		243,984	1,325,975
Subtotal		29,112,217	27,785,750
Allowance for impairment		(2,885,517)	(4,143,917)
Total Current		26,226,700	23,641,833
Non- current:			
Lease deposits	16	432,498	432,498
Total		P 26,659,198	P 24,074,331

Movement of allowance for impairment is as follows:

	2025	2024
Beginning of year	P 4,143,917	P 4,143,917
Recovery for the year	(1,258,400)	-
Ending balance	P 2,885,517	P 4,143,917

In 2025, the Company recognized a reversal of allowance for impairment amounting to P1,258,400, while no impairment loss was recognized in 2024.

The Company had previously entered into a Deed of Assignment with 8990 HDC, 8990 MHDC, 8990 DHDC, and FHI involving the acquisition by the Company of the said subsidiaries' waterlines.

Others refer to prepayments.

15 TRADE AND OTHER PAYABLES

This account consists of:

	2025	2024
Trade payables	P 9,760,810	P 9,163,986
Accrued expenses	1,961,709	1,780,412
Withholding taxes	59,135	157,551
Other payables	2,106,804	43,098,530
Total	P 13,888,458	P 54,200,479

Other payables consist of various supplier of goods and services other than the Company's regular suppliers.

16 LEASES

16.1 Right-of-Use asset

The carrying amounts of the Company's right-of-use assets as of December 31, 2025 and 2024, and the movements during the years are shown below:

	<u>2025</u>	<u>2024</u>
Cost		
Beginning balance	P 3,968,442	P 3,633,778
New lease contract	-	3,968,442
Derecognized (old contract)	-	(3,633,778)
Ending balance	<u>3,968,442</u>	<u>3,968,442</u>
Amortization		
Beginning balance	(551,172)	(2,927,210)
Current provision	(1,322,814)	(1,257,740)
Derecognized (old contract)	-	3,633,778
Ending balance	<u>(1,873,986)</u>	<u>(551,172)</u>
Carrying Values	<u>P 2,094,456</u>	<u>P 3,417,270</u>

The Company has leased for office and parking spaces on which the branch offices and extension offices are situated. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Both leases contain an option to extend the lease for a further term subject to mutual agreement. For the lease over the office premise, the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

Amortization charged to operations amounted to P 1,322,814 and P 1,257,740 for 2025 and 2024, respectively.

Based on the impairment review of the assets, the Company believes that there is no impairment loss that occurred on its right-of-use asset for 2025 and 2024.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognized on balance sheet:

Right-of-use asset	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with options to purchase	No. of leases with variable payments linked to an index	No. of leases with termination options
Office premise	1	2-3 years	3.5 years	1	-	-	1
Parking space	2	2-3 years	3.5 years	1	-	-	1

16.2 Lease Liabilities

	2025	2024
Beginning balance	P 3,474,887	P 803,260
Addition	-	3,968,442
Accretion of interest	169,308	107,017
Payments	(1,421,382)	(1,403,832)
Ending balance	P 2,222,813	P 3,474,887

Lease liabilities are presented in the statements of financial position as follows:

Particulars	2025	2024
Current	P 1,370,631	P 1,252,074
Non-current	852,182	2,222,813
Total	P 2,222,813	P 3,474,887

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at December 31, 2025 are as follows:

	Within 1 year	1-2 years	Total
At December 31, 2025			
Lease payments	1,464,028	868,777	2,332,805
Finance charges	(93,397)	(16,595)	(109,992)
Net present values	1,370,631	852,182	2,222,813

Lease payments not recognized as a liability

The Company has elected not to recognize a lease liability for short term leases (leases with an expected term of 12 months or less). Payments made under such leases are expensed on a straight-line basis.

The expense relating to payments not included in the measurement of the lease liability and not recognize as ROUA/lease liabilities in 2025 and 2024:

Particulars	2025	2024
Short-term leases	<u>P 156,000</u>	<u>P 156,000</u>

17 PENSION LIABILITY

The Company has an unfunded, non-contributory defined benefits pension plan covering its permanent employees. Retirement benefits cost and obligations are determined in accordance with an actuarial study made for the plan.

Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employees' retirement benefits under any collective bargaining agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The amount of pension liability recognized in the statements of financial position is determined as follows:

	2025	2024	2023
Benefit obligation	P 1,235,873	P 1,001,455	P 1,044,088
Plan assets	-	-	-
Liability to be recognized in the statement of financial position	P 1,235,873	P 1,001,455	P 1,044,088

The amount recognized under "salaries, wages and employee benefits" in the profit or loss is as follows:

	2025	2024	2023
Current service cost	P 97,062	P 111,412	P 51,512
Interest cost	60,989	63,794	31,024
Expense recognized during the year	P 158,051	P 175,206	P 82,536

Retirement expense charged to operations in 2025, 2024 and 2023 amounted to 158,051, 175,206, and P82,536, respectively.

The movements in the accrued retirement benefit cost in the statements of financial position are as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Beginning of year	P 1,001,455	P 1,044,088	P 429,702
Total expenses charged in the statements of comprehensive income	158,051	175,206	82,536
Remeasurement on Actuarial losses (gain) recognized during the year	76,367	(217,839)	531,850
Other	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>P 1,235,873</u>	<u>P 1,001,455</u>	<u>P 1,044,088</u>

The cumulative amount of actuarial loss (gain) recognized in the statements of comprehensive income follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Balances at beginning of year	P 380,956	P 598,795	P 66,945
Actuarial loss (gain) during the year	76,367	(217,839)	531,850
Balance at end of year	<u>457,323</u>	<u>380,956</u>	<u>598,795</u>
Tax effect	(114,331)	(95,239)	(149,699)
Cumulative actuarial loss, net of	<u>P 342,992</u>	<u>P 285,717</u>	<u>P 449,096</u>

The following table sets forth the expected future settlements by the Plan of maturing defined benefit obligation as of December 31, 2025:

	<u>Amount</u>
1 to 5 years	36,815
6 to 10 years	72,482
11 to 15 years	138,290
16 years and up	<u>11,373,761</u>

The average duration of the defined benefit obligation at the end of the reporting period is 20 years.

The assumptions used to determine pension benefits for the years ended December 31 are as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Discount rate	6.40%	6.09%	6.11%
Salary increase rate	<u>4.00%</u>	<u>4.00%</u>	<u>5.00%</u>

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption of the defined benefit obligation as at the end of the reporting period, assuming if all other assumptions were held constant:

	2025	
	Increase(Decrease)	
Discount rate	1% (1%)	(211,350) 258,515
Future salary increases	1% (1%)	262,870 (218,566)
Improvement in employee turnover	10%	56,683
Increase in employee turnover	(10%)	(56,683)

Assumptions regarding future mortality experience are set based on advice from published statistics and mortality tables.

18 EQUITY

18.1 Capital Stock

Details of the Company's capital stock as of December 31, 2025, 2024 and 2023 are as follows:

	Shares			Amount		
	2025	2024	2023	2025	2024	2023
Preferred Shares- P.01 par value, voting Authorized – 5.00 billion shares						-
Issued and outstanding		-	-	-	-	-
Preferred Shares Series A – P1 par value, cumulative, non-voting, non- participating, non-convertible, redeemable 6.0263% per annum Authorized – 50 million shares						
Issued and outstanding	-	-	-	P -	P -	P -
Preferred Shares Series B – P1 par value, cumulative, non-voting, non-participating, non-convertible, redeemable 5..50% per annum Authorized – 50 million shares						
Issued and outstanding	-	-	37,000,000	-	-	37,000,000
Treasury shares – at cost preferred Shares Series B (see Note 18.3)			(166,900)			(15,604,614)
Balance at end of year	-	-	36,833,100	P -	P -	P 21,395,386
Common Shares – P1 par value Authorized shares – 6.850 billion shares						
Issued and outstanding:						
Balance at beginning of year	5,517,990,720	5,517,990,720	5,517,990,720	P 5,517,990,720	P 5,517,990,720	P 5,517,990,720
Treasury shares – at cost (see Note 18.3)	(258,427,800)	(256,808,900)	(126,591,700)	(3,060,268,409)	(3,043,595,037)	(1,806,540,154)
Balance at end of year	5,259,562,920	5,261,181,820	5,391,399,020	2,457,722,311	2,474,395,683	3,711,450,566
Total	5,259,562,920	5,261,181,820	5,428,232,120	P 2,457,722,311	P 2,474,395,683	P 3,732,845,952

18.2 Authorized Capital Stock

On October 20, 2010, the PSE approved the Company's application for the initial listing of 181.9 million common shares under the Second Board of the PSE.

On August 25, 2011, the Company entered into a Subscription Agreement (SA) with Intellectual Property Ventures Group (IPVG), wherein IPVG agrees to subscribe to 40.0 million shares of the common stock of the Company at a subscription price of P2.52 per share or a total subscription of P100.8 million. IPVG paid P25.0 million in cash as partial payment and agreed to pay the remaining balance of the subscription price upon call thereon by the Company's BOD.

As a result of an Asset Purchase Agreement dated September 28, 2011, the said SA and the related shares subscribed and partially paid were transferred to Intellectual Property Ventures, Inc. (IPVI).

On February 29, 2012, the stockholders approved the issuance of the 40.0 million shares in favor of IPVI. On the same date, the minority and unrelated stockholders waived the requirement to conduct a rights or public offering of the shares subscribed.

In April 2012, the Company received the remaining subscription receivable and issued the corresponding shares to IPVI. These shares were part of the shares acquired by the stockholders of the 8990 Group (former stockholders of the Company's subsidiaries). On May 6, 2013, the Company recognized deposits for future stock subscription amounting to P27.9 billion in exchange for its investments in subsidiaries through Share Swap with the stockholders of 8990 Group.

On September 23, 2013, the BOD of the Company approved the subscriptions and issuance of 465,580,467 shares at P1.00 per share to new public investors to comply with the minimum public ownership requirement of the PSE. Such issuance is subject to following conditions: (i) the approval of the SEC of the Company's application for the increase in authorized capital stock from P460.0 million to P7.0 billion and, (ii) the issuance of 3,968,357,534 shares to the stockholders of 8990 Group. The shares were issued subsequent to the approval by the SEC of the increase in authorized capital stock of the Company on October 1, 2013.

Subsequent also to the approval of the SEC of the increase in authorized capital stock, the deposits for future stock subscription of the Company was applied as payment for the issuance of shares which were recorded as part of the Company's Capital Stock and Additional Paid-in Capital accounts amounting to P4.0 billion and P23.9 billion, respectively.

On March 17, 2014, the Company's BOD approved the offering and issuance by way of a "follow-on" offering consisting of the following shares at an offer price of P6.50 per share:

Primary shares	862,186,050
Secondary shares	382,360,770
Over-all allotment shares	134,950,860

The registration by way of a follow-on offering of common shares was rendered effective by the SEC on April 15, 2014 and for which a Certificate of Permit to Offer Securities for Sale was issued by the SEC on April 30, 2014.

Total proceeds from the primary offer shares amounted to P5.6 billion and the related direct issue costs incurred in connection with the offering amounted to P341.9 million which were charged to additional paid-in capital.

The Company's common shares were delisted from the Philippine Stock Exchange effective October 31, 2025. Accordingly, as of December 31, 2025, the Company had no listed shares and no quoted closing market price. As of December 31, 2024, the Company had 5,261,181,820 listed common shares held by 41 holders, which closed at ₱9.09 per share.

On January 31, 2017, the stockholders approved and ratified the creation of the preferred shares under the shelf registration. The SEC approved the Company's amended Articles of Incorporation creating the preferred shares on April 19, 2017.

On July 25, 2017, the BOD of the Company unanimously authorized the sale and offer of up to Ten Billion Pesos (P10,000,000,000) preferred shares, at an offer price of P100.00 per share, or 100,000,000 preferred shares with an initial tranche of 50,000,000 preferred shares, under a shelf registration to be issued within a period of three years.

The Company also applied with the PSE for the listing of the preferred shares, which the PSE approved for listing on the main board of the PSE on November 8, 2017. The PSE approval covers only the initial tranche of 50,000,000 preferred shares under the shelf registration.

The preferred shares were offered at the price of P100.00 per share resulting in an additional paid-in capital of P4.9 billion, net of direct share issuance cost. Direct issuance costs amounted to P46.5 million and listing fees paid to PSE amounted to P5.1 million.

On February 10, 2021, 37,000,000 Series B Preferred Shares were issued by the Company at P 100 per share. Said shares were listed at the Philippine Stock Exchange with ticket '8990B'. The APIC was further increased by P 3.6 billion (net of direct share issuance cost of P 59.90 million) as a result of shares offering.

On October 28, 2022, the Company's BOD approved the redemption of its 50,000,000 outstanding Series A Preferred Shares (8990P) at a redemption price of P 100 per share.

In 2023, total issued preferred shares by the company is at 37,000,000 shares with market value of P3,515,000,000.

In 2024, the Company's BOD approved the redemption of its outstanding series B Preferred Shares (8990B) at a redemption price of P 100 per share plus any accrued and unpaid cash dividends and arrears of dividends, less applicable transfer costs.

On February 10, 2024, the Parent Company completed the redemption of all Series B Preferred Shares. The cost amounted to P 3,693,700,000 and gain on redemption was also recognized amounting to P 1,085,386.

18.3 Treasury Shares

Treasury shares are shares of stock of the Parent Company that were reacquired but not cancelled. These are carried at acquisition cost and are presented as a deduction from equity until the shares are cancelled, reissued or disposed. The portion of treasury shares in the retained earnings is not allowed for dividends declaration.

On February 6, 2019, the Company's BOD announced its P2.0 billion share buyback program which is to be implemented for a period of 18 months or until August 1, 2020. The said buyback program excludes the participation of the majority shareholders.

On April 26, 2023, the Company's BOD approved the adoption of a buyback program in the amount of up to Php 1 billion, for the Company's outstanding Series B Preferred Shares.
Summary of Treasury Share Buyback for 2023:

Date of Buyback	No. of Shares Repurchased	Price per Share	Amount
05/02/2023	12,760	P 93.00	P 1,186,680
05/04/2023	30,240	93.00	2,812,320
05/12/2023	60	93.00	5,580
05/16/2023	180	94.30	16,974
05/16/2023	41,340	95.00	3,927,300
05/17/2023	31,000	93.00	2,883,000
05/25/2023	13,420	93.00	1,248,060
08/31/2023	9,730	93.00	904,890
09/06/2023	8,800	93.00	818,400
10/02/2023	17,900	93.00	1,664,700
10/02/2023	1,470	93.00	136,710
Total	166,900		P 15,604,614

On February 20, 2024, the company's BOD approved the expanded terms of the Company's share buyback program of its outstanding common shares as initially approved on February 1, 2019. It will be implemented for a period of up to 12 months or until February 20, 2025, unless this period is otherwise extended or shortened by the BOD. The amount allocated for the share buyback program is up to P 7.0 Billion worth of common shares.

Summary of Treasury Share Buyback for 2024:

Date of Buyback	No. of Shares Repurchased	Price per Share	Amount
06/24/2024	9,600	9.27	88,992
06/24/2024	1,000	9.28	9,280
06/24/2024	900	9.29	8,361
06/24/2024	15,400	9.32	143,528
06/24/2024	1,100	9.34	10,274
06/24/2024	900	9.35	8,415
06/24/2024	1,000	9.40	9,400
06/24/2024	900	9.45	8,505
06/24/2024	9,400	9.49	89,206
06/24/2024	10,550,800	9.50	100,232,600
06/25/2024	79,900	9.49	758,251
06/25/2024	10,555,100	9.50	100,273,450
06/26/2024	2,000	9.48	18,960
06/26/2024	9,900	9.49	93,951
06/26/2024	10,550,100	9.50	100,225,950
07/01/2024	10,550,000	9.50	100,225,000
07/02/2024	5,200,000	9.50	49,400,000
07/02/2024	5,200,000	9.50	49,400,000
07/02/2024	150,000	9.50	1,425,000
07/03/2024	1,000	9.40	9,400
07/03/2024	12,300	9.48	116,604
07/03/2024	29,800	9.49	282,802
07/03/2024	6,900	9.50	65,550
07/03/2024	5,200,000	9.50	49,400,000
07/03/2024	5,200,000	9.50	49,400,000
07/03/2024	150,000	9.50	1,425,000

Date of Buyback	No. of Shares Repurchased	Price per Share	Amount
07/04/2024	5,200,000	9.50	49,400,000
07/04/2024	5,200,000	9.50	49,400,000
07/04/2024	150,000	9.50	1,425,000
07/08/2024	5,200,000	9.50	49,400,000
07/08/2024	5,200,000	9.50	49,400,000
07/08/2024	150,000	9.50	1,425,000
07/09/2024	1,700	9.40	15,980
07/09/2024	5,000	9.41	47,050
07/09/2024	5,000	9.46	47,300
07/09/2024	11,700	9.49	111,033
07/09/2024	1,100	9.50	10,450
07/09/2024	5,200,000	9.50	49,400,000
07/09/2024	5,200,000	9.50	49,400,000
07/09/2024	600,000	9.50	5,700,000
07/10/2024	100	9.45	945
07/10/2024	200	9.48	1,896
07/10/2024	200	9.50	1,900
07/10/2024	5,200,000	9.50	49,400,000
07/10/2024	5,200,000	9.50	49,400,000
07/10/2024	600,000	9.50	5,700,000
07/11/2024	1,900	9.49	18,031
07/11/2024	5,200,000	9.50	49,400,000
07/11/2024	5,200,000	9.50	49,400,000
07/11/2024	1,300,000	9.50	12,350,000
07/15/2024	3,100	9.49	29,419
07/15/2024	5,250,000	9.50	49,875,000
07/15/2024	5,250,000	9.50	49,875,000
07/15/2024	1,399,200	9.50	13,292,400
Total	130,217,200		P 1,237,054,883

On August 13, 2025, the Company declared Share Buy-back of 1,618,900 HOUSE shares.

Summary of Treasury Share Buyback for 2025:

Date of Buyback	No. of Shares Repurchased	Price per Share	Amount
08/13/2025	1,580,200	10.30	16,276,060
08/13/2025	27,600	10.28	283,728
08/13/2025	8,100	10.24	82,944
08/13/2025	1,200	10.26	12,312
08/13/2025	1,000	10.20	10,200
08/13/2025	800	10.16	8,128
Total	1,618,900		P 16,673,372

These repurchased shares are presented as Treasury Shares in the statements of financial position and do not form part of the outstanding shares. Below is the movement of treasury shares as at December 31, 2025 and 2024:

	2025		2024	
	Shares	Amount	Shares	Amount
Balance, January 1	256,808,900	P 3,043,595,037	126,758,600	P 1,822,144,768
Redemption – Preferred Shares (8990B)	-	-	(166,900)	(15,604,614)
Buyback	1,618,900	16,673,372	130,217,200	1,237,054,883
Balance, December 31	258,427,800	P 3,060,268,409	256,808,900	P 3,043,595,037

Under the Revised Corporation Code of the Philippines, a stock corporation can purchase or acquire its own shares provided that it has unrestricted retained earnings to cover the shares to be purchased or acquired. The equivalent amount of retained earnings is considered restricted.

18.4 Dividends

The Company's BOD approved the following cash dividend declarations in 2023. No dividend was declared for both years 2025 and 2024.

Amount Per Share	Date of			Amount
	Declaration	Record	Payment	
2023				
Preferred				
1.375	Feb. 7, 2023	Apr. 25, 2023	May. 10, 2023	50,875,000
1.375	Feb. 7, 2023	Jul. 27, 2023	Aug. 10, 2023	50,875,000
1.375	Feb. 7, 2023	Oct. 25, 2023	Nov. 10, 2023	50,875,000
1.375	Feb. 7, 2023	Jan. 29, 2024	Feb. 10, 2024	50,875,000
				P 203,500,000

18.5 Capital Management

The primary objective of the Company's capital management is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Company establishes the appropriate capital structure for its business, and thus, allowing the necessary financial flexibility for its operations and providing sufficient cushion to absorb cyclical industry risks.

The Company is not subject to externally-imposed capital requirements, which considers its total liabilities and equity as its capital.

19 INCOME TAXES

The components of tax benefit (expense) reported in the statements of comprehensive income are as follows:

	2025	2024	2023
<i>Reported in profit or loss:</i>			
Current tax benefit (expense):			
Minimum corporate income tax MCIT) at applicable tax rate	P (44,865)	P -	P -
Final tax at 20%	(983)	(2,682)	(1,482)
Subtotal	(45,848)	(2,682)	(1,482)
Deferred tax benefit (expense) relating to origination and reversal of temporary differences	39,512	30,698,403	(11,978,143)
Subtotal	39,512	30,698,403	(11,978,143)
Total	(P 6,336)	P 30,695,721	(P 11,979,625)
<i>Reported in other comprehensive income:</i>			
Deferred tax benefit (expense) relating to remeasurement of post-retirement defined benefit plan	P 19,092	(P 54,460)	P 132,963

The reconciliation of tax benefit (expense) on pretax income at the applicable statutory rates to tax benefit (expense) reported in the profit or loss section of statements of comprehensive income is shown below.

	2025	2024	2023
Income before tax at statutory tax rate	(P 268,617,469)	(P 949,411,767)	(P 701,991,270)
Adjustments for the income tax effects of:			
Dividend income exempt from income tax	279,054,908	937,679,508	685,575,943
Application of NOLCO	-	5,995,923	5,417,171
Derecognition of DTL	-	31,755,745	-
Unrecognized deferred tax assets	(7,461,850)	(1,101,145)	(521,081)
Nontaxable income	1,986,915	8,169,060	3,242,777
Nondeductible expenses	(4,969,090)	(2,392,293)	(3,704,631)
Interest income subject to final tax	250	690	1,466
Tax benefit (expense)	(P 6,336)	P 30,695,721	(P 11,979,625)

Under Tax Reform Act of 1997, the Company shall pay the MCIT of the normal income tax whichever is higher. MCIT is 2% of gross income as defined by the Act. Any excess of MCIT over the normal income tax shall be carried forward annually and credited against the normal income tax for the next three succeeding taxable years.

For the years 2025 and 2024, the Company is subject to 25% regular income tax rate.

Details of the Company's NOLCO are as follows:

Year Incurred	Amount	Used/Expired	Balance	Expiry Year
2025	P 29,667,937	P	P 29,667,937	2028
2022	32,197,395	(32,197,395)	-	2025
2021	50,562,351	-	50,562,351	2026
2020	450,088,862	(450,088,862)	-	2025
Total	P 562,516,545	P (482,286,257)	P 80,230,288	

NOLCO for 2021 amounted to P 50,562,351, which will expire in 2026. NOLCO for 2021 can be applied for five years instead of three years, in compliance with Revenue Regulation No. 25-2020 (issued last September 28, 2020) *“Notwithstanding the provision of existing laws to the contrary, the net operating loss of the business or enterprise for the taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five (5) consecutive years immediately following the year of such loss; Provided that this subsection shall remain in effect even after the expiration of Republic Act No. 11494, otherwise known as the Bayaniban to Recover as One Act.”*

During the year, the Company did not apply any NOLCO against its taxable income.

On the other hand, the details of the Company's MCIT are as follows:

Year Incurred	Amount	Used/Expired	Balance	Expiry Year
2025	P 44,865	P -	P 44,865	2028
2024	1,101,145	-	1,101,145	2027
2023	534,250	-	534,250	2026
2022	426,896	(426,896)	-	2025
Total	P 2,107,156	P (426,896)	P 1,680,260	

The Company did not recognize deferred tax assets on the temporary differences presented below since the Company believes that it is not probable that the related benefits will be realized in the future.

	2025		2024		2023	
	Tax Base	Tax Effect	Tax Base	Tax Effect	Tax Base	Tax Effect
NOLCO	P 80,230,288	P 20,057,572	P 487,196,233	P 121,799,058	P 511,179,925	P 127,794,981
Impairment loss	-	-	283,820	70,955	283,820	70,955
Excess of depreciation and interest expense over lease payments	40,972	10,243	(29,768)	(7,442)	9,307	2,327
Excess MCIT over RCIT	1,680,260	1,680,260	2,062,291	2,062,291	1,573,503	1,573,503
	P 81,951,520	P 21,748,075	P 489,512,576	P 123,924,862	P 513,046,555	P 129,441,766

The components of recognized net deferred income tax liabilities are as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Deferred tax asset			
Remeasurement of pension liability	P 308,969	P 250,364	P 261,022
Deferred tax liability			
Share in earnings of associate	<u>-</u>	<u>-</u>	<u>(31,755,745)</u>
Net, deferred tax asset (liability)	<u>P 308,969</u>	<u>P 250,364</u>	<u>P (31,494,723)</u>

On May 29, 2025, the President of the Philippines signed into law the Capital Markets Efficiency Promotion Act (CMEPA) as Republic Act (RA) No. 12214 – which aims to promote a simpler, fairer, more efficient, and regionally competitive tax framework for capital markets and passive income to encourage savings and investment. The law was published in the Official Gazette and Manila Bulletin in June 2025 and took effect on July 1, 2025, following its publication.

The CMEPA amends various provisions of the National Internal Revenue Code of 1997, as amended (Tax Code). Its primary purpose is to reduce barriers to capital market participation, streamline tax compliance, lower transaction costs, and align the Philippine tax regime with international and ASEAN peers to deepen and expand the local capital markets.

Revenue Regulation (RR) 19 to 21-2025 outlines the implementing rules and regulations (IRR) to implement pursuant to RA No. 12214. Salient provisions relevant to the Company is as follows:

- Reduction of Stock Transaction Tax (STT) - STT on the sale or exchange of shares listed and traded through a local stock exchange was significantly reduced from 0.60% to 0.10% of the gross selling price or gross monetary value, making equity trading more cost-competitive.
- Adjusted Documentary Stamp Tax (DST) - The DST on the original issuance of shares of stock was reduced from 1 % to 0.75 %. Certain transactions, such as the original issuance, redemption, or transfer of mutual fund shares or UITFs, were exempted from DST.
- Uniform Tax on Interest Income - Interest income from Philippine peso and foreign currency bank deposits, deposit substitutes, trust funds, and similar arrangements are now subject to a uniform 20 % final withholding tax (FWT) regardless of instrument tenure.
- Consistent Capital Gains Tax (CGT) - Capital gains on unlisted shares, whether domestic or foreign (except if sold through a local or foreign stock exchange), are now subject to a 15 % final tax on net capital gains.
- Expanded Definition of “Securities” - The law broadens and clarifies the definition of securities to include a wider range of financial instruments, ensuring consistent tax treatment across different instruments.
- Passive Income Definition and Taxation - “Passive income” was defined for tax purposes, and the Act harmonized its taxation (e.g., interest, dividends, royalties), helping eliminate arbitrage and simplifying compliance.

- PERA Incentive - Private employers who contribute an amount equal to or greater than employees' contributions to Personal Equity and Retirement Accounts (PERA) may claim an additional 50 % tax deduction on their actual contributions (subject to applicable limits).
- Removal/Adjustment of Certain Exemptions — The Act removes select exemptions (e.g., on passive income of GOCCs and pick-ups not used for livelihood) and standardizes tax responsibilities to enhance fairness and broaden the revenue base.

This IRR was issued on August 5, 2025 and became effective on July 1, 2025.

20 COMMITMENT AND CONTINGENCIES

There are other commitments and contingent liabilities that arise in the normal course of the Company's operations that are not reflected in the financial statements. Management is of the opinion that losses, if any, from these items will not have a material effect on the Company's financial statements.

21 RELATED PARTY TRANSACTION

The Company's transactions with related parties consist of granting of loans and advances and reimbursement of expenses, which can be settled in cash or through offsetting arrangement.

21.1 Related Party Transactions and Outstanding Balances

A summary of the Company's transactions and the related outstanding balance with its related parties is shown below.

		2025			
Category	Amount of Transaction		Outstanding Balance	Terms and Conditions	
Subsidiaries					
Due from related parties	P	52,021,708	P	351,113,803	Noninterest-bearing, receivable on demand, unsecured, no impairment
Due to related parties		118,514,908		311,817,956	Noninterest-bearing, payable on demand, unsecured
Loans receivables (Note 9)					
Principal		(943,726,834)			- Noninterest-bearing, payable
Accretion of discount		7,947,660			- on December 31, 2025 and July 16, 2025, unsecured, no impairment
Dividend income (Note 10)		1,116,219,630			- Dividend declared by 8990 HDC, 8990 MHDC and 8990 DHDC
Key Management Personnel		3,974,760			-

		2024		
Category	Amount of Transaction	Outstanding Balance		
		Terms and Conditions		
Subsidiaries				
Due from related parties	P 18,994,164	P 354,839,923	Noninterest-bearing, receivable on demand, unsecured, no impairment	
Due to related parties	1,220,209,867	2,309,110,429	Noninterest-bearing, payable on demand, unsecured	
Loans receivables (Note 9)				
Principal	-	943,726,834	Noninterest-bearing, payable on December 31, 2025 and July 16, 2025, unsecured, no impairment	
Accretion of discount	13,884,978	(7,947,660)		
Dividend income (Note 10)	3,750,718,033	-	Dividend declared by 8990 HDC	
Key Management Personnel	3,976,860	-		

		2023		
Category	Amount of Transaction	Outstanding Balance		
		Terms and Conditions		
Subsidiaries				
Due from related parties	P 2,507,225,000	P 354,839,923	Noninterest-bearing, receivable on demand, unsecured, no impairment	
Due to related parties	5,942,623	1,387,894,726	Noninterest-bearing, payable on demand, unsecured	
Loans receivables (Note 9)				
Principal	-	943,726,834	Noninterest-bearing, payable on December 31, 2024 and July 16, 2025, unsecured, no impairment	
Accretion of discount	12,971,105	(21,832,638)		
Dividend income (Note 10)	2,742,303,771	-	Dividend declared by 8990 HDC	
Key Management Personnel	3,641,820	-		

Details of transactions and outstanding balances of such transactions with its related parties are as follows:

(a) *Due from Related Parties*

These are advances to related parties to fund for their operating expenses. The said amount, which is unsecured, noninterest-bearing and is settled in cash, is presented as Due from Related Parties in the statements of financial position.

The movements in the balance of Due from Related Parties are analyzed below.

	2025	2024	2023
Balance at beginning of the year	P 354,839,923	P 354,839,923	P 354,839,923
Advances granted	52,021,708	18,994,164	2,507,225,000
Offsetting	(55,747,828)	(18,994,164)	(2,507,225,000)
Balance at end of the year	P 351,113,803	P 354,839,923	P 354,839,923

(b) *Due to Related Parties*

These advances are used to fund the Company's operating expenses. These are due on demand, unsecured, noninterest-bearing and payable in cash. The outstanding balance is presented as Due to Related Parties in the statements of financial position.

The movements in the balance of Due from Related Parties are analyzed below.

	2025	2024	2023
Balance at beginning of the year	P (2,309,110,429)	P (1,387,894,726)	P (4,291,235,562)
Advances obtained	(118,514,908)	(1,220,209,867)	(5,942,623)
Offsetting	55,747,828	18,994,164	2,507,225,000
Repayments	2,060,059,553	280,000,000	402,058,459
Balance at end of the year	P (311,817,956)	P (2,309,110,429)	P (1,387,894,726)

The Company's accounting and administrative functions are being handled by the subsidiaries at no cost to the Company.

The total remuneration of the key management personnel of the Company, which is composed of short-term benefits, amounted to P4.0 million both in 2025 and 2024, and is presented as Salaries and wages under Expenses section in the statements of comprehensive income.

22 MISCELLANEOUS EXPENSE

This account pertains to infrequent transactions that are insignificant to have their own account, which are lumped into one general account. 2025 transactions include settlement of LOA for taxable year 2023, fines and penalties, payments related to delisting, out-of-pocket expenses and reimbursements. Meanwhile, 2024, transactions involve the settlement of LOA for taxable year 2022, fines and penalties, out-of-pocket expenses and reimbursements.

The following are the amounts recorded on this account as of December 31:

	2025	2024	2023
Miscellaneous Expense	P 28,512,112	P 22,934,124	P 19,299,526

23 INFORMATION ON STATEMENTS OF CASH FLOWS

23.1 Reconciliation of Liabilities from Financing Activities

Presented below is the reconciliation of the Company's liabilities arising from financing activities, which includes both cash and non-cash changes.

	Due to Related Parties		
	2025	2024	2023
Beginning Balance	P 2,309,110,429	P 1,387,894,726	P 4,291,235,562
Cash flows from a financing activities:			
Advances obtained	118,514,908	1,220,209,867	5,942,623
Repayment of advances obtained	(2,060,059,553)	(280,000,000)	(402,058,459)
Non-cash financing activity - Advances offset	(55,747,828)	(18,994,164)	(2,507,225,000)
Ending Balance	P 311,817,956	P 2,309,110,429	P 1,387,894,726

24 OTHER SIGNIFICANT MATTER

(a) Voluntary Delisting and Tender Offer

On July 16, 2025, the BOD of 8990 Holdings, Inc. (the "Company") approved the voluntary delisting of the Company's common shares from the Philippine Stock Exchange (PSE), subject to the completion of the tender offer, attainment of the required ownership threshold, and approval of the shareholders.

On July 17, 2025, 8990 Housing Development Corporation (8990 HDC) announced its intention to acquire, through a tender offer, up to 11.04% of the Company's outstanding common shares, representing the shares held by shareholders other than Iholdings, Inc., Kwantlen Development Corporation, Mariano D. Martinez, Luis N. Yu, Jr., and the directors of the Company (collectively referred to as the "Excluded Shares"). The tender offer price was set at ₱10.42 per common share.

On August 26, 2025, shareholders representing at least two-thirds (2/3) of the Company's total outstanding common shares approved the voluntary delisting, with votes cast against the proposal not exceeding ten percent (10%) of the total outstanding common shares.

On August 29, 2025, the Company filed its Petition for Voluntary Delisting with the PSE. After complying with the PSE's Amended Voluntary Delisting Rules, the voluntary delisting became effective on October 31, 2025.

(b) Election of Directors

On August 26, 2025, the stockholders of the Company held a meeting during which, among other matters, the election of the members of the BOD for 2025 was conducted.

The following individuals were nominated and duly elected as members of the BOD:

- Mariano D. Martinez
- Anthony Vincent S. Sotto
- Luis N. Yu, Jr.
- Roan Buenaventura-Torregoza
- Raul Fortunato R. Rocha
- Ian Norman E. Dato
- Luis Michael R. Yu
- Manuel S. Delfin, Jr.
- Margarita B. Martinez
- Manuel C. Crisostomo
- Arlene C. Keh
- Gwen Lourdes Lim (Independent Director)
- Maria Paz I. Diokno (Independent Director)

The Nomination Committee confirmed that all nominees possess the required qualifications and none of the disqualifications for election as directors of the Company. It further confirmed that Ms. Gwen Lourdes Lim and Ms. Maria Paz I. Diokno meet all the requirements for election as independent directors.

25 SUPPLEMENTARY INFORMATION REQUIRED UNDER REVENUE REGULATION (RR) 15-2010

The information on taxes, duties and license fees paid or accrued during the taxable year required under RR No. 15-2010 are presented as follows:

(a) Value-Added tax

The NIRC of 1997 provides for the imposition of VAT on sales of goods and services. Accordingly, the Company's purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is set at 12%.

The Company did not declare output VAT as it did not enter into transactions subject to output VAT during the year.

The movement in input VAT in 2025 are summarized below (see Note 14).

Balance at beginning of year	P 16,761,424
From domestic purchase of services	2,395,692
From domestic purchase of goods other than capital goods	<u>12,766</u>
Balance at end of year	<u>P 19,169,882</u>

(b) Taxes on Importations

The Company did not have any importation in 2025.

(c) Excise Tax

The Company did not have any transactions in 2025 that are subject to excise tax.

(d) Documentary Stamp Taxes

The Company did not have any documentary stamp in 2025.

(e) Taxes and Licenses

The Company's taxes and licenses for the year ended December 31, 2025 consist of license and permit fees amounting to P163,696 and is presented as Taxes and licenses under the Expenses in the 2025 statement of comprehensive income.

(f) Withholding Taxes

Withholding taxes paid and accrued and/or withheld by the Company for the year ended December 31, 2025 consists of:

Final withholding tax	P	43,000
Withholding tax on compensation		929,480
Expanded withholding taxes		<u>322,639</u>
Total	P	<u>1,295,119</u>

(g) Deficiency Tax Assessment and Tax Cases

As of December 31, 2025, the Company has no outstanding tax assessments.



The following document has been received:

Receiving: ICTD ERMD

Receipt Date and Time: June 04, 2026 10:12:40 AM

Company Information

SEC Registration No.: CS200511816

Company Name: 8990 HOLDINGS, INC.

Industry Classification: G51100

Company Type: Stock Corporation

Document Information

Document ID: OST106042026811545132

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2025

Submission Type: Consolidated

Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET

C	S	2	0	0	5	1	1	8	1	6
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S.E.C. Registration Number

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(Company's Full Name)

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

JEFFREY S. CAPELO

Contact Person/s

533-3915

Company Telephone Number

1	2
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Month

3	1
---	---

Day

Calendar Year

Consolidated AFS December 31, 2025

FORM TYPE

0	7
---	---

Month

3	1
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Day

Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

42

Total No. of Stockholders

38

Domestic

4

Foreign

To be accomplished by SEC Personnel concerned

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File Number

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LCU

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Document I.D.

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Cashier

STAMPS

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **8990 HOLDINGS, INC. and SUBSIDIARIES** ("the Group") is responsible for the preparation and fair presentation of financial statements, including the schedules attached therein, as of and for the years ended December 31, 2025 and 2024 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

RAMON F. GARCIA AND CO., CPAs the independent auditors appointed by the stockholders, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.



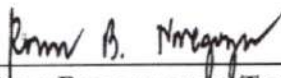
Mariano D. Martinez Jr.
Chairman of the Board



Atty. Anthony Vincent S. Sotto
President and Chief Executive Officer



Richard L. Haosen
Treasurer



Roan Buenaventura-Torregoza
Chief Financial Officer

Signed this day of: June 03, 2026

Subscribed and Sworn to before me this
JUN 03 2026 at **PASIG CITY** City, affiant
exhibiting to me his/her ID No. _____

Doc No. 502
Page No. 102
Book No. 15
Series of 2026

ATTY. DARLAN KAYE S. AQUINO
NOTARY PUBLIC FOR AND IN THE CITY OF PASIG
Appointment No. 072 (2026-2027) - exp. until 31 Dec. 2027
Roll No. 72750
PTR No. 8963123; 05 January 26; Pasig City
IBP No. 570468; 25 December 25; Isabela
MCLE Compliance No. VII-0015543; exp. on 14 April 2028
ULAS Compliance No. N/A (Ongoing Compliance)

HOUSING THE FILIPINO PEOPLE

SUPPLEMENTAL STATEMENT OF INDEPENDENT AUDITORS

The Shareholders and Board of Directors
8990 HOLDINGS, INC. AND SUBSIDIARIES
11TH Floor Liberty Center
104 H.V. Dela Costa, Salcedo Village
Makati City

We have examined the consolidated financial statements of **8990 HOLDINGS, INC. AND SUBSIDIARIES** (the Group) for the year ended December 31, 2025, on which we have rendered the attached report dated June 3, 2026.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that **8990 HOLDINGS, INC.** has eighty-three (83) shareholders owning one hundred (100) or more shares each.

Very truly yours,

RAMON F. GARCIA & COMPANY, CPAs

By:



CHRISTOPHER C. ALCANTARA

Partner

CPA Certificate No. 0107764

PTR No. 10801790, February 01, 2026, Makati City

TIN 227-976-865-000

BOA/PRC Accreditation No.0207 (October 6, 2025 to October 6, 2028)

Partner's BIR Accreditation No. 08-001759-004-2024 (May 22, 2024 to May 21, 2027)

Partner's SEC Accreditation No. 107764, Group A (Valid for the audit of 2022 to 2026 financial statements)

Firm's BIR Accreditation No. 08-001759-001-2026 (March 31, 2026 to March 30, 2029)

Firm's SEC Accreditation No. 0207- SEC Group A, Valid for audit of 2021 to 2025 financial statements

June 3, 2026
Makati City

INDEPENDENT AUDITORS' REPORT

The Shareholders and Board of Directors
8990 HOLDINGS, INC. AND SUBSIDIARIES
11th Floor Liberty Center
104 H.V. Dela Costa, Salcedo Village
Makati City

Opinion

We have audited the consolidated financial statements of **8990 HOLDINGS, INC. AND SUBSIDIARIES** (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of profit and loss, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025 and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

The engagement partner on the audits of the consolidated financial statements resulting in this independent auditors' report is Christopher C. Alcantara.

RAMON F. GARCIA & COMPANY, CPAs

By:



CHRISTOPHER C. ALCANTARA

Partner

CPA Certificate No. 0107764

PTR No. 10801790, February 01, 2026, Makati City

TIN 227-976-865-000

BOA/PRC Accreditation No.0207 (October 6, 2025 to October 6, 2028)

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Firm's BIR Accreditation No. 08-001759-001-2026 (March 31, 2026 to March 30, 2029)

Firm's SEC Accreditation No. 0207- SEC Group A, Valid for audit of 2021 to 2025 financial statements

June 3, 2026

Makati City

CCA-AR-8990_HLD-26-35

Ramon F. Garcia and Company, CPAs is a member of Crowe Global rendering Audit, Tax & Advisory Services. Crowe Global is a leading international network of separate and independent accounting and consulting firms that are licensed to use Crowe in connection with the provision of professional services to their clients. Crowe Global itself is a non-practicing entity and does not provide professional services to clients. Services are provided by the member firms. Crowe Global and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

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8990 HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025 and 2024
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash on hand and in banks	7	1,332,330,264	2,153,375,888
Trade and other receivables, net	8	8,529,892,331	8,160,482,770
Inventories	9	77,717,206,085	64,389,674,994
Due from related parties	28	4,456,992,696	3,152,170,298
Other current assets	14.1	<u>5,029,173,367</u>	<u>6,307,571,650</u>
Total Current Assets		<u>97,065,594,743</u>	<u>84,163,275,600</u>
NON-CURRENT ASSETS			
Trade and other receivables - net	8	17,151,081,010	27,905,116,558
Investment securities at fair value through other comprehensive income	10	1,413,836,778	1,405,232,130
Property and equipment, net	12	1,441,455,477	958,306,404
Intangible assets	1,14.3	571,825,675	554,288,127
Investment properties, net	13	821,614,897	564,787,433
Other noncurrent assets	14.2	<u>519,115,783</u>	<u>452,875,121</u>
Total Noncurrent Assets		<u>21,918,929,620</u>	<u>31,840,605,773</u>
TOTAL ASSETS		<u><u>118,984,524,363</u></u>	<u><u>116,003,881,373</u></u>
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Trade and other payables	15	6,147,403,117	5,178,667,186
Loans payable	17	21,889,668,857	15,840,799,579
Notes payable	18	530,788,321	493,704,407
Deposits from customers	16	4,791,726,581	1,560,568,975
Due to related parties	28	121,638,001	158,787,160
Income tax payable		<u>46,514,799</u>	<u>45,602,654</u>
Total Current Liabilities		<u>33,527,739,676</u>	<u>23,278,129,961</u>

(Forwarded)

8990 HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025 and 2024
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
NON-CURRENT LIABILITIES			
Trade and other payables	15	231,131,393	91,937,050
Loans payable	17	19,624,405,647	29,459,799,388
Notes payable	18	5,016,295,885	5,547,084,206
Deferred tax liability	27	<u>1,619,138,988</u>	<u>1,734,395,428</u>
Total Noncurrent Liabilities		<u>26,490,971,913</u>	<u>36,833,216,072</u>
Total Liabilities		<u>60,018,711,589</u>	<u>60,111,346,033</u>
EQUITY	19		
Capital stock		5,517,990,720	5,517,990,720
Additional paid-in capital		4,293,748,668	4,293,748,668
Treasury shares		(3,060,268,409)	(3,043,595,037)
Shares held by subsidiary		(1,216,822,625)	-
Total other comprehensive income		842,530,265	971,905,152
Retained earnings		<u>52,588,634,155</u>	<u>48,028,113,798</u>
		58,965,812,774	55,768,163,301
Non-Controlling Interests		<u>-</u>	<u>124,372,039</u>
Total Equity		<u>58,965,812,774</u>	<u>55,892,535,340</u>
TOTAL LIABILITIES AND EQUITY		<u>118,984,524,363</u>	<u>116,003,881,373</u>

(The notes on pages 1 to 80 are an integral part of these consolidated financial statements)

8990 HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 and 2023
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
REVENUES	20			
Real estate sales		20,218,336,640	18,754,545,345	22,338,303,137
Hotel operations		327,528,278	246,390,265	273,702,876
Rental income		43,638,156	20,749,489	6,695,405
Equity share in net profits of associate		<u>-</u>	<u>17,705,874</u>	<u>45,858,106</u>
		<u>20,589,503,074</u>	<u>19,039,390,973</u>	<u>22,664,559,524</u>
COST OF SALES AND SERVICES	21			
Cost of real estate sales		11,206,420,827	10,726,188,561	12,604,416,231
Hotel Operations		<u>175,765,239</u>	<u>204,029,432</u>	<u>130,674,075</u>
		<u>11,382,186,066</u>	<u>10,930,217,993</u>	<u>12,735,090,306</u>
GROSS PROFIT		9,207,317,008	8,109,172,980	9,929,469,218
OPERATING EXPENSES	22	4,199,198,903	2,906,436,715	2,953,822,749
OTHER OPERATING INCOME	24.1	2,139,041,079	2,148,454,480	3,318,451,357
FINANCE COSTS	23	<u>1,325,314,003</u>	<u>1,520,104,826</u>	<u>2,197,244,765</u>
OPERATING PROFIT		5,821,845,181	5,831,085,919	8,096,853,061
OTHER GAIN (EXPENSE)	24.2	<u>(161,055,161)</u>	<u>1,085,386</u>	<u>(243,212,456)</u>
PROFIT BEFORE INCOME TAX		5,660,790,020	5,832,171,305	7,853,640,605
TAX EXPENSE	27	<u>862,235,317</u>	<u>383,521,437</u>	<u>956,922,325</u>
NET PROFIT		<u>4,798,554,703</u>	<u>5,448,649,868</u>	<u>6,896,718,280</u>
NET PROFIT ATTRIBUTABLE TO:				
Equity Holders of 8990 Holdings Inc.		4,790,383,142	5,426,972,069	6,884,536,038
Non-controlling Interests		8,171,561	21,677,799	12,182,242
		<u>4,798,554,703</u>	<u>5,448,649,868</u>	<u>6,896,718,280</u>
EARNINGS PER SHARE				
Attributable to equity holders of 8990 Holdings, Inc.				
Basic/Diluted	30	<u>0.91</u>	<u>1.02</u>	<u>1.24</u>

(The notes on pages 1 to 80 are an integral part of these consolidated financial statements)

8990 HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 and 2023
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
NET PROFIT		<u>4,798,554,703</u>	<u>5,448,649,867</u>	<u>6,896,718,280</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified				
subsequently to profit or loss				
Fair value gain on investment securities at fair value				
through other comprehensive income (FVOCI)	10	8,414,647	41,955,744	11,121,359
Actuarial gain (loss) on post-employment benefit plan	25	(1,418,575)	5,934,609	(15,152,138)
Tax expense		<u>(907,553)</u>	<u>(12,178,179)</u>	<u>(1,406,291)</u>
		<u>6,088,519</u>	<u>35,712,174</u>	<u>(5,437,070)</u>
TOTAL COMPREHENSIVE INCOME		<u>4,804,643,222</u>	<u>5,484,362,041</u>	<u>6,891,281,210</u>
Total Comprehensive Income attributable to:				
Equity Holders of 8990 Holdings Inc.		4,796,471,661	5,462,684,243	6,879,098,968
Non-controlling Interests		<u>8,171,561</u>	<u>21,677,798</u>	<u>12,182,242</u>
		<u>4,804,643,222</u>	<u>5,484,362,041</u>	<u>6,891,281,210</u>

(The notes on pages 1 to 80 are an integral part of these consolidated financial statements)

8990 HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 and 2023
(Amounts in Philippine Pesos)

	Attributable to equity holders of 8990 Holdings, Inc.										
	<u>Capital Stock</u> <u>(see Note 19)</u>	<u>Additional Paid in</u> <u>Capital</u> <u>(see Note 19)</u>	<u>Treasury Shares</u> <u>(see Note 19)</u>	<u>Shares held by</u> <u>Subsidiary</u>	<u>Actuarial Gain on</u> <u>Post-employment</u> <u>Benefit Plan</u> <u>(see Note 25)</u>	<u>Fair Value Gain on</u> <u>Investment Securities</u> <u>through FVOCI</u> <u>(see Note 10)</u>	<u>Total Other</u> <u>Comprehensive</u> <u>Income</u> <u>Subtotal</u>	<u>Retained Earnings</u> <u>(see Note 19)</u>	<u>Total</u>	<u>Non-Controlling</u> <u>Interests</u> <u>(see Note 1.3)</u>	<u>Total Equity</u>
Balances at January 1, 2025	5,517,990,720	4,293,748,668	(3,043,595,037)	-	(10,839,742)	982,744,894	971,905,152	48,028,113,798	55,768,163,301	124,372,039	55,892,535,340
Acquisition of additional interest in subsidiary	-	-	-	-	-	-	-	(229,862,785)	(229,862,785)	(132,543,600)	(362,406,385)
Treasury shares	-	-	(16,673,372)	-	-	-	-	-	(16,673,372)	-	(16,673,372)
Shares held by subsidiary	-	-	-	(1,216,822,625)	-	-	-	-	(1,216,822,625)	-	(1,216,822,625)
Deferred tax on revaluation reserve and actuarial loss	-	-	-	-	2,495,175	(137,958,581)	(135,463,406)	-	(135,463,406)	-	(135,463,406)
Other comprehensive income	-	-	-	-	(1,063,931)	7,152,450	6,088,519	-	6,088,519	-	6,088,519
Net profit for the year	-	-	-	-	-	-	-	4,790,383,142	4,790,383,142	8,171,561	4,798,554,703
Balance at December 31, 2025	5,517,990,720	4,293,748,668	(3,060,268,409)	(1,216,822,625)	(9,408,498)	851,938,763	842,530,265	52,588,634,155	58,965,812,774	-	58,965,812,774
Balances at January 1, 2024	5,554,990,720	7,956,748,668	(1,822,144,768)	-	(15,463,464)	951,656,442	936,192,978	42,601,141,729	55,226,929,327	102,694,240	55,329,623,567
Reclassification	-	-	-	-	10,867,292	(10,867,292)	-	-	-	-	-
Cash dividends declared by the Parent Company	-	-	-	-	-	-	-	-	-	-	-
Reacquisition of preferred shares	(37,000,000)	(3,663,000,000)	-	-	-	-	-	-	(3,700,000,000)	-	(3,700,000,000)
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	(1,221,450,269)	-	-	-	-	-	(1,221,450,269)	-	(1,221,450,269)
Other comprehensive income	-	-	-	-	(6,243,570)	41,955,744	35,712,174	-	35,712,174	-	35,712,174
Net profit for the year	-	-	-	-	-	-	-	5,426,972,069	5,426,972,069	21,677,799	5,448,649,868
Balance at December 31, 2024	5,517,990,720	4,293,748,668	(3,043,595,037)	(3,043,595,037)	(10,839,742)	982,744,894	971,905,152	48,028,113,798	55,768,163,301	124,372,039	55,892,535,340
Balances at January 1, 2023	5,554,990,720	7,956,748,668	(1,806,540,154)	-	1,094,965	940,535,083	941,630,048	35,920,105,691	48,566,934,973	90,511,998	48,657,446,971
Cash dividends declared by the Parent Company	-	-	-	-	-	-	-	(203,500,000)	(203,500,000)	-	(203,500,000)
Reacquisition of preferred shares	-	-	(15,604,614)	-	-	-	-	-	(15,604,614)	-	(15,604,614)
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	(16,558,429)	11,121,359	(5,437,070)	-	(5,437,070)	-	(5,437,070)
Net profit for the year	-	-	-	-	-	-	-	6,884,536,038	6,884,536,038	12,182,242	6,896,718,280
Balance at December 31, 2023	5,554,990,720	7,956,748,668	(1,822,144,768)	(1,822,144,768)	(15,463,464)	951,656,442	936,192,978	42,601,141,729	55,226,929,327	102,694,240	55,329,623,567

(The notes on pages 1 to 80 are an integral part of these consolidated financial statements)

8990 HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 and 2023
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax		5,660,790,020	5,832,171,304	7,853,640,605
Adjustments for:				
Interest income	24.1	(1,539,165,941)	(1,711,744,302)	(2,914,452,993)
Interest expense	23	1,320,332,038	1,514,650,045	2,194,363,343
Losses from assets written-off	8	-	-	-
Allowance for (reversal of) credit and impairment losses, net	8,14,28	571,771,872	134,342,409	470,905,069
Depreciation and amortization	12, 13,14,26	149,406,945	114,658,456	109,045,748
Gain on sale of property and equipment	12	(133,928)	-	(225,000)
Loss (gain) on repossession - net	9,24.2	161,189,089	(53,999,475)	243,212,456
Equity in net earnings of associate	11	-	(17,705,874)	(45,858,106)
Post-employment benefits	25	4,656,887	3,816,744	2,580,173
Operating income before changes in working capital		6,328,846,982	5,816,189,307	7,913,211,295
Changes in operating assets and liabilities				
Decrease (increase) in:				
Trade and other receivables		10,451,300,499	6,310,800,226	3,629,057,873
Inventories		(13,680,473,739)	(12,049,333,342)	(5,852,214,123)
Other assets		988,788,443	(621,885,717)	(656,642,145)
Increase (decrease) in:				
Trade and other payables		862,905,219	(3,368,994,635)	(915,850,478)
Deposits from customers		3,231,157,606	661,249,461	(165,609,802)
Net cash provided by (used in) operations		8,182,525,009	(3,251,974,700)	3,951,952,620
Interest received		1,272,279,831	500,378,948	1,666,188,124
Taxes paid		(861,323,172)	(431,552,296)	(923,907,961)
Net cash provided by (used in) operating activities		8,593,481,668	(3,183,148,048)	4,694,232,783
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash advances to related parties	28	(2,008,928,743)	(1,823,364,660)	(1,276,352,378)
Collections of advances to related parties	28	344,818,633	1,957,681,176	-
Acquisitions of:				
Investment securities	10	(190,000)	-	-
Property and equipment	12	(603,966,668)	(300,010,737)	(65,090,165)
Intangible asset	14.3	33,292,500	-	(14,175,758)
Investment properties	13	(301,049,015)	-	-
Interest received from loans to a third party	8, 24	-	-	39,403,926
Proceeds from:				
Disposal of investment in associates		-	284,728,856	-
Disposal of property and equipment	12	133,928	-	225,000
Net cash provided by (used in) investing activities		(2,535,889,365)	119,034,635	(1,315,989,375)
CASH FLOWS FROM FINANCING ACTIVITIES				
Availment of loans payable	31	14,386,870,780	30,340,873,347	17,297,675,121
Repayment of loans payable	31	(18,173,395,243)	(20,558,826,945)	(23,758,474,997)
Repayment of leasing liabilities	26.4	(7,682,989)	(8,878,277)	(16,910,203)
Interest paid on loans, notes	17, 18	(1,320,080,913)	(1,514,551,960)	(2,193,451,945)
Issuance (payment) of notes	18	-	-	6,500,000,000
Payment of notes	31	(493,704,407)	(459,211,387)	-
Acquisition of treasury shares	19	(16,673,372)	(1,221,450,269)	(15,604,614)
Acquisition of preferred Shares	25	-	-	-
Payment of cash dividends to equity holders of 8990 Holdings Inc.	19	-	-	(203,500,000)
Cash advances from related parties	28,31	-	-	511,975
Redemption of preferred shares	19	-	(3,700,000,000)	-
Shares held by subsidiary		(1,216,822,625)	-	-
Repayments of advances from related parties	28,31	(37,149,159)	(113,780,319)	(17,404,692)
Net cash provided by (used in) financing activities		(6,878,637,928)	2,764,174,190	(2,407,159,355)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
		(821,045,624)	(299,939,223)	971,084,053
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,153,375,888	2,453,315,111	1,482,231,058
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,332,330,264	2,153,375,888	2,453,315,111

(The notes on pages 1 to 80 are an integral part of these consolidated financial statements)

8990 HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Philippine Pesos)

1 CORPORATE INFORMATION

1.1 Operations and Composition of the Group

8990 Holdings, Inc. (8990 Holdings or the Parent Company) was incorporated in the Philippines, registered with the Securities and Exchange Commission (SEC) on July 8, 2005 and was listed in the Philippine Stock Exchange (PSE) on October 20, 2010. On August 29, 2025, the Parent Company filed its Petition for Voluntary Delisting with the PSE and became effective on October 31, 2025.

The Parent Company is a holding company. It is presently engaged in various activities of an investment holding company without engaging in dealership in securities, or in brokerage business.

8990 Holdings is 45.75% owned by iHoldings, Inc., as of December 31, 2025, 2024 and 2023, which is a holding company that was incorporated and domiciled in the Philippines.

The Parent Company and the following wholly-owned subsidiaries at the end of the reporting periods are referred to herein as the Group:

- a) 8990 Housing Development Corporation (8990 HDC)
 - b) Euson Realty and Dev't. Corp. (ERDC)*
 - c) Tondo Holdings Corporation (THC)*
 - d) 8990 Coastal Estates, Inc (RLC)*
 - e) Primex Land, Inc. (PLI)*
 - f) Fog Horn, Inc. (FHI)
 - g) 8990 Luzon Housing Development Corporation (8990 LHDC)
 - h) 8990 Davao Housing Development Corporation (8990 DHDC)
 - i) 8990 Leisure and Resorts Corporation (8990 LRC)
 - j) 8990 Mindanao Housing Development Corporation (8990 MHDC)
 - k) The Mont Property Group Inc. (8990 Monterrazas / Genvi) *formerly known as 8990 Monterrazas Corporation and Genvi Development Corporation* (see Note 1.2)*
 - l) Picadilly Premier Land Inc. (PPLI) – consisting of 68% ownership of Parent Company and 32% ownership through 8990 HDC (see Note 1.3)
 - m) Ross Rica Sales Center Incorporated (RRSCI)(see Note 1.4)*
- *Wholly owned subsidiary of 8990 HDC*

The above subsidiaries are all incorporated and operating in the Philippines, and except for 8990 LRC and FHI, are engaged in real estate development. 8990 LRC is engaged in hotel and resorts business while FHI is engaged both in both real estate development and hotels and resorts.

The Company has acquired a subsidiary with 68% ownership of PPLI and its subsidiary (8990 HDC) has acquired the remaining 32% of ownership. The Company was incorporated and operating in the Philippines. The Company is also engaged in real estate development.

The Parent Company also obtained 20% of shares of Scheirman Construction Consolidated Incorporated (SCCI) making it as associate of the said company. SCCI was incorporated in the Philippines and registered with the SEC on July 16, 2016. The Associate is primarily engaged in general building construction as contractor and builder of residential homes, commercial and industrial buildings, barracks, piers and other edifications needed and necessary in the ordinary course of business. On July 9, 2024, the Company and SCCI mutually agreed to terminate the subscription agreement. As a result, the Parent Company no longer holds any ownership interest in SCCI and the investment in associate has been derecognized from the consolidated financial statements as at December 31, 2024.

The registered office address of the Parent Company is at 11th Floor Liberty Center, 104 H.V. Dela Costa, Salcedo Village, Makati City. iHoldings, Inc.'s registered office address is Unit 1503, 15th Floor China Bank Corporate Center, Lot 2, Samar Loop corner Road 5, Cebu Business Park, Cebu City.

1.2 Acquisition of The Mont Property Group Inc. (8990 Monterrazas / Genvi)

In 2018, the Group, through 8990 HDC, entered into a Share Purchase Agreement with the stockholders of The Mont to acquire all its issued and outstanding shares for a total consideration of P2.3 billion. The acquisition includes real estate inventories, which are developed subdivision lots, amounting to P3.3 billion.

The fair values of the acquired identifiable assets and liabilities assumed as at the date of acquisition are presented below.

Consideration	
Cash	<u>P 2,337,427,291</u>
Recognized amounts of identifiable assets acquired:	
Real estate inventories	3,984,499,251
Other tangible assets	431,427,886
Liabilities	<u>(2,604,974,679)</u>
Net identifiable assets	<u>1,810,952,458</u>
Goodwill	<u>P 526,474,833</u>

The excess of acquisition costs over the fair value of net identifiable assets of Genvi amounting to P526.5 million is presented as Intangible Assets in the consolidated statement of financial position as at December 31, 2025 and 2024 (see Note 14.3).

1.3 Acquisition of Picadilly Premier Land, Inc. (PPLI)

On March 15, 2022, the Parent Company entered into agreement with RDAK Land Inc, Acrissor Development Corporation and its existing stockholders into an investment agreement wherein Picadilly sold its 68% stake to the Parent making it a subsidiary.

The fair values of the acquired identifiable assets and liabilities assumed as at the date of acquisition are presented below.

Consideration transferred	88,275,504
Fair value of non-controlling interest	<u>72,612,918</u>
Total Consideration	160,888,422
Less: Fair value of identifiable net assets	<u>226,915,369</u>
Gain on Bargain Purchase	<u>66,026,947</u>

The business combinations resulted in a bargain purchase transaction because the fair value of assets acquired and liabilities assumed exceeded the total of the fair value of consideration paid and the fair value of non-controlling interest. The gain on bargain purchase is presented as a separate line item in the consolidated statement of profit or loss as "Gain on acquisition of business".

Since there is urgency of the sale to cater the upcoming payment of matured loans and liquidity issues, the price of acquiring the business is at a discounted rate. There were no specific acquisition related costs incurred or contingent consideration arrangements and indemnification assets arising from the business combination.

On September 8, 2025, 8990 HDC entered into separate Shares Purchase Agreements with Absolute Conveyance with RDAK Land, Inc. and Richard Ray T. King for the acquisition of shares in Piccadilly. Under the agreements, the Company acquired a total of 467,838 common shares in Piccadilly, representing 32% of the issued and outstanding capital stock.

The difference between the consideration paid and the carrying amount of the non-controlling interest is presented below:

Total consideration	P	494,949,985
Non-controlling interest as of December 31, 2024		(124,372,039)
Non-controlling interest share in net income before acquisition		(8,171,561)
Excess consideration		<u><u>362,406,385</u></u>

Excess consideration was charged directly to equity attributable to Parent Company.

1.4 Acquisition of Ross Rica Sales Center, Incorporated (RRSCI)

On September 08, 2025, the Company entered into a share purchase agreement with Regan Rex T. King, Ross Rica K. Deen, Ross Ann K. Chung, Richard Ray T. King, Rosalinda T. King and Ricarido Delfin A. King to acquire a total of 999,995 issued and outstanding shares of Ross Rica Sales Center, Incorporated (RRSC), which represents 99.99% of its 1,000,000 issued and outstanding shares with P1.00 par value. for a total consideration of P301,050,015. The total consideration was allocated to the acquired assets based on their relative fair values, resulting in the Investment Property being recognized at an allocated cost of P301,049,015.

1.5 Approval of the Consolidated Financial Statements

The consolidated financial statements of the Group as of and for the year ended December 31, 2025(including the comparative consolidated financial statements as of and for the years ended December 31, 2024 and 2023) were authorized for issue by the Parent Company’s Board of Directors (BOD) on June 3, 2026.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of Preparation of Consolidated Financial Statements

(a) Basis of Preparation

The consolidated financial statements are prepared using the historical cost basis, except for financial assets at financial assets at fair value through other comprehensive income (FVOCI).

The consolidated financial statements provide comparative information in respect of the previous period.

(b) Statement of Compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards

The consolidated financial statements of the Group have been prepared in accordance with PFRS Accounting Standards. The term PFRSs in general includes all applicable PFRSs, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Sustainability Reporting Standards Council (FSRSC) and adopted by the SEC.

The consolidated financial statements have been prepared using the measurement bases specified by PFRS Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(c) *Presentation of Consolidated Financial Statements*

The consolidated financial statements are presented in accordance with PAS 1, *Presentation of Financial Statements*. The Group presents the consolidated statement of comprehensive income separate from the consolidated statement of profit or loss.

The Group presents a third statement of consolidated financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively or makes a retrospective restatement or reclassification of items that has a material effect on the information in the consolidated statement of financial position at the beginning of the preceding period. The related notes to the third consolidated statement of financial position are not required but opted by the Group to be disclosed for certain accounts.

(d) *Functional and Presentation Currency*

These consolidated financial statements are presented in Philippine peso, the Group's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the consolidated financial statements of the Group are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

2.2 *Changes in Accounting Policies and Procedures*

Standards issued and effective for the current year

The accounting policies adopted are consistent with those of the previous financial year except for the changes in accounting policies as explained below. The Group has adopted the following new standard, amendments to standard and interpretation starting January 1, 2025 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption of these new and amended standards and interpretation did not have any significant impact on the Group's consolidated financial statements.

- Amendments to PAS 21, *Lack of exchangeability*

The amendments set out to clarify when a currency is exchangeable into another currency and how an entity estimates a spot rate when a currency lacks exchangeability. These amendments require entities to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose.

Standards issued but not yet effective

The Group will adopt the following new pronouncements when these become effective. Except as otherwise indicated, the Group does not expect the adoption of these new pronouncements to have a significant impact on the consolidated financial statements.

Effective beginning on or after January 1, 2026

- Amendments to PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 36 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a ‘De Facto Agent’*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

Deferred Effectivity

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

2.3 Basis of Consolidation

The Group’s consolidated financial statements comprise the accounts of the Parent Company and its subsidiaries as enumerated in Note 1, after the elimination of intercompany transactions. All intercompany assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities under the Group, are eliminated in full on consolidation. Unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full.

The consolidated financial statements comprise the financial statements of the Group as of December 31, 2025 and 2024 and for each of the three years in the year ended December 31, 2025, 2024 and 2023. The financial statements of subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting principles. Adjustments are made to align any dissimilar accounting policies that may exist.

The Parent Company accounts for its investments in subsidiaries and interests in jointly-controlled operations as discussed in the succeeding paragraph.

(a) Investments in Subsidiaries

Subsidiaries are entities (including structured entities) over which the Parent Company has control. The Parent Company controls an entity when: it has the power over the entity; it is exposed, or has rights to, variable returns from its involvement with the entity; and, has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date the Parent Company obtains control.

The Parent Company reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of controls indicated above. Accordingly, entities are deconsolidated from the date that control ceases.

The acquisition method is applied to account for acquired subsidiaries. This requires recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group, if any. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Acquisition-related costs are expensed as incurred and subsequent change in the fair value of contingent consideration is recognized directly in profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any existing equity interest in the acquiree over the acquisition-date fair value of the identifiable net assets acquired is recognized as goodwill. If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly as gain in profit or loss.

The Group holds interests in various subsidiaries as presented in Note 1.

(b) *Interests in Jointly-controlled Operations*

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators. The Group recognizes in relation to its interest in a joint operation: its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; and, its expenses, including its share of any expenses incurred jointly. The amounts of these related accounts are presented as part of the regular asset and liability accounts and income and expense accounts of the Group. No adjustment or other consolidation procedures are required for the assets, liabilities, income and expenses of the joint venture that are recognized in the separate financial statements of the venturers.

2.4 Business Combination

Business acquisitions are accounted for using the acquisition method of accounting.

After the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed (see Note 2.15).

Negative goodwill or gain on bargain purchase which is the excess of the Group's interest in the net fair value of net identifiable assets acquired over acquisition cost is charged directly to income.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The cash-generating units or groups of cash-generating units are identified according to operating segment.

Gains and losses on the disposal of an interest in a subsidiary include the carrying amount of goodwill relating to it.

If the business combination is achieved in stages, the acquirer is required to remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in the profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PAS 37, *Provisions and Contingent Liabilities and Contingent Assets*, either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Acquisition of interest in an entity that holds investment property which does not constitute a business is accounted for as an asset acquisition. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members and participant.

While a business usually has outputs, outputs are not required for an integrated set of assets to qualify as a business.

Under the asset purchased accounting, the purchase costs are allocated to identifiable assets and liabilities based on relative fair values of individual items; goodwill or gain on bargain purchase is not recognized; and, transaction costs are capitalized.

2.5 Financial Assets

(a) Classification, Measurement and Reclassification of Financial Assets

The classification and measurement of financial assets is driven by the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

(i) Financial Assets at Amortized Cost

Except for trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with PFRS 15, all financial assets meeting these criteria are measured initially at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest method, less any impairment in value.

The Group's consolidated financial assets measured at amortized cost include those presented in the consolidated statement of financial position as Cash and Cash Equivalents, Trade and Other Receivables (excluding receivables from officers and employees), Due from Related Parties, and as part of Other Non-current Assets with respect to Deposits.

Financial assets measured at amortized cost are included in current assets, except for those with maturities greater than 12 months after the end of each reporting period, which are classified as non-current assets.

For purposes of cash flows reporting and presentation, cash equivalents comprise accounts with original maturities of three months or less. These generally include short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Cash include cash on hand and demand deposits.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets except for those that are subsequently identified as credit-impaired. For credit-impaired financial assets at amortized cost, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance). If the asset is no longer credit-impaired, the calculation of interest income reverts to gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying a credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis even if the credit risk of the asset subsequently improves. The interest earned on installment contract receivables and finance lease receivables, and cash and cash equivalents are recognized and presented in the consolidated statement of profit or loss as part of Other Operating Income.

(ii) Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Group for trading or as mandatorily required to be classified as fair value through profit or loss (FVTPL). The Group has designated its equity investment as at FVOCI on initial application of PFRS 9 (see Note 10).

Financial assets at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with no deduction for any disposal costs. Gains and losses arising from changes in fair value are recognized in other comprehensive income, net of any effects arising from income taxes, and are reported as part of Revaluation Reserves account in equity. When the asset is disposed of, the cumulative gain or loss previously recognized in the Revaluation Reserves account is not reclassified to profit or loss but is reclassified directly to Retained Earnings, except for debt securities classified as FVOCI, if any, wherein cumulative fair value gains or losses are reclassified to profit or loss.

Any dividends earned on holding equity instruments are recognized in profit or loss as part of Dividend Income, when the Group's right to receive dividends is established; it is probable that the economic benefits associated with the dividend will flow to the Group; and, the amount of the dividend can be measured reliably, unless the dividends clearly represent recovery of a part of the cost of the investment.

The Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Group is required to reclassify financial assets: (i) from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and, (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria. A change in the objective of the Group's business model will take effect only at the beginning of the next reporting period following the change in the business model.

(b) Impairment of Financial Assets

At the end of the reporting period, the Group assesses and recognizes a provision for expected credit losses (ECL) on its financial assets measured at amortized cost and investment securities measured at FVOCI. The measurement of the ECL involves consideration of broader range of information in assessing credit risk, including past events (e.g., historical credit loss experience) and current conditions, adjusted for forward-looking factors specific to the counterparty or debtor and the economic environment that affect the collectability of the future cash flows of the financial assets. ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial assets.

The Group assesses impairment of trade receivables on a collective basis based on shared credit risk characteristics of financial assets. The Group determines the ECL for trade receivables by applying a method that evaluates the credit quality of a portfolio of trade receivables and the cumulative loss rates by analyzing historical net charge-offs arising from cancellations and back-out sale for homogenous accounts that share the same origination period.

For investment securities measured at amortized cost and at FVOCI, the Group recognizes lifetime ECL when there has been a significant increase in credit risk on a financial asset since initial recognition. Lifetime ECL represents the expected credit loss that will result from all possible default events over the expected life of a financial asset, irrespective of the timing of the default. However, if the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures and provides for credit losses that are expected to result from default events that are possible within 12-months after the end of the reporting period.

For other credit exposures such as trade and other receivables and advances to related parties and other companies, ECLs are recognized in two stages. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures and provides for credit losses that are expected to result from default events that are possible within the next 12-months (12-month ECL). When there has been a significant increase in credit risk on a financial asset since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECL). For deposits in banks, the Group applies the low credit risk simplification and measures the ECL on the financial assets based on a 12-month basis unless there has been a significant increase in credit risk since origination, in that case, the provision for credit loss will be based on the lifetime ECL.

The Group recognizes credit losses in profit or loss for all financial instruments subjected to ECL impairment assessment with a corresponding adjustment to their carrying amount through a provision for credit losses account, except for investment securities measured at FVOCI, for which the provision for credit losses is recognized in other comprehensive income and accumulated in Revaluation Reserves account, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(c) *Derecognition of Financial Assets*

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

2.6 Inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, are held as inventories.

Inventories include subdivision lots, houses and lots, land developments, medium-rise and high-rise condominium units, and parking spaces. Land acquired by the Group and are held for future development and sale in the ordinary course of business is also accounted for as inventories. Inventories are measured at the lower of cost and net realizable value (NRV).

Cost of inventories includes:

- land cost;
- amounts paid to contractors for the construction; planning and design costs; costs of site preparation; professional fees directly attributable to construction/development of the property, property transfer taxes; construction overheads and other related costs; and,
- any borrowing costs to the projects which were capitalized during construction (Notes 2.17).

Reposessed property arising from sales cancellation is recognized at NRV.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated cost to sale. The amount of any write-down of inventories to NRV and all losses of inventories are recognized in the consolidated statement of profit or loss in the year of the write-down or loss occurs.

The cost of inventories recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs. The total costs are allocated pro-rata based on the relative size of the property sold.

2.7 Property and Equipment

Property and equipment, except for land and construction-in-progress, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land and construction-in-progress are carried at cost less any impairment value.

Depreciation and amortization of property and equipment commences once the item of property and equipment is put into operational use and is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	20 years
Land improvements	3-5 years
Leasehold improvements	3-5 years or the term of the lease whichever shorter
Furniture and fixtures	3-5 years
Machineries and equipment	3-5 years
Transportation vehicles	1-5 years
Licenses	1-5 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.15).

The residual values, estimated useful lives and method of depreciation and amortization of property and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated property and equipment and fully amortized leasehold improvements are retained in the accounts until they are no longer in use.

An item of property and equipment, including the related accumulated depreciation, amortization and impairment losses, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is derecognized.

2.8 Investment Properties

Investment properties, which include land, building and improvements are initially recognized at cost. The initial cost of investment property consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Subsequent to initial recognition, investment properties, except for land, are stated at cost less accumulated depreciation, amortization and any impairment in value. Land is carried at cost less any impairment in value (see Note 2.15).

Expenditures incurred after the investment properties have been put into operations, such as repairs and maintenance costs, are charged against current operations in the year in which the costs are incurred.

Depreciation and amortization of investment properties commences from the time of acquisition and is computed on a straight-line basis over the estimated useful lives of the investments properties as follows:

Building	20 years
Improvements	20 years

Transfers are made to investment properties when, and only when, there is a change in use evidenced by ending of owner occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is a change in use evidenced by commencement of owner occupation or commencement of development with a view to sale. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount (Note 2.15).

Investment properties, including the related accumulated depreciation and amortization, are derecognized upon disposal or when permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties (calculated as the difference between the net disposal proceeds and the carrying amount of the item) are recognized in profit or loss in the year of retirement or disposal.

2.9 Intangible Assets

Intangible assets of the Group pertain to goodwill and software license. Goodwill is accounted for under the cost model. The cost of the asset is the amount of cash or cash equivalents paid or the fair value of the other considerations given up to acquire an asset at the time of its acquisition or production. Goodwill is not amortized because it is considered to have indefinite useful life.

Capitalized costs on software license are amortized on a straight-line basis over the estimated useful life of five years, as the lives of these intangibles assets are considered finite. These are capitalized on the basis of the costs incurred to acquire and install the specific software. Cost associated with maintaining computer software and those costs associated with research activities are recognized as expense in profit or loss as incurred.

In addition, intangible assets are subject to impairment testing as described in Note 2.15.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset and is recognized in profit or loss.

2.10 Financial Liabilities at Amortized Cost

Financial liabilities, which include trade and other payables (excluding tax-related liabilities, deferred rent and retirement benefit obligation), loans payable and amounts due to related parties, are recognized when the Group becomes a party to the contractual terms of the instrument. These are recognized initially at their fair values and subsequently measured at amortized cost, using effective interest method for maturities beyond one year, less settlement payments. All interest-related charges incurred on a financial liability are recognized as an expense in profit or loss under the caption Finance Costs in the consolidated statement of profit or loss.

Loans payable are raised for support of long-term funding of operations. Finance charges, including direct issue costs, are charged to profit or loss on an accrual basis [except for capitalizable borrowing costs which are added to the cost of qualifying assets (see Note 2.17) using the effective interest method and are added to the carrying amount of the instrument to the extent that these are not settled in the period in which they arise.

Dividend distributions to shareholders are recognized as financial liabilities upon declaration by the Parent Company.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period (or in the normal operating cycle of the business, if longer), or the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the consolidated statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or if the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and a recognition of new liability, and the difference between the carrying amount of the financial liability derecognized and the consideration paid or payable or the carrying amount of the new liability is recognized in profit or loss.

2.11 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the consolidated statement of financial position when the Group currently has legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and must be legally enforceable for both entity and all counterparties to the consolidated financial instruments.

2.12 Provisions and Contingencies

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases, where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the consolidated financial statements.

Similarly, possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the consolidated financial statements. On the other hand, any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.13 Revenue and Expense Recognition

(a) Revenue, Other Operating Income and Gains

The Group derives revenue primarily from sale of houses and lots, subdivision lots, medium-rise and high-rise condominium units and parking spaces. The Group also enters into transactions involving hotel accommodations, food and beverage operations, and other incidental activities.

In addition to the above considerations, the Group's revenue and other operating income and gains are recognized and measured based on the following specific criteria:

(i) Real estate sales

(a) On pre-completed real estate projects

Revenue from pre-completed real estate projects are recognized over time proportionate to progress of the development. The Group measures its progress based on actual costs incurred relative to the total expected costs to be incurred in completing the development. Revenue recognized from real estate sales is presented as part of Real Estate Sales under the Revenues section in the consolidated statement of profit or loss.

Contract assets pertain to rights to consideration in exchange for goods or services that the Group has transferred to a customer that is conditioned on something other than passage of time. Under its contracts with customers, the Group will receive an unconditional right to payment for the total consideration upon the completion of the development of the property sold. Any rights to consideration recognized by the Group as it develops the property are presented as Contract assets under the Trade and Other Receivables account of the consolidated statement of financial position. Contract assets are subsequently tested for impairment in the same manner as the Group assesses impairment of its financial assets [see Note 2.5(b)].

Any consideration received by the Group in excess of the amount for which the Group is entitled is presented as Contract liabilities under the Trade and Other Payables account of the consolidated statement of financial position. A contract liability is the Groups obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

If the transaction does not yet qualify as contract revenue under PFRS 15, the deposit method is applied until all conditions for recording the sale are met. Pending the recognition of revenue on real estate sale, consideration received from buyers are presented under the Deposits from Customers account in the liabilities section of the consolidated statement of financial position.

(b) On completed real estate projects

Revenue from completed real estate sales are recognized as the control transfer to the customer at the point in time and upon reaching the collection threshold set by management, i.e., income from sale is considered fully earned at the time the collection from customer has reached the desired percentage requirement of the total contract price.

(ii) Hotel operations

Revenues from hotel operations which include occupancy and sale of ancillary services are recognized over time during the occupancy of hotel guest and ends when the scheduled hotel room accommodation has lapsed (i.e., the related room services and goods have been rendered or served). Revenue from banquets and other special events are recognized when the events take place, hence, over time.

(iii) Gain or loss on repossession and cancellation

Gain or loss on repossession is recognized at a point in time (i.e., at the date of repossession) and measured based on the difference between the fair value less cost to restore and sell repossessed inventories and the carrying value of the installment contract receivables out of amount refundable to the buyer as required by RA 6552, or Maceda Law, at the time of repossession. This is presented in the consolidated statement of profit and loss as Other Operating Income or Other expense.

(iv) *Other operating income and gains*

Other income arising from other customer-related fees such as collection services fees, penalties, retrieval fees, transfer and other fees are recognized over time in the same amount to which the entity has the right of invoice to the customer (i.e., when the Group has rendered the related services which coincides to the time when the customer obtains the benefits thereon). Any amounts remaining unbilled at the end of the reporting period are presented in the consolidated statement of financial position as receivables as only the passage of time is required before payment of these amounts will be due.

(b) *Costs and Expenses*

Costs of real estate sales, including costs of land, land development costs, building costs, professional fees, permits and licences and capitalized borrowing costs (see Notes 2.6 and 2.17) are recognized as these as incurred. These costs are allocated to the saleable area based on relative size, with the portion allocable to the sold area being recognized as costs of sales in profit or loss upon disposal, while the portion allocable to the unsold area being recognized as part of real estate inventories.

Costs of hotel operations and operating expenses are recognized upon utilization of the goods or services or at the date the costs are incurred (i.e., when a decrease in future economic benefits related to a decreased in an asset or an increase of a liability has arisen that can be measured reliably). These are measured at the amount paid or payable.

Incremental costs of obtaining a contract to sell real property to customers (i.e., commissions and documentation) are recognized as part of Operating Expenses on the same basis as revenue from such contract is recognized.

2.14 Leases

The Group accounts for its leases as follows:

(a) *Group as Lessee*

The Group recognizes a right-of-use assets and a lease liability at the lease commencement date. The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site in which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use assets reflect that the Group will exercise a purchase option. In that case, the right-of-use assets will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The Group also assesses the right-of-use asset for impairment when such indicators exist (see Note 2.15).

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liabilities are measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

On the consolidated statement of financial position, right-of-use assets are presented as part of other non-current assets. Meanwhile, lease liabilities are presented as part of trade and other payables.

(b) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short term leases are recognized as expense on a straight-line basis over the lease term.

(c) Group as Lessor

Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized in profit or loss on a straight-line basis over the lease term.

Leases wherein the Group substantially transfers to the lessee all risks and benefits incidental to ownership of the leased item are classified as finance leases and are presented as receivable at an amount equal to the Group's net investment in the lease. Finance income is recognized based on the pattern reflecting a constant periodic rate of return on the Group's net investment outstanding in respect of the finance lease.

2.15 Impairment of Non-Financial Assets

The Group's property and equipment, investment properties, goodwill and other non-financial assets are subject to impairment testing. Goodwill is tested for impairment at least annually. All other individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, assets are tested for impairment either individually or at the cash-generating unit level.

Impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of its fair value less costs-to-sell and its value in use. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. Except for goodwill, an impairment loss is reversed if the asset's or cash generating unit's recoverable amount exceeds its carrying amount.

2.16 Employee Benefits

The Group provides post-employment benefits to employees through a defined benefit plan, defined benefit contribution plans, and other employee benefits.

The Group's defined benefit post-employment benefits plans cover all regular full-time employees.

The defined obligation is calculated annually by independent actuaries using the projected unit credit method.

2.17 Borrowing Costs

Borrowing costs are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of the cost of such asset. The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment.

The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted.

Interest is also capitalized on the purchase cost of a site of property acquired specifically for redevelopment, but only where activities necessary to prepare the asset for redevelopment are in progress. Capitalization ceases when substantially all such activities are complete.

2.18 Income Taxes

Tax expense recognized in consolidated profit or loss comprises the sum of current tax and deferred income tax not recognized in consolidated other comprehensive income or directly in equity, if any.

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the reporting period. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in consolidated profit or loss.

Deferred income tax is accounted for using the liability method on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred income tax liabilities are recognized for all taxable temporary differences and deferred income tax assets are recognized for all deductible temporary differences and the carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred income tax asset can be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred income tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

The measurement of deferred income tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Most changes in deferred income tax assets or liabilities are recognized as a component of tax expense in consolidated profit or loss, except to the extent that it relates to items recognized in consolidated other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred income tax assets and deferred income tax liabilities are offset if the Group has a legally enforceable right to set-off current tax assets against current tax liabilities and the deferred income taxes relate to the same entity and the same taxation authority.

2.19 Equity

Capital stock represents the nominal value of the Parent Company's shares that have been issued. When the Parent Company's issues more than one class of stock a separate account is maintained for each class of stock and the number of shares issued.

Treasury shares are shares of stock of the Parent Company that were reacquired but not cancelled. These are carried at acquisition cost and are presented as a deduction from equity until the shares are cancelled, reissued or disposed. The portion of treasury shares in the retained earnings is not allowed for dividends declaration.

Revaluation reserves comprise the fair value gains and losses of investment securities at FVOCI and gains and losses from the remeasurements of retirement benefit obligation.

2.20 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's strategic steering committee; its chief operating decision-maker. The strategic steering committee is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally follows the Group's products and service lines as disclosed in Note 6, which represent the main products and services provided by the Group.

Each of these operating segments is managed separately as each of these service lines requires different technologies and other resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

2.21 Earnings Per Share (EPS)

Basic and diluted EPS is computed by dividing net profit of the Group by the weighted average number of common shares issued and outstanding during the reporting period, adjusted for any subsequent stock dividends declared. Diluted EPS amounts are calculated by dividing the net profit attributable to the Group (after deducting interest on the convertible preferred shares, if any) by the weighted average number of common shares outstanding during the reporting period plus the weighted average number of common shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

2.22 Value- Added Tax (VAT)

Revenues, expenses and assets are recognized, net of the amount of VAT, except when VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The amount of Input VAT (Output VAT) is included as part of "Other current assets" ("Trade and other payables") in the consolidated statement of financial position

2.23 Events After the End of Reporting Period

Post year-end events up to the date of when the consolidated financial statements are authorized for issue that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the consolidated financial statements when assessed to be material.

3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the consolidated financial statements in compliance with PFRS Accounting Standards requires the Group to make judgments and estimates that affect the amounts reported in the consolidated financial statements and related notes. The judgments, estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the consolidated financial statements as they become reasonably determinable.

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

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimation as discussed in Note 3.2, which have the most significant effect on the amounts recognized in the consolidated financial statements.

(a) Determining Existence of a Contract with Customer

In a sale of real estate properties, the Group's primary document for a contract with a customer is a signed contract to sell which is executed when the real estate property sold is completed and ready for use by customer. In rare cases wherein contract to sell are not executed by both parties, management has determined that the combination of other signed documentations with the customers such as reservation agreement, official receipts, computation sheets and invoices, would contain all the elements to qualify as contract with the customer (i.e., approval of the contract by the parties, which has commercial substance, identification of each party's rights regarding the goods or services and the related payment terms). Moreover, as part of the evaluation, the Group assesses the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer.

In evaluating whether collectability of an amount of consideration is probable, the Group considers the significance of the customer's downpayment in relation to the total contract price [see Note 3.1(c)]. Collectability is also assessed by considering factors such as past history with the customer and pricing of the property.

Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

(b) Evaluation of the Timing of Satisfaction of Performance Obligations and Revenue Recognition

(i) Real Estate Sales

The Group sells real estate properties such as house and lots, medium or certain high-rise condominium units, and parking spaces and recognized revenue thereon at a point in time (i.e., upon sale of the inventories that are completed and ready for use and upon reaching collection threshold) or over time. In making this judgment, the Group considers the following criteria:

- any asset created or enhanced as the Group performs;
- the ability of the customers to control such asset as it is being created or enhanced;
- the timing of receipt and consumption of benefits by the customer; and;
- the Group's enforceable right for payment for performance completed to date.

In determining the timing of satisfaction of the Group's performance obligation and the revenue recognition, the Group makes judgments that are integral to its accounting policy. Consistent with the Group's business model (i.e., low-cost housing) and marketing strategy, it sells real estate inventories to marginal earner customer in different regions at prices that are generally lower than the prices offered by other developers in the industry. The Group also develops and constructs these real estate properties applying different construction technology that enables it to build houses and condominium quickly and cost-effectively, ranging from three to six months for house and lot and medium-rise condominium, and an average of 18 months for high-rise/vertical condominiums. Construction and development period includes the duration required for land development stage, which also range from three to six months depending on the size of the project.

Based on the Group's marketing evaluation, its customers are generally buyers who are not willing to wait for longer property development and construction period before they are able to transfer and occupy the property for residential purposes and who are indifferent whether or not the related common areas and amenities are complete. Generally, these common areas and amenities are relatively not significant to the project development and are substantially completed prior to selling activities.

With the combination of these factors, the Group generally offers its real estate inventories to customer when the house and lot and condominium units are completed and ready for use by the customer and the related common areas, site development, and amenities are substantially completed. The Group assessed that at the time they made the offer to sell the inventories, there is no significant additional performance obligation that needs to be fulfilled under its contract with customer and there are no significant costs that the Group will incur relative to the total development costs of a particular project. On this basis, the customer is contractually obliged to make payments to the Group of the consideration involved in the contract for the fully completed performance obligation.

The current selling scheme introduced by the management for a certain project, recognition of revenue from those real estate inventories under the pre-selling scheme shall be based on the satisfaction of performance of obligation over time. The newly acquired subsidiary of the Group sells pre-completed real estates, thus also recognizes revenue over time. The Group measures progress on the basis of actual costs incurred relative to the total expected costs to complete such performance obligation. Specifically, the Group estimates the total development costs with reference to the project development plan and any agreement with customers. Management regularly monitors its estimates and apply changes as necessary. A significant change in estimated costs would result in a significant change in the amount of revenue recognized in the year of change.

The Group also requires a certain percentage of buyer's payments of total contract price to be collected as one of the criteria in order to initiate revenue recognition [see Notes 2.13(a)(i) and 3.1(c)].

(ii) Hotel Operations

The Group determined that its revenue from hotel operations shall be recognized over time. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the customers. The Group provides the services without the need of reperformance of other companies. This demonstrates that the customers simultaneously receive and consume the benefits of the Group's rendering of hotel services as it performs.

(c) Determination of Collection Threshold for Revenue Recognition

The Group uses judgment in evaluating the probability of collection of transaction price on real estate sales as a criterion for revenue recognition. Management believes that the revenue recognition criterion on percentage of collection is appropriate based on the collection history from customers, buyer's profile and number of back-out sales in prior years. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer when reaching the set collection threshold would demonstrate the buyer's commitment to pay the total contract price.

(d) Determination of ECL on Trade and Other Receivables and Advances to Related Parties

The Group uses the cumulative loss rate approach to calculate ECL for trade and other receivables. This approach considers and includes reasonable approximation of probable and estimable future losses determined by applying historical gross charge-off information (arising from cancellations and back-out sales) to forward-looking qualitative information (i.e., forecast of economic condition). While there may be an assessed default occurring in these receivables over the term of the instrument, the amount of required allowance for ECL is minimized since the legal title related to the unit sold will only be transferred once the contract receivable has been paid in full, and the Group has the right to recover the real estate properties covered by the contract with customer through repossession, and to resell the asset at an amount sufficient to cover the unpaid outstanding obligations.

On the other hand, additional ECL may be calculated for certain pool of trade receivables specifically determined to have expected cash shortfall based on outstanding exposures. These generally arise from receivables which were charged-off at an earlier term of the instrument since origination period.

In relation to advances to related parties, the maximum period over which ECL should be measured is the longest contractual period where an entity is exposed to credit risk. In the case of these receivables from related parties, which are repayable on demand, the contractual period is the very short period needed to transfer the cash once demanded. Management determines possible impairment based on the sufficiency of the related parties' highly liquid assets in order to repay the Group's receivables if demanded at the reporting date taking into consideration the historical defaults of the related parties. If the Group cannot immediately collect its receivables, management considers the expected manner of recovery to measure ECL. If the recovery strategies indicate that the outstanding balance of receivables can be collected, the ECL is limited to the effect of discounting the amount due over the period until cash is realized.

Based on the relevant facts and circumstances affecting the quality of certain advances to related parties at the reporting date, management recognized credit losses in 2025 and 2024. (see Notes 4.1 and 28).

(e) Fair Value Measurement for Financial Instruments

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

The carrying value of the Group's financial assets at FVOCI and the fair value gains and losses recognized on these securities are disclosed in Note 10.

(f) Distinguishing Between Business Combination and Asset Acquisition

The Parent Company determines whether an acquisition of an entity constitutes a business combination or an asset acquisition. The accounting treatment for the acquisition is determined by assessing whether the transaction involved a purchase of a business taking into consideration the substance of the transaction. The Parent Company evaluates whether an acquired entity is capable of being conducted and managed as a business by assessing the integrated set of activities and assets based on at least two essential elements – inputs and processes applied to those inputs, which together are or will be used to create outputs. Otherwise, the transaction is accounted for as an asset acquisition. Failure to make the right judgment will result in misstatement of assets and other accounts that could have been affected by the transaction.

Management assessed that the acquisition of Genvi's and Picadilly's outstanding shares are accounted for as a business acquisition in accordance with PFRS 3 while the acquisition of RRSCI is accounted for as asset acquisition under PAS 40.

(g) Distinction Among Real Estate Inventories, Investment Properties and Owner-occupied Properties

In determining the classification of assets as to real estate inventories, investment properties or owner-occupied properties, the Group considers management's intention in acquiring or developing the asset and the asset's current use.

Residential and condominium units comprise properties that are held for sale in the ordinary course of business. With respect to other real estate properties, the Group classifies an asset as investment property when the property is not occupied substantially for use by, or in operations of the Group, but are held primarily to earn rental income and capital appreciation. On the other hand, owner-occupied properties are those that generate cash flows that are attributable not only to the property but also to the other assets used in the production or supply process.

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

(h) Distinguishing Preferred Shares Held in Club Shares as Financial Instrument, Inventories or Intangible Asset

In determining whether preferred shares held in investee entities operating as a club and resorts shall be accounted for as either financial instruments or inventories, the Group considers its role in the development of the club or resorts and its intent for holding the securities acquired. The Group classifies such shares as inventories when it acts as the developer of the property and intends to sell a developed property together with the shares. If these criteria were not met, the securities are classified as financial asset, or an intangible asset when the shares only provides membership rights on the developed properties rather than proprietary interest.

(i) Distinction Between Operating and Finance Leases for Contracts where the Group is the Lessor

The Group has entered into a lease agreement for certain office and parking spaces. Critical judgment was exercised by management to distinguish the lease agreement as either an operating or a finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the property covered by the agreement. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

(j) Evaluation of Business Model of the Financial Assets

Classification and measurement of financial assets depends on the results of the Solely Payments of Principals and Interest (SPPI) and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

(k) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions and contingencies are discussed in Note 2.12 and disclosures on relevant provisions and contingencies are presented in Note 29.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

(a) Estimation of Provision for ECL

The measurement of the provision for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Management also applies judgement in the estimation of the contractual cash flows due from counterparties that the Group would expect to receive from the realization of any credit enhancements, including the discounting factor for recoveries beyond one year. Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 4.1.

(b) Estimating NRV of Inventories

The Group adjusts the cost of its inventories to NRV based on its assessment of the recoverability of the inventories.

NRV for inventories, including land held for future development, is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group having taken suitable external advice and in light of recent market transactions.

NRV in respect of inventories and improvements under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction less an estimate of the time value of money to the date of completion. The estimates used take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

The Group did not recognize any write-down on its inventories in 2025, 2024 and 2023. The carrying values of the Group's inventories are disclosed in Note 9.

(c) *Impairment of Non-financial Assets*

In assessing impairment of non-financial assets, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 2.15). Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in those assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

The carrying values of the non-financial assets, particularly, investment in associate, property and equipment, investment properties and investment in joint operations, goodwill, and any related allowance for any impairment losses are disclosed in Notes 11, 12, 13 and 14.3, respectively.

(d) *Determination of Estimated Useful Life of Property and Equipment and Investment Properties*

The Group determines the estimated useful life of its property and equipment, and investment properties based on the period over which the assets are expected to be available for use. The Group reviews periodically the estimated useful life based on factors that include asset utilization, internal technical evaluation, environmental and anticipated use of the assets tempered by related industry benchmark information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful life of property and equipment, and investment would increase depreciation and amortization expense and decrease non-current assets in the succeeding reporting periods.

The estimated useful life of the Group's property and equipment, and investment properties are disclosed in Notes 2.7 and 2.8, respectively. This carrying values of are disclosed in Notes 12 and 13, respectively.

(e) *Estimation of Post-employment Benefit Obligation*

The cost of defined benefit pension plans as well as the present value of the defined benefit obligation is determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements.

Future salary increases and pension increases are based on expected future inflation rates for the country. All assumptions are reviewed at each reporting date.

The carrying value of the post-employment benefit obligation, as well as the other details of the defined benefit pension plans, and the assumptions used in the valuation as at December 31, 2025, 2024 and 2023, are disclosed in Note 25.

(f) Determination of Realizable Amount of Deferred Income Tax Assets

The Group reviews the carrying amounts of deferred income tax assets at each reporting date and reduces the amounts to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax assets to be utilized. Significant judgment is required to determine the amount of deferred income tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies.

The Group assessed its projected performance in determining the sufficiency of the future taxable income to support the recognition of deferred tax assets. Refer to Note 27 for the information on the Group's recognized and unrecognized deferred tax assets.

(g) Fair Value Measurement for Investment Properties

The Group's investment properties composed of land, building and improvements are measured using the cost model. In determining the fair value of these assets for disclosure purposes, the Group engages the services of professional and an independent appraiser applying the relevant valuation methodologies as discussed in Note 5.

For investment properties with appraisal conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties. A significant change in key inputs and sources of information used in the determination of the fair value disclosed for those assets may result in adjustment in the carrying amount of the assets reported in the consolidated financial statements if their fair value will indicate evidence of impairment.

4 FINANCIAL RISK MANAGEMENT AND OBJECTIVES

The Group has various financial assets and financial liabilities such as cash in banks, trade and other receivables, investment securities at FVOCI, trade and other payables, loans payable and due to and from related parties which arise directly from its operations. Thus, exposure to credit, market and liquidity risks arise in the normal course of the Group's business activities.

The main objectives of the Group's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and,
- to provide a degree of certainty about costs.

The Parent Company's BOD reviews and approves the policies for managing each of these risks and they are summarized in the succeeding pages.

4.1 Credit Risk

Credit risk is the risk of financial loss to the Group if the counterparty to a financial instrument fails to meet its contractual obligation. To manage credit risk, the Group maintains credit policies and monitors its exposure to credit risk on a continuous basis.

Trade receivables balances are being monitored on a regular basis to ensure timely execution of necessary collection intervention efforts. In addition, the credit risk for trade receivables is mitigated as the Group has only transferred the corresponding title of the subdivision lots, house and lot units, condominium units and parking spaces upon full payment of the contract price.

(a) *Maximum exposure to credit risk*

The Group's maximum exposure to credit risk is equal to the carrying value of its financial assets as discussed below.

(i) *Cash and Cash Equivalents*

The credit risk for cash equivalents is considered negligible. As part of Group policy, bank deposits are only maintained with reputable financial institutions with low credit risk based on externally available risk rating or from the Group's internal credit grading that takes into consideration its banking relationship and activities with its depository banks. Cash in banks are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P1.0 million per depositor per banking institution, as provided for under RA No. 9576, *Amendment to Charter of Philippine Deposit Insurance Corporation*.

(ii) *Trade Receivables*

Trade receivables from the sale of real estate inventories, including finance lease receivables, as of December 31, 2025 and 2024 are secured by collateral (the subdivision lots, house and lots, medium-rise and high-rise condominium units, and parking spaces).

The Group uses cumulative credit loss rate approach to calculate ECL for trade receivables. This approach is based on historical analysis of the Group's trade receivables portfolio, which calculates the receivables' loss experience over a reasonable observation period and apply such information to project what the portfolio will look like going forward. The model is done by dividing each period's net charge-offs arising from contract cancellations and back-out sales by the original principal balance at the origination period of the receivables.

The loss experience of these original balances is tracked annually and summed over the life of the contract, leaving a cumulative loss rate based on historic averages.

The management determined that there is required additional ECL to be recognized on the Group's trade receivables. Management recognized additional ECL amounting to P99.4 million, P270.6 million and P313.7 million in 2025, 2024 and 2023, respectively (see Note 8).

Following a reassessment of credit exposures, management assessed that a portion of the Group's trade receivables was deemed recoverable as a result of enhanced credit risk profiles. Accordingly, reversals of provision for credit loss amounting to P118.5 million, P120.1 million and P 16.9 million was recorded in 2025, 2024 and 2023, respectively (see Note 8).

The carrying value of trade receivables are presented below.

	2025	2024
Real estate receivables	18,282,225,641	28,091,203,051
Contract Assets	16,763,306	-
Finance lease receivables	818,053,789	828,321,313
	<u>19,117,042,736</u>	<u>28,919,524,364</u>

(iii) *Advances to Related Parties*

ECL for advances to related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the counterparties' ability to repay the receivables upon demand at the reporting date taking into consideration the historical defaults from the counterparties. Management assessed that portion of the outstanding receivables from certain related parties as of December 31, 2025 and 2024 which are not fully recoverable due to increased credit risk associated with the related parties' ability to pay. Accordingly, credit losses amounting to P359.2 million, P6.2 million (with recovery of P31.0 million) and P 59.3 million were recognized in 2025, 2024, and 2023 respectively (see Note 28). Provision for credit losses in 2025 and 2024 are presented as part of Expected credit and impairment losses under Operating Expenses in the consolidated statements of profit or loss, respectively (see Note 22).

(iv) *Other Receivables and Lease Deposits*

The Group applied simplified approach in determining the ECL of certain other receivables. This approach uses a provision matrix to collectively assess other receivables based on shared credit risk characteristics of the financial assets, grouped based on days past due with loss rate determined from a range of 10% to 100%. Additional provision was recognized amounting to P208.1 million, P91.1 million and P 21.9 million in 2025, 2024 and 2023, respectively. Accordingly, reversals of provision for credit loss amounting to P0.3 million in 2025 and nil in both 2024 and 2023. (see Note 8).

Lease deposits, which pertain to the deposits from rental and electrical facilities, are monitored by the Group and involves creditworthy counterparties and with no historical default experience.

Moreover, other receivables pertain to loans extended to employees and other reputable third parties which are settled through salary deduction and installment basis on a short-to-medium term. Thus, the credit risk is considered negligible under the circumstances.

(b) *Credit risk concentration*

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location. In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

An analysis of concentration of credit risk by location of the Group's installment contract receivables (ICRs) and finance lease receivables, gross of provision for credit losses, is shown below.

	2025	2024	2023
Metro Manila	4,708,759,469	9,633,970,370	14,961,583,055
Davao	4,441,519,650	6,010,817,184	6,169,560,004
Cebu	2,988,041,835	3,118,217,991	2,641,236,216
Iloilo	3,258,892,515	2,909,300,038	1,513,666,993
Cavite	250,290,182	581,674,978	648,708,274
Pampanga	55,859,597	817,678,434	982,616,011
Bacolod	83,040,941	285,015,432	1,928,838,358
Bulacan	4,315,351,667	6,583,506,957	5,851,894,081
Total	20,101,755,856	29,940,181,384	34,698,102,992

(c) Credit quality

Generally, the Group classifies cash in banks and short-term placements as high grade as these are deposited with reputable banks.

Due from related parties and other financial assets are considered to be unrated. For trade receivables, standard grade pertains to receivables with no default in payments.

The tables below show the credit quality per class of financial assets, gross of allowance, as of December 31, 2025 and 2024:

December 31, 2025					
Neither past due nor impaired		Past due but		Credit-	Total
High grade	Standard grade	not impaired		impaired	
Cash in banks and short-term placements	1,313,361,540				1,313,361,540
Trade and other receivables					
Installment contract receivables	18,033,395,284	248,830,357		1,001,476,426	19,283,702,067
Finance lease receivables	818,053,789	-			818,053,789
Contract Assets	16,763,306				16,763,306
Retention receivables	3,075,873,107			13,243,509	3,089,116,616
Other receivables**	2,494,017,865			535,577,800	3,029,595,665
Due from related parties	4,456,992,696			779,390,499	5,236,383,195
Deposits*	274,476,212			2,511,974	276,988,186
	1,313,361,540	29,169,572,259	248,830,357	2,332,200,208	33,063,964,364
December 31, 2024					
Neither past due nor impaired		Past due but		Credit-	Total
High grade	Standard grade	not impaired		impaired	
Cash in banks and short-term placements	2,109,449,213				2,109,449,213
Trade and other receivables					
Installment contract receivables	27,610,348,425	480,854,626		1,020,657,020	29,111,860,071
Finance lease receivables	828,321,313	-			828,321,313
Retention receivables	2,647,703,614			13,243,509	2,660,947,123
Other receivables**	3,057,518,433			327,805,813	3,385,324,246
Due from related parties	3,152,170,298			420,102,787	3,572,273,085
Deposits*	231,854,205			2,511,974	234,366,179
	2,109,449,213	37,527,916,288	480,854,626	1,784,321,103	41,902,541,230

* Included in Other Non-Current Assets in the consolidated statements of financial position.

**Includes advances to external marketing managers.

High grade financial assets pertain to accounts with a very low probability of default as demonstrated by the counterparty’s long history of stability, profitability and diversity.

Standard grade financial assets pertain to accounts where counterparties are expected to be able to adjust to their financial conditions. Any prolonged adverse economic conditions would however create profitability and liquidity issues. The counterparty may have a history of default in interest but must have regularized its records to date.

Credit-impaired receivables represent provision for credit losses.

4.2 Market Risk

Market risk is the risk of loss to future earnings, to fair value or future cash flows of a financial instrument as a result of changes in its price, in turn caused by changes in interest rates, foreign currency exchange rates, equity prices and other market factors.

As of December 31, 2025 and 2024, the Group has no financial instruments that are exposed to significant interest rate risk and foreign currency risk. However, the Group’s investment securities measured at FVOCI is exposed to price risks. The Group manages exposures to price risk by monitoring the changes in the market price of the investments and at some extent, diversifying the investment portfolio in accordance with the limit set by management.

4.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a six-month and one-year period are identified monthly.

The Group maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash are invested in time deposits, mutual funds or short-term marketable securities. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets. As at December 31, 2025 and 2024, the Group’s financial liabilities have contractual maturities which are presented below.

2025						
	On demand	Up to 1 month	More than 1 month to 6 months	More than 6 months to 12 months	Beyond 1 year	Total
Trade and accounts payables	2,655,792,811	-	-	-	-	2,655,792,811
Retention payable	-	-	-	1,069,839,906	-	1,069,839,906
Construction bonds	-	-	-	130,695,496	-	130,695,496
Accrued expenses	-	-	-	1,281,007,950	-	1,281,007,950
Contract liabilities	-	-	-	-	177,909,122	177,909,122
Deposits	84,307,857	-	-	-	-	84,307,857
Lease liabilities	-	-	-	7,311,711	11,803,447	19,115,158
Due to related parties	-	-	-	121,638,001	-	121,638,001
Notes payable	-	-	260,589,303	270,19 9,016	5,016,295,885	5,547,084,204
Loans payable	-	1,831,993,770	10,754,796,815	9,302,878,272	19,624,405,647	41,514,074,504
	2,740,100,668	1,831,993,770	11,015,386,118	12,183,570,352	24,830,414,101	52,601,465,009
2024						
	On demand	Up to 1 month	More than 1 month to 6 months	More than 6 months to 12 months	Beyond 1 year	Total
Trade and accounts payables	1,680,850,356	-	-	-	-	1,680,850,356
Retention payable	-	-	-	936,740,272	-	936,740,272
Construction bonds	-	-	-	117,590,706	-	117,590,706
Accrued expenses	-	-	-	1,614,719,716	-	1,614,719,716
Contract liabilities	-	-	-	-	49,456,608	49,456,608
Deposits	145,586,809	-	-	-	-	145,586,809
Lease liabilities	-	-	-	5,732,938	6,782,535	12,515,473
Due to related parties	-	-	-	158,787,160	-	158,787,160
Notes payable	-	-	242,383,042	251,321,365	5,547,084,206	6,040,788,613
Loans payable	-	627,445	4,087,632,288	11,752,539,846	29,459,799,388	45,300,598,967
	1,826,437,165	627,445	4,330,015,330	14,837,432,003	35,063,122,737	56,057,634,680

4.4 *Offsetting of Financial Instruments*

The following tables show the details of recognized financial instruments of the Group subject to offsetting, enforceable master netting arrangements or similar agreements, and the effect of other rights of offset but do not meet the offsetting criteria under PAS 32:

2025						
Financial instruments recognized at end of year by type	Gross carrying amounts (before offsetting) (a)	Gross amounts offset in accordance with the offsetting Criteria (b)	Net amount presented in statements of financial position (a-b) (c)	Financial instruments (d)	Effect of remaining rights of set off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria Fair value of Financial Collateral (e)	(c-d-e) (f)
Financial assets						
Due from related parties	4,456,992,696	-	4,456,992,696	-	-	4,456,992,696
Financial liabilities						
Loans payable						-
Short term loans	21,889,668,857	-	21,889,668,857	-	67,808,728	21,821,860,129
Long term loans	19,624,405,647	-	19,624,405,647	-	11,857,542,568	7,766,863,079
Notes payable	5,547,084,206	-	5,547,084,206	-	-	5,547,084,206
Due to related parties	121,638,001	-	121,638,001	-	-	121,638,001
	47,182,796,711	-	47,182,796,711	-	11,925,351,296	35,257,445,415
2024						
Financial instruments recognized at end of year by type	Gross carrying amounts (before offsetting) (a)	Gross amounts offset in accordance with the offsetting Criteria (b)	Net amount presented in statements of financial position (a-b) (c)	Financial instruments (d)	Effect of remaining rights of set off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria Fair value of Financial Collateral (e)	(c-d-e) (f)
Financial assets						
Due from related parties	3,152,170,298	-	3,152,170,298	-	-	3,152,170,298
Financial liabilities						
Loans payable						-
Short term loans	15,840,799,579	-	15,840,799,579	-	67,808,728	15,772,990,851
Long term loans	29,459,799,388	-	29,459,799,388	-	14,329,589,540	15,130,209,848
Notes payable	6,040,788,613	-	6,040,788,613	-	-	6,040,788,613
Due to related parties	158,787,160	-	158,787,160	-	-	158,787,160
	51,500,174,740	-	51,500,174,740	-	14,397,398,268	37,102,776,472

5 **FAIR VALUE MEASUREMENT AND DISCLOSURE**

5.1 *Fair Value Measurement*

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

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

The principal or the most advantageous market must be accessible by the Group.

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

5.2 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or financial liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which an asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

Except for investment securities at FVOCI, all other financial assets of the Group are measured at amortized cost as of December 31, 2025 and 2024.

Management has determined that the carrying values of the Group's financial instruments carried at amortized cost approximate or equal their fair values except, non-current portion of the ICRs and bonds payable. Accordingly, those are no longer presented in the analysis below.

Except for cash in banks, for which fair value is classified as Level 1, the fair value of other financial instruments and investment properties where fair value is required to be disclosed are classified as Level 3 in the hierarchy.

The table below presents the assets and liabilities for which fair value is required to be disclosed, by valuation method as of December 31, 2025 and 2024.

	2025				
	Carrying Amount	Level 1	Fair value Level 2	Level 3	Total
Installment contract receivable	18,282,225,641			18,282,225,641	18,282,225,641
Finance receivables	818,053,789			818,053,789	818,053,789
Investment securities through FVOCI	1,413,836,778			1,413,836,778	1,413,836,778
<i>Non-financial assets</i>					
Investment properties	821,614,897			821,614,897	821,614,897
	2024				
	Carrying Amount	Level 1	Fair value Level 2	Level 3	Total
Installment contract receivable	28,091,203,051			28,091,203,051	28,091,203,051
Finance receivables	828,321,313			828,321,313	828,321,313
Investment securities through FVOCI	1,405,232,130			1,405,232,130	1,405,232,130
<i>Non-financial assets</i>					
Investment properties	564,787,433			1,167,517,000	1,167,517,000

There were no transfers between Levels 2 and 3 in 2025 and 2024.

5.3 Methods and Assumptions Used

The methods and assumptions used by the Group in estimating the fair value of the assets and liabilities are described below:

(a) Financial Instruments

(i) Cash and cash equivalents, and other receivables

The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using prevailing money market interest rates for debts with similar credit risk and remaining maturity, which for short-term deposits approximate the nominal value.

(ii) Installment contract and lease receivables

Installment contract and lease receivables are net of allowance for credit losses. The estimated fair value these receivables represents the discounted amount of estimated future cash flows, including principal amount outstanding and interest expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

(iii) Retention receivables

Fair values are estimated using the discounted cash flow methodology using the prevailing market rates for similar types of instrument, which due to their short-term duration, their carrying amount approximates fair value.

(iv) Investment securities at FVOCI

There were no material sales transactions over the Group’s FVOCI securities. Accordingly, the Group has used the discounted cash flow method to determine the fair value of the FVOCI securities. The most significant inputs used in the valuation include the occupancy rate, discount rate, and the terminal growth rate. Under this approach, the higher occupancy and terminal growth rates, and lower discount rate used in the valuation will result in higher fair value of the FVOCI securities.

Management believes that these valuation approaches provides a reasonable approximation of the fair value of the securities based on the circumstances affecting the securities at the end of the reporting date.

A reconciliation of the carrying amounts of Level 3 equity securities at the beginning and end of 2025 and 2024 is shown in Note 10.2.

(v) Due from and to related parties

The carrying amounts of due from and to related parties, which are short-term in nature and payable on demand, approximate their fair values.

(vi) Noninterest-bearing refundable security deposits

The estimated fair value of security deposits represent the discounted amount of estimated future cash flows expected to be received from the instruments. Expected cash flows are discounted at current market rates to determine fair value.

(vii) Trade and other payables

The carrying amounts of all trade and other payables approximate fair value as these liabilities are short-term in nature.

(viii) Retention payable

The carrying amount of retention payable approximates fair value.

(ix) Loans payable and notes payable

The fair value is calculated based on the discounted cash flows method using the current market rate. As these instruments bear interest that are equal to or approximates the market rates, management determined that the effect of discounting for those long-term payable are not significant. However, conditions or events may exist, which might result to a significant change in the current market rate. Nevertheless, the Group assessed that these changes would have an immaterial impact in the consolidated financial statements.

(b) Investment Properties

Fair values are determined based on recent sales of similar properties in the same areas as the investment properties and taking into account the economic conditions prevailing at the time the valuations were made and comparability of similar properties sold with the property being valued.

The Group engages the services of professional and independent appraiser that uses the market data approach in the valuation of its investment properties. Significant increases (decreases) in price per square meter and size of investment properties would result in a significantly higher (lower) fair value of the property. Significant increases (decreases) in discount would significantly lower (higher) fair value of the property. The description of each significant unobservable input used in the valuation of the investment properties are as follows:

Size	Size of lot in terms of area. Evaluate if the lot size of property or comparable comforts to the average cut of the lots in the area and estimate the impact of the lot size differences on land value.
Shape	Particular form or configuration of the lot. A highly irregular shape limits the usable area whereas an ideal lot configuration maximizes the usable area of the lot which is associated in designing an improvement which conforms with the highest and best use of the property.

Location	Location of comparative properties whether on a main road, or secondary road. Road width could also be a consideration if data is available. As a rule, properties located along a main road are superior to properties located along a secondary road.
Time element	An adjustment for market conditions is made if general property values have appreciated or depreciated since the transaction dates due to inflation or deflation or a change in investor's perceptions of the market over time. In which case, the current data is superior to historic data.
Discount	Generally, asking prices in advertisements posted for sale are negotiable. Discount is the amount the seller or developer is willing to deduct from the posted selling price if the transaction will be in cash or equivalent.

6 SEGMENT INFORMATION

For management's purposes, the Group's operating segments are organized and managed separately according to the nature of the products provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group has four reportable operating segments as follows:

(a) *Low-cost Mass Housing*

This segment pertains to the housing market segment of the Group. It caters to the development and sale of residential lots and units.

(b) *Medium-rise Condominium*

This segment pertains to the medium-rise condominium segment of the Group. It caters to the development and sale of condominium units of up to four storeys, and sale of parking spaces in the condominium.

(c) *High-rise Condominium*

This segment pertains to the high-rise condominium segment of the Group. It caters to the development and sale of condominium units with more than four storeys, and sale of parking spaces in the condominium.

(d) *Others*

(i) *Sale of Developed Subdivision Lots*

This pertains to the development and sale of lots by The Mont.

(ii) *Hotel Operations*

Presented as part of others in the segment report, income earned from hotel operations in Boracay which is being operated by 8990 LRC. Income earned is presented as Hotel Operations under Revenues in the 2025, 2024 and 2023 consolidated statements of profit or loss (see Note 20).

(iii) *Lease of Properties*

This pertains to the Group's leasing activities in respect of its investment property. Revenue earned from these activities are presented as Rental income in the consolidated statements of profit or loss.

Also presented as part of others in the segment report is the income pertaining to incidental revenues from unsold timeshares of the Group in the vacation hotel, Azalea Baguio Residences. Income earned is presented as part of Miscellaneous under Other Operating Income in the consolidated statements of profit or loss (see Note 24).

The Group has only one geographical business segment as all the assets and liabilities are located in the Philippines. The Group derives all of its revenues from domestic operations. Thus, geographical business segment information is not presented. No operating segments have been aggregated to form the above operating business segments.

Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segment operating income or loss. The presentation and classification of segment revenues and expenses are consistent with the consolidated statements of profit or loss. This segment information is presented monthly to the Parent Company's BOD who is the Chief Operating Decision Maker.

Finance income consists of interest earned from ICRs and deposits in banks.

The amount of segment assets and liabilities are based on the measurement principles that are similar with those used in measuring the assets and liabilities in the consolidated statements of financial position which is in accordance with PFRS Accounting Standards.

Capital expenditures represent acquisitions of property and equipment, and investment properties.

The Group has no significant customer, which contributes 10% or more of their segment revenue.

The financial information about the operations of the business segments is summarized below.

	Low-cost	Medium-rise	High-rise			Adjustments	
	Mass Housing	Condominium	condominium	Others	Total Segment	and	Consolidated
2025		unit	unit			Eliminations	
Revenue	7,230,635,006	2,313,211,041	10,742,458,020	371,523,792	20,657,827,859	(68,324,785)	20,589,503,074
Cost of sales and services	3,485,340,055	1,608,023,030	6,141,115,428	178,283,244	11,412,761,757	(30,575,691)	11,382,186,066
Gross income	3,745,294,951	705,188,011	4,601,342,592	193,240,548	9,245,066,102	(37,749,094)	9,207,317,008
Operating expenses	1,715,876,204	413,000,106	1,713,362,934	165,411,858	4,007,651,102	191,547,801	4,199,198,903
Net operating income (loss)	2,029,418,747	292,187,905	2,887,979,658	27,828,690	5,237,415,000	(229,296,895)	5,008,118,105
Finance costs	508,914,972	189,212,440	614,543,632	13,008,745	1,325,679,789	(365,786)	1,325,314,003
Interest Income	762,124,503	155,169,892	600,413,206	21,250,841	1,538,958,442	207,499	1,539,165,941
Other income	952,674,999	217,590,044	844,066,354	868,848,907	2,883,180,304	(2,444,360,327)	438,819,977
Income before income tax	3,235,303,277	475,735,401	3,717,915,586	904,919,693	8,333,873,957	(2,673,083,937)	5,660,790,020
Provision for income tax	407,404,980	119,635,970	400,616,530	28,829,976	956,487,456	(94,252,139)	862,235,317
Net income	2,827,898,297	356,099,431	3,317,299,056	876,089,717	7,377,386,501	(2,578,831,798)	4,798,554,703
Non-cash items							
Depreciation and amortization	<u>77,865,350</u>	<u>14,596,027</u>	<u>46,771,048</u>	<u>10,342,022</u>	<u>149,574,447</u>	<u>(167,502)</u>	<u>149,406,945</u>
Provision for (recovery from) credit, probable and impairment losses	<u>234,172,726</u>	<u>29,754,099</u>	<u>25,796,166</u>	<u>52,713,259</u>	<u>342,436,250</u>	<u>229,335,622</u>	<u>571,771,872</u>

	Low-cost	Medium-rise	High-rise			Adjustments	
	Mass Housing	Condominium	condominium	Others	Total Segment	and	Consolidated
2024		unit	unit			Eliminations	
Revenue	6,243,569,790	2,017,953,025	10,472,344,398	285,202,770	19,019,069,983	20,320,990	19,039,390,973
Cost of sales and services	3,077,821,375	1,423,340,093	6,239,387,109	204,029,432	10,944,578,009	(14,360,016)	10,930,217,993
Gross income	3,165,748,415	594,612,932	4,232,957,289	81,173,338	8,074,491,974	34,681,006	8,109,172,980
Operating expenses	914,633,441	270,088,825	1,680,119,314	34,767,794	2,899,609,374	6,827,341	2,906,436,715
Net operating income (loss)	2,251,114,974	324,524,107	2,552,837,975	46,405,544	5,174,882,600	27,853,665	5,202,736,265
Finance costs	498,484,210	161,112,593	836,107,948	21,447,873	1,517,152,624	2,952,202	1,520,104,826
Interest Income	519,046,135	214,696,816	949,541,456	28,459,895	1,711,744,302	-	1,711,744,302
Other income	2,755,784,852	890,683,466	4,622,280,046	100,280,362	8,369,028,726	(7,931,233,162)	437,795,564
Income before income tax	5,027,461,751	1,268,791,796	7,288,551,529	153,697,928	13,738,503,004	(7,906,331,699)	5,832,171,305
Provision for income tax	186,014,352	60,120,770	312,002,016	6,770,083	564,907,221	(181,385,784)	383,521,438
Net income	4,841,447,399	1,208,671,026	6,976,549,513	146,927,845	13,13,595,783	(7,724,945,915)	5,448,649,868
Non-cash items							
Depreciation and amortization	<u>38,654,143</u>	<u>12,493,213</u>	<u>64,834,624</u>	<u>1,652,915</u>	<u>117,634,895</u>	<u>(2,976,439)</u>	<u>114,658,456</u>
Provision for (recovery from) credit, probable and impairment losses	<u>-37,833,325</u>	<u>-12,227,920</u>	<u>-63,457,866</u>	<u>-1,619,797</u>	<u>-115,138,908</u>	<u>249,481,316</u>	<u>134,342,409</u>

	Low-cost	Medium-rise	High-rise			Adjustments	
	Mass Housing	Condominium	condominium	Others	Total Segment	and	Consolidated
2023	unit	unit	unit			Eliminations	
Revenue	6,798,235,630	1,505,529,695	13,045,675,715	1,029,896,347	22,379,337,387	285,222,137	22,664,559,524
Cost of sales and services	2,909,629,356	957,630,334	8,234,064,668	452,317,256	12,553,641,614	181,448,692	12,735,090,306
Gross income	3,888,606,274	547,899,361	4,811,611,047	577,579,091	9,825,695,773	103,773,445	9,929,469,218
Operating expenses	884,757,885	195,937,496	1,697,832,362	134,036,086	2,912,563,829	41,258,920	2,953,822,749
Net operating income (loss)	3,003,848,389	351,961,865	3,113,778,685	443,543,005	6,913,131,944	62,514,525	6,975,646,469
Finance costs	666,724,742	147,652,119	1,279,431,201	101,005,235	2,194,813,297	2,431,468	2,197,244,765
Interest Income	863,574,480	191,246,243	1,657,181,838	130,826,916	2,842,829,477	25,765,410	2,868,594,887
Other income	54,802,701	12,136,545	105,165,267	2,796,094,517	2,968,199,030	(2,761,555,016)	206,644,014
Income before income tax	3,255,500,827	407,692,534	3,596,694,589	3,269,459,203	10,529,347,154	(2,675,706,549)	7,853,640,605
Provision for income tax	282,323,609	62,523,072	541,773,255	42,770,517	929,390,452	27,531,873	956,922,325
Net income	2,973,177,218	345,169,462	3,054,921,334	3,226,688,686	9,599,956,702	(2,703,238,422)	6,896,718,280
Non-cash items							
Depreciation and amortization	<u>33,158,871</u>	<u>7,343,327</u>	<u>63,631,199</u>	<u>4,912,351</u>	<u>109,045,748</u>	<u>-</u>	<u>109,045,748</u>
Provision for (recovery from) credit, probable and impairment losses	<u>126,013,596</u>	<u>27,906,831</u>	<u>241,817,523</u>	<u>18,240,350</u>	<u>413,978,299</u>	<u>56,926,770</u>	<u>470,905,069</u>

Other information on the Group’s operating segment follows:

	Low-cost Mass Housing	Medium-rise Condominium unit	High rise Condominium unit	Hotel Operations	Others	Total Segment	Adjustments Eliminations	Consolidated
<u>2025</u>								
Segment assets	63,415,658,118	18,696,951,176	89,984,070,416	2,837,939,302	1,121,592,075	176,056,211,087	(57,071,686,724)	118,984,524,363
Segment liabilities	25,375,955,491	7,528,868,798	36,693,257,757	861,973,255	674,063,174	71,134,118,475	(11,115,406,886)	60,018,711,589
	Low-cost Mass Housing	Medium-rise Condominium unit	High rise Condominium unit	Hotel Operations	Others	Total Segment	Adjustments Eliminations	Consolidated
<u>2024</u>								
Segment assets	53,457,753,499	10,111,681,170	70,115,161,392	45,597,146,379	1,677,526,954	180,959,269,394	(64,955,388,021)	116,003,881,373
Segment liabilities	30,858,239,704	5,916,183,844	40,580,304,131	2,416,336,912	1,095,674,069	80,866,738,660	(20,755,392,627)	60,111,346,033
	Low-cost Mass Housing	Medium-rise Condominium unit	High rise Condominium unit	Hotel Operations	Others	Total Segment	Adjustments Eliminations	Consolidated
<u>2023</u>								
Segment assets	51,823,975,485	11,476,879,924	99,449,153,467	2,086,478,299	7,589,284,987	172,425,772,162	(63,439,361,344)	108,986,410,818
Segment liabilities	21,749,808,240	4,816,688,323	41,737,439,038	875,666,185	3,185,118,308	72,364,720,094	(18,707,932,843)	53,656,787,251

7 CASH ON HAND AND IN BANKS

This account consists of:

	2025	2024
Cash on hand	18,968,724	43,926,675
Cash in banks	1,313,361,540	2,109,449,213
Total	1,332,330,264	2,153,375,888

Cash in banks earn interest at prevailing bank deposit annual rates ranging from 0.13% to 0.25% in 2025 and 2024. Interest income earned amounted to P 1.8 million and P 2.9 million in 2025 and 2024, respectively (see Note 24.1).

There are no restrictions on the Group's cash on hand and in banks as at December 31, 2025 and 2024.

8 TRADE AND OTHER RECEIVABLES, NET

This account consists of:

	2025	2024
Current:		
Trade receivables		
Installment contract receivables	2,767,741,874	1,859,983,095
Finance lease receivables	182,932,972	175,081,731
Retention receivables	3,089,116,616	2,660,947,123
Receivables from employees	1,036,056,068	1,471,532,150
Contract assets	16,763,306	-
Advances to external marketing managers	60,856,698	60,856,698
Other Receivables	2,968,738,967	3,324,467,548
	10,122,206,501	9,552,868,345
Provision for credit losses	(1,592,314,170)	(1,392,385,575)
Subtotal	8,529,892,331	8,160,482,770
Non-current:		
Trade Receivables		
Installment contract receivables	16,515,960,193	27,251,876,976
Finance lease receivables	635,120,817	653,239,582
	17,151,081,010	27,905,116,558
Total	25,680,973,341	36,065,599,328

Installment contract receivables pertain to receivables from the sale of residential houses and lots, condominium units and parking spaces, which are collectible in monthly installments over a period of one to 25 years. As security for the full settlement of the receivables, the titles to the related real estate properties are transferred to the buyers only upon full payment of the contract price.

Installment contract receivables bear annual interest ranging from 8.5% to 18.0% in 2025 and 2024. Interest income earned from these receivables in 2025 and 2024 amounted to P1.5B, and P1.6B, respectively (see Note 24.1).

On December 11, 2019, the Group entered into an agreement with Fillmore Resources Holdings, Inc. (Fillmore) for the sale of contracts-to-sell (CTS), with a total face value or principal amount of up to P10.0 billion, without recourse. Subsequent to the sale of the CTS, Fillmore shall be primarily responsible for servicing, administering and collecting these receivables. On the same date, the Group was appointed as the sub-services and the remarketing agent of Fillmore. On November 29, 2021, the Group entered into an agreement with Fillmore Resources Holdings, Inc. (Fillmore) for the additional sale of contracts-to-sell, with additional face value or principal amount of up to P5.0 billion, without recourse, bringing the total face value or principal amount to P 15.0 billion. There were no outstanding receivable arising from this transaction as at December 31, 2025 and 2024.

On January 29, 2018, the Group entered into an agreement with Dearborn Resources and Holdings, Inc. (Dearborn) for the sale of CTS, with a total face value or principal amount of up to P10.0 billion, without recourse. On September 13, 2019, the Group entered into another similar agreement to sell additional CTS with a total face value or principal amount of up to P5.0 billion. Subsequent to the sale of the CTS, Dearborn shall be primarily responsible for servicing, administering, and collecting these receivables. On the same date, the Group was appointed as the sub-servicer and the remarketing agent of Dearborn. Total CTS sold to Dearborn in 2019 and 2018 amounted to P4.8 billion and P8.2 billion, respectively. Further, there were no sale of CTS to Dearborn in 2022. On December 18, 2023, the Group entered into another similar agreement to sell additional CTS with a total face value or principal amount of up to P1.4 billion. Subsequent to the sale of the CTS, Dearborn shall be primarily responsible for servicing, administering, and collecting these receivables. On the same date, the Group was appointed as the sub-servicer and the remarketing agent of Dearborn. As at March 16, 2026 Dearborn has paid 737 million.

On December 29, 2017, a loan facility agreement between Dearborn and certain lenders was executed to provide a loan facility in the aggregate principal amount of P1.4 billion for the purpose of partially financing Dearborn's acquisition of certain CTS of the Group. Under the loan facility agreement, the Parent Company also committed to lend Dearborn the principal amount of up to but not in excess of P300.0 million which bears 16% interest per annum, payable monthly. The loan granted under the facility agreement is unsecured and has a term of five years counting from the date of initial drawdown.

However, the principal amount of the loan and any related accrued interest will be due and demandable in the event of default. On November 13, 2019, the Parent Company agreed to extend the loan facility with Dearborn up to P665.0 million with no changes in the interest rate per annum. For the year 2019, the Company has extended P 82.95 million. As of December 31, 2022 and 2021, the Parent Company has already extended P397.0 million, financing to Dearborn. Interest earned from this loan receivable amounted to nil, P68.9 M, P39.4M and P63.5 million in 2025, 2024 and 2023, respectively and is presented as part of Interest income under Other Operating Income in the 2025, 2024 and 2023 consolidated statements of profit or loss (see Note 24.1).

In 2022, Dearborn Resources and Holdings, Inc. and 8990 Holdings, Inc. entered into a loan extension agreement, extending the maturity date to December 27, 2023. Dearborn has not defaulted on the interest payment since the loan was extended. Further, a financing plan with their bank, has been established to assure full payment within 2023.

On August 31, 2023, Dearborn paid up the principal amount owed of P397.0 million to the Parent Company.

Interest receivable from this loan amounts to nil, P54.0 million and nil as at December 31, 2025, 2024 and 2023, respectively, and is presented as part of Other receivables under the Trade and Other Receivables account of the consolidated statement of financial position.

On May 14, 2014, the Group executed a Deed of Assignment to acquire from Bon Giorno

Homes, Inc. (BGHI), an entity owned by certain stockholders, its ICRs and the related liability for the conversion of titles. On June 5, 2014, an amendment to the Deed of Assignment was made to include other assets related to the acquired ICRs. As at December 31, 2025 and 2024, the amount of receivables related to these transactions still outstanding is both P15.3 million, respectively, and are presented as part of Installment contract receivables.

On May 15, 2014, the Group also entered into a contract with Urban Basic Housing Corporation (UBHC), an entity owned by certain stockholders, to acquire ICRs and the related liability for the conversion of titles. As at December 31, 2025, 2024 and 2023, the amount of receivables still outstanding is P2.9 million, P2.9 million and P6.0 million, respectively, and is also presented as part of Installment contract receivables.

Retention receivables are amounts retained by Home Development Mutual Fund (HDMF) from the proceeds of loans availed by real estate buyers in accordance with HDMF Circular No. 182-A, to pay-off their obligations to the Group. This amount is normally released by HDMF to the Group upon the latter's execution of a Deed of Undertaking for the conversion of the CTS accounts and presentation of the necessary documents.

Finance lease receivables pertain to the Group's net investment in the lease of certain projects under a rent-to-own scheme. The carrying amount of this receivable is presented at net of deferred income representing unearned interest amounting to P818 million and P828.3 million as of December 31, 2025 and 2024, respectively. Rent-to-own scheme has a lease term of 15 years and is subject to 5.50% to 20.00% interest per annum.

Receivables from officers and employees pertain to cash advances for retitling costs, taxes and other operational and corporate-related expenses that are subject to liquidation.

Receivables from marketing managers are amounts given to individuals in connection with marketing activities to generate revenues which are deductible against their future commissions.

Significant portion of other receivables include advances to third parties arising from taxes paid on the land acquired by the Group on behalf of the seller, receivables from Dearborn and interest receivables.

As at December 31, 2025 and 2024, the carrying value of ICRs used as collateral to secure borrowings from banks amounted to P10.5 billion and P13.2 billion respectively (see Note 17).

A reconciliation of the provision for credit losses at the beginning and end of 2025, 2024 and 2023 is shown below.

December 31, 2025						
	Installment Contract/Finance Lease Receivables	Retention Receivable	Receivable from employees	Advances to Marketing Managers	Other Receivables	TOTAL
Balance at beginning of year	1,020,657,020	13,243,509	30,679,233	60,856,698	266,949,115	1,392,385,575
Expected credit losses	99,357,551		11,337,202		208,054,987	318,749,740
Recovery	(118,538,145)				(283,000)	(118,821,145)
Balance at end of year	1,001,476,426	13,243,509	42,016,435	60,856,698	474,721,102	1,592,314,170

December 31, 2024						
	Installment Contract/Finance Lease Receivables	Retention Receivable	Receivable from employees	Advances to Marketing Managers	Other Receivables	TOTAL
Balance at beginning of year	870,145,619	13,243,509	12,810,136	60,856,698	175,839,904	1,132,895,866
Expected credit losses	270,620,506		17,869,097		91,109,211	379,598,814
Recovery	(120,109,105)					(120,109,105)
Balance at end of year	1,020,657,020	13,243,509	30,679,233	60,856,698	266,949,115	1,392,385,575

	December 31, 2023					
	Installment Contract/Finance Lease Receivables	Retention Receivable	Receivable from employees	Advances to Marketing Managers	Other Receivables	TOTAL
Balance at beginning of year	573,437,733	13,243,509	12,810,136	60,856,698	153,890,402	814,238,478
Expected credit losses	313,700,934	-	-	-	21,949,502	335,650,436
Recovery	(16,993,048)	-	-	-	-	(16,993,048)
Balance at end of year	870,145,619	13,243,509	12,810,136	60,856,698	175,839,904	1,132,895,866

9 INVENTORIES

Inventories represent the subdivision lots, housing units, medium-rise and high-rise condominium units, and parking spaces for which the Group has been granted license to sell by the Housing and Land Use Regulatory Board of the Philippines.

	2025	2024
Low-cost mass housing:		
Houses and lots		
New	23,607,048,541	17,974,522,619
Reposessed	5,708,250,446	4,639,265,613
	29,315,298,987	22,613,788,232
Subdivision lots		
New	4,278,864,211	3,799,951,512
	33,594,163,198	26,413,739,744
Medium-rise condominium:		
New	5,539,248,779	1,389,190,851
Reposessed	2,796,271,789	5,051,716,259
	8,335,520,568	6,440,907,110
High-rise condominium		
New	19,787,381,339	21,011,772,258
Reposessed	7,935,158,250	2,418,606,702
	27,722,539,589	23,430,378,960
Developed subdivision lots	8,064,982,730	8,104,649,180
Total	77,717,206,085	64,389,674,994

High-rise condominium units pertain to the Group's high-rise projects located along Epifanio Delos Santos Avenue, Ortigas Avenue Extension and Vitas Street, Tondo, Manila, which is intended to provide low-cost condominium units to average earning individuals in Metro Manila.

Developed subdivision lots pertain to the Group's real estate inventories from The Mont. These real estate inventories are located in the urban places of Cebu.

All the real estate inventories are carried at cost, except reposessed inventories which are measured at NRV. The Group did not recognize any inventory write-downs in 2025, 2024, and 2023. In 2025, 2024 and 2023 the Group recognized net gain (loss) on repossession amounting to (P161.2 million), P54 million, and (P243.2 million), respectively and are presented as part of Other Operating Income (Expenses) in the consolidated statement of profit or loss (Note 24).

The summary of the movements in inventories is shown below.

(a) Low-cost mass housing

	Notes	2025	2024
Balance at beginning of year		26,413,739,744	18,701,835,140
Land acquisitions		3,647,417,536	3,933,295,533
Construction and development costs incurred		5,315,788,917	4,200,849,125
Cost of sales	21	(3,415,265,413)	(2,847,236,718)
Reclass from (to) Investment Property	13	38,109,227	(43,925,532)
Repossessed inventories		1,594,373,187	2,468,922,196
Balance at end of the year		33,594,163,198	26,413,739,744

b) Medium-rise condominium units

	Notes	2025	2023
Balance at beginning of year		6,440,907,110	2,493,580,625
Construction and development costs incurred		469,696,954	3,666,058,380
Cost of sales	21	(1,540,811,317)	(1,502,303,145)
Repossessed inventories		2,965,727,821	1,783,571,250
Balance at end of the year		8,335,520,568	6,440,907,110

(c) High-rise condominium units

	Notes	2025	2023
Balance at beginning of year		23,430,378,960	25,406,905,581
Construction and development costs incurred		3,801,677,196	1,473,437,221
Cost of sales	21	(6,210,677,647)	(6,146,064,040)
Repossessed inventories		6,701,161,080	2,696,100,198
Balance at end of the year		27,722,539,589	23,430,378,960

(d) Developed subdivision lots

	Notes	2024	2023
Balance at beginning of year			
Land acquisitions		8,104,649,180	5,727,946,363
Construction and development costs incurred			2,607,287,475
Cost of sales	21	(39,666,450)	(230,584,658)
Balance at end of the year		8,064,982,730	8,104,649,180

8990 HDC entered into a share sale transaction agreement with PLI on July 22, 2016, whereby PLI stockholders agreed to sell, transfer, and convey to 8990 HDC 100% outstanding common shares of PLI. In accordance with the Group's policy (see Note 2.4), the transaction is treated by the Group as an asset acquisition since the transaction does not constitute an acquisition of a business. The total purchase price at acquisition date amounting to P856.2 million was allocated among the asset and liability accounts based on their relative fair values, majority of which were allocated land, presented as part of Inventories. As part of the share sale transaction, 8990 HDC and another corporation agreed to form a joint venture, which shall be owned by the parties on a 65% and 35% basis, respectively. As at December 31, 2025, this arrangement is yet to be consummated.

Inventories recognized as cost of real estate inventories amounted to P11.2 billion, P10.7 billion and P12.6 billion in 2025, 2024, and 2023, respectively, and are included under Costs of Sales and Services in the consolidated statements of profit or loss (see Note 21).

As of December 31 2025 and 2024, a land acquisition amounting to P529.5 million which is classified as part of High-rise Condominium Units of the Inventories, are used as collateral for the Group's loans payable (see Note 17)

10 INVESTMENTS SECURITIES AT FVOCI

This account is composed of unquoted equity securities in the following investee entities as at December 31:

	2025	2024
ALRC	1,413,203,278	1,404,598,630
Pico de Loro	633,500	633,500
Total	1,413,836,778	1,405,232,130

10.1 Equity Securities

Investment securities at FVOCI of the Group represent investments in preferred shares of ALRC and shares of stock of Pico de Loro Beach and Country Club (Pico de Loro).

In October 2014, by way of a Deed of Absolute Sale, ALRC acquired 8990 HDC's and FHI's building. The Group in turn invested in the common shares of ALRC through 8990 HDC and FHI representing 30% and 15% ownership, respectively, and in the preferred shares of ALRC covered by respective subscription agreement. 8990 HDC acquired 102,030 preferred shares and 450,000 common shares with total subscription price of P732.6 million and P0.45 million, respectively.

ALRC's primary purpose is to operate, maintain and/or manage a membership club. ALRC's preferred shares represent membership rights to the club including the right to use a specific unit of the building acquired from the Group and other facilities/amenities for one day per calendar year.

The Group through FHI started selling the preferred shares of ALRC upon approval by the SEC of the offering to the public on May 25, 2015. Gain on sale of preferred shares recognized in 2017 amounted to P20.9 million. In 2018, the Group sold certain equity securities under ALRC at P32.1 million selling price. Unrealized fair value gains amounting to P8.4 million, P41.9 million and P11.1million in 2025, 2024 and 2023, respectively, was recognized by the Group and is presented in the consolidated statement of comprehensive income.

On October 23, 2018, 8990 HDC and ALRC agreed to rescind the subscription agreement entered by both parties in 2014 for the 102,030 preferred shares with the effect of returning such preferred shares equal to the subscription price and terminating the benefits received by the parties. In addition, on that same date, both parties also rescinded the Deed of Absolute Sale pertaining to the building acquired by ALRC from 8990 HDC in 2014 located in Boracay. The rescission of the Deed of Absolute Sale resulted in the recognition of the building amounting to P543.1 million, including the costs of improvements made by ALRC on the asset.

As of December 31, 2025, 2024 and 2023, 8990 HDC's outstanding receivable from ALRC arising from these transactions amounts to P165.2 million, P165.2 million and P 164.3 million presented as part of Due from Related Parties in the consolidated statements of financial position (see Note 28).

10.2 Reconciliation of Carrying Amounts

The reconciliation of the carrying amount of these financial assets follows:

	2025	2024	2023
Balance at beginning of year	1,405,232,130	1,363,276,386	1,352,155,027
Unrealized fair value gain (loss)	8,414,648	41,955,744	11,121,359
Addition	190,000	-	-
Balance at end of year	1,413,836,778	1,405,232,130	1,363,276,386

In 2025, the Company paid for 4 preferred shares of ALRC amounting to P 190,000.

11 INVESTMENT IN ASSOCIATE

On March 15, 2021, 8990 Holdings Inc (“the Parent Company”) and Scheirman Construction Consolidated Incorporated (SCCI) entered into a Subscription agreement wherein the Parent Company agreed to subscribed an aggregate of Forty-five thousand (45,000) common shares to be issued out of the unissued portion of the existing authorized capital stock and the increase authorized capital stock of SCCI at the aggregate issue price of P80 million or approximately One Thousand Seven Hundred Seventy-seven and 78/100 Pesos (P1,777.78) per shares. The Subscribed Shares constitutes 20% of the resulting total outstanding capital stock of SCCI.

On July 8, 2022, the company entered into a new Subscription Agreement with SCCI purchasing 60,000 common shares equivalent to P60 million. The total subscribed shares after the additional investment constitutes 20% of the resulting total outstanding capital stock of the SCCI after their increase in capital stock.

Investment in Associate from these subscriptions amounted to both nil as of December 31, 2025 and 2024. And share in SCCI net income amounted to nil and 17,705,874 for 2025 and 2024, respectively.

Movement of cost of Investment in associate and share in net income are as follows:

	Investment in associate (Cost)		Share in net income of associate	
	2025	2024	2025	2024
Beginning of year	P -	P 140,000,000	P -	P 127,022,982
Addition	-	-	-	17,705,874
Buyback from SCCI		(140,000,000)	-	(144,728,856)
Ending Balance	P -	P -	P -	-

The following summarizes the financial information of the associate:

	2025	2024
Total assets	P -	P 7,033,194,524
Total liabilities	-	5,700,877,676
Revenue	-	1,555,916,955
Profit for the year	-	88,529,371
Other comprehensive income	-	-

In 2024, 8990 Holdings Inc. (through its subsidiary 8990 HDC) have decided to sell back its shares to SCCI with the amount of P284.7 million pesos, equivalent to the carrying value of the investment at the date of disposal.

12 **PROPERTY AND EQUIPMENT, NET**

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of 2025, 2024 and 2023 are shown below.

	Land	Building	Land Improvements	Leasehold Improvements	Furniture and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Low Value Assets	Software Licenses	2025 Total
Cost	157,289,435	653,057,856	11,230,076	46,159,985	209,188,535	357,751,411	264,419,661	567,229,187	11,600,603	40,106,710	2,318,033,459
Accumulated depreciation and amortization	-	(248,103,924)	(10,623,219)	(44,289,225)	(164,570,191)	(172,902,534)	(198,585,841)	-	(9,600,757)	(18,932,291)	(867,607,982)
Accumulated impairment losses	(8,970,000)	-	-	-	-	-	-	-	-	-	(8,970,000)
Carrying amount	148,319,435	404,953,932	606,857	1,870,760	44,618,344	184,848,877	65,833,820	567,229,187	1,999,846	21,174,419	1,441,455,477
	Land	Building	Land Improvements	Leasehold Improvements	Furniture and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Low Value Assets	Software Licenses	2024 Total
Cost	107,405,010	647,697,677	11,230,076	45,284,385	184,022,970	337,889,416	231,529,122	110,468,588	7,520,916	33,316,844	1,716,365,004
Accumulated depreciation and amortization	-	(215,387,083)	(10,592,362)	(42,723,346)	(145,935,936)	(134,355,111)	(179,510,078)	-	(6,137,683)	(14,447,001)	(749,088,600)
Accumulated impairment losses	(8,970,000)	-	-	-	-	-	-	-	-	-	(8,970,000)
Carrying amount	98,435,010	432,310,594	637,714	2,561,039	38,087,034	203,534,305	52,019,044	110,468,588	1,383,233	18,869,843	958,306,404
	Land	Building	Land Improvements	Leasehold Improvements	Furniture and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Low Value Assets	2023 Total	
Cost	107,405,010	632,503,044	11,230,076	34,775,119	177,725,146	142,881,879	221,482,676	57,353,141	4,747,374	1,390,103,465	
Accumulated depreciation and amortization	-	(183,876,720)	(10,561,505)	(32,785,228)	(141,903,825)	(113,444,837)	(162,675,911)	-	(3,425,304)	(648,673,330)	
Accumulated impairment losses	(8,970,000)	-	-	-	-	-	-	-	-	(8,970,000)	
Carrying amount	98,435,010	448,626,324	668,571	1,989,891	35,821,321	29,437,042	58,806,765	57,353,141	1,322,070	732,460,135	

A reconciliation of the carrying amounts of property and equipment at the beginning and end of 2025, 2024 and 2023 is shown below and in succeeding page.

	Land	Building	Land Improvements	Leasehold Improvements	Furniture and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Low Value Assets	Licenses	2025 Total
Balances as at January 1, 2025 net of accumulated depreciation, amortization and impairment losses	98,435,010	432,310,594	637,714	2,561,038	38,087,034	203,534,305	52,019,044	110,468,588	1,383,234	18,869,843	958,306,404
Additions	49,884,425	5,360,178	-	875,600	25,165,565	19,861,995	35,188,752	456,760,599	4,079,687	6,789,867	603,966,668
Depreciation and amortization	-	(32,716,841)	(30,857)	(1,565,878)	(18,634,255)	(38,547,423)	(21,373,976)	-	(3,463,075)	(4,485,290)	(120,817,595)
Balances as at December 31, 2025 net of accumulated depreciation, amortization and impairment losses	148,319,435	404,953,931	606,857	1,870,760	44,618,344	184,848,877	65,833,820	567,229,187	1,999,846	21,174,419	1,441,455,477

	Land	Building	Land Improvements	Leasehold Improvements	Furniture and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Low Value Assets	Licenses	2024 Total
Balances as at January 1, 2024 net of accumulated depreciation, amortization and impairment losses	98,435,010	448,626,324	668,571	1,989,891	35,821,321	29,437,042	58,806,765	57,353,141	1,322,070	-	732,460,135
Additions	-	15,194,634	-	10,509,267	6,297,824	195,007,537	10,046,445	53,115,447	2,773,542	7,066,041	300,010,737
Reclassification	-	-	-	-	-	-	-	-	-	15,364,025	15,364,025
Depreciation and amortization	-	(31,510,364)	(30,857)	(9,938,120)	(4,030,211)	(20,910,274)	(16,834,166)	-	(2,712,378)	(3,560,223)	(89,528,493)
Balances as at December 31, 2024 net of accumulated depreciation, amortization and impairment losses	98,435,010	432,310,594	637,714	2,561,038	38,087,034	203,534,305	52,019,044	110,468,588	1,383,234	18,869,843	958,306,404

	Land	Building	Land Improvements	Leasehold Improvements	Furniture and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Low Value Assets	Licenses	2023 Total
Balances as at January 1, 2023 net of accumulated depreciation, amortization and impairment losses	98,435,010	461,949,732	699,428	4,090,795	42,145,340	31,194,019	47,371,093	56,491,347	602,602	63,065,987	806,045,355
Additions	-	18,561,344	-	78,902	11,699,551	7,308,371	24,659,030	861,794	1,921,173	-	65,090,164
Reclassification						104,960				(63,065,987)	(62,961,027)
Depreciation and amortization	-	(31,884,752)	(30,857)	(2,179,806)	(18,023,571)	(9,170,308)	(13,223,358)	-	(1,201,705)	-	(75,714,356)
Balances as at December 31, 2023 net of accumulated depreciation, amortization and impairment losses	98,435,010	448,626,324	668,571	1,989,891	35,821,321	29,437,042	58,806,765	57,353,141	1,322,070	-	732,460,135

In 2018, in connection with the rescission of the Deed of Absolute Sale between 8990 HDC and ALRC as disclosed in Note 10, the building covered under this agreement was returned to 8990 HDC resulting in the latter reacquiring title to the ownership of the asset including all equipment and improvements thereon. The total value of the assets reacquired upon the rescission was P544.1 million which is equivalent to the carrying amount of the assets including a transportation vehicle worth P1.0 million.

Software license pertains to all capitalized cost that have been incurred to train its personnel and related cost to upgrade and enhanced the system. Such is finite and is attributable in building the asset.

Construction in progress refers to pre-construction cost paid for KURA Cebu. The plan to construct was put on hold following the impact of restrictions that hardly hit the hotel industries. The construction in progress is under 8990 Leisure and Resorts Corporation. The Management agreed to defer the project at a later time following its focus on residential real estate business.

The depreciation and amortization of property and equipment is presented as part of Depreciation and amortization under Operating Expenses in the Group’s consolidated statements of profit or loss.

As of December 31, 2025, 2024 and 2023, no items of property and equipment were pledged as security for any of the Group’s liabilities. Moreover, the Group has no contractual commitments to acquire property and equipment.

As at the same date, the cost of fully depreciated property and equipment that are still used in operations amounts to P405.5 million, P381.5 million and P339.0 million, respectively.

In 2025, a fully depreciated equipment with a cost amounting P 2.2 million was sold which resulted to a gain on sale amounting to P 133,928.

A reclassification of intangible assets to PPE was made on the basis that various software programs were identified as integral to the operation of related PPE. (see Note 14.3)

13 INVESTMENT PROPERTIES, NET

The gross carrying amounts and accumulated depreciation and amortization of investment property at the beginning and end of 2025, 2024 and 2023 are shown below and in the succeeding page.

	Land	Building	Land Improvements	2025 Total
Cost	811,128,033	8,832,630	120,220,209	940,180,872
Accumulated depreciation and amortization	-	(7,033,021)	(73,423,727)	(80,456,748)
Transfers/Reclassification to REI	(38,109,227)			(38,109,227)
Carrying amount	773,018,806	1,799,609	46,796,482	821,614,897
	Land	Building	Land Improvements	2024 Total
Cost	466,153,486	8,832,630	120,220,209	595,206,325
Accumulated depreciation and amortization	-	(6,591,390)	(67,753,034)	(74,344,424)
Transfers/Reclassification from REI	43,925,532			43,925,532
Carrying amount	510,079,018	2,241,240	52,467,175	564,787,433
	Land	Building	Land Improvements	2023 Total
Cost	254,184,748	8,832,630	120,220,209	383,237,587
Accumulated depreciation and amortization	-	(6,149,758)	(62,082,341)	(68,232,099)
Transfers/Reclassification from REI	211,968,738			211,968,738
Carrying amount	466,153,486	2,682,872	58,137,868	526,974,226

A reconciliation of the carrying amounts of investment properties at the beginning and end of 2025, 2024 and 2023 is shown below.

	Land	Building	Land Improvements	2025 Total
Balances as at January 1, 2025				
net of accumulated depreciation, amortization and impairment losses	510,079,018	2,241,240	52,467,175	564,787,433
Additions	301,049,015	-	-	301,049,015
Depreciation and amortization	-	(441,631)	(5,670,693)	(6,112,324)
Transfers/Reclassification to REI	(38,109,227)	-	-	(38,109,227)
Balances as at December 31, 2025				
net of accumulated depreciation, amortization and impairment losses	773,018,806	1,799,609	46,796,482	821,614,897
	Land	Building	Land Improvements	2024 Total
Balances as at January 1, 2024				
net of accumulated depreciation, amortization and impairment losses	466,153,486	2,682,872	58,137,868	526,974,226
Additions	-	-	-	-
Depreciation and amortization	-	(441,632)	(5,670,693)	(6,112,325)
Transfers/Reclassification from REI	43,925,532	-	-	43,925,532
Balances as at December 31, 2024				
net of accumulated depreciation, amortization and impairment losses	510,079,018	2,241,240	52,467,175	564,787,433
	Land	Building	Land Improvements	2023 Total
Balances as at January 1, 2023				
net of accumulated depreciation, amortization and impairment losses	254,184,748	3,124,503	63,808,561	321,117,812
Additions	-	-	-	-
Depreciation and amortization	-	(441,631)	(5,670,693)	(6,112,324)
Transfers/Reclassification from REI	211,968,738	-	-	211,968,738
Balances as at December 31, 2023				
net of accumulated depreciation, amortization and impairment losses	466,153,486	2,682,872	58,137,868	526,974,226

The depreciation and amortization of investment properties is presented as part of Depreciation and amortization under Operating Expenses in the Group’s consolidated statements of profit or loss.

Rent income from investment properties recognized by the Group amounted to P10.2 million, P6.7 million and P 7.8 million, in 2025, 2024 and 2023, respectively (see Notes 20 and 26)

Operating expenses directly related to investment properties recognized as part of Security, managerial and janitorial, Communication, light and water, and Transportation and travel totaling P0.1 million, P0.2 million and P0.05 million in 2025, 2024 and 2023, respectively (see Note 22).

In 2024 and 2023, portion of the group’s real estate land inventory was reclassified to investment property following its intended purpose.

In 2025, a portion of the group’s investment property land was reclassified to inventory following the changes on where it was originally intended for a building construction. The land was now part of the inventory where house and lots were built and are now available for sale (Note 9)

14 OTHER ASSETS

14.1 Other current assets

This account consists of:

	2025	2024
Advances to contractors	3,719,774,173	2,750,369,017
Advances to brokers	238,732,983	228,746,761
Input tax	140,142,113	198,723,067
Advances to landowners	288,130,849	2,176,072,861
Creditable withholding tax	300,064,183	282,212,152
Prepaid expenses	353,962,094	670,833,265
Others	68,602,546	68,577,536
	5,109,408,941	6,375,534,659
Less: Allowance for impairment losses	(80,235,574)	(67,963,009)
Total	5,029,173,367	6,307,571,650

Advances to contractors represent advance payments to contractors for the construction of high-rise and medium-rise condominium units, subdivision houses and improvements. These advances are deductible from future billings.

Advances to brokers pertain to the advance payment made by the Group for the commissions of brokers for every confirmed reservation. Commission is computed based on percentage of the selling price depending on number of units sold for a certain period.

Advances to landowners represent deposits made for the acquisition of parcels of land held for future development.

Prepaid expenses represent prepaid realty taxes, advertising and insurance.

The movements of the allowance for impairment losses on other current assets:

	Notes	2025		
		Advances to contractors	Other Assets	Total
<u>Current</u>				
Balance at beginning of year		53,107,732	14,855,277	67,963,009
Impairment losses	22	747,739	11,524,826	12,272,565
Balance at end of year		53,855,471	26,380,103	80,235,574
	Notes	2024		
		Advances to contractors	Other Assets	Total
<u>Current</u>				
Balance at beginning of year		53,107,732	14,855,277	67,963,009
Impairment losses	22	-	-	-
Balance at end of year		53,107,732	14,855,277	67,963,009

		2023		
	Notes	Advances to contractors	Other Assets	Total
Current				
Balance at beginning of year		53,107,732	14,855,277	67,963,009
Impairment losses	22	-	-	-
Balance at end of year		53,107,732	14,855,277	67,963,009

14.2 Other non-current assets

This account consists of:

	Notes	2025	2024
Deposits		276,988,187	234,366,179
Investment in joint operations		221,114,340	204,145,073
Right-of-use assets, net	26	18,300,230	11,650,843
Others		5,225,000	5,225,000
		521,627,757	455,387,095
Less: Allowance for impairment losses		(2,511,974)	(2,511,974)
Total		519,115,783	452,875,121

Deposits constitute rental deposit, deposits for the connection of electricity on the Group’s property locations and cash bond paid to the Department of Agrarian Reform as a requirement for the conversion of the agricultural land into a residential and commercial area.

Investment in a joint operation as of December 31, 2025, 2024 and 2023 pertains to the Group’s contribution in a joint arrangement with ITECH-RAR Solutions, Inc. (ITECH-RAR), a third party information technology contractor. Under the agreement of the parties, ITECH-RAR shall supply and install fiber optics materials, appliances and other services that the parties deem applicable in the medium-rise condominium units (the Installation Projects). In turn, the Group shall shoulder the fixed amount of the Installation Projects covering all condominium units of the Group. The agreement also provides that the Group shall receive a minimum share in the results of operations of the Installation Projects of P0.4 million per year. As of December 31, 2025, 2024 and 2023, the Group has yet to receive share in net profit of the Installation Projects.

Amortization of right-of-use assets in 2025 and 2024 amounted to P6.7 million and P2.4 million is presented as part of Depreciation and amortization under the Operating Expenses section of the 2025 and 2024 consolidated statements of profit or loss (see Notes 22 and 26).

The Company has 37.0% shares in Azalea Resort and Vacation Club, Inc. (ARVI) and is considered as having significant influence. As at December 31, 2025, ARVI had no operations and was considered insignificant to the Company.

No impairment loss were recognized by the Group in 2025 and 2024.

Accumulated allowance for impairment loss amounted to P2,511,974 as at December 31, 2025 and 2024.

14.3 Intangible assets

This account consists of:

	Notes	2025	2024
Goodwill	1	526,474,833	526,474,833
Software and licenses, net		45,350,842	27,813,294
Total		571,825,675	554,288,127

For purposes of determining the goodwill, the Group determined the fair value of the identified net assets as presented in Note 1.2.

Goodwill resulted from the Group’s acquisition of The Mont, as discussed in details in Note 1. It reflects the premium on the high end real estate brand of The Mont, which is Monterrazas de Cebu.

Management’s assessment showed that the goodwill, which is allocated in full to the real estate operations of The Mont, is not impaired as at December 31, 2025 and 2024. Some of the factors considered in the assessment of the goodwill’s impairment are the current performance of The Mont and its financial condition. There were no changes in the competitive environment where it operates that could affect its overall profitability nor is there any indicators of decline in market value of the premium subdivision lots it is selling. In 2025 and 2024, The Mont generated P507.4 million and P408.5 million revenues, respectively.

Movement of software and licenses during the year are as follows:

	Notes	2025	2024
Cost			
Beginning Balance		P 72,510,440	98,761,243
Reclassification	12	-	(26,250,803)
Additions		33,292,500	-
Disposals		(6,073,844)	-
Ending Balance		P 99,729,096	72,510,440
Accumulated amortization			
Beginning Balance		P (44,697,146)	(39,030,751)
Reclassification	12	-	10,886,778
Provisions	22	(15,754,952)	(16,553,173)
Disposals		6,073,844	-
Ending Balance		P (54,378,254)	(44,697,146)
Carrying value		P 45,350,842	27,813,294

Intangible asset is subject to impairment testing whenever there is an indication that the carrying amount may not be recoverable. No impairment loss was recognized in the current year since the recoverable amount of intangible assets is higher than its carrying value.

The intangible asset has not been pledged as security for liabilities.

15 **TRADE AND OTHER PAYABLES**

This account consists of:

	Notes	2025	2024
Current			
Trade and accounts payables		2,655,792,811	1,680,850,356
Accrued expenses		1,281,007,950	1,614,719,716
Retention payables		1,069,839,906	936,740,272
Interest payable	17,18	251,125	98,085
Construction bonds		130,695,496	117,590,706
Withholding tax payables		29,228,567	26,765,607
Output tax		545,867,904	310,238,613
Lease liabilities	26	7,311,711	5,732,938
Deposits		84,307,857	145,586,809
Others		343,099,790	340,344,092
		<u>6,147,403,117</u>	<u>5,178,667,186</u>
Non-current			
Pension liability	25.2	41,418,824	35,697,907
Contract liabilities	20	177,909,122	49,456,608
Lease liabilities	26	11,803,447	6,782,535
		<u>231,131,393</u>	<u>91,937,050</u>
Total		<u>6,378,534,510</u>	<u>5,270,604,236</u>

Trade payables are mainly attributable to the Group’s obligation to contractors for the construction of subdivision houses and improvements and purchase of land and materials. These are noninterest-bearing and are normally settled on 15 to 60-day terms.

Accrued expenses consist of the following:

	2025	2024
Documentation	828,872,009	1,206,532,416
Commission	352,694,203	318,062,565
Others	99,441,738	90,124,735
Total	<u>1,281,007,950</u>	<u>1,614,719,716</u>

Retention payables are noninterest-bearing liabilities with contractors and brokers and are normally settled a year after the Group’s completion of the relevant contracts.

Construction bonds pertain to a fixed amount of cash deposit paid by the buyers in cases where the buyers opted to make renovations and/or improvement to their desired units. In case of damages to the Group’s projects that occurred during the construction, penalties will be applied against these accounts. These cash deposits will be returned to the buyer upon completion of the construction.

Others under current liabilities include provision for probable losses related to contingencies (Note 29) and accounts payable- processing cost which are optional improvements on the housing units which are directly engaged with the contractors but are paid to the company by the buyers and other payable to government agencies as of December 31, 2025, 2024 and 2023.

16 DEPOSITS FROM CUSTOMERS

This account represents down payments made by the real estate buyers for the purchase of residential housing units and timeshares/preferred shares. Cash deposits as of December 31 are received from:

	2025	2024
Real estate buyers	4,735,014,871	1,514,217,578
Timeshare/preferred share buyers	56,711,710	46,351,397
Total	4,791,726,581	1,560,568,975

Deposits from real estate buyers constitute cash receipts that are yet to qualify for the collection threshold criteria prior to recognition of a revenue. For timeshares, deposits represent payments made by the buyer that is yet to reach the level of required payment before a sale is recognized.

Timeshares are in-house issuances of the Group that grants the purchaser a perpetual right to occupy one unit of the Group's vacation hotel in Baguio every year for a specific number of days. It also grants certain buyers the right to avail of the international exchange services offered by affiliated companies through the Group's Resorts Condominium International membership. Purchase by the buyer of timeshare does not result into any change in equity or ownership of the Group as the sale does not grant the purchaser any proprietary or voting right or residual interest in the Group.

17 LOANS PAYABLE

This account represents peso borrowings from local banks broken into:

	2025	2024
Short-term loans	12,365,856,494	4,088,259,733
Long-term loans - current portion	9,523,812,363	11,752,539,846
	21,889,668,857	15,840,799,579
Long-term loans - non-current portion	19,624,405,647	29,459,799,388
Total	41,514,074,504	45,300,598,967

In 2025, 2024, and 2023, the Group availed of loans from various banks. These bank loans bear annual interest rates ranging from 4.3% to 7.0% in 2025, 2024 and 2023. Interest rates are either fixed for the loan term or subject to annual repricing. Loans payable have various maturity dates ranging from three months to five years.

Interest expense on loans payable amounted to P892.2 million, P1,087.6 million and P2,194.4 million in 2025, 2024 and 2023, respectively, and is presented as part of Finance Costs in the consolidated statements of profit or loss (see Note 23). Interest expense pertains only to interest incurred which are not capitalized. Accrued interest on the loans amounting to P0.3 million, P0.1 million, and P0.9 million as at December 31, 2025, 2024 and 2023, respectively, is presented as part of Interest Payable under Trade and Other Payables in the consolidated statements of financial position (see Note 15).

Total borrowing costs capitalized for the construction of the Group's real estate projects amounted to P843.1 million and P172.0 million in 2025 and 2024.

As of December 31, 2025 and 2024, the Group's loans payable is secured by the following assets with their corresponding carrying values:

	Notes	2025	2024
Short-term loans:			
Deposits of a controlling shareholder		<u>67,808,728</u>	67,808,728
Long-term loans:			
Deposits of a controlling shareholder		852,808,145	624,848,145
Collaterals owned by the Group:			
Installment contract receivables	8	10,475,244,423	13,175,251,395
Land held for future development	9	<u>529,490,000</u>	<u>529,490,000</u>
		<u>11,857,542,568</u>	<u>14,329,589,540</u>
Total		<u>11,925,351,296</u>	<u>14,397,398,268</u>

18 NOTES PAYABLE

	2025	2024
Current	<u>P 530,788,321</u>	P 493,704,407
Non-current	<u>5,016,295,885</u>	<u>5,547,084,206</u>
Total	<u>P5,547,084,206</u>	<u>P6,040,788,613</u>

On December 28, 2023, a master note certificate is issued by 8990 Housing Development Corporation with a principal amount of P6.5 billion. The Note was issued at 100% issue price and will due on December 28, 2028 (five years from the issue date) with 7.3086% interest rate per annum. However, the issuer may, at its option beginning on the third anniversary of the Drawdown Date and prior to the maturity date, redeem the notes subject to conditions.

8990 HDC is required to maintain at all times the following financial ratios: (i) Current Ratio of at least 1.00x; and (ii) total Debt-to-Equity Ratio not exceeding 2.33x, each tested annually on the basis of the audited parent financial statements of the Issuer.

On October 8, 2020, a master note certificate is issued by 8990 Holdings with a principal amount of P1.3 billion dated October 14, 2020. The Note was issued at 100% issue price and will due on October 14, 2022 (two years from the issue date) with 4.0500% interest rate per annum. In 2021, the Company partially paid the liability amounting to P800 million. On October 14, 2022, the Company settled the remaining balance amounting to P500 million.

Finance cost amounted to P428.2 million, 427.1 million and nil in 2025, 2024 and 2023, respectively. Such amount is included under the total finance cost in the consolidated statement of profit or loss (see Note 23). Accrued interest on the loans amounting to nil as December 31, 2025, 2024 and 2023.

19 EQUITY

19.1 Capital Stock

As of December 31, 2025, 2024 and 2023, details of the capital stock of the Parent Company and the movements thereon are as follows:

	Shares			Amount		
	2025	2024	2023	2025	2024	2023
Preferred Shares Series B – P1 par value, cumulative, non-voting, non-participating, non-convertible, redeemable 5..50% per annum Authorized – 50 million shares Issued and outstanding	-	-	37,000,000	-	-	37,000,000
Treasury shares – at cost preferred Shares Series B (see Note 19.3)	-	-	(166,900)	-	-	(15,604,614)
Balance at end of year	-	-	36,833,100	P -	P -	P 21,395,386
Common Shares – P1 par value Authorized shares – 6.850 billion shares Issued and outstanding:						
Balance at beginning of year	5,517,990,720	5,517,990,720	5,517,990,720	P 5,517,990,720	P 5,517,990,720	P 5,517,990,720
Treasury shares – at cost (see Note 19.3)	(258,427,800)	(256,808,900)	(126,758,600)	(3,060,268,409)	(3,043,595,037)	(1,822,144,768)
Balance at end of year	5,259,562,920	5,261,181,820	5,391,399,020	2,457,722,311	2,474,395,683	3,695,845,952
Total	5,259,562,920	5,261,181,820	5,428,232,120	P 2,457,722,311	P 2,474,395,683	P 3,717,241,338

19.2 Authorized Capital Stock

On October 20, 2010, the PSE approved the Parent Company’s application for the initial listing of 181.9 million common shares under the Second Board of the PSE.

On August 25, 2011, the Parent Company entered into a Subscription Agreement (SA) with Intellectual Property Ventures Group (IPVG), wherein IPVG agreed to subscribe to 40.0 million shares of the common stock of the Parent Company at a subscription price of P2.52 per share or a total subscription of P100.8 million. IPVG paid P25.0 million in cash as partial payment and agreed to pay the remaining balance of the subscription price upon call thereon by the Parent Company’s BOD.

As a result of the Asset Purchase Agreement dated September 28, 2011, the said SA and the related shares subscribed and partially paid were transferred to Intellectual Property Ventures, Inc. (IPVI).

On February 29, 2012, the stockholders approved the issuance of the 40.0 million shares in favor of IPVI. On the same date, the minority and unrelated stockholders waived the requirement to conduct a rights or public offering of the shares subscribed.

In April 2012, the Parent Company received the remaining subscription receivable and issued the corresponding shares to IPVI. These shares were part of the shares acquired by the stockholders of the 8990 Group (former stockholders of the company’s subsidiaries). On May 6, 2013, the Parent Company recognized deposits for future stock subscription amounting to P27.9 billion in exchange for its investments in subsidiaries through Share Swap with the stockholders of 8990 Group.

On September 23, 2013, the BOD of the Parent Company approved the subscriptions and issuance of 465,580,467 shares at P1.00 per share to new public investors to comply with the minimum public ownership requirement of the PSE. Such issuance is subject to following conditions: (i) the approval of the SEC of the Parent Company’s application for the increase in authorized capital stock from P460.0 million to P7.0 billion divided into 7.0 billion shares with par value of P1.00 per share; and, (ii) the issuance of 3,968,357,534 shares to the stockholders of 8990 Group. The shares were issued subsequent to the approval by the SEC of the increase in authorized capital stock of the Parent Company on October 1, 2013.

Subsequent to SEC's approval of the increase in authorized capital stock, the deposit for future stock subscription of the Parent Company was applied as payment for the issuance of shares which were recorded as part of the Parent Company's Capital Stock and Additional Paid-in Capital (APIC) of P4.0 billion and P23.9 billion, respectively. Of the total APIC, P23.9 billion is eliminated on consolidation against Investment in Subsidiaries because it represents the cost of the subsidiaries acquired through the Shares Swap.

On March 17, 2014, the Parent Company's BOD approved the offering and issuance by way of a "follow-on" offering consisting of the following shares at an offer price of P6.50 per share:

Primary shares	862,186,050
Secondary shares	382,360,770
Over-all allotment shares	134,950,860

The registration by way of a follow-on offering of common shares was rendered effective by the SEC on April 15, 2014 and for which a Certificate of Permit to Offer Securities for Sale was issued by the SEC on April 30, 2014.

Total proceeds from the primary offer shares amounted to P5.6 billion and the related direct issue costs incurred in connection with the offering amounted to P341.9 million which were charged to APIC. Accordingly, the issuance resulted into an excess of P4.4 billion over the capital stock and is recorded as APIC in 2014.

As of December 31, 2025, the Parent Company delisted with the PSE. As of December 31, 2024 and 2023, there are 5,261,181,820, and 5,391,399,020 listed shares, respectively. Such listed shares closed at P9.09 per share and P9.23 per share as of December 31, 2024 and 2023, respectively.

On January 31, 2017, the stockholders approved and ratified the creation of the preferred shares under the shelf registration. The SEC approved the Parent Company's amended Articles of Incorporation creating the preferred shares on April 19, 2017.

On July 25, 2017, the BOD of the Parent Company unanimously authorized the sale and offer of up to P10 billion preferred shares, at an offer price of P100.00 per share, or 100,000,000 preferred shares with an initial tranche of 50,000,000 preferred shares, under a shelf registration to be issued within a period of three years.

The Parent Company also applied with the PSE for the listing of the preferred shares, which the PSE approved for listing on the main board of the PSE on November 8, 2017. The PSE approval covers only the initial tranche of 50,000,000 preferred shares under the shelf registration.

The preferred shares were offered at the price of P100.00 per share resulting in an additional paid-in capital of P4.9 billion, analyzed as follows:

Total issuance price	P5,000,000,000
Amount of shares issued at par value	<u>50,000,000</u>
Excess of proceeds over par value	4,950,000,000
Direct issuance costs	(<u>46,485,651</u>)
Additional paid-in capital	<u>P 4,903,514,349</u>

The Parent Company also applied with the PSE for the listing of the preferred shares, which the PSE approved for listing on the main board of the PSE on February 10, 2021. The PSE approval covers only the initial tranche of 37,000,000 preferred shares under the shelf registration.

The preferred shares were offered at the price of P100.00 per share resulting in an additional paid-in capital of P3.6 billion, analyzed as follows:

Total issuance price	P3,700,000,000
Amount of shares issued at par value	37,000,000
Excess of proceeds over par value	3,663,000,000
Direct issuance costs	(<u>59,892,536</u>)
Additional paid-in capital	<u>P 3,603,107,464</u>

On October 28, 2022, the Company’s BOD approved the redemption of its 50,000,000 outstanding Series A Preferred Shares (8990P) at a redemption price of P 100 per share.

On February 10, 2024, the Parent Company completed the redemption of all Series B Preferred Shares. The cost amounted to P 3,693,700,000 and gain on redemption was also recognized amounting to P 1,085,386. (Note 24.2)

19.3 Treasury Shares

On February 6, 2019, the BOD approved the Parent Company’s P2.0 billion share buyback program which is to be implemented for a period of 18 months or until August 1, 2020.

On April 26, 2023, the Company’s BOD approved the adoption of a buyback program in the amount of up to Php 1 billion, for the Company’s outstanding Series B Preferred Shares.

Summary of Treasury Share Buyback (Preferred Shares) in 2023:

Date of Buyback	No. of Shares Repurchased	Price per Share	Amount
05/02/2023	12,760	P 93.00	P 1,186,680
05/04/2023	30,240	93.00	2,812,320
05/12/2023	60	93.00	5,580
05/16/2023	180	94.30	16,974
05/16/2023	41,340	95.00	3,927,300
05/17/2023	31,000	93.00	2,883,000
05/25/2023	13,420	93.00	1,248,060
08/31/2023	9,730	93.00	904,890
09/06/2023	8,800	93.00	818,400
10/02/2023	17,900	93.00	1,664,700
10/02/2023	1,470	93.00	136,710
Total	166,900		P 15,604,614

The said buyback program excludes the participation of the majority shareholder. As at December 31, 2024, the Parent Company has repurchased 256.8 million shares for P3.04 billion. These repurchased shares are presented as Treasury Shares in the consolidated statement of financial position and do not form part of the outstanding shares.

On February 20, 2024, the company’s BOD approved the expanded terms of the Company’s share buyback program of its outstanding common shares as initially approved on February 1, 2019. It will be implemented for a period of up to 12 months or until February 20, 2025, unless this period is otherwise extended or shortened by the BOD. The amount allocated for the share buyback program is up to P 7.0 Billion worth of common shares.

Summary of Treasury Share Buyback for 2024:

Date of Buyback	No. of Shares Repurchased	Price per Share	Amount
06/24/2024	9,600	9.27	88,992
06/24/2024	1,000	9.28	9,280
06/24/2024	900	9.29	8,361
06/24/2024	15,400	9.32	143,528
06/24/2024	1,100	9.34	10,274
06/24/2024	900	9.35	8,415
06/24/2024	1,000	9.40	9,400
06/24/2024	900	9.45	8,505
06/24/2024	9,400	9.49	89,206
06/24/2024	10,550,800	9.50	100,232,600
06/25/2024	79,900	9.49	758,251
06/25/2024	10,555,100	9.50	100,273,450
06/26/2024	2,000	9.48	18,960
06/26/2024	9,900	9.49	93,951
06/26/2024	10,550,100	9.50	100,225,950
07/01/2024	10,550,000	9.50	100,225,000
07/02/2024	5,200,000	9.50	49,400,000
07/02/2024	5,200,000	9.50	49,400,000
07/02/2024	150,000	9.50	1,425,000
07/03/2024	1,000	9.40	9,400
07/03/2024	12,300	9.48	116,604
07/03/2024	29,800	9.49	282,802
07/03/2024	6,900	9.50	65,550
07/03/2024	5,200,000	9.50	49,400,000
07/03/2024	5,200,000	9.50	49,400,000
07/03/2024	150,000	9.50	1,425,000
07/04/2024	5,200,000	9.50	49,400,000
07/04/2024	5,200,000	9.50	49,400,000
07/04/2024	150,000	9.50	1,425,000
07/08/2024	5,200,000	9.50	49,400,000
07/08/2024	5,200,000	9.50	49,400,000
07/08/2024	150,000	9.50	1,425,000
07/09/2024	1,700	9.40	15,980
07/09/2024	5,000	9.41	47,050
07/09/2024	5,000	9.46	47,300
07/09/2024	11,700	9.49	111,033
07/09/2024	1,100	9.50	10,450
07/09/2024	5,200,000	9.50	49,400,000
07/09/2024	5,200,000	9.50	49,400,000
07/09/2024	600,000	9.50	5,700,000
07/10/2024	100	9.45	945
07/10/2024	200	9.48	1,896
07/10/2024	200	9.50	1,900
07/10/2024	5,200,000	9.50	49,400,000
07/10/2024	5,200,000	9.50	49,400,000
07/10/2024	600,000	9.50	5,700,000
07/11/2024	1,900	9.49	18,031
07/11/2024	5,200,000	9.50	49,400,000
07/11/2024	5,200,000	9.50	49,400,000
07/11/2024	1,300,000	9.50	12,350,000
07/15/2024	3,100	9.49	29,419
07/15/2024	5,250,000	9.50	49,875,000
07/15/2024	5,250,000	9.50	49,875,000
07/15/2024	1,399,200	9.50	13,292,400
Total	130,217,200		P 1,237,054,883

On August 13, 2025, the Company declared Share Buy-back of 1,618,900 HOUSE shares.

Summary of Treasury Share Buyback for 2025:

Date of Buyback	No. of Shares Repurchased	Price per Share	Amount
08/13/2025	1,580,200	10.30	16,276,060
08/13/2025	27,600	10.28	283,728
08/13/2025	8,100	10.24	82,944
08/13/2025	1,200	10.26	12,312
08/13/2025	1,000	10.20	10,200
08/13/2025	800	10.16	8,128
Total	1,618,900		P 16,673,372

Below is the movement of treasury shares as at December 31, 2025, 2024 and 2023:

	2025		2024		2023	
	Shares	Amount	Shares	Amount	Shares	Amount
Balance, January 1	256,808,900	3,043,595,037	126,758,600	1,822,144,768	126,591,700	1,806,540,154
Acquisition	1,618,900	16,673,372	130,217,200	1,237,054,883	166,900	15,604,614
Redemption of Preferred Shares			(166,900)	(15,604,614)	-	-
Balance, December 31	258,427,800	3,060,268,409	256,808,900	3,043,595,037	126,758,600	1,822,144,768

Under the Revised Corporation Code of the Philippines, a stock corporation can purchase or acquire its own shares provided that it has unrestricted retained earnings to cover the shares to be purchased or acquired. The equivalent amount of retained earnings is considered restricted.

19.4 Retained Earnings

The BOD approved the following cash dividend declarations in 2023:

Amount Per Share	Date of			Amount	
	Declaration	Record	Payment		
2023					
Preferred					
1.375	Feb. 7, 2023	Apr. 25, 2023	May. 10, 2023	50,875,000	
1.375	Feb. 7, 2023	Jul. 27, 2023	Aug. 10, 2023	50,875,000	
1.375	Feb. 7, 2023	Oct. 25, 2023	Nov. 10, 2023	50,875,000	
1.375	Feb. 7, 2023	Jan. 29, 2024	Feb. 10, 2024	50,875,000	
				P 203,500,000	

No cash dividends were declared in 2025 and 2024.

Cash dividends declared in 2023 were fully paid in the same year except for the 4th tranche of dividends of Preferred Shares Series B that was subsequently paid in February 10, 2024 amounting to P50.9 million.

The Parent Company’s retained earnings are restricted to the extent of the cost of the treasury shares as of the end of the reporting periods.

19.5 Capital Management

The primary objective of the Group's capital management is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Group establishes the appropriate capital structure for its business, and thus, allowing the necessary financial flexibility for its operations and providing sufficient cushion to absorb cyclical industry risks.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. It considers its total liabilities and equity as capital and is not subject to externally-imposed capital requirements.

The bonds require the Group to observe certain covenants, including, among others, maintenance of financial ratios, incurrence or guarantee of additional debt, encumbrance for borrowed money, and other covenants. These were complied with by the Group.

20 REVENUES

The Group derives revenues from sale of real properties and hotel operations. An analysis of the Group's major sources of revenues is presented below.

	Notes	2025	2024	2023
Real estate				
Low-cost mass housing		6,719,531,817	5,682,219,099	6,780,506,170
Medium-rise condominium		2,714,333,892	2,550,568,120	1,938,945,257
High-rise condominium		10,341,335,170	9,960,407,436	12,612,260,153
Developed subdivision lots	1.2	443,135,761	561,350,690	1,006,591,557
		20,218,336,640	18,754,545,345	22,338,303,137
Hotel operations		327,528,278	246,390,265	273,702,876
Equity share in net profits of associate	11	-	17,705,874	45,858,106
Rental income	13,26,28	43,638,156	20,749,489	6,695,405
Total		20,589,503,074	19,039,390,973	22,664,559,524

As discussed in Note 2.14, the Group usually recognizes sale of real estate at a point in time. Starting 2019, the Group has started offering sale of pre-completed real estate for certain project, which its acquired subsidiary, The Mont, also offers to its subdivision lots. Thus, the Group also recognizes revenue over time.

The breakdown of contract balances as of December 31, 2025 and 2024 is as follows:

	Notes	2025	2024
Contract assets	8	16,763,306	-
Contract liabilities	15	(177,909,122)	(49,456,608)
Total		(161,145,816)	(49,456,608)

A reconciliation of the movements of contract balances is shown below.

	2025	2024
Contract Asset		
Balance at beginning of the year	-	60,184,625
Reclassification to installment contract receivable	16,763,306	(60,184,625)
Balance at end of year	16,763,306	-

Contract liabilities		
Balance at beginning of the year	49,456,608	335,035,888
Revenue recognized that was included in contract liabilities	128,452,514	(285,579,280)
Total	177,909,122	49,456,608

21 **COST OF SALES AND SERVICES**

Cost of sales and services consists of:

	Notes	2025	2024	2023
Cost of sales:	9			
Low-cost mass housing		3,415,265,413	2,847,236,718	3,143,804,058
Medium-rise condominium		1,540,811,317	1,502,303,145	1,018,921,172
High-rise condominium		6,210,677,647	6,146,064,040	8,173,885,282
Developed subdivision lots		39,666,450	230,584,658	267,805,719
		11,206,420,827	10,726,188,561	12,604,416,231
Cost of services:				
Hotel operations		175,765,239	204,029,432	130,674,075
Total		11,382,186,066	10,930,217,993	12,735,090,306

Construction costs include contractor’s costs, professional fees, permits and licenses and capitalized borrowing costs.

22 **OPERATING EXPENSES**

Operating expenses consist of:

	Notes	2025	2024	2023
Commission		1,355,773,965	900,453,682	623,034,691
Taxes and licenses		575,090,999	434,403,849	476,293,926
Salaries and employee benefits	25.1,28.2	370,685,418	353,366,080	295,271,504
Documentation		376,836,135	235,552,829	292,171,959
Expected credit and impairment losses	8, 14, 28	571,771,872	134,342,409	470,905,069
Depreciation and amortization	12,13,26	149,406,945	114,660,479	109,045,748
Security, messengerial and janitorial		99,635,421	96,775,386	94,381,177
Repairs and maintenance		59,382,243	73,979,874	58,446,616
Insurance		71,368,842	71,666,658	35,424,361
Entertainment, amusement and representation		44,433,170	68,333,593	62,330,285
Communication, light and water		60,379,238	57,083,388	46,767,916
Management and professional fees		91,805,341	48,984,853	52,248,750
Rent	26	57,657,155	37,070,442	22,333,410
Transportation and travel		32,020,383	36,933,993	39,929,037
Supplies		26,893,541	24,462,419	28,465,598
Subscription dues and fees		14,051,412	10,564,088	5,983,370
Miscellaneous		242,006,823	207,802,693	240,789,332
Total		4,199,198,903	2,906,436,715	2,953,822,749

Commissions are payments to real estate brokers and agents in connection with its real estate transactions.

Documentation expenses consist of certification fees, registrations fees, tax clearances and other related expenses incurred in the processing of real estate inventories sales and transfer of titles to the buyers.

Miscellaneous include penalties paid to Bureau of Internal Revenue (BIR), out-of-pocket expenses, hospitalization bills, assistance to employee, minor expense like meals allowance & petty cash transactions.

23 **FINANCE COSTS**

This consists of:

	Notes	2025	2024	2023
Interest expense on:				
Loans payable	17	892,161,892	1,087,576,354	2,194,363,343
Notes payable	18	428,170,146	427,073,691	-
Lease liabilities	26	911,215	807,913	831,069
Interest on pension obligation	25	2,180,942	2,186,894	1,109,798
Bank charges		1,889,808	2,459,974	940,555
Total		1,325,314,003	1,520,104,826	2,197,244,765

24 **OTHER OPERATING INCOME AND OTHER GAINS**

24.1 Other Operating Income

This consists of:

	Notes	2025	2024	2023
Interest income from:				
Instalment contract and finance lease receivables	8	1,529,457,064	1,639,940,309	2,873,872,378
Cash in banks	7	1,761,217	2,861,771	1,176,689
Loans receivable	8	7,947,660	68,942,222	39,403,926
Penalties		100,974,014	113,382,652	74,859,672
Gain on repossession	9	-	53,999,475	-
Miscellaneous income		498,901,124	269,328,051	329,138,692
Total		2,139,041,079	2,148,454,480	3,318,451,357

Miscellaneous income mainly includes retrieval fee, other fees, commission fees received from an electric company, association dues, transfer fee, and rebates from an insurance company. It also includes revenues from the use of the rooms allocated to the unsold ALRC preferred shares (see Note 10).

24.2 Other Gains/Expenses

Other Gain in 2025 pertains to Gain on Sale of equipment amounting to P 133,928 (Note 12). Other Expense in 2025 pertains to loss on repossession amounting to P 161,189,089 (Note 9).

Other Gain in 2024 pertains to Gain on redemption of preferred shares amounting to P 1,085,386 (Note 19.2)

Other Expense in 2023 pertains to loss on repossession amounting to P 243,212,456 (Note 9).

25 **EMPLOYEE BENEFITS**

25.1 *Salaries and Employee Benefits Expense*

The details of salaries and employee benefits are presented below.

	Notes	2025	2024	2023
Short-term employee benefits		366,028,531	349,549,336	292,691,331
Post-employment benefits	25.2	4,656,887	3,816,744	2,580,173
		370,685,418	353,366,080	295,271,504

25.2 *Post-employment Benefits*

(a) *8990 Holdings and The Mont*

In 2025, 2024 and 2023, 8990 Holdings has unfunded, noncontributory, defined benefit pension plans covering substantially all of its regular employees.

While in 2022, The Mont recognized unfunded, noncontributory, defined benefit pension plans covering substantially all of its regular employees. Under its pension plans, all covered officers and employees are entitled to cash benefits after satisfying certain age and service requirements.

The benefits are based on the projected pension benefit of 22.5 days’ pay per year service in accordance with RA 7641, *Retirement Pay Law*. The benefits are based on current salaries and years of service and compensation on the last year of employment. There is no contribution made by 8990 Holdings during the year.

(b) *8990 HDC, FHI, and 8990 LHDC*

In 2021, FHI and 8990 LHDC transferred its employees and accordingly the related plan assets and liabilities were assumed by 8990 HDC. In 2020, 8990 HDC, FHI and 8990 LHDC have funded, noncontributory, defined benefit pension plan covering substantially all of their regular employees. The benefits are based on the projected pension benefit of 22.5 days’ pay per year service in accordance with RA 7641. The benefits are based on current salaries and years of service and compensation on the last year of employment. An independent actuary, using the projected unit credit method, conducts an actuarial valuation of the pension benefit obligation.

The defined benefit plan is administered by a third party trustee bank (the Trustee).

The Trustee is responsible for the general administration of the pension plan and the management of the plan assets. The Trustee may seek advice of counsel and appoint an investment manager or managers to manage the plan assets. As the administrator of the pension plan, the Trustee is responsible for the ultimate control, disposition, or management of the money received or contributed.

The respective Companies have yet to formalize its investment policy and risk management procedures for the pension plan. Currently, the assets of the pension plan are composed of securities issued by the Philippine government and placements in banks.

The pension plan exposes the Group to actuarial risks, such as longevity risk, and market (investment) risk. There are no unusual or significant risks to which the pension plan exposes the Group. However, in the event a benefit claim arises under the pension plan and the plan assets are not sufficient to pay the benefit, the unfunded portion of the claim shall immediately be due and payable from the Group to the pension plan.

The cost of defined benefit pension plans, as well as the present value of the defined benefit obligation, is determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining the net pension liability for the defined benefit plans are shown below.

	2025	2024	2022
Discount rates			
8990 HDC	6.34%	6.11%	6.09%
8990 Holdings	6.40%	6.09%	6.11%
The Mont	6.34%	6.11%	6.10%
Salary increase rates			
8990 HDC	4.00%	4.00%	5.00%
8990 Holdings	4.00%	4.00%	5.00%
The Mont	4.00%	4.00%	5.00%

The composition of plan assets by class as at the end of the reporting period is as follows:

	2025	2024	2023
Cash	1,161	1,161	1,161
Equity instruments	10,000,000	10,000,000	10,000,000
Investment securities:	-	-	-
Government securities	5,026,868	3,662,273	3,665,338
Unit investment trust fund (UITF)	2,576,518	3,186,924	1,368,499
Total	17,604,547	16,850,358	15,034,998

Equity instruments and government securities are quoted instruments, while UITFs have prices published in available markets. These instruments are carried at fair value which are determined based on quoted market prices in active markets, hence, classified as Level 1 in the fair value hierarchy.

Plan assets do not comprise of any of the Group’s own financial instruments or any of its assets occupied and/or used in its operations.

The Group does not expect that any reasonably possible changes to the assumptions used to calculate the defined benefit obligation as of the end of the reporting period would have a significant impact on the Group’s net pension liability.

The Group does not expect to contribute to its pension plan in 2025. Shown below is the maturity analysis of the undiscounted benefit payments:

	2025	2024	2023
Less than 1 year	6,834,270	9,490,281	9,254,120
More than 1 year to 5 years	7,675,525	4,517,192	3,240,726
More than 5 years to 10 years	17,247,052	13,182,921	31,783,034

The average duration of the defined benefit obligation at the end of the reporting period is 18, 21 years and 18 years in 2025, 2024 and 2023, respectively.

Changes in the carrying amount of retirement benefit obligation of the Group are as follows:

2025

	Net benefit cost in consolidated statement of Profit or loss				Remeasurements in other comprehensive income						Transferred Obligation / Benefits Paid		December 31, 2025									
	January 1,2025	Current service cost	Net interest (see Note 23)	Subtotal	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal													
Present value of defined benefit obligation	P	52,548,265	P	4,656,887	P	3,210,499	P	60,415,651	P	-	P	3,128,619	P	(1,632,398)	P	(353,014)	P	1,143,207	P	(2,535,487)	P	59,023,371
Fair value of plan assets		16,850,358		-		1,029,557		17,879,915		(275,368)		-		-		-		(275,368)		-		17,604,547
Net defined benefit obligation	P	35,697,907	P	4,656,887	P	2,180,942	P	42,535,736	P	(275,368)	P	3,128,619	P	(1,632,398)	P	(353,014)	P	1,418,575	P	(2,535,487)	P	41,418,824

2024

	Net benefit cost in consolidated statement of Profit or loss				Remeasurements in other comprehensive income						Transferred Obligation / Benefits Paid		December 31, 2024							
	January 1, 2024	Current service cost	Net interest (see Note 23)	Subtotal	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal											
Present value of defined benefit obligation	P	50,940,010	P	3,816,744	P	3,102,525	P	57,859,279	P	-	P	(6,253,068)	P	1,218,188	P	(5,034,880)	P	(276,134)	P	52,548,265
Fair value of plan assets		15,034,998		-		915,631		15,950,632		899,729		-		-		899,729		-		16,850,358
Net defined benefit obligation	P	35,905,012	P	3,816,744	P	2,186,894	P	41,908,650	P	899,729	P	(6,253,068)	P	1,218,188	P	(5,934,609)	P	(276,134)	P	35,697,907

2023

	Net benefit cost in consolidated statement of Profit or loss				Remeasurements in other comprehensive income					Transferred Obligation / Benefits Paid		December 31, 2023								
	January 1,2023	Current service cost	Net interest (see Note 23)	Subtotal	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal											
Present value of defined benefit obligation	P	30,843,020	P	2,580,173	P	2,202,663	P	35,625,856	P	-	P	11,359,202	P	5,157,038	P	16,516,240	P	(1,202,086)	P	50,940,010
Fair value of plan assets		15,306,235		-		1,092,865		16,399,100		(1,364,102)		-		-		(1,364,102)		-		15,034,998
Net defined benefit obligation	P	15,536,785	P	2,580,173	P	1,109,798	P	19,226,756	P	(1,364,102)	P	11,359,202	P	5,157,038	P	15,152,138	P	(1,202,086)	P	35,905,012

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions.

The Group’s net defined benefit obligation of P41.4 million, P35.7 million and P35.9 million, as of December 31, 2025, 2024 and 2023, respectively, is included as Retirement benefit obligation in the Trade and Other Payables in the Group’s consolidated statements of financial position (see Note 15)

26 **LEASES**

26.1 *The Group as a Lessee*

The Parent Company has an existing non-cancellable operating lease as a lessee covering its office premises with a term until 2027 per Note 26.4.

In 2025, 8990 Monterrazas Corporation renewed the non-cancellable operating lease as a lessee covering a corporate suite for a term of one year; expiring in 2026.

FHI, 8990 HDC and 8990 LHDC entered into separate non-cancellable lease agreements for their office and parking spaces. Except for 8990 LHDC, the Group’s lease periods ranges from two to three years, which are renewable thereafter upon mutual agreement of both parties. The lease of 8990 LHDC is renewable annually upon mutual agreement of the contracting parties. The lease was renewed until 2027.

The future minimum rentals payable under these operating leases as of December 31, 2025 are as follows:

Within one-year	P	3,163,032
After one year but not more than three years		<u>4,352,427</u>
	P	<u>7,515,459</u>

26.2 *The Group as a Lessor – Operating Lease*

8990 HDC owns a building and a portion of it is currently leased to a third party which is covered by an operating lease contract for a period of 10 years ending 2016. The operating lease will be renewed for another 10 years ending 2026. Rent income recognized by 8990 HDC amounted to nil, P0.3 million, P0.2 million in 2025, 2024 and 2023, respectively (see Notes 13 and 20).

In 2014, FHI and 8990 HDC entered into a contract of lease with ALRC on the land where the building and improvements sold to ALRC are constructed. The contract of lease provides a lease term of 50 years, with an annual rent of P5.0 million for the first 10 years. After 10 years, the lease rate shall increase to a rate agreed by both parties. However, on October 23, 2018, 8990 HDC and ALRC agreed to pre-terminate the contract of lease. Rent income recognized by FHI amounted to P10.2 million, P6.3 million and P7.8 million in 2025, 2024 and 2023, respectively (see Notes 13 and 20).

Future minimum lease receivables under non-cancellable operating leases are as follows:

	2025	2024	2023
Less than one year	4,464,286	4,464,286	4,464,286
More than one year but not more than two years	4,464,286	4,464,286	4,464,286
More than two years but not more than three years	4,464,286	4,464,286	4,464,286
More than three years but not more than four years	4,464,286	4,464,286	4,464,286
More than four years but not more than five years	4,464,286	4,464,286	4,464,286
More than five years	140,524,998	144,989,284	149,453,570
	<u>162,846,428</u>	<u>167,310,714</u>	<u>171,775,000</u>

26.3 The Group as a Lessor – Finance Lease

The Group also entered into a finance lease covering the real estate inventories with a lease term of 15 years. To manage its risks over these finance leases, the Group retains its legal title over the underlying assets, and are used as securities over the finance lease receivables. Future minimum lease payments receivable (MLPR) are as follow:

	2025	2024	2023
Less than one year	P 152,820,000	P 152,820,000	P 152,820,000
More than one year but not more than two years	152,820,000	152,820,000	152,820,000
More than two years but not more than three years	152,820,000	152,820,000	152,820,000
More than three years but not more than four years	152,820,000	152,820,000	152,820,000
More than four years but not more than five years	152,820,000	152,820,000	152,820,000
More than five years	<u>53,953,789</u>	<u>64,220,000</u>	<u>99,660,000</u>
	<u>P 818,053,789</u>	<u>P 828,320,000</u>	<u>P 863,760,000</u>

26.4 Right-of-use assets/Lease Liabilities

The Group has leases for its office space and parcel of land. With the exception of short-term leases, each lease is reflected in the consolidated statement of financial position under Other non-current assets as a right-of-use asset and a lease liability under Trade and other payables.

a. Right-of-use assets

	2025	2024	2023
Cost			
Beginning balance	56,148,071	56,927,197	60,836,662
New lease contract	13,371,459	4,608,944	9,884,039
Lease modifications	-	(5,388,070)	(13,793,504)
Ending balance	<u>69,519,530</u>	<u>56,148,071</u>	<u>56,927,197</u>
Amortization			
Beginning balance	44,497,228	42,032,764	32,219,990
Current provision	6,722,072	2,464,464	9,812,774
Ending balance	<u>51,219,300</u>	<u>44,497,228</u>	<u>42,032,764</u>
Carrying values	<u>18,300,230</u>	<u>11,650,843</u>	<u>14,894,433</u>

Amortization of right-of-use assets is presented as of part of Depreciation and amortization under the operating expense (see Note 22). Based on the impairment review of the assets, the Group believes that there is no impairment loss that occurred on its right-of-use assets as at December 31, 2025, 2024 and 2023.

b. Lease liabilities

	2025	2024	2023
Beginning balance	12,515,473	15,976,893	28,834,103
Addition	13,371,459	4,608,952	3,221,924
Accretion of interest	911,215	807,913	831,069
Payments	<u>(7,682,989)</u>	<u>(8,878,277)</u>	<u>(16,910,203)</u>
Ending balance	<u>19,115,158</u>	<u>12,515,473</u>	<u>15,976,893</u>

Lease liabilities are presented under trade and other payables in the statement of financial position as follows:

	2025	2024	2023
Current	7,311,711	5,732,938	7,968,215
Non-current	11,803,447	6,782,535	8,008,678
Ending balance	19,115,158	12,515,473	15,976,893

Maturity Analysis:

	2025	2024	2023
Not less than 1 year	7,311,711	5,732,938	7,968,215
Later than 1 year and not later than 5 years	11,803,447	6,782,535	8,008,678
Ending balance	19,115,158	12,515,473	15,976,893

27 INCOME TAXES

27.1 Current and Deferred Income Taxes

The components of income tax expense reported in profit or loss consists of:

	2025	2024	2023
Current:			
Regular corporate income tax	1,205,286,490	883,840,415	609,244,027
Minimum corporate income tax	1,697,065	294,160	-
Final tax	323,695	561,246	226,226
	1,207,307,250	884,695,821	609,470,253
Deferred:			
Deferred income tax expense (benefit)	(345,071,933)	(501,174,384)	347,452,072
Total	862,235,317	383,521,437	956,922,325

The NIRC of 1997 also provides for rules on the imposition of MCIT of 2.0% on gross income as of the end of the taxable year beginning on the fourth taxable year immediately following the taxable year in which the entities in the Group commenced its business operations. Any excess MCIT over the RCIT can be carried forward on an annual basis and credited against the RCIT for the three immediately succeeding taxable years.

A reconciliation of the Group's statutory income tax rate to effective income tax rate is presented below.

	2025	2024	2023
Statutory income tax rate	25.00%	25.00%	25.00%
Tax effects of:			
Income under income tax holiday	(5.32%)	(5.35%)	(6.18%)
Change in unrecognized deferred tax assets	(0.70%)	(4.32%)	5.07%
Non-taxable income	(8.12%)	(10.84%)	(2.89%)
MCIT recognized	-	-	(3.48)%
Non-deductible expenses	1.69%	9.82%	(4.31)%
Income subjected to final tax	(0.00%)	(0.00%)	(0.00)%
Others	2.68%	(8.19%)	(1.03)%
Tax expense	15.23%	6.58%	12.18%

The Group recognized net deferred income tax liabilities as follows:

	2025	2024
Deferred income tax liabilities (DTL) on:		
Excess of FV over cost of acquired subsidiary/ associate	848,577,597	848,577,597
Excess of accounting basis over tax basis of deferred gross profit on real estate sales	1,276,087,667	1,140,316,352
Commission	9,994,706	10,940,694
	<u>2,134,659,970</u>	<u>1,999,834,643</u>
Deferred income tax assets (DTA) on:		
Allowance for impairment loss	461,718,948	210,004,057
Accrued expenses	30,455,625	30,455,625
Net Operating Loss Carry-Over (NOLCO)	5,995,351	12,257,631
MCIT	3,311,028	1,497,784
Customers' deposits	3,139,034	1,830,124
Effect of PFRS 16	546,289	469,517
Retirement Benefit Obligation (RBO)	10,354,707	8,924,477
	<u>515,520,982</u>	<u>265,439,215</u>
Net DTL	<u>1,619,138,988</u>	<u>1,734,395,428</u>

The components of net deferred income tax expense (benefit) reported in the consolidated statements of profit or loss are as follows:

	2025	2024	2023
Allowance for impairment losses	(154,380,062)	22,162,197	(68,092,355)
Share in earnings of associate	-	4,426,469	11,464,527
Excess of accounting basis over tax basis of deferred gross profit on real estate sales	(198,246,823)	(534,835,403)	391,222,403
Application of excess MCIT over RCIT/ Expiration of MCIT	420,414	898,154	756,446
Effect of PFRS 16	30,110	22,070	(173,501)
NOLCO	6,826,812	5,970,785	17,152,872
Retirement benefit obligation	277,616	181,344	(4,878,320)
Total	<u>(345,071,933)</u>	<u>(501,174,384)</u>	<u>347,452,072</u>

The Parent Company and RLC did not recognize deferred income tax assets on the following temporary differences since management believes that it is not probable that the related benefits will be realized in the future:

	2025	2024	2023
NOLCO	P 103,536,741	P 583,135,344	P 531,445,065
MCIT	1,680,260	1,859,300	1,573,503
Impairment loss	(1,542,220)	283,820	283,820
Excess of depreciation and interest expense over lease payments	40,972	28,846	9,307
Total	<u>P 103,715,753</u>	<u>P 585,307,310</u>	<u>P 533,311,695</u>

Details of the Group’s NOLCO, which are mostly that of the Parent Company, follow:

<u>Year Incurred</u>		<u>Amount</u>	<u>Expired/Used</u>	<u>Balance</u>	<u>Expiry Year</u>
2025	P	37,171,352		P 37,171,352	2028
2024		8,822,157	-	8,822,157	2027
2023		5,155,581	-	5,155,581	2026
2022		43,768,058	(43,768,058)	-	2025
2021		61,032,988	(2,649,986)	58,383,002	2026
2020		455,244,909	(455,244,909)	-	2025
		<u>P 611,195,045</u>	<u>(P 501,662,953)</u>	<u>P 109,532,092</u>	

The NIRC of 1997 allows each of the entities in the Group to deduct from taxable income their respective NOLCO within three years from the time it was incurred. NOLCO for 2021 amounted to P 58,383,022(net of used of P2,649,986 respectively, which will expire in 2026 can be applied for five years instead of three years, in compliance with Revenue Regulation No. 25-2020 (issued last September 28, 2020. RA 9504, *An Act Amending the NIRC of 1997*, provides that an optional standard deduction (OSD) equivalent to 40.0% of gross income may be claimed as an alternative deduction in computing for the RCIT. The entities in the Group did not claim OSD in lieu of the itemized deductions

27.2 Registration with Board of Investments (BOI)

The Group has registered the following projects with the BOI under the Omnibus Investments Code of 1987 (Executive Order No. 226) as of December 31, 2025:

<u>Project Name</u>	<u>Reg. No.</u>	<u>Date Registered</u>	<u>ITH Period</u>	<u>Registered Activity</u>
Deca Homes Minglanilla Subdivision Phase 3	2008-158	July 14, 2008	4 years	Developer of Low-cost Mass Housing Project
Deca Homes Minglanilla Subdivision Phase 4	2008-159	July 14, 2008	4 years	Developer of Low-cost Mass Housing Project
Deca Homes Mandaue Prime	2008-309	November 14, 2008	4 years	Developer of Low-cost Mass Housing Project
Deca Homes Mactan 3	2008-315	November 20, 2008	4 years	Developer of Low-cost Mass Housing Project
Deca Homes Resort Residences	2009-038	May 4, 2009	4 years	Developer of Low-cost Mass Housing Project
Deca Homes Minglanilla Homes	2009-082	June 19, 2009	4 years	Developer of Low-cost Mass Housing Project
Deca Homes Nothfield Estates	2009-157	November 11, 2009	4 years	Developer of Low-cost Mass Housing Project
Deca Homes Talisay	2009-193	December 17, 2009	4 years	Developer of Low-cost Mass Housing Project
Deca Homes Minglanilla Subdivision Phase 5	2010-003	January 8, 2010	3 years	Developer of Low-cost Mass Housing Project
Deca Homes Minglanilla Subdivision Phase 6	2010-004	January 8, 2010	3 years	Developer of Low-cost Mass Housing Project
Savannah Green Plains Phase 3	2010-068	March 22, 2010	3 years	Expanding Developer of Low-cost Mass Housing Project
Deca Homes Mactan 4	2010-127	July 13, 2010	4 years	Developer of Low-cost Mass Housing Project
Deca Homes Pavia	2010-128	July 13, 2010	4 years	Developer of Low-cost Mass Housing Project
Deca Homes Esperanza	2011-009	January 10, 2011	4 years	Developer of Low-cost Mass Housing Project
Deca Homes Mactan 5	2011-008	January 10, 2011	4 years	New Developer of Low-cost Mass Housing Project
Deca Homes Resort Residences Phase 10	2011-007	January 10, 2011	3 years	Developer of Low-cost Mass Housing Project
Bon Giorno Homes Subdivision	2011-035	February 8, 2011	4 years	New Developer of Low-cost Mass Housing Project
Deca Homes Resort Residences Phase 8-A	2011-119	July 5, 2012	3 years	Developer of Low-cost Mass Housing Project
Deca Homes Resort	2011-120	July 5, 2012	3 years	Developer of Low-cost

<u>Project Name</u>	<u>Reg. No.</u>	<u>Date Registered</u>	<u>ITH Period</u>	<u>Registered Activity</u>
Residences Phase 8-B	2012-121	July 5, 2012	3 years	Mass Housing Project
Deca Homes Resort				Developer of Low-cost
Residences Phase 8-C	2012-174	August 22, 2012	4 years	Mass Housing Project
Azalea Baguio				New Operator of Tourist
Residences				Accommodation Facility -
				Apartment Hotel
Bella Vista Subdivision	2013-049	February 18, 2012	4 years	New Developer of Low-
				cost Mass Housing Project
Urban Homes Tipolo	2013-062	March 8, 2013	3 years	New Developer of Low-
Condominium				cost Mass Housing Project
Deca Clark Residences	2013-213	October 29, 2013	3 years	New Developer of Low-
&				cost Mass Housing Project
Resort Phase 5&6				
Deca Homes Resort	2014-109	July 22, 2014	3 years	Expanding Developer of
Residences Phase 9				Low-cost Mass Housing
				Project
Deca Homes Indangan	2014-128	August 15, 2014	4 years	New Developer of Low-
Phase 1				cost Mass Housing Project
Deca Homes Resort	2014-129	August 15, 2014	3 years	Expanding Developer of
Residences Phase 12				Low-cost Mass Housing
				Project
Deca Homes Baywalk -	2014-172	October 8, 2014	3 years	Expanding Developer of
Talisay II				Low-cost Mass Housing
				Project
Deca Homes Resort	2014-174	October 9, 2014	3 years	Expanding Developer of
Residences Executive				Low-cost Mass Housing
				Project
Deca Homes Pavia	2014-189	October 28, 2014	3 years	Expanding Developer of
Phase 2				Low-cost Mass Housing
				Project
Deca Homes Indangan	2014-190	October 18, 2014	3 years	New Developer of Low-
Phase 2				cost Mass Housing Project
Urban Deca Homes Tisa	2015-200	September 28, 2015	3 years	New Developer of Economic
				And Low-Cost Housing
				Project
Deca Homes Our Lady	2015-201	September 28, 2015	3 years	New Developer of Economic
of				
Guadalupe				and Low-Cost Housing
				Project
Deca Homes Pavia	2015-202	September 28, 2015	4 years	New Developer of Economic
Resort				
Residences				and Low-Cost Housing
				Project
Urban Deca Homes	2015-234	September 28, 2015	3 years	Developer of Low-cost Mass
Campville				Housing Project
Marseilles Subdivision	2015-235	November 2, 2015	4 years	New Developer of Economic
				and Low-Cost Housing
				Project
Deca Clark Residences	2015-236	November 3, 2015	3 years	Expanding Developer of
&				
Resort Phase 3&4				Economic and Low-Cost
				Housing Project
Deca Clark Residences	2015-237	November 3, 2015	3 years	Expanding Developer of
&				
Resort Phase 7&8				Economic and Low-Cost
				Housing Project
Deca Homes Resort	2015-273	December 14, 2015	3 years	New Developer of Economic
Residences Prime				and Low-Cost Housing
				Project
Deca Homes Baywalk -	2016-205	October 4, 2016	3 years	Expanding Developer of
Talisay III				Low-cost Mass Housing
				Project
Urban Deca Homes H.	2016-206	October 4, 2016	3 years	New Developer of Economic
Cortes				and Low-Cost Housing
				Project
Urban Deca Homes	2016-254	December 14, 2016	4 years	New Developer of Economic
Hampton				and Low-Cost Housing
				Project
Urban Deca Homes	2017-004	January 4, 2017	3 years	New Developer of
Manila				Economic and Low-Cost
				Housing Project
Deca Homes Mulig	2017-264	September 11, 2017	4 years	New Developer of Economic
				and Low-Cost Housing
				Project

<u>Project Name</u>	<u>Reg. No.</u>	<u>Date Registered</u>	<u>ITH Period</u>	<u>Registered Activity</u>
Deca Homes Pavia Resort Residences Phase 2	2017-291	October 25, 2017	3 years	Expanding Developer of Economic and Low-Cost Housing Project
Urban Deca Homes Marilao Subd	2017-336	December 13, 2017	4 years	New Developer of Economic and Low-cost Housing Project
Urban Deca Homes Mahogany	2017-337	December 13, 2017	4 years	New Developer of Economic and Low-Cost Housing Project
Urban Deca Homes Marilao	2017-337	February 8, 2018	4 years	New Developer of Economic and Low-Cost Housing Project
Urban Deca Homes South Bacolod	2017-337	March 13, 2018	4 years	New Developer of Economic and Low-Cost Housing Project
Dec Hones Gensan 1	2018-054	March 13, 2018	4 years	New Developer of Economic and Low-Cost Housing Project
Deca Homes Ormoc Gregoria Residences	2019-262	December 4, 2019	4 years	New Developer of Economic and Low-Cost Housing Project
Deca Homes Sta. Barbara Resort Residences	2018-276	December 18, 2018	4 years	New Developer of Economic and Low-Cost Housing Project
DECA Clark Residences & Resort Phase 9,10&11	2018-055	March 13, 2018	4 years	New Developer of Economic and Low-cost
Urban Deca Homes Marilao Phase 2B	2017-291	March 12, 2020	3 years	Expanding Developer of Economic and Low-Cost Housing Project
Deca Homes Meycauayan	2020-048	March 12, 2020	4 years	New Developer of Economic and Low-cost Housing Project
Deca Homes Talmo Phase 1 and Phase 2	2020-045	March 12, 2020	4 years	New Developer of Economic and Low-Cost Housing Project
Urban Deca Homes Marilao Phase 2A	2020-046	March 12, 2020	3 years	Expanding Developer of Economic and Low-Cost Housing Project
Urban Deca Homes Banilad – Tower 1,2,3	2020-138	August 24, 2020	4 years	New Developer of Economic and Low-Cost Housing Project
Deca Clark Resort Residences and Resort Phase 12	2020-166	September 14, 2020	3 years	Expanding Developer of Economic and Low-Cost Housing Project
Deca Homes Leganes Site 1,2,3 4 & 5	2022-104	July 19, 2022	4 years	Expanding Developer of Economic and Low-Cost Housing Project
Deca Homes Pampanga	2024-267	September 17, 2024	6 years	Expanding Developer of Economic and Low-Cost Housing Project
Deca Homes Resort Residences Phase 2A	2025-223	October 3, 2025	6 years	Expanding Developer of Economic and Low-Cost Housing Project
Urban Deca Homes Batangas	2025-237	October 21, 2025	6 years	Expanding Developer of Economic and Low-Cost Housing Project

Pursuant to the above registrations, the Group had been granted income tax holiday (ITH) or a period of three to four years from the date of registration or actual start of commercial operation, whichever is earlier, subject to certain conditions. Interest income from in-house financing is not covered by ITH.

The Group shall be entitled to ITH provided that it maintains a 75:25 debt-equity ratio as required by the BOI. In the event that the Group fails to maintain the ratio requirement, the Group shall present evidence that the construction of housing units have been completed and delivered to the buyers prior to the availment of ITH; otherwise, the Group shall not be entitled to ITH and shall be required to refund any capital incentives availed.

The Group’s debt-to-equity ratios per subsidiary that has BOI-registered projects is as follows:

	8990 HDC		8990 LHDC		DHDC	
	2025	2024	2025	2024	2025	2024
Total liabilities	51,088,871,115	55,034,582,570	1,051,936,698	1,140,205,937	334,816,249	401,152,525
Total equity	40,301,483,653	35,785,216,689	3,442,053,646	3,423,128,482	493,663,001	818,035,772
Debt equity ratio	56:44	61:39	23:77	25:75	40:60	33:67

	THC		FHI		PLI	
	2025	2024	2025	2024	2025	2024
Total liabilities	3,620,643,200	7,031,868,235	845,226,407	906,693,275	3,345,264,461	2,665,635,470
Total equity	8,335,037,343	7,972,580,105	3,438,140,627	3,542,244,719	3,599,476,222	4,541,268,712
Debt equity ratio	30:70	47:53	20:80	20:80	48:52	37:63

The Group is in compliance with BOI’s required ratio as of the end of each reporting period.

28 RELATED PARTY TRANSACTIONS

The Group has entered into transactions with related parties principally consisting of cash advances and reimbursement of expenses. Settlement of outstanding balances of advances is made through cash or offsetting as maybe agreed by the parties. As of December 31, 2025, 2024 and 2023, the Group recognized provision for credit losses relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party through liquidity approach and considered time value of money as well as the market in which the related party operates [see Note 4.1(a)(iii)].

28.1 Related Party Transactions and Outstanding Balances

The summary of the Group’s transactions and the related outstanding balances with related parties is presented bew and in the succeeding pag

2025				
Category	Amount of Transactions	Outstanding Balance	Terms and Conditions	
Stockholders				
Due from related parties	-	248,960,321	Noninterest-bearing, payable on demand, unsecured, net of allowance for credit loss	
Due to related parties	61,489,881	(26,057,869)	Noninterest-bearing, payable on demand, unsecured	
Entities under common control				
Due from related parties	2,008,928,743	4,208,032,375	Noninterest-bearing, payable on demand, unsecured, net of allowance for credit loss	
Due to related parties	(24,340,722)	(95,580,132)	Noninterest-bearing, payable on demand, unsecured	
Rental income	10,184,007	-	See Notes 13 and 26	
Key management personnel				
Compensation	53,885,168			

Plan assets

17,604,547

See Note 25

2024

Category	Amount of Transactions	Outstanding Balance	Terms and Conditions
Stockholders			
Due from related parties	(74,754,000)	248,960,321	Noninterest-bearing, payable on demand, unsecured, net of allowance for credit loss
Due to related parties	129,485,092	(87,547,750)	Noninterest-bearing, payable on demand, unsecured
Entities under common control			
Due from related parties	1,823,364,660	2,903,209,977	Noninterest-bearing, payable on demand, unsecured, net of allowance for credit loss
Due to related parties	(15,704,772)	(71,239,410)	Noninterest-bearing, payable on demand, unsecured
Rental income	6,381,810	-	See Notes 13 and 26
Key management personnel Compensation	47,160,293		
Plan assets		16,850,358	See Note 25

2023

Category	Amount of Transactions	Outstanding Balance	Terms and Conditions
Stockholders			
Due from related parties	-	323,714,322	Noninterest-bearing, payable on demand, unsecured, net of allowance for credit loss
Due to related parties	17,404,692	(217,032,842)	Noninterest-bearing, payable on demand, unsecured
Dividends	(203,500,000)	50,875,000	Cash dividends declared by Parent Company (See Note 19)
Entities under common control			
Due from related parties	1,276,352,378	2,937,937,620	Noninterest-bearing, payable on demand, unsecured, net of allowance for credit loss
Due to related parties	(511,975)	(55,534,638)	Noninterest-bearing, payable on demand, unsecured
Rental income	6,695,405	-	See Notes 13 and 26
Key management personnel Compensation	35,929,589	-	
Plan assets	-	15,034,998	See Note 25

Other related parties are entities owned and controlled by the certain shareholders of the Group which are considered related to the Group by virtue of common ownership and control.

The details of the Group's due from related parties are presented below.

	2025	2024	2023
Balance at beginning of year, net of allowance	3,152,170,298	3,261,651,942	2,044,601,483
Cash advances provided	2,008,928,743	1,823,364,660	1,276,352,378
Collections	(344,818,633)	(1,957,681,176)	-
(Provision for credit losses) /recovery	(359,287,712)	24,834,872	(59,301,919)
Total	4,456,992,696	3,152,170,298	3,261,651,942

A reconciliation of the allowance for credit losses at the beginning and end of the year is shown below.

	2025	2024	2023
Balance at beginning of year	420,102,787	444,937,659	385,635,740
Impairment losses during the year	359,287,712	6,199,959	59,301,919
Recovery	-	(31,034,831)	-
Total	779,390,499	420,102,787	444,937,659

The expected credit losses recognized is presented as part of Expected credit loss and impairment losses under Operating Expenses (see Note 22).

8990 HDC entered into an agreement with 8990 Commercial Management Corporation (8990 CMC), an entity owned by a major stockholder, wherein the investment property of the former will be used, managed and maintained by the latter. Any income generated by and any expenses related to the property shall be for the account of 8990 CMC (see Note 13).

The Group shoulders the administrative/accounting cost of certain other related parties at no cost.

28.2 Key Management Compensation

The key management personnel of the Group include all directors, executive, and members of senior management. The compensation and short-term benefits of key management personnel amounted to P53.9 million, P47.2 million and P36.0 million in 2025, 2024 and 2023, respectively (see Note 22). Post-employment benefits of key management personnel amounted to P1.6 million, P1.3 million and P0.9 million in 2025, 2024 and 2023, respectively.

29 COMMITMENTS, PROVISIONS AND CONTINGENCIES

29.1 Provisions and Contingencies

In the normal course of business, the Group is involved in various commitments wherein contingencies are also involved. In the opinion of the management, such contingencies will not have a material effect on the Group's consolidated financial statements. Nevertheless, there were certain provisions for probable losses in 2025, 2024 and 2023, respectively, that were recognized by the Group. Total provisions for probable losses recognized as at December 31, 2025, 2024 and 2023 amounted to P56.1 million, P56.1 million and P56.1 million and are presented as part of Others in Trade and Other Payables (see Note 15). The details of these provisions were not disclosed since these may prejudice the position of the Group.

29.2 Commitments

The 8990 Group and the related entities have a contractual commitment to be jointly and severally liable for all of their monetary obligations to a local bank as disclosed in Note 17.

30 EARNINGS PER SHARE

Basic EPS is calculated by dividing the net profit for the year after deducting preferred dividends by the weighted average number of common shares outstanding during the reporting period (adjusted for any stock dividends, if any).

The following table reflect the net profit and share data used in the basic/diluted EPS computations:

	2025	2024	2023
Net profit attributable to equity holders of 8990 Holdings, Inc.	P 4,790,383,142	P 5,426,972,069	P 6,884,536,038
Less: preferred dividends	-	-	(203,500,000)
Net profit after preferred dividends	P 4,790,383,142	P 5,426,972,069	P 6,681,036,038
Divided by weighted average number of common shares	5,289,673,945	5,326,598,535	5,391,399,020
Basic/diluted EPS	P 0.91	P 1.02	P 1.24

There were no potential dilutive common shares in 2025, 2024, and 2023.

31 NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

31.1 Supplemental Information on Non-cash Operating and Investing Activities

The following are the significant non-cash transactions of the Group:

(a) 2025

The inventories increased by P11.3 billion as a result of repossessions due to cancellations of sales (see Note 9).

(b) 2024

The Group recognized interest income from loans to a third party amounting to P 55.1 million, same amount was uncollected as at December 31, 2024 (see Note 8).

The inventories increased by P6.9 billion as a result of repossessions due to cancellations of sales (see Note 9).

(c) 2023

The Group recognized interest income from loans to a third party amounting to P 39.4 million, none was uncollected as at December 31, 2023 (see Note 8).

The inventories increased by P7.2 billion as a result of repossessions due to cancellations of sales (see Note 9).

31.2 Reconciliation of Liabilities Arising from Financing Activities

Presented below is the reconciliation of the Group’s liabilities arising from financing activities, which includes both cash and non-cash changes.

	Due to Related Parties (see Note 28)	Notes Payable (see Note 18)	Loans Payable (see Note 17)	Total
Balance at January 1, 2025	158,787,160	6,040,788,613	45,300,598,967	51,500,174,740
Cash flows from financing activities:				
Advances received	-	-	-	-
Advances settled	(37,149,159)	-	-	(37,149,159)
Loan availments	-	-	14,386,870,780	30,340,873,347
Loan repayments	-	(493,704,407)	(18,173,395,243)	(18,667,099,650)
Balance at December 31, 2025	121,638,001	5,547,084,206	41,514,074,504	47,182,796,711

	Due to Related Parties (see Note 28)	Notes Payable (see Note 18)	Loans Payable (see Note 17)	Total
Balance at January 1, 2024	272,567,480	6,500,000,000	35,518,552,565	42,291,120,044
Cash flows from financing activities:				
Advances received	-	-	-	-
Advances settled	(113,780,320)	-	-	(113,780,319)
Loan availments	-	-	30,340,873,347	30,340,873,347
Loan repayments	-	(459,211,387)	(20,558,826,945)	(21,018,038,332)
Balance at December 31, 2024	158,787,160	6,040,788,613	45,300,598,967	51,500,174,740

	Due to Related Parties (see Note 28)	Notes Payable (see Note 18)	Loans Payable (see Note 17)	Total
Balance at January 1, 2023	289,460,197	-	41,979,352,441	42,268,812,638
Cash flows from financing activities:				
Advances received	511,975	-	-	511,975
Advances settled	(17,404,692)	-	-	(17,404,692)
Loan availments	-	-	17,297,675,121	17,297,675,121
Loan repayments	-	-	(23,758,474,997)	(23,758,474,997)
Availment of notes	-	6,500,000,000	-	6,500,000,000
Balance at December 31, 2023	272,567,480	6,500,000,000	35,518,552,565	42,291,120,044

32 OTHER SIGNIFICANT MATTER

(a) Voluntary Delisting and Tender Offer

On July 16, 2025, the Board of Directors of 8990 Holdings, Inc. (the “Company”) approved the voluntary delisting of the Company’s common shares from the Philippine Stock Exchange (PSE), subject to the completion of the tender offer, attainment of the required ownership threshold, and approval of the shareholders.

On July 17, 2025, 8990 HDC announced its intention to acquire, through a tender offer, up to 11.04% of the Company’s outstanding common shares, representing the shares held by shareholders other than Iholdings, Inc., Kwantlen Development Corporation, Mariano D. Martinez, Luis N. Yu, Jr., and the directors of the Company (collectively referred to as the “Excluded Shares”). The tender offer price was set at P10.42 per common share.

On August 26, 2025, shareholders representing at least two-thirds (2/3) of the Company’s total outstanding common shares approved the voluntary delisting, with votes cast against the proposal not exceeding ten percent (10%) of the total outstanding common shares.

On August 29, 2025, the Company filed its Petition for Voluntary Delisting with the PSE. After complying with the PSE's Amended Voluntary Delisting Rules, the voluntary delisting became effective on October 31, 2025.

(b) Election of Directors

On August 26, 2025, the stockholders of the Company held a meeting during which, among other matters, the election of the members of the Board of Directors for 2025 was conducted.

The following individuals were nominated and duly elected as members of the Board of Directors:

- Mariano D. Martinez
- Anthony Vincent S. Sotto
- Luis N. Yu, Jr.
- Roan Buenaventura-Torregoza
- Raul Fortunato R. Rocha
- Ian Norman E. Dato
- Luis Michael R. Yu
- Manuel S. Delfin, Jr.
- Margarita B. Martinez
- Manuel C. Crisostomo
- Arlene C. Keh
- Gwen Lourdes Lim (Independent Director)
- Maria Paz I. Diokno (Independent Director)

The Nomination Committee confirmed that all nominees possess the required qualifications and none of the disqualifications for election as directors of the Company. It further confirmed that Ms. Gwen Lourdes Lim and Ms. Maria Paz I. Diokno meet all the requirements for election as independent directors.