



JOLLIVILLE HOLDINGS CORPORATION

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO: ALL STOCKHOLDERS

NOTICE is hereby given that there will be an annual meeting of the stockholders of Jollville Holdings Corporation ("Corporation") on **11 June 2026, Thursday**, at **3:00 o'clock** in the afternoon at 4th Floor 20 Lansbergh Place, 170 Tomas Morato cor. Scout Castor St., Quezon City, for the purpose of taking up the following:

AGENDA

- 1. Call to Order**
To formally commence the Annual Stockholders' Meeting.
- 2. Proof of Notice**
To certify that notices were duly sent to stockholders.
- 3. Determination of Quorum**
To determine that a quorum exists.
- 4. Approval of the Minutes of Last Year's Annual Stockholders' Meeting**
To seek stockholders' approval of the minutes of meeting held on 26 June 2025.
- 5. Report of the Chairman**
The Chairman presents the overall status and significant matters during the past year.
- 6. Presentation of the Chief Finance Officer**
To present the Company's operational and financial performance for the year ended 31 December 2025.
- 7. Approval of the Audited Financial Statements as of 31 December 2025**
To seek stockholders' approval of the audited financial statements.
- 8. Election of the Board of Directors for 2026**
To elect the members of the Board who shall serve for the ensuing year and until their successors are duly elected and qualified.
- 9. Ratification of Acts of the Board of Directors and Management**
To seek ratification of all acts and resolutions of the Board and Management undertaken in the ordinary course of business in the preceding year.
- 10. Appointment of External Auditor**
To approve the appointment of the external auditor for fiscal year 2026.
- 11. Other Matters**
Stockholders may raise other matters for discussion, subject to the discretion of the Chairman.
- 12. Adjournment**
To formally adjourn the meeting

In accordance with the rules of the Philippine Stock Exchange, the close of business on **11 May 2026** has been fixed as the record date for the determination of the stockholders entitled to notice of and vote at said meeting and any adjournment thereof.

The meeting will be conducted at the Company's principal office and stockholders may join the meeting and/or cast their votes *in absentia* by e-mailing corporatesecretary@joh.ph until **10 June 2026** at 5:00 p.m. All stockholders who will not, are unable, or do not expect to join the meeting are encouraged to fill out, sign and send a proxy to the Company by e-mailing to the Secretary's email address provided above. All proxies should be received by the Company **at least five (5) business days** before the meeting, or on or before **04 June 2026**. Proxies submitted will be validated by a Committee of Inspectors on **05 June 2026** at 10:00 o'clock in the morning at the 4th Floor, 20 Lansbergh Place, 170 Tomas Morato Avenue corner Scout Castor Street, Quezon City. For corporate stockholders, the proxies should be accompanied by a Corporate Secretary's Certification on the appointment of the corporation's authorized signatory.

To avoid inconvenience in registering your attendance at the meeting, you or your proxy is requested to present via email valid digital identification card containing a photograph and signature, e.g. passport, driver's license, SSS UMID card, voter's ID, or PRC I.D.

City of Quezon, 06 May 2026.



ANNA FRANCESCA C. RESPICIO
Corporate Secretary

PROXY FORM

The undersigned stockholder of JOLLIVILLE HOLDINGS CORPORATION (the "Corporation") hereby appoints or in his absence, the Chairman of the meeting, as attorney and proxy, with power of substitution, to represent and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Meeting of Stockholders of the Corporation on 11 June 2026 and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Election of Directors.

___ 1.1. Vote for all nominees listed below:

- 1.1.1. Jolly L. Ting
- 1.1.2. Nanette T. Ongcarranceja
- 1.1.3. Ortrud T. Yao
- 1.1.4. Rodolfo L. See
- 1.1.5. Dexter E. Quintana
- 1.1.6. Herminio B. Coloma Jr. (Independent Director)
- 1.1.7. Ernesto S. Isla (Independent Director)

___ 1.2. Withhold authority for all nominees listed above

___ 1.3 Withhold authority to vote for the nominees listed below:

2. Approval of minutes of previous Annual Stockholders' Meeting.

___ Yes ___ No ___ Abstain

3. Approval of the President's 2025 Annual Report with the Audited Financial Statements.

___ Yes ___ No ___ Abstain

4. Ratification of all acts and resolutions of the Board of Directors and Management from date of last Stockholders' Meeting to 11 June 2026.

___ Yes ___ No ___ Abstain

5. Appointment of Reyes Tacandong & Co. as external auditor.

___ Yes ___ No ___ Abstain

6. At their discretion, the proxies named above are authorized to vote upon such other matters as may be properly come before the meeting.

___ Yes ___ No ___ Abstain

Printed Name of Stockholder

Signature of Stockholder/
Authorized Signatory

Date

SECRETARY'S CERTIFICATE

I, _____, Filipino, of legal age and with office address at _____, do hereby certify that:

1. I am the duly elected and qualified Corporate Secretary of _____ (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 _____;
2. Based on the records, during the lawfully convened meeting of the Board of Directors of the Corporation held on _____, the following resolution was passed and approved:

"RESOLVED, that _____ be authorized and appointed, as he is hereby authorized and appointed, as the Corporation's Proxy (the "Proxy") to attend all meetings of the stockholders of Jolliville Holdings Corporation ("Jolliville") whether the meeting is regular or special, or at any meeting postponed or adjourned therefrom, with full authority to vote the shares of stock of the Corporation held in Jolliville and to act upon all matters and resolution that may come before or presented during meetings, or any adjournments thereof, in the name, place and stead of the Corporation.

"RESOLVED, FINALLY, that Jolliville be furnished with a certified copy of this resolution and Jolliville may rely on the continuing validity of this resolution until receipt of written notice of its revocation."

3. The foregoing resolution has not been modified, amended or revoked in accordance with the records of the Corporation presently in my custody.

IN WITNESS WHEREOF, I have signed this instrument in on _____.

Printed Name and Signature of the
Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME on _____ in _____ Affiant exhibited to me his Competent Evidence of Identity by way of _____ issued on _____ at _____.

Doc. No. ____;
Page No. ____;
Book No. ____;
Series of 2026.

THIS SECRETARY'S CERTIFICATE SHOULD BE ATTACHED TO PROXY FORMS SUBMITTED BY CORPORATE STOCKHOLDERS.

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

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

1. Check the appropriate box
[] Preliminary Information Statement
[X] **Definitive Information Statement**
2. Name of Registrant as specified in its charter: JOLLIVILLE HOLDINGS CORPORATION
3. Province, country or other jurisdiction of incorporation or organization: Metro Manila, Philippines
4. SEC Identification Number: 134800
5. BIR Tax Identification Number: 000-590-608-000
6. Address of principal office: 20 Lansbergh Place, 170 Tomas Morato Ave., corner Scout Castor St., Quezon City 1103
7. Registrant's telephone number, including area code: (632) 8373-3038
8. Date, time, and place of the meeting of security holders:
- Date : **11 June 2026 (Thursday)**
Time : **3:00 P.M.**
Venue : **20 Lansbergh Place, 170 Tomas Morato Ave., corner Scout St., Quezon City 1103**
9. Approximate date on which the Information Statement is to be sent or given to security holders: 20 May 2026

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):

Shares of Stock as of May 06, 2026

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Stock, ₱1.00 par value	281,500,000

11. Are any or all of Registrant's securities listed on a Stock Exchange?
[X] Yes [] No

If so, disclose name of the Exchange: Philippine Stock Exchange
Class of securities listed: Common Shares

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

PART I.
INFORMATION REQUIRED IN THE INFORMATION STATEMENT
A. GENERAL INFORMATION

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

Date : 11 June 2026
Time : 3:00 P.M.
Place : 4th Floor 20 Lansbergh Place
170 Tomas Morato Ave. cor. Scout Castor St.,
Quezon City
Principal: 4th Floor 20 Lansbergh Place
Office 170 Tomas Morato Ave. cor. Scout Castor St.,
Quezon City

The approximate date on which the information statement and proxy form will be sent to all shareholders is on **20 May 2026**.

Item 2. Dissenter's Right of Appraisal

The stockholders of the Company may exercise the right of appraisal with respect to the actions to be taken up at the meeting pursuant to Sections 41 and 80 governing the exercise of Appraisal Rights under the Revised Corporation Code of the Philippines which states that:

Any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

1. In case any 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 terms 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 investment of funds by the Company in any other corporation or business or for any purpose other than the primary purpose for which the Company was organized; and
4. In case of merger or consolidation.

However, there are no matters to be presented for approval by the stockholders at the meeting that may give rise to the exercise of appraisal rights.

“SECTION 81. How Right is Exercised. — The dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the corporation for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken: Provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholder's shares, the fair value thereof as of the day

before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If, within sixty (60) days from the date the approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: Provided, That no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: Provided, further, That upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer the shares to the corporation.”

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

There is no substantial interest, direct or indirect, by security holdings or otherwise, of any director or officer of the Company, any nominee or associate thereof, in any matter to be acted upon, other than elections to office.

The Board of Directors of the Company is not aware of any party who has indicated an intention to oppose the motions set forth in the Agenda.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

As of April 24, 2026, there were 281,500,000 shares of Jolliville Holdings Corporation common stock outstanding and entitled to vote at the Annual Stockholders’ Meeting. Out of the aforesaid outstanding common shares, 1,742,183 common shares are held by foreigners. Each share is entitled to one vote. Only holders of the Company’s stock of record at the close of business on 11 May 2026 acting in person or by proxy on the day of the meeting are entitled to notice and to vote at the Annual Stockholders’ Meeting to be held on 11 June 2026. The record date was set ten (10) business days from the actual date of the Company’s disclosure of the notice to the Philippine Stock Exchange (PSE).

Cumulative voting is allowed for election of the members of the Board of Directors. Each stockholder may vote the number of shares of stock outstanding in his own name as of the record date of the meeting 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 on the same principle among as many candidates as he shall see fit; provided that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected and provided, however, that no delinquent stock shall be voted.

a. Security Ownership of Certain Record and Beneficial Owners

The following table presents the record/beneficial owners known to the Company who in person or as group own more than five percent (5%) of the issued and outstanding capital stock of the Company as of May 06, 2026.

TITLE OF CLASS OF SHARES HELD	NAME, ADDRESS OF RECORD OWNER AND RELATIONSHIP WITH ISSUER	NAME OF BENEFICIAL OWNER AND RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NO. OF SHARES HELD	PERCENT HELD
Common	Elgeete Holdings, Inc. 4/F 20 Lansbergh Place, 170 Tomas Morato Ave. cor. Sct. Castor St., Quezon. City. Stockholder	See Footnote 1	Filipino	125,783,791	44.68%
Common	PCD Nominee Corporation 6764 Ayala Avenue, Legaspi Village, Makati City No relationship	See Footnote 2	Filipino	59,641,817	21.19%
Common	Myron Ventures, Inc. 357 Quezon Avenue, Quezon City Stockholder	See Footnote 3	Filipino	18,000,000	6.39%

¹ Elgeete Holdings, Inc. is a private holding company, majority-owned and controlled by members of the Ting Family. Mr. Jolly L. Ting, the single largest stockholder among the Ting Family in this company, exercises the voting power over the shares.

² PCD Nominee Corporation is a wholly owned subsidiary of the Philippine Central Depository Inc., a private company organized to implement an automated book entry system of handling securities transactions in the Philippines.

³ Myron Ventures Corp. is a domestic corporation duly registered with the Securities and Exchange Commission.

b. Security Ownership of Management

As of May 06, 2026, the shares owned of record or beneficially by the directors and the executive officers are as follows:

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	CITIZENSHIP	PERCENT OF CLASS
Common	Jolly L. Ting	959,999 (direct)	Filipino	0.34%
Common	Jolly L. Ting	21,280,175 (indirect)	Filipino	7.56%
Common	Rodolfo L. See	5,994,000 (direct)	Filipino	2.13%
Common	Nanette T. Ongcarranceja	500,001 (direct)	Filipino	0.18%
Common	Nanette T. Ongcarranceja	9,366,278 (indirect)	Filipino	3.33%
Common	Ortrud T. Yao	1,000,001 (direct)	Filipino	0.36%
Common	Ortrud T. Yao	9,181,491 (indirect)	Filipino	3.26%
Common	Dexter E. Quintana	854,001 (direct)	Filipino	0.30%
Common	Sergio R. Ortiz-Luis Jr.	1,000 (direct)	Filipino	0.00%
Common	Hermínio B. Coloma Jr.	1,000 (direct)	Filipino	0.00%
Common	Ernesto S. Isla	2 (direct)	Filipino	0.00%
Common	Anna Francesca C. Respicio	Nil	Filipino	0.00%

Directors and officers as a group hold a total of 49,137,946 shares equivalent to 17.45% of Jolliville Holdings Corporation's issued and outstanding capital stock. Mr. Jolly L. Ting owns indirectly more than 5% shares of the Company's total outstanding capital stock.

c. Voting Trust Holders of 5% or more

No person holds 5% or more of the issued and outstanding shares of the Company under a voting trust or similar agreement.

d. Changes in Control

There has been no arrangement, which may result in a change in the control of JOH as a parent 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

a. Directors and Principal Officers

The Company's Board of Directors is responsible for the overall management and direction of the Company. The Board meets regularly on a monthly basis, or as often as required, to review and monitor the Company's financial position and operations.

The directors of the Company are elected at the Annual Stockholders' Meeting to hold office for one (1) year and until their respective successors have been elected and qualified.

None of the members of the Board of Directors and Officers of the Company own directly more than 5% of Jolliville Holdings Corporation's shares.

Listed below are the Directors and Principal Officers of the Company as of May 06, 2026 with their qualifications and credentials. There are no other such directors and Principal officers.

Name	Positions Held	Company/Organization
<p>JOLLY L. TING 80, Filipino Bachelor of Science in Business Administration, University of the East</p>	<p>Present:</p> <ul style="list-style-type: none"> ○ Chairman (since March 21, 2011) ○ Chairman (since July 9, 2010) ○ Founder, Chairman, CEO (since April 3, 1999) ○ Chairman (since April 26, 2002) ○ Chairman (since April 26, 2002) ○ Chairman (since May 19, 2009) ○ Chairman (since July 19, 1992) ○ Chairman (since April 7, 1990) ○ Chairman (since 1997) <p>Previous:</p> <ul style="list-style-type: none"> ○ Chairman, CEO (April 2010 to May 2018) ○ President (January 2009 to April 2010) ○ President (1991-1992) ○ Director, Treasurer (1994-1997) ○ Chairman, (2002-2011) 	<p>Ormin Power, Inc.</p> <p>Ormin Holdings Corporation Jolliville Holdings Corporation</p> <p>Jolliville Group Management, Inc. Ormina Realty & Development Corp.</p> <p>Servwell BPO Internationa Inc. Jolliville Leisure and Resort Corporation</p> <p>Jollideal Marketing Corporation Calapan Waterworks Corporation</p> <p>Philippine H2O Ventures Corp.*</p> <p>Philippine H2O Ventures Corp</p> <p>Rotary Club University District, Manila</p> <p>Rotary Club University District, Manila Uptrend Concepts Management Corp.</p>
<p>NANETTE T. ONGCARRANCEJA 52, Filipino Fine Arts Advertising Studies, College of the Holy Spirit</p> <p>Advanced Courses, Columbia College Vancouver Community College Kwantlen University</p>	<p>Present:</p> <ul style="list-style-type: none"> ○ Director (since April 19, 1999) ○ President, Director (since October 26, 2000) ○ Vice President (since April 5, 2008) ○ Director (since November 6, 2000) ○ Director (since August 17, 1999) ○ Director (since November 9, 2000) ○ President (since July 9, 2010) ○ Secretary, Treasurer (since January 6, 2005) ○ Chief Operating Officer (since June 25, 2014) ○ Chairman (May 2022-present) <p>Previous:</p> <ul style="list-style-type: none"> ○ President (Sept. 2004 – May 2018) 	<p>Jolliville Holdings Corporation Jolliville Holdings Corporation</p> <p>Jolliville Group Management, Inc. Jollideal Marketing Corporation</p> <p>Jollideal Marketing Corporation Ormin Holdings Corporation</p> <p>Ormin Holdings Corporation Vitanutrition Incorporated</p> <p>Jolliville Holdings Corporation</p> <p>Rural Bank of Roxas (Or. Min.) Inc</p> <p>Philippine H2O Ventures Corp.*</p>

	<ul style="list-style-type: none"> ○ Secretary, Director (January 2009 – April 2010) ○ Vice President (July 2001 - September 2004) ○ Secretary, Treasurer (April 1999 – July 2001) ○ Asst. Secretary (March – April 1999) ○ Treasurer (November 6, 2000 – April 4, 2008) ○ Treasurer (August 2010) ○ Chairman (January 2013) 	<p>Calapan Ventures, Inc.</p> <p>Jolliville Holdings Corporation</p> <p>Jolliville Holdings Corporation</p> <p>Jolliville Holdings Corporation</p> <p>Jollideal Marketing Corporation</p> <p>Ormin Power, Inc.</p> <p>Rural Bank of Roxas (Or. Min.) Inc</p>
<p>ORTRUD T. YAO 48, Filipino Honors, Bachelor of Commerce, Major in Finance, University of British Columbia</p>	<p>Present:</p> <ul style="list-style-type: none"> ○ Asst. Secretary, Treasurer, CFO (since July 20, 2001) ○ Secretary, Treasurer, Director (since September 28, 2005) ○ Secretary, Treasurer (since July 9, 2010) ○ Director (since June 9, 2006) ○ Secretary, Director (since January 12, 2004) ○ President, Director (since March 30, 1999) ○ Secretary, Director (since March 26, 1999) ○ Secretary, Treasurer (since March 19, 2001) ○ Vice-President for Finance, Secretary (since August 2010) ○ President, Director (since January 6, 2005) <p>Previous:</p> <ul style="list-style-type: none"> ○ Director, Treasurer, CFO (January 2009 – May 2018) ○ Secretary (April 2010 – May 2018) ○ Chief Compliance Officer (2001 – 2017) ○ President (June 9, 2006 – July 8, 2010) ○ President (October 2012 – June 2, 2020) 	<p>Jolliville Holdings Corporation</p> <p>Calapan Waterworks Corporation</p> <p>Ormin Holdings Corporation</p> <p>Ormin Holdings Corporation</p> <p>Kenly Resources, Inc.</p> <p>Oltru Holdings Corp.</p> <p>A-net Resources Corp.</p> <p>Granville Ventures, Inc.</p> <p>Ormin Power, Inc.</p> <p>Vitanutrition Incorporated</p> <p>Philippine H2O Ventures Corp.*</p> <p>Philippine H2O Ventures Corp.</p> <p>Jolliville Holdings Corporation</p> <p>Ormin Holdings Corporation</p> <p>Rural Bank of Roxas (Or. Min.) Inc.</p>
<p>ANNA FRANCESCA C. RESPICIO 40, Filipino</p> <p>Juris Doctor, Ateneo Law School, 2011</p>	<p>Present:</p> <ul style="list-style-type: none"> ○ Corporate Secretary (since 2014) ○ Corporate Secretary (since 2018) ○ Corporate Secretary (since 2013) ○ Corporate Secretary (since 2018) ○ Director (since 2020); Corporate Secretary (since 2017) ○ Corporate Secretary (since 2020) 	<p>Jolliville Holdings Corporation</p> <p>Discovery World Corporation</p> <p>I-Remit, Inc.</p> <p>Sterling Bank of Asia, Inc.</p> <p>First Abacus Financial Holdings Corporation*</p>

<p>AB Philosophy, Ateneo de Manila University, 2007</p>	<ul style="list-style-type: none"> ○ Corporate Secretary (since 2020) ○ Corporate Secretary (since 2020) ○ Corporate Secretary (since 2020) ○ Partner (since 2021) 	<p>Tagaytay Highlands International Golf Club Inc. Tagaytay Midlands Golf Club, Inc. The Country Club at Tagaytay Highlands, Inc. The Spa and Lodge at Tagaytay Highlands Inc. Tan Venturanza Valdez</p>
<p>RODOLFO L. SEE 84, Filipino Bachelor of Science in Business Administration, Far Eastern University</p>	<p>Present:</p> <ul style="list-style-type: none"> ○ Director (since August 18, 2004) ○ Chairman, President (since 1980) ○ Chairman, President (since 1974) ○ Owner (since 1982) <p>Previous: Director (January 2009 – May 2018)</p>	<p>Jollville Holdings Corporation Gold Prize Food Manufacturing Corp. Gold Medal Food Manufacturing Corp. International Food Snack Corp. (Exporter of locally produced dried fruit products)</p> <p>Philippine H2O Ventures Corp.*</p>
<p>SERGIO ORTIZ-LUIS JR. 83, Filipino Bachelor of Science in Business Administration Master of Business Administration (Candidate) De La Salle University</p> <p>PhD Humanities hc Central Luzon State University</p> <p>PhD Business Technology hc Eulogio “Amang” Rodriguez Institute of Science and Technology</p>	<p>Present:</p> <ul style="list-style-type: none"> ○ Director (since 2018) ○ Chairman of the Board (since 2018) ○ Chairman of the Board (since 2017) ○ Independent Director (since 2017) ○ Vice Chairman / Director (since 2016) ○ Director (since 2015) ○ President (since 2015) ○ Trustee / Treasurer (since 2015) ○ Chairman (since 2015) ○ Independent Director (since 2014) ○ Director / Past President (since 2013) ○ Honorary Chairman / Treasurer (since 2013) ○ Director (since 2012) ○ Director (since 2012) ○ Director (since 2012) ○ Chairman of the Board (since 2009) ○ Vice Chairman (since 2008) ○ Chairman (since 2019) ○ Honorary Chairman (since 2008) 	<p>Drug Abuse Resistance Education (DARE) Philippines Country Garden Agri-Tourism Dev't. Inc. Manila Waterfront City</p> <p>SPC Power Corporation*</p> <p>VC Securities Corp.</p> <p>LikeCash Asia & The Pacific Corporation Asia Pacific Chinese Media Inc. Human Resources Development Foundation National Center for Mediation Jollville Holdings Corporation</p> <p>Philippine Foundation Inc. (Team Phil.) Philippine Chamber of Commerce & Industry Philippine Estate Corporation* BA Securities International Chamber of Commerce of the Phil. Philippine International Airways</p> <p>Alliance Global, Inc. Waterfront Philippines, Inc.* Integrated Concepts & Solutions Inc.</p>

	<ul style="list-style-type: none"> ○ Director (since 2008) ○ Director (since 2018) ○ Director (since 2008) ○ Director (since 2000) ○ Director (since 1997) ○ Founding Director (since 1995) ○ President (since 1991) ○ Honorary Chairman / Past President (since 1991) ○ Member (since 1989) ○ Member / Past President (since 1988) ○ Director (since 1981) Previous: ○ Director (2014 – 2018) 	<p>The Wellex Group Acesite Hotel Philippines Inc.* Forum Pacific, Inc. (FPI, Philippines)* Lasaltech Academy Manila Exposition Complex, Inc. (World Trade Ctr.) GSI (Formerly Philippine Article Numbering Council) Philippine Exporters Confederation Inc. Employers Confederation of the Philippines Philippine Jaycee Senate Rotary Club of Green Meadows</p> <p>Rural Bank of Baguio</p> <p>Philippine H2O Ventures Corp.*</p>
<p>HERMINIO B. COLOMA JR. 72, Filipino Doctor of Philosophy Southeast Asian Inter-Disciplinary Development Institute, 2009</p> <p>Master in Business Management Asian Institute of Management, 1978</p> <p>Bachelor of Arts University of the Philippines, 1973</p>	<p>Present:</p> <ul style="list-style-type: none"> ○ Executive Vice President (since September 2016) ○ Chairman (since 2019) ○ Independent Director (since July 2021) Previous: ○ Secretary (July 2010 – June 2016) ○ Undersecretary (July 1998 – April 2000) ○ Head, Presidential Management Staff (December 1990 – July 1991) ○ Deputy Executive Secretary (December 1990 – July 1991) ○ Undersecretary (December 1989 – December 1990) ○ Undersecretary (September 1989 – November 1989) ○ President (1996 – 1998) ○ Associate Professor (June 1988 – August 2016) ○ Vice President (March 1974 – September 1978) ○ Director and Division President (2006 – 2008) 	<p>Manila Bulletin Publishing Corporation People Management Association of the Philippines (PMAP) Foundation Jolliville Holdings Corporation</p> <p>Presidential Communication Operations Office (PCOO), Office of the President of the Philippines Department of Transportation and Communications (DOTC) Office of the President of the Philippines</p> <p>Office of the President of the Philippines Department of Transportation and Communications (DOTC) Department of Agrarian Reform</p> <p>Pamantasan ng Makati Asian Institute of Management</p> <p>Far East Bank and Trust Company Transnational Diversified Group, Inc.</p>
<p>DEXTER E. QUINTANA 74, Filipino</p>	<p>Present:</p> <ul style="list-style-type: none"> ○ Member (since 2015) 	<p>Management Association of the Phil.</p>

<p>Masters in Business Administration, Graduate School of Business, University of the Philippines</p>	<ul style="list-style-type: none"> o Member (since 2014) o President, Director (since 2015) o Director (since 2012) o Chairman, Board of Trustees (since 2011) o President (since 2008) o Director (since 2002) o Member (since 2004) o Member (since 2000) o Member / Past President (since 1987) o Life Member / Past Director (since 1987) <p>Previous:</p> <ul style="list-style-type: none"> o Independent Director (2008 – 2020) 	<p>Regional Ambassador Club of Manila Makati Sports Club Eagle Ridge Hotel Corporation Bamboo Network of the Philippines Strategic Partners Alliance Inc. Jolliville Holdings Corporation Palms Country Club Club Punta Fuego Rotary Club University District, Market Central Financial Executives Institute of the Phil.</p> <p>Jolliville Holdings Corporation</p>
<p>ERNESTO S. ISLA 76, Filipino Bachelor of Science in Architecture, University of Sto. Tomas</p>	<p>Present:</p> <ul style="list-style-type: none"> o President and CEO (since 1972) o Corporate Officer/Principal (since 2009) o Corporate Officer/Principal (since 2009) o Director/Chairman (since 2012) o Governor (since 2014) o Vice-President/Trustee (since 2006) <p>Previous:</p> <ul style="list-style-type: none"> o President and CEO (1997-2009) o Independent Director (2009-2018) o Independent Director (2008-2014) o President (1999-2001) o President and CEO (1994-1997) o Director (2003-2007) 	<p>E.I. Constuction Co., Inc. Rotary International District 3780</p> <p>Rotary Club of Kamuning East</p> <p>PRC Quezon City Chapter National Red Cross Kapihan sa Club, Inc.</p> <p>Business Information Technology Systems (Bitech Systems) Phil., Inc. PH Resort Group Holdings, Inc.* Jolliville Holdings Corporation APO Production Unit, Inc. Troikapital Management, Inc. Timpla Corporation</p>
<p>LESLEY NORREEN L. GO 43, Filipino Bachelor of Laws San Beda College</p> <p>Bachelor of Science and Commerce Major in Marketing Management College of the Holy Spirit</p>	<p>Present:</p> <ul style="list-style-type: none"> o Compliance Officer (since June 2023) o Vice President for Legal (since October 2022) o Assistant Corporate Secretary (since 2024) o Assistant Corporate Secretary (since 2023) o Corporate Secretary (since 2024) o Corporate Secretary (since 2024) o Director (since 2012) o Director and Corporate Secretary (since 2024) o Director and Corporate Secretary (since 2024) 	<p>Jolliville Holdings Corporation</p> <p>Jolliville Group Management, Inc.</p> <p>Jolliville Leisure & Resort Corporation Cometa Resources Corporation</p> <p>Pizzaville, Inc. Eagle Ridge Hotel Corporation Sentinel Security Agency SFHB, Inc.</p> <p>Savore Zeta, Inc.</p>

	Previous: Corporate Secretary (2014 – 2016)	Buildnet Construction, Inc.
--	---	-----------------------------

**directorship held in other reporting companies*

No one from the above listed Directors and Senior Officers is related or connected with any government units or its instrumentalities. A copy of the Secretary's certificate is attached as Annex "E".

b. Family Relationships

Mrs. Nanette T. Ongcarranceja and Mrs. Ortrud T. Yao are siblings, and they are all children of Mr. Jolly L. Ting. Other than the ones disclosed, there are no other family relationships known to the Company.

c. Independent Directors

Previously, the Company has adopted the rules on the term limits of Independent Directors under the New Code of Corporate Governance (“New CG Code”). Independent Directors are allowed to serve for a cumulative term of nine (9) years, with or without the cooling-off period. After which, the independent director should be perpetually barred from re-election as such in the same company, but may continue to qualify for nomination and election as a non-independent director. Reckoning of the cumulative nine-year term is from 2012, in connection with SEC Memorandum Circular No. 9, Series of 2011 and SEC Memorandum Circular No. 4 Series of 2017.

In the instance that the Company wants to retain an Independent Director who has served for nine (9) years, the Board shall provide meritorious justification/s and seek shareholders’ approval during the annual shareholders’ meeting.

On 26 January 2026, the SEC issued memorandum Circular No. 7, series of 2026, which provides for the term limits of Independent Directors. Under this Circular, and Independent Director may serve for a maximum term of nine (9) years in the Company. Upon reaching this limit, the Independent Director is permanently disqualified from re-election as an Independent Director of the same company. However, such individual may still be elected as a non-independent director, without any prescribed cooling-off period.

The Circular took effect on 01 February 2026. Notably, incumbent Independent Directors who have already reached the maximum cumulative terms as of such date are allowed to continue serving only until the company’s 2026 ASM.

In compliance with the SEC Memorandum Circular No. 7, series of 2026, the Company hereby ceased the term of Mr. Sergio Ortiz-Luis Jr. as one of the Independent Directors. Having reached the nine-year cap, Mr. Ortiz-Luiz Jr. is only allowed to serve only until June 11, 2026, and is perpetually barred from re-election as an Independent Director but remains eligible for election as a regular director.

The nominees for independent directors have certified that they possess all the qualifications and does not possess any disqualifications as provided in the Securities Regulation Code (SRC). The Certifications are attached hereto as Annexes “D” and “D-1”.

d. Significant Employees

Other than the aforementioned Directors and Senior Officers identified in the item on Directors and Senior Officers in this Information Statement, there are no other significant employees. The Company’s success and growth depends in no small measure to the continued service of its Founder, Chairman and Chief Executive Officer, Mr. Jolly Lim Ting. His vision and strategic plans have allowed the Company and the Group to grow to where it is now. While Mr. Ting continues to provide the strategic direction to the Group, he has put to work in the business his children as well as some professional managers to add depth to his management team.

e. Pending Legal Proceedings

The Corporation has no knowledge of any event during the past five (5) years up to the latest filing date, where any of its directors or executive officers had been or are currently involved in any criminal or bankruptcy proceedings or subject of any order or judgment of any court or quasi-judicial agency, whether local or foreign, effecting his/her involvement in business, securities, commodities or banking activities.

f. Certain Relationships and Related Transactions

In the regular course of trade or business, the Company enters into transactions with its major shareholders and its affiliates/related companies principally consisting of management fees, leasing agreements and cash advances. Generally, management and leasing arrangements are renewed on an annual basis and are based on terms similar to those offered to non-related parties.

g. Elections of Directors

The directors of the Company are elected at the Annual Stockholders' Meeting to hold office for one (1) year and until their respective successors have been elected and qualified.

The incumbent directors on the Corporate Governance Committee are Mr. Sergio R. Ortiz-Luis Jr. and Mr. Dexter E. Quintana. The chairperson is Independent Director, Mr. Ortiz - Luis Jr.

The nominees are submitted to and pre-screened by the Nominations Committee of the Corporation. Their particulars and qualifications had already been enumerated and given earlier in this Information Statement. The Company has no reason to believe that any of the aforesaid nominees will be unwilling or unable to serve if elected as a director.

As required under SRC Rule 38 and as ratified for inclusion in the Corporation's By-Laws by the stockholders in its meeting held 24 November 2010 (the amended By-Laws was approved by the SEC on 23 December 2009), the following criteria and guidelines shall be observed in the nomination and election of independent directors:

A. Definition

1. As used in Section 38 of the Code, independent director means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any covered company and includes, among others, any person who:
 - a. Is not a director or officer of the covered company or of its related companies or any of its substantial shareholders except when the same shall be an independent director of any of the foregoing;
 - b. Does not own more than two percent (2%) of the shares of the covered company and/or its related companies or any of its substantial shareholders;
 - c. Is not related to any director, officer or substantial shareholder of the covered company, any of its related companies or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
 - d. Is not acting as a nominee or representative of any director or substantial shareholder of the covered company, and/or any of its related companies and/or any of its substantial shareholders, pursuant to a Deed of Trust or under any contract or arrangement;
 - e. Has not been employed in any executive capacity by the covered company and/or of its related companies and/or any of its substantial shareholders within the last two (2) years;
 - f. Is not retained, either personally or through his firm or any similar entity, as professional adviser, by that covered company, any of its related companies and/or any of its substantial shareholders, within the last two (2) years;

- g. Has not engaged and does not engage in any transaction with the covered company and/or with any of its related companies and/or with any of its substantial shareholders, whether by himself and/or with other persons and/or through a firm of which he is a partner and/or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms-length and are immaterial.

No person convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of this Code, committed within five (5) years prior to the date of his election, shall qualify as an independent director. This is without prejudice to other disqualifications which the covered company's Manual on Corporate Governance provides.

Any controversy or issue arising from the selection, nomination or election of independent directors shall be resolved by the Commission by appointing independent directors from the list of nominees submitted by the stockholders.

When used in relation to a company subject to the requirements of this Rule and Section 38 of the Code:

- a. **Related company** means another company which is: (a) its parent company, (b) its subsidiary, or (c) a subsidiary of its parent company; and
- b. **Substantial shareholder** means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.

B. Qualifications

- a. Must be the holder of at least one share of the stock of the Corporation;
- b. College graduate or has sufficient management experience to compensate for lack of formal education or has been engaged or exposed to the business of the corporation for at least five (5) years;
- c. Of legal age;
- d. Possesses integrity and probity; and
- e. Assiduous.

C. Disqualifications

- a. Falls under Section II (5) of the Code of Corporate Governance;
- b. Becomes an employee;
- c. Beneficial ownership exceeds two percent (2%);
- d. Absent in meetings up to 50%; and
- e. Others as per Corporate Governance Manual.

D. Nominations

- a. The Corporate Governance Committee conducts nominations prior to the Annual Stockholders' Meeting.
- b. The Corporate Governance Committee solicits candidates for independent director. All recommendations are signed by the nominating shareholder together with acceptance and conformity by the prospective nominee.
- c. The Corporate Governance Committee pre-screens candidates whether they meet the requirements as an independent director per criteria mentioned above, general guidelines in the Corporate Governance Manual, Articles of Incorporation, By-Laws

and perceived needs of the Board of Directors and the Corporation such as, but not limited to:

- a. Nature of business of corporations which he is a director of;
 - b. Age;
 - c. No. of directorships/active memberships/officer in other corporations and organizations;
 - d. Possible conflict of interest.
- d. The Corporate Governance Committee shall prepare a list of all candidates and evaluate based on the above-listed required qualifications to enable it to effectively review the qualifications of the nominees for independent director.
- e. After the nomination, the Committee shall prepare a final list of candidates which shall contain all the information about the nominees for independent director, as required under Part IV (A) and (C) of Annex C of SRC Rule 12, which list, shall be made available to the SEC and to all shareholders through the filing and distribution of the Information Statement or Proxy Statement, in accordance with SRC Rule 20, or in such other reports the company is required to submit to the SEC.

The name of the person or group who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee.

- f. Only nominees on the final list of candidates will be eligible for election. No other nominees shall be entertained after the final list is prepared. No further nomination will be allowed during the annual stockholders' meeting.

Election

1. Except as those required under the Rule and subject to pertinent existing laws, rules and regulations of the Commission, the conduct of the election of independent directors shall be made in accordance with the standard election procedures of the company or its by-laws.
2. It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the stockholders' meeting.
3. Specific slots for independent directors shall not be filled-up by unqualified nominees.
4. In case of failure of election for independent directors, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy.

In case of resignation, disqualification or cessation of independent directorship, the vacancy shall be filled by the stockholders during next annual stockholders' meeting or in a special stockholders' meeting called for the purpose, in accordance with Section 22 of the Revised Corporation Code. An independent director so elected to fill a vacancy in a special stockholders meeting shall serve only for the unexpired term of his predecessor in office.

The following nominees, as submitted to and pre-screened by the Corporate Governance Committee of the Corporation, qualify as independent director:

1. Mr. Ernesto S. Isla
2. Mr. Herminio B. Coloma

The name of the person who recommended Mr. Coloma is his colleague, Mr. Dexter E. Quintana. Meanwhile, Mr. Isla was nominated by Mrs. Nanette T. Ongcarranceja. Mr. Quintana and Mrs. Ongcarranceja are not related by consanguinity or affinity to either of the nominated independent directors.

Item 6. Compensation of Directors and Executive Officers

Compensation of directors and executive officers are carried in the books of parent company and operating subsidiaries.

- a. Standard Arrangements. All the executive officers receive a fixed monthly remuneration and year-end bonus while the other directors, including the two (2) independent directors, receive a per diem of ₱8,000 per board/committee meeting.
- b. Other Arrangements. The Company has no other arrangement with regard to the remuneration of its existing directors and officers aside from the compensation received as above stated.

SUMMARY COMPENSATION TABLE

Annual Compensation

(a)	(b)	(c)	(d)	(e)
Name and Principal Position	Year	Salary	Bonus	Others
A Jolly L. Ting, Chairman & Chief Executive Officer**				
B Nanette T. Ongcarranceja, President/Chief Operating Officer**				
C Ortrud T. Yao, Treasurer/Asst. Corp. Sec./Chief Finance Officer**				
TOTAL	2026*	12,724,613	986,848	82,096
	2025	12,118,679	939,855	78,187
	2024	11,541,599	895,100	74,464
	2023	10,991,999	852,476	70,918
All other officers and directors as a group unnamed	2026*	10,253,855	3,797,491	248,337
	2025	9,765,576	3,616,658	236,511
	2024	9,300,549	3,444,436	225,249
	2023	8,435,872	3,280,415	204,308

*estimated amounts

**these are the only top compensated Executives of the Company

During the last and ensuing year, there are no:

- 1) Employment contracts between the Company and the named directors and senior officers;
- 2) Compensatory Plan or Arrangement;
- 3) Outstanding Warrants or Options held by directors and officers or the prices of such adjusted or amended; and
- 4) Amounts paid for committee participation or special assignments.

Under Article IV Section 2 of the Company's By-Laws, the officers of the Corporation shall hold office for one year and until their successors are chosen and qualified in their stead. Any

officer elected or appointed by the majority of the Board of Directors may be removed by the affirmative vote of the Board of Directors.

Item 7. Appointment of External Auditors and Other Related Matters

The Audit Committee approves and recommends the appointment, reappointment, removal and fees of the external auditor. The recommendation of the committee is subject to approval of the Board and ratification of the shareholders during the annual stockholders' meeting.

The current external auditor of the Company and its Subsidiaries is Reyes Tacandong & Company (RT&Co.). Mr. Wilson P. Teo is the engagements partner for the group.

The Company has engaged RT&Co as external auditor starting audit year 2019. In compliance with the rotation requirement of Revised SRC Rule 68, Par. 3 (Qualifications and Reports of Independent Auditors) and the Code of Corporate Governance which prescribe the rotation of the external auditors after seven (7) years, RT & Co. has designated Mr. Arthur Vinson U. Ong as the new engagement partner, replacing Mr. Wilson P. Teo who has served the Company for the past seven consecutive years.

There have been no disagreements between the Company and RT&Co. over the length of their relationship with regard to any matter involving accounting principles or practices, financial statement disclosures, and auditing scope and procedures.

Representatives of RT&Co. will be present during the annual meeting of stockholders and will be given the opportunity to make a statement if they so desire. They are also expected to respond to appropriate questions from stockholders, if needed. RT&Co. has accepted the Company's invitation to stand for re-election this year.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 11. Financial and Other Information

The Company's financial statements as of and for the year ended 31 December 2025 and Management Report are attached hereto as Annexes "A" and "B".

Item 13. Acquisition or Disposition of Property

On June 30, 2023, JOH sold a property in Malate, Manila with a carrying amount of ₱32.4 million for a total consideration of ₱36.2 million, resulting in a gain of ₱3.9 million. The fair value of the property is determined using the comparable market approach. This method reflects the recent transaction prices for similar properties in nearby locations, with adjustments made for factors such as accessibility and market demand. The Company sold the property to RVD Real Estate, Inc., with office address at 3/F Chungdam Building, 560 Remedios Circle, Brgy. 702 Zone 077, Malate, Manila. The buyer has no material relationship with the company and the contract has been governed by and construed in accordance with the laws.

On December 2, 2025, OPI executed an Extra-Judicial Settlement of Estate with Absolute Sale with the Sarmiento Heirs covering a parcel of land located in Sta. Isabel, Calapan City, Oriental Mindoro, with a total land area of 3,872 square meters. The property, which is registered in the name of a deceased owner who is the father of the Sarmiento Heirs, was acquired for a total consideration of ₱36.8 million. The purchase price was based on a

negotiated value, which management considers fair and reasonable under prevailing market conditions. The Sarmiento Heirs, as transferors, have no relationship with OPI or JOH or with any of their respective directors, officers, or subsidiaries. Under the terms of the agreement, the consideration shall be paid through a one-time cash payment to the heirs. The capital gains tax arising from the sale shall be for the account of the Sarmiento Heirs, while all other taxes, fees, and expenses necessary for the transfer of title shall be for the account of OPI. The property was acquired to serve as the site for the Calapan Diesel Power Plant 2 (CDPP2) 69kV Substation Bay 4, in line with OPI's expansion plans in the energy sector.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

Actions to be taken will constitute reading and approval of the minutes of the previous stockholders' meeting which was held on 26 June 2025, approval of the Annual Report of Management and ratification of all acts of the officers and management for the year ended 31 December 2025.

The Company will also seek approval by the stockholders of the 2025 Operations and Financial Results, as contained and discussed in the Management Report attached and made part of this Information Statement. Approval of the reports will constitute approval and ratification of the acts of management and of the Board of Directors for the past year.

Item 18. Other Proposed Actions

The following are to be proposed for approval during the Annual Stockholders' Meeting:

1. Approval of the Minutes of the Previous Meeting of Stockholders
2. Chairman's Report and Presentation of Financial Statements
3. Ratification of all Acts of the Board of Directors and Officers
4. Appoint an External Auditor
5. Election of Directors
6. Other Matters

The minutes for the 2025 Annual Stockholders Meeting is uploaded on the Company's website, <http://www.joh.ph/>, and is hereto attached as Annex "C".

The items covered with respect to the ratification of the acts of the Board of Directors and officers for the past year up to the date of the meeting are those items entered into in the ordinary course of business, with those of significance having been covered by appropriate disclosures. The relevant resolutions approved by the Board of Directors for ratification by the stockholders are attached hereto as Annex "C-1".

Item 19. Voting Procedures

- (a) Actions to be taken at the Annual Stockholders' Meeting shall require the vote of the stockholders representing at least a majority of the Company's outstanding capital stock.
- (b) Three (3) inspectors shall be appointed by the Board of Directors before or at each meeting of the stockholders, at which an election of directors shall take place; if no such

appointment shall have been made or if the inspectors appointed by the Board of Directors refuse to act or fail to attend then the appointment shall be made by the presiding officer of the meeting. For purposes of the Annual Stockholders' Meeting on 11 June 2026, the following have been designated as inspectors to oversee the counting of votes: (1) the Corporate Secretary and/or her representative, (2) Investor Relations and/or her representative, and (3) the Stock Transfer Agent and/or his representative.

- (c) Stockholders may vote at all meetings either in person or by proxy duly given in writing in favor of any person of their confidence and each stockholder shall be entitled to one vote for each share of stock standing in his name in the books of the Company; provided, however, that in the election of Directors, each stockholder shall be entitled to cumulate his votes in the manner provided for by law. For the purpose of this year's annual stockholders' meeting, the stockholders may only vote through proxies or by remote communication (in absentia). The stockholders are encouraged to participate in the meeting by either of the following:
- i. by submitting duly accomplished proxies to the Office of the Corporate Secretary at 2704 East Tower, Philippine Stock Exchange Centre, Ortigas Center, Pasig City or via electronic copy by emailing corporatesecretary@joh.ph **on or before 5:00 p.m. on 04 June 2026.**

For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.
 - ii. by registering their votes on the matters to be taken up during the meeting.
- (d) With respect to the election of seven (7) directors, each stockholder may vote such number of shares for as many as seven (7) persons he may choose to be elected from the list of nominees, or he may cumulate said shares and give one (1) candidate as many votes as the number of his shares multiplied by seven (7) shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by seven (7).
- (e) Upon confirmation by the inspectors that there is a mathematical impossibility for certain nominees to be elected into office based on proxies held and votes present or represented in the meeting, the actual casting and counting of votes for the election of Directors may be dispensed with.
- (f) Counting of the votes will be done by the Corporate Secretary with the assistance of the external auditors and the Company's stock transfer agent.

Omitted Items

Items 8, 9, 10, 12, 14, 16 and 17 are not responded to in this report, the Company having no intention to take any action with respect to the information required therein.

SIGNATURE

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 Quezon City on May 18, 2026.

JOLLIVILLE HOLDINGS CORPORATION

Issuer



NANETTE T. ONGCARRANCEJA

President

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1 3 4 8 0 0

COMPANY NAME

J	O	L	L	I	V	I	L	L	E		H	O	L	D	I	N	G	S		C	O	R	P	O	R	A	T	I	O	N		A	N	D	
S	U	B	S	I	D	I	A	R	I	E	S																								

PRINCIPAL OFFICE (No./Street/Barangay/City/Town/Province)

4	/	F		2	0		L	a	n	s	b	e	r	g	h		P	l	a	c	e		B	l	d	g	.		1	7	0		T	o	m	
a	s		M	o	r	a	t	o		A	v	e	.		c	o	r	.		S	c	o	u	t		C	a	s	t	o	r		S	t	.	
,		Q	u	e	z	o	n		C	i	t	y																								

Form Type

A A C F S

Department requiring the report

C R M D

Secondary License Type, If Applicable

N / A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
info@joh.ph	(02) 8-373-3038	0966-854-4344
No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
31	Month of June	December 31

CONTACT PERSON INFORMATIONThe designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ortrud T. Yao	ortrud_ting@joh.ph	(02) 8-373-3038	0966-854-4344

CONTACT PERSON'S ADDRESS

4/F 20 Lansbergh Place Bldg. 170 Tomas Morato Ave. cor. Scout Castor St., Quezon City
--

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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



JOLLIVILLE HOLDINGS CORPORATION

The Securities and Exchange Commission
7907 Makati Avenue, Salcedo Village
Bel-Air, Makati City 1209

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of Jollville Holdings Corporation and Subsidiaries (collectively referred to as "the Group") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein for the years ended December 31, 2025, 2024 and 2023 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 consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

Reyes Tacandong & Co., the independent auditors appointed by the stockholders, have audited the consolidated financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

JOLLY L. TING
Chairman
SSS No. 03-1356713-3

NANETTE T. ONGCARRANCEJA
President
SSS No. 33-5903582-0

ORTRUD T. YAO
Treasurer
SSS No. 33-6615680-9

Signed this 8th day of May 2026.

SUBSCRIBED AND SWORN to before me in PASIG CITY on 11 MAY 2026 by affiants who personally appeared to me and exhibited to me their competent evidence of identity as above stated.

Doc No. 415
Page No. 84
Book No. III
Series of 2026.

JOSHUA P. LAPUZ

Notary Public for Pasig City & Pateros
Commission No. 1 (2026-2027)
Roll 45790 / IBP Life 4879 / O.R. 593460 / 07-03-03
PTR 3962683AA / 01-05-26 / Pasig City
MCLE VIII-0025286 / 03-27-25 / ULAS n/a



INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES
4/F 20 Lansbergh Place Bldg.
170 Tomas Morato Ave. cor. Scout Castor St.
Quezon City

Opinion

We have audited the consolidated financial statements of JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2025, 2024 and 2023, and notes to consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years ended December 31, 2025, 2024 and 2023 in accordance with Philippine Financial Reporting Standards (PFRS) 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), as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to the audit of the consolidated financial statements of public interest entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Recognition of Receivable, Payable and Revenue Adjustment Arising from the Energy Regulatory Commission (ERC) Refund and Recovery Scheme

On October 28, 2025, the ERC issued its final order approving the refund and recovery scheme related to the subsidiary Ormin Power Inc.'s application of the final regulatory rate since inception. As a result, the Group recognized a receivable from Oriental Mindoro Electric Cooperative, Inc. amounting to ₱667.1 million and a payable to National Power Corporation amounting to ₱557.6 million, both of which are inclusive of value-added tax, and a corresponding revenue adjustment amounting to ₱97.8 million in the consolidated financial statements.



This matter is significant because of the significant judgment involved in determining the appropriate timing, measurement, and presentation of the related receivable, payable and revenue adjustment under PFRS Accounting Standards and the material impact of these amounts on the consolidated financial statements.

Our audit procedures included, among others: i) inspecting the ERC final order and evaluating the reasonableness of management's interpretation and application of its provisions; ii) assessing compliance with relevant PFRS Accounting Standards, particularly on recognition, measurement and presentation of the receivable, payable and revenue adjustment; iii) recomputing the refund and recovery amounts, agreeing these to supporting schedules and underlying documents, and evaluating the assumptions used; and iv) assessing whether the related disclosures in Notes 3, 6, and 17 to the consolidated financial statements are compliant with the applicable disclosure requirements.

Valuation of Investment Properties at Fair Value

The Group's investment properties, measured at fair value, amounted to ₱1,985.7 million as at December 31, 2025, representing 26% of the Group's total consolidated assets. The fair value gain on investment properties recognized in the consolidated statement of comprehensive income amounted to ₱73.4 million for the year ended December 31, 2025.

The determination of the fair value of investment properties involves significant judgment and estimation, including the selection of appropriate valuation methodologies and key assumptions. The Group engaged the services of an independent firm of appraisers to perform the valuation.

We considered the valuation of investment properties as a key audit matter because of its significance and the inherent complexity and subjectivity involved in determining the fair value. Our audit procedures included, among others: i) obtaining an understanding of the valuation process, including management's oversight and review controls; ii) assessing the independence, professional qualifications, and objectivity of the independent firm of appraisers; iii) evaluating the appropriateness of the valuation methodologies applied and assessing the reasonableness of the key assumptions and inputs used in the appraisal reports; iv) reviewing management's assessment of fair value, particularly for investment properties where no significant changes were identified; v) performing analytical procedures and recalculations, where applicable, to assess the consistency and mathematical accuracy of the valuation adjustments; and vi) assessing the adequacy of the related disclosures in Note 11 to the consolidated financial statements.

Other Information

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

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

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



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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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, these 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 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 audit of the consolidated financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Wilson P. Teo.

REYES TACANDONG & Co.

WILSON P. TEO

Partner

CPA Certificate No. 92765

Tax Identification No. 191-520-944-000

BOA Accreditation No. 4782/P-012; Valid until June 6, 2026

SEC Accreditation No. 92765-SEC Group A

Issued January 28, 2020

Valid for Financial Periods 2023 to 2025

BIR Accreditation No. 08-005144-014-2025

Valid until August 10, 2028

PTR No. 10764040

Issued January 2, 2026, Makati City

May 8, 2026

Makati City, Metro Manila

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2025	2024
ASSETS			
Current Assets			
Cash and cash equivalents	4	P255,997,089	P178,090,019
Trade and other receivables	5	816,613,553	744,484,331
Current portion of receivable arising from Energy Regulatory Commission (ERC) order	6	49,010,365	–
Due from related parties	22	90,476,464	119,759,782
Inventories	7	42,277,157	40,203,932
Other current assets	8	244,248,935	377,160,358
Total Current Assets		1,498,623,563	1,459,698,422
Noncurrent Assets			
Noncurrent portion of receivable arising from ERC order	6	477,793,343	–
Financial assets at fair value through other comprehensive income (FVOCI)	9	109,606,202	113,871,047
Investment properties	11	1,985,686,175	1,888,302,016
Property, plant and equipment	12	3,518,279,432	3,416,428,750
Right-of-use (ROU) assets	24	78,727,857	73,576,308
Net deferred tax assets	26	8,389,620	17,333,863
Other noncurrent assets	13	9,482,932	40,908,115
Total Noncurrent Assets		6,187,965,561	5,550,420,099
		P7,686,589,124	P7,010,118,521
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	14	P1,044,152,069	P889,233,088
Short-term loans	15	349,991,020	725,700,000
Current portions of:			
Payable arising from ERC order	6	40,962,188	–
Long-term loans	15	304,328,050	215,601,998
Lease liabilities	24	1,408,513	979,502
Due to related parties	22	283,077,301	267,710,992
Dividends payable	16	299,987,122	156,365,380
Income tax payable		12,645,064	3,303,551
Total Current Liabilities		2,336,551,327	2,258,894,511
Noncurrent Liabilities			
Installment payable	24	38,401,108	40,595,457
Noncurrent portions of:			
Payable arising from ERC order	6	399,333,094	–
Long-term loans	15	379,999,382	262,011,639
Lease liabilities	24	82,407,292	75,095,776
Customers' deposits	24	43,768,723	40,672,940
Retirement benefits liability	23	38,265,682	37,090,892
Net deferred tax liabilities	26	402,348,879	379,630,532
Total Noncurrent Liabilities		1,384,524,160	835,097,236
Total Liabilities		P3,721,075,487	P3,093,991,747

(Forward)

		December 31	
	Note	2025	2024
Equity			
Attributable to Equity Holders of the Parent Company			
Capital stock	16	₱281,500,000	₱281,500,000
Additional paid-in capital		812,108	812,108
Retained earnings		2,362,712,212	2,394,139,921
Other comprehensive income		278,516,310	279,474,369
Equity Attributable to Equity Holders of the Parent Company		2,923,540,630	2,955,926,398
Non-controlling Interests	16	1,041,973,007	960,200,376
Total Equity		3,965,513,637	3,916,126,774
		₱7,686,589,124	₱7,010,118,521

See accompanying Notes to Consolidated Financial Statements.

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Years Ended December 31		
		2025	2024	2023
REVENUE	17	₱1,722,271,409	₱1,597,887,576	₱1,747,324,363
DIRECT COSTS	18	(1,250,601,474)	(1,107,229,311)	(1,063,498,871)
GROSS PROFIT		471,669,935	490,658,265	683,825,492
GENERAL AND ADMINISTRATIVE EXPENSES	19	(177,873,309)	(172,279,432)	(173,234,031)
FAIR VALUE GAIN ON INVESTMENT PROPERTIES	11	73,406,067	120,534,001	204,293,682
OTHER CHARGES - Net	21	(28,165,759)	(2,907,242)	(3,799,406)
GAIN ON SALE OF INVESTMENT PROPERTIES	11	-	-	3,857,920
OPERATING PROFIT		339,036,934	436,005,592	714,943,657
INTEREST INCOME	4	2,428,067	1,673,436	1,091,595
PROFIT BEFORE FINANCING AND INCOME TAX		341,465,001	437,679,028	716,035,252
FINANCE COSTS	15	(75,864,527)	(84,822,158)	(99,391,388)
PROFIT BEFORE INCOME TAX		265,600,474	352,856,870	616,643,864
PROVISION FOR INCOME TAX	26			
Current		33,165,458	14,251,377	13,866,849
Deferred		29,311,679	24,614,905	44,842,006
		62,477,137	38,866,282	58,708,855
NET INCOME		203,123,337	313,990,588	557,935,009
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Gain (loss) on fair value changes of financial assets at FVOCI	9	(4,264,845)	(2,765,334)	83,705,175
Remeasurement gain on retirement benefits liability - net of deferred tax	23	3,306,786	-	5,224,004
		(958,059)	(2,765,334)	88,929,179
TOTAL COMPREHENSIVE INCOME		₱202,165,278	₱311,225,254	₱646,864,188

(Forward)

		Years Ended December 31		
	Note	2025	2024	2023
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company		₱121,350,706	₱227,138,329	₱404,839,996
Non-controlling interests		81,772,631	86,852,259	153,095,013
		₱203,123,337	₱313,990,588	₱557,935,009
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Equity holders of the Parent Company		₱120,392,647	₱224,372,995	₱493,769,175
Non-controlling interests	16	81,772,631	86,852,259	153,095,013
		₱202,165,278	₱311,225,254	₱646,864,188
BASIC AND DILUTED EARNINGS				
PER SHARE ATTRIBUTABLE				
TO EQUITY HOLDERS OF				
THE PARENT COMPANY	25	₱0.4311	₱0.8069	₱1.4382

See accompanying Notes to Consolidated Financial Statements.

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Years Ended December 31		
		2025	2024	2023
CAPITAL STOCK	16	₱281,500,000	₱281,500,000	₱281,500,000
ADDITIONAL PAID-IN CAPITAL		812,108	812,108	812,108
RETAINED EARNINGS				
<i>Appropriated</i>	16			
Balance at beginning of year		185,862,750	185,862,750	185,862,750
Reversal of appropriation		(185,862,750)	–	–
Balance at end of year		–	185,862,750	185,862,750
<i>Unappropriated</i>				
Balance at beginning of year		2,208,277,171	1,981,138,842	1,749,627,982
Net income		121,350,706	227,138,329	404,839,996
Reversal of appropriation		185,862,750	–	–
Dividend declared:	16			
Property dividends		(152,778,415)	–	–
Cash dividends		–	–	(173,329,136)
Balance at end of year		2,362,712,212	2,208,277,171	1,981,138,842
		2,362,712,212	2,394,139,921	2,167,001,592
OTHER COMPREHENSIVE INCOME				
<i>Revaluation Surplus - Net</i>	11	158,578,508	158,578,508	158,578,508
<i>Cumulative Unrealized Fair Value Changes on Financial Assets at FVOCI</i>				
Balance at beginning of year		98,871,210	101,636,544	17,931,369
Fair value gain (loss)	9	(4,264,845)	(2,765,334)	83,705,175
Balance at end of year		94,606,365	98,871,210	101,636,544
<i>Cumulative Remeasurement Gains on Retirement Benefits Liability - Net of Deferred Tax</i>	23			
Balance at beginning of year		22,024,651	22,024,651	16,800,647
Remeasurement gain		3,306,786	–	5,224,004
Balance at end of year		25,331,437	22,024,651	22,024,651
		278,516,310	279,474,369	282,239,703
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		2,923,540,630	2,955,926,398	2,731,553,403
NON-CONTROLLING INTERESTS	16			
Balance at beginning of year		960,200,376	866,191,087	794,575,074
Share in total comprehensive income		81,772,631	86,852,259	153,095,013
Collection of subscription receivable		–	11,157,030	–
Redemption of preferred shares		–	(4,000,000)	(33,000,000)
Rescission of subscription agreement		–	–	(48,479,000)
Balance at end of year		1,041,973,007	960,200,376	866,191,087
		₱3,965,513,637	₱3,916,126,774	₱3,597,744,490

See accompanying Notes to Consolidated Financial Statements.

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating profit		₱339,036,934	₱436,005,592	₱714,943,657
Adjustments for:				
Depreciation and amortization	12	225,655,443	189,698,784	171,621,784
Net cumulative revenue adjustment	6	(97,809,902)	–	–
Fair value gain on investment properties	11	(73,406,067)	(120,534,001)	(204,293,682)
Net discount	21	23,038,664	–	–
Retirement benefits cost	23	5,589,997	4,978,784	5,194,951
Net unrealized foreign exchange gain	21	(3,234)	(12,495)	(3,291)
Provision for expected credit loss on trade receivables	5	–	3,916,384	–
Gain on sale of investment properties	11	–	–	(3,857,920)
Operating profit before working capital changes		422,101,835	514,053,048	683,605,499
Decrease (increase) in:				
Trade and other receivables		(72,129,222)	25,286,086	(107,475,988)
Inventories		(2,073,225)	(12,489,966)	(4,597,725)
Other assets		178,100,173	(139,356,313)	(9,594,556)
Increase (decrease) in:				
Trade and other payables		143,181,793	(108,230,017)	69,812,454
Customers' deposits		3,095,783	2,713,678	8,238,446
Net cash generated from operations		672,277,137	281,976,516	639,988,130
Income tax paid		(36,345,022)	(38,779,622)	(39,614,866)
Retirement benefits paid	23	–	(13,192,581)	–
Net cash flows from operating activities		635,932,115	230,004,313	600,373,264
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Property, plant and equipment	12	(323,683,390)	(173,624,546)	(104,824,051)
Investment properties		(23,978,092)	(37,265,738)	(1,935,745)
Collections from related parties	22	39,749,274	32,832,229	28,471,420
Advances to related parties	22	(10,465,956)	(27,295,572)	(9,653,159)
Interest received	4	2,428,067	1,673,436	1,091,595
Proceeds from sale of investment properties		–	–	36,241,920
Net cash flows used in investing activities		(315,950,097)	(203,680,191)	(50,608,020)

(Forward)

		Years Ended December 31		
	Note	2025	2024	2023
CASH FLOWS FROM FINANCING				
ACTIVITIES				
Payments of:				
Loans	27	(P690,852,012)	(P530,267,307)	(P317,492,481)
Interest	27	(67,598,998)	(76,921,007)	(99,391,388)
Due to related parties	22	(36,495,624)	(4,140,005)	(25,183,739)
Dividends payable	27	(9,156,673)	(5,806,726)	-
Lease liabilities	24	(9,499,286)	(8,785,000)	-
Long-term trade payables	27	(2,194,349)	(1,097,175)	-
Proceeds from loan availments	27	521,856,827	430,339,450	-
Advances from related parties	22	51,861,933	50,701,061	-
Net cash flows used in financing activities		(242,078,182)	(145,976,709)	(442,067,608)
EFFECT OF FOREIGN EXCHANGE RATE				
CHANGES ON CASH AND CASH				
EQUIVALENTS				
		3,234	12,495	3,291
NET INCREASE (DECREASE) IN CASH AND				
CASH EQUIVALENTS				
		77,907,070	(119,640,092)	107,700,927
CASH AND CASH EQUIVALENTS				
AT BEGINNING OF YEAR				
		178,090,019	297,730,111	190,029,184
CASH AND CASH EQUIVALENTS				
AT END OF YEAR				
		P255,997,089	P178,090,019	P297,730,111
COMPONENTS OF CASH AND CASH				
EQUIVALENTS				
	4			
Cash on hand		P410,999	P361,000	P361,000
Cash in banks		243,586,090	155,381,495	290,807,579
Cash equivalents		12,000,000	22,347,524	6,561,532
		P255,997,089	P178,090,019	P297,730,111
SUPPLEMENTAL NONCASH				
INFORMATION				
Gross receivable arising from ERC order	6	P667,100,491	P-	P-
Gross payable arising from ERC order	6	557,553,401	-	-
Initial recognition of ROU assets and lease liabilities	24	8,974,284	76,959,127	-
Application of dividends payable against the subscriptions to:	16			
Preferred stock		-	6,684,000	-
Common stock		-	4,473,030	-
Offsetting of accounts receivable from and payable to LGU	24	-	10,149,193	-
Unpaid redemption of preferred shares	16	-	4,000,000	33,000,000
Rescission of subscription agreement	16	-	-	48,479,000

See accompanying Notes to Consolidated Financial Statements.

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2025 AND 2024

AND FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

1. Corporate Information and Status of Operations

General Information

Jolliville Holdings Corporation (the "Parent Company") was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on September 3, 1986 primarily to acquire, invest in, hold, sell, exchange and generally deal in securities of every kind and description (without in any way acting as investment house, or securities dealer or broker), and to purchase, lease or otherwise acquire lands or interest in lands, and to build, construct or erect thereon buildings, factories, or other structures. The Parent Company's shares of stock are listed with the Philippine Stock Exchange (PSE).

On June 17, 2002, the Parent Company issued 281,500,000 shares at ₱1.09 per share in its initial public offering (see Note 16).

The registered address of the Parent Company is 4/F 20 Lansbergh Place Bldg. 170 Tomas Morato Ave. cor. Scout Castor St., Quezon City.

Subsidiaries

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries (collectively, the "Group") as at December 31, 2025, 2024 and 2023:

Subsidiaries	Percentage of Ownership					
	2025		2024		2023	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
Ormina Realty & Development Corp. (ORDC)	100.00	–	100.00	–	100.00	–
Jolliville Group Management, Inc. (JGMI)	100.00	–	100.00	–	100.00	–
Servwell BPO International (Servwell)	100.00	–	100.00	–	100.00	–
Jollideal Marketing Corporation (JMC)	100.00	–	100.00	–	100.00	–
Ormin Holdings Corporation (OHC) and Subsidiaries:	100.00	–	100.00	–	100.00	–
OTY Development Corp. (OTY)	–	100.00	–	100.00	–	100.00
Melan Properties Corp. (MPC)	–	100.00	–	100.00	–	100.00
KGT Ventures, Inc. (KGT)	–	100.00	–	100.00	–	100.00
NGTO Resources Corp. (NGTO)	–	100.00	–	100.00	–	100.00
Ibayo Island Resort Corp. (IIRC)	–	100.00	–	100.00	–	100.00
Philippine Hydro Electric Ventures, Inc. (PHEVI) and Subsidiaries:	70.00	–	100.00	–	100.00	–
Ormin Power, Inc. (OPI)***	–	41.98	–	59.95	–	59.95
Inabasan Cascade Hydro Power Corp. (ICHPC)***	–	41.98	–	59.95	–	–
2Big Philippines Inc. (2BIG) (formerly Tubig Pilipinas Corp.) and Subsidiaries:	62.66	11.50	88.50	11.50	88.50	11.50
Calapan Waterworks Corporation (CWWC)	–	73.98	–	99.75	–	99.75
Greater Rosario Water, Inc. (GRWI)*	–	73.98	–	99.75	–	99.75
Nation Water Corporation* (NWC)**	–	64.57	–	74.88	–	74.88
Tubig Bohol Corporation* (TBC)***	–	36.99	–	49.87	–	49.87

* Pre-operating companies

** Effective equity interest is through 2BIG and CWWC

*** Although the Group's effective equity interest in OPI, ICHPC and TBC as at December 31, 2025 is less than 50%, these are considered as subsidiaries because the Group's voting power over these entities are sufficient to provide the practical ability to direct and control

The principal place of business and nature of business activities of the subsidiaries are as follows:

<u>Subsidiaries</u>	<u>Nature of Business</u>	<u>Principal Place of Business</u>
ORDC	Leasing	Quezon City
JGMI	Management services	Quezon City
Servwell	Technical services	Quezon City
JMC	Holdings	Calapan City, Oriental Mindoro
OHC	Holdings	Quezon City
OTY	Realty	Quezon City
MPC	Realty	Quezon City
KGT	Realty	Quezon City
NGTO	Realty	Quezon City
IIRC	Realty	Quezon City
PHEVI	Power generation	Quezon City
OPI	Power generation	Calapan City, Oriental Mindoro
ICHPC	Power generation	Calapan City, Oriental Mindoro
2BIG	Water utility	Quezon City
CWWC	Water utility	Calapan City, Oriental Mindoro
GRWI	Water utility	Quezon City
NWC	Water utility	Quezon City
TBC	Water utility	Quezon City

Approval of the Consolidated Financial Statements

The consolidated financial statements as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 were approved and authorized for issuance by the Board of Directors (BOD) on May 8, 2026, as reviewed and recommended for approval by the Audit Committee on the same date.

2. Summary of Material Accounting Policy Information

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

Basis of Preparation and Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine interpretations from International Financial Reporting Interpretations Committee.

Bases of Measurement

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

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) and investment properties which are measured at fair value, lease liabilities that is initially measured at the present value of minimum lease payments, and retirement benefits liability which is measured at the present value of the defined benefit obligation. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of the consideration received in exchange for incurring a liability.

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

- 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

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

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

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

- Note 9 – Financial Assets at FVOCI
- Note 11 – Investment Properties
- Note 28 – Financial Instruments - Risk Management and Fair Value Disclosures

Adoption of New PFRS and Amendments to PFRS

Amendments to PFRS effective for annual reporting periods beginning January 1, 2025 did not have a material impact on the consolidated financial statements of the Group.

The accounting policies adopted are consistent with those of the previous financial year, except for the early adoption of PFRS 18, *Presentation and Disclosure in Financial Statements*. This standard replaces PAS 1, *Presentation of Financial Statements*, and introduces the requirements for the presentation of the consolidated statement of comprehensive income, including mandatory sub-totals and categories (operating, investing and financing). The standard also introduces disclosure requirements on management-defined performance measures (MPM), and new principles for grouping of information, which the entity needs to apply retrospectively.

The Group elected to early adopt PFRS 18 effective January 1, 2025 to provide users of the consolidated financial statements with more relevant and transparent information. In accordance with the transition provisions, the Group has applied the standard retrospectively, restating the comparative information for the years ended December 31, 2024 and 2023. The reconciliation of comparatives is presented in Note 31.

While the adoption of PFRS 18 does not change the recognition or measurement of assets, liabilities, income, or expenses, it has significantly affected the presentation and classification of items as follows:

- The Group now presents its income and expenses into three mandatory categories: Operating, Investing, and Financing. New mandatory subtotals, specifically "Operating profit," are now presented on the face of the consolidated statements of comprehensive income.
- The Group has updated its cash flow presentation:
 - The reconciliation of cash flows from operating activities now starts with the "Operating profit" subtotal, rather than "Income before income tax" or "Net income".
 - To reduce presentation policy choices, the Group now classifies interest received as an investing activity. Previously, this was classified as operating activities.
 - Adjustments for non-cash items (such as depreciation and amortization) are made to "Operating profit". Items that are already classified outside of the Operating category in the consolidated statements of comprehensive income is no longer considered as an adjustment in the operating cash flow reconciliation.
- The Group also updated the presentation of its operating segment information to align with the mandatory categories presented in the consolidated statements of comprehensive income.

In connection with the early adoption of PFRS 18, the Group assessed whether it presents any MPM - subtotal of income and expenses that are not specified or required by PFRS Accounting Standards but are used by management to communicate financial performance externally. Management has determined that no such MPM is necessary to be presented in the consolidated financial statements.

Accordingly, no reconciliation or additional disclosures under the MPM requirements of PFRS 18 are necessary.

Amendments to PFRS in Issue But Not Yet Effective or Adopted

Relevant new PFRS and amendments to PFRS, which are not yet effective as at December 31, 2025 and have not been applied in preparing the consolidated financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendment provides to clarify the requirements related to the date of recognition and derecognition of financial assets and financial liabilities, with an exception for derecognition of financial liabilities settled through cash using an electronic payment system. The amendments also clarify the requirements of assessing contractual cash flow characteristics of financial assets, with additional guidance on assessment of contingent features, and the characteristics of non-recourse loans and contractually linked instruments. The amendments also introduce additional disclosure requirements for equity instruments classified as financial asset measured at FVOCI with contingent features. Earlier application is permitted.

- Annual Improvements to PFRS Accounting Standards Volume 11:
 - Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure.
 - Amendments to PFRS 10, *Consolidated Financial Statements* – The amendments remove inconsistencies by clarifying that an entity must use judgment to determine whether other parties are acting as de facto agents. Earlier application is permitted.
 - Amendments to PAS 7, *Statement of Cash Flows - Cost Method* – The amendments clarify that when the investor considers its de facto agent's decision-making rights and its indirect exposure, or rights, to variable returns is only an example in which judgement is required to determine whether a party is acting as a de facto agent.

Under prevailing circumstances, the adoption of the foregoing new PFRS Accounting Standards and amendments to PFRS Accounting Standards is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

Basis of Consolidation

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

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

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

A change in the ownership interest of a subsidiary, without a change in control, is accounted for as an equity transaction. Upon the loss of control, the Group derecognizes the assets (including goodwill) and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Gain or loss arising from the loss of control is recognized in profit or loss. If the Group retains an interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently, it is accounted for as an equity-accounted investee or as financial assets at FVOCI depending on the level of interest retained.

Non-controlling Interests. Non-controlling interests represent the portion of profit or loss and net assets not held by the Group, presented within equity in the consolidated statements of financial position, separately from equity attributable to equity holders of the Parent Company.

Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The acquisition cost is measured as the sum of the considerations transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

When the business combination is achieved in stages, any previously held non-controlling interests is re-measured at the date of obtaining control and a gain or loss is recognized in profit or loss.

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the Group reports in its consolidated financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group retrospectively adjusts the provisional amounts and recognizes additional assets or liabilities to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period ends at the date the Group receives the information about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable but should not exceed one year from the acquisition date.

Financial Assets and Liabilities

Recognition and Measurement

Date of Recognition. The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

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

Classification

The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at FVOCI. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Group's business model and its contractual cash flow characteristics.

As at December 31, 2025 and 2024, the Group does not have financial assets and liabilities at FVPL.

Classification of Financial Instruments between Liability and Equity. A financial instrument is classified as liability if it provides for a contractual obligation to:

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

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

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

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

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

As at December 31, 2025 and 2024, the Group's cash and cash equivalents, trade and other receivables, receivable arising from ERC order, due from related parties; short-term placement, deposits and guarantee deposit (all presented as part of "Other current assets" account), and other noncurrent assets are classified under this category.

Cash pertains to cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amount of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

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

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

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

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

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

As at December 31, 2025 and 2024, the Group designated its investments in unquoted shares of stock as financial assets at FVOCI.

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

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

As at December 31, 2025 and 2024, the Group's trade and other payables (excluding statutory payables), payable arising from ERC order, loans payable, lease liabilities, due to related parties, dividends payable, installment payable and customers' deposits are classified under this category.

Reclassification

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

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

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

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

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

Impairment

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

For trade and other receivables and receivable arising from ERC order, the Group has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

Derecognition

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

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or

- the Group has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Group's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Group could be required to repay.

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

Offsetting

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

Receivable and Payable Arising from Regulatory Orders

When a regulatory order from the Energy Regulatory Commission (ERC) results in a receivable or payable to be settled over a period exceeding one year, the Group determines if a significant financing component exists. If present, the transaction price is adjusted for the time value of money, and the difference between the gross amount and the present value is recognized as a discount, which is subsequently amortized using the effective interest method as interest income or expense over the settlement period.

Inventories

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

Inventories are determined using weighted average method and include expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. The NRV of the inventories is the current replacement cost. In determining the NRV, the Group considers any adjustment necessary for obsolescence.

At each reporting date, inventories are assessed for impairment. If inventories are impaired, the carrying amount is reduced to its NRV. The impairment loss is recognized immediately in profit or loss. The amount of any reversal of any write-down of inventories arising from an increase in NRV, shall be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

When inventories are consumed, the carrying amount is recognized as an expense in the period when the related revenue is recognized.

Other Current Assets

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

Input Value-added Tax (VAT). Revenue, expenses and assets are generally recognized net of the amount of VAT, except for receivables and payables. The amount of VAT recoverable from taxation authority is presented as "Input VAT".

Advances to Suppliers. Advances to suppliers are amounts paid in advance for the purchase of goods and services. These are carried at the amount of cash paid and are recognized to the corresponding asset or expense account when the goods or services for which the advances were made are received.

Investment in an Associate

The Group's investment in an associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Under the equity method, the investment in an associate is carried in the consolidated statements of financial position at cost plus post-acquisition changes in the Group's share in net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The consolidated statements of comprehensive income reflect the share of the results of operations of the associate. Where there has been a change recognized directly in the equity of an associate, the Group recognizes its share of any changes and discloses this, when applicable, in the consolidated statements of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate is eliminated to the extent of the interest in the associate.

The Group discontinues applying the equity method when their investment in associate is reduced to zero. Accordingly, additional losses are not recognized unless the Group has guaranteed certain obligations of the associate. When the associate subsequently reports net income, the Group will resume applying the equity method but only after its share in that net income equals the share in net losses not recognized during the period the equity method was suspended.

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over an associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Investment Properties

Investment properties are properties held either to earn rent income or for capital appreciation or both. This includes properties that are being constructed or developed for future use as investment properties. Investment properties exclude properties held for sale in the ordinary course of business or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in fair value of investment properties are included in profit or loss in the year in which these arise.

The fair value of investment property 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. Fair value specifically excludes an estimated price inflated or deflated by special terms or circumstances such as typical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale. The fair value of investment property should reflect market conditions at the end of the reporting year.

Construction-in-progress is measured initially at cost. This includes construction costs and other directly attributable expenditures incurred in bringing the asset to its intended condition for use.

An investment property is derecognized when either this has been disposed of or when the investment property is permanently withdrawn from use and no further economic benefit is expected from its disposal. Gain or loss arising from the disposal is calculated as the difference between any disposal proceeds and the carrying amount of the related asset, and is recognized in profit or loss.

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

Property, Plant and Equipment

Property, plant and equipment, except land and construction-in-progress, are stated at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value.

The initial cost of property, plant and equipment comprises its purchase price, after deducting trade discounts and rebates, and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally charged to operations in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property, plant and equipment. The cost of replacing a component of an item of property, plant and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

When significant parts of an item of property, plant and equipment have different useful lives, those are accounted for by separating items (major components) and depreciated and amortized separately.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives of the property, plant and equipment:

<u>Asset Type</u>	<u>Number of Years</u>
Land improvements	5 to 20
Building and improvements	10 to 40
Power plant facilities and equipment	3 to 40
Furniture and fixtures	5 to 10
Water utilities and distribution system	5 to 50
Transportation equipment	5 to 8

The carrying amount of property, plant, and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Construction-in-progress is stated at cost. This includes cost of construction, equipment and other direct costs. Construction-in-progress is not depreciated until such time as the relevant assets are completed and put into operational use.

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

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation, amortization and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

Impairment of Nonfinancial Assets

The carrying amounts of nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists and when the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's-length transaction less the cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

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

The Group assesses goodwill for impairment annually and when circumstances indicate that the carrying amount may be impaired. Impairment is determined for goodwill with indefinite useful lives by assessing the recoverable amount of the cash-generating units, to which the goodwill and other intangible assets with indefinite useful lives relates.

Where the recoverable amount of the cash-generating units is less than their carrying amount, an impairment loss is recognized. Impairment losses relating to these intangible assets cannot be reversed in future periods.

Equity

Capital Stock and Additional Paid-in Capital (APIC). Capital stock is measured at par value for all shares issued and paid. Excess of proceeds or fair value of the consideration received over par value is recognized as APIC.

Retained Earnings. Retained earnings pertain to cumulative balance of the Group's results of operations, net of any dividend declaration. Unappropriated retained earnings represent that portion which is free and can be declared as dividends to stockholders while appropriated retained earnings represent that portion which has been restricted and therefore is not available for any dividend declaration.

Cash dividends are recognized as a liability and deducted from equity when approved by the BOD. Property dividends are recognized as a liability when the declaration is approved by the BOD and the specific filing requirements of the SEC are met.

Other Comprehensive Income. OCI pertains to the revaluation surplus, net of deferred tax, cumulative unrealized fair value changes on financial assets at FVOCI, and cumulative remeasurement gains on retirement benefits liability, net of deferred tax.

Revaluation surplus resulted from an increase in the carrying amount of the previously company-occupied properties that were reclassified to investment properties as a result of an appraisal. A revaluation increase is recognized in OCI and accumulated in equity, net of deferred income tax liability, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of these assets is recognized in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus relating to a previous revaluation of that asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Cumulative unrealized fair value changes on financial assets at FVOCI pertains to the accumulated fair value adjustments of the Group's financial assets at FVOCI. This is recognized in equity and is not reclassified to profit or loss in subsequent periods.

Cumulative remeasurement gains on retirement benefits liability pertains to the accumulated actuarial gains and losses on the Group's retirement benefits liability arising from experience adjustments and changes in financial and demographic assumptions. Remeasurements of retirement benefits liability, and the corresponding deferred tax component, are recognized immediately in OCI and are included in equity. These are not reclassified to profit or loss in subsequent periods.

Presentation of Income and Expenses

In accordance with PFRS 18, the Group classifies income and expenses into three mandatory categories:

- **Operating** - This includes all income and expenses arising from the Group's main business activities, including power generation, water utilities and leasing.
- **Investing** - This includes income and expenses from assets that generate returns independently, such as interest income.
- **Financing** - This includes income and expenses from the Group's financing arrangements, such as interest expense on loans and lease liabilities.

Revenue Recognition

Revenue is recognized when it is probable that the economic benefits associated with the transactions will flow to the Group and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts and returns. The Group has concluded that it is the principal in all of its revenue arrangements.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has assessed that it acts as a principal in all of its revenue sources.

Revenue from Contracts with Customers. Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group performs its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

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

- **Power Sales.** Revenue is recognized at a point in time, specifically when i) electricity is generated and delivered to the grid or to the customer; and ii) the customer obtains control of the electricity as evidenced by meter readings. Billing is based on metered energy delivered, as validated by the customer, and in accordance with the pricing provisions in the power supply agreement (PSA) or contracted energy whichever is higher.

Revenue from power sales is adjusted for over-recoveries or under-recoveries as determined by the ERC. When a final order is issued, the Group recognizes a regulatory receivable or payable and a corresponding adjustment to revenue in the period the order is issued, provided the amount can be measured reliably and collection/payment is certain.

- **Water Services.** Revenue is recognized at a point in time when the related services are rendered and consumed by customers. Meter readings serve as the basis for billing.
- **Technical Services.** Revenue is recognized at a point in time when the contractually agreed services have been rendered and the customer obtains the benefits of the services.

Income from Other Sources. Revenue from other sources is recognized as follows:

- *Rental Income.* Rental income is recognized on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.
- *Interest Income.* Interest income is recognized as it accrues on a time proportion basis using the effective interest method, net of final tax.
- *Other Income.* Income from other sources is recognized when earned during the period.

Contract Balances

Receivables. A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). The Group's trade receivables arise from billed power, water, technical service fees, and rentals. Trade receivables are presented in Note 5.

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

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

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

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

Cost to Obtain a Contract. The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. Otherwise, these are treated as expense.

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

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

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Direct Costs. Direct costs are recognized as expense when the related services are rendered.

General and Administrative Expenses. General and administrative expenses constitute costs of administering the business and are charged to profit or loss in the period when these are incurred.

Other Charges. Expenses from other sources are expensed as incurred.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in PFRS 16.

As a Lessee

At the commencement date of the lease, the Group recognizes right-of-use (ROU) assets and lease liabilities, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value (low-value assets), in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

ROU Assets. At commencement date, the Group measures ROU assets at cost. The cost comprises:

- i. the amount of the initial measurement of lease liabilities;
- ii. any lease payments made at or before the commencement date less any lease incentives received;
- iii. any initial direct costs; and
- iv. an estimation of costs to be incurred by the Group in dismantling and removing the underlying asset, when applicable.

ROU assets are recognized at the present value of liabilities at the commencement date of the lease, adding any directly attributable costs. After the commencement date, ROU assets are carried at cost less any accumulated amortization and accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities. ROU assets are amortized over the shorter of the lease terms or the useful lives of the underlying assets, which is 15 to 23 years.

Lease Liabilities. At commencement date, the Group measures lease liabilities at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of a lease liabilities comprise the following:

- i. fixed payments, including in-substance fixed payments;

- ii. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- iii. amounts expected to be payable by the lessee under residual value guarantees; and
- iv. the exercise price under a purchase option that the Group is reasonably certain to exercise; lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Lease liabilities are subsequently measured at amortized cost. Interests on lease liabilities and any variable lease payments not included in the measurement of lease liabilities are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liabilities are recognized in profit or loss when the event or condition that triggers those payments occurs.

For income tax reporting purposes, payments under operating lease agreements are treated as deductible expense in accordance with the terms of the lease agreements.

As a Lessor

Leases where the Group retain substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished, on the same basis as rental income. Contingent rents are recognized as revenue in the period in which these are earned.

Retirement Benefits

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

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

Remeasurements of the retirement benefits liability, which pertains to actuarial gains and losses, are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

The retirement benefits liability is stated at present value determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement benefits liability.

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

Borrowing Costs

Borrowing costs directly attributable to the construction of building are capitalized as part of the cost of the project. Capitalization of borrowing costs commences when activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization ceases when substantially all the activities necessary to prepare the asset for its intended use are complete. Borrowing costs consist of interest and other financing costs that the Group incurs in connection with the borrowing of funds. All other borrowing costs are expensed as incurred.

Income Taxes

Current Tax. Current tax liabilities for the current and prior years are measured at the amounts expected to be paid to the taxation authority. The tax rate and laws used to compute the amount are those that are enacted or substantively enacted as at financial reporting date.

Deferred Tax. Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced 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 asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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

Deferred tax is recognized in profit or loss except to the extent that it relates to items directly recognized in OCI.

Offsetting. Current tax assets and current tax liabilities are offset, or deferred tax assets and deferred tax liabilities are offset if, and only if, an enforceable right exists to set off the amounts and it can be demonstrated without undue cost or effort that the Group plans either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Related Party Relationships and Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) individuals who, owning directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group; (b) associates and, (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual.

Related party transactions consist of transfers of resources, services or obligations between the Group and its related parties, regardless of whether a price is charged.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on legal form.

Related party transactions are considered material and/or significant if (i) these transactions amount to 10% or higher of the Group's total assets or, (ii) there are several transactions or a series of transactions over a 12-month period with the same related party amounting to 10% or higher of the Group's total assets. Details of transactions entered into by the Group with related parties are reviewed by BOD in accordance with the Group's related party transactions policy.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

Events after the Reporting Date

Events after the reporting date that provide additional information about the Group's financial position as at the reporting date (adjusting events) are reflected in the consolidated financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

Earnings Per Share (EPS)

The Group presents basic and diluted EPS data for its common shares.

Basic EPS is calculated by dividing the net income attributable to common shareholders of the Parent Company by the weighted average number of common shares issued and outstanding during the year.

Diluted EPS is computed by adjusting the weighted average number of common shares outstanding, adjusted for the effects of any potentially dilutive, convertible securities.

The Parent Company has no potentially dilutive, convertible securities.

Operating Segments

For management purposes, the Group is organized into five major operating businesses which comprise the bases on which the Group reports its primary segment information. Financial information on operating segments is presented in Note 29. The Group has no geographical segments as all the companies primarily operate only in the Philippines.

Segment revenue, expenses and performance include transfers between business segments. The transfers are accounted for at competitive market prices charged to unaffiliated customers for similar products and services. The measurement policies the Group used for segment reporting are the same as those used in the consolidated financial statements. There have been no changes from prior periods in the measurement methods used to determine profit and loss. No asymmetrical allocations have been applied between segments.

Inter-segment assets, liabilities, revenue, expenses and results are eliminated in the consolidated financial statements.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. The judgments and estimates used in the consolidated financial statements are based on management's evaluation of relevant facts and circumstances as at the reporting date.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the change and future periods if the revision affects both current and future periods.

Evaluating Regulatory Decisions and Related Recoveries. The Group exercises significant judgement in determining the accounting treatment of amounts arising from regulatory decisions issued by the ERC. These include assessments on the enforceability of rights, the timing and certainty of recoverability, measurement of long-term settlement arrangements, and whether a significant financing component exists.

Based on the ERC Order dated October 28, 2025, and subsequent clarification on March 30, 2026, regarding ERC Case No. 2011-017 RC, the Group recognized the following judgments in 2025:

- A ₱97.8 million adjustment was recognized as revenue because it relates to previously delivered electricity services and is based on the Final ERC Order resolving the recalculated Capital Recovery Fee (CRF).
- The receivable from Oriental Mindoro Electric Cooperative, Inc. (ORMECO) amounting to ₱667.1 million and payable to National Power Corporation (NPC) amounting to ₱557.6 million, which are both inclusive of VAT, are measured at present value using a discount rate of 5.69% due to the extended settlement period of eight years and seven months.
- Management evaluated the collectibility from ORMECO and the absence of a legal right of set-off with NPC, concluding that gross presentation is appropriate.

Determining the Discount Rate for Long-Term Settlements. The Group estimated the initial fair value of the long-term receivable from ORMECO and payable to NPC by discounting future cash flows using a risk-adjusted rate. This rate was determined by referencing the prevailing yield of government securities with a similar tenor to the eight years and seven months' settlement period, adjusted for OPI's specific incremental borrowing rate and credit risk profiles of the counterparties.

Assessing Revenue Recognition. The Group recognizes revenue from power generation, water services, and technical services based on the assessment of when control of the related goods or services is transferred to the customer. For power generation, significant judgment is exercised in determining the point at which control over electricity is transferred. The Group concludes that control is transferred at a point in time when electricity is delivered to the grid or directly to the customer, as substantiated by ERC-approved metering data and market operator validations. Management also evaluates the Group's Power Supply Agreements to identify performance obligations, assess the existence of variable consideration arising from price adjustments or market settlements, and determine that no significant financing component exists due to short collection cycles consistent with industry practices.

For water services, management applies judgment in evaluating the nature of the promise to the customers and concludes that water service revenue is recognized at a point in time when water is delivered and consumed, as evidenced by metered usage. Estimates may be required when billing periods overlap the financial reporting period, specifically in determining unbilled revenues based on historical consumption patterns and customer-specific considerations.

For technical services, the Group determines whether revenue should be recognized over time or at a point in time by assessing whether the customer simultaneously receives and consumes the benefits of the services as they are rendered. Management concludes that revenue is recognized at a point in time when the service is completed and the output has been delivered to and accepted by the customers. Estimation uncertainty may arise in determining the stage of completion or evaluating the existence of any variable components such as penalties, price adjustments, or revisions to agreed deliverables; however, management has assessed these to be not significant for the periods presented.

Determining Control over an Investee Company. Control is presumed to exist when an investor 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. The Group controls an entity if and only if the Group has all of the following:

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

The Group 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 Parent Company determined that it exercises control on all of its subsidiaries as it has all the elements of control listed above.

As at December 31, 2025, the Parent Company's effective ownership interests in OPI, ICHPC, and TBC is 41.98%, 41.98%, and 36.99%, respectively. The Parent Company's effective ownership interest in TBC is 49.87% as at December 31, 2024. However, OPI, ICHPC and TBC are considered subsidiaries because the Parent Company's voting power over these entities are sufficient to provide the practical ability to direct and control their relevant activities.

Classifying Lease Commitments - Group as a Lessor. The Group entered into operating lease agreements with various lessees for the lease of its properties such as its land, commercial area condominium units and parking spaces with third parties. The Group has determined based on evaluation of the terms and conditions of the arrangements that it retains all the significant risks and rewards of ownership of the properties subject to lease, thus, the leases are accounted for as operating leases.

Rental income is disclosed in Note 17.

Determining the ROU Assets and Lease Liabilities. The Group leases several office spaces and wells and boosters for a period of one year, renewable upon mutual agreement of the parties. The Group elected not to recognize ROU assets and lease liabilities on these leases due to its short-term nature.

The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Rental expense is disclosed in Notes 18 and 19.

In 2025, the lease agreement for a parcel of land where the Diesel Power Plant is located was modified to extend the lease term with a corresponding increase in scope and monthly rental fee. In 2024, the lease agreement for water facilities was amended to extend the agreement and remove the variable lease fee based on billed volume.

For these lease agreements, the Group recognized ROU assets and lease liabilities measured at the present value of lease payments to be made over the lease term using the Group's incremental borrowing rate.

Recognized ROU assets and lease liabilities as at December 31, 2025 and 2024 is disclosed in Note 24.

Determining the Discount Rate for Lease. The Group uses its incremental borrowing rate as basis for the discount rate which is the rate that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The Group uses its general borrowing rate adjusted for the lease term, security of an item with the underlying nature of the leased asset and expectations of residual value, among others.

The discount rate used in recognizing ROU assets and lease liabilities in 2025 and 2024 is disclosed in Note 24.

Classifying a Property. The Group determines whether a property is classified as investment property or property, plant and equipment:

- Investment properties consist of properties which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.
- Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services and are expected to be used for more than one period. These are properties which are owner-occupied and are substantially for use of the Group or in the operations.

Properties classified as investment properties and property, plant and equipment are disclosed in Notes 11 and 12, respectively.

Determining the Reportable Operating Segments. The Group has determined that it has reportable segments based on the following thresholds:

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

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if management believes that information about the segment would be useful to users of the consolidated financial statements.

The Group's operating segment information are disclosed in Note 29.

Assessing the ECL on Trade and Other Receivables and Receivable Arising from ERC Order. The Group applies the simplified approach in computing ECL, as permitted under PFRS 9, using a provision matrix based on historical default rates for trade and other receivables and receivable arising from ERC order. The provision matrix assigns provision rates based on the aging of trade and other receivables and receivable arising from ERC order.

To reflect current and forward-looking information, the Group adjusts historical credit loss rates by incorporating observable economic factors relevant to each customer segment. These adjustments take into account the expected impact of current and forecasted economic conditions.

The methodology and assumptions used in estimating ECL, including the relationship between historical default rates and forward-looking factors, are reviewed regularly to minimize any differences between estimated and actual credit loss experience. Determining this relationship involves significant judgment and is considered critical accounting estimate. Consequently, the provision for ECL on trade and other receivables is sensitive to changes in assumptions about forecasted economic conditions.

As at the reporting date, the Group assessed that the ECL on trade and other receivables and receivable arising from ERC order is not material. A substantial portion of the receivables has been subsequently collected, and historically, customer balances have been settled within one year. None of the remaining balances were credit impaired or written off as at the reporting date.

No provision for impairment loss was recognized in 2025 and 2023. In 2024, CWWC's BOD has written off allowance for ECL amounting to ₱3.2 million. The carrying amount of trade and other receivables and receivable arising from ERC order, and the recognized ECL are disclosed in Notes 5 and 6.

Assessing the ECL on Other Financial Assets at Amortized Cost. The Group calculates the allowance for ECL on other financial assets at amortized cost using the general approach under PFRS 9. This involves determining a probability-weighted estimate of the present value of all cash shortfalls over the expected life of the financial assets. ECL is recognized for possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition. In such cases, lifetime ECL is recognized.

Key factors considered by the Group in assessing whether there has been a significant increase in credit risk include:

- Actual or expected downgrades in external and internal credit ratings;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The Group also considers financial assets more than 30 days past due to represent, at a minimum, a significant increase in credit risk unless there is evidence to demonstrate otherwise (e.g., non-payment is due to administrative oversight rather than financial difficulty).

No provision for ECL was recognized for cash and cash equivalents, due from related parties, short-term placement, deposits, and guarantee deposit (presented as part of "Other current assets"), and other noncurrent assets. This is because these transactions were conducted with reputable banks and entities with strong credit standings, presenting relatively low credit risk.

The carrying amounts of other financial assets at amortized cost are disclosed in Notes 4, 8, 13 and 22. Detailed information about the ECL on other financial assets at amortized cost is provided in Note 28.

Estimating the NRV of Inventories. The Group assesses the NRV of inventories annually in accordance with the accounting policy described in Note 2. In determining the NRV, management considers factors such as current replacement cost, expected future usage, obsolescence, and market conditions. Inventories are written down when their NRV is lower than cost. No provision for inventory loss was recognized in 2025, 2024 and 2023. The carrying amounts of inventories are carried at cost as disclosed in Note 7.

Assessing the Fair Value of Financial Assets at FVOCI. The Group determines the fair value of financial assets as FVOCI based on quoted market prices or published net asset values per share at the reporting date. When quoted prices are not readily available, or when the liquidation of positions could materially impact market prices, the fair value is estimated using internal valuation models or management judgment.

These models incorporate current market conditions and assume an orderly disposition over a reasonable period. Significant assumptions and inputs, such as discount rates, expected cash flows, and market volatility, are unobservable and require management judgment. Changes in these assumptions could materially affect the reported fair values of financial assets at FVOCI.

The carrying amounts of these investments are disclosed in Note 9.

Estimating the Fair Value of Investment Properties. The Group measures investment properties at fair value, which requires significant judgment and estimation. The Group works closely with external qualified appraisers who performed the valuation using appropriate valuation techniques. For investment properties held for rental, fair values are estimated using expected future cash flows, yields, occupancy rates and discount rates. For investment properties held for capital appreciation, fair values are estimated using current market prices of comparable properties, adjusted for differences in location, size, physical condition, age, functional obsolescence, and prevailing economic conditions. The valuation methods and key assumptions used are disclosed in Note 11.

For Level 3 fair value measurements using the discounted cash flow approach (DCF), management estimates key unobservable inputs, including an average rental growth rate and a terminal capitalization rate. A significant increase in the growth rate or a decrease in the discount rate would result in a significantly higher fair value measurement.

As part of its annual assessment, management evaluates whether indicators of significant change in fair value exist. Based on this assessment, management concluded that for certain investment properties, the fair value remained materially consistent with their carrying amounts as at December 31, 2025 and 2024. Construction in progress is carried at cost, which is considered to approximate fair value until completion.

The carrying amounts of the Group's investment properties are disclosed in Note 11.

Estimating the Useful Lives of Property, Plant and Equipment and ROU asset. The useful lives of the Group's property, plant and equipment and ROU asset are estimated based on the period over which the assets are expected to be available for use. This estimation considers industry practices, internal technical assessments, historical experience with similar assets, and external valuation when applicable.

The estimated useful lives are reviewed at each reporting date and updated if there are indicators that previous estimates require revisions due to factors such as:

- Physical wear and tear;
- Technical or commercial obsolescence; and
- Legal or other limitations on the use of the assets.

Changes in these factors or circumstances may result in revisions to the estimated useful lives, which could materially affect the Group's future results of operations through adjustments to depreciation and amortization expense.

Beginning January 1, 2025, CWWC shortened the useful lives of the water utilities and distribution system from 5 to 60 years to 5 to 50 years to better reflect the expected economic life of the assets and to align depreciation practices with prevailing industry norms. Management has assessed that the resulting increase in annual depreciation is not material to the financial statements taken as a whole. There were no changes in the estimated useful life of ROU asset in 2025, 2024 and 2023.

The carrying amounts of property, plant and equipment and ROU asset are disclosed in Notes 12 and 24, respectively.

Assessing the Impairment of Nonfinancial Assets. The Group performs an impairment review when indicators of impairment are identified. This process involves estimating the recoverable amounts of investments in subsidiaries and an associate, investment properties, property, plant and equipment, ROU asset and other current assets. The recoverable amount is determined as the highest of an asset's fair value less costs to sell or its value in use.

Determining the value in use requires estimating the future cash flows expected to be generated from the continued use and eventual disposal of the assets. This involves significant judgment and estimations, including assumptions about future economic and operating conditions, discount rates, and growth rates.

While the Group believes that the assumptions used reasonable and supportable, significant changes in these assumptions could materially affect the recoverable amounts and potentially result in impairment losses. Any impairment loss recognized would have a material adverse impact on the Group's financial position and performance.

No impairment loss was recognized for other current assets (excluding deposits and short-term placement), investment in an associate, investment properties, property, plant and equipment and ROU asset in 2025, 2024 and 2023.

The carrying amounts of the Group's nonfinancial assets are disclosed in Notes 8, 10, 11, 12 and 24.

Determining the Retirement Benefits Liability. The determination of the obligation and costs of retirement benefits is dependent on the assumptions used by the actuary in calculating such amounts. These assumptions are described in Note 23 and include, among others, discount rates and salary increase rates.

Information relating to the retirement benefits liability are disclosed in Note 23.

Evaluating the Legal Contingencies. The Group is involved in various legal claims incidental to its operations. To avoid prejudicing the outcome of these claims, the Group opted not to disclose detailed information. Management, however, believes that the ultimate resolution of these matters will not have a material adverse effect on the Group's financial position and performance.

No provision was recognized in 2025, 2024 and 2023. Information about these claims are disclosed in Note 30.

Assessing the Recognition of Deferred Tax Assets. The Group reviews the carrying amounts of deferred tax assets at each reporting date to determine whether it is probable that sufficient future taxable profits will be available to utilize the deferred tax assets. Deferred tax assets are reduced to the extent that it is no longer probable that they can be realized.

The Group's assessment on the recognition of deferred tax asset is based on management's forecast of taxable income for subsequent reporting periods. These forecasts consider the Group's expectations regarding future revenue growth, operating expenses, and other relevant factors that may impact taxable profit.

The carrying amounts of the Group's recognized and unrecognized deferred tax assets are disclosed in Note 26.

4. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand	₱410,999	₱361,000
Cash in banks	243,586,090	155,381,495
Cash equivalents	12,000,000	22,347,524
	₱255,997,089	₱178,090,019

Cash in banks earn interest at the prevailing bank deposit rates.

Cash equivalents are short-term deposits made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest rate at 4.65% for 2025, 5.25% to 6.00% for 2024 and 1.25% to 6.00% for 2023.

Interest income from cash in banks, cash equivalents, short-term placements, and special bank deposit for the years ended 2025, 2024, and 2023 amounted to ₱2.4 million, ₱1.7 million, and ₱1.1 million, respectively.

5. Trade and Other Receivables

This account consists of:

	2025	2024
Trade receivables	₱808,725,956	₱738,416,468
Others	12,711,399	10,891,665
	821,437,355	749,308,133
Less allowance for ECL	4,823,802	4,823,802
	₱816,613,553	₱744,484,331

Trade receivables are noninterest-bearing and due within 30 to 90 days. Trade receivables amounting to ₱302.5 million and ₱281.7 million as at December 31, 2025 and 2024, respectively, were pledged as collateral for a loan from a local bank (see Note 15).

Movements in the allowance for ECL are as follows:

	Note	2025	2024
Balance at beginning of year		₱4,823,802	₱4,113,182
Provision	19	–	3,916,384
Write-off		–	(3,205,764)
Balance at end of year		₱4,823,802	₱4,823,802

The Group applies the simplified ECL model, recognizing lifetime ECL on all balances. Significant judgment is applied in estimating credit losses, including the assessment of counterparty credit risk, historical collection patterns, and the recoverability of collateralized balances (see Note 3).

6. Receivable and Payable Arising from ERC Order

On October 28, 2025, the ERC issued an Order in ERC Case No. 2011-017 RC directing the Group to refund to the Universal Charge for Missionary Electrification (UCMCE) funds the difference of the implemented Provisional Rate against the Final rate within a period similar to the period of implementation.

The ERC, in its Letter dated March 30, 2026, clarified that the statement “*within a period similar to the period of implementation*” refers to the period from the start of implementation of the Provisional Authority Order dated April 11, 2011 up to the period before implementing the Final Authority rate, which was approved in the Order dated September 3, 2019. Hence, NPC’s monthly collection shall be based on said recovery period.

In accordance with the ERC Order dated October 28, 2025, and pursuant to reconciliation between the Group and NPC, the Group shall refund to NPC the UCMCE fund amounting to ₱557.6 million, within a period similar to the period of implementation as clarified in ERC Letter dated March 30, 2026.

The Group computed the under-recoveries from November 2011 to May 2020, representing the difference between the provisional and re-computed final rates, to be ₱667.1 million, which is the Group’s total collectibles from ORMECO.

The Group recognized the following in 2025:

- A receivable from ORMECO amounting to ₱667.1 million;
- A payable to NPC amounting to ₱557.6 million; and
- A net cumulative revenue adjustment amounting to ₱97.8 million, recognized in the 2025 consolidated statement of comprehensive income.

The receivable and payable are inclusive of VAT and to be settled over a period of eight years and seven months. Due to the long-term nature of these balances, these are initially measured at present value using a discount rate of 5.69%, determined by reference to the prevailing government security yields adjusted for credit risk.

The components of these balances as at December 31, 2025 are as follows:

	Receivable from ORMECO	Payable to NPC
Gross amount	₱667,100,491	₱557,553,401
Discount	(140,296,783)	(117,258,119)
Balance at end of year	526,803,708	440,295,282
Current portion	49,010,365	40,962,188
Noncurrent portion	₱477,793,343	₱399,333,094

The net discount on receivable and payable amounting to ₱23.0 million is recognized under “Other charges - net” account (see Note 21).

The impact on profit or loss of a reasonably possible change in the discount rates is as follows:

	Change in assumption	2025	Impact on profit or loss
Interest income rate	+1%	₱5,647,169	Increase in income
	-1%	(5,647,169)	Decrease in income
Interest expense rate	+1%	4,719,826	Decrease in income
	-1%	(4,719,826)	Increase in income

7. Inventories

This account consists of:

	2025	2024
At cost:		
Fuel	₱36,653,026	₱34,839,309
Maintenance supplies	5,624,131	5,364,623
	₱42,277,157	₱40,203,932

The costs of inventories recognized as expense and included in “Direct Costs” account in the consolidated statements of comprehensive income are disclosed in Note 18.

No inventory write-downs or impairment losses were recognized in 2025, 2024 and 2023.

As at December 31, 2025 and 2024, no inventories have been pledged as security or collateral for any of the Group’s liabilities.

8. Other Current Assets

This account consists of:

	2025	2024
CWTs	₱141,980,958	₱128,217,391
Input VAT	57,217,503	80,020,342
Short-term placement	17,883,790	17,593,474
Prepayments	6,188,207	3,976,676
Advances to suppliers	5,797,427	8,498,548
Advances to officers and employees	1,030,074	1,962,376
Deposits	113,000	108,000
Guarantee deposit	—	122,000,000
Others	14,037,976	14,783,551
	₱244,248,935	₱377,160,358

Short-term placement pertains to time deposit with a local bank with maturity of one year and earns annual interest of 3.00%. Interest income for short-term placement is disclosed in Note 4.

The guarantee deposit in 2024 represented a bank hold-out requirement serving as security for OPI’s compliance with the bid obligations for the 57-MW Guaranteed Dependable Capacity Power Supply.

On February 21, 2025, the amount was returned to OPI following the surrender of the bank guarantee certificate.

Others include the Department of Energy (DOE) reserve fund, prepaid expenses and advances to officers and employees.

9. Financial Assets at FVOCI

This account pertains to the Group's strategic investments in unquoted equity shares of Jollville Leisure & Resort Corporation (JLRC) and Granville Ventures Inc. (GVI). The Group holds an equity interest of 15.11% in JLRC and 18.18% in GVI.

These non-traded equity investments are irrevocably designated at FVOCI as they are held for long-term strategic purposes rather than for trading.

Movements in this account are as follows:

	2025	2024
Cost	₱15,000,000	₱15,000,000
Cumulative Unrealized Fair Value Changes		
Balance at beginning of year	98,871,047	101,636,381
Fair value changes	(4,264,845)	(2,765,334)
Balance at end of year	94,606,202	98,871,047
Carrying Amount	₱109,606,202	₱113,871,047

The fair value of these unquoted equity investments is determined using the adjusted net asset method (Level 3). Level 3 inputs are unobservable and require management judgment, as they rely on assumptions and estimates about the investees' asset and liabilities at the reporting date.

Key assumptions used in the adjusted net asset method include the valuation of the investees' assets and liabilities as at the reporting date. Changes in these assumptions could significantly affect the fair value measurement.

A significant increase in the fair value of the underlying assets would result in a significantly higher fair value of the investment, while an increase in the lack of marketability discount would result in a significantly lower fair value.

Management continuously monitors the performance of these investees and reviews assumption applied in determining fair value. Given the absence of an active market, the fair value estimates inherently involve a significant degree of estimation uncertainty (see Note 3).

10. Investment in an Associate

The investment in an associate pertains to the Group's investment in Metro Agoo Waterworks Inc., representing 47.41% ownership interest as at December 31, 2025 and 2024.

Details of and movements in the Group's investment in an associate are as follows:

	2025	2024
Cost		
Balance at beginning and end of year	₱4,800,000	₱4,800,000
Accumulated Share in Net Losses		
Balance at beginning and end of year	(4,800,000)	(4,800,000)
Carrying Amount	₱-	₱-

The Group has discontinued the recognition of its share in the net losses of the associate as the investment has been reduced to zero. Cumulative unrecognized share in net losses of the associate amounted to ₱6.9 million and ₱6.8 million as at December 31, 2025 and 2024, respectively.

The following table presents the summarized financial information of the associate:

	2025	2024
Current assets	₱22,841,649	₱25,559,680
Noncurrent assets	292,867,549	311,757,070
Current liabilities	81,249,608	97,734,502
Noncurrent liabilities	152,059,637	159,421,756
Equity	82,399,953	80,160,492
Revenue	67,660,632	69,014,578
Total comprehensive loss	(177,785)	(1,563,335)

11. Investment Properties

This account includes properties held to earn rentals and for capital appreciation. The movements in investment properties are as follows:

	2025			Total
	Land	Buildings and Condominium Units	Construction-in- Progress	
Cost				
Balance at beginning of year	₱192,301,297	₱215,704,990	₱37,265,738	₱445,272,025
Additions	-	600,000	23,378,092	23,978,092
Balance at end of year	192,301,297	216,304,990	60,643,830	469,250,117
Fair Value Changes				
Balance at beginning of year	1,260,688,208	182,341,783	-	1,443,029,991
Fair value gain	33,588,000	39,818,067	-	73,406,067
Balance at end of year	1,294,276,208	222,159,850	-	1,516,436,058
Carrying Amount	₱1,486,577,505	₱438,464,840	₱60,643,830	₱1,985,686,175

	2024			
	Land	Buildings and Condominium Units	Construction-in- Progress	Total
Cost				
Balance at beginning of year	₱192,301,297	₱215,704,990	₱–	₱408,006,287
Additions	–	–	37,265,738	37,265,738
Balance at end of year	192,301,297	215,704,990	37,265,738	445,272,025
Fair Value Changes				
Balance at beginning of year	1,175,864,207	146,631,783	–	1,322,495,990
Fair value gain	84,824,001	35,710,000	–	120,534,001
Balance at end of year	1,260,688,208	182,341,783	–	1,443,029,991
Carrying Amount	₱1,452,989,505	₱398,046,773	₱37,265,738	₱1,888,302,016

The Group's investment properties were appraised by an independent firm of appraisers, with the latest appraisal reports dated April 30, 2026. For investment properties where no indicators of significant changes in fair value were identified, management assessed that the fair value remained consistent with the latest appraisal reports.

The fair values of the investment properties appraised in 2025 were estimated using the following valuation approaches and assumptions:

- *Land.* The fair value of land is categorized as Level 3, determined using the DCF approach. Under the DCF approach, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's estimated useful life including an exit or terminal value. As an accepted method within the income approach to valuation, the DCF approach involves the projection of a series of cash flows on a real property interest. An appropriate, market-derived discount rate is applied to projected cash flow series to establish the present value of the income stream associated with the investment property. Key assumptions used in the discounted cash flow approach include rental rates, rent escalation rates, discount rates, and vacancy rates. Changes in these assumptions could have a significant impact on the fair value measurement.
- *Buildings and Condominium Units.* The fair value of buildings and condominium units are categorized as Level 2, using the sales comparison approach, based on sales and listings of comparable buildings and condominium units with adjustments location, size, attributes, facilities, and timing of sale. The Group has determined that the highest and best use of the buildings and condominium units is to accommodate commercial units and residential units, respectively.

As at December 31, 2025, construction-in-progress pertains to a new commercial building with an estimated percentage of completion of 90% and estimated completion cost of ₱67.8 million. Management believes that the cost incurred to date approximates fair values as the project is in its early stages and no significant changes in market conditions have occurred since the start of construction. The project is expected to be completed in 2026.

In 2004 and 2005, previously company-occupied properties were reclassified to investment properties carried at fair value. The revaluation surplus recognized before reclassification amounted to ₱158.6 million as at December 31, 2025 and 2024. This surplus is retained in OCI and will be transferred to retained earnings upon disposal of the related investment properties.

In 2023, the Group sold a land property with a carrying amount of ₱32.4 million for a total consideration of ₱36.2 million, resulting in a gain of ₱3.9 million.

Rental income generated from investment properties is disclosed in Note 17.

Related direct costs and expenses incurred amounted to ₱1.3 million, ₱5.9 million and ₱4.7 million in 2025, 2024 and 2023, respectively.

As at December 31, 2025 and 2024, no investment properties have been pledged as security or collateral for any of the Group's liabilities.

12. Property, Plant and Equipment

The composition of and movements in property, plant and equipment are as follows:

		2025							
		Land and Improvements	Building and Improvements	Power Plant Facilities and Equipment	Furniture and Fixtures	Water Utilities and Distribution System	Transportation Equipment	Construction-in- Progress	Total
Cost									
		₱41,300,969	₱103,331,467	₱3,349,930,806	₱223,066,256	₱1,134,889,566	₱95,692,371	₱12,818,390	₱4,961,029,825
		37,365,760	1,779,378	19,076,297	22,055,678	120,493,731	9,553,214	113,359,332	323,683,390
		78,666,729	105,110,845	3,369,007,103	245,121,934	1,255,383,297	105,245,585	126,177,722	5,284,713,215
Accumulated Depreciation and Amortization									
		511,413	99,128,588	796,368,830	209,504,961	364,520,419	74,566,864	–	1,544,601,075
		–	5,628,976	146,705,862	13,908,085	48,957,363	6,632,422	–	221,832,708
		511,413	104,757,564	943,074,692	223,413,046	413,477,782	81,199,286	–	1,766,433,783
		₱78,155,316	₱353,281	₱2,425,932,411	₱21,708,888	₱841,905,515	₱24,046,299	₱126,177,722	₱3,518,279,432
2024									
		Land and Improvements	Building and Improvements	Power Plant Facilities and Equipment	Furniture and Fixtures	Water Utilities and Distribution System	Transportation Equipment	Construction-in- Progress	Total
		₱41,300,969	₱103,331,467	₱3,295,139,539	₱218,605,102	₱669,199,581	₱76,054,893	₱383,773,728	₱4,787,405,279
		–	–	54,791,267	4,461,154	–	19,637,478	94,734,647	173,624,546
	24	–	–	–	–	465,689,985	–	(465,689,985)	–
		41,300,969	103,331,467	3,349,930,806	223,066,256	1,134,889,566	95,692,371	12,818,390	4,961,029,825
Accumulated Depreciation and Amortization									
		511,413	87,134,302	651,216,312	203,875,744	345,765,040	69,782,299	–	1,358,285,110
		–	11,994,286	145,152,518	5,629,217	18,755,379	4,784,565	–	186,315,965
		511,413	99,128,588	796,368,830	209,504,961	364,520,419	74,566,864	–	1,544,601,075
		₱40,789,556	₱4,202,879	₱2,553,561,976	₱13,561,295	₱770,369,147	₱21,125,507	₱12,818,390	₱3,416,428,750

The cost of fully depreciated property, plant and equipment still in use in the Group's operations amounted to ₱445.45 million and ₱442.27 million as at December 31, 2025 and 2024, respectively.

No borrowing costs were capitalized in 2025, 2024 and 2023. Cumulative borrowing costs capitalized as at December 31, 2025 and 2024 amounted to ₱272.8 million.

CIP pertains to building finishing and improvements with an estimated percentage of completion of 92% and estimated completion cost of ₱17.1 million. The project is expected to be completed in 2026. In addition, CIP also includes a new power plant facility for CDPP 2 with an estimated project cost of ₱1.0 billion.

Property, plant and equipment with carrying amounts of ₱2,430.6 million and ₱2,564.2 million as at December 31, 2025 and 2024, respectively, are pledged as collateral for bank loans obtained by the Group (see Note 15). There are no contractual commitments to purchase additional property, plant and equipment.

Depreciation and amortization charged to operations consists of:

	Note	2025	2024	2023
Property and equipment		₱221,832,708	₱186,315,965	₱171,621,784
ROU asset	24	3,822,735	3,382,819	–
		₱225,655,443	₱189,698,784	₱171,621,784

Depreciation and amortization are recognized in the consolidated statements of comprehensive income as follows:

	Note	2025	2024	2023
Direct costs	18	₱215,464,865	₱181,440,676	₱163,675,367
General and administrative expenses	19	10,190,578	8,258,108	7,946,417
		₱225,655,443	₱189,698,784	₱171,621,784

Management applies judgments and estimates in determining useful lives and impairment of property, plant, and equipment (see Note 3).

13. Other Noncurrent Assets

This account consists of:

	Note	2025	2024
Reserve fund	15	₱2,849,273	₱28,499,419
Utilities and other deposits		4,783,300	10,558,337
Special bank deposit	24	4,500,000	4,500,000
		12,132,573	43,557,756
Less allowance for ECL		2,649,641	2,649,641
		₱9,482,932	₱40,908,115

Reserve fund pertains to a hold-out requirement of the local bank creditor of the Group as security for its long-term loans payable.

Utilities and other deposits pertain to rental deposits which will be refunded upon termination of the related lease contract.

Special bank deposit pertains to interest-bearing performance security in the form of a bank guarantee in relation to the lease agreement of CWWC with the LGU of Tabuk. Interest income earned is disclosed in Note 4.

14. Trade and Other Payables

This account consists of:

	Note	2025	2024
Trade:			
Third parties		₱444,668,070	₱367,730,742
Related parties	22	256,123,092	218,535,207
Retention payables:			
Related parties	22	216,779,938	216,779,938
Third parties		4,650,000	4,650,000
Statutory payables		69,868,197	49,344,583
Accrued expenses:			
Third parties		38,488,161	22,344,802
Related parties	22	9,519,689	4,391,061
Security deposits	24	1,968,326	1,571,096
Others		2,086,596	3,885,659
		₱1,044,152,069	₱889,233,088

Trade payables are noninterest-bearing and are generally settled within 15 to 90 days.

Retention payables pertain to the construction projects and is expected to be settled within one year.

Statutory payables include amounts payable to government agencies that are normally settled in the following month.

Accrued expenses include accrual for rental and other expenses which are generally paid in the subsequent month.

Security deposits are refundable deposits made by customers for the lease of the Group's properties and to be returned at the end or termination of the contract.

15. Loans Payable

The Group's loans payable consist of short-term and long-term borrowings obtained from local banks. These loans are measured at amortized cost using the effective interest method. Details are as follows:

	Interest Rate	2025	2024
Short-term loans	6.80% - 7.75%	₱349,991,020	₱725,700,000
Long-term loans:	5.75% - 10.00%		
Current portion		304,328,050	215,601,998
Noncurrent portion		379,999,382	262,011,639
		₱1,034,318,452	₱1,203,313,637

Short-term Loans

Short-term loans are unsecured borrowings with maturities of 30 days to one year from availment date. Interest is payable monthly and is subject to renewal and re-pricing. These loans are primarily used for working capital requirements.

Long-term Loans

Long-term loans obtained from local banks are summarized as follows:

Term	Interest Rate	Maturity	2025	2024
10 years	6.00% - 7.80%	Up to 2026	₱244,501,060	₱466,959,818
8 years	8.01%	Up to 2033	429,964,209	–
5 years	9.20% - 14.00%	Up to 2025	–	6,299,700
3 years	10.00%	Up to 2027	9,862,163	4,354,119
			₱684,327,432	₱477,613,637

Certain 10-year loans require the Group to maintain debt-to-equity ratio of 80:20, and debt-service coverage ratio of 1.0:1. The Group is compliant with the ratio requirements as at December 31, 2025 and 2024.

Long-term loans are secured by the following assets:

	Note	2025	2024
Property, plant and equipment	12	₱2,430,623,403	₱2,564,191,382
Trade receivables	5	302,518,075	281,667,211
Reserve fund	13	2,849,273	28,499,419
		₱2,735,990,751	₱2,874,358,012

The schedule of maturity of the long-term loans is as follows:

	2025	2024
Within one year	₱304,328,050	₱215,601,998
Beyond one year but not later than five years	379,999,382	262,011,639
	₱684,327,432	₱477,613,637

Finance costs incurred and charged to operations are as follows:

	Note	2025	2024	2023
Loans payable		₱67,598,998	₱76,921,007	₱99,391,388
Lease liabilities	24	8,265,529	7,901,151	–
		₱75,864,527	₱84,822,158	₱99,391,388

16. Equity

Capital Stock

Details of the Parent Company's common shares with par value of ₱1.00 per share as at December 31, 2025 and 2024 are as follows:

	Shares	Amount
Authorized	1,000,000,000	₱1,000,000,000
Issued and Outstanding	281,500,000	₱281,500,000

On June 17, 2002, the Parent Company issued 281,500,000 shares at ₱1.09 in its initial public offering.

The Parent Company has 31 stockholders as at December 31, 2025 and 2024, including the PCD Nominee Corporation.

Retained Earnings

Property Dividends

In December 2018, the Parent Company's BOD approved the appropriation of ₱185.9 million of its retained earnings for property dividends.

On January 4, 2019, the BOD approved the declaration of property dividends equivalent to 66.03% of retained earnings, comprising of 42,225,000 common shares of 2BIG valued at ₱2.59 per share and 76,500,000 common shares of PHEVI valued at ₱1.00 per share, or for a total amount of ₱185.9 million. The valuation was based on the interim financial statements of the subsidiaries as at September 30, 2018. The stockholders were entitled to receive 27 shares of PHEVI and 15 shares of 2BIG for every 100 Parent Company shares held. Fractional shares are settled in cash.

On June 18, 2021, the BOD, amended and re-set the record date for stockholders entitled to property dividend to August 27, 2021, subject to SEC approval. The number of shares to be distributed remained unchanged. The valuation was updated to ₱2.69 per share for 2BIG and ₱0.99 per share for PHEVI based on the audited financial statements of both subsidiaries as at December 31, 2020.

On February 28, 2022, the SEC approved the reduction in par value of PHEVI's shares from ₱1.00 per share to ₱0.10 per share.

Subsequently, on September 20, 2022, the SEC advised that the property dividends should be valued at the acquisition cost of the common shares of PHEVI and 2BIG which aggregated ₱150.6 million.

On March 4, 2025, the Parent Company received from the SEC the Certificate of Filing the Notice of Property Dividend Declaration dated February 27, 2025, approving the final property dividend amount of ₱152.8 million. The amount reflects the acquisition cost using specific identification. The property dividend consists of common shares of 2BIG worth ₱76.5 million and common shares of PHEVI worth of ₱76.3 million.

Accordingly, the appropriated retained earnings amounting to ₱185.9 million which had originally been set aside for property dividends is reversed.

Dividends Declaration

Following the SEC's approval of the property dividends declaration, the Parent Company declared property dividends amounting to ₱152.8 million. This declaration covers the distribution of common shares of 2BIG and PHEVI to entitled shareholders as of August 27, 2021. The property dividends remain outstanding as at December 31, 2025.

On September 21, 2023, OPI declared cash dividends for the period October 1, 2018 to December 28, 2023 in favor of its preferred shareholders. Out of the total cash dividends amounting to ₱172.9 million, ₱147.2 million remains outstanding as at December 31, 2025.

On December 11, 2023, CWWC declared cash dividends of ₱1.00 per share to all shareholders of record as of December 31, 2023. The related dividends payable amounting to ₱0.4 million were paid on March 1, 2024.

Non-controlling Interests

The Group's non-controlling interests represent the non-controlling shareholders in OPI, ICHPC, NWC and TBC. Details of percentage of non-controlling interests are as follows:

	2025	2024
OPI	58.02	40.05
ICHPC	58.02	40.05
NWC	35.43	25.12
TBC	63.01	50.13

Non-controlling interests amounted to ₱1,042.0 million and ₱960.2 million as at December 31, 2025 and 2024, respectively.

The total comprehensive income allocated to non-controlling interests amounted to ₱81.8 million, ₱86.9 million and ₱153.1 million in 2025, 2024 and 2023, respectively.

On May 2, 2024, OPI's BOD approved the application of dividends payable amounting to ₱6.7 million against the subscription receivable from preferred shares. Moreover, on September 5, 2024, OPI's BOD approved the application of dividends payable amounting to ₱4.5 million against the subscription receivable from common shares.

On September 21, 2023, OPI's BOD approved the redemption of 33,000 preferred shares at ₱1,000.00 par value a share of a shareholder in accordance with the subscription agreement and articles of incorporation. At the same meeting, OPI's BOD also approved the rescission of a subscription agreement covering 48,479 preferred shares. The related payments were made in 2024.

On September 3, 2024, OPI's BOD approved the redemption of 4,000 preferred shares at ₱1,000.00 par value a share of a shareholder in accordance with the subscription agreement and articles of incorporation. The related payment remains outstanding as at December 31, 2024.

Financial Information of Subsidiaries

The summarized financial information of subsidiaries with significant non-controlling interests, before intercompany eliminations, are as follows:

	2025			
	OPI	ICHPC	NWC	TBC
Total Current Assets	₱1,110,771,680	₱5,979,186	₱2,409,676	₱540,772
Total Noncurrent Assets	3,108,143,997	-	-	-
Total Current Liabilities	1,517,129,205	-	-	-
Total Noncurrent Liabilities	797,820,819	-	-	-
Total Equity	1,903,965,653	5,979,186	2,409,676	540,772
Revenue	1,252,917,458	-	-	-
Net Income (Loss)	117,529,357	(270,814)	(2,846)	(9,077)
Total Comprehensive Income (Loss)	118,457,092	(270,814)	(2,846)	(9,077)
	2024			
	OPI	ICHPC	NWC	TBC
Total Current Assets	₱1,070,880,540	₱5,986,250	₱2,412,522	₱549,849
Total Noncurrent Assets	2,637,095,654	-	-	-
Total Current Liabilities	1,654,185,505	-	-	-
Total Noncurrent Liabilities	268,282,126	-	-	-
Total Equity	1,785,508,563	5,986,250	2,412,522	549,849
Revenue	1,201,276,649	-	-	-
Net Income (Loss)	212,347,814	(263,750)	(11,822)	(27,173)
Total Comprehensive Income (Loss)	212,347,814	(263,750)	(11,822)	(27,173)

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit standing and stable capital ratios in order to support its business and maximize shareholder value. The Group maintains its current capital structure and will adjust, if necessary, in order to generate a reasonable level of returns to stockholders over the long term. No changes were made in the objectives, policies or processes during the year.

The Group considers the equity presented in the consolidated statements of financial position as its core capital.

The Group monitors capital using debt-to-equity ratio, which is total debt divided by total equity.

The debt-to-equity ratio of the Group is as follows:

	2025	2024
Total Debt	₱3,721,075,487	₱3,093,991,747
Total Equity	3,965,513,637	3,916,126,774
Debt-to-equity ratio	0.94:1	0.79:1

Pursuant to the PSE's rules on minimum public ownership, at least 10% of the issued and outstanding shares of a listed company must be owned and held by the public. The public ownership of the Parent Company is 34.24% as at December 31, 2025 and 2024.

The Group is compliant with the debt-to-equity ratio requirement pursuant to its loan covenants as disclosed in Note 15.

17. Revenue

This account consists of:

	Note	2025	2024	2023
At a point in time:				
Power sales		₱1,252,769,601	₱1,201,158,256	₱1,370,173,669
Water services		378,444,785	313,795,774	298,104,333
Technical services		28,600,428	27,602,933	23,228,482
Rental income	11	62,456,595	55,330,613	55,817,879
		₱1,722,271,409	₱1,597,887,576	₱1,747,324,363

In 2025, revenue from power sales includes revenue adjustment related to the refund and recovery scheme amounting to ₱97.8 million (see Note 6).

18. Direct Costs

This account consists of:

	Note	2025	2024	2023
Fuel cost	7	₱770,279,338	₱679,870,375	₱641,393,798
Depreciation and amortization	12	215,464,865	181,440,676	163,675,367
Outside services		81,266,354	74,947,323	88,165,461
Utilities		54,487,989	50,416,075	44,627,258
Salaries and employee benefits		52,827,531	47,047,472	35,992,272
Rental	24	26,035,216	17,269,829	25,528,447
Repairs and maintenance		22,660,919	25,645,799	46,731,687
Supplies		9,260,307	13,627,047	2,784,840
Insurance		7,462,799	8,595,095	8,001,465
Retirement benefits cost		1,584,209	1,321,098	183,678
Taxes and licenses		1,390,604	1,479,113	1,359,109
Transportation and travel		792,570	927,455	1,082,402
Others		7,088,773	4,641,954	3,973,087
		₱1,250,601,474	₱1,107,229,311	₱1,063,498,871

19. General and Administrative Expenses

This account consists of:

	Note	2025	2024	2023
Salaries and employee benefits		₱59,219,099	₱54,933,178	₱53,686,942
Taxes and licenses		29,251,882	20,934,523	20,084,368
Transportation and travel		15,301,624	16,139,452	15,642,174
Outside services		13,824,321	14,731,415	22,075,195
Professional services		10,907,617	7,618,029	5,283,933
Depreciation and amortization	12	10,190,578	8,258,108	7,946,417
Utilities		6,887,603	6,274,878	6,576,860
Representation and entertainment		6,407,323	7,751,261	7,275,175
Repairs and maintenance		5,064,917	7,036,106	8,615,793
Retirement benefits cost		4,005,788	3,657,686	5,011,273
Association dues		2,683,820	3,174,491	3,655,186
Insurance		2,373,466	1,435,790	1,375,886
Donation		1,956,857	1,124,334	2,131,998
Office supplies		1,009,056	1,571,464	764,573
Rental	24	920,707	982,915	948,105
Energy Regulations (ER) 1-94 fund	24	852,229	923,265	934,381
Computer software		696,737	1,357,886	1,142,155
Trainings and seminars		243,214	134,893	428,511
Advertising		111,351	108,577	194,557
Provision for ECL	5	–	3,916,384	–
Others		5,965,120	10,214,797	9,460,549
		₱177,873,309	₱172,279,432	₱173,234,031

Others include government share, parking and toll fees, and other miscellaneous expenses.

20. Personnel Costs

Total salaries and employee benefits consist of:

	Note	2025	2024	2023
Salaries and wages		₱87,469,286	₱81,566,153	₱74,108,355
Other employee benefits		15,674,266	12,633,449	9,983,929
Statutory contributions		8,903,078	7,781,048	5,586,930
Retirement benefits cost	23	5,589,997	4,978,784	5,194,951
		₱117,636,627	₱106,959,434	₱94,874,165

Salaries and employee benefits are distributed as follows:

	Note	2025	2024	2023
Direct costs	18	₱52,827,531	₱47,047,472	₱35,992,272
Retirement benefit cost under direct costs	18	1,584,209	1,321,098	183,678
General and administrative expenses	19	59,219,099	54,933,178	53,686,942
Retirement benefit cost under general and administrative expenses	19	4,005,788	3,657,686	5,011,273
		₱117,636,627	₱106,959,434	₱94,874,165

21. Other Charges - Net

This account consists of:

	Note	2025	2024	2023
Net discount	6	(₱23,038,664)	₱-	₱-
Bank charges		(5,653,456)	(3,582,931)	(4,331,256)
Net unrealized foreign exchange gain		3,234	12,495	3,291
Others		523,127	663,194	528,559
		(₱28,165,759)	(₱2,907,242)	(₱3,799,406)

Other income mainly pertains to sale of scrap materials.

22. Related Party Transactions

The Group's transactions with its related parties are summarized below:

Related Party	Nature	Note	Amounts of Transaction		Outstanding Balances	
			2025	2024	2025	2024
Due from Related Parties						
Under common management	Cash advances		₱10,465,956	₱27,295,572		
	Collections		(32,756,954)	(13,837,430)	₱68,253,656	₱90,544,654
Associate	Collections		(6,992,320)	(18,991,426)		
	Cash advances		-	-	21,942,240	28,934,560
Stockholders	Collections		-	(3,373)	280,568	280,568
					₱90,476,464	₱119,759,782
Trade Payables						
Under common management	Operations and maintenance fees	14	₱59,293,265	₱54,430,730		
	Construction Payments	24	77,866,317	87,262,691		
			(99,571,697)	(209,539,692)	₱256,123,092	₱218,535,207
Retention Payables						
Under common management	Construction	14	₱-	₱-	₱19,782,484	₱19,782,484
Stockholders	Payment		-	(10,474,396)	196,997,454	196,997,454
					₱216,779,938	₱216,779,938

(Forward)

Related Party	Nature	Note	Amounts of Transaction		Outstanding Balances	
			2025	2024	2025	2024
Accrued Expenses		14				
Under common management	Operations and maintenance fees	24	₱11,845,103	₱4,391,061		
	Construction Payment		(6,716,475)	(23,708,658)	₱9,519,689	₱4,391,061
Due to Related Parties						
Stockholders	Cash advances		₱50,000,000	₱30,895,365		
	Payments		(14,117,289)	–	₱212,793,163	₱176,910,452
Under common management	Cash advances		1,861,933	19,805,696		
	Payments		(22,378,335)	(4,140,005)	70,284,138	90,800,540
					₱283,077,301	₱267,710,992

Terms and Conditions

Due from Related Parties. The Group has advances for working capital requirements. These receivables are unsecured, noninterest-bearing and collectible in cash upon demand. No provision for ECL on due from related parties was recognized in 2025, 2024 and 2023.

Due to Related Parties. Amounts due to related parties are mainly attributable to advances from stockholders for investment purposes. These payables are unsecured, noninterest-bearing and payable in cash upon demand.

There has been no guarantee provided or received for any related party receivables or payables.

Intercompany transactions eliminated in consolidation pertain to due to/from related parties, intercompany revenue and dividend income. Total due to/from related parties eliminated amounted to ₱115.5 million and ₱172.7 million as at December 31, 2025 and 2024, respectively. Intercompany revenue eliminated amounted to ₱34.6 million, ₱37.2 million and ₱33.1 million in 2025, 2024 and 2023, respectively.

Compensation of Key Management Personnel

Compensation of key management personnel, consisting of short-term salaries and other employee benefits, amounted to ₱41.74 million, ₱40.1 million and ₱39.4 million in 2025, 2024 and 2023, respectively.

23. Retirement Benefits Liability

The Group has an unfunded, non-contributory retirement plan covering all qualified employees. The benefit shall be payable to employees who retire from service who are at least 60 years old and with at least five years of continuous service. Under the current plan, the employees are entitled to retirement benefits of 85% of the final monthly salary at retirement date for employees who have rendered at least five years of service by the time of retirement. The most recent actuarial valuation reports were dated March 30, 2026. The present value of the defined benefit obligation and the related current service cost were measured using the projected unit credit method.

Retirement benefits cost recognized in the consolidated statements of comprehensive income in respect of this defined benefit plan is included as part of “Direct costs” and “General and administrative expenses”:

	2025	2024	2023
Current service cost	₱3,348,541	₱3,038,847	₱2,829,948
Interest cost	2,241,456	1,939,937	2,365,003
	₱5,589,997	₱4,978,784	₱5,194,951

Movements in the present value of defined benefit obligation are as follows:

	2025	2024
Balance at beginning of year	₱37,090,892	₱45,304,689
Current service cost	3,348,541	3,038,847
Interest cost	2,241,456	1,939,937
Actuarial gain	(4,415,207)	–
Retirement benefits paid	–	(13,192,581)
Balance at end of year	₱38,265,682	₱37,090,892

The principal assumptions used for purposes of the actuarial valuations are as follows:

	2025	2024
Discount rate	6.15%	6.04%
Expected rate of salary increases	5.00%	5.00%

The schedule of expected future benefit payments of the Group is as follows:

Years	2025	2024
Within one to five years	₱18,330,940	₱14,031,497
Within six to 10 years	26,268,163	27,531,987

The sensitivity analysis on the defined benefits obligations follows:

	Change in assumption	2025	2024
Discount rate	+0.5%	(₱1,462,501)	(₱1,068,984)
	-0.5%	1,563,317	1,161,603
Salary increase rate	+0.5%	1,577,434	1,170,085
	-0.5%	(1,678,250)	(1,086,630)

Remeasurement Gain

The cumulative remeasurement gains on retirement benefits liability recognized in OCI follows:

	2025		
	Cumulative Remeasurement Gains	Deferred Tax (see Note 26)	Net
Balance at beginning of year	₱27,090,059	₱5,065,408	₱22,024,651
Remeasurement gain	4,415,207	1,108,421	3,306,786
Balance at end of year	₱31,505,266	₱6,173,829	₱25,331,437

	2024		
	Cumulative Remeasurement Gains	Deferred Tax (see Note 26)	Net
Balance at beginning and end of year	₱27,090,059	₱5,065,408	₱22,024,651

The average duration of the benefit obligation is 7.75 years as at December 31, 2025 and 2024.

The plan exposes the Group to the following risks:

- Salary risk - any increase in the retirement plan participants' salary will increase the retirement plan's liability.
- Longevity risk - any increase in the plan participants' life expectancy will increase the retirement plan's liability.
- Interest rate risk - a decrease in bond interest rate will result to a higher present value of retirement benefits liability.

24. Significant Contracts and Commitments

Lease of Water Facilities and Power Plant Site

CWWC has a lease agreement with the LGU of Tabuk, in the province of Kalinga. Under the Agreement, CWWC will manage, operate and maintain the water facilities developed and owned by the LGU within a defined service area. CWWC initially paid for the installation and rehabilitation of the water facilities in Tabuk on behalf of the LGU. The related receivable from the LGU is disclosed in Note 5. CWWC shall make the lease payments to the LGU based on agreed amounts.

The monthly fees paid to the LGU are based on the current billed volume. The related water revenue from operating the water facilities in Tabuk amounted to ₱49.8 million, ₱35.5 million and ₱32.0 million in 2025, 2024 and 2023, respectively.

Relevant information of the lease agreement are as follows:

- Monthly supervision fee of ₱5.00 per service connection subject to adjustment. Supervision and regulatory fees amounted to ₱323,940, ₱318,040 and ₱305,350 in 2025, 2024 and 2023, respectively;
- Annual lease fee ranging from ₱1.4 million to ₱8.8 million during the lease period. The related rental expense amounted to ₱8.8 million in 2023 and 2022; and
- Performance security through a bank guarantee valid for 12 months, renewable annually. Special bank deposit amounted to ₱4.5 million as at December 31, 2025 and 2024 (see Note 13).

In April 2024, the lease agreement with the LGU of Tabuk was amended to extend the lease term for another 15 years, expiring on September 30, 2046. The lease is renewable upon mutual agreement of both parties. Amendments to the contract include:

- Removal of the variable lease fee based on billed volume; and
- Acknowledgment of the unpaid lease fee by CWWC to be settled in monthly installment until 2044 after offsetting the receivable from LGU amounting to ₱10.1 million.

As at December 31, 2025 and 2024, installment payable amounted to ₱38.4 million and ₱40.6 million, respectively. Current portion of installment payable amounting to ₱2.2 million as at December 31, 2025 and 2024 is presented as part of “Trade payable to third parties” under “Trade and other payables” account in the consolidated statements of financial position.

In 2024, CWWC recognized ROU asset and lease liability for the remaining portion of lease agreement with the LGU of Tabuk.

Long-term Lease for Power Plant Site

OPI leases a parcel of land owned by ORMECO for the 8MW Modular Bunker Fuel-Fired Power Plant’s site. The term of the lease is for 15 years starting from February 9, 2010 with an annual rental of ₱10,000 inclusive of VAT and may be renewed for another 15 years, under terms and conditions mutually agreed upon by the parties.

On March 7, 2025, the lease agreement was modified to extend the lease term for another 15 years in connection to the new PSA for CDPP 2 with increase in scope and monthly rental fee. As a result, the Group recognized ROU asset and lease liability.

The balance of and movements in ROU assets and lease liabilities as at December 31, 2025 are as follows:

ROU Assets

	Note	2025	2024
Cost			
Balance at beginning of year		₱76,959,127	₱–
Additions		8,974,284	76,959,127
Balance at end of year		85,933,411	76,959,127
Accumulated Amortization			
Balance at beginning of year		3,382,819	–
Amortization	12	3,822,735	3,382,819
Balance at end of year		7,205,554	3,382,819
Carrying Amount		₱78,727,857	₱73,576,308

Lease Liabilities

	Note	2025	2024
Balance at beginning of year		₱76,075,278	₱–
Additions		8,974,284	76,959,127
Rental payments		(9,499,286)	(8,785,000)
Interest	15	8,265,529	7,901,151
Balance at end of year		83,815,805	76,075,278
Less current portion		1,408,513	979,502
Noncurrent portion		₱82,407,292	₱75,095,776

The incremental borrowing rates applied to the lease liabilities range from 6.23% to 10.32% in 2025 and 2024.

The future minimum lease payments and present value as at December 31, 2025 follow:

	Minimum Lease Payments	Present value
Within one year	₱9,642,143	₱6,768,666
After one year but not more than five years	39,425,714	21,079,295
More than five years	147,303,036	33,296,958
	₱196,370,893	₱61,144,919

Customers' Deposits

CWWC requires its new customers to pay a deposit which shall be returned to the customer upon termination of the service connection. Customers' deposits amounted to ₱43.8 million and ₱40.7 million as at December 31, 2025 and 2024, respectively.

Construction Agreements for Waterworks System

CWWC entered into a contract with an entity under common management for Phase 2 of the waterworks system development and expansion plan (the "Project"). The total contract price of the Project is ₱356.5 million. Actual construction costs, including other costs capitalized such as design and engineering costs, and cost of feasibility studies, amounting to ₱465.7 million were reclassified to "Water utilities and distribution system" after the construction was completed in December 2024 (see Note 12).

Related retention payable amounted to ₱19.8 million as at December 31, 2025 and 2024.

In 2025, CWWC entered into a new construction contract with the same entity under common management for Calapan Waterworks Development Plan (the "Development Plan"). The total contract price of the Development Plan is ₱435.8 million and is expected to be completed within six years.

As at December 31, 2025, the Development Plan is 19.70% completed with an actual construction costs of ₱85.7 million.

Service Agreement

In September 2022, CWWC renewed its service agreement with an entity under common management for the operations and maintenance of its water system facilities for a period of three (3) years.

Operations and maintenance fees amounted to ₱64.6 million, ₱55.3 million and ₱47.5 million in 2025, 2024 and 2023, respectively. These are recorded as part of "Outside services" under "Direct costs" account in the consolidated statements of comprehensive income.

Power Supply Agreement (PSA)

Modular Bunker Fuel-Fired Power Plant. On February 9, 2010, OPI entered into a PSA with ORMECO wherein OPI agreed to supply the power needs of ORMECO for a period of 15 years, subject to renewal for another 15 years upon mutual agreement of the parties, and to construct, operate and maintain the needed power generation plant on a Build-Own-Operate basis. This agreement includes responsibilities of both parties on the construction, testing and operation of the power plant which will also be owned by OPI.

OPI agreed to supply ORMECO more or less 4,939,200 kWh of energy per month or a maximum of 8MW Power at any given time during the cooperation period for which electricity and other fees shall be paid by ORMECO on a monthly basis. ORMECO agreed to buy the electricity up to the plant's production capacity.

10 MW Baseload Guaranteed Dependable Capacity Bunker Power Plant (CDPP 2). On April 30, 2025, OPI entered into a new PSA with ORMECO wherein OPI shall supply and deliver the guaranteed dependable capacity of 10MW and monthly contracted energy of 7,300,000 kWh. Delivery of agreed contracted energy shall commence in April 2027 or upon the issuance of ERC approval, whichever comes later.

This agreement includes responsibilities of both parties on the testing and commissioning, completion, and operation of the power plant which will also be owned by OPI.

Inabasan Mini-Hydroelectric Power Plant (IMHPP). On July 18, 2012, OPI entered into a PSA with ORMECO wherein OPI agreed to supply the power needs of ORMECO for a period of 25 years, subject to extension upon mutual agreement of the parties, and to construct, operate and maintain the IMHPP to be located at the Municipality of San Teodoro, Oriental Mindoro. This agreement includes responsibilities of both parties on the construction, testing and operation of the power facility which will also be owned by OPI.

OPI agreed to supply ORMECO a minimum of 4,083,000 kWh up to the maximum of 4,320,000 kWh of energy per month at any given time during the cooperation period for which the generation rate shall be paid by ORMECO on a monthly basis.

Power sales generated from the power plants attributable to ORMECO aggregated ₱616.6 million, ₱692.0 million and ₱679.8 million in 2025, 2024 and 2023, respectively.

Subsidy Agreement between NPC, ORMECO and OPI

In 2011 and 2019, NPC, ORMECO and OPI signed the subsidy agreement which governs the availment by OPI of the Missionary Electrification Subsidy (ME Subsidy) as a New Power Provider (NPP) in the province of Mindoro. The agreement shall take effect from the time of execution until expiration of the PSA or termination of the Subsidy Agreement, as provided under Section 8 of the Subsidy Agreement, whichever comes earlier.

The ME Subsidy shall be computed as the difference between the True Cost of Generation Rate (TCGR) computed under the PSA and the Socially Acceptable Generation Rate (SAGR) paid by ORMECO. The amount of the ME Subsidy shall be taken from the Universal Charge-Missionary Electrification (UC-ME) fund being maintained by NPC.

Power sales to NPC amounted to ₱451.4 million, ₱377.6 million and ₱348.8 million in 2025, 2024 and 2023, respectively.

Cash Incentive Entitlement

Under ERC Resolution No. 7, Series of 2014, OPI, being an RE Developer registered with the DOE operating in Oriental Mindoro (a missionary area identified under the Missionary Electrification Development Plan [MEDP]) shall be entitled to generation-based cash incentive from the UC-ME to the extent of the amount approved by the ERC for the purpose determined in accordance with the requirements and procedures under the amended guidelines issued pursuant to ERC Resolution No. 21, Series of 2011, subject to the availability of funds.

OPI, when availing the cash incentive, shall submit to Power Sector Assets and Liabilities Management (PSALM) its duly accomplished UC-ME Cash Incentive Claim form together with other supporting documents. The rate of ₱1.1789/kWh shall be the Cash Incentive due to RE Developer applied to the net generation (net of station use) based on the energy delivered by generation company to the DUs, consistent with Section 5, Article III of ERC Resolution No.7, Series of 2014.

On April 29, 2022, ERC issued its Decision on ERC Case No. 2014-135 RC "In the Matter of the Petition for the Approval of the Proposed New SAGR and the UC-ME for the Years 2015-2016", wherein PSALM directed to release or disburse to NPC any amount collected from the implementation of the UC-ME, except for the accrued collections for the RE Developers' Cash Incentive (REDCI) at ₱0.0017/kWh and ₱2.9907/kWh shall apply for Oriental Mindoro as REDCI rate for calendar year 2016 and prior years. Also, ERC found it just and reasonable to grant an interim relief to those RE Developers not yet included in the petition. Grant of interim relief shall be subject to adjustments as determined in the year they are included in the subsequent UC-ME petition of NPC. The grant of interim REDCI rate shall be subject to conditions and OPI has been granted with such relief.

Subsequently, on October 30, 2024, ERC issued an Order on ERC Case No. 2024-36 RC "In the Matter of the Petition for the Approval of the Availment from the UCME for CY 2025, with Prayer for the Issuance of Provisional Authority or Interim Relief", wherein ERC granted interim relief for the availment of the UCME subsidy for CY 2025, and reiterated the interim REDCI rate of ₱2.9907/kWh shall apply for RE Developers operating in Mindoro from CY 2025 until revised by the Commission. PSALM was likewise authorized to release the additional REDCI to RE Developers deemed eligible.

OPI's cash incentive amounted to ₱87.0 million, ₱131.7 million and ₱341.7 million in 2025, 2024 and 2023, respectively, and included under the "Power sales" as part of "Revenue" account in the consolidated statements of comprehensive income.

Hydropower Service Contract

On March 25, 2010, OPI entered into a Hydropower Service Contract with the DOE pursuant to Section 2, Article XII of the 1987 Constitution and Republic Act No. 9513, otherwise known as the Renewable Energy Act of 2008. OPI was appointed and constituted by the DOE as the exclusive party to explore, develop and utilize the hydropower resources within Inabasan River in the Municipality of San Teodoro, Oriental Mindoro. OPI may pursue any additional investment or new investment within the Inabasan River and shall provide the services, technology, equipment, and financing. Technical and financial risk under the contract shall be assumed by OPI in case no hydropower resource in quantities of electricity is determined during the pre-development stage.

The IMHPP was commissioned on January 14, 2019. The Contract states that OPI, as a RE developer, shall remit the government share, which shall be equal to one percent (1%) of the gross income of the RE developer within 60 days following the end of each calendar quarter. The payment of government share shall accrue from the time and only when the resource is utilized commercially.

The government share remitted by OPI amounting to ₱1.6 million, ₱4.0 million and ₱5.1 million in 2025, 2024 and 2023, respectively, is presented under "General and administrative expenses" account in the consolidated statements of comprehensive income.

Memorandum of Agreements (MOA)

OPI entered into a MOA with the DOE for the granting of financial benefits to the host communities of the energy-generation company and/or energy resources for its 8 MW Modular Bunker Fuel-Fired Power Plant and 10 MW Inabasan Hydroelectric Power Plant in compliance with ER1-94 and the Implementing Rules and Regulations of Electric Power Industry Reform Act of 2001. As agreed, OPI shall provide financial benefits equivalent to one centavo per kilowatt-hour (₱0.01/kWh) of the total electricity sales of the generation facility to the region, province, city or municipality and barangay that host the generation facility. The computation of financial benefits commenced upon the start of the commercial operation of the power plant facilities.

The amount of ER1-94 fund payments is disclosed in Note 19.

Fuel Supply and Management Agreement (FSMA)

Pursuant to the PSA, OPI also entered into a FSMA with ORMECO to ensure the continued and timely supply of fuel and lube oil to the power plant in the needed quantities and qualities and to put in place a transparent process in order to ensure at all times the lowest cost thereof. OPI owns the storage tanks and dispensing pumps that were installed at the power plant and all the structures, fixtures and equipment used in connection with the supply of fuel and lube oil. This agreement has the same duration as that of the PSA unless otherwise agreed by both parties.

Amount of fuel as at December 31, 2025 and 2024 is disclosed in Note 7.

Power Generation Project and Operation and Maintenance Agreement

On July 26, 2017, OPI entered into a Power Generation Project and Operation and Maintenance Agreement (the "Agreement") with a local service provider for the operation, maintenance and management services for OPI's 8MW Modular Bunker Fuel-Fired Power Plant. It included the hiring of contractors for repair services; sourcing and procuring of the required maintenance parts and other specific duties required by the Agreement.

On September 26, 2023, the local service provider and OPI mutually agreed to end the Agreement. From the same date onwards, the plant's operation and maintenance is directly undertaken by OPI.

Total service fees incurred by OPI amounted to ₱26.5 million in 2023 which is presented as part of "Outside services" under "Direct Costs" account in the consolidated statements of comprehensive income.

Other Lease Agreements

Group as a Lessor. The Group leased its various investment properties and certain furniture, furnishings and equipment under operating lease with various lessees. The lease shall be for a period of one year and renewable upon mutual agreement of the parties.

Rental income recognized in the consolidated statements of comprehensive income is disclosed in Note 17.

The amount of security deposits is disclosed in Note 14

Group as a Lessee. The Group leases several office spaces for a period of one year, renewable upon mutual agreement of the parties.

CWWC entered into a renewable lease agreement for properties where wells and boosters are located for a period of one year, renewable upon mutual agreement of the parties.

Total rental expense is charged to profit or loss as follows:

	Note	2025	2024	2023
Direct costs	18	₱26,035,216	₱17,269,829	₱25,528,447
General and administrative expenses	19	920,707	982,915	948,105
		₱26,955,923	₱18,252,744	₱26,476,552

25. Earnings Per Share

The calculation of the basic and diluted income per share is based on the following data:

	2025	2024	2023
Net income attributable to Parent Company	₱121,350,706	₱227,138,329	₱404,839,996
Weighted average number of ordinary shares issued and outstanding	281,500,000	281,500,000	281,500,000
	₱0.4311	₱0.8069	₱1.4382

The weighted average number of shares refers to shares in issued and outstanding during the period.

In 2025, 2024 and 2023, the Group has no dilutive or potential dilutive shares.

26. Income Taxes

Components of provision for income tax are as follows:

	2025	2024	2023
Profit or loss:			
Current	₱33,165,458	₱14,251,377	₱13,866,849
Deferred	29,311,679	24,614,905	44,842,006
	62,477,137	38,866,282	58,708,855
OCI -			
Deferred	1,108,421	–	1,607,149
	₱63,585,558	₱38,866,282	₱60,316,004

The components of the Group's net deferred tax assets and liabilities as at December 31, 2025 and 2024 are as follows:

	2025	2024
Net deferred tax assets:		
Retirement benefits liability	₱5,741,278	₱5,449,014
NOLCO	1,887,688	10,869,051
Effect of PFRS 16	1,225,572	624,743
Excess MCIT over RCIT	862,390	1,977,093
Allowance for ECL on receivables	680,407	680,407
Prepaid rental	79,937	33,522
Capitalized borrowing costs	(2,086,843)	(2,296,843)
Unrealized foreign exchange gain	(809)	(3,124)
	₱8,389,620	₱17,333,863
Net deferred tax liabilities:		
Fair value adjustments on investment properties	₱376,177,363	₱357,825,846
Revaluation surplus	41,028,406	41,028,406
NOLCO	(6,549,758)	(12,145,788)
Excess MCIT over RCIT	(3,767,721)	(2,422,970)
Retirement benefits liability	(3,331,780)	(3,447,331)
Allowance for ECL on deposits	(1,187,953)	(1,187,953)
Allowance for ECL on receivables	(19,678)	(19,678)
	₱402,348,879	₱379,630,532

Under the Republic Act No. 11494, Bayanihan to Recover As One Act, and Revenue Regulations No. 25-2021, the Group is allowed to carry over its operating losses incurred for the taxable years 2020 and 2021 for the next five years immediately following the year of such loss.

The details of the Group's NOLCO are as follows:

Year	Amount	Incurred	Utilized	Expired	Balance	Expiry Year
2025	₱-	₱3,317,095	₱-	₱-	₱3,317,095	2028
2024	7,510,400	-	(3,748,833)	-	3,761,567	2027
2023	24,562,961	-	(20,346,828)	-	4,216,133	2026
2022	12,462,358	-	(9,791,720)	(2,670,638)	-	2025
2021	27,062,149	-	-	-	27,062,149	2026
2020	27,436,501	-	(1,732,014)	(25,704,487)	-	2025
	₱99,034,369	₱3,317,095	(₱35,619,395)	(₱28,375,125)	₱38,356,944	

Deferred tax asset pertaining to NOLCO of subsidiaries amounting to ₱0.8 million, ₱0.9 million and ₱0.7 million as at December 31, 2025, 2024 and 2023, respectively, was not recognized since management has assessed that there may be no sufficient future taxable profit against which the deferred tax asset can be utilized within the period allowed by the tax regulations.

Details of the Group's MCIT, which can be claimed as credit against future income tax liability, are as follows:

Year	Amount	Incurred	Utilized	Expired	Balance	Expiry Year
2025	₱-	₱1,869,853	₱-	₱-	₱1,869,853	2028
2024	2,568,168	-	(737,624)	-	1,830,544	2027
2023	1,226,737	-	(297,023)	-	929,714	2026
2022	605,158	-	(207,843)	(397,315)	-	2025
	₱4,400,063	₱1,869,853	(₱1,242,490)	(₱397,315)	₱4,630,111	

The reconciliation of provision for income tax computed at the statutory income tax rates and the effective income tax rates follows:

	2025	2024	2023
At the applicable statutory income tax rates	₱70,216,153	₱90,393,703	₱204,647,712
Tax effects of:			
Net income under income tax holiday	(20,405,390)	(52,901,946)	(148,971,841)
Nondeductible expenses	6,578,213	1,386,150	686,916
Expired NOLCO	6,514,867	-	-
Interest income already subjected to final tax	(586,162)	(356,155)	(260,495)
Expired MCIT	397,315	228,165	133,296
Change in unrecognized deferred tax assets	(245,594)	118,768	134,806
Change in tax rate	7,735	(2,403)	2,338,461
At effective income tax rates	₱62,477,137	₱38,866,282	₱58,708,855

OPI is registered with the BOI under the Omnibus Investments Code of 1987. As an incentive, OPI is entitled to income tax holiday for seven years from actual commercial operations of IMHPP.

On November 8, 2024, the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act was signed into law, with effectivity date of November 28, 2024. This Act introduces several tax reforms, including a reduction in the corporate income tax rate for registered business enterprises from 25% to 20% and enhanced deductions, such as a 100% additional deduction for power expenses.

The Implementing Rules and Regulations for CREATE MORE was signed on February 17, 2025, providing further guidance on the eligibility, application process, and compliance requirements for tax incentives. OPI will evaluate the eligibility for additional deductions and other incentives, as well as their potential impact on future periods, once further guidance and implementation details become available.

27. Reconciliation of Liabilities Arising from Financing Activities

The table below details the changes in the Group's liabilities arising from financing activities, including cash and noncash changes:

	Loans Payable	Due to Related Parties	Dividends Payable	Lease Liabilities	Long-term Trade Payable	Accrued Interest
Balance as at December 31, 2023	₱1,303,241,494	₱221,149,936	₱173,329,136	₱-	₱-	₱-
Cash charges:						
Availments	430,339,450	-	-	-	-	-
Payments	(530,267,307)	(4,140,005)	(5,806,726)	(8,785,000)	(1,097,175)	(76,921,007)
Advances	-	50,701,061	-	-	-	-
Noncash charges:						
Recognition	-	-	-	76,959,127	-	-
Reclassification	-	-	-	-	43,886,981	-
Application	-	-	(11,157,030)	-	-	-
Interest expense	-	-	-	7,901,151	-	76,921,007
Balance as at December 31, 2024	₱1,203,313,637	₱267,710,992	₱156,365,380	₱76,075,278	₱42,789,806	₱-
Cash charges:						
Availments	₱521,856,827	₱-	₱-	₱-	₱-	₱-
Payments	(690,852,012)	(36,495,624)	(9,156,673)	(9,499,286)	(2,194,349)	(67,598,998)
Advances	-	51,861,933	-	-	-	-
Noncash charges:						
Recognition	-	-	152,778,415	8,974,284	-	-
Reclassification	-	-	-	-	-	-
Application	-	-	-	-	-	-
Interest expense	-	-	-	8,265,529	-	67,598,998
Balance as at December 31, 2025	₱1,034,318,452	₱283,077,301	₱299,987,122	₱83,815,805	₱40,595,457	₱-

28. Financial Instruments - Risk Management and Fair Value Disclosures

The Group's financial assets consist primarily of cash and cash equivalents, trade and other receivables, receivable arising from ERC order, due from related parties; short-term placement, deposits and guarantee deposit (all presented as part of "Other current assets" account), financial assets at FVOCI and other noncurrent assets. The Group's principal financial liabilities include trade and other payables (excluding statutory payables), payable arising from ERC order, loans payable, lease liabilities, due to related parties, dividends payable, installment payable and customers' deposits. These financial instruments are utilized to support the Group's operational and strategic requirements.

The Group is exposed to financial risks, including interest rate risk, credit risk, and liquidity risk, which are actively managed by the BOD and management. Risk management policies are reviewed periodically to reflect changes in market conditions and the Group's activities. The following summarizes the Group's financial risk management objectives, policies and fair value measurement:

Financial Risk Management

Interest Rate Risk

Interest rate risk arises from fluctuations in market interest rates that could affect the fair value or future cash flows of financial instruments. The Group's primary exposure to this risk relates to bank loans.

- *Risk Exposure.* The Group's long-term loans have fixed interest rates, exposing the Group to fair value interest rate risk rather than cash flow interest rate risk.
- *Risk Management.* The Group regularly monitors interest rate movements, utilizing current and projected economic and monetary data to evaluate financing options. Future interest rate changes are not expected to materially impact the Group's net income; hence, no sensitivity analysis is presented. The interest rates of these loans are disclosed in Note 15.

Credit Risk

Credit risk is the risk when a counterparty fails to meet its contractual obligations. The Group's maximum exposure to credit risk, before considering collateral and credit enhancements, is as follows:

	2025	2024
Cash in banks and cash equivalents	₱255,586,090	₱177,729,019
Trade and other receivables	821,437,355	749,308,133
Receivable arising from ERC order	526,803,708	-
Due from related parties	90,476,464	119,759,782
Short-term placement*	17,883,790	17,593,474
Deposits*	113,000	108,000
Guarantee deposit*	-	122,000,000
Other noncurrent assets	12,132,573	43,557,756
	₱1,724,432,980	₱1,230,056,164

*Presented as part of other current assets (see Note 8)

- *Risk Management.* The Group minimizes credit risk by transacting only with reputable banks and customers with strong financial position. Credit ratings, financial history, and other relevant factors are reviewed to assess counterparties. Internal risk limits are set, monitored, and periodically reassessed by management.

- **Impairment and ECL.** The Group applies the simplified approach under PFRS 9, measuring lifetime ECL for trade and other receivables. Provision rates are based on historical trends, customer segments, and current and forward-looking information. Receivables are written off if past due for more than 360 days and enforcement actions are deemed impractical.

Using the ECL allowance, the credit risk exposure on the Group's trade and other receivables is disclosed in Note 5.

Sales to customers are required to be settled in cash, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The credit quality of financial assets at amortized cost is managed by the Group using the internal credit quality ratings as follows:

	2025			
	Neither Past Due Nor Impaired			Total
	High Grade	Standard Grade	Substandard Grade	
Cash in banks and cash equivalents	P255,586,090	P-	P-	P255,586,090
Trade and other receivables	-	816,613,553	4,823,802	821,437,355
Receivable arising from ERC order	-	526,803,708	-	526,803,708
Due from related parties	-	90,476,464	-	90,476,464
Short-term placement*	-	17,883,790	-	17,883,790
Deposits*	-	113,000	-	113,000
Other noncurrent assets	-	9,482,932	2,649,641	12,132,573
Total	P255,586,090	P1,461,373,447	P7,473,443	P1,724,432,980

*Presented as part of other current assets (see Note 8)

	2024			
	Neither Past Due Nor Impaired			Total
	High Grade	Standard Grade	Substandard Grade	
Cash in banks and cash equivalents	P177,729,019	P-	P-	P177,729,019
Trade and other receivables	-	744,484,331	4,823,802	749,308,133
Due from related parties	-	119,759,782	-	119,759,782
Short-term placement*	-	17,593,474	-	17,593,474
Deposits*	-	108,000	-	108,000
Guarantee deposit*	-	122,000,000	-	122,000,000
Other noncurrent assets	-	40,908,115	2,649,641	43,557,756
Total	P177,729,019	P1,044,853,702	P7,473,443	P1,230,056,164

*Presented as part of other current assets (see Note 8)

- **High Grade.** Pertains to counterparty who is not expected by the Group to default in settling its obligations, thus credit risk exposure is minimal. This normally includes large prime financial institutions and companies. Credit quality was determined based on the credit standing of the counterparty.
- **Standard Grade.** Other financial assets not belonging to high-grade financial assets are included in this category.
- **Substandard Grade.** Substandard grade financial assets are those which have the probability of impairment based on historical trend.

Liquidity Risk

Liquidity risk arises from the potential difficulty in meeting financial obligations as they fall due. The Group aims to maintain sufficient liquidity to meet its liabilities, even under stressed conditions, without incurring unacceptable losses or risking its reputation.

- *Risk Management.* The Group regularly monitors cashflow forecasts and matches the maturities of financial assets and liabilities.

The tables below summarize the maturity profile of the Group's financial liabilities as at December 31, 2025 and 2024 based on undiscounted cash flows:

	2025			Total
	Payable Within One Year	One to Five Years	Over Five Years	
Trade and other payables*	₱974,283,872	₱–	₱–	₱974,283,872
Payable arising from ERC order	64,957,678	259,830,711	232,765,012	557,553,401
Loans payable	654,319,070	379,999,382	–	1,034,318,452
Lease liabilities	9,642,143	39,425,714	147,303,036	196,370,893
Due to related parties	283,077,301	–	–	283,077,301
Dividends payable	299,987,122	–	–	299,987,122
Installment payable	–	10,971,745	27,429,363	38,401,108
Customers' deposits	–	–	43,768,723	43,768,723
Future interest on loans	41,486,177	110,933,583	–	152,419,760
	₱2,327,753,363	₱801,161,135	₱451,266,134	₱3,580,180,632

*Excluding statutory payables (see Note 14)

	2024			Total
	Payable Within One Year	One to Five Years	Over Five Years	
Trade and other payables*	₱839,888,505	₱–	₱–	₱839,888,505
Loans payable	941,301,998	262,011,639	–	1,203,313,637
Lease liabilities	8,785,000	35,140,000	147,373,750	191,298,750
Due to related parties	267,710,992	–	–	267,710,992
Dividends payable	156,365,380	–	–	156,365,380
Installment payable	–	10,971,745	29,623,712	40,595,457
Customers' deposits	–	–	40,672,940	40,672,940
Future interest on loans	27,865,397	8,257,362	–	36,122,759
	₱2,241,917,272	₱316,380,746	₱217,670,402	₱2,775,968,420

*Excluding statutory payables (see Note 14)

Fair Value of Financial Measurements

The carrying amounts and fair value of the Group's financial instruments as at December 31, 2025 and 2024 are as follows:

	2025		2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Financial Assets at FVOCI -				
Investment in unquoted				
Shares of stocks	₱109,606,202	₱109,606,202	₱113,871,047	₱113,871,047
Financial Assets				
at Amortized Cost:				
Cash and cash equivalents	255,997,089	255,997,089	178,090,019	178,090,019
Trade and other receivables	816,613,553	816,613,553	744,484,331	744,484,331
Receivable arising from ERC order	526,803,708	526,803,708	–	–
Due from related parties	90,476,464	90,476,464	119,759,782	119,759,782
Short-term placement*	17,883,790	17,883,790	17,593,474	17,593,474
Deposits*	113,000	113,000	108,000	108,000
Guarantee deposit*	–	–	122,000,000	122,000,000
Other noncurrent assets	9,482,932	9,482,932	40,908,115	40,908,115
	₱1,826,976,738	₱1,826,976,738	₱1,336,814,768	₱1,336,814,768

*Presented as part of other current assets (see Note 8)

Financial Liabilities

Financial Liabilities				
at amortized cost:				
Trade and other payables*	₱974,283,872	₱974,283,872	₱839,888,505	₱839,888,505
Payable arising from ERC order	440,295,282	440,295,282	–	–
Loans payable	1,034,318,452	1,034,073,060	1,203,313,637	1,115,493,322
Due to related parties	283,077,301	283,077,301	267,710,992	267,710,992
Dividends payable	299,987,122	299,987,122	156,365,380	156,365,380
Installment payable	38,401,108	38,401,108	40,595,457	40,595,457
Customers' deposits	43,768,723	43,768,723	40,672,940	40,672,940
	₱3,114,131,860	₱3,113,886,468	₱2,548,546,911	₱2,460,726,596

*Excluding statutory payables (see Note 14)

The Group has determined that carrying amounts of cash and cash equivalents, trade and other receivables, due from related parties, short-term placement, deposits, guarantee deposit, trade and other payables (excluding statutory payables), due to related parties and dividends payable approximate their fair values because these are mostly short term in nature.

The fair value of investment in unquoted shares is determined using the adjusted net asset method (Level 3). Significant increase (decrease) in the net asset value would result in a significantly lower (higher) fair value measurement.

The fair value of other noncurrent assets, installment payable and customers' deposits approximates its carrying amount. Management assessed that the effect of discounting is not material. These are classified under Level 3 of the fair value hierarchy groups.

The fair value of the receivable and payable arising from ERC order is determined based on the discounted cash flow analysis using effective interest rate of 5.69%. Significant increase (decrease) in the discount rate would result in a significantly lower (higher) fair value measurement. This financial asset and liability is classified under Level 3 of the fair value hierarchy groups.

The fair value of the loans payable is determined based on the discounted cash flow analysis using effective interest rates for similar types of instruments. Significant increase (decrease) in the discount rate would result in a significantly lower (higher) fair value measurement. This financial liability is classified under Level 3 of the fair value hierarchy groups.

The fair value hierarchy groups the financial assets and liabilities into Levels 1 to 3 based on the degree to which the fair value is observable. There were no transfers among levels in 2025 and 2024.

29. Operating Segment Information

The financial information for reportable segments presented below has been aligned with the mandatory categories of income and expenses under PFRS 18. Details are as follows:

	2025					Total
	Power Sales	Water Utilities	Rentals	Technical Services	Others	
Operating Category						
External revenue	₱1,252,769,601	₱378,444,785	₱62,258,381	₱28,798,642	₱-	₱1,722,271,409
Inter-segment revenue	-	-	12,140,177	22,487,657	-	34,627,834
Operating profit (loss)	204,968,536	94,235,706	55,167,690	(19,448,263)	4,113,265	339,036,934
Investing Category						
Interest income	₱1,357,132	₱462,760	₱265,790	₱177,134	₱165,251	₱2,428,067
Investing profit (loss)	206,325,668	94,698,466	55,433,480	(19,271,129)	4,278,516	341,465,001
Financing Category						
Interest expense	₱64,261,268	₱11,370,578	₱127,728	₱104,953	₱-	₱75,864,527
Financing profit (loss)	142,064,400	83,327,888	55,305,752	(19,376,082)	4,278,516	265,600,474
Total assets	₱4,155,455,362	₱1,175,222,254	₱1,928,441,108	₱169,929,341	₱257,541,059	₱7,686,589,124
Total liabilities	₱2,244,168,795	₱526,904,872	₱765,112,490	₱106,973,917	₱77,915,413	₱3,721,075,487
Additions to - Property, plant and equipment	₱174,790,106	₱122,921,916	₱23,145,895	₱2,825,473	₱-	₱323,683,390
Other information - Depreciation and amortization	₱153,790,237	₱56,051,458	₱14,773,847	₱1,039,901	₱-	₱225,655,443

2024						
	Power Sales	Water Utilities	Rentals	Technical Services	Others	Total
Operating Category						
External revenue	₱1,201,158,256	₱313,795,774	₱55,132,399	₱27,801,147	₱-	₱1,597,887,576
Inter-segment revenue	-	-	13,099,740	24,090,034	-	37,189,774
Operating profit (loss)	291,611,747	70,929,573	103,998,486	(29,673,740)	(860,474)	436,005,592
Investing Category						
Interest income	₱121,331	₱343,341	₱316,998	₱188,407	₱703,359	₱1,673,436
Investing profit (loss)	291,733,078	71,272,914	104,315,484	(29,485,333)	(157,115)	437,679,028
Financing Category						
Interest expense	₱74,662,863	₱9,947,108	₱116,478	₱95,709	₱-	₱84,822,158
Financing profit (loss)	217,070,215	61,325,806	104,199,006	(29,581,042)	(157,115)	352,856,870
Total assets	₱3,635,973,970	₱1,067,829,187	₱1,850,181,305	₱190,296,297	₱265,837,762	₱7,010,118,521
Total liabilities	₱1,787,424,010	₱520,772,904	₱588,451,284	₱117,720,665	₱79,622,884	₱3,093,991,747
Additions to -						
Property, plant and equipment	₱64,959,087	₱84,841,542	₱21,153,058	₱2,670,859	₱-	₱173,624,546
Other information -						
Depreciation and amortization	₱150,312,941	₱26,096,735	₱12,705,932	₱583,176	₱-	₱189,698,784
2023						
	Power Sales	Water Utilities	Rentals	Technical Services	Others	Total
Operating Category						
External revenue	₱1,370,173,669	₱298,104,333	₱54,617,878	₱24,428,483	₱-	₱1,747,324,363
Inter-segment revenue	-	-	12,897,750	20,165,394	-	33,063,144
Operating profit (loss)	473,692,430	67,618,423	64,497,631	36,826,088	72,309,085	714,943,657
Investing Category						
Interest income	₱139,371	₱333,501	₱365,994	₱69,076	₱183,653	₱1,091,595
Investing profit (loss)	473,831,801	67,951,924	64,863,625	36,895,164	72,492,738	716,035,252
Financing Category						
Interest expense	₱96,876,102	₱2,515,286	₱-	₱-	₱-	₱99,391,388
Financing profit (loss)	376,955,699	65,436,638	64,863,625	36,895,164	72,492,738	616,643,864
Total assets	₱3,696,766,106	₱935,496,311	₱1,796,529,443	₱191,373,265	₱162,157,513	₱6,782,322,638
Total liabilities	₱2,136,048,088	₱352,590,628	₱518,506,830	₱98,753,858	₱78,678,744	₱3,184,578,148
Additions to -						
Property, plant and equipment	₱27,230,696	₱68,473,402	₱9,119,953	₱-	₱-	₱104,824,051
Other information -						
Depreciation and amortization	₱132,388,134	₱32,371,116	₱6,242,660	₱619,874	₱-	₱171,621,784

Major Customer

Other than ORMECO and NPC, the Group does not have any other single external customer from which sales revenue generated amounted to 10% or more of the total revenues of the Group.

30. Contingencies

The Group is a party to certain lawsuits or claims arising from the ordinary course of business. The Group's management and legal counsel believes that the eventual liabilities under these lawsuit or claims, if any, will not have a material effect on the consolidated financial statements, and thus, no provision has been made for these contingent liabilities.

Details of pending cases are as follows:

a. Parent Company vs. Philippine British Assurance Co., Inc.

- Civil Case No. 044051, Regional Trial Court, National Capital Judicial Region, Branch 143, Makati City

In 2004, the Parent Company filed a Complaint [With Application for The Issuance of A Writ of Preliminary Attachment] (the Complaint) with the Regional Trial Court (RTC) of Makati City. The Complaint sought the recovery of the Parent Company's outstanding insurance claims against defendant Philippine British Assurance Co., Inc. (PBAC) amounting to at least ₱34.9 million, exclusive of interest. In addition, the Parent Company prayed for the payment of ₱2.0 million by way of exemplary damages and ₱1.0 million as attorney's fees and litigation expenses.

In 2016, the Parent Company received a copy of the Decision dated December 7, 2016, where the trial court rendered judgement in favor of the Parent Company and against PBAC. In the said Decision, PBAC was ordered to pay the Parent Company the following:

1. ₱25.0 million under the Policy HOF01FD-FL-S001737 for the damage to the machineries, equipment and other facilities usual to the Parent Company's business including building improvements and betterments thereon, plus interest of 12% per annum from November 21, 2001, until fully paid;
2. ₱10.0 million under Policy HOF01FD-FI-S001738 for office furniture, fixtures, fittings and other equipment usual to the Parent Company's business including building improvements and betterments thereon, plus 12% per annum from November 21, 2001, until fully paid; and
3. Costs of suit.

In 2017, the Parent Company received a copy of defendant PBAC's Notice of Appeal on the ground that the Decision are supposedly not in accord with the facts established by evidence on record and are contrary to law. The Parent Company then received a copy of the Court's Order giving due course to the Notice of Appeal and directing the transmittal of the records of the case to the Court of Appeals for proper disposition.

- CA G.R. CV No. 109088, Court of Appeals (CA), Manila, Special Fifteenth (15th) Division

In 2017, plaintiff-appellee the Parent Company received a letter dated from the Court of Appeals, which noted a deficiency in the original records of the case transmitted by the trial court to the Court of Appeals, specifically, the unsigned Transcript of Stenographic Notes and directing the Clerk of the Court of the trial court to cure said defect within ten (10) days from notice.

In 2018, plaintiff-appellee the Parent Company received a copy of the Notice to File Brief issued by the Honorable Court, requiring defendant-appellant PBAC to file its Appellant's Brief within forty-five (45) days from notice and giving plaintiff-appellee the Parent Company the same period from receipt thereof within which to file the Parent Company's Brief. Likewise, defendant-appellant PBAC was given twenty (20) days from receipt of plaintiff-appellee the Parent Company's Brief within which to file its Reply Brief.

In 2019, plaintiff-appellee the Parent Company filed its Appellee's Brief, in response to the defendant-appellant PBAC brief, through counsel with the Court of Appeals, 7th Division through registered mail.

On October 9, 2020, the Parent Company received the CA Decision dated September 24, 2020, which favorably dismissed the appeal of PBAC and affirmed the RTC decision dated December 7, 2016 but reduced the interest rate from 12% to 6% per annum reckoned from November 21, 2001 until the finality of the judgment and until its full satisfaction.

On November 3, 2020, PBAC filed motion for reconsideration which was denied by the CA on its Resolution dated June 1, 2021. On July 9, 2021, the Parent Company received the CA's Resolution dated June 4, 2021, rectifying the Resolution dated June 1, 2021, to reflect the true import and meaning of the CA Decision.

- G.R. No. 256680, Supreme Court (SC), Manila, Third (3rd) Division

On July 30, 2021, PBAC filed its Petition for Review on Certiorari dated July 27, 2021, praying for the reversal and setting aside of the CA Decision and CA Resolutions.

On November 29, 2021, the Parent Company received a copy of the SC's Resolution dated October 11, 2021, which, among others, denied the Petition for Review on Certiorari for failure to sufficiently show any reversible error in the assailed judgment to warrant the exercise of the SC's discretionary appellate jurisdiction.

On December 20, 2021, the Parent Company received a copy of PBAC's Motion for Reconsideration (MR) dated December 6, 2021.

On March 20, 2023, the Parent Company received the PBAC's Supplemental MR dated March 6, 2023, which claimed that the Parent Company's non-disclosure of co-insurance prevents the claims, a matter which was not raised in its MR.

On August 18, 2023, the Parent Company received a Resolution from the SC ordering the Parent Company to file its Comment to the MR filed by PBAC.

On September 7, 2023, the Parent Company filed a Comment/Opposition on the MR filed by PBAC on December 6, 2021, and on the Supplemental MR filed on March 6, 2023.

On October 20, 2023, the Parent Company received a copy of PBAC's Motion to File and Admit Reply dated October 9, 2023.

On September 5, 2024, the Parent Company received a copy of PBAC's Omnibus Motion dated August 29, 2024.

On July 8, 2025, the Parent Company received a copy of the SC resolution granting PBAC's Motion for Reconsideration dated December 6, 2021.

On July 23, 2025, the Parent Company filed Motion for Reconsideration of even date, praying for the reconsideration of the Resolution dated March 5, 2025 and for the SC to render a decision denying PBAC's Motion for reconsideration dated December 6, 2021 and Supplemental Motion for Reconsideration dated March 6, 2023. As of reporting date, the Parent Company's Motion for Reconsideration is pending resolution.

b. Legal Cases involving OPI:

In the Matter of the Application for Approval of the Power Supply Agreement (PSA) between ORMECO and OPI with Prayer for Issuance of Provisional Authority (PA), ERC Case No. 2011-017 RC

On June 21, 2016, the ERC issued its Decision approving the PSA between ORMECO and OPI for the Modular Bunker Fuel-Fired Power Plant in Calapan City subject to the condition that the approved rates shall be ₱2.0931/kWh (pre-maximization) and ₱1.9686/kWh (post-maximization) as opposed to the PSA generation rate of ₱2.95/kWh.

On October 17, 2016, OPI filed an Omnibus Motion for Partial Reconsideration and for the issuance of a Status Quo Order to the ERC (Omnibus Motion). In its Omnibus Motion, OPI requested that the ERC should reconsider to (1) include the pre-operating expenses, contingency, permits/licenses and other development costs in ERC's computation of the total project cost as a component of the capacity fee and (2) use the historical average of the actual delivered energy instead of the contracted energy of 3,800,000 kWh/month and 4,939,200 kWh/month in fixing the billing determinants. In the Omnibus Motion, OPI prayed for the issuance of a Status Quo Order enjoining the ORMECO and NPC to observe the status prevailing prior to the issuance of the Decision dated June 21, 2016.

In response, the ERC issued a Status Quo Ante Order on June 6, 2017 deferring the implementation of the approved generation rates for a period of no more than six (6) months or until the issues raised in OPI's Motions have been resolved. The ERC has extended the Status Quo Order until September 5, 2019 to review further the case in view of the discrepancies of the rate components prescribed under the PSA and the presented in the Omnibus Motion.

On June 8, 2020, OPI received ERC's Order dated September 3, 2019, partially granting OPI's Motion for Reconsideration and Supplementary Motion for Consideration and pronounced the basic tariff rate, net of fuel, of ₱2.2959 (pre-maximization) using the contracted energy of 3,800,000 kWh/month and ₱2.1522 (post-maximization) using the contracted energy of 4,939,200 kWh/month.

In the said Order, ERC also directed OPI and ORMECO to file recovery and refund schemes based on the final rates approved. OPI filed its Manifestation with the ERC recognizing the above-mentioned rates on June 23, 2020, and also filed its Notice of Compliance on July 8, 2020, detailing the recovery and refund scheme.

On January 22, 2021, OPI filed a Motion for Clarification dated January 14, 2021, seeking to clarify or confirm whether the indexation per approved adjustment formula in the Decision dated June 21, 2016, remains applicable in computing the operation and maintenance (O&M) fees. In addition, OPI requested ERC to require NPC to settle the unpaid portion of OPI's billed O&M fees pertaining to adjustment, with interest from the time it was unilaterally withheld until full payment is made, considering that OPI was detrimentally affected by the act of NPC, and has resorted to borrowings to finance its continuous operation. OPI is still awaiting reply from ERC.

Additionally, on April 15, 2021, OPI filed a Comment to ORMECO's Compliance Ad Cautelam dated July 28, 2020, and prayed that the same be duly considered in the resolution of OPI's Recovery Scheme submitted to implement ERC Order dated September 3, 2019.

On October 24, 2022, OPI wrote a Letter-Request to the ERC for Notice of Finality. OPI asserted that, based on records, no appeal from the September 3, 2019 Order was filed by any of the parties within the reglementary period. Thus, applying the relevant provisions of the ERC's Rules of Practice and Procedure the Decision dated 21 June 2016 has already become final and unappealable. In view of the foregoing, OPI requested the Honorable Commission for the issuance of a Notice of Finality of its Decision in ERC Case No. 2011-017 RC.

Also, on January 27, 2023, OPI filed a Reply with Motion to Resolve before the ERC. OPI alleged the following:

- a. NPC has already prematurely implemented the reliefs being prayed for pre-empting the Honorable Commission's ruling;
- b. In doing so, NPC seemed to disregard the Honorable Commission's mandate as the sole approving authority to grant rates, including appropriate adjustment and/or indexation thereof;
- c. In its letter to NPC dated 26 January 2022, ERC said that NPC's inclination to suspend approved rates pending prior approval from the Honorable Commission was inappropriate and without legal basis, and that NPC should refrain from continuing its act of withholding payments absent any formal ruling of the Commission thereon;
- d. O&M Fees are subject of indexation/adjustment:
 1. The adjustment/indexation of the O&M Fees is mutually agreed upon by OPI and ORMECO under their PSA;
 2. The adjustment/indexation was approved by the Honorable Commission in its 2016 Decision;
 3. OPI did not seek reconsideration of the O&M Fees, not being part of its Omnibus Motion for Partial Reconsideration, which was resolved in the 2019 Order. Further, the 2019 Order did not order OPI to discontinue the previously approved indexation/adjustment of the O&M Fees;

4. Subjecting the O&M Fees to the approved adjustment formula is also in accordance with Section 43 (f) of the Electric Power Industry Reform Act of 2001 (“EPIRA”) providing that rates must be such as to allow the recovery of just and reasonable costs to enable the entity, in this case OPI, to operate;
 5. Adjustment/indexation is in line with the ERC’s policy of allowing indexation of O&M Fees owing to its nature as recurring expenses in the operation of power plant facilities. By directly collecting from OPI, NPC conveniently failed to mention the fact that ORMECO has yet to pay its obligation to OPI and that, in turn, OPI can only fulfill its financial obligations to NPC once OPI receives payment from ORMECO.
- e. OPI prayed that its Motion for Clarification dated 14 January 2021 be resolved.

On June 6, 2023, OPI prayed that the instant Urgent Motion for Resolution be duly approved and OPI’s Motion for Clarification dated January 22, 2021, be immediately resolved. On June 20, 2023, NPC prayed for the resolution of its Manifestation and Motion dated June 25, 2020, and OPI’s Motion for Clarification dated January 14, 2021. On December 24, 2023, OPI prayed that the 2nd Urgent Motion for Resolution be duly considered and approved, and OPI’s Motion for Clarification filed on January 22, 2021, be immediately resolved through the issuance of an Order on the following:

1. Clarifying that OPI’s O&M Fees are subject to indexation/adjustment as per approved adjustment formula under the 2016 Decision; and
2. Directing NPC to settle all the unpaid portions of OPI’s billed O&M Fees pertaining to the withheld adjustment amounting to ₱86.2 million as of September 25, 2023, and counting, plus interest from the time it was unilaterally withheld until the full payment and/or resolution thereof.

The ERC, in its Order dated September 3, 2019 on ERC Case No. 2011-017 RC, directed OPI and ORMECO to submit a refund/recovery scheme for the following period considering that there is a difference between the provisional rate and the recalculated final rate, viz:

	For the contracted energy of 3,800,000 kWh/month	For the contracted energy of 4,939,200 kWh/month
Period covered	From the date of actual implementation up to the last date of implementation of the original contracted capacity	From the date of the actual implementation of the additional contracted capacity up to the month before the implementation of the Order on the Partial Motion for Reconsideration

In OPI’s Notice of Compliance dated July 7, 2020, OPI computed the difference between the provisional and re-computed final rates to be ₱667.1 million, which represents OPI’s total collectibles from ORMECO. On the other hand, OPI is to refund the amount of ₱554.1 million to NPC for overpaid subsidy. Both the receivable and payable are inclusive of VAT.

On October 28, 2025, the ERC issued its final order in ERC Case No. 2011-017 RC directing OPI to refund to the UCMCE funds the difference of the implemented Provisional Rate against the Final rate within a period similar to the period of implementation.

The ERC, in its Letter dated March 30, 2026, clarified that the statement “*within a period similar to the period of implementation*” refers to the period from the start of implementation of the Provisional Authority Order dated 11 April 2011 up to the period before implementing the Final Authority rate, which was approved in the Order dated September 3, 2019. Hence, NPC’s monthly collection shall be based on said recovery period.

Based on OPI and NPC’s reconciliation, OPI incurred an over-recovery of approximately ₱557.6 million payable to NPC while ORMECO owes OPI ₱667.1 million representing under-recovery covering November 2011 to May 2020.

In accordance with the ERC Order dated October 28, 2025, and pursuant to reconciliation between OPI and NPC, OPI shall refund a net amount of ₱402.0 million representing the difference between the recomputed OPI’s refund to NPC’s UCMCE fund amounting to ₱557.6 million and the allowable O&M Indexation for OPI amounting to ₱155.6 million, within a period similar to the period of implementation as clarified in ERC Letter dated March 30, 2026.

As to OPI’s collectible from ORMECO, there is no ERC directive nor reconciliation yet as to the amount of recovery and its period of implementation.

Based on the ERC’s order and partial reconciliation, OPI recognized a ₱97.8 million revenue adjustment representing the net increase in transaction price arising from the reconciliation (computed as the difference between the recoverable amount from ORMECO and the over-recovery payable to NPC). In accordance with PFRS 15, the adjustment is recognized as revenue because

- a) it relates to electricity services previously delivered;
- b) it is based on ERC Order dated 03 September 2019 declaring the recalculated CRF by using the billing determinant - the determination of which shall be based on the Total Energy Output using the net dependable capacity of the plant and the number of available hours in a year, and not on the Actual Energy Delivered; and
- c) it is based on the reconciliation made by OPI and NPC.

The receivable from ORMECO is recognized as a long-term receivable, measured at present value due to the extended recovery period. The subsequent unwinding of the discount will be recognized as finance income over the recovery period. Correspondingly, the ₱440.3 million net amount payable to NPC is recognized as a long-term contract liability, also measured at present value, with the subsequent unwinding of the discount recognized as finance cost over the settlement period. Refer to Note 6 for details.

Management exercised significant judgement in determining the timing of revenue recognition, evaluating collectibility from ORMECO, assessing the existence of an enforceable right of set-off with NPC, and determining the appropriate measurement of long-term receivable and long-term contract payable. The settlement arrangements and related agreements substantively confirm the enforceability of rights and obligations arising from the ERC order.

In the Matter of the Approval of the Power Supply Agreement (PSA) between ORMECO and OPI with Prayer for Issuance of Provisional Authority (PA), ERC Case No. 2013-212 RC

On January 20, 2014, the ERC issued a PA on ERC Case No. 2013-212 RC with ₱5.90/kWh tariff rate. In addition, on January 12, 2015, ERC again issued another Order extending the aforesaid PA.

On December 22, 2021, OPI filed an Entry of Appearance with Omnibus Motions and Submission of Actual Costs dated December 16, 2021, relative to ERC's Resolution No. 02, Series of 2015 requiring the joint filing of applications for approval of PSAs by Distribution Utilities and Generation Companies. OPI joins ORMECO as a party in the application. Additionally, in the same motion, OPI prayed for the following:

- a. counsel's Entry of Appearance for OPI be duly noted;
- b. that the Omnibus Motions requesting the immediate, final resolution of the Application, reflecting therein inflation and foreign exchange variations, and exemption from electronic filing under RC Resolution No. 09, Series of 2020 be approved;
- c. that the Submission of its Actual Costs, including the attached exhibits, be duly admitted and considered in the final evaluation of the instant case; and
- d. that a Decision approving the subject PSA between ORMECO and OPI, particularly the proposed rate of ₱6.00/kWh, with the ERC's customarily approved/existing adjustment mechanisms for hydropower plants, be immediately issued.

On February 14, 2023, ERC issued an Order directing OPI to submit the following: (i) Justification/Supporting Documents for the proposed Consumer Price Index (CPI) Adjustment; (ii) Water Permit from the National Water Resources Board (NWRB); and (iii) Board of Investment (BOI) Certificate of Registration with attached Terms and Conditions. On March 26, 2023, OPI filed a Notice of Compliance and submitted the following:

- a. Memo on Inflationary Adjustments on O&M to justify the proposed adjustment/indexation to address inflation and foreign exchange fluctuations together with the AFS for 2019 to 2021;
- b. Water Permit from NWRB; and
- c. BOI Certificate of Registration with Terms and Conditions.

On April 12, 2023, OPI filed a Verified Motion and prayed that Order be issued by the Honorable Commission:

- a. To amend its directive of using fair market value for the transfer of the Calangatan Switchyard to NPC-Small Power Utilities Group (SPUG); instead, the acquisition cost be used in the transfer of the Calangatan Switchyard;
- b. In the alternative, should such transfer be based on fair market value, to qualify that "fair market value of the Calangatan Switchyard be based on commissioning date" bereft of depreciation.

As of May 8, 2026, OPI is currently waiting for the issuance of the Decision approving the PSA and its rates and adjustments (final authority) for IMHPP.

In Matter of the Application for the Approval of the PSA between ORMECO and OPI with Motions for Confidential Treatment of Information and Issuance of Provisional Authority (PA) or Interim Relief, ERC Case No. 2025-176 RC.

On December 10, 2025, the ERC issued an Order on ERC Case No. 2025-176 RC granting PA to implement the PSA with ₱3.7116/kWh tariff rate [capital recovery rate (CRR) of ₱2.5000/kWh, FOMR of ₱0.9243/kWh, and variable operation and maintenance rate (VOMR) of ₱0.2873/kWh] with guaranteed fuel and lube oil rate of ₱0.22 li/kWh and ₱0.0006 li/kWh, respectively. In addition, ERC disallowed the foreign exchange adjustment in the CRR and VOMR.

On December 29, 2025, OPI filed a Motion for Additional Time praying that it be given an additional period of thirty (30) days or until 29 January 2026, within which to submit the required supporting documents in compliance with the ERC's Order dated 10 December 2025.

On January 19, 2026, NPC filed a Memorandum praying that ERC consider its Memorandum in the resolution of OPI's application, and:

- a) Rule that in case OPI conducts emergency procurement of fuel, the price of fuel from the said emergency procurement should be based on the rate of fuel from the main supplier or based on the previous purchased price from other suppliers, whichever is lower.
- b) Direct OPI to submit the list and breakdown of its manpower (including number and position) that was considered on the derivation of its Fixed Operation and Maintenance Fee.
- c) Direct OPI to submit or attach meter reading reports per generating unit showing the Previous and Present Reading in its monthly subsidy claim.
- d) Order the non-entitlement of OPI to the UCME subsidy once Oriental Mindoro is interconnected to the main grid.
- e) Issue a separate Order approving the subsidy requirements of the instant application upon the issuance of Provisional Order or Final Order.

On January 30, 2026, OPI filed to ERC its Notice of Compliance with Motion and praying that the instant Notice of Compliance with Motion be DULY ADMITTED, thereby GRANTING (i) the foreign exchange adjustment in the CRR and VOMR, and (ii) a Guaranteed Fuel Consumption Rate of ₱0.2500 li/kWh and the Guaranteed Lube Oil Consumption Rate ₱0.0010 li/kWh.

May 8, 2026, OPI is waiting for the ERC ORDER on its Notice of Compliance with Motion and the final approval of the PSA.

31. Transition to PFRS 18

The Group applied PFRS 18 retrospectively. The following table reconciles the consolidated statements of comprehensive income for the years ended December 31, 2024 and 2023, as previously reported under PAS 1, to the restated presentation under PFRS 18:

	2024 (As previously reported under PAS 1)	Reclassification	2024 (As restated under PFRS 18)	PFRS 18 Category
REVENUE	₱1,597,887,576	₱-	₱1,597,887,576	Operating
DIRECT COSTS	(1,107,229,311)	-	(1,107,229,311)	Operating
GROSS PROFIT	490,658,265	-	490,658,265	
GENERAL AND ADMINISTRATIVE EXPENSES	(172,279,432)	-	(172,279,432)	Operating
FAIR VALUE GAIN ON INVESTMENT PROPERTIES	120,534,001	-	120,534,001	Operating
FINANCE COSTS	(84,822,158)	84,822,158	-	Operating
OTHER CHARGES - Net	(1,233,806)	(1,673,436)	(2,907,242)	Operating
OPERATING PROFIT	-	438,912,834	436,005,592	New Subtotal
INTEREST INCOME	-	1,673,436	1,673,436	Investing
PROFIT BEFORE FINANCING AND INCOME TAX	352,856,870	440,586,270	437,679,028	New Subtotal
FINANCE COSTS	-	(84,822,158)	(84,822,158)	Financing
PROFIT BEFORE INCOME TAX	352,856,870	-	352,856,870	
PROVISION FOR INCOME TAX	(38,866,282)	-	(38,866,282)	Tax
NET INCOME	313,990,588	-	313,990,588	
OTHER COMPREHENSIVE LOSS	(2,765,334)	-	(2,765,334)	
TOTAL COMPREHENSIVE INCOME	₱311,225,254	₱-	₱311,225,254	

	2023 (As previously reported under PAS 1)	Reclassification	2023 (As restated under PFRS 18)	PFRS 18 Category
REVENUE	₱1,747,324,363	₱-	₱1,747,324,363	Operating
DIRECT COSTS	(1,063,498,871)	-	(1,063,498,871)	Operating
GROSS PROFIT	683,825,492	-	683,825,492	
GENERAL AND ADMINISTRATIVE EXPENSES	(173,234,031)	-	(173,234,031)	Operating
FAIR VALUE GAIN ON INVESTMENT PROPERTIES	204,293,682	-	204,293,682	Operating
GAIN ON SALE ON INVESTMENT	-	3,857,920	3,857,920	
FINANCE COSTS	(99,391,388)	(99,391,388)	-	Operating
OTHER CHARGES - Net	(1,150,109)	(4,949,515)	(3,799,406)	Operating
OPERATING PROFIT	-	714,885,143	714,943,657	New Subtotal
INTEREST INCOME	-	1,091,595	1,091,595	Investing
PROFIT BEFORE FINANCING AND INCOME TAX	616,643,864	715,976,738	716,035,252	New Subtotal
FINANCE COSTS	-	(99,391,388)	(99,391,388)	Financing
PROFIT BEFORE INCOME TAX	616,643,864	-	616,643,864	
PROVISION FOR INCOME TAX	(58,708,855)	-	(58,708,855)	Tax
NET INCOME	557,935,009	-	557,935,009	
OTHER COMPREHENSIVE INCOME	88,929,179	-	88,929,179	
TOTAL COMPREHENSIVE INCOME	₱646,864,188	₱-	₱646,864,188	



INDEPENDENT AUDITORS REPORT ON ON SUPPLEMENTARY SCHEDULE

The Stockholders and the Board of Directors
JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES
4/F 20 Lansbergh Place Bldg.
170 Tomas Morato Ave. cor. Scout Castor St.
Quezon City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES (the “Group”) as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023, and have issued our report thereon dated May 8, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole.

The following supplementary schedules are the responsibility of the Group’s management. These are presented for purposes of complying with the Revised Securities Regulation Code (SRC) Rule 68 Part II, and are not part of the basic consolidated financial statements.

- Reconciliation of the Parent Company’s Retained Earnings Available for Dividend Declaration as at December 31, 2025
- Schedules required by Annex 68-J as at December 31, 2025
- Schedule of Financial Soundness Indicators as at and for the years ended December 31, 2025 and 2024
- Conglomerate Map as at December 31, 2025

The supplementary schedules have been subjected to the auditing procedures applied in our audits of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

The Schedule of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group’s management.



The financial soundness indicators are not measures of operating performance defined by the Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the years ended December 31, 2025 and 2024.

REYES TACANDONG & CO.

WILSON P. TEO

Partner

CPA Certificate No. 92765

Tax Identification No. 191-520-944-000

BOA Accreditation No. 4782/P-012; Valid until June 6, 2026

SEC Accreditation No. 92765-SEC Group A

Issued January 28, 2020

Valid for Financial Periods 2023 to 2025

BIR Accreditation No. 08-005144-014-2025

Valid until August 10, 2028

PTR No. 10764040

Issued January 2, 2026, Makati City

May 8, 2026

Makati City, Metro Manila

**RECONCILIATION OF THE PARENT COMPANY'S RETAINED EARNINGS AVAILABLE FOR
DIVIDEND DECLARATION**

FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025

JOLLIVILLE HOLDINGS CORPORATION

4/F 20 LANSBERGH PLACE BLDG. 170 TOMAS MORATO AVE. COR. SCOUT CASTOR ST. QUEZON CITY

	Amount
Unappropriated retained earnings, beginning of reporting period	₱395,948,910
Add: Category A: Items that are directly credited to unappropriated retained earnings	
Reversal of retained earnings appropriation/s	₱185,862,750
Effect of restatements or prior-period adjustments	-
Others (describe nature)	-
Less: Category B: Items that are directly debited to unappropriated retained earnings	
Dividend declaration during the reporting period	(152,778,415)
Retained earnings appropriated during the reporting period	-
Effect of restatements or prior-period adjustments	-
Others (describe nature)	-
Unappropriated retained earnings, as adjusted	429,033,245
Add: Net income for the current year	4,728,544
Less: Category C.1 Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Equity in net income of associate/joint venture, net of dividends declared	-
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPL)	-
Unrealized fair value gain of investment property	(5,401,425)
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the Philippine Financial Reporting Standards (PFRS) (describe nature)	-
Sub-total	(5,401,425)
Add: Category C.2 Unrealized income recognized in profit or loss in prior periods but realized in the current reporting period (net of tax)	
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVPL	-
Realized fair value of investment property	-
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-
Sub-total	₱-

(Forward)

	Amount
Add: <u>Category C.3</u> Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	P-
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at FVPL	-
Reversal of previously recorded fair value of investment property	-
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-
Sub-total	-
Adjusted net income (loss)	(672,881)
Add: <u>Category D:</u> Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	-
Sub-total	-
Add/less: <u>Category E:</u> Adjustments related to relief granted by the SEC	
Amortization of the effect of reporting relief	-
Total amount of reporting relief granted during the year	-
Others (describe nature)	-
Sub-total	-
Add/less: <u>Category F:</u> Other items that should be excluded from the determination of the amount of available dividends distribution	-
Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(272,583)
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set-up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-
Adjustment due to deviation from PFRS/GAAP – gain (loss)	-
Others (describe nature)	-
Sub-total	(272,583)
Total retained earnings, end of the reporting period available for dividend	P428,087,781

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2025 AND 2024

Below is a schedule showing financial soundness indicators of the Group as at and for the years ended December 31, 2025 and 2024.

Ratio	Formula	2025	2024
Current ratio			
	Current assets	₱1,498,623,563	₱1,459,698,422
	Divided by current liabilities	2,336,551,327	2,258,894,511
	Current Ratio	0.64	0.65
Quick ratio			
	Current assets less inventory	₱1,456,346,406	₱1,419,494,490
	Divided by current liabilities	2,336,551,327	2,258,894,511
	Quick Ratio	0.62	0.63
Solvency ratio			
	Net income before depreciation and amortization	₱428,778,780	₱503,689,372
	Divided by total liabilities	3,721,075,487	3,093,991,747
	Solvency Ratio	0.12	0.16
Interest coverage ratio			
	Earnings before interest and taxes	₱341,465,001	₱437,679,028
	Divided by interest expense	75,864,527	84,822,158
	Interest Coverage Ratio	4.50	5.16
Debt-to-equity ratio			
	Total liabilities	₱3,721,075,487	₱3,093,991,747
	Divided by total equity	3,965,513,637	3,916,126,774
	Debt-to-Equity Ratio	0.94	0.79
Asset-to-equity ratio			
	Total assets	₱7,686,589,124	₱7,010,118,521
	Divided by total equity	3,965,513,637	3,916,126,774
	Asset-to-Equity Ratio	1.94	1.79
Return on equity			
	Net income attributable to equity holders of the Parent Company	₱121,350,706	₱227,138,329
	Divided by average equity	2,939,733,514	2,843,739,901
	Return on Equity	4.13%	7.99%
Return on assets			
	Net income attributable to equity holders of the Parent Company	₱121,350,706	₱227,138,329
	Divided by average total assets	7,348,353,823	6,896,220,580
	Return on Assets	1.65%	3.29%

Ratio	Formula	2025	2024
Net profit margin			
	Net income attributable to equity holders of the Parent Company	₱121,350,706	₱227,138,329
	Divided by revenue	1,722,271,409	1,597,887,576
	Net Profit Margin	7.05%	14.21%
Gross profit margin			
	Gross profit	₱471,669,935	₱490,658,265
	Divided by revenue	1,722,271,409	1,597,887,576
	Gross Profit Margin	27.39%	30.71%
Price/earnings ratio			
	Price per share	₱3.08	₱6.79
	Divided by earnings per common share	0.43	0.81
	Price/Earnings Ratio	7.16	8.38

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

Supplementary Schedules of External Auditor Fee Related Information

DECEMBER 31, 2025 AND 2024

	2025	2024
Total Audit Fees	₱2,421,188	₱2,290,000
Non-audit services fees:		
Other assurance services	—	—
Tax services	—	—
All other services	—	—
Total Non-Audit Fees	—	—
Total Audit and Non-audit Fees	₱2,421,188	₱2,290,000

Audit and Non-audit Fees of Other Related Entities

	2025	2024
Audit Fees	₱—	₱—
Non-audit services fees:		
Other assurance services	—	—
Tax services	—	—
All other services	—	—
Total Audit and Non-audit Fees of Other Related Entities	₱—	₱—

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES AS REQUIRED BY PART II of SRC RULE 68 AS AMENDED
DECEMBER 31, 2025

<u>Schedule</u>	<u>Description</u>	<u>Page</u>
A	Financial Assets	<u>1</u>
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	<u>N/A</u>
C	Amounts Receivable from Related Parties which are eliminated during the consolidation of the financial statements	<u>2</u>
D	Long-Term Debt	<u>3</u>
E	Indebtedness to Related Parties (Long-term Loans from Related Companies)	<u>N/A</u>
F	Guarantees of Securities of Other Issuers	<u>N/A</u>
G	Capital Stock	<u>4</u>

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

**Schedule A
Financial Assets
DECEMBER 31, 2025**

Name of issuing entity and the description of investment	Number of shares or principal amount of securities	Amount in pesos	Equity in net losses of investee for the period	Excess of equity in net loss over cost	Others	Other Number of shares or principal amount of securities	Amount in pesos*	Dividends received from investment not accounted by equity method
Metro Agoo Waterworks Inc. (Investment in Associate)	4,800,000	₱4,800,000						—
Jolliville Leisure & Resort Corporation (Financial Asset at FVOCI)	14,500,000	14,500,000						—
Granville Ventures Inc. (Financial Asset at FVOCI)	500,000	500,000						—

Amount shown is part of Investment in Unquoted Shares account in the Consolidated Statement of Financial Position.

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

Schedule C

**Amounts Receivable from Related Parties which are Eliminated
During the Consolidation of the Financial Statements
DECEMBER 31, 2025**

Name of Related Parties	Balance at Beginning of Year	Balance at End of Year
Philippine Hydro Electric Ventures Inc. and a subsidiary	₱159,845,290	₱105,845,290
Ormina Realty & Development Corp.	31,523,358	37,523,358
2Big Philippines Inc. and subsidiaries	152,457,220	139,647,689
Jollideal Marketing Corporation	10,756,492	11,089,335
Ormin Holdings Corporation and subsidiaries	56,939,816	25,958,032
	₱411,522,176	₱320,063,704

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

**Schedule D
Long-Term Debt
DECEMBER 31, 2025**

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown as Current	Amount Shown as Long-Term	Total Outstanding Loans Payable	Interest Rate	Number of Monthly Installment
Ormin Power Inc.						
Bank loan (PBB)	₱429,964,209	₱53,745,528	₱376,218,681	₱429,964,209	8.01%	32
Bank loan (DBP)	1,395,813,750	244,501,060	–	244,501,060	6.00% - 7.69%	105 - 114
Bank loan (MBTC)	4,601,600	1,507,488	1,938,411	3,445,900	8.93%	36
Bank loan (MBTC)	3,192,000	1,153,992	100,562	1,254,554	9.17%	35
Bank loan (RBR)	1,812,250	617,177	504,577	1,121,753	10.00%	35
Bank loan (MBTC)	2,232,000	786,391	278,264	1,064,655	8.70%	35
Bank loan (MBTC)	854,071	235,029	–	235,029	8.70%	36
Calapan Waterworks Corporation						
Bank loan (RBR)	1,703,200	594,540	320,030	914,570	10.00%	36
Ormina Realty and Development Corporation						
Bank loan (RBR)	1,866,400	651,508	350,695	1,002,203	10.00%	36
Servwell BPO International Inc.						
Bank loan (RBR)	1,533,600	535,337	288,162	823,499	10.00%	36
	₱1,843,573,080	₱304,328,050	₱379,999,382	₱684,327,432		

Note: The terms, interest rate, collaterals and other relevant information are shown in Note 15 to the Consolidated Financial Statements.

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

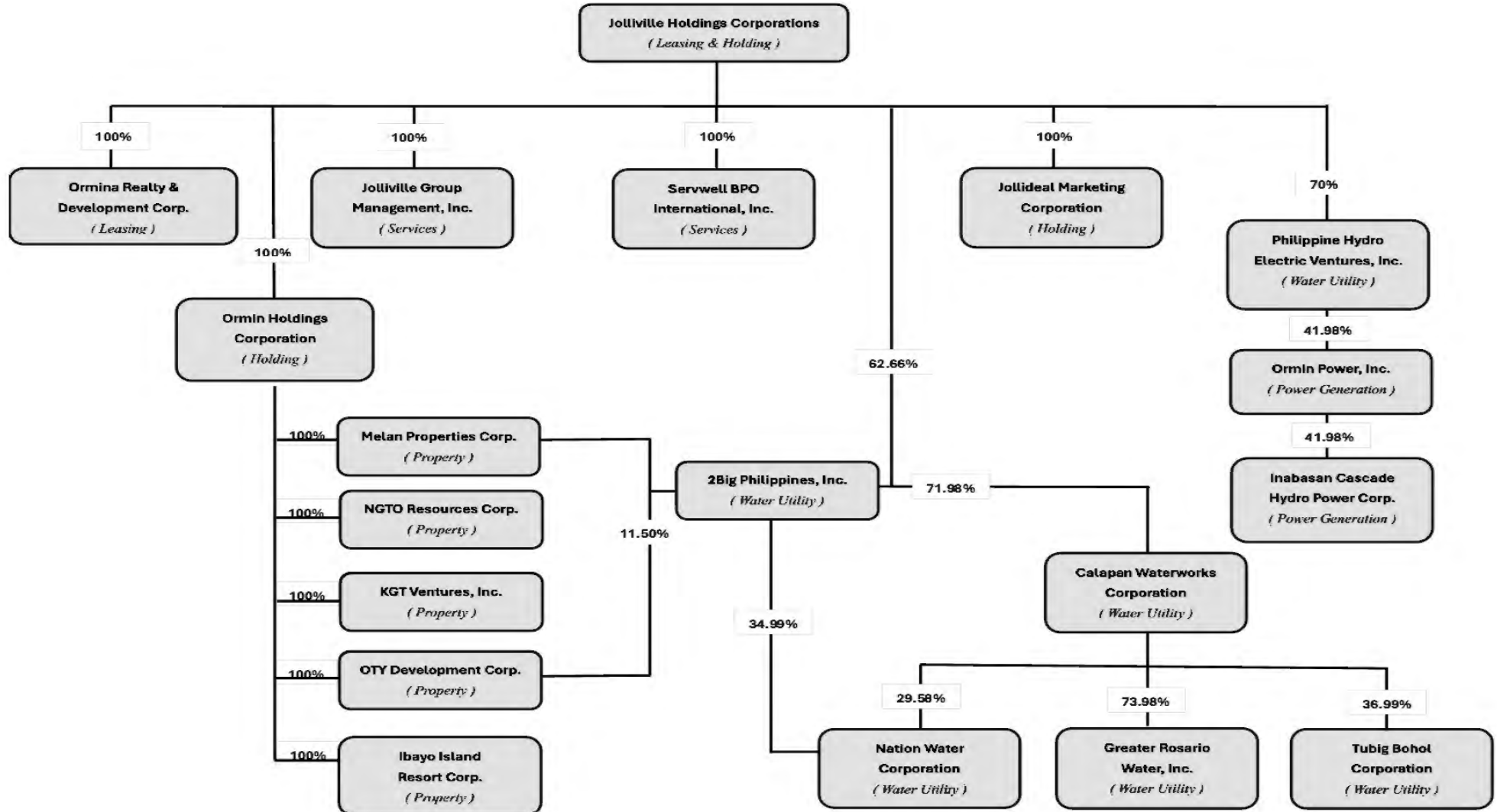
**Schedule G - Capital Stock
DECEMBER 31, 2025**

<i>Title of issue</i>	<i>Number of shares authorized</i>	<i>Number of shares issued and outstanding as shown under the related statement of financial position caption</i>	<i>Number of shares reserved for options, warrants, conversion and other rights</i>	<i>Deductions</i>		
				<i>Related parties</i>	<i>Directors, officers and employees*</i>	<i>Others</i>
Common Stock	1,000,000,000	281,500,000	-	175,799,491	9,310,002	96,390,507

**includes indirectly held but beneficially owned shares*

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

CONGLOMERATE MAP DECEMBER 31, 2025



Annex “B”

MANAGEMENT REPORT

The information herein should be read in conjunction with, and is qualified in its entirety by reference to, the consolidated financial statements and related notes thereto contained in this Report.

Short Background of Business of Registrant

The Group (refers to Jollville Holdings Corporation and its subsidiaries) has principal business interests in leasing, management services, property development, land banking, local waterworks system, business process outsourcing, and power generation.

JOH and Ormina Realty & Development Corp. (ORDC) leases and rents out certain assets including land, buildings & improvements, furnishings and fixtures, equipment, and machineries to a number of independent business entities involved in the operation and management of KTV entertainment/recreation centers in the Metro Manila area.

A group subsidiary, Jollville Group Management Inc. (JGMI) provides general management services and assistance to companies within and affiliated to the Group, notably ORDC and Calapan Water. Another consolidated subsidiary, SBI, on the other hand, provides business process outsourcing services to third parties engaged in the KTV entertainment and leisure/recreation business, and construction. The services are provided based on a pre-agreed monthly retainer that is reviewed annually.

The Group, through Calapan Waterworks Corporation, owns, operates and manages the waterworks system of Calapan City, Oriental Mindoro.

On November 11, 2011, a group subsidiary, Ormin Power Inc. commenced its commercial operations in which it supplies electricity to the Oriental Mindoro Electric Cooperative and operates a power plant in Calapan City using bunker fuel and recently the hydroelectric power technology in the Municipality of San Teodoro, Oriental Mindoro.

Business and General Information

(1) Business Development

Originally incorporated as a realty company in September 1986 by the Ting family, the Company underwent a transformation to that of a holding company on April 15, 1999 after securing Securities and Exchange Commission (SEC) approval for the change in its primary purpose. Subsequently, on May 4, 1999, the SEC approved the increase in capitalization of Jolliville Holdings Corporation (“JOH” or “the Company”). The authorized capital stock of the Company was increased from 30,000 shares with a par value of 100 per share to 1 billion shares with a new par value of 1 per share. To date, 281.5 million common shares are issued and fully paid.

As of December 31, 2025, the Company holds interests in the following subsidiaries:

<u>Name of Subsidiary/Affiliate</u>	<u>Percentage of Ownership</u>
Jolliville Group Management, Inc.	100%
Ormina Realty & Development Corp.	100%
Servwell BPO International Inc.	100%
Jollideal Marketing Corporation	100%
Ormin Holdings Corporation	100%
Melan Properties Corp.	100%
NGTO Resources Corp.	100%
OTY Development Corp.	100%
KGT Ventures, Inc.	100%
Ibayo Island Resort Corp.	100%
Philippine Hydro Electric Ventures Inc.	100%
Ormin Power, Inc.	41.98%*
Inabasan Cascade Hydro Power Corp.	41.98%
2Big Philippines Inc.	100%
Calapan Waterworks Corporation	73.98%
Greater Rosario Water Inc.	73.98%
Nation Water Corporation	64.57%
Tubig Bohol Corporation	36.99%*

**Although the Group's effective interest is less than 50%, these companies are considered subsidiaries because the Group's voting power over them is sufficient to provide the practical ability to direct and control.*

Set out below is a brief description of each subsidiary/affiliate.

Jolliville Group Management Inc. (“JGMI”) was incorporated on March 9, 1994 and at present, has an authorized capital stock of ₱10 million divided into 100,000 common shares, with a par value of ₱100 per share. To date, 100,000 common shares of JGMI are issued and fully paid.

Ormina Realty & Development Corp. (“ORDC”) was incorporated on April 22, 1997 with an authorized capital stock of 200 million divided into 200 million common shares, with a par value of ₱1 per share. To date, 136,587,073 common shares of the corporation are subscribed and paid with additional paid-in capital of ₱63,272,184.

Servwell BPO International Inc. (“Servwell” or “SBII”) was incorporated on May 19, 2009 as a wholly-owned subsidiary of JOH primarily to design, implement, and operate certain business processes; to assist companies in running their accounting units; to provide receivables and payables processing, billings and collections, treasury, escrow and other related services; to provide provident fund accounting; and to provide human-resource related processes. It has an authorized capital stock of ₱5 million divided into 5 million common shares with a par value of ₱1 a share. To date, all SBI shares have been fully subscribed and paid with additional paid-in capital of ₱1,105,488.

Jollideal Marketing Corporation (“JMC”) was incorporated on April 10, 1999 with an authorized capital stock of 2 million divided into 20,000 common shares, with a par value of ₱100 per share. To date, 14,000 common shares are issued and fully paid.

Ormin Holdings Corporation (“OHC”) was incorporated on March 1, 1994 with an authorized capital stock of 50 million divided into 500,000 common shares, with a par value of ₱100 per share.

On December 9, 2019, the BOD of OHC approved to declare a cash dividend out of the dividends received from its subsidiaries namely, KGT Ventures Inc., Melan Properties Corporation, NGTO Resources Corporation, and OTY Development Corporation, amounting to Two Hundred Twelve Million Pesos (₱212,000,000).

At the special meeting of the BOD and of the Stockholders of OHC held on June 9, 2021 and July 20, 2021, respectively, the majority of the BOD and by the vote of at least two-thirds of the outstanding capital stock approved the following: reduction of the par value of its common share from ₱100.00 per share to ₱1.00 per share; the Company shall have perpetual corporate existence; the authorized capital stock shall be ₱80 million divided into 80,000,000 common shares, with a par value of ₱1.00 per share and that 19,237,563 shares are to be subscribed by JOH with subscription price of ₱10.00 per share and has been fully paid via conversion of dividends payable recorded per books.

On September 20, 2022, OHC’s application for the above amendments is approved by SEC. As of reporting date, 55,400,563 common shares are subscribed and paid with additional paid-in capital of ₱173,138,067.

The Company, through OHC, indirectly owns the following corporations: (a) Melan Properties Corp.; (b) NGTO Resources Corp.; (c) OTY Development Corp; (d) KGT Ventures Inc.; and (e) Ibayo Island Resort Corp.

Melan Properties Corp. (“MPC”) was incorporated on March 3, 2008 with an initial authorized capital stock of ₱5 million divided into 50,000 common shares, with a par value of ₱100.00 per share.

NGTO Resources Corp. (“NRC”) was incorporated on March 5, 2008 with and initial authorized capital stock of ₱5 million divided into 50,000 common shares, with a par value of ₱100.00 per share.

OTY Development Corp. (“ODC”) was incorporated on March 7, 2008, and at present, has an authorized capital stock of ₱5 million divided into 50,000 common shares, with a par value of ₱100.00 per share.

KGT Ventures Inc. (“KVI”) was incorporated on March 11, 2008 with an initial authorized capital stock of ₱5 million divided into 50,000 common shares, with a par value of ₱100.00 per share.

On December 5, 2019, the BOD of MPC, NRC, ODC and KVI unanimously approved to cancel the appropriation of the retained earnings as additional equity investments amounting to Fifty Four Million Pesos (₱54,000,000) for each company and further approved to declare the same as cash dividends.

On June 9, 2021 and July 20, 2021, at the special meetings of the BOD and of the stockholders of MPC, NRC, ODC and KVI, respectively, unanimously approved the reduction of the par value of its stocks from ₱100.00 per share to ₱1.00 per share; the Company shall have perpetual corporate existence; increase the authorized capital stock from ₱5 million divided into 50,000 common shares to ₱10 million divided into 10,000,000 common shares, with a par value of ₱1.00 per share and that 2,899,500 shares are to be subscribed by OHC with subscription price of ₱10.00 per share.

The SEC approved NRC’s application on April 11, 2022, and later, on October 9, 2023, the SEC approved the applications of MPC and KVI regarding the aforementioned amendments. As of December 31, 2025, 7,899,500 common shares of NRC, MPC and KVI are subscribed and paid with additional paid-in capital of ₱48,600,000.

On May 27, 2025, the SEC approved ODC's application for the above amendments. As of December 31, 2025, 5,399,000 common shares of ODC are subscribed and paid with additional paid-in capital of ₱26,095,500.

Ibayo Island Resort Corp. ("IIRC") was incorporated on August 14, 2007, and at present, has an authorized capital stock of ₱5 million divided into 50,000 common shares, with a par value of ₱100.00 per share. As of December 31, 2025, 12,500 common shares of IIRC are subscribed and paid.

2Big Philippines Inc. ("2Big Phil") (formerly Tubig Pilipinas Corp.) was acquired by the Company by virtue of a Deed of Absolute Sale executed with Philippine H2O Ventures Corp. ("H2O") (now PH Resorts Group Holdings, Inc.) ("PHR") on June 1, 2018.

2Big Phil was originally incorporated as Tabuk Water Corp. on August 14, 2006 to engage in, carry on, conduct, operate, manage and maintain the general business of development and utilization of water resources which have for their objects the harnessment, production and supply of water for domestic, municipal, agricultural, industrial, commercial or recreational purposes and to this end, to acquire, own, lease, construct, install, equip, operate, manage and maintain plants for the harnessment, production, conveyance and supply of water and other plants and related system elements required thereto.

On January 19, 2022, the SEC approved the amendment of 2Big Phil's secondary purpose; the change to perpetual corporate existence; the increase in number of directors from five to nine; the provision for waiver of pre-emptive rights for its stockholders.

2Big Phil has an authorized capital stock of 500 million divided into 500 million shares with par value of ₱1.00. To date, the total amount of capital stock subscribed is ₱163,450,000 and paid-up capital is ₱442,000,000 inclusive of additional paid-in capital of ₱278,550,000.

Calapan Waterworks Corporation ("CWWC" or "Calapan Water") was incorporated on May 23, 1991 and at present, has an authorized capital stock of ₱200 million divided into 200 million common shares, with a par value of ₱1 per share. As of December 31, 2025, 137,909,053 common shares of Calapan Water are subscribed and paid.

On November 13, 2014, CWWC and 2Big Phil subscribed shares in Nation Water Corporation.

Nation Water Corporation ("NWC") is a pre-operating company that was formally registered with the SEC on November 13, 2014 primarily to engage in, carry on, conduct, operate, manage and maintain the general business of development and utilization of water resources which have for their objects the harnessment, production, and supply of water for domestic, municipal, agricultural, industrial, commercial and recreational purposes to this end, to acquire, own, lease, construct, install, equip, operate, manage and maintain plants for the harnessment, production, conveyance and supply of water and other plants and other related system elements required thereto. It has an authorized capital stock of ₱10 million divided into 10 million common shares with a par value of ₱1 per share. Currently, 2.5 million common shares are subscribed and paid.

On July 13, 2018, the BOD of CWWC approved a total subscription of 2,499,995 common shares of Greater Rosario Water Inc. at ₱1.00 per share.

Greater Rosario Water Inc. ("GRWI") was incorporated on July 13, 2018, primarily to engage in, carry on, conduct, operate, manage and maintain general business development and utilization of water resources which have for their objects the harnessment, production and supply of water for domestic, municipal, agricultural, industrial, commercial or recreational purposes to this end, to acquire, own, lease, construct, install, equip, operate, manage and maintain plants for the harnessment, production, conveyance and supply of water and other plants and other related system elements required thereto. GRWI has an authorized capital stock of ₱10 million divided into 10 million common shares at ₱1.00 par value. To date, the total amount subscribed is ₱2,500,000 and ₱625,000 of which is paid.

On October 4, 2018, the BOD of CWWC approved a total subscription of 1,249,995 common shares of Tubig Bohol Corporation with a par value of ₱1.00 share.

Tubig Bohol Corporation (“TBC”) was incorporated on October 4, 2018, primarily to engage in, carry on, conduct, operate, manage and maintain the general business development and utilization of water resources which have for their objects the harnessment, production and supply of water for domestic, municipal, agricultural, industrial, commercial or recreational purposes to this end, to acquire, own, lease, construct, install, equip, operate, manage and maintain plants for the harnessment, production, conveyance and supply of water and other plants and other related system elements required thereto. TBC has an authorized capital stock of ₱10 million divided into 10 million common shares with par value of ₱1.00 a share. To date, the total amount subscribed is ₱2,500,000 with paid-up capital of ₱625,000.

On March 24, 2014, the BOD of JOH approved to purchase 100% of the total outstanding shares of pre-operating company Philippine Hydro Electric Ventures Inc. (“PHEVI”) equivalent to 79,999,300 common shares at ₱1.00 a share. Subsequently, JOH sold all of its shareholdings in subsidiary Ormin Power Inc. to PHEVI. These transactions did not affect the consolidated financial results of the Company.

Philippine Hydro Electric Ventures Inc. (“PHEVI”) was incorporated on July 17, 2009, primarily to lease and purchase land, marine, aquatic and environmental resources of the Philippines to the extent permitted by law and to develop and conserve places with tourism value. The SEC has approved PHEVI’s amended Articles of Incorporation on November 23, 2014, amending its primary purpose as to engage in, own develop, construct, rehabilitate, operate and maintain water and electric power plant systems and facilities, renewable and indigenous power generation plants and other types of power generation and/or converting stations; and to make the necessary undertaking for the distribution of such facilities to consumers; to act as holding company or joint venture partner or investor in the business of developing, operating, and/or owning power generation plants. On October 26, 2018, the SEC approved PHEVI’s application for an increase in authorized capital stock to ₱1 billion divided into 1 billion common shares with par value of ₱1.00 per share from ₱300 million divided into 300 million shares with a par value of ₱1.00 a share.

On February 28, 2022, the SEC approved the amendment of PHEVI’s secondary purpose, the change to perpetual corporate existence, the increase in the number of directors from five to nine, the reduction of par value from one peso (₱1.00) per share to ten centavos (₱0.10) per share and the provision for waiver of pre-emptive rights for its stockholders. To date, PHEVI’s authorized capital stock is ₱1 billion divided into 10 billion common shares with a par value of ₱0.10 per share. PHEVI has a subscribed and paid-up capital of ₱255 million.

Ormin Power Inc. (“OPI”) was incorporated on April 27, 2009 to provide power generation and electricity supply services to distribution utilities, including but not limited to, electric cooperatives; to install, build, own, lease, maintain or operate power generation facilities, using fossil fuel, natural gas, or renewable energy; and to engage in any and all acts which may be necessary, or convenient, in the furtherance of such power generation services.

On December 28, 2018, SEC approved the increase OPI’s authorized capital stock from 766,000,000 divided into 466,000,000 common shares of the par value of ₱1.00 each and 300,000 preferred shares of the par value of ₱1,000 per share to 1,066,000,000 consisting of 466,000,000 common shares at ₱1.00 par value per share and 600,000 preferred shares at ₱1,000 par value per share.

On September 21, 2023, OPI’s BOD authorized and approved the declaration of cash dividends out of the unrestricted retained earnings of OPI in favor of its preferred shareholders for the period October 1, 2018 to December 28, 2023 amounting to ₱219.505 million in accordance with the Preferred Shares Subscription Agreements and Term Sheet subject to compliance with applicable laws and regulations.

On November 17, 2025, the SEC approved the OPI’s perpetual corporate existence and reclassification of shares from 466,000,000 common shares at ₱1.00 par value per share and 600,000 preferred shares at ₱1,000 par value per share to 566,000,000 common shares at ₱1.00 par value

per share and 500,000 preferred shares at ₱1,000 par value per share. Authorized capital stock remains the same.

As of December 31, 2025, OPI had a subscribed and paid-up capital of ₱1.003 billion and ₱960.068 million, respectively, with additional paid-in capital of ₱25.6 million.

On November 25, 2024, the SEC approved the incorporation of Inabasan Cascade Hydro Power Corp. (ICHPC). ICHPC's primary purpose is to engage in the business of power generation and electricity supply services to distribution utilities, including but not limited to electric cooperatives; to install, construct, own, lease, maintain, or operate power generation facilities utilizing fossil fuels, natural gas, or renewable energy sources; and to undertake any and all activities necessary or convenient for the advancement of such power generation and electricity supply services. ICHPC has an authorized capital stock of ₱100 million divided into 100 million common shares with par value of ₱1.00 a share. To date, the total amount subscribed is ₱25.0 million with paid-up capital of ₱6.25 million.

Neither the Company nor its subsidiaries are the subject of any bankruptcy, receivership or similar proceedings.

(2) Business of Issuer

The Group (refers to Jolliville Holdings Corporation and its subsidiaries) has principal business interests in leasing, management services, property development, land banking, local waterworks system, business process outsourcing, and power generation.

The Group owns and holds title to a number of properties in Metro Manila, Calapan City, and Puerto Galera in Oriental Mindoro. These property investments, which include parcels of urban land, provincial and beachfront properties, as well as condominium units, are held for future operations and/or development.

JOH and ORDC leases and rents out certain assets including land, buildings & improvements, furnishings and fixtures, equipment, and machineries to a number of independent business entities involved in the operation and management of KTV entertainment/recreation centers in the Metro Manila area.

A group subsidiary, JGMI provides general management services and assistance to companies within and affiliated to the Group, notably Calapan Water. Another consolidated subsidiary, SBI, on the other hand, provides business process outsourcing services to its affiliated companies and third parties engaged in the KTV entertainment and leisure/recreation business. All relevant contracts are reviewed annually.

Calapan Water owns and operates exclusively the waterworks system of Calapan City, Oriental Mindoro by virtue of its legislative franchise under Republic Act No. 9185 which will expire on February 9, 2028 and a Certificate of Public Convenience (CPC) issued by the National Water Resources Board ("NWRB") which expired last January 17, 2023. On February 27, 2023, NWRB extended the Provisional Authority issued to Calapan Water last September 13, 2022 until June 14, 2023 due to its inability to process the CPC application as a result of the restrictions brought about by the COVID-19 pandemic. On May 25, 2023, NWRB issued Resolution No. 03-0523 amending the validity of Provisional Authority on applications for CPC and other related applications. This resolution further extends the Provisional Authority of Calapan Water until December 31, 2025.

On July 28, 2024, prior to the expiration of the extended Provisional Authority, NWRB issued Calapan Water the CPC which is valid until January 18, 2033. Calapan Water is one of the few privately owned water systems in the country today. It has no competitor nor known opposition to its franchise within its franchise area.

As of December 31, 2025, the water supply system serves ten (10) urban barangays and twenty-nine (29) adjoining rural barangays. The total number of water service connections is now at 22,282 from

the previous year's 21,446. It currently serves 20,897 residential and 1,385 commercial clients. There is a slight decrease in commercial accounts this year, which was due to the water rate adjustments. Commercial establishments opted to disconnect their service and plan to reconnect once the space is occupied or a new tenant moves in.

CWWC's average Non-Revenue Water (NRW) went down to 8.97% for 2025 as against 17.12% of the previous year. The decrease in NRW is due to the installation of filter tanks resulting to reduction of flushing points and lesser frequency of draining and cleaning of tanks.

Regular bacteriological and chemical/physical test results released by the Batangas Water District Laboratory indicate that all of CWWC's water sources conform to the Philippine National Standards for Drinking Water (PNSDW).

Calapan Water formally took over the operation of the water system of the Tabuk City, the capital of Kalinga province, in October 2006. Under the contract with the Local Government of Tabuk, Calapan Water will operate and maintain the water system in Tabuk City for a period of 15 years. This lease agreement was extended for another 10 years (from year 2021) or up to September 30, 2031 through a resolution passed by the legislative council of Tabuk City on February 2, 2010. The water system remains the property of the local government. On April 2024, the lease agreement with the LGU of Tabuk was amended to extend the lease term for another 15 years, expiring on September 30, 2046 and renewable upon mutual agreement of both parties. Amendments to the contract include:

- Removal of the variables lease fee based on billed volume.
- Acknowledgement of the unpaid lease fee by CWWC to be settled in monthly installment until 2044 after offsetting the receivable from LGU amounting to ₱10.1 million.

The subscriber base stood at 5,339 as of December 31, 2025 while 5,341 as of December 31, 2024. It currently serves 4,681 residential and 658 commercial clients. The system is designed to accommodate approximately 7,000 subscribers, given that source replacements are implemented. CWWC in Tabuk draws water from the ground and distributes the water through the LGU owned water system leading to each household.

Calapan Water has no direct competition for the waterworks business in its service area.

Calapan Water is very much dependent on its being able to have continuing business with its existing customers. Its water subscribers are dependent on Calapan Water for their daily water needs. As such, Calapan Water does not foresee losing clients as long as Calapan Water continues to deliver quality potable water service.

CWWC incurred minimal expenses for research and development activities as well as for compliance to environmental laws. These costs are a small percentage of revenues for the calendar years 2025, 2024, and 2023.

OPI began its commercial operations last November 11, 2011. It operates a 9.6 MW diesel fuel-fired power plant in Calapan City to supply the Oriental Mindoro Electric Cooperative (ORMECO).

OPI's Hydro Power Plant project is a 10 MW mini-hydro power facility in the Municipality of San Teodoro in the Province of Oriental Mindoro. It was completed after over four (4) years of construction, was commissioned last January 14, 2019, and was formally inaugurated on March 23, 2019. It has been the most capital intensive project of OPI and the Group, built to develop the province's hydro-power resources essential to meet energy demand over the next 10 years.

On January 31, 2025, OPI accepted the Notice of Award dated January 30, 2025 from ORMECO after it was declared as the Winning Bidder through the latter's Special Bids and Awards Committee (SBAC). OPI's bid for Lot II-10 MW (Baseload) - Calapan City has been determined as the Lowest Calculated Responsive Bid (LCRB) following a thorough evaluation pursuant to the mechanism and jurisdictional requirements. On April 30, 2025, OPI and ORMECO executed the Power Supply Agreement for the second Calapan Diesel Power Plant.

OPI considers ORMECO as a significant customer being the primary off-taker of the power produced by OPI.

The Group does not spend material amounts for business development activities as most plans are developed internally.

Except for the waterworks business where it has no direct competition, the Company carries out most of its business activities in a competitive environment and competes in terms of market reach, diversity, customer relations, and pricing, among others. Heightened competition could negatively affect the Company's operational results.

In the leasing business, the Company competes with a number of financial institutions and real estate companies, both domestic and international. While its competitors offer their lease properties to the general public, none of them have concentrated and specialized on servicing the particular market niche of the Company, the KTV operators. The long-established relationship of the Company with its KTV clients in the renting out of facilities, furnishings and equipment puts it at some advantage vis-à-vis its competitors. This competitive advantage is further strengthened by the management services and consultancy contracts of the Company with its KTV clients.

The Company's primary competitors in the management services and business process outsourcing industries are the management services and the business process outsourcing units of the other major independent accountancy firms, and international BPO companies. However, the Company considers as its competitive advantage, its long-time relationship with its clients as well as the fact that it has multi-faceted business relationship with them (it also rents out to the same clients furnishing, fixtures, furniture and equipment for their KTV operations). The management services and business process outsourcing lines are highly dependent on the continuing renewals of its contracts with its clients. The Company is confident though that, for as long as the KTV operations of its clients are viable and profitable, it will continue to service the specialized business process outsourcing needs of these clients.

Land banking and property development is a highly competitive industry. The major industry and sector leaders of this industry include the SM Group and Robinsons Land that are more focused on retail mall development, Ayala Land that is involved in residential, commercial, high rise, and industrial development, Sta. Lucia Realty which is into residential, commercial and leisure/resort development, Filinvest Land which is into central business district development, Megaworld and Empire East Land which are into both horizontal (subdivision & townhouses) and vertical (condominium) residential and commercial development.

For now, the Group does not plan nor propose going into other types of businesses or offer any new service.

The Company is very much dependent on its being able to have continuing business with its existing clients and customers. The Company has had a long-time relationship with these clients and does not foresee losing any of them.

The Company's subsidiaries involved in the service industries need no special government approvals. However, its waterworks business through Calapan Water and its power generation business through OPI require several special government approvals such as Environment Compliance Certificate from the Department of Environment and Natural Resources (DENR), water permits from the National Water Resources Board, Certificate of Compliance from Energy Regulation Commission (ERC) and Permit to Operate from the DENR. Water tariff rates are subject to regulation by the NWRB, while power rates are approved by the ERC. The complexities of tariff regulation require consideration of many factors including the proponent's return of investment.

Management's Discussion and Analysis

The information herein should be read in conjunction with, and is qualified in its entirety by reference to, the consolidated financial statements and related notes thereto (see Annex "A") contained in this Report.

Results of Operations

Profit & Loss Data	TWELVE MONTHS ENDED (Amounts are in Thousand Pesos)		
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2023
Revenues	₱ 1,722,271	₱1,597,888	₱1,747,324
Direct costs	1,250,601	1,107,229	1,063,499
General and Administrative Expenses	177,873	172,279	173,234
Fair value gain on investment properties	73,406	120,534	204,294
Other Income (Charges) – Net	(28,166)	(2,908)	(3,800)
Gain on sale of investment properties	-	-	3,858
Interest income from cash in banks	2,428	1,673	1,092
Finance costs	75,865	84,822	99,391
Provision for income tax	62,477	38,866	58,709
Net Income	203,123	313,991	557,935
Other Comprehensive Income (Loss)	(958)	(2,766)	88,929
Total Comprehensive Income	202,165	311,225	646,864

Profit & Loss Data	VERTICAL ANALYSIS			HORIZONTAL ANALYSIS (Amounts are in Thousand Pesos)					
	% to Revenues			Change from Prior Year					
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2023	2025 – 2024	%	2024 – 2023	%	2023 – 2022	%
Revenues	100%	100%	100%	124,383	8%	-149,436	-9%	299,312	21%
Direct costs	73%	69%	61%	143,372	13%	43,730	4%	62,895	6%
General and Administrative Expenses	10%	11%	10%	5,594	3%	-955	-1%	37,528	28%
Fair value gain on investment properties	4%	8%	12%	-47,128	-39%	-83,760	-41%	144,088	239%
Other Income (Charges) – Net	-2%	-1%	0%	25,258	869%	-892	-23%	263	7%
Gain on sale of investment properties	0%	0%	0%	-	0%	-3,858	-100%	3,858	100%
Interest income from cash in banks	0%	0%	0%	755	45%	581	53%	629	136%
Finance costs	-4%	-5%	-6%	-8,957	-11%	-14,569	-15%	2,488	3%
Provision for income tax	4%	2%	3%	23,611	61%	-19,843	-34%	36,467	164%
Net Income	11%	20%	32%	-110,868	-35%	-243,944	-43%	308,246	123%
Other Comprehensive Income (Loss)	0%	0%	5%	1,808	-65%	-91,695	-103%	89,428	5%
Total Comprehensive Income	11%	20%	37%	-109,060	-35%	-335,639	-52%	397,674	160%

2025 compared with 2024

The consolidated net income for the year ended December 31, 2025 decreased by ₱110,867,251 or 35.31% compared to ₱313,990,588 reported in 2024. The significant decrease is due to lower fair value gain on investment properties and increase in direct costs in 2025.

Revenues increased by 8% or ₱124,383,833 in 2025.

Power sales pertain to the electricity generation activity of OPI. OPI supplies electricity to Oriental Mindoro Electric Cooperative Inc. (ORMECO) and operates a bunker fuel fired power plant (CDPP) in Calapan City and the Inabasan mini hydro power plant (IMHPP) in the Municipality of San Teodoro, Oriental Mindoro. Power sales increased by 4.30% from ₱1,201,158,256 in 2024 to ₱1,252,769,601 for the year ended 2025 mainly due to additional power sales recognized based on the ERC order dated October 28, 2025 amounting to ₱97,809,902. Below are the power generation figures from the two power plants:

	2025	2024	Percentage of Increase (Decrease)
CDPP	56,141,400 kWh	48,275,080 kWh	16.29%
IMHPP	29,081,544 kWh	44,051,412 kWh	(33.98%)

Water service revenues increased by ₱64,649,011 or 20.60% in 2025. This increase was driven by the implementation of new water rates in Calapan service area and higher water production volumes across service areas. Total subscribers base stood at 22,272 in Calapan City and 5,339 in Tabuk City as of December 31, 2025.

Rental income increased by 12.88% or ₱7,125,982 from ₱55,330,613 in 2024 to ₱62,456,595 in 2025 due to increase in rental rates and additional lessees during the year.

Revenue from technical services increased by 3.61% or ₱997,495 from ₱27,602,933 in 2024 to ₱28,600,428 in 2025, primarily due to rate increase of technical service fees.

Direct costs increased by 13% or ₱143,372,163 for the year 2025.

Direct cost increased due to increase in fuel costs from power operations, higher depreciation, outside services, rental and utilities incurred for water operations and increase in salaries and employee benefits.

General and administrative expenses increased by 3% or ₱5,593,877 for the year 2025.

The increase is attributable to higher taxes and licenses, depreciation and amortization expense, salaries and employee benefits and professional fees paid during the year.

Fair value gain on investment properties decreased by 39% or ₱47,127,934 in 2025.

This is due to lower changes of net increase in fair value of appraised investment properties of the Group.

Net other charges increased by 869% or ₱25,258,517 in 2025.

The increase of net other charges is mainly due to OPI's net unamortized discount from the receivable and payable arising from ERC order recognized in 2025.

Interest income from cash in banks increased by 45% or ₱754,631 in 2025.

Higher interest income is mainly due to increase in cash in banks during the year.

Finance costs decreased by 11% or ₱8,957,631 in 2025.

Lower finance costs are mainly due to various loan payments made in 2025.

Provision for income tax increased by 61% or ₱23,610,855 in 2025.

This is mainly due to higher regular corporate income tax recognized in 2025.

Other comprehensive loss decreased by 65% or ₱1,807,275 in 2025.

The decrease of other comprehensive loss is mainly due to remeasurement gain on retirement benefits and gain on fair value changes of financial assets at FVOCI recognized in 2025.

2024 compared with 2023

The consolidated net income for the year ended December 31, 2024 decreased by ₱243,944,421 or 44% compared to ₱557,935,009 reported in 2023. The significant decrease is due to lower revenue and fair value gain on investment properties.

Revenues decreased by 9% or ₱149,436,787 in 2024.

Power sales pertain to the electricity generation activity of OPI. OPI supplies electricity to Oriental Mindoro Electric Cooperative Inc. (ORMECO) and operates a bunker fuel fired power plant (CDPP) in Calapan City and the Inabasan mini hydro power plant (IMHPP) in the Municipality of San Teodoro, Oriental Mindoro. Power sales decreased by 12.34% from ₱1,370,173,669 in 2023 to ₱1,201,158,256 for the year ended 2024 mainly due to lower fuel prices in 2024. OPI recognized in 2023 the incremental IMHPP cash incentive for the years 2019-2021 using the new rate of ₱2.9907/kWh. Fuel cost reimbursements form part of OPI's revenues despite being a passed on charge to ORMECO. Below are the power generation figures from the two power plants:

	2024	2023	Percentage of Increase (Decrease)
CDPP	48,275,080 kWh	46,804,716 kWh	3.14%
IMHPP	44,051,412 kWh	46,633,341 kWh	(5.54%)

Water service revenues increased by ₱15,691,441 or 5.26% in 2024. The increase is attributable to additional number of water subscribers and production volume in service areas. Total subscribers base stood at 21,446 in Calapan City and 5,264 in Tabuk City as of December 31, 2024.

Rental income slightly decreased by 0.87% or ₱487,266 from ₱55,817,879 in 2023 to ₱55,330,613 in 2024 due to a non-renewal of some of client's lease contract.

Technical services increased by 18.83% or ₱4,374,451 from ₱23,228,482 in 2023 to ₱27,602,933 in 2024. This is due to contracts with new clients starting the first quarter of 2024 and rate increases in technical fees.

Direct costs increased by 4% or ₱43,730,440 for the year 2024.

Direct cost increased due to increase in fuel costs from power operations, higher utilities and materials incurred for water operations and increase in salaries and employee benefits and depreciation.

General and administrative expenses decreased by 1% or ₱954,599 for the year 2024.

The decrease is attributable to lower outside services and repairs and maintenance incurred during the year.

Fair value gain on investment properties decreased by 41% or ₱83,759,681 in 2024.

This is due to lesser changes of net increase in fair value of appraised investment properties of the Group.

Gain on sale of investment properties decreased by 100% or ₱3,857,920 in 2024.

The decrease is mainly due to gain on sale of investment property recognized in 2023.

Net other charges decreased by 23% or ₱892,164 in 2024.

The decrease of net other charges is mainly lower bank charges incurred during the year.

Interest income from cash in banks increased by 53% or ₱581,841 in 2024.

Higher interest income is mainly due to increase in cash in banks in 2024.

Finance costs decreased by 15% or ₱14,569,230 in 2024.

Lower finance costs are mainly due to various loan payments made in 2024.

Income tax expense decreased by 34% or ₱19,842,573 in 2024.

This is mainly due to the tax effect of lower fair value gain on investment properties recognized in 2024.

Other comprehensive income decreased by 103% or ₱91,694,513 in 2024.

The decrease of other comprehensive income is mainly due to remeasurement gain on retirement benefits and gain on fair value changes of financial assets at FVOCI recognized in 2023.

2023 compared with 2022

The consolidated net income for the year ended December 31, 2023 increased by ₱308,246,172 or 123% compared to ₱249,688,837 reported in 2022. The significant increase is mainly due to higher fair value gain on investment properties.

Revenues increased by 21% or ₱299,312,650 in 2023.

Power sales pertain to the electricity generation activity of OPI. OPI supplies electricity to Oriental Mindoro Electric Cooperative Inc. (ORMECO) and operates a bunker fuel fired power plant (CDPP) in Calapan City and the Inabasan mini hydro power plant (IMHPP) in the Municipality of San Teodoro, Oriental Mindoro. Power sales increased by 22.29% from ₱1,120,424,053 in 2022 to ₱1,370,173,669 for the year ended 2023 mainly due to higher fuel prices and the additional IMHPP cash incentive collected for the years 2019-2021 using the new rate of ₱2.9907/kWh. Fuel cost reimbursements form part of OPI's revenues despite being a passed on charge to ORMECO. Below are the power generation figures from the two power plants:

	2023	2022	Percentage of Decrease
CDPP	46,804,716 kWh	46,411,344 kWh	0.85%
IMHPP	46,633,341 kWh	44,768,276 kWh	4.17%

Water service revenues increased by ₱17,772,926 or 6.34% in 2023. The increase is attributable to additional number of water subscribers and production volume in service areas. Total subscribers base stood at 20,454 in Calapan City and 5,181 in Tabuk City as of December 31, 2023.

Rental income increased by 58.32% or ₱20,561,968 from ₱35,255,911 in 2022 to ₱55,817,879 in 2023. The improvement in rental income was due to the post pandemic alignment of lease rates to market rates.

Technical services increased by 93.57% or ₱11,228,140 from ₱12,000,342 in 2022 to ₱23,228,482 in 2023. This is due to contracts with new clients starting the second quarter of 2023 and rate increases in technical fees.

Direct costs increased by 6% or ₱62,895,249 for the year 2023.

Direct cost increased due to increase in fuel costs, repairs and maintenance and supplies from power operations, higher utilities incurred for water operations and increase in salaries and employee benefits and rental.

General and administrative expenses increased by 28% or ₱37,527,629 for the year 2023.

The increase is attributable to higher travel expenses, increase in salaries and employee benefits and additional outside services incurred.

Fair value gain on investment properties increased by 239% or ₱144,087,682 in 2023.

This is due to higher changes in fair value of the appraised investment properties of the Group.

Gain on sale of investment properties increased by 100% or ₱3,857,920 in 2023.

The increase is mainly due to gain on sale of investment property recognized in 2023.

Net other income (charges) increased by 7% or ₱262,712 in 2023.

The increase of net other income (charges) is mainly lower bank charges incurred in 2023.

Interest income from cash in banks increased by 136% or ₱628,499 in 2023.

Higher interest income is mainly due to increase in cash in banks in 2023.

Finance costs increased by 3% or ₱2,488,594 in 2023.

Additional finance costs are mainly due to increase in interest rates in 2023.

Income tax expense increased by 164% or ₱36,466,395 in 2023.

This is mainly due to the tax effect of higher fair value gain on investment properties in 2023.

Other comprehensive income increased by 17,935% or ₱89,427,806 in 2023.

The increase of other comprehensive income is mainly due to remeasurement gain on retirement benefits and gain on fair value changes of financial assets at FVOCI in 2023.

Financial Position

Statements of Financial Position Data	AS OF (Amounts are in Thousand Pesos)		
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2023
Total Current Assets	₱1,498,623	₱1,459,698	₱1,454,026
Total Noncurrent Assets	6,187,966	5,550,421	5,328,297
Total Assets	7,686,589	7,010,119	6,782,323
Total Current Liabilities	2,336,551	2,258,894	2,229,440
Total Noncurrent Liabilities	1,384,524	835,098	955,138
Total Liabilities	3,721,075	3,093,992	3,184,578
Equity – Attributable to Equity Holders of Parent Co.	2,923,541	2,955,927	2,731,554
Equity – Non-controlling Interest	1,041,973	960,200	866,191
Total Stockholders' Equity	3,965,514	3,916,127	3,597,745

Statements of Financial Position Data	VERTICAL ANALYSIS			HORIZONTAL ANALYSIS (Amounts are in Thousand Pesos)					
	% to Total Assets			Change from Prior Year					
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2023	2025 – 2024	%	2024 – 2023	%	2023 – 2022	%
Total Current Assets	19%	21%	21%	38,925	3%	5,672	0%	241,385	20%
Total Noncurrent Assets	81%	79%	79%	637,545	11%	222,124	4%	164,070	3%
Total Assets	100%	100%	100%	676,470	10%	227,796	3%	405,455	6%
Total Current Liabilities	30%	32%	33%	77,657	3%	29,454	1%	151,851	7%
Total Noncurrent Liabilities	18%	12%	14%	549,426	66%	-120,040	-13%	-138,452	-13%
Total Liabilities	48%	44%	47%	627,083	20%	-90,586	-3%	13,399	1%
Equity – Attributable to Equity Holders of Parent Co.	38%	42%	40%	-32,386	-1%	224,373	8%	320,440	13%
Equity – Non-controlling Interest	14%	14%	13%	81,773	9%	94,009	11%	71,616	9%
Total Stockholders' Equity	52%	56%	53%	49,387	1%	318,382	9%	392,056	12%

2025 compared with 2024

Total assets increased by 9.65% or ₱676,470,603 from ₱7,010,118,521 as of December 31, 2024 to ₱7,686,589,124 as of December 31, 2025.

The biggest contributor to the increase is the receivable arising from ERC order. On October 28, 2025, the ERC issued its final order in ERC Case No. 2011-017 RC reconciling the provisional rate over- and under-recoveries for the period from November 2011 to May 2020 (the “refund and recovery scheme”). As a result, OPI recognized receivable from ORMECO amounting to ₱526,803,708 which is presented as part of current and noncurrent assets and payable to NPC amounting to ₱440,295,282 which is presented as part of current and noncurrent liabilities.

Cash and cash equivalents account increased by 43.75% or ₱77,907,070 during the year. This represents the net effect of collections received and payment of obligations as of December 31, 2025.

Trade and other receivables increased by 9.69% or ₱72,129,222 due to longer collection turnover from customers.

Due from related parties decreased by 24.45% from ₱119,759,782 as of December 31, 2024 to ₱90,476,464 as of December 31, 2025 due to collection from affiliates.

Inventories amounting to ₱42,277,157 pertain to OPI's fuel and oil. Fuel consumption is lower than the delivered amount resulted to increase of 5.16% or ₱2,073,225 from last year's balance of ₱40,203,932.

Other current assets decreased by 35.24% from ₱377,160,358 as of December 31, 2024 to ₱244,248,935 as of December 31, 2025. The decrease mainly pertains to the guarantee deposit returned to OPI which represented a bank hold-out requirement for compliance with the bid obligations in 2024.

Decrease in Financial Assets at FVOCI amounting to ₱4,264,845 pertains to decrease in valuation of investments. This also resulted to the decrease in cumulative unrealized fair value changes on Financial Assets at FVOCI amounting to ₱4,264,845 in 2025.

Investment properties increased by 5.16% or ₱97,384,159 from ₱1,888,302,016 as of December 31, 2024 to ₱1,985,686,175 as of December 31, 2025. The increase consists of the capitalized cost of on-going building construction and the revaluation increment during the year.

Property, plant and equipment increased by 2.98% or ₱101,850,682 due to the net effect of the depreciation and the additional capital expenditures incurred during the year. On December 2, 2025, OPI entered to an Extra-Judicial Settlement of Estate with Absolute Sale with Sarmiento Heirs for the purchased of a parcel of land located at Sta. Isabel, Calapan City, Oriental Mindoro containing an area of three thousand eight hundred seventy-two square meters (3,872m²) for a total amount of ₱36.8 million.

Right-of-use (ROU) asset increased by 7% or ₱5,151,549 from ₱73,576,308 as of December 31, 2024 to ₱78,727,857 as of December 31, 2025. The increase is the net effect of the amortization and OPI's recognition of ROU asset related to the long-term lease of its power plant site.

Net deferred tax assets amounting to ₱8,389,620 as of December 31, 2025 decreased by ₱8,944,243 or 51.60% due to tax effects of retirement benefits liability, allowance for impairment losses of receivables and the application NOLCO against taxable income during the year.

Other noncurrent assets decreased by 76.82% or ₱31,425,183 during the year. This is mainly due to use of reserve fund to settle loan obligation and refund of utilities and other deposits.

Total liabilities increased by 20.27% or ₱627,083,740 from ₱3,093,991,747 as of December 31, 2024 to ₱3,721,075,487 as of December 31, 2025.

Total trade and other payables increased by 16.43% from ₱929,828,545 as of December 31, 2024 to ₱1,082,553,177 as of December 31, 2025. Much of this is attributed to net billings from contractors.

Loans payable decreased by 14.04% or ₱168,995,185 as of December 31, 2025. This mainly represents payments made to loan facility with local banks intended for the construction of IMHPP and short-term loan payments made by CWWC and OPI. OPI's loan for its Calapan Diesel Power Plant expansion has been fully paid last July 15, 2025.

Lease liability increased by 10.17% or ₱7,740,527 from ₱76,075,278 as of December 31, 2024 to ₱83,815,805 as of December 31, 2025. This is also resulted from OPI's long-term lease of power plant site.

Due to related parties increased by 5.74% from ₱267,710,992 as of December 31, 2024 to ₱283,077,301 as of December 31, 2025 due to the net effect of payments made to and advances received from affiliates for working capital purposes.

On March 4, 2025, JOH received from SEC the Certificate of Filing the Notice of Property Dividend Declaration dated February 27, 2025, which approved the dividend amount of ₱152,778,415. As a result, dividends payable increased by 91.85% during the period.

Income tax payable has increased by 282.77% or ₱9,341,513 from ₱3,303,551 as of December 31, 2024 to ₱12,645,064 as of December 31, 2025. This is mainly due to the higher taxable income during the year.

Customers' deposits increased by 7.61% or ₱3,095,783 as of December 31, 2025 as additional water meter maintenance deposit is collected by CWWC from its newly connected costumers and due to advanced rental collected from clients.

Retirement benefits liability increased by 3.17% or ₱1,174,790 due to the net effect of additional retirement benefit cost and remeasurement gain for the year 2025.

The net deferred tax liabilities increased by 5.98% from ₱379,630,532 as of December 31, 2024 to ₱402,348,879 as of December 31, 2025 which mainly pertains to the tax effects of the fair value gain on investment properties during the year.

Total stockholders' equity increased by 1.26% or ₱49,386,863 from ₱3,916,126,774 as of December 31, 2024 to ₱3,965,513,637 as of December 31, 2025.

Equity attributable to equity holders of Parent Company decreased by 1.10% and equity attributable to noncontrolling interests increased by 8.52% as of December 31, 2025. Decrease in Equity attributable to equity holders of Parent Company is due to the net effect of the property dividend declared and net income reported during the year. Increase in equity attributable to noncontrolling interests is the result of the share in total comprehensive income.

2024 compared with 2023

Total assets increased by 3.36% or ₱227,795,883 from ₱6,782,322,638 as of December 31, 2023 to ₱7,010,118,521 as of December 31, 2024.

The biggest contributor to the increase is the investment property. The increase of 9.12% or ₱157,799,739 consists of the capitalized cost of on-going building construction and the revaluation increment as of December 31, 2024.

Cash and cash equivalents account decreased by 40.18% or ₱119,640,092 during the year. This represents the net effect of collections received and payment of obligations as of December 31, 2024.

Trade and other receivables decreased by 5.02% or ₱39,351,663 due to shorter collection turnover from customers.

Due from related parties decreased by 4.42% from ₱125,296,439 as of December 31, 2023 to ₱119,759,782 as of December 31, 2024 due to collection of advances from affiliates. Inventories amounting to ₱40,203,932 pertain to OPI's fuel and oil. Fuel consumption is lower than the delivered amount resulted to increase of 45.07% or ₱12,489,966 from last year's balance of ₱27,713,966.

Other current assets increased by 71.87% from ₱219,449,094 as of December 31, 2023 to ₱377,160,358 as of December 31, 2024. The increase mainly pertains to net effect of input VAT application as payment against output VAT, additional creditable withholding taxes received, guarantee deposit and advances made to suppliers.

Decrease in Financial Assets at FVOCI amounting to ₱2,765,334 pertains to decrease in valuation of investments. This also resulted to the decrease in cumulative unrealized fair value changes on Financial Assets at FVOCI amounting to ₱2,765,334 in 2024.

Property, plant and equipment decreased by 0.37% or ₱12,691,419 due to the net effect of the depreciation and the completed development and construction of CWWC's water supply systems construction projects.

In April 2024, the lease agreement with the local government of Tabuk was amended to extend the lease term for another 15 years. As a result, CWWC recognized right-of-use (ROU) asset amounting to ₱73,576,308 and total lease of ₱76,075,278 which is presented as part of current and noncurrent liabilities. Also included in the amended lease terms is the monthly installment of unpaid lease fee amounting to ₱41,574,959 which is also presented as part of current and noncurrent liabilities.

Net deferred tax assets amounting to ₱17,333,863 as of December 31, 2024 slightly increased by ₱359,131 or 2.12% due to tax effects of retirement benefits liability, allowance for impairment losses of receivables and NOLCO during the year.

Other noncurrent assets increased by 16.67% or ₱5,844,640 during the year. This is mainly due to additional utilities and other deposits received.

Total liabilities decreased by 2.84% or ₱90,586,401 from ₱3,184,578,148 as of December 31, 2023 to ₱3,093,991,747 as of December 31, 2024.

Trade and other payables decreased by 15.26% from ₱1,049,304,930 as of December 31, 2023 to ₱889,233,088 as of December 31, 2024. Much of this is attributed to net effect of CWWC's payment of obligation to contractors and billings received in relation to its construction projects. OPI also fully settled its payables to one of its contractors for the construction of IMHPP.

Loans payable decreased by 7.67% or ₱99,927,857 as of December 31, 2024. This mainly represents payments made for loan facility with local banks intended for the construction of IMHPP and short-term loan payments made by CWWC and OPI. CWWC's loan intended for Phase 1 rehabilitation, expansion and improvements of its waterworks system has been fully paid in 2024.

Due to related parties increased by 21.05% from ₱221,149,936 as of December 31, 2023 to ₱267,710,992 as of December 31, 2024 due to the net effect of payments made to and advances received from affiliates for working capital purposes.

Income tax payable has increased by 38.68% or ₱921,471 from ₱2,382,080 as of December 31, 2023 to ₱3,303,551 as of December 31, 2024. This is mainly due to the higher taxable income during the year.

Dividends payable decreased by 10.85% or ₱16,963,756 as of December 31, 2024. This is due to settlement made to the stockholders during the year.

Customers' deposits increased by 7.15% or ₱2,713,678 as of December 31, 2024 as additional water meter maintenance deposit is collected by CWWC from its newly connected costumers and due to advanced rental collected from clients.

Retirement benefits liability decreased by 18.13% or ₱8,213,797 due to benefits paid during the year.

The net deferred tax liabilities increased by 7.88% from ₱351,906,621 as of December 31, 2023 to ₱379,630,532 as of December 31, 2024 which mainly pertains to the tax effects of the fair value gain on investment properties during the year.

Total stockholders' equity increased by 8.85% or ₱318,382,284 from ₱3,597,744,490 as of December 31, 2023 to ₱3,916,126,774 as of December 31, 2024.

Equity attributable to equity holders of Parent Company increased by 8.21% and equity attributable to noncontrolling interests increased by 10.85% as of December 31, 2024. Increase in Equity attributable to equity holders of Parent Company is mainly due to net income reported during the year. Increase in equity attributable to noncontrolling interests is the result of the net effect of share in total comprehensive income and collected subscription receivable.

2023 compared with 2022

Total assets increased by 6.36% or ₱405,454,733 from ₱6,376,867,905 as of December 31, 2022 to ₱6,782,322,638 as of December 31, 2023.

The biggest contributor to the increase is the revaluation increment as of December 31, 2023. Fair value changes of the appraised properties increased by 11.17% or ₱173,845,427.

Cash and cash equivalents account increased by 56.68% or ₱107,700,927 during the year. This represents the net effect of collections received and payment of obligations as of December 31, 2023.

Trade and other receivables increased by 15.89% or ₱107,475,988 due to longer collection turnover from customers.

Due from related parties decreased by 13.06% from ₱144,114,700 as of December 31, 2022 to ₱125,296,439 as of December 31, 2023 due to collection of advances from affiliates.

Inventories amounting to ₱27,713,966 pertain to OPI's fuel and oil. Fuel consumption is lower than the delivered amount resulted to increase of 19.89% or ₱4,597,725 from last year's balance of ₱23,116,241.

Other current assets increased by 22.58% from ₱179,020,100 as of December 31, 2022 to ₱219,449,094 as of December 31, 2023. The increase mainly pertains to net effect of input VAT application as payment against output VAT, additional creditable withholding taxes received and advances made to suppliers.

Increase in Financial Assets at FVOCI amounting to ₱83,705,175 pertains to increase in valuation of investments. This also resulted to the increase in cumulative unrealized fair value changes on Financial Assets at FVOCI amounting to ₱83,705,175 in 2023.

Property, plant and equipment decreased by 1.91% or ₱66,797,733 due to the net effect of the depreciation and ongoing development and construction of CWWC's water supply systems construction projects.

Deferred tax assets amounting to ₱16,974,732 as of December 31, 2023 decreased by ₱20,230,868 or 54.38% due to tax effects of retirement benefits liability, allowance for impairment losses of receivables and NOLCO during the year.

Other noncurrent assets decreased by 15.54% or ₱6,452,641 during the year. This is mainly due to lower special bank deposit in 2023 which pertains to interest-bearing performance security in the form of a bank guarantee in relation to the lease agreement of CWWC with the LGU of Tabuk.

Total liabilities increased by 0.42% or ₱13,398,681 from ₱3,171,179,467 as of December 31, 2022 to ₱3,184,578,148 as of December 31, 2023.

Trade and other payables increased by 16.85% from ₱898,013,476 as of December 31, 2022 to ₱1,049,304,930 as of December 31, 2023. Much of this is attributed to net effect of CWWC's payment of obligation to contractors and billings received in relation to its construction projects.

Loans payable decreased by 19.59% or ₱317,492,481 as of December 31, 2023. This mainly represents payments made for loan facility with local banks intended for the construction of IMHPP and short-term loan payments made by CWWC and OPI. CWWC's loan intended for Phase 1 rehabilitation, expansion and improvements of its waterworks system has been fully paid in 2022.

Due to related parties decreased by 10.22% from ₱246,333,675 as of December 31, 2022 to ₱221,149,936 as of December 31, 2023 due to net effect of payments made to and advances received from affiliates for working capital purposes.

Income tax payable has decreased by 37.36% or ₱1,420,984 from ₱3,803,064 as of December 31, 2022 to ₱2,382,080 as of December 31, 2023. This is mainly due to the tax effect of bad debts written-off during the year.

Customers' deposits increased by 27.72% or ₱8,238,446 as of December 31, 2023 as additional water meter maintenance deposit is collected by CWC from its newly connected costumers and due to advanced rental collected from clients.

Retirement benefits liability decreased by 3.47% or ₱1,628,429 due to net effect of additional retirement benefit cost and remeasurement gain for the year 2023.

The deferred tax liabilities increased by 8.07% from ₱325,641,343 as of December 31, 2022 to ₱351,906,621 as of December 31, 2023 which mainly pertains to the tax effects of the fair value gain on investment properties during the year.

Total stockholders' equity increased by 12.23% or ₱392,056,052 from ₱3,205,688,438 as of December 31, 2022 to ₱3,597,744,490 as of December 31, 2023.

Equity attributable to equity holders of Parent Company increased by 13.29% and equity attributable to noncontrolling interests increased by 9.01% as of December 31, 2023. Increase in Equity attributable to equity holders of Parent Company is mainly due to net income reported during the year. Increase in equity attributable to noncontrolling interests is the result of the net effect of share in net income and other comprehensive income.

Financial Risk

Please refer to Note 28 to the Consolidated Financial Statements for the description, classification and measurements applied for financial instruments and the financial risk management objectives and policies of the Group.

Key Performance Indicators

Amounts in PHP

		DECEMBER			
		2025	2024	2023	
PROFITABILITY					
<p>Return on Total Assets It measures efficiency of the Company in using its assets to generate net income.</p>	ROA=	NI+{(interest exp x (1-tax rate))}	260,021,732	377,607,207	632,478,550
		Ave. Total Assets	7,348,353,823	6,896,220,580	6,579,595,272
			0.0354	0.0548	0.0961
<p>Return on Equity It is a measure of profitability of stockholders' investments. It shows net income as percentage of shareholder equity.</p>	ROE=	Annual Net Income	203,123,337	313,990,588	557,935,009
		Ave. Stockholders' Equity	3,940,820,206	3,756,935,632	3,401,716,464
			0.0515	0.0836	0.1640
<p>Water Revenue per Subscriber Measures how well service and facilities improvements have influence consumer's usage</p>	WRS=	Water Revenue	378,444,785	313,795,774	298,104,333
		Ave. No. of Water Subscribers	27,611	26,710	25,635
			13,706	11,748	11,629
FINANCIAL LEVERAGE					
<p>Debt Ratio It is a solvency ratio and it measures the portion of the assets of a business which are financed through debt.</p>	Debt Ratio=	Total Liabilities	3,721,075,487	3,093,991,747	3,184,578,148
		Total Assets	7,686,589,124	7,010,118,521	6,782,322,638
			0.4841	0.4414	0.4695
<p>Debt to Equity Ratio It measures the degree to which the assets of the business are financed by the debts and the shareholders' equity of a business.</p>	Debt to Equity=	Total Liabilities	3,721,075,487	3,093,991,747	3,184,578,148
		Shareholder's Equity	3,965,513,637	3,916,126,774	3,597,744,490
			0.9384	0.7901	0.8852
MARKET VALUATION					
<p>Price to Book Ratio Relates the Company's stock to its book value per share</p>	PB ratio=	Market value/share	3.08	6.79	8.96
		Book value/share	10.39	10.50	9.70
			0.2964	0.6467	0.9237

The reason for the decline in the Group's profitability is discussed in the results of operations. From the point of view of its power and water business, which the Group considers to be its major

growth drivers, growth is sustainable in the succeeding years as the Company already has in line the new power supply agreement, potential expansion and new service areas.

Following the positive developments in the local stock market, activity in the Company's stock has picked up recently and the prices have steady to reflect trends in the market.

Liquidity and Solvency

The Company's cash balance increased from end-2024 of ₱178,090,019 compared to ₱255,997,089 as of December 31, 2025.

Meanwhile, liability to equity ratios increased from 0.79:1.00 to 0.94:1.00 as of end-2025. Ratio was maintained at this very low level.

Results of Operations (1Q 2026 compared with 1Q 2025) See Annex "F" for 2026 17-Q (1st QTR)

<i>(Amounts are in Thousand Pesos)</i> Profit & Loss Data	THREE MONTHS ENDED	
	March 31, 2026	March 31, 2025
Revenues	416,244	346,211
Cost of Services	305,331	297,701
General and Administrative Expenses	47,677	47,504
Other Income (Charges) - Net	(972)	(780)
Interest Income	168	1,432
Finance Costs	(19,620)	(19,979)
Income Tax Expense (Benefit)	3,889	271
Net Income (Loss)	38,923	(18,592)
Total Comprehensive Income (Loss)	38,923	(18,592)

<i>(Amounts are in Thousand Pesos)</i> Profit & Loss Data	VERTICAL ANALYSIS		HORIZONTAL ANALYSIS	
	% to Revenues		Change from Prior Period	
	March 31, 2026	March 31, 2025	1Q 2026– 1Q 2025	%
Revenues	100%	100%	70,033	20%
Cost of Services	73%	85%	7,630	3%
General and Administrative Expenses	12%	14%	173	0%
Other Income (Charges) – Net	-0%	-0%	192	25%
Interest Income	0%	0%	-1,264	-88%
Finance Costs	5%	6%	-359	-2%
Income Tax Expense (Benefit)	0%	0%	3,618	1,337%
Net Income (Loss)	1%	-5%	57,515	309%
Total Comprehensive Income (Loss)	9%	-5%	57,515	309%

The consolidated financial statements for the first quarter ended March 31, 2026, reflect a net income after tax of ₱38,923,099, compared to a net loss after tax of ₱18,592,798 for the same period in 2025. The increase in net income of this period is mainly due to higher generation from our power business.

Power sales from Ormin Power Inc. (OPI) increased by 15.23%, from ₱248,332,183 in Q1 2025 to ₱286,161,560 in Q1 2026. The Inabasan Mini Hydro Power Plant (IMHPP) recorded a revenue increase of ₱48,720,667 following the resumption of normal operations. In contrast, the Calapan Diesel Power Plant (CDPP) experienced a revenue decline of ₱10,891,289, primarily due to lower fuel prices, as fuel costs form part of CDPP's revenue.

Water service revenues increased by 39.06% or ₱30,133,291, from ₱77,144,620 in the first quarter of 2025 to ₱107,277,911 in the first quarter of 2026. This increase was primarily attributable to the implementation of new water rates in Calapan service area, as well as higher water production volumes across service areas. The total subscribers likewise grew by 2.87%, from 26,988 in the first quarter of 2025 to 27,762 in the first quarter of 2026.

Rental revenues increased by 13.17% or ₱1,821,589 from ₱13,832,844 in 2025 to ₱15,654,433 in 2026. This resulted from increase in rental rates and additional lessees during the period.

Revenue from technical services grew by 3.61% or ₱249,374 from ₱6,900,733 in 2025 to ₱7,150,107 in 2026, primarily due to rate increase in technical service fees.

Cost of services increased by 2.56% or ₱7,629,221 mainly driven by higher repairs and maintenance incurred, along with increased depreciation and power costs in the water operations.

Operating expenses slightly increased by 0.37% or ₱173,758 for the period. The increase is attributable to the net effect of lower taxes and license expenses, decreased in repairs and maintenance costs and higher outside services.

Net other charges increased by 24.56% or ₱191,608 for the three months ended March 31, 2026. This resulted from higher bank charges.

Interest income from cash and cash equivalents decreased by 88.27% or ₱1,263,903 due to lesser cash equivalents placed during the period.

Finance costs declined by 1.80% or ₱358,912 primarily as a result of loan repayments made during the first quarter of the period.

Income tax expense increased by 1,336.60% or ₱3,618,156 during the period mainly due to higher income from the operations. On November 8, 2024, the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act was signed into law, with effectivity date of November 28, 2024. This Act introduces several tax reforms, including a reduction in the corporate income tax rate for registered business enterprises from 25% to 20% and enhanced deductions, such as a 100% additional deduction for power expenses.

Non-controlling interest represents non-controlling stockholders' share in the net income or loss of 2Big Philippines Inc. and subsidiaries and Philippine Hydro Electric Ventures, Inc. and a subsidiary. The fluctuation in this account is tied-in to the operating results and to their overall ownership in these subsidiaries.

Financial Position

<i>(Amounts are in Thousand Pesos)</i> Statements of Financial Position Data	AS OF	
	March 31, 2026	Dec. 31, 2025
Total Current Assets	₱1,369,072	₱1,498,623
Total Noncurrent Assets	6,184,305	6,187,966
Total Assets	7,553,377	7,686,589
Total Current Liabilities	2,103,472	2,336,551
Total Noncurrent Liabilities	1,445,468	1,384,524
Total Liabilities	3,548,940	3,721,075
Equity – Attributable to Equity Holders of Parent Co.	2,940,971	2,923,541
Equity – Non-controlling Interest	1,063,466	1,041,973
Total Stockholders' Equity	4,004,437	3,965,514

<i>(Amounts are in Thousand Pesos)</i> Statements of Financial Position Data	VERTICAL ANALYSIS		HORIZONTAL ANALYSIS	
	% to Total Assets		Change from Prior Period	
	March 31, 2026	Dec. 31, 2025	1Q 2026 – YE 2025	%
Total Current Assets	18%	20%	-129,551	-9%
Total Noncurrent Assets	82%	80%	-3,661	-0%
Total Assets	100%	100%	-133,212	-2%
Total Current Liabilities	28%	30%	-233,079	-10%
Total Noncurrent Liabilities	19%	18%	60,944	4%
Total Liabilities	47%	48%	-172,135	-5%
Equity – Attributable to Equity Holders of Parent Co.	39%	38%	17,430	0%
Equity – Non-controlling Interest	14%	14%	21,493	2%
Total Stockholders' Equity	53%	52%	38,923	0%

Total assets decreased by 1.73% or ₱133,212,116 from ₱7,686,589,124 as of December 31, 2025 to ₱7,553,377,008 as of March 31, 2026.

The decrease was primarily came from trade and other receivables. It decreased by 13.31% or ₱108,708,565 during the first three months of 2026, mainly due to improved collection efficiency, as evidenced by a shorter collection turnover period from customers.

Cash and cash equivalents account decreased by 3.29% or ₱8,412,798 during the period, reflecting the net effect of collections and payments.

Due from related parties slightly decreased by 0.39% from ₱90,476,464 as of December 31, 2025 to ₱90,123,244 as of March 31, 2026 due to collections from its affiliates.

Inventories amounting to ₱43,801,169 as of March 31, 2026 pertain mostly to OPI's fuel and oil. Fuel consumption is lower than the delivered amount which resulted to an increase of 3.60% or ₱1,524,012 during the period.

Other current assets decreased by 5.57% or ₱13,601,357 during the first three months of 2026. This was mainly due to the application of input VAT against output VAT liabilities, net of additional creditable withholding taxes, refund of guaranteed deposits, and supplier advances.

Investment properties slightly increased by 0.20% or ₱3,923,263 during the period due to the capital expenditures incurred on the on-going building construction.

Property, plant and equipment decreased by 0.19% or ₱6,721,109 from ₱3,518,279,432 as of December 31, 2025 to ₱3,511,558,323 as of March 31, 2026. This is due to the net effect of additional capital expenditures and additional depreciation and amortization during the period.

Right-of-use asset decreased by 1.24% or ₱977,679 from ₱78,727,857 as of December 31, 2025 to ₱77,750,178 as of March 31, 2026. This is due to the amortization expense during the period.

Net deferred tax assets increased by 1.37% or ₱115,337 during the period. The increase pertains to the net effect of NOLCO application and carryforward benefit of MCIT recognized for the first three months of 2026.

Receivable arising from ERC order, financial assets at FVOCI and other noncurrent assets were unchanged from its balances as of March 31, 2026.

Trade and other payables decreased by 6.58% from ₱1,044,152,069 as of December 31, 2025 to ₱975,464,897 as of March 31, 2026. The decline was primarily driven by net settlements of billings from contractors.

Loans payable decreased by 5.38% or ₱55,679,191, mainly due to repayments made related to the IMHPP construction loan and short-term borrowings. OPI's loan for its Calapan Diesel Power Plant expansion has been fully paid last July 15, 2025.

Lease liabilities slightly decreased by 0.41% or ₱339,890 due to payments made during the period.

Due to related parties decreased by 17.77% from ₱283,077,301 as of December 31, 2025 to ₱232,771,050 as of March 31, 2026. This is due to net effect of payments and additional advances from affiliates for working capital purposes.

The income tax payable as of December 31, 2025 was due and paid in April 2026. The income tax payable as of March 31, 2026 consists of unpaid tax liability for 2025 and income tax accruals for the first quarter of 2026. Income tax payable increased by 20.61% as of March 31, 2026.

Installment payable decreased by 1.43% or ₱549,537 due to payments made during the period.

Customers' deposits increased by 1.87% or ₱820,651, relating to water meter maintenance fees collected by CWWC.

Payable arising from ERC order, dividends payable, retirement benefits liability and net deferred tax liabilities were unchanged from year-end.

Noncontrolling interest represents noncontrolling stockholders' share in the net income or loss of 2Big Philippines Inc. and subsidiaries and Philippine Hydro Electric Ventures, Inc. and a subsidiary. The fluctuation in this account is tied-in to the operating results and to the Group's overall ownership in these subsidiaries.

KEY PERFORMANCE INDICATORS**March**

2026

2025

PROFITABILITY**Return on Total Assets**

ROA=	$\frac{\text{NI} + \{(\text{interest exp} \times (1 - \text{tax rate}))\}}{\text{Ave. Total Assets}}$	53,638,320	(3,608,393)
		7,619,983,066	6,941,404,326

It measures efficiency of the Group in using its assets to generate net income.

0.0070 (0.0005)

Return on Equity

ROE=	$\frac{\text{Net Income}}{\text{Ave. Stockholders Equity}}$	38,923,099	(18,592,798)
		3,984,975,187	3,830,441,168

It is a measure of profitability of stockholders' investments. It shows net income as percentage of shareholder equity.

0.0098 (0.0049)

Water Revenue per Subscriber

Measures how well service and facilities improvements have influence consumer's usage.

WRS=	$\frac{\text{Water Revenue}}{\text{Ave. No. of Water Subscribers}}$	107,277,911	77,144,620
		27,762	26,988

3,864 2,858

FINANCIAL LEVERAGE**Debt Ratio**

Debt Ratio=	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$	3,548,940,272	3,127,934,569
		7,553,377,008	6,872,690,130

It is a solvency ratio and it measures the portion of the assets of a business which are financed through debt.

0.4698 0.4551

Debt to Equity Ratio

Debt to Equity=	$\frac{\text{Total Liabilities}}{\text{Shareholder's Equity}}$	3,548,940,272	3,127,934,569
		4,004,436,736	3,744,755,561

It measures the degree to which the assets of the business are financed by the debts and the shareholders' equity of a business.

0.8863 0.8353

MARKET VALUATION**Price to Book Ratio**

PB ratio=	$\frac{\text{Market value/share}}{\text{Book value/share}}$	3.99	5.45
		10.45	9.90

Relates the Group's stock to its book value per share.

0.3818 0.5505

Liquidity and Solvency

The Group's cash balance decreased from ₱255,997,089 as of end of 2025 to ₱247,584,291 as of March 31, 2026. The decrease was due to the net effect of collection from customers and payments made to creditors. There are sufficient cash and credit to finance the operating and investing activities of the Group.

Events that will trigger Direct or Contingent Financial Obligation that is Material to the Company, including any Default or Acceleration of an Obligation

None

Material Off-Balance Sheet Transactions, Arrangements, Obligations (including Contingent Obligations), and Other Relationships of the Company with Unconsolidated Entities or Other Persons created during the Reporting Period

None

Known Trends, Events or Uncertainties that has a Material Impact on Sales

- Approval of Power Generation Rate by the Energy Regulation Commission (ERC)

On June 21, 2016, the ERC issued its Decision approving the PSA between ORMECO and OPI for the Modular Bunker Fuel-Fired Power Plant in Calapan City subject to the condition that the approved rates shall be ₱2.0931/kWh (pre-maximization) and ₱1.9686/kWh (post-maximization) as opposed to the PSA generation rate of ₱2.95/kWh.

On October 17, 2016, OPI filed an Omnibus Motion for Partial Reconsideration and for the issuance of a Status Quo Order to the ERC (Omnibus Motion). In its Omnibus Motion, OPI requested that the ERC should reconsider to (1) include the pre-operating expenses, contingency, permits/licenses and other development costs in ERC's computation of the total project cost as a component of the capacity fee and (2) use the historical average of the actual delivered energy instead of the contracted energy of 3,800,000 kWh/month and 4,939,200 kWh/month in fixing the billing determinants. In the Omnibus Motion, OPI prayed for the issuance of a Status Quo Order enjoining the ORMECO and National Power Corporation to observe the status prevailing prior to the issuance of the Decision dated June 21, 2016.

In response, the ERC issued a Status Quo Ante Order on June 6, 2017 deferring the implementation of the approved generation rates for a period of no more than six (6) months or until the issues raised in OPI's Motions have been resolved. The ERC has extended the Status Quo Order dated June 6, 2017 until the date upon which OPI received the Order of the ERC resolving OPI's Omnibus Motion.

On June 8, 2020, OPI received an ERC's Order dated September 3, 2019 partially granting OPI's Motion for Partial Reconsideration and Supplementary Motion for Reconsideration and pronounced the basic tariff rate, net of fuel, of ₱2.2959 (pre-maximization) using contracted energy of 3,800,000 kWh/month and ₱2.1522 (post-maximization) using contracted energy of 4,939,000 kWh/month.

In the said Order, ERC also directed OPI and ORMECO to file recovery and refund schemes based on the final rates approved. OPI filed its Manifestation with the ERC recognizing the above-mentioned rates on June 23, 2020 and also filed its Notice of Compliance on July 8, 2020, detailing the recovery and refund scheme.

On January 22, 2021, OPI filed a Motion for Clarification dated January 14, 2021, seeking to clarify or confirm whether the indexation per approved adjustment formula in the Decision dated June 21, 2016 remains applicable in computing the O&M fees. In addition, OPI requested ERC to require NPC to settle the unpaid portion of OPI's billed O&M fees pertaining to adjustment, with interest from the time it was unilaterally withheld until full payment is made, considering that OPI was detrimentally affected by the act of NPC, and has resorted to borrowings to finance its continuous operation.

Additionally, on April 15, 2021, OPI filed a Comment to ORMECO's Compliance Ad Cautelam dated July 28, 2020 and prayed that the same be duly considered in the resolution of the Recovery Scheme submitted to implement ERC Order dated September 3, 2019.

On October 24, 2022, OPI wrote a Letter-Request to the ERC for Notice of Finality. OPI asserted that, based on records, no appeal from the September 3, 2019 Order was filed by any of the parties within the reglementary period. Thus, applying the relevant provisions of the ERC's Rules of Practice and Procedure the Decision dated 21 June 2016 has already become final and unappealable. In view of the foregoing, OPI requested the Honorable Commission for the issuance of a Notice of Finality of its Decision in ERC Case No. 2011-017 RC.

Also, on January 30, 2023, OPI filed a Reply with Motion to Resolve before the ERC. OPI alleged the following:

- a. NPC has already prematurely implemented the reliefs being prayed for pre-empting the Honorable Commission's ruling;
- b. In doing so, NPC seemed to disregard the Honorable Commission's mandate as the sole approving authority to grant rates, including appropriate adjustment and/or indexation thereof;
- c. In its letter to NPC dated 26 January 2022, ERC said that NPC's inclination to suspend approved rates pending prior approval from the Honorable Commission was inappropriate and without legal basis, and that NPC should refrain from continuing its act of withholding payments absent any formal ruling of the Commission thereon;
- d. O&M Fees are subject of indexation/adjustment:
 1. The adjustment/indexation of the O&M Fees is mutually agreed upon by OPI and ORMECO under their PSA;
 2. The adjustment/indexation was approved by the Honorable Commission in its 2016 Decision;
 3. OPI did not seek reconsideration of the O&M Fees, not being part of its Omnibus Motion for Partial Reconsideration, which was resolved in the 2019 Order. Further, the 2019 Order did not order OPI to discontinue the previously approved indexation/adjustment of the O&M Fees;
 4. Subjecting the O&M Fees to the approved adjustment formula is also in accordance with Section 43 (f) of the Electric Power Industry Reform Act of 2001 ("EPIRA") providing that rates must be such as to allow the recovery of just and reasonable costs to enable the entity, in this case OPI, to operate;
 5. Adjustment/indexation is in line with the ERC's policy of allowing indexation of O&M Fees owing to its nature as recurring expenses in the operation of power plant facilities. By directly collecting from OPI, NPC conveniently failed to mention the fact that ORMECO has yet to pay its obligation to OPI and that, in turn, OPI can only fulfill its financial obligations to NPC once OPI receives payment from ORMECO.
- e. OPI prayed that its Motion for Clarification dated 14 January 2021 be granted.

On June 6, 2023, OPI prayed that the instant Urgent Motion for Resolution be duly approved and OPI's Motion for Clarification dated January 22, 2021, be immediately resolved. On June 20, 2023, NPC prayed for the resolution of its Manifestation and Motion dated June 25, 2020, and OPI's Motion for Clarification dated January 14, 2021.

On December 24, 2023, OPI prayed that the 2nd Urgent Motion for Resolution be duly considered and approved, and OPI's Motion for Clarification filed on January 22, 2021, be immediately resolved through the issuance of an Order on the following:

1. Clarifying that OPI's O&M Fees are subject to indexation/adjustment as per approved adjustment formula under the 2016 Decision; and
2. Directing NPC to settle all the unpaid portions of OPI's billed O&M Fees pertaining to the withheld adjustment amounting to P86.2 million as of September 25, 2023, and counting, plus interest from the time it was unilaterally withheld until the full payment and/or resolution thereof.

The ERC, in its Order dated 03 September 2019 on ERC Case No. 2011-017 RC, directed OPI and Oriental Mindoro Electric Cooperative, Inc. (ORMECO) to submit a refund/recovery scheme for the following period considering that there is a difference between the provisional rate and the recalculated final rate, viz:

Period Covered	For the contracted energy of 3,800,000 kWh/month	For the contracted energy of 4,939,200 kWh/month
	From date of actual implementation up to the last date of implementation of the original contracted capacity	From date of the actual implementation of the additional contracted capacity up to the month before the implementation of the Order on the Partial Motion for Reconsideration

In OPI's Notice of Compliance dated 07 July 2020, OPI computed the difference between the provisional and re-computed final rates to be ₱667.1 million, which represents OPI's total collectibles from ORMECO. On the other hand, OPI is to refund the amount of ₱554.1 million to NPC for overpaid subsidy.

On October 28, 2025, the ERC issued an Order on ERC Case No. 2011-017 RC directing OPI to refund to the Universal Charge for Missionary Electrification (UCMCE) funds the difference of the implemented Provisional Rate against the Final rate within a period similar to the period of implementation.

Based on OPI and NPC reconciliation, OPI incurred an over-recovery of approximately ₱557.6 million payable to NPC while ORMECO owes OPI ₱667.1 million representing under-recovery covering November 2011 to May 2020.

In accordance with the ERC Order dated October 28, 2025, and pursuant to reconciliation between OPI and NPC, OPI shall refund a net amount of ₱402.0 million representing the difference between the recomputed OPI's refund to NPC's UCMCE fund amounting to ₱557.6 million and the allowable O&M Indexation for OPI amounting to ₱155.6 million, within a period similar to the period of implementation as clarified in ERC Letter dated 30 March 2026.

As to OPI's collectible from ORMECO, there is no ERC directive nor reconciliation yet as to the amount of recovery and its period of implementation.

Based on the ERC's order and partial reconciliation, OPI recognized a ₱97.8 million revenue adjustment representing the net increase in transaction price arising from the reconciliation (computed as the difference between the recoverable amount from ORMECO and the over-recovery payable to NPC).

- Inabasan Mini Hydro Power Plant (IMHPP) Business Interruption
OPI's IMHPP was shut down for repairs on February 13, 2025. The repairs are estimated to be completed within 3 months. While this business interruption affects the liquidity of OPI, the impact is expected to be temporary and mitigated by the subsidiary's business interruption insurance cover.

- Notice of Award for Power Supply
On January 31, 2025, OPI accepted the Notice of Award dated January 30, 2025 from Oriental Mindoro Electric Cooperative, Inc. (ORMECO) after the company was declared as the Winning Bidder through ORMECO's Special Bids and Awards Committee. The Company's bid for Lot II-10 MW(Baseload) - Calapan City has been determined as the Lowest Calculated Responsive Bid (LCRB) following a thorough evaluation pursuant to the mechanism and jurisdictional requirements. On April 30, 2025, OPI and ORMECO executed the Power Supply Agreement for the second Calapan Diesel Power Plant (CDPP2).
- Application of Rate for OPI's CDPP2
In Matter of the Application for the Approval of the PSA between ORMECO and OPI with Motions for Confidential Treatment of Information and Issuance of Provisional Authority (PA) or Interim Relief, ERC Case No. 2025-176 RC.

On December 10, 2025, the ERC issued an Order on ERC Case No. 2025-176 RC granting provisional authority to implement the PSA with ₱3.7116/kWh tariff rate [Capital Recovery rate (CRR) of ₱2.5000/kWh, FOMR of ₱ 0.9243/kWh, and VOMR of ₱ 0.2873/kWh] with guaranteed fuel and lube oil rate of ₱0.22 li/kWh and ₱0.0006 li/kWh, respectively. In addition, ERC disallowed the foreign exchange adjustment in the CRR and VOMR.

On December 29, 2025, OPI filed a Motion for Additional Time praying that it be given an additional period of thirty (30) days or until January 29, 2026, within which to submit the required supporting documents in compliance with the ERC's Order dated December 10, 2025.

On January 19, 2026, NPC filed a Memorandum praying that ERC consider its Memorandum in the resolution of the Company's application, and:

- a. Rule that in case the Company conducts emergency procurement of fuel, the price of fuel from the said emergency procurement should be based on the rate of fuel from the main supplier or based on the previous purchased price from other suppliers, whichever is lower.
- b. Direct the Company to submit the list and breakdown of its manpower (including number and position) that was considered on the derivation of its Fixed Operation and Maintenance Fee.
- c. Direct the Company to submit or attach meter reading reports per generating unit showing the Previous and Present Reading in its monthly subsidy claim.
- d. Order the non-entitlement of OPI to the UCME subsidy once Oriental Mindoro is interconnected to the main grid.
- e. Issue a separate Order approving the subsidy requirements of the instant application upon the issuance of Provisional Order or Final Order.

On January 30, 2026, OPI filed to ERC its Notice of Compliance with Motion and praying that the instant Notice of Compliance with Motion be DULY ADMITTED, thereby GRANTING (i) the foreign exchange adjustment in the CRR and VOMR, and (ii) a Guaranteed Fuel Consumption Rate of ₱0.2500 li/kWh and the Guaranteed Lube Oil Consumption Rate ₱0.0010 li/kWh.

As of reporting date, OPI is waiting for the ERC ORDER on its Notice of Compliance with Motion and the final approval of the PSA.

- Calapan Waterworks Corporation Provisional Authority to Increase Water Rates
Pursuant to NWRB Board Resolution No. 07-0624, Calapan Water is authorized to implement the approved water tariff under the Certificate of Public Convenience No. 001914 issued on 28 June 2024 and valid until 18 January 2033. A jurisdictional hearing was conducted on 10 March 2025, with no oppositions filed. While the application is under evaluation, the National Water Resources Board (NWRB) has issued a Provisional Authority (PA) under Board Resolution No. 03-0523 (25 May 2023), allowing interim implementation of adjusted water rates. The Provisional Authority is valid for 18 months from the date of issuance.

The implementation of the new rates will take effect starting June 2025 billing cycle and is projected to increase the average tariff charged to subscribers from ₱56.33 to ₱ 88.66 per cubic meter.

Cause for any Material Changes from period to period of the Financial Statements

This is already incorporated in the discussion under “Results of Operations” and “Financial Position”.

Seasonal Aspects that has a Material Effect on the Financial Statements

None

Material Commitments for Capital Expenditures, General Purpose of such Commitments, Expected Sources of Funds for such Expenditures

OPI has completed its 10 MW Mini Hydro Power Plant facility in San Teodoro, Oriental Mindoro. The project cost is ₱2.8 billion and financed through a term loan from the Development Bank of the Philippines. The total principal and interest released amounted to ₱1.25 billion and ₱122.7 million.

CWWC has completed the 2nd Phase Expansion Program for Calapan City Water Supply System. Phase II involved development of new water production facilities, installation of storage facilities for the water system, and pipe laying of additional distribution lines. Phase II was estimated to cost about ₱162 million, about ₱118 million was financed through bank borrowing while the balance has been funded through internally generated funds.

In 2025, CWWC has entered into a new agreement with the same purpose above, to develop new water production facilities and pipe laying of additional distribution lines. It is estimated to cost ₱435.8 million and to be financed through bank borrowing and internal generated funds.

Market Information

JOH’s common equity is traded at the Philippine Stock Exchange (“PSE”).

The high and low sales prices of the Company’s securities for each quarter are indicated in the table below:

Year	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
	High	Low	High	Low	High	Low	High	Low
2026	4.30	3.94						
2025	6.99	5.45	7.26	5.99	6.18	6.18	6.15	3.08
2024	8.96	5.00	5.70	4.50	7.49	4.28	7.58	4.36

As of today, May 06, 2026, based on the last trading day dated March 10, 2026 and prior to the release of this statement, the opening, high, low, and closing prices are all ₱3.99.

Holders

The following table sets forth the Company's top twenty shareholders and their corresponding number of shares held as of May 06, 2026:

Shareholder	Shares Held	Percentage (%)
Elgeete Holdings, Inc.	125,783,791	44.68
PCD Nominee Corporation-Filipino	59,641,817	21.19
Myron Ventures Corp.	18,000,000	6.39
Dopero Corporation	13,000,000	4.62
Febra Resources Corporation	12,503,925	4.44
A-Net Resources Corporation	12,503,925	4.44
Kenly Resources Corporation	12,503,925	4.44
Oltru Holdings Corporation	12,503,925	4.44
Rodolfo L. See	5,994,000	2.13
Genmaco Corp.	2,709,500	0.96
PCD Nominee Corporation-Foreign	1,305,883	0.47
Phyvita Enterprises Inc.	1,047,200	0.37
Ortrud T. Yao	1,000,001	0.36
Jolly L. Ting	959,999	0.34
Nanette T. Ongcarranceja	500,001	0.18
Kenrick G. Ting	500,001	0.18
Lourdes G. Ting	480,000	0.17
Ensure Holdings Corp.	110,800	0.04
Rogelio N. Pascua	7,000	0.00
Lilian Guison Morelos	5,000	0.00

Dividends

The Board, in its special meeting held on January 4, 2019, approved the declaration of 66.03% property dividend of JOH with a total amount of One Hundred Eighty-Five Million Eight Hundred Sixty-Two Thousand Seven Hundred Fifty Pesos (₱185,862,750.00), comprising of 42,225,000 shares of Tubig Pilipinas Corp. ("Tubig Pilipinas") carried at ₱2.59 per share and 76,500,000 shares of Philippine Hydro Electric Ventures, Inc. ("Phil. Hydro") carried at ₱1.00 per share. Carrying values are computed based on interim financial statements of both subsidiaries as of September 30, 2018. Entitled shareholders shall receive 27 shares of Phil. Hydro and 15 shares of Tubig Pilipinas for every 100 shares of JOH. Fractional shares shall be converted into cash and be released to the shareholders at the same time as the property dividend. The Company held a Special Stockholders' Meeting last February 13, 2019 for the purpose of approving the 66.03% property dividend declaration made by the BOD. Upon motion duly made and seconded, the stockholders approved, confirmed, and ratified the Board of Directors' declaration of the 66.03% property dividend

The Board, in its meeting held on June 18, 2021, set the record date for stockholders entitled to the property dividend on August 27, 2021. The property dividend to be distributed remains to be 76,500,000 shares of PHEVI carried at ₱0.99 per share and 42,225,000 shares of 2Big Phil carried at ₱2.69 per share, or a total of ₱189,486,023.70. Carrying values are now computed based on the audited financial statements of both subsidiaries as of December 31, 2020. Entitled shareholders shall still receive 27 shares of PHEVI and 15 shares of 2Big Phil for every 100 shares of JOH. Fractional shares shall be converted into cash and be released to the shareholders at the same time as the property dividend.

On February 28, 2022, the SEC approved the amendment of PHEVI's reduction of par value from one peso (₱1.00) per share to ten centavos (₱0.10) per share.

On March 4, 2025, the Company received from the SEC the Certificate of Filing for the Notice of Property Dividend Declaration, dated February 27, 2025. The SEC approved a dividend amount of ₱152,778,414.96, which is lower than the previously disclosed amount of ₱189,486,023.70 on June 18, 2021. The adjustment is attributed to the SEC's valuation of the property dividend cost using specific identification. The property dividend to be distributed, amounting to ₱152,778,414.96, will consist of common shares of 2Big Philippines worth ₱76,516,152.99, and common shares of Phil Hydro worth ₱76,262,261.97. Entitled shareholders will receive 2,717 shares of Phil Hydro and 150 shares of 2Big Philippines for every 1,000 shares of JOH. Fractional shares shall be converted into cash and be released to the shareholders at the same time as the property dividend.

The Company's BOD may declare dividends out of the unrestricted retained earnings which shall be payable in cash, property, or in stock to all stockholders on the basis of outstanding stock held by them: Provided, That any case dividends due on delinquent stock shall first be applied to the unpaid balance on the subscription plus costs and expenses, while stock dividends shall be withheld from the delinquent stockholders until their unpaid subscription is fully paid: Provided, further, That no stock dividend shall be issued without the approval of stockholders representing at least two-thirds (2/3) of the outstanding capital stock at regular meeting duly called for the purpose.

The Company is prohibited from retaining surplus profits in excess of one hundred percent (100%) of their paid-in capital stock, except: (a) when justified by definite corporate expansion projects or programs approved by the board of directors; or (b) when the corporation is prohibited under any loan agreement with financial institutions or creditor, whether local or foreign, from declaring dividends without their consent, and such consent has not yet been secured; or (c) when it is clearly shown that such as when there is need for special reserve for probable contingencies.

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

There is no sale of unregistered or exempt Securities, including recent issuance of Securities constituting an exempt transaction during 2025, 2024, and 2023.

External Audit Fees

The current external auditor of the Company and its Subsidiaries is Reyes Tacandong & Company (RT&Co.). Mr. Wilson P. Teo is the engagement partner for the Group. The Company has engaged RT&Co. as external auditor starting audit year 2019.

Pursuant to Revised SRC Rule 68, Par. 3 (Qualifications and Reports of Independent Auditors), where it states that changes should be made in assignment of External Auditor or rotation of the engagement partner every seven (7) years and that, a two-year cooling off period in the re-engagement of the same signing partner shall be observed. In compliance with this rotation requirement, RT & Co. has designated Mr. Arthur Vinson U. Ong as the new engagement partner, replacing Mr. Wilson P. Teo who has served the Company for the past seven consecutive years.

There have been no disagreements between the Company and RT&Co. over the length of their relationship with regard to any matter involving accounting principles or practices, financial statement disclosures, and auditing scope and procedures.

RT&Co. has neither shareholding in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. RT&Co. will not receive any direct or indirect interest in the Company or in any securities thereof (including options, warrants, or rights thereto). 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.

In connection with the audit of the Company's financial statements, the Audit Committee had, among other activities, (a) evaluated significant issues reported by the external auditor in relation to the adequacy, efficiency and effectiveness of policies, controls, processes and activities of the Company; (b) ensured that no other work is provided by the external auditor that would impair its independence and conflict with its function as independent accountants; and (c) ensured the compliance of the Company with acceptable auditing and accounting standards and regulations.

The Company paid RT&Co. an aggregate fee of ₱2,421,188 in 2025 and ₱2,290,000 in 2024. The services are those normally provided by the external auditor in connection with statutory and regulatory filings or engagements.

There had been no consulting or tax engagements with RT&Co.

Corporate Governance

The Board of Directors and Management of Jolliville Holdings Corporation (the "Company" or the "Corporation") commit themselves to the principles and best practices contained in the Company's manual on corporate governance.

The Company believes that compliance with the principles of good corporate governance begins with the Board of Directors. It shall be the Board's responsibility to foster the long-term success of the Company and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which must be exercised in the best interest of the Corporation, its shareholders and other stakeholders. The Board conducts itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

Among the Board's duties are to fix a process of selection to ensure a competent directors and officers who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies, to determine the company's purposes, its vision and mission, and strategies to carry out its objectives, ensures compliance with all relevant laws, regulations and codes of best business practices, adopt a system of internal checks and balances, identify key risk areas and key performance indicators and monitor these factors with due diligence. It is also the Board's duties to formulate and implement

policies and procedures that would ensure the integrity and transparency of related party transactions, to properly discharge Board functions by meeting regularly, constitute an audit, nomination, compensation and remuneration and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities

The Company also recognized code of business conduct and ethics to express the Corporation's commitment to full compliance of its existing business interests, shareholdings, personal activities, or relationships that may directly or indirectly conflict with the Corporation's customers, suppliers, competitors, and other third parties, to promote honest and ethical conduct and handling of apparent conflicts of interest between personal professional relationships, and to help foster a culture of honesty and accountability.

The Company has also undertaken the measures below, among others, to fully comply with the adopted leading practices on good corporate governance:

- a. Appointment of Compliance Officer to monitor compliance with the Manual on Corporate Governance
- b. Adoption of Code of Conduct and Decorum for all directors, officers and employees
- c. Sworn Statement on compliance with policies on selective disclosure of material non-public information required annually from each director and officer
- d. Sworn Statement on attendance of each director in Board Meetings for the year
- e. Sworn Statement that the Company substantially adopted all the provisions of its Manual on Corporate Governance
- f. Attendance in seminars on Corporate Governance
- g. Recorded minutes of the meetings of the Board of Directors and committees, i.e. Nomination, Audit, and Compensation and Remuneration

There has not been any deviation from the company's Manual on Corporate Governance.

The Company plans to continue adopting the SEC and other reputable organization's recommendations for improved corporate governance.

Requirements of Section 49 of the Revised Corporation Code

The 2025 ASM Minutes contains all the items required under Section 49 except on the items discussed below. The minutes for the 2025 Annual Stockholders Meeting is uploaded on the Company's website, <http://www.joh.ph/>, and is hereto attached as Annex "C".

- a. Appraisals and performance report for the board and the criteria and procedure for assessment

The Company acknowledges that in order to sustain good corporate governance within the organization, it must start from the top management. Therefore, it is important to monitor the governance structure and performance of the Board of Directors (BOD) and top management according to their roles, responsibilities and accountabilities.

It has been the policy and practice of the Company for its Board to conduct an Annual Self-Assessment exercise through a questionnaire given to each Director at the last regular meeting for the year, for the purpose of evaluating the performance of the Board that year and the to improve such performance.

The Company continually review this assessment process to take into consideration leading practices in corporate governance. The self-rating form had been revised to cover appraisal of the Board as a

governing unit, of individual directors, of the different Board Committees, and of management including the President. The assessment criteria include the structure, efficiency, and effectiveness of the Board, participation and engagement of each director, contribution of each member director to their respective Committees, and the performance of management. The criteria also reflect the specific duties, responsibilities, accountabilities of each party assessed as provided in the Company's By-Laws, Manual on Corporate Governance, Board Committee Charters and governing policies. Moreover, the questionnaire allows the Director to provide the comments and suggestions to further enrich the assessment process. In case clarification is needed on this policy and the performance assessment exercise, the Board addresses their queries to the Compliance Officer.

The Corporate Secretary facilitated the distribution of the annual self-rating form and is required to be accomplished and signed by each individual director, then submitted to the Office of the Corporate Secretary within 30 days from receipt of the form.

The Corporate Secretary collates the results of the assessment and reports the same to the Board at a subsequent regular meeting prior to the annual stockholders' meeting. The self-rating form may be further amended by the Office of the Corporate Secretary as deemed necessary, provided that the form remains compliant with the sound corporate governance standards and practices applicable law.

b. Directors disclosures on self-dealing and related party transactions

There were no transactions with BOD, officers or any principal stockholders that are not in the ordinary course of business of the Company for the year 2025. No related party transactions were entered into by any Director in 2025 that required review by the Audit Committee and further approval by the Board in accordance with related party transaction policy of the Company. There have been no complaints, disputes or problems regarding related party transactions of the Company and the Company conducts its business in arm's-length transactions in dealings with related parties.

The Company undertakes to provide, without charge, upon the written request of a stockholder, a copy of its Annual Report on SEC Form 17-A. Such request should be addressed to the Corporate Secretary, Jolliville Holdings Corporation, 4th Floor, 20 Lansbergh Place, 170 Tomas Morato Avenue corner Scout Castor Street, Quezon City. At the discretion of management, a reasonable amount may be charged in furnishing exhibits.

DRAFT ONLY

For Approval on the next Stockholders' Meeting

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF**JOLLIVILLE HOLDINGS CORPORATION**

Held on 26 June 2025 at 3:00 p.m.
at the Principal Office of the Corporation

TOTAL NUMBER OF SHARES OUTSTANDING	281,500,000
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	223,727,044

Before the start of the meeting, the following members of the Board of Directors present during the meeting were introduced:

JOLLY L. TING
NANETTE T. ONGCARRANCEJA
RODOLFO L. SEE
ORTRUD T. YAO
HERMINIO B. COLOMA JR. (Independent Director)
SERGIO R. ORTIZ-LUIS (Independent Director)

The presence of Atty. Anna Francesca C. Respicio-Garcia, Corporate Secretary, and Ms. Lesley Go, Compliance Officer, as well as representatives of Reyes Tacandong & Co. were likewise acknowledged.

CALL TO ORDER

The President, Ms. Nanette T. Ongcarranceja, was requested to act as the Chairman for the 2025 Annual Stockholders' Meeting. She called the meeting to order and presided over the same. The Corporate Secretary, Atty. Anna Francesca C. Respicio-Garcia, recorded the minutes of the proceedings.

CERTIFICATION OF NOTICE AND QUORUM

Upon request of the Chairman of the Meeting, the Secretary certified that notices of the meeting were sent to all shareholders of record as of 30 May 2025 in accordance with the provisions of the By-Laws. The Chairman of the Meeting instructed the Secretary to append the Certificate attesting to the mailing of notices to the original Minutes of the Meeting.

The Secretary certified that, based on the register of attendees and proxies as tabulated by the Corporate Secretary, out of Two Hundred Eighty One Million Five Hundred Thousand (281,500,000) shares of the total outstanding capital stock of the Corporation, Two Hundred Twenty Three Million Seven Hundred Twenty Seven Thousand and Forty Four (223,727,044) shares were represented by person or proxy, or an attendance of 79.48% of the total outstanding capital stock of the Corporation. Accordingly, the Secretary certified that a quorum existed for the transaction of business at hand.

The Chairman of the Meeting advised the body that the proxies received and the votes cast have been tabulated by the Corporate Secretary and validated by Philippine Stock Transfer, Inc., the Corporation's Stock Transfer Agent.

Further, to ensure a smooth flow of the proceedings, the Chairman of the Meeting reminded the stockholders that there will be sufficient opportunity to raise questions and comments after the presentation of the Report on the 2024 Operations and Results. Moreover, stockholders may also raise questions or comments after all matters in the agenda are concluded. It was requested that proper decorum be observed by the stockholders, and if they have questions, they introduce themselves with their full name and, if acting as a proxy, mention the name of their principal.

DRAFT ONLY

For Approval on the next Stockholders' Meeting

APPROVAL OF THE MINUTES OF THE LAST STOCKHOLDERS' MEETING

Upon motion duly made and seconded, the reading of the minutes of the Annual Stockholders' Meeting held on 5 June 2024 was dispensed with, as the same had been previously distributed to shareholders. The Chairman of the Meeting then opened the floor for questions regarding the Minutes, but none was raised.

The Minutes of the said meeting was thereafter approved as circulated, with the shareholders voting as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of Minutes of the Previous Meeting of Stockholders	223,727,044	0	0

The following resolution was likewise approved:

“RESOLVED, that the Minutes of the Annual Meeting of the Stockholders of **JOLLIVILLE HOLDINGS CORPORATION** held on 5 June 2024 is hereby approved.”

2024 REPORT ON OPERATIONS AND RESULTS

Chairman's Message

The Chairman of the Board, Mr. Jolly L. Ting, addressed the body, stating that 2024 was marked by operational gains and steady performance for Jolliville Group, having ended the year with consolidated revenues of ₱1.60 Billion and net income of ₱314 Million, reflecting the resilience of its core segments: power, water distribution, real estate leasing, and technical services.

First, the Chairman highlighted the strong performance of Calapan Waterworks, which secured a 9-year Certificate of Public Convenience for its Calapan service area, and successfully extended its operate-and-maintain contract with the municipality of Tabuk for another 22 years, until 2046. He added that such milestones were strong votes of confidence in their service reliability and public trust.

Moving on to the power segment, the Chairman stated that Ormin Power Inc. delivered consistent results and strengthened its long-term outlook by winning the bid to supply 10MW to Oriental Mindoro under a 15-year contract starting in 2027, which agreement ensured stable revenues and reaffirmed its role as a dependable power partner in the region.

The Chairman continued his message with an overview of 2025, stating that for the current year, Jolliville will be pursuing key initiatives to sustain momentum and build long-term value. For its leasing and real estate business, the Group will be investing in property assets to expand leasing operations and improve returns, while for water operations, it will begin transitioning to solar-powered water pumps to promote sustainability and reducing operational costs. Across all segments, Jolliville Group will continue its operations with emphasis on operational efficiency, financial discipline, and innovation.

The Chairman then highlighted that as the Group implements its strategies, it shall remain grounded in its values. Inspired by the Confucian principles of Ren (benevolence) and Li (propriety), Jolliville aims to lead and grow with integrity, compassion, and long-term responsibility.

Ending his speech, the Chairman extended his heartfelt gratitude to all of Jolliville's employees, partners, and shareholders for the trust and support, and prayed for continued progress and partnership in the year ahead.

DRAFT ONLY

For Approval on the next Stockholders' Meeting

At the request of the Chairman of the Meeting, the Chief Financial Officer, Ms. Ortrud T. Yao, then presented the Report on the Corporation's Operations and Results for 2024.

Financial Report

The Chief Financial Officer, Ms. Ortrud Yao presented the financial results of the Company and its operating subsidiaries for the year 2024.

Ms. Yao informed the body that for the year 2024, Jolliville Holdings Corporation and its subsidiaries generated revenues amounting to Php1.60 Billion, and consolidated net income amounting to Php314.0 Million. Its core segments – real estate, power generation, and water distribution – were profitable and delivered results in line with management expectations; however, its BPO segment experienced operational challenges and underperformed.

First presented were the financial highlights of its leasing and real estate businesses, Jolliville Holdings Corporation and Ormina Realty and Development Corporation. Ms. Yao reported that for 2024, Rental Revenues posted a modest increase of 1.4%, from Php66.2 Million in 2023 to Php67.1 Million in 2024. While leasing operations experienced a minor net loss due to elevated operating expenses, this was offset by gains in the fair value of real estate holdings. As a result, the total net income from the property segment rose significantly by 110.6%, from Php42.3 Million in 2023 to Php89.1 Million in 2024. Capital expenditures for the year reached Php50.2 Million, aimed at expanding and upgrading leasing assets, which investments are projected to reach Php100 Million by end of 2025.

Next presented was the performance of Jolliville's business process outsourcing and management services segment, represented by its subsidiaries, Servwell BPO International Inc. and Jolliville Group Management Inc. Ms. Yao reported that in 2024, revenues from technical and management service fees rose by 15.9%, driven by new client engagements and revised pricing structures. Despite the top-line growth, the segment posted a net loss of Php7.5 Million, primarily due to increased costs and operating expenses. In addition, 2023 figures included a Php52.8 Million gain from fair value assets. These factors combined resulted in a 119.1% decline in the net income year-on-year.

Ms. Yao continued her presentation with the financial highlights of Jolliville's water utility operations, Calapan Waterworks Corporation, which manages the water distribution systems of Calapan and Tabuk cities through two distinct operating divisions. In 2024, the Tabuk operations recorded a 1.6% growth in subscribers, while Calapan operations posted stronger growth at 4.8%. Combined, its total subscriber base across both service areas rose to 26,710, reflecting a year-on-year growth at 4.2%. Further, 2024 saw a 5.3% increase in revenue from water sales, from Php298.1 Million in 2023 to Php313.8 Million in 2024. The growth was primarily driven by the expansion of subscriber base and the corresponding increase in water production across its service areas. As to net income from water sales, it stood at Php27.1 Million in 2024, reflecting a 17.3% decline compared to last year's figures. The decline was primarily due to increased operating and maintenance expenses across service areas. Further, in 2024, the Company also booked Php61.5 Million in capital additions to property and equipment, which ongoing investments in infrastructure and service improvements were meant to ensure sustainable water supply in its service areas.

Ms. Yao then moved on to the discussion on the financial performance of Jolliville's power generation subsidiary, Ormin Power Inc. (OPI). She reported that in 2024, OPI recorded power sales amounting to Php1.2 Billion, representing a 12.3% decrease from 2023 figures. Net income amounted to Ph212.4 Million, which was lower by 46.4% from the Php396.5 Million net income in 2023. It was noted, however, that in 2023, OPI recognized a one-time revenue adjustment of Php202.2 Million, related to Renewable Energy incentives from 2019-2021. Adjusting for this extraordinary item, core power sales actually increased by 2.9%, and net income showed normalized improvement of 9.2%.

After discussing the performance highlights of the different business segments, Ms. Yao moved on to the discussion on the consolidated financial performance of Jolliville Holdings Corporation (JOH) for the year 2024.

DRAFT ONLY

For Approval on the next Stockholders' Meeting

She reported that in 2024, 75% of the JOH's consolidated revenues were generated by its power business, while 20% was contributed by the water distribution segment. Leasing and BPO operations accounted for 3% and 2% of total revenues, respectively. On the earnings side, 69% of net income was derived from the power segment, 24% came from real estate (primarily through fair market value gains), and 16% from the water business. This, however, was offset by the -9% contribution of the technical services segment which recorded a net loss.

Consolidated revenues for the year 2024 amounted to Php1.60 Billion, representing an 8.55% decrease compared to the previous year. The decline was primarily driven by lower reported revenues in the power segment; however, excluding the one-time revenue adjustment which was recorded in 2023, normalized revenues for 2024 yielded an increase of 3.4%. Lastly, consolidated net income for the year 2024 amounted to Php313.9 Million, reflecting a 43.7% decline compared to last year's figures. Adjusting for the one-time revenue adjustment recognized in 2023, the normalized decline in income was at 11.8%. The decrease in consolidated net income was attributed to lower fair value gains on investment properties, which stood at Php120.5 Million in 2024 compared to Php204.3 Million in 2023.

Ms. Yao ended her report with a corporate outlook for the current year, stating that Jollville Group remains focused on strengthening its portfolio and ensuring the long-term sustainability of its operations. It will continue to invest in its property assets and expand its client base across all operating segments. Operational reviews are also ongoing to drive greater efficiency and cost-effectiveness throughout the organization. Particularly, in the water utility business, the Company expects to benefit from an approved tariff increase which will help address ongoing operational challenges and support service reliability. In parallel, sustainable initiatives are being implemented, including the integration of solar-powered systems into water operations. Meanwhile, the power segment achieved a significant milestone in 2024 by winning the bid to operate a diesel power plant for 15 years. This ensured stable revenue streams and long-term viability for the Group's energy business. Ms. Yao lastly highlighted Jollville Group's diversified portfolio and clear strategic direction, which were key to the Company's ability to deliver long-term value to its shareholders.

Thereafter, the Chairman of the Meeting opened the floor for questions to be raised on the report on the Corporation's Operations and Results for 2024.

No question being raised, the 2024 Annual Report, together with the Audited Financial Statements for fiscal year ended 31 December 2024, upon motion duly made and seconded, was approved as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of 2024 Operations and Results and Audited Financial Statements	223,727,044	0	0

The following resolution was likewise approved:

“RESOLVED, that the 2024 Annual Report on the operations of **JOLLVILLE HOLDINGS CORPORATION** together with the Audited Financial Statements and accompanying notes thereto for the year ended 31 December 2024, be approved.”

RATIFICATION OF CORPORATE ACTS

The next item in the agenda was the ratification of all corporate acts of the Corporation.

After the motion to confirm, ratify, and approve all the acts of the Board of Directors and Officers of the Corporation from the date of the last meeting up to date of the present meeting was duly made and seconded, the Chairman of the Meeting opened the floor for issues to be taken up pertaining to the ratification of all corporate acts. No questions or issues, however, were raised about the corporate acts. Accordingly, the motion was then approved as follows:

DRAFT ONLY

For Approval on the next Stockholders' Meeting

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Ratification of all acts of the Board of Directors and Officers from the date of the last meeting up to the date of the present meeting	223,727,044	0	0

The following resolution was likewise approved:

“RESOLVED, that all acts of the Board of Directors and Officers of **JOLLIVILLE HOLDINGS CORPORATION** from the date of the last stockholders' meeting on 5 June 2024 up to the date of this meeting, are hereby confirmed, ratified and approved.”

ELECTION OF DIRECTORS

The Chairman of the Meeting announced that the next item in the agenda is the election of the members of the Board of Directors for the ensuing year. Mr. Sergio Ortiz-Luiz, Jr., Chairman of the Corporate Governance Committee, announced the candidates for election as members of the Board of Directors. He noted that the profiles of those nominated for election as members of the Board were included in the Company's Information Statement as well as in the Annual Report. The information included their age, nationality, qualifications, dates of first appointment and other directorships in publicly-listed companies.

After their nominations were duly made and seconded from the floor, the following stockholders receiving the votes indicated opposite their names were elected as directors for the year 2025-2026, to serve as such until their successors have been duly elected and qualified:

Nominee	No. of Votes Received	No. of Negative Votes / Abstentions
Jolly L. Ting	223,727,044	-nil-
Nanette T. Ongcarranceja	223,727,044	-nil-
Ortrud T. Yao	223,727,044	-nil-
Rodolfo L. See	223,727,044	-nil-
Dexter E. Quintana	223,727,044	-nil-
Sergio R. Ortiz-Luiz, Jr.	223,727,044	-nil-
Herminio B. Coloma, Jr.	223,727,044	-nil-

Messrs. Ortiz-Luis and Coloma were elected to serve as the Corporation's Independent Directors. The stockholders also approved the extension of the term of Mr. Segio Ortiz-Luis Jr. to serve as Independent Director for 2025-2026.

APPOINTMENT OF EXTERNAL AUDITOR

The Body next considered the appointment of the Corporation's external auditor for Year 2025. Mr. Herminio Coloma Jr., the Chairman of the Audit Committee, announced that the Corporation's Audit Committee has recommended, and the Board of Directors has endorsed for the consideration of the shareholders, the re-appointment of Reyes Tacandong & Co. as the Corporation's external auditor for Year 2025. Accordingly, the motion was approved as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Appointment of Reyes Tacandong & Co. as External Auditor for 2025	223,727,044	0	0

The following resolution was likewise approved:

“RESOLVED, that **JOLLIVILLE HOLDINGS CORPORATION** (the 'Corporation') hereby approves the re-appointment of Reyes Tacandong & Co. as the Corporation's external auditor for the year 2025.”

DRAFT ONLY
For Approval on the next Stockholders' Meeting

ADJOURNMENT

There being no other business to transact, the meeting, upon motion duly made and seconded, was thereupon adjourned.

Attested:

NANETTE T. ONGCARRANCEJA
Chairman of the Meeting

ANNA FRANCESCA C. RESPICIO-GARCIA
Corporate Secretary

JOLLIVILLE HOLDINGS CORPORATION

RELEVANT RESOLUTIONS APPROVED BY THE BOARD OF DIRECTORS

(March 2025 to February 2026)

FOR RATIFICATION BY THE STOCKHOLDERS

MARCH 19, 2025

APPROPRIATION OF RETAINED EARNINGS FOR PROPERTY DIVIDENDS

“**RESOLVED, AS IT IS HEREBY RESOLVED**, that the Corporation approves the reversal of the appropriation of retained earnings for property dividends in the amount of One Hundred Eighty-Five Million Eight Hundred Sixty-Two Thousand Seven Hundred Fifty Pesos (Php185,862,750.00), and that such amount shall revert to unappropriated retained earnings of the Corporation;

“**RESOLVED FURTHER**, that the appropriate officers of the Corporation are hereby authorized and directed to make the necessary accounting entries, disclosures and filings, if any, and to undertake all acts necessary and proper to implement this Resolution in accordance with applicable laws, regulations, and accounting standards.”

MAY 15, 2025

APPROVAL OF 2025 ANNUAL STOCKHOLDERS’ MEETING

“**RESOLVED, AS IT IS HEREBY RESOLVED**, that the Board of Directors of the Corporation hereby approve and authorize the convening of the Annual Stockholders’ Meeting to be held on 26 June 2025, at 3:00 pm, at JOH Conference Room, 4/F 20 Lansbergh Place Bldg., 170 Tomas Morato Ave. cor. Sct. Castor St., Quezon City;

“**RESOLVED FURTHER**, that the record date for determining stockholders entitled to notice of and to vote at the Annual Stockholders’ Meeting shall be on May 15, 2025;

“**RESOLVED FURTHER**, that the Secretary of the Corporation is hereby authorized and directed to give notice of the Annual Stockholders’ Meeting to all stockholders of record in accordance with the Bylaws of the Corporation and applicable law;

“**RESOLVED FURTHER**, that the form and content of the notice of Annual Stockholders’ Meeting and the proxy materials are hereby approved;

“**RESOLVED FURTHER**, that any officer of the Corporation is hereby authorized to take any and all actions necessary or appropriate to carry out the intent of the foregoing resolutions;

“**RESOLVED FURTHER**, that all acts and deeds previously performed by the officers of the Corporation in connection with the foregoing resolutions are hereby ratified, confirmed, and approved in all respects.”

JUNE 5, 2026

**ENROLLMENT AND AVAILMENT OF RCBC CHECK WRITER
AND OTHER BANKING SERVICES**

“**RESOLVED**, that RIZAL COMMERCIAL BANKING CORPORATION (the “Bank”) and /or any of its branches, be as it hereby is designated as the depository of the moneys and

funds of this Corporation and that each of the officers, agents and employees of this Corporation is hereby authorized to open, manage, maintain and deposit any of the Corporation's funds in said Bank, and said Bank is hereby authorized to pay, encash or otherwise honor and charge to this Corporation, without inquiry as to whether the same be drawn or required for the Corporation's business or benefit, any and all checks, notes, drafts, bills of exchange, acceptances, orders or other instruments for the payment of money or other withdrawal of funds, including those which may cause an overdraft, when assigned, made, drawn, accepted or endorsed on behalf of or in the name of this Corporation by the following signatories: One (1) Group A Signatory, signing jointly with the Group B Signatory:

GROUP	NAME	POSITION
A	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
B	[REDACTED]	[REDACTED]

“RESOLVED FURTHER that the above-named signatories, have been granted the following authority, with them signing thereon, to maintain, operate and manage in the name of the Corporation the account/s as may be deemed necessary (Depository Account/s) with the Bank, and to:

- a. Deposit to and withdraw or make fund transfers from the Depository Account/s, in whatever form and manner, and in such amount as the above authorized signatories may deem appropriate or necessary;
- b. Receive, accept, endorse and negotiate all checks, drafts, or orders of payment payable to the Corporation or its order that may require the Corporation's endorsement;
- c. Enroll and use the Corporation's Depository Account/s with the Bank to serve as debit account/s to fund the needs/requirements of its subsidiaries and/or affiliates, subject to existing policies of the Bank thereon; and
- d. Close the Depository Account/s and ask, demand, sue for, collect, and receive the proceeds of the Depository Account/s for and on behalf of the Corporation;

“RESOLVED FURTHER, that the Bank is authorized to receive for deposit or collection any items purporting to be endorsed in the name of the Corporation, and hereby ratifying and approving all that the Bank may do or cause to be done, including execution of agreements or contracts with such authorized signatories, or acting on the instructions, whether written or verbal, of said authorized signatories, on matters relating to the Bank accounts of the Corporation;

“RESOLVED FURTHER, that the Corporation be authorized to enter into derivatives transactions with the Bank, including but not limited to financial and investment products, funding mechanisms, foreign exchange transactions, option contracts, forward contracts, interest rate swaps, cross-currency swaps, forward rate agreements, cap transactions, floor transactions, collar transactions, or any combination of these transactions (the “Transactions”);

“RESOLVED FURTHER, that either set of the authorized signatories, are hereby authorized to negotiate, conclude, sign, execute, and deliver for and on behalf of the Corporation such documents, including but not limited to the International Swap and Derivatives Association (ISDA) Master Agreement and the Schedule/s thereto (the “Agreement”), Risk Disclosure Statement, instruments, documents and papers as may be required or necessary to implement and carry into effect the authority herein granted, including amendments/supplements thereto, under such terms as the herein signatories may deem fit and to transact:

Name	Position
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

“RESOLVED FURTHER, that the above authorized signatories are likewise authorized to:

- a. Give written and/or oral instructions (whether over the telephone or otherwise) to the Bank in regard to the Agreement / Transaction, including but not limited to confirmations and settlement instructions;
- b. Receive and to acknowledge/sign receipt for and in behalf of the Corporation such documents in regard to the Agreement / Transaction;

“RESOLVED FURTHER, that either set of the authorized signatories:

Name	Position
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

be, as they are hereby, authorized to negotiate, apply for, borrow and obtain loans and other credit accommodations for this Corporation from said Bank in such amount and under such terms as are or may be required by the Bank, including the renewals, extensions, increases or restructuring thereof, and to make, execute, sign and deliver promissory notes, drafts, acceptances, agreements and any other agreement of this Corporation, in the form satisfactory to said Bank and as security thereof, to assign, pledge or mortgage, bills of account, receivables, warehouse receipts, shares of stocks, merchandise, real estate or any other property of any nature or description now held or may be held by and belonging to this Corporation, as may be required and may be acceptable to the Bank;

“RESOLVED FURTHER, that the above-named authorized signatories are hereby authorized to negotiate for the renewal or extension of the loans and other credit accommodations from the Bank and to accept all the additional or modified terms and conditions which the Bank may impose with full power and authority to sign all such contracts of documents embodying such additional or modified terms and conditions;

“RESOLVED, that the Board approves the Corporation’s availment of such products and services being offered by the Bank, under such terms and conditions which the Bank may prescribe for the Corporation’s availment, use and/or operation.

“RESOLVED FURTHER, that the Board authorizes the Corporation to nominate/maintain the following deposit account(s) with the Bank for this purpose:

RCBC Branch	Account Name	Account Number/s	
		Savings	Checking
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

“RESOLVED FURTHER, that the deposit account to be nominated as a settlement account in relation to said products/services belongs only to the Corporation and is the only account where funds in relation to said products/services shall be deposited/credited by the Bank.

“RESOLVED FURTHER, that the following authorized signatories of the Corporation

Name	Position/Designation
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

are duly authorized to: (1) enter into an agreement with the Bank to avail of the products/services and sign the said agreement, including any amendments and renewals thereof; (2) sign, execute and deliver instructions/delegate approving authority required under said agreement; (3) sign, execute, deliver and perform any and all acts, agreements, documents, instruments or forms that may be required by the Bank in connection with said agreement or the availment/implementation of the products/services;

“RESOLVED FURTHER, that the above-named authorized signatories are hereby authorized to negotiate for the renewal or extension of the products/services from the Bank and to accept all the additional or modified terms and conditions which the Bank may impose with full power and authority to sign all such contracts of documents embodying such additional or modified terms and conditions;

“RESOLVED FURTHER, that the Corporation understands that the Bank may require such further authorizations and/or documentation as may be necessary for said products/services availment and commits to comply with the same;

“RESOLVED LIKEWISE, that all the foregoing authorities shall continue to be in full force and effect until the same has been superseded, modified and/or revoked by a resolution to that effect, as subsequently adopted by the board of directors of the Corporation, duly attested in a notarized certificate, issued by its duly-appointed Corporate Secretary and conveyed in a written notice actually received by the Bank at its office where the account of the Corporation is then maintained, provided that such notice shall not be effective with respect to any exercise of said authorities prior to the receipt thereof, nor with respect to any checks or other instrument for the payment of money or the withdrawal of funds dated to the date of such notice, even those of services or products availed of prior to the receipt of such notice, even if presented to the Bank prior to the receipt of such notice; and that the Bank is hereby authorized at all times to rely upon the latest notice, certificate or communication received by it when so authenticated by the Secretary or as Assistant Secretary of this Corporation;

“RESOLVED FINALLY, that the above board resolutions are the latest resolutions adopted by the board and are valid and binding, and have not been revoked, amended or repealed. These board resolutions shall be deemed to have superseded, modified and/or revoked all prior resolutions adopted by the board of directors of the Corporation and all such prior resolutions shall have no further force and effect, unless otherwise indicated herein.”

JUNE 23, 2025

**FILING OF THE REQUIRED REPORTORIAL WITH THE
BUREAU OF INTERNAL REVENUE
(LESSEE INFORMATION STATEMENT)**

“RESOLVED, that the Corporation is hereby authorized to file its Lessee Information Statements with the Bureau of Internal Revenue (BIR) Revenue District Offices (RDOs) No. 038 – North Quezon City and RDO No. 033 – Intramuros-Ermita-Malate;

“RESOLVED FURTHER, that the Corporation’s President, Ms. **NANETTE T. ONGCARRANCEJA**, be authorized to sign the Lessee Information Statements as required by RR 12-2011; and

“RESOLVED FINALLY, that Mr. **JULIUS B. GRANDE** and/or Mr. **JOSE V. ALONZO**, are hereby authorized to submit, file, and process any and all documents necessary to, and in furtherance of the authority thus granted, and to do any and all acts necessary to carry into effect the foregoing authority.”

JUNE 26, 2026

UPDATING DEPOSITORY ACCOUNT WITH BDO UNIBANK, INC.

“RESOLVED, as it is hereby resolved, that the Corporation, through its Representative/s identified hereunder, shall transact with BDO UNIBANK, INC., including its trust department, and/or any of its branches, subsidiaries, or affiliates, including but not limited to BDO Capital & Investment Corporation and BDO Leasing and Finance, Inc. (collectively “BDO”) to obtain loan facilities and other credit accommodations, as well as their products and services;

“RESOLVED, FURTHER, as it is hereby resolved, that in this regard, the Corporation shall be authorized to do the following:

1. **OPEN AND MAINTAIN DEPOSITORY ACCOUNTS.** To open, maintain, operate and manage, in the name of the Corporation, any number of savings, current, time and other accounts with BDO (the “Depository Accounts”), and to:
 - 1a. Deposit, withdraw, and transfer funds;
 - 1b. Transfer funds to corporate or individual accounts in BDO or other banks;
 - 1c. Perform balance inquiries and bill payments;
 - 1d. Close accounts and collect proceeds;
 - 1e. Endorse and negotiate checks and payment instruments;
 - 1f. Request bank certificates;
 - 1g. Waive bank secrecy rights as necessary for certifications/disclosures; and
 - 1h. Enroll accounts for average daily balance aggregation and affiliate funding requirements.

2. **OPEN AND MAINTAIN CORPORATE CARD ACCOUNT.** To apply, establish, maintain and manage in the name of the Corporation, any number of corporate card accounts of any card brand/product offered by the Bank, including but not limited to Purchasing, Distribution and Fleet Card, with the Bank or any of its branches (hereinafter to be referred to as “Corporate Card Accounts”), and in this regard, it may:
 - 2a. Designate qualified officers/employees as cardholders;
 - 2b. Settle purchase charges, interest, and fees;
 - 2c. Authorize auto-debit arrangements from corporate accounts.

3. **AVAIL OF PRODUCTS AND SERVICES.** To apply for, avail, and/or register for any and all products and services offered by the Bank, including but not limited to:
 - 3a. Transaction Banking/Business Online Banking
 - i. Payroll, disbursement, collections, remittances, liquidity management, cash management, retail products, and electronic banking services;
 - ii. Enroll/dis-enroll accounts, users, merchants, subscribers, and assign access rights (maker, approver, verifier).
 - 3b. Trust and Investments Group
 - i. Open, trust, UITF, investment management, custodianship, and retirement funds accounts;
 - ii. Appoint BDO as trustee, custodian, fiduciary, or investment manager,
 - 3c. BDO Capital & Investment Corporation
 - i. Buy and sell securities and money market instruments;
 - ii. Appoint authorized traders.
 - 3d. Treasury Group
 - i. Purchase securities and money market products;
 - ii. Enter foreign exchange, spot swaps, options, and forward transactions;
 - iii. Appoint traders.

4. **AVAIL OF CREDIT AND LEASE FACILITIES.** To apply for, negotiate and obtain loans, credit and/or lease accommodations or facilities, such as letters of credit, trust receipts, bills purchases, foreign exchange settlement lines from time to time in amounts which may be required by the Corporation, which authority shall include extensions, renewals, re-availments, increases, excess/over-availments, roll-overs, restructurings, novations, amendments or conversions into other credit form or type, and in this regard, it may:
 - 4a. Execute loan, lease, promissory note, trust receipts, and related documents;
 - 4b. Enter installment paper purchase, factoring, floor stock financing, assignment of receivables, sale-and-leaseback transactions;
 - 4c. Request loan and collateral certificates with corresponding waiver of confidentiality rights.

5. **AVAILABILITY OF CREDIT FACILITY/IES TO CO-USER/S.** To allow the individual/s, subsidiary/ies, affiliate/s, entity/ies as indicated in any and all contracts, instruments, documents or writings relative to the credit facilities executed, signed, delivered by the

Corporation to the Bank to share/use/avail/earmark against its credit facility/ies to the Bank.

6. **PROVIDE COLLATERAL AND/OR SECURITY.** To mortgage, assign create a security interest or otherwise encumber properties of the Corporation, whether real or personal, as collateral and/or security for credit accommodations extended by the Bank.
7. **CREATION OF PERSONAL PROPERTY SECURITY REGISTRY (PPSR) ACCOUNT.** The Corporation approves the creation of the grantor’s juridical account (s) in the Land Registration Authority’s electronic PPSR website and hereby authorizes the Primary Signatory, or in his absence, either set of the Secondary Signatories, signing jointly, to act as administrators and handle such juridical account(s) on behalf of the Corporation:

NAME	POSITION/TITLE
Primary Signatory: <i>signing singly</i>	
[REDACTED]	[REDACTED]
Secondary Signatories: either set <i>signing jointly</i>	
SET A	
[REDACTED]	[REDACTED]
SET B	
[REDACTED]	[REDACTED]

8. **APPOINT AND CONSTITUTE ATTORNEY-IN-FACT.** The Corporation appoints and constitutes the Bank as its attorney-in-fact, with full powers of substitution, to register the lease, sale, mortgage, pledge, assignment and/or encumbrance as well cancellation thereof, including the payment of any taxes such as but not limited to capital gains, creditable withholding tax(es), documentary stamp taxes, to receive the Certificate Authorizing Registration (CAR), transfer and/or reclassification of the necessary tax declarations(s), to file and request for the conversion of non-PHILARIS manually issued title over the mortgaged property(ies) to electronic PHILARIS title with any and all appropriate government offices/agencies; The power of attorney given by the Corporation is coupled with interest and is irrevocable until all obligations secured by the aforementioned properties of the Corporation are fully paid to the entire satisfaction of the Bank.”

“RESOLVED, FURTHER, that in order to implement the resolutions thereto, the following officer of the Corporation (the “Representative/s”):

NAME	POSITION/TITLE
Primary Signatory: <i>signing singly</i>	
[REDACTED]	[REDACTED]
Secondary Signatories: either set <i>signing jointly</i>	
SET A	
[REDACTED]	[REDACTED]
SET B	
[REDACTED]	[REDACTED]

shall be authorized on behalf of the Corporation to enter into the above-specified arrangements with the Bank under such terms and conditions as the said individuals may deem necessary and to accordingly execute, sign, deliver and/or perform any and all contracts, instruments, documents or writings with or to the Bank that may be necessary for the implementation of the foregoing transactions. Provided, further, that the aforementioned officers are hereby authorized with full powers of substitution, to receive, for and on behalf of the Corporation any and all of the mortgaged/pledged / assigned and / encumbered property/ies of the Corporation upon full payment to the entire satisfaction of the Bank of the obligations secured thereby.

“RESOLVED, FURTHER, that all transactions, warranties, representations, covenants, dealings, and agreements by the Corporation through the above-named individuals with the Bank prior to the approval of this Resolution are all hereby approved, confirmed and ratified to be the valid and binding acts, representation, warranties and covenants of the Corporation as they may lawfully do or cause to be done by virtue of authorities given to them;

“RESOLVED, FINALLY, that the foregoing Resolutions shall remain valid and subsisting unless otherwise revoked or amended in writing by the Corporation and duly served on the Bank.”

OCTOBER 2, 2025

AUTHORIZATION TO EXECUTE THE AMENDED DEED OF ASSIGNMENT WITH HOLD-OUT

“RESOLVED, that the opening of a new Time Deposit on October 2, 2025 of Jollville Holdings Corporation (the “Corporation”), representing the proceeds of the matured Time Deposit, be approved, confirmed, and ratified in all aspects;

“RESOLVED FURTHER, that the Corporation be, and is hereby, authorized to execute and deliver the Amended Deed of Assignment with Hold-Out, updating the assigned Time Deposit account and hold-out amounts, in favor of Rural Bank of Roxas (Or. Min.), Inc., and to perform all acts necessary to give effect to the same;

“RESOLVED FURTHER, that the [REDACTED] and the [REDACTED], be, as they are hereby, authorized sign, seal, and deliver the Amended Deed of Assignment with Hold-Out, together with any other documents, instruments, or certificates required by the Bank or any regulatory authority in connection therewith;

“RESOLVED FINALLY, that all acts previously taken by the officers of the Corporation in connection with the opening of the New Time Deposit and the execution of the Amended Deed of Assignment with Hold-Out are hereby, approved, confirmed and ratified.”

NOVEMBER 13, 2025

RENEWAL OF CONTRACTS

“RESOLVED, as it is hereby resolved, that the Board of Directors of the Corporation hereby authorizes the Corporation to renew the following contracts:

CONTRACT	DESIGNATION	CONTRACTING PARTY	TERM
Contract of Lease	Lessor	[REDACTED]	One (1) year January 1, 2026 – December 31, 2026

Contract of Lease	Lessor	██████████	One (1) year January 1, 2026 – December 31, 2026
Contract of Lease	Lessee	██████████ ██████████	One (1) year January 1, 2026 – December 31, 2026
Service Agreement	2 nd Party	██████████ ██████████	One (1) year January 1, 2026 – December 31, 2026

“**RESOLVED FINALLY**, that the Corporation’s President, Ms. **NANETTE T. ONGCARRANCEJA**, is hereby authorized to sign and execute the necessary documents, including but not limited to the aforementioned contracts on behalf of the Corporation, as well as to perform such acts as may be necessary to implement the foregoing resolution.”

DECEMBER 10, 2025

APPROVAL OF CORPORATE SURETYSHIP FOR THE CREDIT FACILITY

“**RESOLVED**, as it is hereby resolved, that the **CORPORATION**, as represented by its **authorized representative**, ██████████, whose specimen signature appear below, be authorized to stand as **CORPORATE SURETY** for (and is thereby jointly and severally liable with) Borrowers for the (full, complete and prompt payment of the) Credit Facility and other credit accommodations/facilities to be obtained (and those already obtained/existing) by Borrowers from the said Bank, including renewals, increases, extensions, reavailments, reschedulings, restructurings, amendments or conversions into whatever credit form or type, considering that the transactions of Borrowers are essential and would translate into measurable economic advantage and material benefit to the **CORPORATION**;

“**RESOLVED**, that ██████████ is hereby authorized to negotiate, execute, sign, attest and deliver from time to time, in the name and on behalf of the **CORPORATION**, any Continuing Suretyships, and/or all other contracts, agreements and/or documents requiring the conformity/signature of the corporate sureties, as applicable or pertinent thereto, under such terms and conditions which said authorized representatives may, in his/her/their sole judgment, deem acceptable;

“**RESOLVED**, that ██████████ is hereby authorized to deliver and perform the **CORPORATION**’s obligations under any and all agreements, instruments, and other documents, and to do or take all such acts, actions and things as necessary, desirable or appropriate in connection with or incidental to and/or to facilitate the transactions and actions contemplated by this resolution;

“**RESOLVED**, that the taking of any action or the execution and delivery of any agreement, document or contract authorized by the foregoing resolutions, in the name and on behalf of the Corporation by ██████████ be deemed, and it hereby is authorized and empowered to be deemed, conclusive proof of the approval thereof by the Board of Directors;

“**RESOLVED**, that the Corporation ratifies any and all actions of ██████████ in the execution, delivery and performance of the Corporation’s obligations under any and all agreements, instruments, and other documents relating to the above transactions;

“**RESOLVED**, that the authorities hereby conferred shall be deemed retroactive, and any and all acts authorized herein that were performed prior to the passage of these resolutions be, and they hereby are, approved, ratified and confirmed in all respects;

“RESOLVED FURTHER, that these resolutions shall be valid and subsisting and shall remain in full force and effect unless otherwise revoked or amended in writing by the Corporation and duly served upon the Bank;

“RESOLVED FURTHER, that the Corporate Secretary of the Corporation be hereby authorized to certify to the foregoing resolutions;

“RESOLVED FINALLY, that its authorized representative, [REDACTED], is hereby empowered and authorized to advise the Bank of these resolutions.”

APPROVAL OF ADDITIONAL SUBSCRIPTION OF COMMON SHARES

“RESOLVED, that the Corporation hereby approves the subscription of an additional Eighteen Million (18,000,000) common shares in Ormina Realty & Development Corp. (“Ormina”), in addition to its existing shareholding;

“RESOLVED FURTHER, that the President, MS. NANETTE T. ONGCARRANCEJA, be, as she is hereby authorized and empowered to negotiate, sign, finalize, and execute the Subscription Agreement with Ormina, and to do all such acts, deeds, and things necessary or incidental to give full effect to the foregoing resolution.”

JANUARY 12, 2026

FILING OF THE REQUIRED REPORTORIAL WITH THE BUREAU OF INTERNAL REVENUE (LESSEE INFORMATION STATEMENT)

“RESOLVED, that the Corporation is hereby authorized to file its Lessee Information Statements with the Bureau of Internal Revenue (BIR) Revenue District Offices (RDOs) No. 038 – North Quezon City and RDO No. 033 – Intramuros-Ermita-Malate;

“RESOLVED FURTHER, that the Corporation’s President, Ms. **NANETTE T. ONGCARRANCEJA**, be authorized to sign the Lessee Information Statements as required by RR 12-2011; and

“RESOLVED FINALLY, that Mr. **JULIUS B. GRANDE** and/or Mr. **JOSE V. ALONZO**, are hereby authorized to submit, file, and process any and all documents necessary to, and in furtherance of the authority thus granted, and to do any and all acts necessary to carry into effect the foregoing authority.”

JANUARY 22, 2026

RENEWAL OF INSURANCE POLICY

“RESOLVED, as it is hereby resolved, to appoint and designate **MR. RODERICK A. ONGCARRANCEJA** (“**Attorney-in-Fact**”) as the Corporation’s true and lawful representative, for it and in its name, place and stead, to act for and in behalf of, and represent the Corporation on:

1. All contracts, applications, transactions, premium payment and/or agreements entered into by the Corporation for purposes of availing an Insurance Policy on behalf of the Corporation with Pioneer Insurance and Surety Corporation (“**Pioneer**”);
2. All acts executed by the Attorney-in-Fact relative to the application for Insurance Policy with Pioneer shall be deemed as true and lawful and are thus authorized by the Corporation; and
3. All other acts incidental and required for the application of the Insurance Policy with Pioneer.

“RESOLVED, FURTHER, that this authority given to the Attorney-in-Fact shall be deemed continuously valid unless sooner amended by the Corporation;

“RESOLVED, FINALLY, that the Attorney-in-Fact, whose specimen signature appears below, be authorized to sign, execute, or deliver such documents, application form or contracts, and perform such deeds or acts, as may be necessary or incidental to carry into effect the foregoing resolution.”

FEBRUARY 5, 2026

APPROVAL OF FILING AND SUBMISSION OF ANNUAL REPORTORIAL REQUIREMENTS WITH THE BUREAU OF INTERNAL REVENUE

“RESOLVED, that the Corporation, with Tax Identification Number (TIN) [REDACTED], is hereby authorized to file and submit its annual reportorial requirements and comply with its obligations to the Bureau of Internal Revenue (BIR) – Revenue District Office (RDO) No. 039 – South Quezon City, and the corresponding attachments thereto, including but not limited to:

1. Form No. 2316 or *Certificate of Compensation Payment/Tax Withheld*;
2. Form No. 1604CF or *Annual Information Return of Income Taxes Withheld on Compensation and Final Withholding Taxes*;
3. Form No. 1604C or *Annual Information Return of Income Taxes Withheld on Compensation*;
4. Form No. 1604E or *Annual Information Return of Creditable Income Taxes Withheld (Expanded)/ Income Payments Exempt from Withholding Tax*;
5. Annual Inventory List and other inventory-related reportorial requirements; and
6. Lessee Information Statement and other lease-related reportorial requirements, as may be required by the BIR.

“RESOLVED FURTHER, that Mr. **JULIUS B. GRANDE** and/or Mr. **JOSE V. ALONZO** are hereby authorized to submit, file, and process the documents listed above, for and on behalf of the Corporation, with the BIR.”

CERTIFICATE OF DIRECTOR'S ATTENDANCE REPORT
For the Year Ended December 31, 2025

This is to certify that the following is the summary of attendance of the members of the Board of Directors of JOLLIVILLE HOLDINGS CORPORATION, including their attendance in the meetings, whether regular or special, held during the year 2025:

Name of Director	Date of Meeting											
	Jan. 08	Feb. 26	Mar. 07	Mar. 19	May 15	Jun 05	Jun 23	Jun 26	Oct 02	Nov. 13	Dec. 10	
Jolly L. Ting	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Nanette T. Ongcarranceja	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Ortrud T. Yao	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Dexter E. Quintana	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Rodolfo L. See	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Sergio Ortiz-Luis Jr.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Herminio B. Coloma Jr.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	

This certification is being issued for record-keeping, corporate governance compliance, and submission to the appropriate regulatory bodies, including the Securities and Exchange Commission (SEC), as may be required.

Issued this 5th day of May, 2026 at Quezon City.

Certified Correct:

ORTRUD T. YAO
Assistant Corporate Secretary

Annex "D"

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, HERMINIO B. COLOMA JR., Filipino, of legal age and with resident address at 119 Tanauan Street, Ayala Alabang, 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 Jolliville Holdings Corporation and have been its independent director since July 22, 2021;
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	DATE ASSUMED
Manila Bulletin Publishing Corporation	Executive Vice-President	Sept. 2016
People Management Association of the Philippines (PMAP) Foundation	Chairman	2019 to Present
Alabang Country Club, Inc.	Chairman	2025 to Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Jolliville Holdings 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 director/officer/substantial shareholder of Jolliville Holdings Corporation, its subsidiaries and affiliates, other than the relationship provided under Rule 38.2.3 of the Implementing Rules and Regulations of the Securities Regulations Code;
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 an 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 Jolliville Holdings Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this 05 MAY 2026 at PASIG CITY.


HERMINIO B. COLOMA JR.
Affiant

SUBSCRIBED AND SWORN to before me this 05 MAY 2026 at PASIG CITY, affiant personally appeared before me and exhibited to me his Unified Multi-Purpose ID with No. CRN-006-0172-6043-1, as competent evidence of his identity.

Doc. No. 314 ;
Page No. 64 ;
Book No. 11 ;
Series of 2026.


JOSHUA P. LAPUZ

Notary Public for Pasig City & Pateros
Commission No. 1 (2026-2027)
Roll 45790 / I.B.P. Life 4879 / O.R. 593460 / 07-03-03
PTR 3962683AA / 01-05-26 / Pasig City
MCLE VIII-0025286 / 03-27-25 / ULAS n/a
Rm. 7, G/F Arma Center, Caruncho Ave., Pasig City

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ERNESTO S. ISLA**, Filipino, of legal age and a resident of 82 Matimtiman Street Teachers' Village East, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Jolliville Holdings Corporation;
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	DATE ASSUMED
Business Information Technology Systems (Bitech Systems) Phils., Inc.	President and CEO	1997-2009
E.I. Construction Co., Inc.	President and CEO	1972 - present
Rotary International District 3780	Corporate Officer/Principal	2009 – present
Rotary Club of Kamuning East	Corporate Officer/Principal	2009 – present
PRC Quezon City Chapter	Director/Chairman	2012 – present
National Red Cross	Governor	2014-present
Kapihan sa Club, Inc.	Vice-President / Trustee	2006 - present
PH Resort Group Holdings, Inc.	Independent Director	2009 - 2018
Jolliville Holdings Corporation	Independent Director	2008 - 2014
APO Production Unit, Inc.	President	1999 – 2001
Troikapital Management, Inc.	President and CEO	1994 – 1997
Timpla Corporation	Director	2003 – 2007

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Jolliville Holdings 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 director/officer/substantial shareholder of Jolliville Holdings Corporation, and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Implementing Rules and Regulations of the Securities Regulations Code;
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 Jolliville Holdings Corporation of any


changes in the abovementioned information within five days from its occurrence.

Done, this 05 MAY 2026 at PASIG CITY.


ERNESTO S. ISLA
Affiant

SUBSCRIBED AND SWORN to before me this 05 MAY 2026 at PASIG CITY
affiant personally appeared before me and exhibited to me his Government-issued ID Senior Citizen with No. 28463, issued on September 13, 2010, competent evidence of his identity.

Doc. No. 315 ;
Page No. 64 ;
Book No. 11 ;
Series of 2026.


JOSHUA P. LAPUZ
Notary Public for Pasig City & Pateros
Commission No: 1 (2026-2027)
Roll 45790 / * Life.4879 / O.R. 593460 / 07-03-03
PTR 3962683AA / 01-05-26 / Pasig City
MCLE VIII-0025286 / 03-27-25 / ULAS n/a
Rm. 7, G/F Armal Center, Caruncho Ave., Pasig City



Annex "E"

JOLLIVILLE HOLDINGS CORPORATION

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

CERTIFICATION

I, ORTRUD T. YAO, of legal age, Filipino, with office address at 4/F 20 Lansbergh Place Bldg. 170 Tomas Morato Ave. cor. Scout Castor St., Quezon City, after having been sworn to in accordance with law, does hereby certify that:

1. I am the duly appointed and qualified Assistant Corporate Secretary of **JOLLIVILLE HOLDINGS CORPORATION** (the "Corporation"), a corporation organized and existing under the laws of the Philippines, with principal office at 4/F 20 Lansbergh Place Bldg., 170 Tomas Morato Ave. cor. Scout Castor St., Quezon City.
2. Based on the information provided to the Corporation by the members of its Board of Directors and its principal executive officers, none of the said members of the Board of Directors and principal executive officers of the Corporation are presently employed by any office or agency of the Philippine Government.

IN ATTESTATION OF THE ABOVE, this Certification was signed this ___ day of 05 MAY 2026, in PASIG CITY City, Philippines.

ORTRUD T. YAO
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this ___ day of 05 MAY 2026, in PASIG CITY, Philippines, Affiant, exhibiting to me her Passport with No. P6220533B, valid until February 23, 2031, as competent evidence of her identity.

Doc. No. 316 ;
Page No. 65 ;
Book No. II ;
Series of 2026.

JOSHUA P. LAPUZ
Notary Public for Pasig City & Pateros
Commission No. 1 (2026-2027)
Roll 45790 / IBP Life 4879 / O.R. 593460 / 07-03-03
PTR 3962683AA / 01-05-26 / Pasig City
MCLE VIII-0025286 / 03-27-25 / ULAS n/a

JOLLIVILLE HOLDINGS CORPORATION

SEC FORM 17-Q

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(b)(2) THEREUNDER**

1. For the quarterly period ended: **March 31, 2026**
2. SEC Identification No. **134800**
3. BIR Tax Identification No. **000-590-608-000**
4. Exact name of registrant as specified in its charter:
JOLLIVILLE HOLDINGS CORPORATION
5. Province, Country or other jurisdiction of incorporation or organization:
PHILIPPINES
6. Industry Classification Code : _____ (SEC Use Only)
7. Address of principal office and Postal Code:
**4th Floor 20 Lansbergh Place, Tomas Morato Ave. cor. Scout Castor St.,
1103 Quezon City**
8. Registrant's telephone no. and area code: **(632) 373-3038**
9. Former name, address, and fiscal year, if changed since last report:
Not applicable
10. Securities registered pursuant to Sections 4 & 8 of the RSA:

<u>Title of Each Class</u>	<u>No. of Shares of Common Stock Outstanding &/or Amount of Debt Outstanding</u>
Common Stock, ₱ 1 par value	281,500,000 shares

11. Are any or all of these securities listed on the Philippine Stock Exchange?
Yes No
12. Indicate by check mark whether the registrant:
 - (a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):
Yes No
 - (b) has been subject to such filing requirements for the past 90 days:
Yes No

TABLE OF CONTENTS

FINANCIAL INFORMATION		Page No.
Item 1.	Financial Statements	Exhibit I
	<ul style="list-style-type: none">- Unaudited consolidated Statements of Financial Position- Unaudited consolidated Statements of Comprehensive Income- Unaudited consolidated Statements of Changes in Shareholder's Equity- Unaudited consolidated Statements of Cash Flows- Notes to Financial Statements (Unaudited)	
	Key Performance Indicator	Exhibit II
	Aging of Accounts Receivable	Exhibit III
	Schedule of Retained Earnings Available for Dividends	Exhibit IV
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	4-13

FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

Please find attached herein the Unaudited Consolidated Financial Statements (as Exhibit I) for the first (1st) Quarter ending March 31, 2026.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Results of Operations

The consolidated financial statements for the first quarter ended March 31, 2026, reflect a net income after tax of ₱38,923,099, compared to a net loss after tax of ₱18,592,798 for the same period in 2025. The increase in net income of this period is mainly due to higher generation from our power business.

Power sales from Ormin Power Inc. (OPI) increased by 15.23%, from ₱248,332,183 in Q1 2025 to ₱286,161,560 in Q1 2026. The Inabasan Mini Hydro Power Plant (IMHPP) recorded a revenue increase of ₱48,720,667 following the resumption of normal operations. In contrast, the Calapan Diesel Power Plant (CDPP) experienced a revenue decline of ₱10,891,289, primarily due to lower fuel prices, as fuel costs form part of CDPP's revenue.

Water service revenues increased by 39.06% or ₱30,133,291, from ₱77,144,620 in the first quarter of 2025 to ₱107,277,911 in the first quarter of 2026. This increase was primarily attributable to the implementation of new water rates in Calapan service area, as well as higher water production volumes across service areas. The total subscribers likewise grew by 2.87%, from 26,988 in the first quarter of 2025 to 27,762 in the first quarter of 2026.

Rental revenues increased by 13.17% or ₱1,821,589 from ₱13,832,844 in 2025 to ₱15,654,433 in 2026. This resulted from increase in rental rates and additional lessees during the period.

Revenue from technical services grew by 3.61% or ₱249,374 from ₱6,900,733 in 2025 to ₱7,150,107 in 2026, primarily due to rate increase in technical service fees.

Cost of services increased by 2.56% or ₱7,629,221 mainly driven by higher repairs and maintenance incurred, along with increased depreciation and power costs in the water operations.

Operating expenses slightly increased by 0.37% or ₱173,758 for the period. The increase is attributable to the net effect of lower taxes and license expenses, decreased in repairs and maintenance costs and higher outside services.

Net other charges increased by 24.56% or ₱191,608 for the three months ended March 31, 2026. This resulted from higher bank charges.

Interest income from cash and cash equivalents decreased by 88.27% or ₱1,263,903 due to lesser cash equivalents placed during the period.

Finance costs declined by 1.80% or ₱358,912 primarily as a result of loan repayments made during the first quarter of the period.

Income tax expense increased by 1,336.60% or ₱3,618,156 during the period mainly due to higher income from the operations. On November 8, 2024, the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act was signed into law, with effectivity date of November 28, 2024. This Act introduces several tax reforms, including a reduction in the corporate income tax rate for registered business enterprises from 25% to 20% and enhanced deductions, such as a 100% additional deduction for power expenses.

Non-controlling interest represents non-controlling stockholders' share in the net income or loss of 2Big Philippines Inc. and subsidiaries and Philippine Hydro Electric Ventures, Inc. and a subsidiary. The fluctuation in this account is tied-in to the operating results and to their overall ownership in these subsidiaries.

Financial Position

Total assets decreased by 1.73% or ₱133,212,116 from ₱7,686,589,124 as of December 31, 2025 to ₱7,553,377,008 as of March 31, 2026.

The decrease was primarily came from trade and other receivables. It decreased by 13.31% or ₱108,708,565 during the first three months of 2026, mainly due to improved collection efficiency, as evidenced by a shorter collection turnover period from customers.

Cash and cash equivalents account decreased by 3.29% or ₱8,412,798 during the period, reflecting the net effect of collections and payments.

Due from related parties slightly decreased by 0.39% from ₱90,476,464 as of December 31, 2025 to ₱90,123,244 as of March 31, 2026 due to collections from its affiliates.

Inventories amounting to ₱43,801,169 as of March 31, 2026 pertain mostly to OPI's fuel and oil. Fuel consumption is lower than the delivered amount which resulted to an increase of 3.60% or ₱1,524,012 during the period.

Other current assets decreased by 5.57% or ₱13,601,357 during the first three months of 2026. This was mainly due to the application of input VAT against output VAT liabilities, net of additional creditable withholding taxes, refund of guaranteed deposits, and supplier advances.

Investment properties slightly increased by 0.20% or ₱3,923,263 during the period due to the capital expenditures incurred on the on-going building construction.

Property, plant and equipment decreased by 0.19% or ₱6,721,109 from ₱3,518,279,432 as of December 31, 2025 to ₱3,511,558,323 as of March 31, 2026. This is due to the net effect of additional capital expenditures and additional depreciation and amortization during the period.

Right-of-use asset decreased by 1.24% or ₱977,679 from ₱78,727,857 as of December 31, 2025 to ₱77,750,178 as of March 31, 2026. This is due to the amortization expense during the period.

Net deferred tax assets increased by 1.37% or ₱115,337 during the period. The increase pertains to the net effect of NOLCO application and carryforward benefit of MCIT recognized for the first three months of 2026.

Receivable arising from ERC order, financial assets at FVOCI and other noncurrent assets were unchanged from its balances as of March 31, 2026.

Trade and other payables decreased by 6.58% from ₱1,044,152,069 as of December 31, 2025 to ₱975,464,897 as of March 31, 2026. The decline was primarily driven by net settlements of billings from contractors.

Loans payable decreased by 5.38% or ₱55,679,191, mainly due to repayments made related to the IMHPP construction loan and short-term borrowings. OPI's loan for its Calapan Diesel Power Plant expansion has been fully paid last July 15, 2025.

Lease liabilities slightly decreased by 0.41% or ₱339,890 due to payments made during the period.

Due to related parties decreased by 17.77% from ₱283,077,301 as of December 31, 2025 to ₱232,771,050 as of March 31, 2026. This is due to net effect of payments and additional advances from affiliates for working capital purposes.

The income tax payable as of December 31, 2025 was due and paid in April 2026. The income tax payable as of March 31, 2026 consists of unpaid tax liability for 2025 and income tax accruals for the first quarter of 2026. Income tax payable increased by 20.61% as of March 31, 2026.

Installment payable decreased by 1.43% or ₱549,537 due to payments made during the period.

Customers' deposits increased by 1.87% or ₱820,651, relating to water meter maintenance fees collected by CWWC.

Payable arising from ERC order, dividends payable, retirement benefits liability and net deferred tax liabilities were unchanged from year-end.

Noncontrolling interest represents noncontrolling stockholders' share in the net income or loss of 2Big Philippines Inc. and subsidiaries and Philippine Hydro Electric Ventures, Inc. and a subsidiary. The fluctuation in this account is tied-in to the operating results and to the Group's overall ownership in these subsidiaries.

Liquidity and Solvency

The Group's cash balance decreased from ₱255,997,089 as of end of 2025 to ₱247,584,291 as of March 31, 2026. The decrease was due to the net effect of collection from customers and payments made to creditors. There are sufficient cash and credit to finance the operating and investing activities of the Group.

Dividends

The Parent Company held a Special Stockholders' Meeting (SSM) last February 13, 2019 for the purpose of approving the 66.03% property dividend declaration made by the Parent Company's Board of Directors on January 4, 2019. Stockholders of record as of January 18, 2019 were entitled to vote at the SSM. The property dividends to be distributed are shares of stock of 2 subsidiaries of the Parent Company, Philippine Hydro Electric Ventures Inc. ("Phil Hydro") and 2Big Philippines Inc. ("2Big"). The property dividend amounted to ₱185,862,750, comprising of 76,500,000 shares of Phil Hydro carried at ₱1.00 per share and 42,225,000 shares of 2Big carried at ₱2.59 per share. Carrying values are computed based on interim financial statements of both subsidiaries as of September 30, 2018.

Upon motion duly made and seconded, the stockholders approved, confirmed, and ratified the Board of Directors' declaration of the 66.03% property dividend.

The Board, in its meeting held on June 18, 2021, set the record date for stockholders entitled to the property dividend on August 27, 2021. The property dividend to be distributed remains to be 76,500,000 shares of PHEVI carried at ₱0.99 per share and 42,225,000 shares of 2Big Phil carried at ₱2.69 per share, or a total of ₱189,486,023.70. Carrying values are now computed based on the audited financial statements of both subsidiaries as of December 31, 2020.

On February 28, 2022, the SEC approved the reduction in par value of PHEVI's shares from ₱1.00 per share to ₱0.10 per share.

On September 20, 2022, the SEC commented that the property dividends should be valued at acquisition cost of the common shares of PHEVI and 2BIG which aggregated to ₱150.6 million.

On March 4, 2025, the Parent Company received from the SEC the Certificate of Filing the Notice of Property Dividend Declaration dated February 27, 2025, which approved the dividend amount of ₱152.8 million against the earlier disclosed amount of ₱189.5 million. The adjustment is attributed to the SEC's valuation of the property dividend cost with specific identification. The property dividend to be distributed amounting to ₱152.8 million will consist of common shares of 2BIG worth of ₱76.5 million and common shares of PHEVI worth of ₱76.3 million. Entitled shareholders shall still receive 2,717 shares of PHEVI and 150 shares of 2Big Phil for every 1,000 shares of JOH. Fractional shares shall be converted into cash and be released to the shareholders at the same time as the property dividend.

Issuances, Repurchases, and Repayments of Debt and Equity Securities

None

Events that will trigger Direct or Contingent Financial Obligation that is Material to the Company, including any Default or Acceleration of an Obligation

None

Material Off-Balance Sheet Transactions, Arrangements, Obligations (including Contingent Obligations), and Other Relationships of the Company with Unconsolidated Entities or Other Persons created during the Reporting Period

None

Known Trends, Demands, Commitments, Events or Uncertainties that will have a Material Impact on Liquidity or that are reasonably expected to have a Material Favorable or Unfavorable Impact on Net Sales/Revenues/Income from Continuing Operations

- Approval of Power Generation Rate by the Energy Regulation Commission (ERC)

On June 21, 2016, the ERC issued its Decision approving the PSA between ORMECO and OPI for the Modular Bunker Fuel-Fired Power Plant in Calapan City subject to the condition that the approved rates shall be ₱2.0931/kWh (pre-maximization) and ₱1.9686/kWh (post-maximization) as opposed to the PSA generation rate of ₱2.95/kWh.

On October 17, 2016, OPI filed an Omnibus Motion for Partial Reconsideration and for the issuance of a Status Quo Order to the ERC (Omnibus Motion). In its Omnibus Motion, OPI requested that the ERC should reconsider to (1) include the pre-operating expenses, contingency, permits/licenses and other development costs in ERC's computation of the total project cost as a component of the capacity fee and (2) use the historical average of the actual delivered energy instead of the contracted energy of 3,800,000 kWh/month and 4,939,200 kWh/month in fixing the billing determinants. In the Omnibus Motion, OPI prayed for the issuance of a Status Quo Order enjoining the ORMECO and National Power Corporation to observe the status prevailing prior to the issuance of the Decision dated June 21, 2016

In response, the ERC issued a Status Quo Ante Order on June 6, 2017 deferring the implementation of the approved generation rates for a period of no more than six (6) months or until the issues raised in OPI's Motions have been resolved. The ERC has extended the Status Quo Order dated June 6, 2017 until the date upon which OPI received the Order of the ERC resolving OPI's Omnibus Motion.

On June 8, 2020, OPI received an ERC's Order dated September 3, 2019 partially granting OPI's Motion for Partial Reconsideration and Supplementary Motion for Reconsideration and pronounced the basic tariff rate, net of fuel, of ₱2.2959 (pre-maximization) using contracted energy of 3,800,000 kWh/month and ₱2.1522 (post-maximization) using contracted energy of 4,939,000 kWh/month.

In the said Order, ERC also directed OPI and ORMECO to file recovery and refund schemes based on the final rates approved. OPI filed its Manifestation with the ERC recognizing the aboved-mentioned rates on June 23, 2020 and also filed its Notice of Compliance on July 8, 2020, detailing the recovery and refund scheme.

On January 22, 2021, OPI filed a Motion for Clarification dated January 14, 2021, seeking to clarify or confirm whether the indexation per approved adjustment formula in the Decision dated June 21, 2016 remains applicable in computing the O&M fees. In addition, OPI requested ERC to require NPC to settle the unpaid portion of OPI's billed O&M fees pertaining to adjustment, with interest from the time it was unilaterally withheld until full payment is made, considering that OPI was detrimentally affected by the act of NPC, and has resorted to borrowings to finance its continuous operation. OPI is still awaiting reply from ERC.

Additionally, on April 15, 2021, OPI filed a Comment to ORMECO's Compliance Ad Cautelam dated July 28, 2020 and prayed that the same be duly considered in the resolution of the Recovery Scheme submitted to implement ERC Order dated September 3, 2019.

On October 24, 2022, OPI wrote a Letter-Request to the ERC for Notice of Finality. OPI asserted that, based on records, no appeal from the September 3, 2019 Order was filed by any of the parties within the reglementary period. Thus, applying the relevant provisions of the ERC's Rules of Practice and Procedure the Decision dated 21 June 2016 has already become final and unappealable. In view of the foregoing, OPI requested the Honorable Commission for the issuance of a Notice of Finality of its Decision in ERC Case No. 2011-017 RC.

Also, on January 27, 2023, OPI filed a Reply with Motion to Resolve before the ERC. OPI alleged the following:

- a. NPC has already prematurely implemented the reliefs being prayed for pre-empting the Honorable Commission's ruling;
- b. In doing so, NPC seemed to disregard the Honorable Commission's mandate as the sole approving authority to grant rates, including appropriate adjustment and/or indexation thereof;
- c. In its letter to NPC dated 26 January 2022, ERC said that NPC's inclination to suspend approved rates pending prior approval from the Honorable Commission was inappropriate and without legal basis, and that NPC should refrain from continuing its act of withholding payments absent any formal ruling of the Commission thereon;
- d. O&M Fees are subject of indexation/adjustment:
 1. The adjustment/indexation of the O&M Fees is mutually agreed upon by OPI and ORMECO under their PSA;
 2. The adjustment/indexation was approved by the Honorable Commission in its 2016 Decision;
 3. OPI did not seek reconsideration of the O&M Fees, not being part of its Omnibus Motion for Partial Reconsideration, which was resolved in the 2019 Order. Further, the 2019 Order did not order OPI to discontinue the previously approved indexation/adjustment of the O&M Fees;
 4. Subjecting the O&M Fees to the approved adjustment formula is also in accordance with Section 43 (f) of the Electric Power Industry Reform Act of 2001 ("EPIRA") providing that rates must be such as to allow the recovery of just and reasonable coststo enable the entity, in this case OPI, to operate;
 5. Adjustment/indexation is in line with the ERC's policy of allowing indexation of O&M Fees owing to its nature as recurring expenses in the operation of power plant facilities. By directly collecting from OPI, NPC conveniently failed to mention the fact that ORMECO has yet to pay its obligation to OPI and that, in turn, OPI can only fulfill its financial obligations to NPC once OPI receives payment from ORMECO.
- e. OPI prayed that its Motion for Clarification dated 14 January 2021 be resolved.

On June 6, 2023, OPI prayed that the instant Urgent Motion for Resolution be duly approved and OPI's Motion for Clarification dated January 22, 2021, be immediately resolved. On June 20, 2023, NPC prayed for the resolution of its Manifestation and Motion dated June 25, 2020, and OPI's Motion for Clarification dated January 14, 2021. On December 24, 2023, OPI prayed that the 2nd Urgent Motion for Resolution be duly considered and approved, and OPI's Motion for Clarification filed on January 22, 2021, be immediately resolved through the issuance of an Order on the following:

1. Clarifying that OPI's O&M Fees are subject to indexation/adjustment as per approved adjustment formula under the 2016 Decision; and
2. Directing NPC to settle all the unpaid portions of OPI's billed O&M Fees pertaining to the withheld adjustment amounting to ₱86.2 million as of September 25, 2023, and counting, plus interest from the time it was unilaterally withheld until the full payment and/or resolution thereof.

The ERC, in its Order dated 03 September 2019 on ERC Case No. 2011-017 RC, directed OPI and Oriental Mindoro Electric Cooperative, Inc. (ORMECO) to submit a refund/recovery scheme for the following period considering that there is a difference between the provisional rate and the recalculated final rate, viz:

	For the contracted energy of 3,800,000 kWh/month	For the contracted energy of 4,939,200kWh/month
Period Covered	From date of actual implementation up to the last date of implementation of the original contracted capacity	From date of the actual implementation of the additional contracted capacity up to the month before the implementation of the Order on the Partial Motion for Reconsideration

In OPI's Notice of Compliance dated 07 July 2020, OPI computed the difference between the provisional and re-computed final rates to be ₱667.1 million, which represents OPI's total collectibles from ORMECO. On the other hand, OPI is to refund the amount of ₱554.1 million to NPC for overpaid subsidy.

On October 28, 2025, the ERC issued an Order on ERC Case No. 2011-017 RC directing OPI to refund to the Universal Charge for Missionary Electrification (UCMCE) funds the difference of the implemented Provisional Rate against the Final rate within a period similar to the period of implementation.

Based on OPI and NPC reconciliation, OPI incurred an over-recovery of approximately ₱557.6 million payable to NPC while ORMECO owes OPI ₱667.1 million representing under-recovery covering November 2011 to May 2020.

In accordance with the ERC Order dated October 28, 2025, and pursuant to reconciliation between OPI and NPC, OPI shall refund a net amount of P402.0 million representing the difference between the recomputed OPI's refund to NPC's UCMCE fund amounting to ₱557.6 million and the allowable O&M Indexation for OPI amounting to ₱155.6 million, within a period similar to the period of implementation as clarified in ERC Letter dated 30 March 2026.

As to OPI's collectible from ORMECO, there is no ERC directive nor reconciliation yet as to the amount of recovery and its period of implementation.

Based on the ERC's order and partial reconciliation, OPI recognized a ₱97.8 million revenue adjustment in 2025 representing the net increase in transaction price arising from the reconciliation (computed as the difference between the recoverable amount from ORMECO and the over-recovery payable to NPC).

- *Inabasan Mini Hydro Power Plant (IMHPP) Business Interruption*
OPI's IMHPP was shut down for repairs on February 13, 2025 and returned to its operation on May 16, 2025. While this business interruption affects the liquidity of OPI, the impact is temporary and to be mitigated by the subsidiary's business interruption insurance cover.
- *Notice of Award for Power Supply*
On January 31, 2025, OPI accepted the Notice of Award dated January 30, 2025 from Oriental Mindoro Electric Cooperative, Inc. (ORMECO) after the Company was declared as the Winning Bidder through ORMECO's Special Bids and Awards Committee. The Company's bid for Lot II-10 MW(Baseload) - Calapan City has been determined as the lowest calculated responsive bid following a competitive selection process. OPI and ORMECO execute a 15-year Power Supply Agreement in April 2025 commencing delivery on April 2027.

On December 10, 2025, the ERC issued an Order on ERC Case No. 2025-176 RC granting provisional authority to implement the PSA with ₱3.7116/kWh tariff rate [Capital Recovery rate (CRR) of ₱2.5000/kWh, FOMR of ₱0.9243/kWh, and VOMR of ₱0.2873/kWh] with guaranteed fuel and lube oil rate of ₱0.22 li/kWh and ₱0.0006 li/kWh, respectively. In addition, ERC disallowed the foreign exchange adjustment in the CRR and VOMR.

On December 29, 2025, OPI filed a Motion for Additional Time praying that it be given an additional period of thirty (30) days or until January 29, 2026, within which to submit the required supporting documents in compliance with the ERC's Order dated December 10, 2025.

On January 19, 2026, NPC filed a Memorandum praying that ERC consider its Memorandum in the resolution of the Company's application, and:

- a. Rule that in case the Company conducts emergency procurement of fuel, the price of fuel from the said emergency procurement should be based on the rate of fuel from the main supplier or based on the previous purchased price from other suppliers, whichever is lower.
- b. Direct the Company to submit the list and breakdown of its manpower (including number and position) that was considered on the derivation of its Fixed Operation and Maintenance Fee.
- c. Direct the Company to submit or attach meter reading reports per generating unit showing the Previous and Present Reading in its monthly subsidy claim.
- d. Order the non-entitlement of OPI to the UCME subsidy once Oriental Mindoro is interconnected to the main grid.
- e. Issue a separate Order approving the subsidy requirements of the instant application upon the issuance of Provisional Order or Final Order.

On January 30, 2026, OPI filed to ERC its Notice of Compliance with Motion and praying that the instant Notice of Compliance with Motion be DULY ADMITTED, thereby GRANTING (i) the foreign exchange adjustment in the CRR and VOMR, and (ii) a Guaranteed Fuel Consumption Rate of ₱0.2500 li/kWh and the Guaranteed Lube Oil Consumption Rate ₱0.0010 li/kWh.

As of reporting date, OPI is waiting for the ERC ORDER on its Notice of Compliance with Motion and the final approval of the PSA.

- ***Calapan Waterworks Corporation Provisional Authority to Increase Water Rates***
Pursuant to NWRB Board Resolution No. 07-0624, Calapan Water is authorized to implement the approved water tariff under the Certificate of Public Convenience No. 001914 issued on 28 June 2024 and valid until 18 January 2033. A jurisdictional hearing was conducted on 10 March 2025, with no oppositions filed. While the application is under evaluation, the National Water Resources Board (NWRB) has issued a Provisional Authority (PA) under Board Resolution No. 03-0523 (25 May 2023), allowing interim implementation of adjusted water rates. The Provisional Authority is valid for 18 months from the date of issuance.

The implementation of the new rates will take effect starting June 2025 billing cycle and is projected to increase the average tariff charged to subscribers from ₱56.33 to ₱88.66 per cubic meter.

Cause for any Material Change from period to period which shall include Vertical and Horizontal Analyses of any Material Item

This is already incorporated in the discussion under "Results of Operations" and "Financial Position".

Seasonal Aspects that has a Material Effect on the Financial Statements

None

Material Commitments for Capital Expenditures, General Purpose of such Commitments, Expected Sources of Funds for such Expenditures

OPI has completed its 10 MW Mini Hydro Power Plant facility in San Teodoro, Oriental Mindoro. The project cost is ₱2.8 billion and financed through a term loan from the Development Bank of the Philippines. The total principal and interest released amounted to ₱1.25 billion and ₱122.7 million as of March 31, 2026.

CWWC has completed the 2nd Phase Expansion Program for Calapan City Water Supply System. Phase II involved development of new water production facilities, installation of storage facilities for the water system, and pipe laying of additional distribution lines. Phase II was estimated to cost about ₱162 million, about ₱118 million was financed through bank borrowing while the balance has been funded through internally generated funds.

Any Significant Elements of Income or Loss that did not arise from Continuing Operations

None

Financial Risk Disclosure

Please refer to Note 2 of the Notes to Consolidated Financial Statements for the description, classification and measurements applied for financial instruments of the Group.

The Group's principal financial instruments comprise of cash, receivables, short-term bank deposits, available-for-sale investments, bank loans, trade payables, due to related parties and payable to property owners. The main purpose of the Group's financial instruments is to fund the Group's operations and to acquire and improve property and equipment. The main risks arising from the use of financial instruments are liquidity risk, interest rate risk and credit risk.

The main objectives of the Group's financial risk management areas 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 Group's Board reviews and agrees with policies for managing each of these risks. These are summarized below:

Liquidity risk

The Group seeks to manage its liquid funds through cash planning on a weekly basis. The Group uses historical figures and experiences and forecasts from its collections and disbursements. The Group's objective is to maintain a balance between continuity of funding and flexibility through valuation of projected and actual cash flow information.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's long-term borrowings. The Group's policy is to minimize interest rate cash flow risk exposures. Long-term borrowings are therefore usually at agreed interest rates. Also, the Group manages its exposure to interest rate risk by closely monitoring bank interest rates with various banks and maximizing borrowing period based on market volatility of interest rates.

Credit risk

This risk refers to the risk that a customer/debtor will default on its contractual obligations resulting in financial loss to the Group. The Group controls this risk through monitoring procedures and regular coordination with the customers. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group also controls this risk by cutting its services and refusal to reconnect until the customer's account is cleared or paid.

The Group's credit risk is primarily attributable to its trade receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Given the Group's diverse customer base, it is not exposed to large concentration of credit risk.

Currency risk is the risk that a business' operations or an investment's value will be affected by changes in exchange rates. If Philippine pesos, the Group's functional currency, has to be converted into another currency to buy or sell goods and services, or to make certain investments, a gain or loss may arise when these are converted back into pesos. This risk has been assessed to be insignificant given that all the Group's transactions are made in pesos. The Group has no investments in foreign securities.

Market risk is the risk of losses arising from changes in market prices. This usually affects an entire class of assets or liabilities. The value of investments may decline over a given period of time simply because of economic changes or other events that impact large portions of the market. Management has assessed this risk to be insignificant since the Group's financial instruments are not openly traded in the open market (stock exchange, foreign exchange, commodity market, etc.) nor does it engage in exotic financial instruments such as derivatives, spot or forward contracts and the like. The fair values of the Group's financial instruments did not change between this period and the preceding period thus no gain or loss was recognized.

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2026 AND DECEMBER 31, 2025
(Amounts in Philippine Pesos)

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P 247,584,291	P 255,997,089
Trade and other receivables	707,904,988	816,613,553
Current portion of receivable arising from		
Energy Regulatory Commission (ERC) order	49,010,365	49,010,365
Due from related parties	90,123,244	90,476,464
Inventories	43,801,169	42,277,157
Other current assets	230,647,578	244,248,935
Total Current Assets	1,369,071,635	1,498,623,563
Noncurrent Assets		
Noncurrent portion of receivable arising from		
ERC order	477,793,343	477,793,343
Financial assets at fair value through		
other comprehensive income (FVOCI)	109,606,202	109,606,202
Investment properties	1,989,609,438	1,985,686,175
Property, plant and equipment	3,511,558,323	3,518,279,432
Right-of-use (ROU) asset	77,750,178	78,727,857
Net deferred tax assets	8,504,957	8,389,620
Other noncurrent assets	9,482,932	9,482,932
Total Noncurrent Assets	6,184,305,373	6,187,965,561
	P 7,553,377,008	P 7,686,589,124
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	P 975,464,897	P 1,044,152,069
Short-term loans	315,000,000	349,991,020
Current portions of:		
Payable arising from ERC order	40,962,188	40,962,188
Long-term loans	222,626,728	304,328,050
Lease liabilities	1,408,513	1,408,513
Due to related parties	232,771,050	283,077,301
Dividends payable	299,987,122	299,987,122
Income tax payable	15,251,239	12,645,064
Total Current Liabilities	2,103,471,737	2,336,551,327
Noncurrent Liabilities		
Installment payable	37,851,571	38,401,108
Noncurrent portion of:		
Payable arising from ERC order	399,333,094	399,333,094
Long-term loans	441,012,533	379,999,382
Lease liabilities	82,067,402	82,407,292
Customers' deposits	44,589,374	43,768,723
Retirement benefits liability	38,265,682	38,265,682
Net deferred tax liabilities	402,348,879	402,348,879
Total Noncurrent Liabilities	1,445,468,535	1,384,524,160
Total Liabilities	3,548,940,272	3,721,075,487

(Forward)

(Carryforward)

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Equity		
Attributable to Equity Holders of Parent Company		
Capital stock	P 281,500,000	P 281,500,000
Additional paid-in capital	812,108	812,108
Retained earnings	2,380,142,138	2,362,712,212
Revaluation surplus on investment property and property, plant and equipment - net	158,578,508	158,578,508
Cumulative unrealized fair value changes on financial assets at FVOCI	94,606,365	94,606,365
Cumulative remeasurement gain on retirement benefits liability - net	25,331,437	25,331,437
Total Equity of Parent Company	2,940,970,556	2,923,540,630
Non-controlling Interests	1,063,466,180	1,041,973,007
Total Equity	4,004,436,736	3,965,513,637
	P 7,553,377,008	P 7,686,589,124

See accompanying Notes to Consolidated Financial Statements.

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Amounts in Philippine Pesos)

	Quarter Ended March 31	
	2026	2025
REVENUES		
Power sales	P 286,161,560	P 248,332,183
Water services	107,277,911	77,144,620
Rental	15,654,433	13,832,844
Technical services	7,150,107	6,900,733
	416,244,011	346,210,380
COSTS OF SERVICES	(305,330,728)	(297,701,507)
GROSS PROFIT	110,913,283	48,508,873
OPERATING EXPENSES	(47,677,388)	(47,503,630)
OTHER CHARGES - Net	(971,665)	(780,057)
OPERATING PROFIT	62,264,230	225,186
INTEREST INCOME	168,018	1,431,921
PROFIT BEFORE FINANCING AND INCOME TAX	62,432,248	1,657,107
FINANCE COSTS	(19,620,295)	(19,979,207)
PROFIT (LOSS) BEFORE INCOME TAX	42,811,953	(18,322,100)
INCOME TAX EXPENSE (BENEFIT)		
Current	4,000,300	818,330
Deferred	(111,446)	(547,632)
	3,888,854	270,698
NET INCOME (LOSS)	P 38,923,099	P (18,592,798)
TOTAL COMPREHENSIVE INCOME (LOSS)	P 38,923,099	P (18,592,798)
NET INCOME (LOSS) ATTRIBUTABLE TO:		
Equity holders of the parent company	P 17,429,926	P (15,393,598)
Noncontrolling interests	21,493,173	(3,199,200)
	P 38,923,099	P (18,592,798)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:		
Equity holders of the parent company	P 17,429,926	P (15,393,598)
Noncontrolling interests	21,493,173	(3,199,200)
	P 38,923,099	P (18,592,798)
EARNINGS (LOSS) PER SHARE	P 0.0619	P (0.0547)

See accompanying Notes to Consolidated Financial Statements.

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Amounts in Philippine Pesos)

	2026	2025
ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY		
CAPITAL STOCK – P1 par value		
Authorized – 1,000,000,000 shares		
Subscribed and fully paid		
– 281,500,000 shares	P 281,500,000	P 281,500,000
ADDITIONAL PAID-IN CAPITAL	812,108	812,108
REVALUATION SURPLUS ON INVESTMENT PROPERTY AND PROPERTY, PLANT AND EQUIPMENT - Net	158,578,508	158,578,508
CUMULATIVE UNREALIZED FAIR VALUE CHANGES ON FINANCIAL ASSETS AT FVOCI	94,606,365	98,871,210
CUMULATIVE REMEASUREMENT GAIN ON RETIREMENT BENEFITS LIABILITY - Net	25,331,437	22,024,651
RETAINED EARNINGS		
<i>UNAPPROPRIATED</i>		
Balance at beginning of year	2,362,712,212	2,208,277,171
Net income (loss) during the period	17,429,926	(15,393,598)
Reversal of appropriation during the period	–	185,862,750
Property dividends declaration	–	(152,778,415)
Balance at end of period	2,380,142,138	2,225,967,908
<i>APPROPRIATED</i>		
Balance at beginning of year	–	185,862,750
Reversal of appropriation during the period	–	(185,862,750)
Balance at end of period	–	–
Total Retained Earnings	2,380,142,138	2,225,967,908
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY	2,940,970,556	2,787,754,385
NON-CONTROLLING INTERESTS		
Balance at beginning of year	1,041,973,007	960,200,376
Share in net income (loss)	21,493,173	(3,199,200)
Balance at end of period	1,063,466,180	957,001,176
	P 4,004,436,736	P 3,744,755,561

See accompanying Notes to Consolidated Financial Statements.

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Amounts in Philippine Pesos)

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	P 42,811,953	P (18,322,100)
Adjustments for:		
Depreciation and amortization	56,449,603	51,789,556
Finance costs	19,620,295	19,979,207
Interest income	(168,018)	(1,431,921)
Net foreign exchange loss (gain)	(2,481)	124
Operating income before working capital changes	118,711,352	52,014,866
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Trade and other receivables	108,708,565	44,078,036
Inventories	(1,524,012)	(7,149,981)
Other current assets	13,501,417	127,396,265
Increase (decrease) in:		
Trade and other payables	(69,236,709)	53,082,028
Customers' deposits	820,651	(4,240,083)
Cash generated from operations	170,981,264	265,181,131
Income taxes paid	(1,394,125)	(1,623,083)
Interest received	168,018	1,431,921
Net cash provided by operating activities	169,755,157	264,989,969
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Property, plant and equipment	(48,750,815)	(79,167,613)
Investment properties	(3,923,263)	(16,977,365)
Decrease in:		
Due from related parties	353,220	8,588
Other noncurrent assets	-	5,839,656
Net cash used in investing activities	(52,320,858)	(90,296,734)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Loans	(80,679,191)	(158,356,067)
Interest	(17,549,650)	(18,018,479)
Lease liabilities	(2,314,486)	(2,196,250)
Dividends	-	(9,156,673)
Proceeds from loan availments	25,000,000	-
Decrease in due to related parties	(50,306,251)	(9,079)
Net cash used in financing activities	(125,849,578)	(187,736,548)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	2,481	(124)
NET DECREASE IN CASH AND CASH EQUIVALENTS		
	(8,412,798)	(13,043,437)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
	255,997,089	178,090,019
CASH AND CASH EQUIVALENTS AT END OF PERIOD		
	P 247,584,291	P 165,046,582

(Forward)

(Carryforward)

	2026	2025
CASH AND CASH EQUIVALENTS AT END OF PERIOD		
CONSISTS OF:		
Cash on hand	P 411,000	P 361,000
Cash in banks	235,173,291	142,338,058
Cash equivalents	12,000,000	22,347,524
	P 247,584,291	P 165,046,582

See accompanying Notes to Consolidated Financial Statements.

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Preparation of the Financial Statements

The accompanying consolidated financial statements have been prepared on the historical cost basis except for available-for-sale investments, investment property and certain property and equipment which are stated at fair market value and appraised values, respectively. These consolidated financial statements are presented in Philippine pesos, which is the Group's functional and presentation currency under Philippine Financial Reporting Standards (PFRS). All values are rounded to the nearest peso, except when otherwise indicated.

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year. The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements.

Basis of Consolidation

The consolidated financial statements include the accounts of Jolliville Holdings Corporation (the Parent Company) and the following subsidiaries held directly or indirectly through wholly and majority-owned subsidiaries.

Subsidiaries	Percentage of Ownership	
	Direct	Indirect
Ormina Realty and Development Corporation (ORDC)	100.00	
Jolliville Group Management, Inc. (JGMI)	100.00	
Servwell BPO International Inc. (Servwell)	100.00	
Jollideal Marketing Corporation (JMC)	100.00	
Ormin Holdings Corporation (OHC) and subsidiaries:	100.00	
OTY Development Corp. (OTY)		100.00
Melan Properties Corp. (MPC)		100.00
KGT Ventures, Inc. (KGT)		100.00
Ibayo Island Resort Corp. (IIRC)		100.00
NGTO Resources Corp. (NRC)		100.00
Philippine Hydro Electric Ventures, Inc. (PHEVI) and subsidiaries:	70.00	
Ormin Power, Inc. (OPI)		41.98
Inabasan Cascade Hydro Power Corp. (ICHPC)****		41.98
2Big Philippines Inc.** (2BIG)* and subsidiaries:	62.66	11.50
Calapan Waterworks Corporation (CWWC)		73.98
Nation Water Corporation (NWC)*		64.57
Tubig Bohol Corporation* (TBC)***		36.99
Greater Rosario Water, Inc. (GRWI)*		73.98

*preoperating stage

**formerly Tubig Pilipinas Corp.

*** Although the Group's equity interest in TBC is less than 50%, TBC is considered as a subsidiary because the Group's voting power over TBC is sufficient to provide the practical ability to direct and control.

**** Incorporated on November 25, 2024

Subsidiaries are consolidated from the date on which control is transferred to the Parent Company and cease to be consolidated from the date on which control is transferred out of the Parent Company. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. All significant intercompany accounts, transactions, and income and expenses and losses are eliminated upon consolidation.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company using consistent accounting policies.

Noncontrolling interests share in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Noncontrolling interests consist of the amount of those interests at the date of the original business combination and the noncontrolling interest's share of changes in equity since the date of the combination. Losses applicable to the noncontrolling interests in excess of the noncontrolling interests share in the subsidiary's equity are allocated against the interest of the Group except to the extent that the noncontrolling interests has a binding obligation and is able to make an additional investment to cover losses.

2. Summary of Material Accounting Policy Information

The significant accounting policies used in the preparation of consolidated financial statements are consistently applied to all the years presented, unless otherwise stated.

Adoption of New PFRS and Amendments to PFRS

Amendments to PFRS effective for annual reporting periods beginning January 1, 2025 did not have a material impact on the consolidated financial statements of the Group.

The accounting policies adopted are consistent with those of the previous financial year, except for the early adoption of PFRS 18, *Presentation and Disclosure in Financial Statements*. This standard replaces PAS 1, *Presentation of Financial Statements*, and introduces the requirements for the presentation of the consolidated statement of comprehensive income, including mandatory sub-totals and categories (operating, investing and financing). The standard also introduces disclosure requirements on management defined performance measures (MPM), and new principles for grouping of information, which the entity needs to apply retrospectively.

The Group elected to early adopt PFRS 18 effective January 1, 2025 to provide users of the consolidated financial statements with more relevant and transparent information.

While the adoption of PFRS 18 does not change the recognition or measurement of assets, liabilities, income, or expenses, it has significantly affected the presentation and classification of items as follows:

- The Group now presents its income and expenses into three mandatory categories: Operating, Investing, and Financing. New mandatory subtotals, specifically "Operating profit," are now presented on the face of the consolidated statements of comprehensive income.

- The Group has updated its cash flow presentation:
 - The reconciliation of cash flows from operating activities now starts with the “Operating profit” subtotal, rather than “Income before income tax” or “Net income”.
 - To reduce presentation policy choices, the Group now classifies interest received as an investing activity. Previously, this was classified as operating activities.
 - Adjustments for non-cash items (such as depreciation and amortization) are made to “Operating profit”. Items that are already classified outside of the Operating category in the consolidated statements of comprehensive income is no longer considered as an adjustment in the operating cash flow reconciliation.
- The Group also updated the presentation of its operating segment information to align with the mandatory categories presented in the consolidated statements of comprehensive income.

In connection with the early adoption of PFRS 18, the Group assessed whether it presents any MPM subtotal of income and expenses that are not specified or required by PFRS Accounting Standards but are used by management to communicate financial performance externally. Management has determined that no such MPM is necessary to be presented in the consolidated financial statements.

Accordingly, no reconciliation or additional disclosures under the MPM requirements of PFRS 18 are necessary.

Amendments to PFRS in Issue But Not Yet Effective or Adopted

Relevant new PFRS and amendments to PFRS, which are not yet effective as at December 31, 2025, and have not been applied in preparing the consolidated financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendment provides to clarify the requirements related to the date of recognition and derecognition of financial assets and financial liabilities, with an exception for derecognition of financial liabilities settled through cash using an electronic payment system. The amendments also clarify the requirements of assessing contractual cash flow characteristics of financial assets, with additional guidance on assessment of contingent features, and the characteristics of non-recourse loans and contractually linked instruments. The amendments also introduce additional disclosure requirements for equity instruments classified as financial asset measured at FVOCI with contingent features. Earlier application is permitted.
- Annual Improvements to PFRS Accounting Standards Volume 11:
 - Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure.
 - Amendments to PFRS 10, *Consolidated Financial Statements* – The amendments remove inconsistencies by clarifying that an entity must use judgment to determine whether other parties are acting as de facto agents. Earlier application is permitted.

- Amendments to PAS 7, *Statement of Cash Flows - Cost Method* – The amendments clarify that when the investor considers its de facto agent's decision-making rights and its indirect exposure, or rights, to variable returns is only an example in which judgement is required to determine whether a party is acting as a de facto agent.

Under prevailing circumstances, the adoption of the foregoing new PFRS Accounting Standards and amendments to PFRS Accounting Standards is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

The principal accounting policies applied in the preparation of the Group's consolidated financial statements are set out below:

Current versus Noncurrent Classification

The Group presents assets and liabilities in the consolidated statements of financial position based on current or noncurrent classification.

An asset is current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period;
- expected to be settled on demand; or
- cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period;
- it is expected to be settled on demand; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

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 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 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.

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

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 Group 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 period.

For the purpose of fair value disclosures, the Group 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.

Accounting Policies for Financial Instruments Upon Adoption of PFRS 9 – Policies Applied from January 1, 2019

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Group recognizes financial assets or financial liabilities in the statements of financial position when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition is done using settlement date accounting.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Financial Assets

The Company classifies its financial assets in the following measurement categories:

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income (FVOCI) where:
 - gains and losses previously recognized are reclassified to profit and loss; and
 - gains and losses previously recognized are not reclassified to profit and loss;
- Financial assets measured at fair value through profit or loss (FVPL).

Financial assets measured at amortized cost

The amortized cost of a financial asset is the present value of future cash receipts (payments) discounted at the effective interest rate. The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

The Group classifies its financial assets as at amortized cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

This category includes cash and cash equivalents, receivables (excluding advances to suppliers and advances to employees for liquidation), due from related parties, and reserve fund, special bank deposit and utilities and other deposits which are held by the Group with the objective to collect the contractual cash flows.

Financial assets at FVOCI

The Group classifies the following financial assets at FVOCI:

- Equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognize in this category. These are strategic investments and the Group considers this classification to be more relevant.
- Debt securities where the contractual cash flows are solely principal and interest on the principal amount outstanding and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

This category includes equity investment at FVOCI.

Financial assets at FVPL

The Group classifies the following financial assets at FVPL:

- Debt investments that do not qualify for measurement at either amortized cost or FVOCI;
- Equity investments that are held for trading; and
- Equity investments for which the entity has not elected to recognize fair value gains and losses through other comprehensive income (OCI).

The Group does not have financial assets at FVPL.

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment FVOCI.

The Group reclassifies debt investments when and only when its business model for managing such assets changes.

Measurement

Initial measurement

At initial recognition, the Group measures a financial asset at its fair value plus or minus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement

Debt instruments

There are three measurement categories into which the Group classifies its debt instruments:

- *Amortized cost:* Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statements of profit or loss.

Short-term receivables with no stated interest rate are measured at their invoice amounts or expected amounts of settlement without discounting, when the effect of not discounting is immaterial.

- *FVOCI:* Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains (losses) and impairment expenses are presented as separate line item in the statements of profit or loss.
- *FVPL:* Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains (losses) in the period in which it arises.

The Group has no debt instruments measured at fair value as at March 31, 2026 and December 31, 2025.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

The Group has equity instruments measured at FVOCI as at March 31, 2026 and December 31, 2025.

Impairment of Financial Assets

PFRS 9 establishes a new model, 'expected credit loss' (ECL) model, for recognition and measurement of impairments in loans and receivables that are measured at amortized cost, contract assets and debt instruments at FVOCI, but not to investments in equity instruments.

PFRS 9 provides that in measuring ECL the Company must reflect:

- An unbiased evaluation of a range of possible outcomes and their probabilities of occurrence.
- Discounting for the time value of money.
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk 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 (a lifetime ECL).

For cash and cash equivalents, due from related parties, special bank deposit, reserve fund and utilities and other deposits, the Group applies the general approach in calculating ECLs. The Group recognizes a loss allowance based on either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk on its financial assets since initial recognition. The cash and cash equivalents and other deposits are deposited in the top banks of the Philippines and highly credible lessors and service providers, respectively. Also, the management has reasonable grounds to believe that the due from related parties and cash dividend receivable are collectible, if demanded. Moreover, should this not be the case, the Board of Directors (BOD) expect these related parties to have the support of their major stockholders to meet their obligations.

For receivables, the Group applies the simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Group has determined that the application of impairment requirements of PFRS 9 at January 1, 2019 and December 31, 2019 did not result into any additional impairment losses in the Company's cash and cash equivalents, due from related parties, special bank deposit, reserve fund and utilities and other deposits which are measured at amortized cost.

Financial Liabilities

The Group classifies its financial liabilities in the following measurement categories:

- Financial liabilities measured at amortized cost;
- Financial liabilities measured at FVPL;

Measurement

Financial liabilities at amortized cost are recognized initially at fair value and are subsequently measured at amortized cost using effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gains or losses on derecognition is also recognized in profit or loss. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

This category includes loans payable, accounts payable and other current liabilities, due to related parties and customers' deposits.

Cash and Cash Equivalents

Cash which includes cash on hand and in banks are stated at face value. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisition and that are subject to an insignificant risk of change in value.

Special Bank Deposit and Reserve Fund

Certain bank deposits are restricted for withdrawal by the creditor bank as hold-out fund for the Group's loan availments. These are classified as noncurrent assets.

Inventories

Inventories are stated at the lower of cost and net realizable value (NRV). Cost is determined using weighted average method. NRV is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale.

Other Current Assets

This account comprises the following:

- *Input tax* is recognized when an entity in the Group purchases goods or services from a Value Added Tax (VAT)-registered supplier. This account is offset, on a per entity basis, against any output tax previously recognized.
- *Prepayments* are apportioned over the period covered by the payment and charged to the appropriate account in the consolidated statements of comprehensive income when incurred. These are expected to be realized for no more than 12 months after the reporting period and are classified as current assets. Otherwise, these are classified as other noncurrent assets.
- *Creditable withholding tax* is deducted from income tax payable in the same year the revenue is recognized.

Investments in Associates

An associate is an entity in which the Group's ownership interest ranges between 20% and 50% or where it has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not in control or joint control over those policies.

The Group carries its investment in an associate at cost, increased or decreased by the Group's equity in net earnings or losses of the investee Group since date of acquisition and reduced by dividends received. Equity in net losses is recognized only up to the extent of acquisition costs.

Investment Property

Investment property represents property held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is accounted for under the fair value model. Generally, it is revalued on a regular basis and is included in the Group's consolidated statements of financial position at its fair value. Fair value is supported by market evidence and is determined by independent appraisers with sufficient experience with respect to both the location and the nature of the investment property.

Investment property, which consists mainly of land, buildings and condominium units, is initially measured at acquisition cost, including transaction costs.

Any gain or loss resulting from either a change in the fair value or the sale or retirement of an investment property is immediately recognized in profit or loss as fair value adjustment on investment property under other income (charges) in the Group's consolidated statements of comprehensive income. In case of fair value loss and there is a carrying revaluation surplus balance as a result of transfer from property, plant and equipment carried at appraised value, the loss shall be applied first to the balance of revaluation surplus before recognizing the remaining loss to profit or loss.

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal.

A Group-occupied property classified under property and equipment account becomes an investment property when it ends Group-occupation.

Property, Plant and Equipment

Property, plant and equipment, except land and construction in progress, are stated at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value.

Initial cost of property, plant and equipment comprises its construction cost or purchase price and any directly attributable cost of bringing the assets to its working condition and location for its intended use. Expenses incurred and paid after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income when the costs are incurred. In situation where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property, plant and equipment.

Depreciation and amortization is computed using the straight-line method over the following estimated useful lives except for leasehold improvements which are amortized over the estimated useful life of the assets or term of the lease, whichever is shorter.

	Number of Years
Land and improvements	5 to 20
Building and improvements	10 to 40
Power plant facilities and equipment	3 to 40
Furniture and fixtures	5 to 10
Water utilities and distribution system	5 to 40
Transportation equipment	5 to 8

The residual values, useful life and depreciation and amortization method are reviewed periodically to ensure that the method and period of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Construction in progress, included in the property, plant and equipment, is stated at cost. This includes cost of construction, equipment and other direct costs. Construction in progress and equipment for installation is not depreciated until such time as the relevant assets are completed or installed and put into operational use.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts, and any gain or loss resulting from their disposal is credited or charged to current operations.

Borrowing Costs

Borrowing costs are generally expensed as incurred. Borrowing costs incurred during the construction period on loans and advances used to finance construction and property development are capitalized as part of construction and development costs included under "Property, Plant and Equipment" account in the consolidated statements of financial position.

Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use are complete. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. Capitalized borrowing cost is based on applicable weighted average borrowing rate.

All other borrowing costs are charged to operation in the period in which they are incurred.

Impairment of Nonfinancial Assets

The carrying values of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the smallest cash-generating unit to which the asset belongs. Impairment losses are recognized in the consolidated statement of comprehensive income in the period in which it arises unless the asset is carried at a revalued amount in which case the impairment is charged to the revaluation increment of the said asset.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however, not to an amount higher than the carrying amount that would have been determined (net of any depreciation and amortization) had no impairment loss been recognized for the asset in prior years.

A reversal of an impairment loss is credited to current operations.

Loans Payables

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method. Any difference between the proceeds, net of transaction costs, and the settlement amount is recognized over the term of the loan in accordance with the Group's accounting policy for borrowing costs.

Gains and losses are recognized in profit or loss when the liabilities are derecognized or impaired, as well as through the amortization process.

Employee benefits

Short-term benefits

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

Retirement benefit obligation

Retirement benefit obligation, as presented in the consolidated statement of financial position, is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for the effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method. The retirement benefit costs comprise of the service cost, net interest on the net defined benefit liability or asset and remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated regularly by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Deposit for Future Stock Subscription

Deposit for future stock subscription which are received in view of call for future subscriptions are stated at actual amount of cash received. Deposit for future stock subscription is recorded at historical cost. This is classified as equity when all of the following criteria are met:

- a. the unissued authorized capital stock of the Company is insufficient to cover the amount of shares indicated in the contract;
- b. there is BODs' approval on the proposed increase in authorized share capital (for which a deposit was received by the Company);
- c. there is stockholders' approval of said proposed increase; and
- d. the application for the approval of the proposed increase has been presented for filing or has been filed with the Commission.

Deposits for future stock subscription is classified as a liability when the above criteria are not met.

Related Party Transactions and Relationships

Related party transactions are transfers of resources, services or obligations between the Group and its related parties, regardless whether a price is charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group; (b) associates; and, (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Foreign Currency Transactions and Translations

Transactions denominated in foreign currencies are recorded in Philippine pesos using the exchange rate at the date of the transactions. Outstanding monetary assets and liabilities denominated in foreign currencies are stated using the closing exchange rate at the end of financial reporting period. Gains or losses arising from foreign currency transactions are credited or charged directly to current operations.

Equity

- *Capital stock* is determined using the nominal value of shares that have been issued.
- *Additional paid-in capital* includes any premiums received on the initial issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related taxes.
- *Revaluation reserves on equity investment at FVOCI* accounts are the excess (deficiency) of the fair market value over the carrying amounts of these investments. When fluctuation is deemed permanent, the gain or loss resulting from such fluctuation will be reversed and charged to profit or loss in the year that the permanent fluctuation is determined.
- *Revaluation surplus* accounts for the excess of the fair market value over the carrying amounts of "Land and improvements" and "Power plant" included under the Property, plant and equipment account and certain investment property. Any appraisal decrease is first offset against appraisal increment on earlier revaluation with respect to the same property and is thereafter charged to operations.
- *Reserve for actuarial loss* comprises the net actuarial gains and losses on the Group's retirement obligation as a result of re-measurement.
- *Retained earnings* include all current and prior period net income less any dividends declared as disclosed in the consolidated statements of comprehensive income.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in PFRS 16.

As a Lessee

At the commencement date of the lease, the Group recognizes a right-of-use (ROU) asset and a lease liability, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value assets (low-value assets), in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

ROU Asset. At commencement date, the Group measures ROU asset at cost. The cost comprises:

- i. the amount of the initial measurement of lease liabilities;
- ii. any lease payments made at or before the commencement date less any lease incentives received;
- iii. any initial direct costs; and
- iv. an estimation of costs to be incurred by the Group in dismantling and removing the underlying asset, when applicable.

The ROU asset is recognized at the present value of the liability at the commencement date of the lease, adding any directly attributable costs. After the commencement date, the ROU asset is carried at cost less any accumulated amortization and accumulated impairment losses, and adjusted for any remeasurement of the related lease liability. The ROU asset is amortized over the shorter of the lease terms or the useful lives of the underlying assets, which is 40 years.

Lease Liability. At commencement date, the Group measures lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of a lease liability comprise the following:

- i. fixed payments, including in-substance fixed payments;
- ii. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- iii. amounts expected to be payable by the lessee under residual value guarantees; and
- iv. the exercise price under a purchase option that the Group is reasonably certain to exercise; lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Lease liability is subsequently measured at amortized cost. Interests on the lease liability and any variable lease payments not included in the measurement of lease liability is recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liability is recognized in profit or loss when the event or condition that triggers those payments occurs.

For income tax reporting purposes, payments under operating lease agreements are treated as deductible expense in accordance with the terms of the lease agreements.

As a Lessor

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

Revenue Recognition

The Group recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group applies the following five steps:

1. Identify the contract(s) with a customer.
 2. Identify the performance obligations in the contract. Performance obligations are promises in a contract to transfer to a customer goods or services that are distinct.
 3. Determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. If the consideration promised in a contract includes a variable amount, an entity must estimate the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to a customer.
 4. Allocate the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract.
 5. Recognize revenue when a performance obligation is satisfied by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer). For a performance obligation satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognized as the performance obligation is satisfied.
- *Power sales and water services* are recognized when the related services are delivered.
 - *Rental income* is recognized on a straight-line basis in accordance with the substance of the lease agreement.
 - *Technical services* comprise the value of all services provided and are recognized when rendered.
 - *Sale of goods* is recognized upon delivery of goods sold, and the transfer of risks and rewards to the customer has been completed.
 - *Interest income* is recognized on a time proportion basis that reflects the effective yield on the asset.
 - *Other income* is recognized when the related income/service is earned.

Cost and Expenses Recognition

Cost and expenses are recognized in the consolidated statements of comprehensive income when decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Income Taxes

Income taxes represent the sum of current year tax and deferred tax.

Current Income Tax

The current year tax is based on taxable income for the year. Taxable income differs from income as reported in the consolidated statement of comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current income tax is calculated using tax rates that have been enacted or substantively enacted at the end of financial reporting period.

Deferred Income Tax

Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the end of financial reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes and carryforward benefits of net operating loss carryover (NOLCO) and minimum corporate income tax (MCIT). Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets and liabilities are measured using the tax rate that is expected to apply to the period when the asset is realized or the liability is settled.

The carrying amount of deferred tax assets is reviewed at end of each financial reporting period and reduced to the extent that it is not probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

Income tax relating to items recognized directly in equity is recognized in equity and other comprehensive income.

Segment Information

For management purposes, the Group is organized into four (4) major operating businesses which comprise the bases on which the Group reports its primary segment information. The Group has no geographical segments as all of the companies primarily operate only in the Philippines.

Segment revenue, expenses and performance include transfers between business segments. The transfers are accounted for at competitive market prices charged to unaffiliated customers for similar products and services. The measurement policies the Group used for segment reporting are the same as those used in the consolidated financial statements. There have been no changes from prior periods in the measurement methods used to determine profit and loss. No asymmetrical allocations have been applied between segments.

Inter-segment assets, liabilities, revenue, expenses and results are eliminated in the consolidated financial statements.

Earnings per Share (EPS)

EPS is determined by dividing net income for the year by the weighted average number of shares outstanding during the year including fully paid but unissued shares as of the end of the year, adjusted for any subsequent stock dividends declared. Diluted earnings per share is computed by dividing net income for the year by the weighted average number of common shares issued and outstanding during the year after giving effect to assumed conversion of potential common shares. The Group has no existing dilutive shares.

Provisions

Provisions are recognized only when the following conditions are met: a) there exists a present obligation (legal or constructive) as a result of past event; b) it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and, c) reliable estimate can be made of the amount of the obligation. Provisions are reviewed at end of each financial reporting period and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefit is probable.

Events after the End of Financial Reporting Period

Post year-end events that provide additional information about the Group's position at the end of financial reporting period (adjusting events) are reflected in the Group's consolidated financial statements. Post year-end events that are non-adjusting events are disclosed in the notes to consolidated financial statements when material.

3. **Management's Use of Judgments and Estimates**

The preparation of the Group's consolidated financial statements in accordance with PFRS requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The 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. Actual results could differ from such estimates. The effect of any changes in estimates will be recorded in the Group's consolidated financial statements when determinable.

Estimates and judgments 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.

Judgments

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

- *Classification of Financial Instruments and Measurement Criteria*
Under PFRS 9, the Group classifies financial assets at initial recognition depends on the financial assets contractual cash flows characteristics of the Group's business model for managing them. The adoption of PFRS 9, has not had a significant effect on the Group's policy related to financial liabilities.

Prior to the adoption of PFRS 9, the Group classifies a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statements of financial position.

The Group determines the classification at initial recognition and reevaluates this designation at every reporting date.

- *Determination of Control*
The Group 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 equity. The Group controls an entity if and only if the Group has all of the following:
 - Power over the entity;
 - Exposure, or rights, to variable returns from its involvement with the entity; and,
 - The ability to use its power over the entity to affect the amount of the Group's returns.

The Group 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.

- *Classification of Leases*
The Group has entered into various lease agreements as either a lessor or a lessee. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Currently, all of the Group's lease agreements are determined to be operating leases.
- *Determination of Impairment of Equity Investment at FVOCI*
The Group follows the guidance of PAS 39 in determining when an investment is other-than-temporarily impaired. This determination requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of the near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.
- *Determination of Fair Value of Financial Instruments*
PFRS requires that certain financial assets and liabilities be carried at fair value, which requires the use of extensive accounting estimates and judgments. While significant components of fair value measurement are determined using verifiable objective evidence (i.e. interest rates, volatility rates), the timing and amount of changes in fair value would differ with the valuation methodology used. Any change in the fair value of these financial assets and liabilities would directly affect income and equity.
- *Measurement of Security Deposits*
The future cash flows of security deposits from the leases cannot be readily determined nor reliably measured because the actual timing of payment cannot be reasonably predicted as these deposits are generally redeposited every renewal of lease contracts, the new terms and conditions thereof are not yet known. Further, the deposit that will actually be repaid to the Group is also attached to a conditional repayment provision that is the faithful performance by the Group as a lessee of its obligations under the lease contracts. Accordingly, security deposits are carried at cost less any impairment.
- *Distinction between Investment Property and Owner-Occupied Property*
The Group determines whether a property qualifies as an investment property. In making its judgments, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also other assets used in the supply process.

Some properties are held to earn rentals or for capital appreciation and other properties are held for use in rendering of services or for administrative purposes. If the portion 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 and services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

Estimates

The preparation of financial statements in accordance with PFRS requires management to make estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities.

- *Impairment of Receivables*

The Group uses the expected credit losses model in estimating the level of the allowances which includes forecast of future events and conditions. A credit loss is the difference between the cash flows that are expected to be received discounted at the original effective interest rate. The model represents a probability – weighted estimate of the difference over the remaining life of receivables. The maturity of the remaining trade receivables of the Group is less than one year so the lifetime expected credit losses and the 12 months expected credit losses are similar. In addition, management assessed the credit risk of the trade receivables as at the reporting date as low, therefore the Group's trade receivables and due from related parties did not have to assess whether significant increase in credit risk has occurred.

Prior to adoption of PFRS 9, the Group provides an allowance for impairment losses on due from related parties at a level considered adequate for potential uncollectible amounts or are doubtful of collection. The level of allowance is evaluated by the management based on best available facts and circumstances, the length of the Group's relationship with its customers and debtors, the customers or debtors' payment behavior and known market factors. These specific reserves are re-evaluated and adjusted as additional information received affects the amount estimated to be uncollectible. Any increase in allowance would increase operating expenses and decrease related accounts.

- *Net Realizable Value (NRV) of Inventories*

The Group's estimate of the NRV of inventories is based on evidence available at the time the estimates are made of the amount that these inventories are expected to be realized. These estimates consider the fluctuations of price or cost directly relating to events occurring after the end of the reporting period to the extent that such events confirm conditions existing at financial reporting date. The amount and timing of recorded expenses for any period would differ if different judgments were made of different estimates were utilized.

- *Allowance for Inventory Obsolescence*

Provision is established as a certain percentage based on the age and movement of stocks. In case there is write-off or disposal of slow-moving items during the year, a reduction in the allowance for obsolescence if any, is made.

- *Fair Value Measurement of Investment Property*

The Group's investment property composed of parcels of land and buildings and improvements that are carried at revalued amount at the end of the reporting period. In determining the fair value of these assets, the Group engages the services of professional and independent appraisers. The fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and seller in an arm's length transaction as at the valuation date. Such amount is influenced by different factors including the location and specific characteristics of the property (e.g., size, features, and capacity), quantity of comparable properties available in the market, and economic condition and behavior of the buying parties. A significant change in these elements may affect prices and the value of the assets.

- *Useful Lives of Property, Plant and Equipment*

Useful lives of property, plant and equipment are estimated based on the period over which these assets are expected to be available for use. Such estimation is based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. Any reduction in the estimated useful lives of property, plant and equipment would increase the Group's recorded cost of services and operating expenses and decrease on the related asset accounts.

There were no significant changes in the estimated useful lives of the Group's property, plant and equipment during the year.

- *Determination of Pension and Other Retirement Benefits*

The determination of the Group's obligation and cost for pension and other retirement benefits is dependent on management's selection of certain assumptions used by actuaries in calculating such amounts.

Actual results that differ from the assumptions are accumulated and amortized over future periods and therefore, generally affect the Group's recognized expense and recorded obligation in such future periods. While management believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in management assumptions may materially affect the Group's pension and other retirement obligations.

The Group also estimates other employee benefits obligation and expense, including the cost of paid leaves based on historical leave availments of employees, subject to the Group's policy. These estimates may vary depending on the future changes in salaries and actual experiences during the year.

- *Impairment of Nonfinancial Assets*

The carrying values of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, and if the carrying value exceeds the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of net selling price or value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's-length transaction less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is charged to operations in the period in which it arises unless the asset is carried at a revalued amount in which case the impairment is charged to the revaluation increment of the said asset.

An assessment is made at each end of financial reporting period to determine whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however, not to an amount higher than the carrying amount that would have been determined (net of any depreciation), had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

- *Impairment of Goodwill*
Purchase accounting requires extensive use of accounting estimates to allocate the purchase price to the fair market values of the acquiree's identifiable assets and liabilities at the acquisition date. It also requires the acquirer to recognize goodwill. The Group's business acquisitions have resulted in goodwill which is subject to a periodic impairment test. The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which goodwill is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate to calculate the present value of those cash flows.
- *Realizability of Deferred Tax Assets and Deferred Tax Liabilities*
Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.
- *Fair Value of Financial Assets and Liabilities*
PFRS requires that certain financial assets and liabilities be carried at fair value, which requires the use of extensive accounting estimates and judgments. While significant components of fair value measurement are determined using verifiable objective evidence (i.e. interest rates, volatility rates), the timing and amount of changes in fair value would differ with the valuation methodology used. Any change in the fair value of these financial assets and liabilities would directly affect income and equity.
- *Provisions for Contingencies*
The estimate of the probable costs for possible third party claims, including tax liabilities, if any, has been developed based on management's analysis of potential results. When management believes that the eventual liabilities under these claims, if any, will not have a material effect on the consolidated financial statements, no provision for probable losses is recognized in the consolidated financial statements.

4. **Loans Payable**

Details of loans availed from local banks are as follow:

Short-term loans

- a. In 2025 and 2026, OPI availed short-term loans from various local banks. Interest rates on loans range from 5.375% to 7.75% per annum. The loans are payable within 1 month to 12 months from the date of availment. Outstanding balance of the loan amounted to ₱290.0 million and ₱349.9 million as of March 31, 2026 and December 31, 2025 respectively.
- b. CWWC availed short-term loans from a local bank which are payable in 90 days and renewable. Interest rates ranges from 6.75% to 7.25% per annum. Outstanding balance of the loan amounted to ₱25.0 million as of March 31, 2026.

Long-term loans

- a. On April 8, 2011, OPI entered into a loan agreement with a local bank for the establishment of Calapan Diesel Power Plant for ₱275.9 million payable in ten (10) years with six months grace period. Interest is fixed at 9.0% per annum but subject to re-pricing. As of May 5, 2021, interest rate is 6.0% per annum. The loan has been fully paid on May 5, 2021.

Debt Covenant

OPI entered into a Deed of Assignment with Hold-Out relative to the loan, in favor of the bank, OPI's trade receivable under the Power Supply Agreement (PSA) entered with Oriental Mindoro Electric Cooperative, Inc. (ORMECO). Also, the loan requires a portion of OPI's cash in bank pertaining to a Reserve Fund equivalent to two (2) months amortization payable under the loan agreement.

Also, as a security for the loan, OPI mortgaged its 6.4 MW Bunker C-Fired Packaged Power Station in favor of the bank.

- b. On June 25, 2013, OPI availed a term loan agreement with a local bank for the construction of Inabasan Mini-Hydro Power Plant amounting to ₱1.3 billion. The release of loan proceeds depends on the fulfillment, compliance or submission by OPI of the specific conditions for the following project components: civil works, electro-mechanical works, and contingent works. As of March 31, 2026 and December 31, 2025, the total loan amounted to ₱162.8 million and ₱244.5 million, respectively.

On July 15, 2015, OPI availed a term loan agreement with a local bank amounting to ₱90.6 million to finance the costs incurred for OPI's Calapan Diesel Power Plant Expansion. The loan is payable within 10 years with six months grace period. Interest rate is at 9% per annum in 2025. This has been fully paid on July 15, 2025.

In 2025, OPI entered into a loan agreement with another local bank to settle existing loans, retire a bridge facility, and replace front load repayment into a new 8-year amortizing loan. As of March 31, 2026 and December 31, 2025, the total loan amounted to ₱492.4 million and ₱244.5 million, respectively.

In 2025, 2024, 2023, 2021 and 2019, OPI entered into various car loan agreements with a local bank for OPI's BOD and officers' requirements. The cost of the cars was capitalized as part of "Transportation equipment" account. The amount financed by the bank is payable in monthly installments for 5 years with annual interest rates of 8.7% to 10% in 2026 and 2025. As of March 31, 2026 and December 31, 2025, the loan balance amounted to ₱6.1 million and ₱7.1 million, respectively.

- c. In 2005, CWWC entered into a loan agreement with a local bank for the rehabilitation, expansion and improvements of its waterworks system for ₱137.0 million payable in monthly installments until 2022. Interest is fixed at 10.5% per annum, reviewable and subject to adjustment annually thereafter but not to exceed 15% per annum. The loan has been fully paid on December 14, 2022.

In 2014, CWWC entered into another loan agreement with local bank for ₱118.2 million. The loan is payable in ten (10) years with annual interest of 6% to 7%. The proceeds of the loan will be used exclusively to finance the water source development, acquisition of three (3) sets of electro-mechanical equipment, site and land development, construction of a high ground reservoir and expansion of its waterworks system. CWWC was able to negotiate the interest rate at 6.50%-8.50% in 2024 and 2023.

Debt Covenant

CWWC executed a Deed of Assignment relative to the loan, in favor of the bank of (a) a portion of CWWC's Reserve Fund (via Savings or Other Investment Account) equivalent to two monthly interest amortization during the grace period, to increase to two monthly principal and interest amortization after the grace period onwards and (b) billed water/receivables until the amount of the loan is fully paid. The Reserve Fund shall be maintained for CWWC's expenses for maintenance, operation and emergency fund.

Also, the Parent Company, CWWC and major stockholders mortgaged their real estate and other equipment situated in Calapan City, Oriental Mindoro in favor of the bank. The titles of the mortgaged property have already been delivered to the bank.

As of December 31, 2024, this loan has been fully paid.

- d. In April 2024, CWWC, ORDC and Servwell availed car loan financing from a local bank. The cost of the cars was capitalized as part of "Transportation equipment" account. The amount financed by the bank is payable in quarterly installments for 3 years with annual interest rate of 10% in 2024. As of March 31, 2026 and December 31, 2025, the loan balance amounted to ₱2.3 million and ₱2.7 million, respectively.

5. Related Party Transactions

The Group has the following transactions with related parties:

- a. Unsecured and non-interest bearing cash advances made by stockholders to the Group for working capital purposes which are payable on demand and usually settled in cash.
- b. Unsecured and noninterest bearing cash advances from affiliates for working capital purposes which are payable on demand and usually settled in cash.

- c. In 2017, CWWC entered into a contract with an entity under common management for Phase 2 of the 2014 waterworks system development and expansion plan in Calapan City. The total contract cost amounted to ₱152.1 million. In 2020, the contract price was amended to ₱227.0 million.

Affiliates are entities that are owned and controlled by the Parent Company and neither a subsidiary nor associate of the Group. These affiliates are effectively sister companies of the Group by virtue of ownership of the Parent Company.

6. Other Income (Charges) - net

This account consists of:

	Three months ended March 31	
	2026	2025
Bank charges	(₱1,059,384)	(₱932,357)
Net foreign exchange gain (loss)	2,481	(124)
Others	85,238	152,424
	(₱971,665)	(₱780,057)

7. Income Taxes

The provision for income tax differs from the amount computed by applying the statutory income tax rate to income before income tax due mainly to interest income already subjected to final tax at a lower rate.

Deferred tax assets consist of tax effect of retirement benefits liability, net operating loss carry-over, allowance for impairment losses of receivables, carryforward benefit of minimum corporate income tax, prepaid rental and unrealized foreign exchange loss.

Deferred tax liabilities include tax effect of fair value adjustments in investment property and property and equipment, capitalized borrowing costs, unrealized foreign exchange gain/loss and revaluation surplus recognized under OCI.

8. Earnings Per Share (EPS)

Computation of EPS is as follows:

	Three months ended March 31	
	2026	2025
Net income (loss) attributable to equity holders of the parent company	₱17,429,926	(₱15,393,598)
Divided by weighted average number of common shares	281,500,000	281,500,000
	₱0.0619	(₱0.0547)

9. **Other Matters**

The following are major events affecting the Parent Company and subsidiaries:

JOH

On March 4, 2025, the Parent Company received from the SEC the Certificate of Filing the Notice of Property Dividend Declaration dated February 27, 2025, which approved the dividend amount of ₱152.8 million against the earlier disclosed amount of ₱189.5 million. The adjustment is attributed to the SEC's valuation of the property dividend cost with specific identification. The property dividend to be distributed amounting to ₱152.8 million will consist of common shares of 2BIG worth of ₱76.5 million and common shares of PHEVI worth of ₱76.3 million.

OPI

On November 3, 2025, OPI received the Order dated October 8, 2025 from ERC resolving the Motions filed by OPI, NPC and ORMECO.

On December 10, 2025, the ERC issued an Order on ERC Case No. 2025-176 RC granting provisional authority to implement the PSA of OPI's CDPP2.

CWWC

On February 19, 2025, the BOD and the stockholders jointly approved the increase of the CWWC's authorized capital stock from ₱200.0 million consisting of 200,000,000 shares at P1.00 par value a share to ₱500.0 million consisting of 500,000,000 shares at the same par value a share. The increase will be subscribed through conversion of the outstanding dividends payable.

On January 7, 2026, CWWC filed with the SEC the necessary documentations for the increase in the authorized capital stock and the decrease in par value. As at March 31, 2026, CWWC's application is still pending approval by the SEC.

KEY PERFORMANCE INDICATORS

March

2026 2025

I PROFITABILITY

Return on Total Assets

ROA=	$\frac{\text{NI} + \{(\text{interest exp} \times (1 - \text{tax rate}))\}}{\text{Ave. Total Assets}}$	53,638,320	(3,608,393)
		7,619,983,066	6,941,404,326

It measures efficiency of the Group in using its assets to generate net income.

0.0070 (0.0005)

Return on Equity

ROE=	$\frac{\text{Net Income}}{\text{Ave. Stockholders Equity}}$	38,923,099	(18,592,798)
		3,984,975,187	3,830,441,168

It is a measure of profitability of stockholders' investments. It shows net income as percentage of shareholder equity.

0.0098 (0.0049)

Water Revenue per Subscriber

WRS=	$\frac{\text{Water Revenue}}{\text{Ave. No. of Water Subscribers}}$	107,277,911	77,144,620
		27,762	26,988

Measures how well service and facilities improvements have influence consumer's usage.

3,864 2,858

II FINANCIAL LEVERAGE

Debt Ratio

Debt Ratio=	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$	3,548,940,272	3,127,934,569
		7,553,377,008	6,872,690,130

It is a solvency ratio and it measures the portion of the assets of a business which are financed through debt.

0.4698 0.4551

Debt to Equity Ratio

Debt to Equity=	$\frac{\text{Total Liabilities}}{\text{Shareholder's Equity}}$	3,548,940,272	3,127,934,569
		4,004,436,736	3,744,755,561

It measures the degree to which the assets of the business are financed by the debts and the shareholders' equity of a business.

0.8863 0.8353

III MARKET VALUATION

Price to Book Ratio

PB ratio=	$\frac{\text{Market value/share}}{\text{Book value/share}}$	3.99	5.45
		10.45	9.90

Relates the Group's stock to its book value per share.

0.3818 0.5505

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES
AGING OF ACCOUNTS RECEIVABLE
MARCH 31, 2026 AND DECEMBER 31, 2025

MARCH 31, 2026					
	Current	1-30 days	31-60 days	Over 60 days	Total
Trade	656,097,881	1,984,741	207,567	36,152,708	694,442,897
Advances and nontrade	1,117,011	-	-	12,345,080	13,462,091
	<u>657,214,892</u>	<u>1,984,741</u>	<u>207,567</u>	<u>48,497,788</u>	<u>707,904,988</u>
DECEMBER 31, 2025					
	Current	1-30 days	31-60 days	Over 60 days	Total
Trade	759,513,132	2,297,579	240,285	41,851,158	803,902,154
Advances and nontrade	1,054,723	-	-	11,656,676	12,711,399
	<u>760,567,855</u>	<u>2,297,579</u>	<u>240,285</u>	<u>53,507,834</u>	<u>816,613,553</u>

JOLLIVILLE HOLDINGS CORPORATION
SCHEDULE OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
AS OF MARCH 31, 2026

Total unappropriated retained earnings, as adjusted at beginning of year	428,087,781
Net loss during the period	(1,150,466)
Less: Movement in deferred tax assets	(132,180)

TOTAL UNAPPROPRIATED RETAINED EARNINGS AVAILABLE
FOR DIVIDEND DECLARATION AT END OF PERIOD **P 426,805,135**

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer: **JOLLIVILLE HOLDINGS CORPORATION**

FOR THE REGISTRANT

Chief Executive Officer: **JOLLY L. TING**

Signature and Title: _____

Chief Executive Officer

Chief Financial Officer: **ORTRUD T. YAO**

Signature and Title: _____

Chief Financial Officer

Date: May 15, 2026

CERTIFICATION

I, **ORTRUD T. YAO**, Assistant Corporate Secretary of **JOLLIVILLE HOLDINGS CORPORATION (the "Corporation")**, with SEC Registration Number 134800 and principal office at 4th Floor 20 Lansbergh Place, 170 Tomas Morato Avenue, Quezon City, do hereby certify and state that:

- 1) That on behalf of the Corporation, I have caused this Quarterly Report (SEC Form 17-Q) to be prepared;
- 2) That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records; and
- 3) That the Corporation will comply with the requirements set forth in SEC Notice dated 24 June 2020 for a complete and official submission of reports and/or documents through electronic mail.

IN WITNESS WHEREOF, I have hereunto set my hand this May 15, 2026.

ORTRUD T. YAO

SUBSCRIBED AND SWORN to before me this 15 MAY 2026 in PASIG CITY, affiant exhibiting to me her driver license no. X01-13-003107 valid until July 13, 2034 as competent evidence of identity.

JOSHUA P. LAPUZ

Notary Public for Pasig City & Pateros
Commission No. 1 (2026-2027)

Roll 45790 / IBF Life 4879 / O.R. 593460 / 07-03-03

PTR 3962683AA / 01-05-26 / Pasig City

MCLE VIII-0025286 / 03-27-25 / ULAS n/a

Km. 7, G/F Armal Center, Caruncho Ave., Pasig City

Doc. No. 454;
Page No. 92;
Book No. 94;
Series of 2026