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Company Information

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Company Name: PH RESORTS GROUP HOLDINGS, INC.
Industry Classification: J66940
Company Type: Stock Corporation

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COVER SHEET

SEC Registration Number

CS200901269

COMPANY NAME

PH RESORTS GROUP HOLDINGS, INC. (FORMERLY PHILIPPINE H2O VENTURES CORP.)

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

20th Floor, Udenna Tower, Rizal Drive corner 4th Avenue, Bonifacio Global City, Taguig City

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-Q	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
phr_legal@phresorts.com	8403-4007 local 949	+63 917 503 0304

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
28	3rd Wednesday of May	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Leandro E. Abarquez	leandro.abarquez@udenna.ph	8403-4007 local 949	+63 917 503 0304

CONTACT PERSON's ADDRESS

19th Flr. Udenna Tower, Rizal Drive cor. 4th Ave. Bonifacio Global City, Taguig City 1634

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 of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

PH RESORTS GROUP HOLDINGS, INC.

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. **CS200901269**

3. BIR Tax Identification No. **007-236-853-000**

4. Exact name of registrant as specified in its charter:
PH RESORTS GROUP HOLDINGS, INC.

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:
19th Floor, Udenna Tower, Rizal Drive corner 4th Avenue, Bonifacio Global City, Taguig City 1634

8. Registrant's telephone no. and area code: **(632) 8838-1985**

9. Securities registered pursuant to Sections 4 & 8 of the RSA:

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Stock, ₱1 par value	**7,282,017,027**

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

If yes, state the name of such stock exchange and the classes of securities listed therein:
There are 7,282,017,027 common shares in the Company that are listed in the Philippine Stock Exchange.

11. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)
Yes [x] No [ ]

(b) has been subject to such filing requirements for the past 90 days:
Yes [x] No [ ]

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PH RESORTS GROUP HOLDINGS, INC. AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(with Comparative Audited Figures as of December 31, 2025)

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS		
Current Assets		
Cash (Note 5)	**₱9,098,274**	₱4,326,605
Trade and other receivables (Notes 5, 6 and 7)	**102,426,715**	102,236,996
Inventories	**1,792,993**	1,786,122
Prepayments and other current assets (Note 8)	**5,372,669**	5,530,061
Total Current Assets	**118,690,651**	113,879,784
Noncurrent Assets		
Property and equipment:		
Construction-in-progress and others - at cost (Notes 9, 10 and 11)	**71,442,287**	72,634,375
Land - at revalued amount (Notes 9 and 11)	**1,703,288,000**	1,703,288,000
Deposits for future property acquisition (Note 10)	**84,812,449**	84,812,449
Cash in escrow (Notes 5 and 22)	**267,328**	259,544
Input value-added tax (VAT) - net	**339,225,742**	339,184,284
Advances to contractors (Note 9)	**57,359,847**	57,359,847
Creditable withholding tax	**383,349,239**	383,316,185
Advances to related parties (Note 7)	**3,010,548**	3,010,549
Other noncurrent assets	**23,762,309**	24,022,810
Total Noncurrent Assets	**2,666,517,749**	2,667,888,043
TOTAL ASSETS	**₱2,785,208,400**	₱2,781,767,827
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 7 and 13)	**₱1,842,430,512**	₱1,803,899,024
Loans payable (Note 11)	**1,077,223,351**	1,074,004,476
Advances from related parties (Note 7)	**1,171,169,735**	1,171,169,735
Total Current Liabilities	**4,090,823,598**	4,049,073,235
Noncurrent Liabilities		
Retention payable (Note 9)	**25,002,727**	25,002,727
Deferred tax liabilities - net (Notes 9 and 17)	**104,794,835**	104,794,835
Advances for future stock subscription (Notes 7, 14 and 15)	**4,475,606,824**	4,475,606,824
Total Noncurrent Liabilities	**4,605,404,386**	4,605,404,386
Total Liabilities	**8,626,227,984**	8,654,477,621
Equity		
Capital stock (Note 15)	**7,282,017,027**	7,282,017,027
Additional paid-in capital (Note 15)	**1,629,450,205**	1,629,450,205
Deposit for future stock subscription (Notes 7 and 15)	**717,982,973**	717,982,973
Equity reserve (Notes 2 and 15)	**(4,126,935,056)**	(4,126,935,056)
Revaluation surplus (Notes 9 and 18)	**311,366,113**	311,366,113
Deficit (Note 15)	**(11,724,900,846)**	(11,686,591,056)
Total Equity (Net Capital Deficiency)	**(5,911,019,584)**	(5,872,709,794)
TOTAL LIABILITIES AND EQUITY	**₱2,785,208,400**	₱2,781,767,827

See accompanying Notes to the Consolidated Financial Statements.

PH RESORTS GROUP HOLDINGS, INC. AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

	2026	2025
NET OPERATING REVENUES		
Rooms	**₱6,599,829**	₱6,592,253
Food and beverage	**3,201,838**	4,006,679
Others	**300,254**	639,826
	10,101,921	11,238,758
DIRECT COSTS AND EXPENSES		
Salaries and wages	**1,628,262**	1,813,690
Inventories consumed	**1,208,892**	1,293,583
Other costs and expenses	**546,333**	1,579,528
	3,383,487	4,686,801
GROSS INCOME (LOSS)	**6,718,434**	6,551,957
OPERATING EXPENSES (Note 16)	**7,651,688**	44,992,677
OPERATING LOSS	**(933,254)**	(38,440,720)
NON-OPERATING INCOME (EXPENSES)		
Interest expense (Notes 7 and 11)	**(34,183,187)**	(245,881,987)
Interest income (Note 5)	**384**	303,945
Foreign exchange gain (loss) - net	**(3,017,846)**	8,401,808
Other income (expenses) - net	**(175,655)**	1,733,309
	(37,376,304)	(235,442,925)
LOSS BEFORE INCOME TAX	**(38,309,558)**	(273,883,645)
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 17)		
Current	**232**	220,619
Deferred	–	–
	232	220,619
NET LOSS	**(38,309,790)**	(274,104,264)
OTHER COMPREHENSIVE INCOME		
Revaluation surplus (Note 9)	–	–
Provision for deferred income tax (Note 17)	–	–
	–	–
TOTAL COMPREHENSIVE INCOME (LOSS) (Note 20)	**(₱38,309,790)**	(₱274,104,264)
Basic and Diluted Loss Per Share (Note 20)	**(₱0.0053)**	(₱0.0376)

See accompanying Notes to the Consolidated Financial Statements.

PH RESORTS GROUP HOLDINGS, INC. AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

	Capital Stock (Notes 1 and 15)	**Additional paid-in Capital** (Note 15)	**Deposit for Future Stock Subscription** (Note 14)	**Equity Reserve** (Notes 2 and 15)	**Revaluation Surplus** (Notes 8 and 15)	**Deficit** (Note 15)	**Total**
Balance as of December 31, 2025	**₱7,282,017,027**	**₱1,629,450,205**	**₱717,982,973**	**(₱4,126,935,056)**	**₱311,366,113**	**(₱11,686,591,056)**	**(₱5,872,709,794)**
Total comprehensive loss (Note 20)	–	–	–	–	–	**(38,309,790)**	**(38,309,790)**
Balance at March 31, 2026	**₱7,282,017,027**	**₱1,629,450,205**	**₱717,982,973**	**(₱4,126,935,056)**	**₱311,366,113**	**(₱11,724,900,846)**	**(₱5,911,019,584)**
Balance as of December 31, 2024	**₱7,282,017,027**	**₱1,629,450,205**	**₱717,982,973**	**(₱4,126,935,056)**	**₱2,892,969,846**	**(₱8,625,062,324)**	**(₱229,577,329)**
Total comprehensive loss (Note 20)	–	–	–	–	–	**(274,104,264)**	**(274,104,263)**
Balance at March 31, 2025	**₱7,282,017,027**	**₱1,629,450,205**	**₱717,982,973**	**(₱4,126,935,056)**	**₱2,892,969,846**	**(₱8,899,166,587)**	**(₱503,681,592)**

PH RESORTS GROUP HOLDINGS, INC. AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	**(₱38,309,553)**	(₱273,883,645)
Adjustments for:		
Interest expense (Notes 7 and 11)	**34,183,187**	245,881,987
Depreciation and amortization (Note 9)	**1,452,579**	2,217,199
Interest income (Note 5)	**(384)**	(303,945)
Unrealized foreign exchange loss (gain)	**3,017,846**	(8,401,808)
Loss before working capital changes	**343,675**	(34,490,212)
Decrease (increase) in:		
Trade and other receivables (Notes 5 and 6)	**(189,719)**	2,074,812
Inventories	**(6,871)**	(229,907)
Prepayments and other current assets (Note 8)	**124,338**	(1,167,368)
Advances to related parties (Note 7)	**–**	(800)
Increase (decrease) in trade and other payables (Notes 7 and 13)	**4,541,552**	26,179,891
Net cash provided by (used in) operations	**4,812,975**	(7,633,584)
Income taxes paid	**(232)**	(4,325)
Net cash provided by (used in) operating activities	**4,812,743**	(7,637,908)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in:		
Input VAT (Note 8)	**(41,458)**	(512,233)
Interest received	**384**	2,746
Additions to property and equipment (Note 9)	**–**	(2,750,665)
Net cash provided by (used in) investing activities	**(41,074)**	(3,260,152)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of financial liability from sale and leaseback with a repurchase option	**–**	(292,067,135)
Proceeds from deposit /advances for future stock subscription (Notes 7 and 14)	**–**	82,084,000
Payment of intercompany loan and related charges (Note 7)		
Proceeds from:		
Advances from related parties (Note 7)	**–**	318,588,000
Payments of:		
Interest	**–**	(30,208,236)
Deposits payable	**–**	(75,000,000)
Net cash provided by financing activities	**–**	3,396,628
NET INCREASE (DECREASE) IN CASH	**4,771,669**	(7,501,432)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	**–**	(2,642)
CASH AT BEGINNING OF THE YEAR	**4,326,605**	18,763,346
CASH AT END OF THE PERIOD (Note 5)	**9,098,274**	₱11,259,272

See accompanying Notes to the Consolidated Financial Statements.

1. **General Information**

Corporate Information
PH Resorts Group Holdings, Inc. (PH Resorts, or Parent Company) was incorporated in the Philippines and was registered with the Securities and Exchange Commission (SEC) on January 30, 2009. The common shares of the Parent Company were listed beginning November 24, 2011 and have been traded in the Philippine Stock Exchange (PSE) since then.

The registered office address of the Parent Company is at 20th Floor, Udenna Tower, Rizal Drive corner 4th Avenue, Bonifacio Global City, Taguig City.

The Parent Company and its subsidiaries are collectively referred to as "the Group". The Group's ultimate parent company is Udenna Corporation (Udenna).

The unaudited interim condensed consolidated financial statements as of March 31, 2026 and December 31, 2025 and for the three months ended March 31, 2026 and 2025 were authorized for issue by the Board of Directors (BOD) on September 4, 2026.

Subsidiaries of PH Resorts
PH Travel and Leisure Holdings Corp. (PH Travel) was incorporated and registered with the SEC on January 3, 2017. PH Travel's registered office and principal place of business is 20th Floor Udenna Tower, Rizal Drive corner 4th Avenue, Bonifacio Global City, Taguig. PH Travel's primary purpose is to invest in, purchase or otherwise acquire and own, hold, use, construct, develop, maintain, subdivide, sell, assign, lease and hold for investment, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including the management and operation of the activities conducted therein pertaining to general amusement and recreation enterprises, such as but not limited to resorts, clubhouses, and sports facilities, hotels, casino and gaming facilities, including all the apparatus, equipment and other appurtenances as may be related thereto or in connection therewith.

PH Travel holds investments in certain subsidiaries that are all incorporated in the Philippines and are engaged in businesses related to the main business of PH Travel. PH Travel and its subsidiaries shall herein be referred to as PH Travel Group.

On December 26, 2018, as a result of the effectivity of the assignment of shares and equity share swap transaction, PH Resorts holds 100% ownership interest in PH Travel and PH Travel and its subsidiaries became legal subsidiaries of PH Resorts.

As of March 31, 2025, PH Travel holds ownership interests in the following entities (collectively referred to as "PH Travel Group") incorporated in the Philippines:

Subsidiary Name	Nature of Business	Date of Incorporation	Percentage of Ownership
CD Treasures Holdings Corp. (CTHC)	Holding company	March 8, 2018	100%
LapuLapu Leisure, Inc. (LLI)	Hotels, casino and gaming	January 25, 2017	100%
LapuLapu Land Corp. (LLC)*	Real estate	February 14, 2017	100%
Clark Grand Leisure Corp. (CGLC)	Hotels, casino and gaming	March 7, 2018	100%
Donatela Hotel Panglao Corp. (DHPC)	Hotel and recreation	November 7, 2017	100%
Donatela Resorts and Development Corp. (DRDC)	Hotel and recreation	February 27, 2018	100%
Davao PH Resort Corp. (DPRC)	Hotel and recreation	April 8, 2018	100%

* *Indirect ownership through LLI.*

Provisional Licenses
On May 3, 2017, Philippine Amusement and Gaming Corporation (PAGCOR) issued a Provisional License (License) authorizing LLI to develop a property in Mactan Islands, LapuLapu City, Cebu and to establish and operate casinos and engage in gaming activities. The term of LLI's License is for a period of 15 years or until May 3, 2032, which may be renewed subject to the terms of conditions of the License. On August 27, 2020, PAGCOR's BOD extended the term of the License to be co-terminus with PAGCOR's current franchise or until July 11, 2033. However, on December 17, 2025, PAGCOR informed LLI and LLC of the approval by the PAGCOR Board of the revocation of its Provisional License.

On August 6, 2018, PAGCOR issued a Provisional License to CGLC for the development of an integrated tourism resort and to establish and operate a casino within Clark Freeport Zone (Clark Resort). On October 5, 2021, CGLC received approval from PAGCOR of its request to voluntarily suspend the Clark Provisional License. CGLC sought for the voluntary suspension of its license on the back of the Group's strategic plan to prioritize its resources towards the completion of the Emerald Bay project of Lapulapu Leisure, Inc. in Cebu. On August 30, 2022, upon the request of CGLC due to ongoing strategic investor negotiations, PAGCOR's BOD approved the lifting of the voluntary suspension of Clark Provisional License. However, in 2024, PAGCOR informed CGLC of the approval by the PAGCOR Board of the revocation of its Provisional License, and CGLC, in October 2025 complied with the publication condition imposed by the PAGCOR Board regarding the revocation of its Provisional License in lieu of surrendering the original for records purposes.

Further details of the terms and commitments under the Provisional Licenses are included in Note 19.

Status of Operations
The Group is engaged in the gaming and tourism industry-related businesses and previously had a construction project in Mactan Island, Lapu-Lapu, Cebu, which was intended to benefit from a 7-year exclusivity period in Lapu-Lapu City upon completion. The Group is also engaged in the operation of a resort in Panglao Island, Bohol which started commercial operations in 2018.

For the three months ended March 31, 2026 and 2025, the Group reported a net loss of ₱38.3 million and ₱274.1 million, respectively, which resulted in a deficit of ₱11,724.9 million and ₱8,899.2 million as of March 31, 2026 and 2025, respectively, and a capital deficiency of ₱6,629.0 million as at March 31, 2026. The Group's current liabilities exceeded its current assets by ₱3,972.1 million and ₱3,947.6 million as at March 31, 2026 and December 31, 2025, respectively, and the Group has negative operating cash flows of ₱7.5 million for the three months ended March 31, 2025.

In addition, the Group's option to repurchase its parcels of land and construction in progress under a sale and leaseback arrangement expired on March 31, 2025. As a result, the corresponding property plus improvements totaling ₱13.65 billion ("Cebu properties"), as well as the financial liabilities of ₱8.75 billion originating from the repurchase option were derecognized by LLI and LLC, resulting to a loss of ₱6,104 million.

Furthermore, in 2026, the land and improvements securing the loan of Donatela Hotel Panglao Corp. (DHPC) were subjected to extrajudicial foreclosure, the proceeds from sale of the properties will be applied against the loan from Landbank. As there were no other bidders during the foreclosure auctions, Landbank was declared the highest bidder. The parties are currently awaiting court confirmation of the sale, upon which ownership of the foreclosed properties will be transferred to Landbank.

These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern and, therefore, that the Group may not be able to realize its assets and discharge its liabilities in the normal course of business.

In response to these conditions, Management, together with the Group's ultimate parent company, Udenna Corporation ("Udenna"), has developed and is implementing a comprehensive financial and corporate restructuring plan designed to improve the Group's financial position, simplify its corporate structure, and enhance its long-term sustainability.

A significant component of the restructuring plan involves the proposed separation of PH Travel and its subsidiaries from PHR. Under the proposed restructuring, Udenna intends to acquire PHR's ownership interest in PH Travel through the settlement of outstanding advances payable by PHR to Udenna. The transaction is intended to simplify the Group's structure, substantially reduce outstanding related party advances, and reposition PHR as a streamlined listed holding company with significantly reduced legacy obligations.

In connection with the proposed restructuring, Udenna has committed to continue providing financial support to the Group and intends to facilitate the settlement and/or assumption of significant obligations associated with the PH Travel subgroup, including certain trade payables and related-party obligations, through debt assumption, assignment of liabilities, direct settlement arrangements, funding support, or such other commercially appropriate mechanisms as may be determined following legal, tax, accounting and regulatory review.

Management has likewise initiated the rationalization of outstanding intercompany balances within the Udenna Group through the offset and settlement of reciprocal receivables and payables. These initiatives are expected to simplify the Group's capital structure, reduce related-party exposures, improve the PHR's financial position, and enhance its ability to pursue future capital raising initiatives, strategic partnerships, and other corporate transactions.

In addition, the Group's liquidity plans include the following:

- Udenna has confirmed its continuing financial support to the Group and has committed, along with its other subsidiaries, not to demand payment of outstanding advances from the Group within the next twelve (12) months from July 31, 2026, and to provide financial assistance, as necessary, to enable the Group to meet its obligations as they fall due.
- Udenna commits, is willing and has the ability to provide continuing support to the Group with respect to the following liabilities: (a) US Dollar loan to 8H Capital Growth Asia Fund (see Note 11), (b) third party obligations (see Note 13), (c) related party payable (see Note 7) and (c) other pre-operating expenses in 2026. Udenna Corporation (UC) also committed that it will not collect its outstanding receivables from the Group in the next 12 months from July 31, 2026.
- Udenna continues to fund the Group's necessary operating expenditures, asset preservation costs, and other essential cash requirements while the restructuring initiatives are being implemented.
- Management continues to evaluate opportunities to restructure existing obligations, optimize the Group's capital structure, and pursue other value-enhancing transactions to improve liquidity and financial flexibility.

The successful implementation of the foregoing plans remains subject to the completion of the necessary corporate approvals, execution of definitive agreements, legal, tax and accounting assessments, regulatory requirements, and agreements among the relevant parties. Accordingly, a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Based on Management's assessment of the progress of the restructuring initiatives, the continuing financial support of Udenna, and Management's expectation that the foregoing plans will be successfully implemented, Management believes that the Group will have sufficient financial resources to meet its obligations as they fall due and continue its operations for the foreseeable future. Accordingly, the accompanying consolidated financial statements have been prepared on a going concern basis.

The status of operations of the subsidiaries is as follows:
LLI and LLC. Construction of Emerald Bay, an integrated tourism resort to be located on a 12.4-hectare site in Mactan Island, Lapu-Lapu, Cebu. On May 3, 2017, Philippine Amusement and Gaming Corporation (PAGCOR) issued a Provisional License (License) authorizing LLI to develop a property in Mactan Islands, LapuLapu City, Cebu and to establish and operate casinos and engage in gaming activities. The term of LLI's License is for a period of 15 years or until May 3, 2032, which may be renewed subject to the terms of conditions of the License. On August 27, 2020, PAGCOR's BOD extended the term of the License to be co-terminus with PAGCOR's current franchise or until July 11, 2033. However, on December 17, 2025, PAGCOR informed LLI and LLC of the approval by the PAGCOR Board of the revocation of its Provisional License.

DHPC. DHPC is the owner of the Donatela Resort & Sanctuary ("Donatela Resort"), a boutique-style, upscale hotel in Tawala, Panglao Island, Bohol. The resort was required in 2017 and commenced its operations under new ownership in January 2018. The Donatela Resort has upscale villas with private pools, and/or gardens, a highly-rated sea-view restaurant with an al fresco dining terrace and an expansive garden-view swimming pool and bar for hotel guests and intimate private events.

In July 2025, the Alona Property with an area of 2,000 sqm was sold for ₱55 million, the proceeds of which were applied as partial payment of interest on the loan with Land Bank of the Philippines (Landbank) loan. The sale was arranged by Udenna with Landbank's consent. Furthermore, in 2026, certain land and improvements pledged as collateral for DHPC's loan with Landbank were subjected to extrajudicial foreclosure proceedings. As there were no other bidders during the foreclosure auctions, Landbank was declared the highest bidder. The parties are currently awaiting court confirmation of the sale, upon which ownership of the foreclosed properties will be transferred to Landbank.

CGLC. CGLC currently leases the site on which the Clark Resort will be located from Global Gateway Development Corporation (GGDC). On October 5, 2021, CGLC received approval from PAGCOR for its request to voluntarily suspend its Provisional License in connection with the Group's strategic plan to prioritize its resources towards the completion of Emerald Bay. On August 30, 2022, upon the request of CGLC due to ongoing strategic investor negotiations, PAGCOR's BOD approved the lifting of the voluntary suspension of Clark Provisional License. However, in 2024, PAGCOR informed CGLC of the approval by the PAGCOR Board of the revocation of its Provisional License, and CGLC, in October 2025 complied with the publication condition imposed by the PAGCOR Board regarding the revocation of its Provisional License in lieu of surrendering the original for records purposes.

DPRC. Davao PH Resort Corp. is a wholly-owned subsidiary of PH Resorts which owns 3,134 sqm of prime commercial real estate in Azuela Cove, Davao City (Azuela Property). Azuela Cove is a 25-hectare master planned mixed use township jointly developed by Ayala Land and the Alcantara Group of Companies. The Azuela Property is planned as a mid-rise Branded Serviced Residence/Boutique Hotel with close proximity to the Davao International Airport. Discussions and due diligence are underway to select a complementary property on the Island Garden City of Samal that will be planned as Branded Serviced Residences/Hotel & Resort (Davao Projects) that can be reached via a short scenic boat ride and the future Davao-Samal Bridge that is currently under construction. A property for share swap is being contemplated as initial potential funding for the Davao Projects.

The other entities within the Group have no material operations as of March 31, 2026.

2. Basis of Preparation and Statement of Compliance

Basis of Preparation
The interim consolidated financial statements of the Group have been prepared on a historical cost basis, except for land which is carried at revalued amount. These interim consolidated financial statements are presented in Philippine peso, which is the Group's functional and presentation currency. All values are rounded to the nearest Peso, unless otherwise indicated.

Statement of Compliance
The interim consolidated financial statements of the Group as of March 31, 2026 and December 31, 2025 and for the three months ended March 31, 2026 and 2025 have been prepared in accordance with Philippine Accounting Standards ("PAS") 34, *Interim Financial Reporting*.

The interim condensed consolidated financial statements of the Group do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as of December 31, 2025.

Basis of Consolidation
On December 26, 2018, the equity share swap transaction between PH Resorts and PH Travel became effective. The acquisition transaction was accounted for similar to a reverse acquisition following the guidance provided by PFRS. In a reverse acquisition, the legal parent, PH Resorts, is identified as the acquiree for accounting purposes because PH Resorts did not meet the definition of a business and based on the substance of the transaction, the legal subsidiary, PH Travel, is adjudged to be the entity that gained control over the legal parent and was thus deemed to be the acquirer for accounting purposes. To classify as a business, it should consist of an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income or generating other income from ordinary activities. Accordingly, the consolidated financial statements of PH Resorts have been prepared as a continuation of the consolidated financial statements of the PH Travel Group. The PH Travel Group has accounted for the acquisition of PH Resorts on December 26, 2018, which was the date when PH Travel acquired control of PH Resorts (see Note 1).

The interim consolidated statements of financial position reflect the legal capital (i.e., the number and type of capital stock issued, additional paid-in capital and deficit) of PH Resorts. The adjustment, which is the difference between the capital structure of the PH Travel and PH Resorts, is recognized as part of equity reserve in the consolidated statements of financial position (see Note 15).

Reverse acquisition applies only to the interim consolidated financial statements of PH Resorts. The parent company financial statements will continue to represent PH Resorts as a stand-alone entity.

The interim condensed consolidated financial statements comprise the interim condensed financial statements of the Parent Company and its wholly owned subsidiaries as at March 31, 2025. The interim condensed financial statements of the subsidiaries are prepared for the same reporting period of the Parent Company, using consistent accounting policies. There are no noncontrolling interests as of March 31, 2026 and December 31, 2025.

3. **Summary of Material Accounting Policy Information**

New Standards, Interpretations and Amendments
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 21*, Lack of Exchangeability* – The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

Standards Issued But Not Yet Effective
Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements.

Effective beginning on or after January 1, 2026
- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to PFRS Accounting Standards—Volume 11
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities* and *Transaction Price*
  - Amendments to PFRS 10, *Determination of a "De Facto Agent"*
  - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027
- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements* - PFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure on newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified "roles" of the primary financial statements (PFS) and the notes. In addition, narrow-scope amendments have been made to PAS 8, *Statement of Cash Flows*, which include changing the starting point in determining cash flows from operations under the indirect method, from "profit or loss" to "operating profit or loss" and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. PFRS 18, and the amendments of other standards, is effective to reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. PFRS 18 will apply retrospectively. The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.
- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

Deferred effectivity

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

Summary of Material Accounting Policies

Business Combinations
Business combinations are accounted for using the acquisition method.

Financial Instruments
Financial Assets
The Group has financial assets at amortized cost consisting of cash, trade and other receivables, cash in escrow, advances to related parties and security deposits under "Prepayments and other current assets" and "Other noncurrent assets".

The expected credit losses (ECL) on cash, other receivables, cash in escrow, advances to related parties and security deposits are estimated applying 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 significant increase in credit risk (SICR) on these financial assets since initial recognition.

The Group considers that its high-grade cash in banks and cash in escrow have low credit risk based on external credit ratings of the banks. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

For other financial assets such as advances to related parties and security deposit, the ECL is based on the 12-month ECL. However, being due and demandable, the intercompany receivables, will attract a negligible ECL, since ECLs are only measured over the period in which the entity is exposed to credit risk. No other factors have been noted by the Group that would indicate that the advances are incapable of being repaid on demand, such that the borrower would default if the loan were called wherein the probability of default would need to be set to 100%.

ECLs on trade receivables are estimated by applying the simplified approach using a provision matrix developed based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial Liabilities
The Group's financial liabilities at amortized cost consist of loans payable, financial liability from sale and leaseback with a repurchase option, trade and other payables, retention payable, lease liabilities, advances from related parties, deposits payable and interest payable.

Modification of contractual cash flows
When the contractual cash flows of a financial instrument are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial instrument, the Group recalculates the gross carrying amount of the financial instrument as the present value of the renegotiated or modified contractual cash flows discounted at the original effective interest rate (EIR) (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the consolidated statement of comprehensive income.

When the modification of a financial instrument results in the derecognition of the existing financial instrument and the subsequent recognition of the modified financial instrument, the modified instrument is considered a “new” financial instrument. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset.

Inventories

Inventories are carried at the lower of cost and net realizable value (NRV). Cost is determined primarily on the basis of the moving average method. NRV is the selling price in the ordinary course of business, less the costs of completion, marketing and other costs necessary to make the sale.

Property and Equipment

Property and equipment, except for land, is stated at cost less accumulated depreciation, amortization and any accumulated impairment.

Land is measured at fair value at the date of revaluation. Changes in fair value of land, net of related deferred income tax, are recorded in other comprehensive income (OCI) and credited to the “Revaluation surplus” account in equity.

Depreciation and amortization, recognition of which commences when the asset becomes available for its intended use, are computed on a straight-line basis over the following estimated useful lives:

Land improvements and infrastructures	5-14 years
Buildings and plant	25 years
Office furniture, fixtures and equipment	2-10 years
Transportation equipment	5-7 years
Leasehold improvements and others	3years or lease term, whichever period is shorter

Construction-in-progress (CIP) represents properties under construction and is stated at cost. This includes cost of construction and other direct costs. The account is not depreciated until such time that the assets are completed and available for use. Interest costs on borrowings used to finance the construction of the project are accumulated under this account. Interest costs are capitalized until the project is completed and becomes operational. The capitalized interest is amortized over the estimated useful life of the related assets. The capitalization of interest cost is suspended during extended periods in which it suspends active development of a qualifying asset.

Leases

Determining the lease term of leases that are renewable subject to mutual agreement of the lessor and the lessee. Leasehold improvements are amortized based on the shorter of the estimated useful life of 3-5 years or the lease term which considers the enforceability of renewal options and limits on the use of the leasehold improvement.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Sale and leaseback
When determining whether the transfer of an asset should be accounted for as a sale, the seller-lessee applies the requirements in PFRS 15, *Revenue from Contracts with Customers,* on when an entity satisfies a performance obligation by transferring control of an asset. If control of an underlying asset passes to the buyer-lessor, the transaction is accounted for as a sale of the asset and a lease.

If the transfer of an asset is not a sale, the seller-lessee accounts for the transaction as a financing transaction. The Group accounts for the sale and leaseback of its land and improvements as a financing transaction (see Note 12).

The seller-lessee (the Group) keeps the transferred asset subject to the sale and leaseback transaction on its statement of financial position and accounts for amounts received as a financial liability in accordance with PFRS 9, *Financial Instruments*. The seller-lessee decreases the financial liability by the payments made less the portion considered as interest expense.

<u>Advances to Contractors</u>
Advances to contractors under “Noncurrent assets” represent initial payments made to contractors as mobilization funds for use in the construction of the Group’s buildings and building improvements and are initially recognized at cost. These are subsequently reduced proportionately upon receipt of progress billings.

<u>Deposits for Future Property Acquisition</u>
Deposits for future property acquisition represents installment payments made for contracts to purchase properties for which risks and rewards have not yet transferred to the Group.

<u>Deposits for Future Stock Subscription</u>
The deposits for future stock subscription account represents funds received by the Group which it records as such with a view to applying the same as payment for additional issuance of shares or increase in capital stock. Deposits for future stock subscription is reported as part of consolidated statement of changes in equity and as a separate item in the equity section of consolidated statement of statement of financial position, if the following criteria are met, otherwise, this is classified as noncurrent liability:

- the unissued authorized capital stock of the entity is insufficient to cover the number of shares indicated in the contract;
- there is BOD’s approval on the proposed increase in authorized capital stock (for which a deposit was received by the Group);
- there is stockholders’ approval of said proposed increase; and
- the application for the approval of the proposed increase has been filed with the SEC on or before the financial reporting date.

<u>Equity</u>
Equity reserve. Equity reserve account pertains to the equity adjustments resulting from the effect of the reverse acquisition and acquisition of a subsidiary.

<u>Revenue Recognition</u>
Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties. The Group assessed that is acting as a principal in its revenue arrangement since it has the discretion in establishing the prices and bears the credit risk.

The Group recognizes as revenue, the amount of the transaction price that is allocated to that performance obligation. Revenue is recorded net of trade discounts, estimates of other variable consideration and amounts collected on behalf of third parties.

The following specific criteria must also be met before revenue is recognized:
- *Rooms revenue.* Revenue is recognized at point in time when services are provided to the customers.
- *Food and beverage.* Revenue is recognized at point in time when goods are delivered to customers.
- *Other revenues.* Other revenues are recognized at point in time when services are performed.

4. Significant Accounting Judgments, Estimates and Assumptions

The significant accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements as at and for the period ended March 31, 2026 and December 31, 2025.

Assessment of going concern
As discussed in Note 1, the Group is engaged in the gaming and tourism industry-related businesses and previously had a construction project in Mactan Island, Lapu-Lapu, Cebu, which was intended to benefit from a 7-year exclusivity period in Lapu-Lapu City upon completion. The Group is also engaged in the operation of a resort in Panglao Island, Bohol which started commercial operations in 2018.

The Group reported net losses which resulted in a deficit and a capital deficiency as at March 31, 2026 and December 31, 2025. Also in the same years, the Group's current liabilities exceeded its current assets and has negative operating cash flows. In addition, the Group's option to repurchase its parcels of land and construction in progress under a sale and leaseback arrangement expired on March 31, 2025 resulting in the derecognition of certain properties (see Note 1). These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may not be able to realize its assets and discharge its liabilities in the normal course of business. The Group has ongoing plans for suitable financing and capital raising options (see Note 1).

Management believes that considering the progress of the steps undertaken to date as discussed in Note 1, these financing and capital raising plans are feasible and will generate sufficient cash flows to enable the Group to meet its obligations when they fall due and address the Group's liquidity requirements to support its operations and the completion of its projects. As such, the accompanying interim consolidated financial statements have been prepared on going concern basis of accounting.

5. Cash

As of March 31, 2026 and December 31, 2025, the Group's cash on hand and in banks amounted to ₱9.1 million and ₱4.3 million, respectively.

Cash in banks earn interest at the respective bank deposit rates. Interest income earned on cash amounted to ₱384 and ₱2,746 for the three months ended March 31, 2026 and 2025, respectively.

Cash in Escrow
Cash in escrow represents restricted fund for the development of the projects in accordance with the terms in the Provisional License. The Group's escrow account represents the aggregate balance of short-term placements maintained in local banks primarily to meet the requirements of the License Agreement with PAGCOR in relation to LLI and CGLC's investment commitments (see Note 19).

The Group's cash in escrow through CGLC amounted to ₱0.3 million as at March 31, 2026 and December 31,2025.

6. Trade and Other Receivables

	March 31, 2026	December 31, 2025
Receivable from sale of asset (Note 9)	**₱90,000,000**	₱90,000,000
Receivable from sale of a subsidiary (Notes 1, 7 and 20)	**10,000,000**	10,000,000
Trade	**1,919,237**	1,755,841
Others	**507,478**	481,155
	₱102,426,715	₱102,236,996

Receivables from sale of asset and a subsidiary are noninterest-bearing and collectible upon demand. Interest receivables are normally collectible within 90 days. Trade receivables are noninterest-bearing and are normally on a 30 to 120 days' term.

Other receivables are noninterest-bearing and include advances to officers and employees that are subject to liquidation and normally on a 30 to 120 days' term.

No provision for ECL was recognized in 2026 and 2025.

7. Related Party Transactions

Related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity and its key management personnel, directors or stockholders.

Approval requirements and limits on the amount and extent of related party transactions
Material related party transactions (MRPT) refers to any related party transaction either individually or over a twelve (12)-month period, amounting to ten percent (10%) or higher of the total assets. All individual MRPT shall be approved by the majority vote of the BOD. Directors with personal interest in the transaction shall abstain from discussions and voting on the same.

Outstanding balances at year-end are unsecured and non-interest bearing and settlement occurs in cash throughout the financial year. There have been no guarantees provided or received for any related party receivables or payables. The impairment assessment on advances to related parties, is based on the 12-month ECL. However, being due and demandable, the intercompany receivables will attract a negligible ECL, since ECLs are only measured over the period in which the Group is exposed to credit risk. No other factors have been noted by the Group that would indicate that the advances are incapable of being repaid on demand, such that the borrower would default if the loan were called wherein the probability of default would be needed to be set to 100%. For the three months ended March 31, 2026 and 2025, the Group has not recorded any impairment on amounts owed by related parties.

The Group, in the normal course of business, has transactions with the following companies which have common members of BOD and stockholders as the Group:

Relationship	Name
Ultimate Parent Company	Udenna Corporation
Affiliates under Common Control	CGLC Cultural Heritage Foundation, Inc.
	Clark Grand Leisure
	Chelsea Shipping Corp.
	Emerald Development Holdings Ltd. (Emerald)
	Enderun Hospitality Management and Consultancy Services (Enderun)
	Global Gateway Development Corp. (GGDC)
	L3 Concrete Specialists Inc.
	Lapulapu Cultural Heritage Foundation, Inc.
	LapuLapu Land Corp. (LLC)
	Phoenix Petroleum Philippines, Inc.
	Udenna Land Inc. (ULI, formerly UDEVCO)
	Udenna Management & Resources Corp.
	Udenna Tower Corporation (UTOW)
	Udenna Water & Integrated Services, Inc.
	Valueleases Inc.

The consolidated statements of financial position include the following amounts with respect to the balances with related parties as of March 31, 2026 and December 31, 2025:

	Amount/ Volume of Transactions		Outstanding Receivable (Payable)		Terms & Conditions
	2026 (Three Months)	2025 (One Year)	**March 31, 2026**	December 31, 2025	Terms & Conditions
Udenna, *Ultimate Parent Company*					
Cash advances from a related party for working capital and project completion (ii)	**₱–**	₱315,140,499	**(₱640,031,076)**	(₱640,031,076)	Unsecured; noninterest-bearing; due and demandable
Deposit for future stock subscription (see Note 14) (a)(iv)	–	–	**(717,982,973)**	(717,982,973)	Non-refundable
Advances for future stock subscription (a)(v)	–	347,723,136	**(4,475,606,824)**	(4,475,606,824)	Unsecured; noninterest-bearing; due and demandable
Entities under Common Control					
Cash advances to related parties (i)	–	2,136,026	**3,010,548**	3,010,548	Unsecured; noninterest-bearing; not impaired; due and demandable
Cash advances from related parties for working capital (ii)	–	(2,894,029)	**(41,597,892)**	(41,597,892)	Unsecured; noninterest-bearing; due and demandable
Cash advances from related parties for working capital (b) (ii)	–	–	**(354,540,765)**	(354,540,765)	Unsecured; due within 1 to 2 years
Interest payable on other advances (b) (iii)	–	–	**(182,078,074)**	(182,078,074)	Unsecured; noninterest-bearing; due and demandable
Management and consultancy services (see Notes 13 and 15) (c) (iii)	–	–	**(7,564,797)**	(7,564,797)	Unsecured; noninterest-bearing; due and demandable
Due from a related party for sale of a subsidiary (see Notes 1, 6 and 21) (vii)	–	–	**10,000,000**	10,000,000	Unsecured; noninterest-bearing; due and demandable
Stockholder					
Cash advances from a stockholder for working capital (ii)	–	(90,000,000)	**(₱135,000,000)**	(₱135,000,000)	Unsecured; noninterest-bearing; due and demandable
Employees					
Advances to employees (see Note 6) (vii)	–	(1,996,858)	**503,622**	503,622	Unsecured; noninterest-bearing; not impaired; one-month liquidation

i. Outstanding balance is included in Advances to related parties as of March 31, 2026 and December 31, 2025.
ii. Outstanding balance is included in Advances from related parties as of March 31, 2026 and December 31, 2025.
iii. Outstanding interest is included in Trade and other payables as of March 31, 2026 and December 31, 2025.
iv. Outstanding balance is presented under the Equity section in the consolidated statements of financial position as of March 31, 2026 and December 31, 2025.
v. Outstanding balance is presented in Advances for future stock subscription as of March 31, 2026 and December 31, 2025.
vi. Outstanding balance is presented in Interest payable as of March 31, 2026 and December 31, 2025.
vii. Outstanding balance is included in Trade and other receivables as of March 31, 2026 and December 31, 2025.

(a) *Deposit and advances for future stock subscription from Ultimate Parent Company*

In 2025 and 2024, the Group received deposits for future stock subscription from Udenna totaling ₱347.7 million and ₱459.6 million, respectively, and is presented as part of "Advances for future stock subscription" under Liabilities in the consolidated statements of financial position.

As of April 30, 2025, the Company is in the process of completing the application requirements for SEC approval on the increase in authorized capital stock. As such the deposits received for future stock subscription in excess of the authorized capital stock is presented as part of liabilities in the consolidated statements of financial position.

(b) *Interest-bearing cash advances from related parties*

Various related parties granted advances to the Group to finance the operating activities and financing requirements. Total advances amounted to ₱1,171.2 million as of March 31, 2026 and December 31, 2025. These are unsecured, with interest rates ranging from 8.5% to 12%, and are due and demandable.

Interest incurred on these advances for the three months ended March 31, 2026 and 2025 were nil. Interest payable of ₱182.1 million as of March 31, 2026 and December 31, 2025 is included under "Trade and other payables" account in the consolidated statements of financial position (see Note 13). No interest was incurred on related party advances during 2025 as these advances were no longer interest-bearing.

(c) *Management fees*

In February 2023, DHPC entered into a 5-year Hotel Management Service Agreement with Enderun. Enderun manages DHPC's hotel operations starting April 1, 2023 until March 31, 2028 according to the terms and conditions set forth in the agreement. Management fees consist of basic management fee, incentive fee, marketing fee and corporate shared service fees (see Notes 13 and 16).

(d) *Guarantees*

LLI's USD-denominated bank loan with Chinabank is secured by a corporate guaranty by Udenna Corporation and by certain stockholders through a Continuing Surety Agreement with the bank (see Note 11).

LLI's USD-denominated bank loan with Chinabank was secured by a corporate guaranty from Udenna Corporation and by certain stockholders through a Continuing Surety Agreement with the bank. In 2025, the loan was fully extinguished in connection with the settlement/extinguishment of the peso-denominated loan facility. Accordingly, the related guarantees and security arrangements are no longer applicable as of March 31, 2026 and December 31, 2025. (Note 11)

The performance of the obligations of DHPC to Landbank at any time under the loan agreement shall be the joint and several liability of PH Travel and DHPC (see Note 11).

(e) *Compensation and Other Benefits of Key Management Personnel*

The compensation of key management personnel pertaining to salaries and short-term employee benefits amounted to nil for the three months ended March 31, 2026 and ₱6.4 million for the three months ended March 31, 2025.

8. **Prepayments and Other Current Assets**

	March 31, 2026	December 31, 2025
Input VAT	**₱1,760,813**	₱1,786,366
Prepaid insurance	**1,335,089**	950,877
Advances to contractors	**910,404**	1,426,455
Short-term security deposits	**365,487**	365,487
Others	**1,000,876**	931,827
	₱5,372,669	₱5,461,012

Prepaid insurance represent prepayments on insurance, rent and other expenses which amortized on a periodic basis over a period not exceeding one year.

Advances to contractors represent downpayments made for contracts of services entered with suppliers to be provided within a year.

Short-term security deposits represent unsecured and noninterest-bearing deposits for use of equipment and for office rentals which are renewable annually.

Other current assets represent unsecured, noninterest-bearing cash advances for business-related expenditures and are subject to liquidation within a year.

9. Property and Equipment

At Cost

	March 31, 2026						
	Land Improvements and Infrastructures	**Buildings and Plant**	**Office Furniture, Fixtures and Equipment**	**Transportation Equipment**	**Leasehold improvements and Others**	**CIP (see Notes 7, 11 and 22)**	**Total**
Cost	**₱8,890,452**	**₱71,885,370**	**₱32,946,963**	**₱5,558,274**	**₱39,347,267**	**₱18,353,072**	**₱176,981,398**
Accumulated Depreciation							
Beginning balances	**4,419,900**	**24,115,953**	**30,915,005**	**5,548,898**	**39,347,267**	**–**	**104,347,023**
Depreciation (Note 16)	**164,562**	**822,256**	**204,145**	**1,125**	**–**	**–**	**1,192,088**
Ending balances	**4,584,462**	**24,938,209**	**31,119,150**	**5,550,023**	**39,347,267**	**–**	**105,539,111**
Net Book Value	**₱4,305,990**	**₱46,947,161**	**₱1,827,813**	**₱8,251**	**₱–**	**₱22,033,295**	**₱71,442,287**

	2025						
	Land Improvements and Infrastructures	Buildings and Plant	Office Furniture, Fixtures and Equipment	Transportation Equipment	Leasehold improvements and Others	Construction-in-progress (see Notes 7, 11 and 22)	Total
Cost							
Beginning balances	₱8,890,452	₱140,635,370	₱32,883,074	₱5,558,274	₱39,347,267	₱8,252,830,375	₱8,480,144,812
Additions	–	–	117,322	–	–	2,655,622	2,772,944
Impairment	–	–	–	–	–	(3,680,223)	(3,680,223)
Disposals	–	(68,750,000)	(53,433)	–	–	(8,233,452,702)	(8,302,256,135)
Ending balances	8,890,452	71,885,370	32,946,963	5,558,274	39,347,267	18,353,072	176,981,398
Accumulated Depreciation							
Beginning balances	3,761,654	31,012,115	30,029,822	5,544,398	35,938,848	–	106,286,837
Depreciation (Note 18)	658,246	5,082,041	910,416	4,500	3,408,419	–	10,063,622
Disposals	–	(11,978,203)	(25,233)	–	–	–	(12,003,436)
Ending balances	4,419,900	24,115,953	30,915,005	5,548,898	39,347,267	–	104,347,023
Net Book Value	₱4,470,552	₱47,769,417	₱2,031,958	₱9,376	₱–	₱18,353,072	₱72,634,375

The CIP account reflects expenditures related to the US$300.0 million investment commitment of LLI required by the License Agreement with PAGCOR. Total Project cost includes land acquisition; costs related to securing development rights; construction and development costs; and all other direct expenses. No borrowing costs were capitalized in 2025, 2024 and 2023. In prior years, the CIP account includes capitalized borrowing costs of ₱246.3 million, equivalent to the effective interest incurred on the loans (see Note 11).

Advances to contractors of ₱57.4 million as of March 31, 2026 and December 31, 2025 relates to initial deposits made for the ongoing construction of the Project. Retention payable to suppliers and contractors related to the construction project amounted to ₱25.0 million as at December 31, 2025 and 2024. In 2025, the Group recognized impairment loss on its advances to contractors amounting to ₱471.2 million which is presented separately as part of the Non-operating Income (Expenses) section of the 2025 statement of comprehensive income.

Land at Revalued Amounts

	March 31, 2026	December 31, 2025
Land at the beginning of year at fair value	**₱1,703,288,000**	₱9,389,665,639
Disposal	–	(7,686,377,639)
Balance at end of year	**₱1,703,288,000**	₱1,703,288,000

LLC's land property includes a 12.5-hectare beachfront property and another 4,511-sqm adjacent property located in LapuLapu City, Mactan Island, Cebu. The fair value of this property based on latest appraisal amounted to ₱7,636.4 million as at December 31, 2024. Bulk of this property was acquired in 2019 in connection with the Group's purchase of LLC, which owns the project site of Emerald Bay. On March 31, 2025, as a result of the expiration of the sale and leaseback arrangement, the carrying amount of LLC's land property was derecognized (see Note 12). In turn, the related revaluation surplus accumulated for these properties amounting to ₱2,581.6 million were transferred to retained earnings in 2025.

The Group also owns the Donatela Resort & Sanctuary situated on 7.2 hectares of land in Panglao Island, Bohol as well as 2,000 sqm. of commercial property adjacent to Alona Beach, which were purchased in 2018. On September 30, 2025, the commercial property with net book value of ₱50.0 million was sold resulting in a loss on sale of property amounting to ₱0.8 million and is presented as part of Gain/loss on sale of PPE in the 2025 consolidated statements of comprehensive income. As at March 31, 2026 and December 31, 2025, the Bohol properties were valued at ₱1,443.3 million. In 2026, the parcels of land and related improvements pledged as collateral for DHPC's loan with Landbank were subjected to extrajudicial foreclosure proceedings.

In addition, the Group owns 3,134 sqm of land in Azuela Cove in Davao City, a 25-hectare master planned mixed use township co-developed by Ayala Land and the Alcantara Group of Companies. The land purchase was completed in 2019 and as at March 31, 2026 and December 31, 2025, has an appraised value of ₱260.0 million.

As of March 31, 2026 and December 31, 2025, Management assessed whether there were any significant changes in the assumptions and market conditions used in the previous independent valuation. This assessment included a review of the property's physical condition, highest and best use, zoning, and observable market information for comparable commercial lots within the same location. Based on the assessment, Management concluded that there were no significant changes in the property or market conditions that would materially affect its fair value. Accordingly, Management believes that the carrying amount continues to approximate the fair value of the property as of March 31, 2026 and December 31, 2025, and an updated independent appraisal was not considered necessary.

Management assessed the property as of December 31, 2025 and noted no significant changes in the physical condition of the property or in market, economic, and legal conditions that would materially affect its fair value since the latest independent appraisal in December 2024. Accordingly, management believes that the appraised value remains representative of the property's fair value as of March 31, 2026 and December 31, 2025.

The market values were based on the valuation performed by independent appraisers. Revaluation surplus on land are as follows:

	March 31, 2026	December 31, 2025
Balance at beginning of year, net of tax	**₱311,366,113**	₱2,892,969,846
Transfer of revaluation surplus to retained earnings	**–**	(2,581,603,733)
Balance at end of year, net of tax	**₱311,366,113**	₱311,366,113

Description of the valuation techniques and key inputs to valuation of lands to its revalued amount is as follows:

Valuation technique	Significant unobservable input	**Range**
Sales comparison approach	Selling price of identical piece of land	**₱20,000 to ₱200,000 per square meter**
	External factor adjustments	**-20% to 5%**
	Internal factor adjustments	**-30% to 35%**
	Average fair value after internal and external factor adjustments	**₱24,000 to ₱83,000 per square meter**

The value of the land was estimated by using the "Sales comparison approach". The aforesaid approach is based on sales and listings of comparable property registered within the vicinity. The technique of this approach requires the establishment of comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as basis of comparison are situated within the immediate vicinity of the subject property. The unobservable inputs to determine the market value of the property are the following: location characteristics, size, improvements and developments, and time element.

DHPC's land, land improvements and infrastructures and building are used as a real estate mortgage with Landbank (see Note 11). The carrying value of the pledged properties was ₱1.44 billion as of March 31, 2026 and December 31, 2025.

Sale and leaseback with Chinabank

In 2023, in connection with the full settlement and discharge of its Peso bridge loan amounting to ₱3.1 billion and accrued interest amounting to ₱323.78 million, LLI entered into a Deed of Assignment with Chinabank whereby it irrevocably cedes, assigns, transfers and conveys to Chinabank, free from all liens, encumbrances, restrictions, claims and occupants, all of its rights, title and interest in the improvements in Emerald Bay. As part of the agreement, the maturity of the US dollar denominated loan was extended to March 31, 2025.

In connection with the full settlement and discharge of its Peso bridge loan amounting to ₱2.1 billion and accrued interest amounting to ₱219.33 million, LLC also entered into a Deed of Assignment with Chinabank whereby it irrevocably cedes, assigns, transfers and conveys to Chinabank, free from all liens, encumbrances, restrictions, claims and occupants, all of its rights, title and interest in its parcels of land with a total area of 122,857 sqm.

On October 2, 2023, LLI, as the lessee, entered into a lease agreement with Chinabank to lease back the improvements in Emerald Bay and the parcels of land in exchange for semi-annual rental of ₱292.1 million. LLI or its assignee has the option to purchase back the properties for ₱5.74 billion within the option period up to March 31, 2025, plus all taxes, legal costs, fees and expenses paid by Chinabank in relation to the Deeds of Assignment and the transactions contemplated.

In August 2024, Chinabank amended the terms of the sale and leaseback, with option to buy-back agreement. This amendment increased the buyback cost by approximately ₱1.5 billion.

Management assessed that the assignment of the properties did not qualify as a sale considering the Group's option to repurchase the asset. Chinabank was not able to obtain control over the assets. As such, the transactions were collectively treated as a financing transaction (see Note 12) and the Group continued to recognize the transferred properties.

As discussed in Note 9, in October 2023, the Group assigned certain parcels of land and the improvements in Emerald Bay to Chinabank in connection with the full settlement and discharge of the Peso bridge loans totaling ₱5.2 billion and accrued interest amounting to ₱543.1 million. The Group also entered a lease agreement with Chinabank to lease back the properties to allow the Group continued possession and use over the properties in order to finish the construction and development of Emerald Bay. In addition, LLI or its assignee has the option to buy back the properties up to March 31, 2025 for ₱5.74 billion plus certain transactions costs.

In August 2024, Chinabank amended the terms of the sale and leaseback to increase the buyback cost by approximately ₱1.5 billion. This resulted in the recognition of a "Loss on modification of financial liability" amounting to ₱1.46 billion presented under non-operating expense in the consolidated statement of comprehensive in 2024.

Considering the option to buy back the properties, the transactions were collectively accounted for as a financing transaction. The modified loans payable is presented as "Financial liability from sale and leaseback with a repurchase option" in the consolidated statements of financial position.

The option to buy back the properties expired on March 31, 2025. In connection with this, the corresponding property plus improvements totaling ₱13.7 billion, as well as financial liabilities of ₱7.8 billion, bank loans of ₱1.1 billion and accounts payable representing transaction costs of ₱784.0 million originating from the repurchase option were derecognized.

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10. Deposits for Future Property Acquisition

On October 18, 2017, DHPC entered into a contract to sell, to acquire various parcels of land situated in Tawala, Panglao, Bohol and in Tagbilaran City, Bohol, with a total area of 74,578 square meters. The parcels of land contain improvements, consisting of several structures/buildings, walkways, gardens, as well as fixtures, furniture, and other personal properties and accessories owned by the seller.

The Deeds of Absolute Sale for the 67,853 square meters were executed in August 2018 for a total consideration of ₱1.14 billion which was subsequently reclassified as property and equipment. As of March 31, 2026 and December 31, 2025, deposit for future property acquisition amounting to ₱84.8 million pertains to the partial settlement for the remaining area. As at March 31, 2026 and December 31, 2025, DHPC has already paid ₱1.12 billion, which represents 98% of the total purchase price.

11. **Loans Payable**

	March 31, 2026	December 31, 2025
Short-term loans:		
US dollar denominated loans* (a)	**₱104,091,990**	₱101,066,360
Long-term loan -		
Peso denominated loans (b)	**973,131,361**	972,938,116
Loans payable	**₱1,077,223,351**	₱1,074,004,476

**US dollar denominated loans were translated to Philippine Peso using foreign exchange closing rate of ₱60.55 on March 31, 2026 and ₱58.79 on December 31, 2025.*

a. USD-Denominated Short-term Loan

The US$1.5 million short-term loan obtained in August 2024, with an outstanding balance of US$1.47 million remained unpaid as of December 31, 2025. Following the Company's failure to settle the loan upon maturity, the repayment dates were extended through successive term sheet amendments, with accrued interest capitalized into the principal balance. Consequently, the outstanding obligation increased from US$1.47 million to US$1.72 million as of December 31, 2025. Based on the latest term sheet, the loan is payable in two installments: (i) US$528,092 due on January 2, 2026, and (ii) US$1,191,016 due on February 9, 2026. These were subsequently settled in July and August 2026 through additional advances from Udenna.

Udenna, as the ultimate parent company of LLI provided a letter of financial support to ensure repayment of this loan.

b. Landbank (formerly UCPB) Loan

On September 3, 2018, UCPB granted DHPC a ₱975.0 million term loan with a term of 10 years. DHPC used the proceeds to refinance the acquisition of the Donatela Hotel.

The details of the loan are as follows:

	March 31, 2026	December 31, 2025
Principal at amortized cost	**₱975,000,000**	₱975,000,000
Less unamortized debt issue costs	**(1,868,639)**	(2,061,884)
Noncurrent portion	**₱973,131,361**	₱972,938,116

Outstanding loan balance as of March 31, 2026 and December 31, 2025 amounted to ₱975.0 million. The loan bears an annual interest rate based on the one-year PH Bloomberg Valuation Rate (PH BVAL) at the time of availment or resetting, as the case may be, plus a spread of 3.0% per annum. In no case, however, shall the interest be lower than 6.0% per annum. Interest shall be subject to resetting on the anniversary date of the availment and every year thereafter. Interest expense incurred on this loan amounted to ₱34.2 million and ₱47.8 million for the three months ended March 31, 2026 and 2025, respectively. Amortized debt issue costs of ₱0.2 million for the three months ended March 31, 2026 and 2025 were expensed and presented as part of “Interest expense” in the consolidated statements of comprehensive income.

In February 2022, UCPB further deferred all the amounts due on March 3, 2022 to June 3, 2022.

On March 1, 2022, the merger between UCPB and state-run Landbank took effect, with Landbank being the surviving entity. On June 1, 2022, Landbank further approved that interest and principal payments due beginning June 2022 to December 2023 are to be paid equally over the remaining life of the loan starting March 3, 2024 until the loan's maturity on September 1, 2028.

DHPC must comply with certain financial covenants for the term of the loan, including maintaining a debt service coverage ratio of at least 1.25x and a debt-to-equity ratio of not exceeding 2.33x. As at December 31, 2025 and 2024, DHPC's ratios exceeded the requirement in the financial covenants. The Group continues to present the Landbank loan as a current liability to address the ratio requirements.

In connection with a Memorandum of Agreement signed between AppleOne and DHPC (see Note 1) in 2024, negotiations with Landbank on a proposed loan repayment schedule between DHPC and AppleOne were made in 2024. No definitive agreements were entered as of July 31, 2026.

In 2024, Udenna, as the ultimate parent company of DHPC and PHTLC, reconfirmed its letter of support to PH Resorts Group that it will cover DHPC's loan with Landbank (₱975 million principal plus interest) and shall ensure that the same can be paid by DHPC and/or PH Travel.

The loan is secured by a real estate mortgage over the financed properties and the pledge of all the shares of stock issued by DHPC (see Note 9). The carrying value of the pledged properties and shares of stock amounted to ₱1.44 billion and ₱1.50 billion as at December 31, 2025 and 2024, respectively. In 2026, the land and improvements of DHPC pledged as collateral for its loan with Landbank were subjected to extrajudicial foreclosure proceedings.

The performance of the obligations of DHPC due to Landbank at any time under the loan agreement and the payment of the availments therein shall be the joint and several liability of PH Travel and DHPC (see Note 9).

In 2026, the land and improvements of DHPC pledged as collateral for its loan with Land Bank of the Philippines (LandBank) were subjected to extrajudicial foreclosure proceedings. As there were no other bidders during the foreclosure auctions, Landbank was declared the highest bidder. The parties are currently awaiting court confirmation of the sale, upon which ownership of the foreclosed properties will be transferred to Landbank.

12. **Financial Liability from Sale and Leaseback with a Repurchase Option and Other Current and Noncurrent Liabilities**

As discussed in Note 9, in October 2023, the Group assigned certain parcels of land and the improvements in Emerald Bay to Chinabank in connection with the full settlement and discharge of the Peso bridge loans totaling ₱5.2 billion and accrued interest amounting to ₱543.1 million. The Group also entered a lease agreement with Chinabank to lease back the properties to allow the Group continued possession and use over the properties in order to finish the construction and development of Emerald Bay. In addition, LLI or its assignee has the option to buy back the properties up to March 31, 2025 for ₱5.74 billion plus certain transactions costs.

In August 2024, Chinabank amended the terms of the sale and leaseback to increase the buyback cost by approximately ₱1.5 billion. This resulted in the recognition of a "Loss on modification of financial liability" amounting to ₱1.46 billion presented under non-operating expense in the consolidated statement of comprehensive in 2024.

Considering the option to buy back the properties, the transactions were collectively accounted for as a financing transaction. The modified loans payable were presented as “Financial liability from sale and leaseback with a repurchase option” in the consolidated statements of financial position in prior years. However, the option to buy back the properties expired on March 31, 2025. In connection with this, the corresponding property plus improvements totaling ₱13.65 billion, as well as financial liabilities of ₱7.96 billion, bank loans of ₱1.08 billion and accounts payable representing transaction costs of ₱783.95 million originating from the repurchase option were derecognized.

13. Trade and Other Payables

	March 31, 2026	December 31, 2025
Payable to contractors (Note 9)	**₱741,888,639**	₱886,282,934
Interest payable (Notes 7 and 11)	**847,053,107**	813,063,164
Statutory payables	**72,057,853**	71,455,843
Management fees payable (Note 7)	**7,564,797**	7,564,797
Trade payables	**162,314,077**	15,022,261
Others	**11,552,039**	10,510,025
	₱1,842,430,512	₱1,803,899,024

Payable to contractors are noninterest-bearing and normally settled within three months.

Interest payables, statutory payables, including withholding taxes, payables to SSS, Pag-IBIG and Philhealth, and accrued documentary stamp taxes, and management fees payable are noninterest-bearing and are normally settled within the following month.

Trade payables from non-related parties are non-interest bearing and are normally settled within the following month.

14. Deposit and Advances for Future Stock Subscription

Udenna Corporation

In December 2021 and July 2022, PH Resorts received deposits for future stock subscription from Udenna Corporation amounting to ₱47.5 million and ₱562.4 million, respectively.

On December 29, 2022, PH Resorts and Udenna Corporation executed a Memorandum of Agreement for the subscription of shares for ₱609.92 million common shares with a subscription price of ₱1.00 per share. This is presented as “Deposit for future stock subscription” under Equity in the consolidated statement of financial position as of December 31, 2022.

In March 2023, PH Resorts received deposits for future stock subscription from Udenna Corporation amounting to ₱329.58 million. On March 30, 2023, PH Resorts and Udenna Corporation executed a Memorandum of Agreement for the subscription of shares for 329.6 million common shares with a subscription price of ₱1.00 per share. The ₱108.06 million is presented as “Deposit for future stock subscription” under Equity in the consolidated statements of financial position while the ₱221.52 million is presented as part of “Advances for future stock subscription” under Liabilities in the consolidated statements of financial position.

From April to November 2023, PH Resorts received advances for future stock subscription from Udenna Corporation totaling ₱3,146.6 million. These are presented as "Advances for future stock subscription" under Liabilities in the consolidated statements of financial position.

In October 2024, PH Resorts received advances for future stock subscription from Udenna Corporation of ₱699.0 million, which was used to significantly reduce the balance of the Deposit payable to BRC. Total advances for future stock subscription received by PH Resorts from Udenna Corporation in 2024 amounted to ₱759.7 million.

In 2025, additional deposits for future stock subscription were received by PH Resorts from Udenna amounting to ₱347.7 million, which was utilized to further reduce the Deposit payable to BRC. As of December 31, 2025 and 2024, Deposits and advances for future stock subscription from Udenna totaled ₱5.19 billion and ₱4.85 billion respectively.

As of April 30, 2025, PH Resorts is in the process of completing the application requirements for SEC approval on the increase in authorized capital stock. As such the deposits received for future stock subscription in excess of the authorized capital stock are presented as part of liabilities in the parent company statement of financial position.

Tiger Resort Leisure & Entertainment, Inc (TRLEI)

On December 8, 2023, PH Travel, the immediate parent company of LLI and LLC, executed a term sheet with TRLEI to acquire a significant majority ownership of LLI and LLC as operators of the Emerald Bay project, subject to various conditions, allowing them to take over the development of Emerald Bay. The conditions included, among others, the execution of definitive agreements, and the approval from the relevant governmental authorities, if any. The final terms were subject to shareholders' approval, once determined. Pursuant to the provisions of the term sheet, LLI received partial nonrefundable payments from TRLEI totaling ₱300.1 million and were presented as part of "Advances for future stock subscription" under Liabilities in the consolidated statement of financial position as of December 31, 2023.

On July 1, 2024, PH Travel and TRLEI terminated the Term Sheet dated December 8, 2023. Despite termination, this development gave the Group an opportunity to engage with other parties which have already expressed their keen interest in the Emerald Bay Project, but have been unable to formalize due to the restrictions under the TRLEI deal. These strategic investor discussions are ongoing with several parties. Due diligence is ongoing and in various stages of completion, as detailed below. Following the termination of the Term Sheet, the nonrefundable amounts received by LLI from TRLEI totaling ₱327.6 million were reclassified from "Advances for future stock subscription" under Liabilities in the consolidated statement of financial position to "Other income (expenses) - net" in the consolidated statement of comprehensive income for the year ended December 31, 2024.

Bloomberry Resorts Corporation (BRC)
On May 6, 2022, PH Travel signed a term sheet with BRC. The term sheet covered the proposed investment of BRC into LLI and CGLC. The term sheet included several conditions to closing such as: (a) execution of mutually acceptable definitive agreements; (b) approval of regulators; (c) approval of creditors; (d) completion of audited financial statements; (e) corporate approvals; and (f) cooperation on due diligence, among others. On March 22, 2023, the Group received a letter from BRC terminating the term sheet dated May 6, 2022. Following this development, the Group reentered into discussions with other parties that were previously put on hold due to the contemplated investment by BRC. The Group received a ₱1.0 billion deposit from BRC presented as "Deposits payable" in the statement of financial position as at December 31, 2023. The ₱1.0 billion deposit payable was partially paid in October 2024 by ₱699.0 million, significantly reducing the balance to ₱301.0 million as at December 31, 2024 which fully paid using additional deposit for future stock subscription from Udenna (into PHR) in 2025.

15. **Equity**

Capital Stock
The Parent Company's common shares (at ₱1.00 par value per share) consist of the following:

	March 31, 2026		December 31, 2025	
	Number of shares	**Amount**	Number of shares	Amount
Authorized	**8,000,000,000**	**₱8,000,000,000**	8,000,000,000	₱8,000,000,000
Subscribed				
Balance at beginning of the year	**7,282,017,027**	**₱7,282,017,027**	7,282,017,027	₱7,282,017,027
Issuance during the year	**–**	**–**	–	–
Issued and outstanding	**7,282,017,027**	**₱7,282,017,027**	7,282,017,027	₱7,282,017,027

Track Record of Registration of Securities

Authorized capital stock

Date	Activity	Par Value	No. of Common Shares	Balance
January 30, 2009	Authorized	1.00	–	200,000,000
December 2015	Increased	1.00	300,000,000	500,000,000
December 10, 2018	Increased	1.00	7,500,000,000	8,000,000,000

Issued and outstanding

Date	Activity	No. of Common Shares	Balance
January 30, 2009	Issued and outstanding	162,161,000	162,161,000
December 2015	Stock dividend; issued during offer	81,080,504	243,241,504
December 21, 2018	Issued	406,376,691	649,618,195
December 26, 2018	Issued	4,143,648,309	4,793,266,504
November 5, 2020	Issued	450,000,000	5,243,266,504
December 4, 2020	Issued	1,686,309,523	6,929,576,027
August 18, 2021	Issued	352,441,000	7,282,017,027

On June 25, 2018, the BOD and the stockholders approved the increase in authorized capital stock from 500,000,000, consisting of 500,000,000 common shares with a par value of ₱1.00 per share to 8,000,000,000 consisting of 8,000,000,000 common shares with a par value of ₱1.00 per share (see Note 1).

As discussed in Notes 1 and 2, Udenna Corporation and PH Resorts executed a deed of assignment on June 27, 2018 wherein Udenna assigned, transferred and conveyed 100% of its equity interest in PH Travel consisting of 500,000,000 issued and outstanding common shares with a par value of ₱1.00 per share in exchange for (a) 4,143,648,309 shares with a par value of ₱1.00 per share to be issued by PH Resorts to Udenna out of the PH Resorts' increase in authorized capital stock, and (b) cash of ₱ 406.38 million.

On December 10, 2018, the SEC approved the application for increase in authorized capital stock. The issuance of 4,143,648,309 shares of PH Resorts occurred on December 26, 2018 and on the same date, the assignment of shares and equity share swap transaction became effective. On the same date, PH Travel became a legal subsidiary of PH Resorts (see Note 1).

Incremental costs of ₱69.2 million directly attributable to the issuance of shares were deducted from the additional paid-in capital of ₱58.1 million. The balance of ₱11.1 million increased the deficit to ₱110.7 million as of December 31, 2018.

On December 21, 2018, a group of investors subscribed to 406,376,691 shares with a par value of ₱ 1.00 per share. The subscription receivables amounting to ₱406.4 million were fully collected as at December 31, 2019.

On November 5, 2020, PH Resorts conducted a follow-on equity offering of 450.0 million primary common shares (inclusive of the overallotment offer). According to the Lead Underwriter and Issue Manager, Unicapital, Inc., and Co-Lead Underwriter Abacus Capital and Investment Corporation, the issue was more than 2.5x oversubscribed. The offer was priced at ₱1.68 and the shares were listed on the PSE on November 5, 2020. The Parent Company received ₱756.0 million in gross proceeds from the offer.

On December 4, 2020, PH Resorts and Udenna Corporation executed a share subscription agreement for 1.69 billion common shares with a subscription price of ₱1.68 per share. The issuance of common shares resulted to a reclassification of the ₱2.58 billion deposit for future stock subscription from Udenna Corporation to common stock (see Note 14). The difference between the subscription price and the par value was recognized as additional paid-in capital.

In 2020, incremental costs directly attributable to the issuance of shares from the Group's follow-on equity offering and share subscription agreement of ₱45.8 million were deducted from the additional paid-in capital.

In August 2021, PH Resorts successfully conducted a top-up placement from a selected group of Qualified Institutional Buyers (QIB) investors as defined under the Securities Regulation Code. The transaction consisted of 352,441,000 shares sold by the Parent Company's parent Udenna Corporation at ₱1.70 per share. With the proceeds, Udenna Corporation subscribed to the same number of shares issued by PH Resorts at the same price, thereby injecting the funds into the latter. The proceeds will be used for the continued construction of Emerald Bay. The top-up placement was successfully consummated despite the re-imposition of the ECQ restriction in the NCR and certain adjacent provinces as well as steadily rising COVID-19 cases nationwide at that time. The Parent Company received ₱ 599.1 million in gross proceeds from this transaction. The difference between the subscription price and the par value amounting to ₱246.7 million was recognized as additional paid-in capital. Incremental costs directly attributable to the issuance of the shares amounting to ₱24.2 million were deducted from the additional paid-in capital.

Equity Reserve

The amount of equity reserve consists of the net difference between the cost of PH Resorts to acquire PH Travel Group and the legal capital of the latter (i.e., common stock and additional paid-in capital) at the date of reverse acquisition of PH Resorts as of December 26, 2018, the date of effectivity of the share swap transaction.

The equity reserve as a result of the reverse acquisition in 2018 is accounted for as follows:

Retroactive adjustment of legal capital of PH Resorts	₱–
Issuance of additional shares of PH Resorts	4,143,648,309
Cash consideration	406,351,691
Total consideration transferred by PH Resorts	4,550,000,000
Elimination of PH Travel Group's legal capital	(500,000,000)
Equity reserve	₱4,050,000,000

On October 14, 2019, LLI acquired the shares of stock of LLC for a total consideration of ₱1.6 billion. The acquisition is accounted as an asset acquisition since the transaction did not meet the definition of a business under PFRS 3. As a result, additional equity reserve was recognized amounting to ₱76.9 million.

As of March 31, 2026 and December 31, 2025, equity reserve amounted to ₱4,126.9 million.

16. **Operating Expenses**

	For the three months ended	
	March 31, 2026	March 31, 2025
Salaries and wages	**₱2,292,002**	₱11,505,714
Depreciation and amortization (Notes 9 and 13)	**1,452,579**	2,217,199
Taxes and licenses	**1,146,858**	746,127
Utilities and communications	**799,980**	1,445,906
Management fees	**716,670**	778,908
Repairs and maintenance	**384,413**	612,859
Dues and subscription	**300,996**	455,923
Professional fees	**217,500**	1,326,531
Insurance	**152,506**	319,108
Sales marketing and advertising	**52,172**	141,196
Transportation and travel	**49,876**	2,474,718
Representation and entertainment	**17,839**	133,093
Office supplies	**15,583**	46,755
Outside services	**2,472**	–
Rentals	**–**	39,458
Miscellaneous	**50,242**	22,749,182
	₱7,651,688	₱44,992,677

Miscellaneous expense in 2025 includes additional transaction costs related to the SLBB agreement that were recognized at the end of its term on March 31, 2025.

17. **Income Taxes**

a. The current provision for income tax pertains to final withholding taxes on interest income and MCIT.

b. The reconciliation between the benefit from income tax computed at statutory income tax rate and the provision for income tax shown in the consolidated statements of comprehensive income is as follows:

	For the three months ended	
	March 31, 2026	March 31, 2025
Benefit from income tax computed at statutory income tax rate of 25%	**(₱9,577,389)**	(₱68,470,911)
Tax effects of:		
Nondeductible expenses	**13,997**	46,614
Movement in unrecognized deferred tax asset	**9,563,652**	68,501,321
MCIT	–	171,115
Nontaxable income	–	(241)
Movement in deferred tax liability, income subjected to final tax rate and others	**(28)**	(27,279)
	₱232	₱220,619

c. The components of the Group's deferred income tax liabilities - net are as follows:

	March 31, 2026	December 31, 2025
Deferred tax liabilities:		
Revaluation surplus (see Note 9)	**₱100,899,992**	₱100,899,992
Other noncurrent liability	**3,894,843**	3,894,843
Deferred tax liabilities - net	**₱104,794,835**	₱104,794,835

The deferred tax liabilities were measured using the appropriate corporate income tax rate on the year these are expected to be reversed or settled.

The Group did not recognize the following deferred tax assets. Upon the opening of Emerald Bay, management will reconsider this position.

	March 31, 2026	December 31, 2025
NOLCO	**₱13,067,783,177**	₱13,383,549,096
MCIT	**9,396,366**	9,396,366
Unrealized foreign exchange loss	**911,335**	1,207,192
	₱13,078,090,878	₱13,394,152,654

NOLCO incurred can be carried over and claimed as deduction from the RCIT for the next three (3) consecutive taxable years. As of March 31, 2026, NOLCO of the Group can be applied against future taxable income within the periods shown below:

Period of Recognition	Availment Until	Beginning Balances	Addition	Expired	Ending Balances
2021	2026	350,375,184	–	350,375,184	–
2023	2026	6,602,556,202	–	–	6,602,556,202
2024	2027	420,417,226	–	–	420,417,226
2025	2028	6,010,200,484	–	–	6,010,200,484
2026	2029	–	34,609,265	–	34,609,265
		₱13,383,549,096	₱34,609,265	₱350,375,184	₱13,067,783,177

Following are the details of the Group's MCIT as of March 31, 2026:

Period of Recognition	Availment Until	Beginning Balances	Addition	Expired	Ending Balances
2023	2026	1,692,666	–	–	1,692,666
2024	2027	7,160,010	–	–	7,160,010
2025	2028	543,690	–	–	543,690
		₱9,396,366	₱–	₱–	₱9,396,366

d. On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the Minimum Corporate Income Tax (MCIT) rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act (RA) No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE)" Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

   Consequently, the Group recognized MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023.

18. Financial Risks Management Objectives and Policies

The Group's principal financial instruments are cash which finance the Group's operations. The other financial assets and liabilities arising from its operations are trade and other receivables, security deposits, advances from and to related parties, cash in escrow, trade and other liabilities, loans payable, lease liabilities, retention payables and other payables.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, foreign currency risk and interest rate risk. The BOD reviews and approves policies for managing each of these risks and they are summarized below:

Credit Risk. Credit risk is the risk that the Group will incur a loss because its customers or counterparties failed to discharge their contractual obligations. The Group manages and controls credit risk by dealing only with recognized and creditworthy financial institutions and third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. 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 table below shows the maximum exposure to credit risk for the Group's financial assets, without taking account of any collateral and other credit enhancements:

	March 31, 2026	December 31, 2025
Cash*	**₱9,098,274**	₱4,326,604
Trade receivable	**1,919,237**	1,755,841
Other receivables***	**100,000,056**	100,000,056
Advances to related parties	**3,010,548**	3,010,548
Security deposit**	**15,099,792**	15,099,792
Cash in escrow	**267,328**	259,544
Total credit risk exposure	**₱129,395,235**	₱124,452,385

**Excluding cash on hand*
***Presented under "Prepaid and other current assets" and "Other noncurrent assets" accounts in the consolidated statements of financial position.*
****Pertains to receivable from sale of a subsidiary and accrued interest receivable.*

The financial assets of the Group are neither past due nor impaired and have high probability of collection as of March 31, 2026 and December 31, 2025.

The following tables below summarize the staging considerations (other than trade receivables subject to provision matrix) of the Group's financial assets as at March 31, 2026 and December 31, 2025.

	Financial Assets at Amortized Cost			
March 31, 2026	**Stage 1 (12-month ECL)**	**Stage 2 (Lifetime ECL)**	**Stage 3 (Credit impaired)**	**Total**
Cash	**₱9,098,274**	**₱–**	**₱–**	**₱9,098,274**
Other receivables	**100,000,056**	**–**	**–**	**100,000,056**
Advances to related parties	**3,010,548**	**–**	**–**	**3,010,548**
Security deposits	**15,099,792**	**–**	**–**	**15,099,792**
Cash in escrow	**267,328**	**–**	**–**	**267,328**
Total	**₱127,475,998**	**₱–**	**₱–**	**₱127,475,998**

	Financial Assets at Amortized Cost			
December 31, 2025	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Credit impaired)	Total
Cash	₱4,326,604	₱–	₱–	₱4,326,604
Other receivables	100,000,056	–	–	100,000,056
Advances to related parties	3,010,548	–	–	3,010,548
Security deposits	15,099,792	–	–	15,099,792
Cash in escrow	259,544	–	–	259,544
Total	₱122,696,544	₱–	₱–	₱122,696,544

Liquidity Risk. Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet or settle its obligations within a reasonable period of time.

The Group maintains a financial strategy to raise adequate capital, obtain long-term financing and when applicable, generate enough cash from its business operations to satisfy debt service requirements.

The table below summarizes the maturity profile of the Group's financial liabilities (principal and interest) as of March 31, 2026 and December 31, 2025, based on contractual undiscounted payments. The table also analyses the maturity profile of the Group's financial assets in order to provide a complete view of the Group's contractual commitments and liquidity.

	March 31, 2026			
	Due and Demandable	**Less Than One Year**	**More than One Year**	**Total**
Cash*	**₱9,098,274**	**₱–**	**₱–**	**₱9,098,274**
Trade and other receivables	**100,000,056**	**1,919,237**	**–**	**101,919,293**
Advances to related parties	**3,010,548**	**–**	**–**	**3,010,548**
Security deposits**	**–**	**–**	**15,099,792**	**15,099,792**
Cash in escrow	**–**	**–**	**267,328**	**267,328**
	₱112,108,878	**₱1,919,237**	**₱15,367,120**	**₱129,395,235**
Loans payable****	**–**	**1,924,276,458**	**–**	**1,924,276,458**
Trade and other liabilities***	**–**	**1,298,318,052**	**–**	**1,298,318,052**
Retention payable	**–**	**–**	**25,002,727**	**25,002,727**
Advances from related parties	**1,171,169,730**	**–**	**–**	**1,171,169,730**
	1,171,169,730	**3,222,594,510**	**25,002,727**	**4,418,766,967**
Liquidity gap	**(₱1,059,060,852)**	**(₱3,220,675,273)**	**(₱9,635,607)**	**(₱4,289,371,732)**

	December 31, 2025			
	Due and Demandable	Less Than One Year	More than One Year	Total
Cash*	₱4,326,604	₱–	₱–	₱4,326,604
Trade and other receivables	100,000,056	1,755,841	–	101,755,897
Advances to related parties	3,010,548	–	–	3,010,548
Security deposits**	–	–	15,099,792	15,099,792
Cash in escrow	–	–	259,544	259,544
	107,337,208	1,755,841	15,359,336	124,452,385
Loans payable****	–	1,887,067,640	–	1,887,067,640
Trade and other payables***	–	1,306,696,663	–	1,306,696,663
Retention payable	–	–	25,002,727	25,002,727
Advances from related parties	1,171,169,730	–	–	1,171,169,730
	1,171,169,730	3,193,764,303	25,002,727	4,389,936,760
Liquidity gap	(₱1,063,832,522)	(₱3,192,008,462)	(₱9,643,391)	(₱4,265,484,375)

**Excluding cash on hand*
***Presented under "Prepaid and other current assets" and "Other noncurrent assets" accounts in the consolidated statements of financial position.*
****Excluding statutory payables.*
*****Including contractual interest and excluding unamortized debt issue costs.*

The Group expects to meet its operating assets and liabilities, capital expenditure and investment requirements for the next 12 months primarily from financial support from parent ultimate parent company and capital raising options. It may also from time to time seek other sources of funding, which may include debt or equity financing, depending on its financing needs and market conditions.

Foreign Currency Risk. Foreign currency risk is the risk that the fair value of future cash flows from the Group's foreign currency-denominated assets and liabilities may fluctuate due to changes in foreign exchange rates. The Group continuously evaluates the movements of foreign exchange rates with the possible risk given its financial position.

The Group's objective is to keep transactional currencies at an acceptable level to its operations to minimize foreign exchange exposures. To mitigate the Group's exposure to foreign currency risk, cash flows denominated in foreign currencies are monitored and future hedging arrangements are being considered.

Information on the Group's foreign currency-denominated monetary financial assets and financial liabilities and their Peso equivalents are as follows:

	March 31, 2026		December 31, 2025	
	US$ Value	**Peso Equivalent**	US$ Value	Peso Equivalent
Assets				
Cash	**$5,751**	**₱ 348,250**	$6,603	₱388,165
Cash in escrow	**4,415**	**267,328**	4,415	259,544
	10,166	**615,578**	11,018	647,709
Liabilities				
Loans payable	**1,719,108**	**104,091,990**	1,719,108	101,066,360
Total		**(₱103,476,412)**		(₱100,418,651)

As of March 31, 2026 and December 31, 2025, the closing exchange rate was ₱60.55 and ₱58.79 for each US$, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rates, with all other variables held constant, of the Group's loss before tax (due to revaluation of monetary assets and liabilities). The change in foreign currency exchange rate is based on the change between the current year and prior year foreign exchange rates. There is no impact on equity other than those already affecting pretax loss.

	Changes in Foreign Exchange Rates	Impact on Loss Before Income Tax
March 31, 2026	**Decreased by 2.44%**	**₱2,524,824**
	Increase by 2.44%	**(2,524,824)**
December 31, 2025	Decreased by 1.63%	(₱10,581)
	Increase by 1.63%	10,581

Interest Rate Risk. The Group's exposure to changes in market interest rate risk primarily relates to the Group's debt with floating interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rate, with all other variables held constant, of the Group's loss before tax. There is no impact on equity other than those already affecting pretax loss.

	Changes in Basis Points	Impact on Loss Before Income Tax
March 31, 2026	**+100**	**(₱2,697,730)**
	-100	**2,697,730**
December 31, 2025	+100	(₱10,910,117)
	-100	10,910,117

Capital Management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern, so that it can provide returns to stockholders and benefits to other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it in light of funding needs and changes in economic conditions. The Group's debt-to-capitalization ratios are as follows:

	March 31, 2026	December 31, 2025
Total debt	**₱1,077,223,351**	₱1,074,004,476
Total capitalization	**15,182,280,380**	15,179,061,505
	0.07:1	0.07:1

Total debt is defined by the Group as its bank loans from financial institutions while total capitalization as used in the table above is defined as debt, capital stock, deposit and advances for future stock subscription and APIC. The Group's goal in capital management is to maintain an optimum capital structure of a debt to capitalization ratio of not higher than 70%. This will be maintained with the Group's ongoing negotiations for financing and capital raising transactions with potential creditor and investors.

Under its loan agreements , LLC and LLI are required to maintain on a combined basis a debt-to-equity ratio of not more than 2.33 to 1.0. In 2025, the associated loan arrangements were extinguished. Accordingly, the debt-to-equity covenant was no longer applicable as of March 31, 2026 and December 31, 2025.

DPHC was required to maintain a debt-to-equity ratio of not more than 2.33 under its loan agreement. In 2026, certain land and improvements of DHPC pledged as collateral for its loan with Land Bank of the Philippines were subjected to extrajudicial foreclosure proceedings. As a result, ownership of the foreclosed properties was transferred to the lender. Accordingly, the debt-to-equity covenant and related compliance requirements under the loan arrangement are no longer applicable as of March 31, 2026 and December 31, 2025.

19. Commitments and Contingencies

License Agreement with PAGCOR

a) As discussed in Note 1, on May 3, 2017, PAGCOR issued a Provisional License (License) authorizing LLI to develop an integrated resort and casino in LapuLapu City, Mactan Island, Cebu Province and to establish and operate casinos and engage in gaming activities. The term of LLI's License shall be for a period of 15 years or until May 3, 2032. On August 27, 2020, PAGCOR's BOD extended the term of the License to be co-terminus with PAGCOR's current franchise or until July 11, 2033. The License may be renewed subject to certain terms and conditions. However, on December 17, 2025, PAGCOR informed LLI and LLC of the approval by the PAGCOR Board of the revocation of its Provisional License.

   i. *Debt-Equity Ratio Requirement*

   The License provides, among others, that LLI's License may be revoked or suspended upon failure of LLI to comply with the 70% Debt - 30% Equity ratio requirement of PAGCOR. Testing date as stated in the License is to be performed every June and December.

To ensure compliance with the debt-equity requirement, LLI applied for an increase in its authorized capital stock from ₱500.0 million to ₱1.5 billion, which was approved by the SEC on February 19, 2018. In addition, on April 17, 2018, LLI and ULI submitted a request to PAGCOR to:

a. Amend the Provisional License to remove ULI as a co-licensee and replace it with its wholly-owned subsidiary, LLC.
b. Use the pro-forma consolidated financial statements of the co-licensees in the calculation of the 70% Debt - 30% Equity ratio.

On April 23, 2018, PH Travel fully subscribed to the remaining 1.0 billion authorized capital stock of LLI which served to improve the debt-equity ratio.

On July 19, 2018, PAGCOR approved the amendments of the Provisional License to remove ULI as a co-licensee and replace it with its wholly-owned subsidiary, LLC, and use the financial statements of the co-licensees in the calculation of the 70% Debt - 30% Equity ratio.

As of March 31, 2026 and December 31, 2025, LLI no longer held a valid PAGCOR license. Accordingly, the debt-to-equity requirement under the applicable financing arrangements was no longer applicable as of that date.

ii. *Investment Commitments*

As required by the License, LLI is required to complete its US$300.0 million investment commitment in phases. The cost of the Project includes land acquisition costs, costs related to securing development rights, construction, equipment acquisition, development costs, financing costs and all other expenses directly related to the completion of the Project.

As a requirement in developing the aforementioned Project, LLI is required to maintain a $15 million escrow account into which all funds for development of The Emerald Bay must be deposited.

iii. *Requirement to Establish a Foundation*

LLI, with the approval of PAGCOR, is required to incorporate and register a foundation for the restoration of cultural heritage (Foundation) not later than 60 days from the signing of the License Agreement. The Foundation shall be funded by LLI by setting-aside, on a monthly basis, a certain percentage of total gross gaming revenues generated from non-junket tables. The funds set aside for such purpose shall be remitted to the Foundation on or before the 10th day of the succeeding month.

On August 16, 2017, LapuLapu Cultural Heritage Foundation, Inc. was incorporated. However, no fund has been set aside by LLI as no gaming revenue has been recognized since its incorporation.

b) As discussed in Note 1, on August 6, 2018, PAGCOR issued a Provisional License to CGLC for the development of an integrated tourism resort and to establish and operate a casino within Clark Freeport Zone. The term of Clark's License shall be for a period of 15 years from issuance date or until July 11, 2033. On October 5, 2021, CGLC received approval from PAGCOR of its request to voluntarily suspend the Clark Provisional License. CGLC sought for the voluntary suspension of its license on the back of the Group's strategic plan to prioritize its current resources towards the completion of Emerald Bay. The voluntary suspension shall be effective until further notice. On August 30, 2022, upon the request of CGLC due to ongoing strategic investor negotiations, PAGCOR's BOD approved the lifting of the voluntary suspension of Clark Provisional License. In 2024, PAGCOR informed CGLC of the approval by the PAGCOR Board of the revocation of its Provisional License. Revocation will be finalized once CGLC surrenders the original copy of the Provisional License granted by PAGCOR. Under the Clark Provisional License, CGLC shall, among others, comply with the following:

i. *Investment Commitments*

As required by the License Agreement, CGLC is required to invest a minimum of US$200 million in the approved development (the Clark Investment Commitment), provided that 40% of the Clark Investment Commitment is spent within two years after the issuance of the Clark Provisional License, subject to an extension that PAGCOR may grant at its discretion.

As a requirement in developing the aforementioned Project, CGLC is required to maintain a $10 million escrow account into which all funds for development of Clark must be deposited.

ii. *Debt-Equity Ratio Requirement*

The License Agreement provides, among others, that CGLC's License may be revoked or suspended upon failure of CGLC to comply with the 70% Debt - 30% Equity ratio requirement of PAGCOR. There should be a certification from the Comptroller together with the certification from its independent external auditor that CGLC complies with the 70% Debt – 30% Equity ratio requirement of PAGCOR within sixty (60) calendar days after the end of each semi-annual period of each year. Furthermore, CGLC shall submit its semi-annual unaudited financial statements sixty (60) calendar days after the end of the applicable semi-annual period and an annual audited financial statements, within one hundred twenty (120) days after CGLC's year end.

For purposes of measuring its debt-equity ratio in relation to PAGCOR's requirement, management considers its interest-bearing liabilities as debt in the absence of any specification or definition in the License Agreement.

iii. *Requirement to Establish a Foundation*

CGLC is required, on a monthly basis, to remit 2% of casino revenues generated from non-junket tables to a foundation devoted to the restoration of Philippine cultural heritage, as selected by CGLC and approved by PAGCOR.

On November 29, 2018, CGLC Cultural Heritage Foundation, Inc. was incorporated. However, no fund has been set aside by CGLC as no gaming revenue has been recognized since its incorporation.

c) Compliance with Provisional License

As discussed in Note 1, in 2017 and 2018, PAGCOR issued a Provisional License (License) authorizing LLI and CGLC to develop an integrated resort and casino and to establish and operate casinos and engage in gaming activities. The term of License shall be for a period of 15 years and the License may be renewed subject to certain terms and conditions. Under the License, LLI and CGLC shall, among others, comply with (i) investment commitments; (ii) escrow account with maintaining balance of $15.0 million for LLI and $10.0 million for CGLC; (iii) debt-to-equity ratio of 70:30; and (iv) establish a Foundation. Under the Provisional License, PAGCOR has enumerated grounds for revocation or suspension of the License subject to notice and due process. In 2024, PAGCOR informed CGLC of the approval by the PAGCOR Board of the revocation of its Provisional License. Revocation will be finalized once CGLC surrenders the original copy of the Provisional License granted by PAGCOR.. In October 2025, CGLC complied with the publication condition imposed by the PAGCOR Board regarding the revocation of its Provisional License in lieu of surrendering the original for records purposes.

PAGCOR allows the Group to utilize the escrow account subject to certain conditions such as (i) drawdowns must be used exclusively for the development of the project; (ii) the Group must furnish PAGCOR with a monthly report of drawdowns and bank's statement of the escrow account; and, (iii) replenishment of maintaining balance not later than 15 calendar days from the date escrow account fell below the maintaining balance.

There are certain charges from PAGCOR related to the escrow maintaining balance. These are reflected in trade and other payables and operating expenses accounts.

As at March 31, 2026 and December 31, 2025, the Group's cash in escrow amounted to ₱0.3 million. The Group partially utilized the cash in escrow for the development of the project.

20. Loss Per Share

Basic Loss Per Share amounts are calculated by dividing the net loss for the period attributable to common shareholders by the weighted average number of common shares outstanding during the period. The following table presents information necessary to calculate Loss Per Share:

	Three months ended	
	March 31, 2026	March 31, 2025
Net loss attributable to the equity holders of the Parent Company	**(₱38,309,785)**	(₱274,104,264)
Divided by weighted average number of common shares of Parent Company	**7,282,017,027**	7,282,017,027
	(₱0.0053)	(₱0.0376)

The Parent Company has no dilutive potential common shares outstanding, therefore basic loss per share is the same as diluted loss per share.

21. Segment Information

Segment information is prepared on the following bases:

Business Segments
The business segments pertain mainly to hotel and restaurant activities. Assets and processes related to other business activities such as gaming are still not operational as of reporting period. For management purposes, the Group is organized into two business activities - Hotel and restaurant and others. This segmentation is the basis upon which the Group reports its primary segment information.

Business Segment Data
Hotel and restaurant segment comprise revenues from hotel and restaurant activities and other incidental services related thereto. The following table presents the revenue and expense information and certain assets and liabilities information regarding business segments:

	March 31, 2026			
	Hotels and Restaurant	Gaming	Eliminations	Total
Revenue	₱10,101,921	₱–	₱–	₱10,101,921
Results				
Direct costs and expenses	(3,383,487)	–	–	(3,383,487)
Operating expenses	(5,843,609)	(355,500)	–	(6,199,109)
Foreign exchange loss - net	–	(3,017,846)	–	(3,017,846)
Depreciation	(1,178,728)	(273,851)	–	(1,452,579)
Interest expense	(34,183,187)	–	–	(34,183,187)
Interest income	357	27	–	384
Income tax expense	(227)	(5)	–	(232)
Other non-operating income (expense) - net	(177,479)	1,829	–	(175,650)
Net loss	(34,644,439)	(3,645,346)	–	(38,309,785)
Assets and liabilities				
Operating assets	1,625,085,444	9,612,926,858	(8,452,803,902)	2,785,208,400
Operating liabilities	1,057,184,132	4,148,740,132	(2,167,321,290)	3,038,602,974
Loans payable	973,131,361	104,091,990	–	1,077,223,351
Deferred tax liabilities	93,865,135	10,929,700	–	104,794,835
Advances for future stock subscription	18,000,000	6,157,463,774	(1,699,856,950)	4,475,606,824
Deposit for future stock subscription	–	717,982,973	–	717,982,973
Total liabilities	2,142,180,628	11,139,208,569	(3,867,178,240)	9,414,210,957

	March 31, 2025			
	Hotels and Restaurant	Gaming	Eliminations	Total
Revenue	₱11,238,759	₱–	(₱–)	₱ 11,238,759
Results				
Direct costs and expenses	(4,686,801)	–	–	(4,686,801)
Operating expenses	(5,982,569)	(36,792,910)	–	(42,775,479)
Foreign exchange loss - net		8,401,808	–	8,401,808
Depreciation	(1,183,084)	(1,034,115)	–	(2,217,199)
Interest expense	(47,977,567)	(197,904,424)	4	(245,881,987)
Interest income	872	303,074	–	303,945
Income tax expense	(175,089)	(45,530)	–	(220,619)
Other non-operating expense - net	1,744,926	(11,616)	–	1,733,310
Net loss	(47,020,554)	(227,083,713)	4	(274,104,263)
Assets and liabilities				
Operating assets	1,676,792,747	40,342,547,533	(22,562,347,709)	19,456,992,571
Operating liabilities	857,595,878	5,216,538,387	(2,072,075,231)	4,002,059,034
Loans payable	972,358,381	1,052,854,700	–	2,025,213,081
Financial liability from sale and leaseback with a repurchase option	–	7,816,052,810	–	7,816,052,810
Advances for future stock subscription	18,000,000	10,859,462,435	(6,667,494,747)	4,209,967,688
Deferred tax liability	98,380,525	1,809,001,027		1,907,381,552
Total liabilities	₱1,946,334,784	₱26,753,909,359	(₱8,739,569,978)	₱19,960,674,165

SECTION 2. Management's Discussion and Analysis of Financial Condition and Plan of Operations

The following management's discussion and analysis relate to the condensed consolidated financial information and operating results of the Group and should be read in conjunction with the accompanying unaudited condensed consolidated financial statements and related notes of the Group as of March 31, 2026 and December 31, 2025, and for the three months ended March 31, 2026 and 2025.

2.1 Overview and Plan of Operation

Plan of Operations

Management, together with the Group's ultimate parent company, Udenna Corporation ("Udenna"), has developed and is implementing a comprehensive financial and corporate restructuring plan designed to improve the Group's financial position, simplify its corporate structure, and enhance its long-term sustainability.

A significant component of the restructuring plan involves the proposed separation of PH Travel and its subsidiaries from PH Resorts. Under the proposed restructuring, Udenna intends to acquire PH Resort's ownership interest in PH Travel through the settlement of outstanding advances payable by PH Resorts to Udenna. The transaction is intended to simplify the Group's structure, substantially reduce outstanding related advances, and reposition PH Resorts as a streamlined listed holding company with significantly reduced legacy obligations.

In connection with the proposed restructuring, Udenna has committed to continue providing financial support to the Group and intends to facilitate the settlement and/or assumption of significant obligations associated with the PH Travel subgroup, including certain trade payables and related-party obligations, through debt assumption, assignment of liabilities, direct settlement arrangements, funding support, or such other commercially appropriate mechanisms as may be determined following legal, tax, accounting and regulatory review.

Management has likewise initiated the rationalization of outstanding intercompany balances within the Udenna Group through the offset and settlement of reciprocal receivables and payables. These initiatives are expected to simplify the Group's capital structure, reduce related-party exposures, improve the PH Resort's financial position, and enhance its ability to pursue future capital raising initiatives, strategic partnerships, and other corporate transactions.

In addition, the Group's liquidity plans include the following:

- Udenna has confirmed its continuing financial support to the Group and has committed, along with its other subsidiaries, not to demand payment of outstanding advances from the Group within the next twelve (12) months from August 28, 2026, and to provide financial assistance, as necessary, to enable the Group to meet its obligations as they fall due.
- Udenna commits, is willing and has the ability to provide continuing support to the Group with respect to the following liabilities: (a) US Dollar loan to 8H Capital Growth Asia Fund (see Note 11), (b) third party obligations (see Note 14), (c) related party payable (see Note 7) and (c) other pre-operating expenses in 2026. Udenna also committed that it will not collect its outstanding receivables from the Group in the next 12 months from August 28, 2026.
- Udenna continues to fund the Group's necessary operating expenditures, asset preservation costs, and other essential cash requirements while the restructuring initiatives are being implemented.
- Management continues to evaluate opportunities to restructure existing obligations, optimize the Group's capital structure, and pursue other value-enhancing transactions to improve liquidity and financial flexibility.

The successful implementation of the foregoing plans remains subject to the completion of the necessary corporate approvals, execution of definitive agreements, legal, tax and accounting assessments, regulatory requirements, and agreements among the relevant parties.

Based on management's assessment of the progress of the restructuring initiatives, the continuing financial support of Udenna, and management's expectation that the foregoing plans will be successfully implemented, management believes that the Group will have sufficient financial resources to meet its obligations as they fall due and continue its operations for the foreseeable future.

LLI AND LLC

LapuLapu Leisure is the developer of Emerald Bay, an integrated tourism resort to be located in Mactan Island, Lapu-Lapu City, Cebu, Philippines. On May 3, 2017, LapuLapu Leisure and Udenna Land Inc. ("ULI", formerly "UDEVCO") were granted a provisional license by the Philippine Amusement and Gaming Corporation ("PAGCOR") to establish Emerald Bay on a prime beachfront area on Mactan Island, Lapu-Lapu City, Cebu. In July 2018, upon the request of the Company, PAGCOR approved the substitution of LapuLapu Land Corp. ("LapuLapu Land", "LLC") as a new co-licensee of the Emerald Bay Provisional License in place of ULI. Emerald Bay will be located on a 12.4-hectare site located on the Punta Engaño peninsula of Mactan Island, which is approximately six kilometers away from Mactan-Cebu International Airport. Construction of Emerald Bay commenced in December 2017 and was expected to be constructed in two phases. The first phase of Emerald Bay is expected to have a gaming floor area with approximately 600 electronic gaming machines, approximately 122 gaming tables, a five-star hotel with approximately 311 hotel rooms, an open-air promenade, 5 F&B outlets, and one pool complementing a partially completed 300-meter long beach front that will be open to resort guests. Emerald Bay is also expected to have Branded Service Residences offering approximately 128 branded residence units. The second phase is expected to have a gaming floor area with approximately 729 electronic gaming machines, approximately 146 gaming tables, 4 pools, approximately 16 F&B outlets, and MICE facilities. The introduction of Branded Service Residences in the Emerald Bay master plan is expected to enhance Emerald Bay's competitive position given the reported hotel room shortage and the success of similar hotel/branded service residence concepts on Mactan Island.

On December 8, 2023, PH Travel executed a term sheet with Tiger Resort Leisure & Entertainment, Inc ("TRLEI") to acquire a significant majority ownership of LLI and LLC as operators of the Emerald Bay project, subject to various conditions, allowing them to take over the development of Emerald Bay. The conditions included, among others, the execution of definitive agreements, and the approval from the relevant governmental authorities, if any. The final terms were subject to shareholders' approval, once determined. Pursuant to the provisions of the term sheet, LLI received partial nonrefundable payments from TRLEI totaling ₱327.6 million and were presented as part of "Advances for future stock subscription" under Liabilities in the consolidated statement of financial position as of June 30, 2024.

On July 1, 2024, PH Travel and TRLEI terminated the Term Sheet dated December 8, 2023. Despite termination, this development gave the Group an opportunity to engage with other parties which have already expressed their keen interest in the Emerald Bay Project, but have been unable to formalize due to the restrictions under the TRLEI deal.

Following the termination of the Term Sheet, the nonrefundable amounts received by LLI from TRLEI totaling ₱327.6 million were reclassified from "Advances for future stock subscription" under Liabilities in the consolidated statement of financial position to "Income from nonrefundable transaction payments" in the consolidated statement of comprehensive income for the year ended December 31, 2024.

On December 6, 2024, Udenna Corporation executed a Memorandum of Understanding (MOU) with EEI Corporation (EEI) with regard to Emerald Bay in Punta Engano, Mactan Island, Cebu. In particular, the MOU provides an avenue for a potential partnership between EEI and PHR, upon the execution of the definitive agreements and subject to the fulfillment of conditions precedent and regulatory approvals, if any. The MOU also paves the way for EEI to execute an agreement with PHR and/or its subsidiaries, Lapulapu Leisure, Inc. (LLI) and Lapulapu Land Corp. (LLC), to finance, construct, and complete Emerald Bay. Discussions are ongoing on replacing the MOU with a Memorandum of Agreement, and subsequently, the execution of definitive agreements, once agreed. LLI received ₱100.0 million from EEI via Udenna Corp. and presented as part of "Advances from a related party" in the consolidated statement of financial position as of December 31, 2024. Upon completion of definitive agreements with EEI these may be reclassified and presented as part of "Advances for future stock subscription". An additional ₱300.0 million was received by LLI from EEI via Udenna Corp in January 2025. These Advances from a related party were used to partially fund lease and interest payments to China Banking Corporation ("Chinabank").

However, the Group's option to repurchase its parcels of land and construction in progress under a sale and leaseback arrangement expired on March 31, 2025. As a result, the corresponding property plus improvements totaling ₱13.65 billion ("Cebu properties"), as well as the financial liabilities of ₱8.75 billion originating from the repurchase option were derecognized by LLI and LLC, resulting to a loss of ₱6,311 million. Accordingly, the partnership discussions with EEI for the completion of the Project have not ripened to the execution of definitive agreements. Thus, considering the aforementioned decision of the PAGCOR Board, the partnership with EEI will no longer push through.

DHPC

DHPC is the Company's other indirect subsidiary that owns and manages its other project, the Donatela Resort & Sanctuary, a boutique-style, upscale hotel in Tawala, Panglao Island, Bohol. Currently, Donatela has opened 11 of the 12 villas. Group hotel and/or restaurant bookings have allowed the Donatela Resort to cover operating expenses, payroll and basic resort maintenance.

In July 2025, the Alona Property with an area of 2,000 sqm was sold for ₱55 million, the proceeds of which were applied as partial payment of interest on the Landbank loan. The sale was arranged by Udenna Corp. with Landbank's consent.

In 2026, certain land and improvements pledged as collateral for DHPC's loan with Landbank were subjected to extrajudicial foreclosure proceedings. As there were no other bidders during the foreclosure auctions, Landbank was declared the highest bidder. The parties are currently awaiting court confirmation of the sale, upon which ownership of the foreclosed properties will be transferred to Landbank.

DAVAO PH RESORT CORP.

Davao PH Resort Corp., is a wholly-owned subsidiary of PHR which owns 3,134 sqm of prime commercial real estate in Azuela Cove, Davao City ("Azuela Property"). Azuela Cove is a 25-hectare master planned mixed use township jointly developed by Ayala Land and the Alcantara Group of Companies. The Azuela Property is planned as a mid-rise Branded Serviced Residence/Boutique Hotel with close proximity to the Davao International Airport. Discussions and due diligence are underway to select a complementary property on the Island Garden City of Samal that will be planned as Branded Serviced Residences/Hotel & Resort ("Davao Projects") that can be reached via a short scenic boat ride and the future Davao-Samal Bridge that is currently under construction.

The other entities within the Group have no material operations as of March 31, 2026.

2.2 Key Performance Indicators and Relevant Ratios

The Group's key performance indicators and relevant ratios and how they are computed are listed below: *(Amounts are in Philippine pesos)*

I. PROFITABILITY

			For the three months ended March 31, 2026	2025
Basic Loss per Share	=	Net income (loss) – Preferred dividends	(38,309,785)	(274,104,263)
It is the rough measurement of the amount of a company's profit that can be allocated to one share of its stock.		Weighted average number of common shares outstanding	7,282,017,027	7,282,017,027
			(0.0053)	(0.0376)
Return on Total Assets	=	Net income (loss)	(38,309,785)	(274,104,263)
It measures efficiency of the Group in using its assets to generate net income.		Total Assets	2,785,208,400	19,456,992,576
			(1.38%)	(1.41%)
Return on Equity	=	Net income (loss)	(38,309,785)	(273,933,148)
It is a measure of profitability of stockholders' investments. It shows net income as percentage of shareholder equity.		Stockholder's Equity	(5,911,019,584)	(503,681,592)
			0.65%	54.42%

II. FINANCIAL LEVERAGE

			March 31, 2026	December 31, 2025
Liabilities to Assets Ratio	=	Total Liabilities	8,696,227,984	8,654,477,621
It measures the degree to which the assets of the business are financed by the debt and the shareholders' equity of a business.		Total Assets	2,785,208,400	2,781,767,827
			3.1223	3.3692
Debt to Capitalization Ratio	=	Total Debt	1,077,223,351	1,074,004,476
It measures the degree to which a company is financing its operations through debt versus total capitalization.		Total Capitalization	14,464,297,407	15,179,061,505
			0.0745	0.0708

Liabilities to Equity Ratio =	Total Liabilities / Shareholder's Equity	8,696,227,984 / (5,911,019,584)	8,654,477,621 / (5,872,709,794)
It measures the degree to which a company is financing its operations through debt versus wholly owned funds.		(1.4712)	(1.4737)

Asset to Equity Ratio =	Total Assets / Shareholder's Equity	2,785,208,400 / (5,911,019,584)	2,781,767,827 / (5,872,709,794)
It relates to the proportion of total assets financed by the Group's equity.		(0.4712)	(0.4737)

III. MARKET VALUATION

Price to Book Ratio =	Market value/share / Book value/share	0.1360 / (0.8117)	0.1260 / (0.0692)
Relates the Group's stock market value to its book value per share		(0.1675)	(1.8217)

IV. LIQUIDITY

Current Ratio =	Current assets / Current liabilities	118,690,654 / 4,090,823,598	113,879,785 / 4,049,073,235
It measures the Group's ability to pay its current liabilities with cash generated from its current assets.		0.0290	0.0281

IV. INTEREST RATE COVERAGE RATIO

		For the three months ended March 31	
		2026	2025
Interest Coverage Ratio =	EBIT / Interest Expense	(4,126,366) / 34,183,187	(6,566,567,917) / 403,811,728
It measures the Group's ability to pay interest on its outstanding debt.		(0.12x)	(16.26x)

2.3 Results of Operations

Operating Results for the Three Months Ended March 31, 2026 Compared to the Three Months Ended March 31, 2025

	FOR THE YEARS ENDED MARCH 31		HORIZONTAL ANALYSIS Change from Prior Year		VERTICAL ANALYSIS % to Revenues	
	2026	2025	Amount	% Change	2026	2025
NET OPERATING REVENUES						
Rooms	6,599,829	6,592,253	7,576	0.11%	65.00%	59.00%
Food and beverage	3,201,838	4,006,679	(804,841)	-20.09%	32.00%	36.00%
Others	300,254	639,826	(339,572)	-53.07%	3.00%	6.00%
	10,101,921	11,238,758	(1,136,837)	-10.12%	100.00%	100.00%
DIRECT COSTS AND EXPENSES						
Salaries and wages	1,628,262	1,813,690	(185,428)	-10.22%	16.00%	16.00%
Inventories consumed	1,208,892	1,293,583	(84,691)	-6.55%	12.00%	12.00%
Other costs and expenses	546,333	1,579,528	(1,033,195)	-65.41%	5.00%	14.00%
	3,383,487	4,686,801	(1,303,314)	-27.81%	33.00%	42.00%
GROSS INCOME	6,718,434	6,551,957	166,477	2.54%	67.00%	58.00%
OPERATING EXPENSES	7,651,688	44,992,677	(37,340,989)	-82.99%	76.00%	400.00%
OPERATING LOSS	(933,254)	(38,440,720)	37,507,466	-97.57%	-9.00%	-342.00%
NON-OPERATING INCOME (EXPENSES)						
Interest expense	(34,183,187)	(245,881,987)	211,698,800	-86.10%	-338.00%	-2188.00%
Foreign exchange loss - net	(3,017,846)	8,401,808	(11,419,654)	-135.92%	-30.00%	75.00%
Interest income	384	303,945	(303,561)	-99.87%	0.00%	3.00%
Loss on sale of PPE	1,829	-	1,829	0.00%	0.00%	0.00%
Other income (expenses) - net	(177,479)	1,733,309	(1,910,788)	-110.24%	-2.00%	15.00%
	(37,376,299)	(235,442,925)	198,066,626	-84.13%	-370.00%	-2095.00%
LOSS BEFORE INCOME TAX	(38,309,553)	(273,883,645)	235,574,092	-86.01%	-379.00%	-2437.00%
PROVISION FOR (BENEFIT FROM) INCOME TAX	232	220,619	(220,387)	-99.89%	0.00%	2.00%
NET LOSS	(38,309,785)	(274,104,264)	235,794,479	-86.02%	-379.00%	-2439.00%
OTHER COMPREHENSIVE INCOME (LOSS)	-	-	-	0.00%	0.00%	0.00%
TOTAL COMPREHENSIVE LOSS	(38,309,785)	(274,104,264)	235,794,479	-86.02%	-379.00%	-2439.00%
Basic and Diluted Loss Per Share	(0.0053)	(0.0376)	0.0324	-86.02%		

THREE MONTHS ENDED MARCH 31, 2026 COMPARED TO THREE MONTHS ENDED MARCH 31, 2025

NET OPERATING REVENUES

For the three months ended March 31, 2026 (3ME2026), the Group reported revenues of ₱10.1 million, 10.12% lower than the ₱11.2 million recorded for the same period last year (3ME2025).

Despite the increase in occupancy for the three months ending March 31, 2026, total revenues declined as the rise in occupancy was offset by lower average room rates and pricing implemented during the period compared to the same period in 2025.

DIRECT COSTS AND EXPENSES

Direct costs and expenses pertaining to operations of the Donatela Resort & Sanctuary were lower at ₱3.4 million (-27.8%) for 3ME2026 (versus ₱4.7 million for 3ME2025) but proportionally declined at a faster pace than revenues.

GROSS INCOME
Gross income slightly increased to ₱6.72 million (-2.54%) for 3ME2026 from ₱6.55 million for 3ME2025.

OPERATING EXPENSES

Total operating expenses are related to the operations of Donatela Resort & Sanctuary and other organizational expenses. Operating expenses decreased by ₱37.3 million (-82.99%) to ₱7.6 million for 3ME2026. Operating expenses decreased significantly during the period primarily due to the retrenchment of employees as part of the Company's cost-rationalization initiatives. The reduction in workforce resulted in lower personnel-related costs, including salaries, wages, employee benefits, and other staff-related expenses.

NON-OPERATING EXPENSES

Interest Expense
Interest expense incurred on borrowings and financial liability from the SLBB agreement decreased to ₱34.2 million from ₱245.9 million for the previous period. This was primarily due to the expiration of the sale and leaseback agreement, which resulted in the derecognition of the related Chinabank loan prior to the three months ending March 31, 2026 but after the same period in the prior year. Consequently, the Company no longer incurred interest charges associated with the loan in the current period, leading to a significant reduction in interest expense compared to the prior period.

Interest income
As the cash in escrow with Chinabank was no longer maintained during the current period, the Company earned significantly lower interest income compared to the same period in the prior year.

Foreign exchange gain (loss)
The Group reported forex loss of ₱3.0 million for 3ME2026 and forex gain of ₱8.4 million for 3ME2025 on USD-denominated loans, which included the Chinabank escrow account for 3ME2025.

PROVISION FOR (BENEFIT FROM) INCOME TAX
The Group recorded provisions for income tax of ₱232 and ₱0.2 million for 3ME2026 and 3ME2025, respectively.

NET LOSS
The Group’s net loss decreased by ₱235.8 million to ₱38.3 million mainly as a result of lower interest expense reported for the period.

EARNINGS/ (LOSS) PER SHARE
Loss per share decreased to ₱0.0053 for 3ME2026 from ₱0.0376 for the same period last year due to lower net loss for the period.

Financial Position
(Comparison of March 31, 2026 and December 31, 2025)

	March 31, 2026	December 31, 2025	HORIZONTAL ANALYSIS Movement from prior period PHP Change	% Change	VERTICAL ANALYSIS % of Total Assets/ Liabilities & Equity December 31, 2025	December 31, 2024
ASSETS						
Current Assets						
Cash	9,098,274	4,326,605	4,771,669	110.29%	0.33%	0.16%
Trade and other receivables	102,426,715	102,236,996	189,719	0.19%	3.68%	3.68%
Inventories - at cost	1,792,993	1,786,122	6,871	0.38%	0.06%	0.06%
Prepayments and other current assets	5,372,669	5,530,062	(157,393)	-2.85%	0.19%	0.20%
Total Current Assets	118,690,651	113,879,785	4,810,866	4.22%	4.26%	4.10%
Noncurrent Assets						
Property and equipment						
Construction-in-progress and others - at cost	71,442,287	72,634,375	(1,192,088)	-1.64%	2.57%	2.61%
Land - at revalued amount	1,703,288,000	1,703,288,000	-	0.00%	61.15%	61.23%
Deposit for future property acquisition	84,812,449	84,812,449	-	0.00%	3.05%	3.05%
Cash in escrow	267,328	259,544	7,784	3.00%	0.01%	0.01%
Input value-added tax	339,225,742	339,184,284	41,458	0.01%	12.18%	12.19%
Advances to contractors	57,359,847	57,359,847	-	0.00%	2.06%	2.06%
Creditable withholding tax	383,349,239	383,316,185	33,054	0.01%	13.76%	13.78%
Advances to related parties	3,010,548	3,010,549	(1)	0.00%	0.11%	0.11%
Other noncurrent assets	23,762,309	24,022,809	(260,500)	-1.08%	0.84%	0.86%
Total Noncurrent Assets	2,666,517,749	2,667,888,042	(1,370,293)	-0.05%	95.73%	95.90%
TOTAL ASSETS	2,785,208,400	2,781,767,827	3,440,573	0.12%	99.99%	100.00%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade and other payables	1,842,430,512	1,803,899,024	38,531,488	2.14%	66.15%	64.85%
Loans payable	1,077,223,351	1,074,004,476	3,218,875	0.30%	38.68%	38.61%
Advances from related parties	1,171,169,735	1,171,169,735	-	0.00%	42.05%	42.10%
Total Current Liabilities	4,090,823,598	4,049,073,235	41,750,363	1.03%	80.73%	80.71%
Noncurrent Liabilities						
Retention payable	25,002,727	25,002,727	-	0.00%	0.90%	0.90%
Deferred tax liabilities	104,794,835	104,794,835	-	0.00%	3.76%	3.77%
Advances for future stock subscription	4,475,606,824	4,475,606,824	-	0.00%	160.69%	160.89%
Total Noncurrent Liabilities	4,605,404,386	4,605,404,386	-	0.00%	165.35%	165.56%
Total Liabilities	8,696,227,984	8,654,477,621	41,750,363	0.48%	246.08%	246.27%
Equity						
Capital stock	7,282,017,027	7,282,017,027	-	0.00%	261.45%	261.78%
Additional paid-in capital	1,629,450,205	1,629,450,205	-	0.00%	58.50%	58.58%
Deposit for future stock subscription	717,982,973	717,982,973	-	0.00%	25.78%	25.81%
Equity reserve	(4,126,935,056)	(4,126,935,056)	-	0.00%	-148.17%	-148.36%
Revaluation surplus	311,366,113	311,366,113	-	0.00%	11.18%	11.19%
Deficit	(11,724,900,846)	(11,686,591,056)	(38,309,790)	0.33%	-420.97%	-420.09%
Total Equity	(5,911,019,584)	(5,872,709,794)	(38,309,790)	0.65%	-212.23%	-211.09%
TOTAL LIABILITIES AND EQUITY	2,785,208,400	2,781,767,827	3,440,573	0.12%	33.85%	35.18%

The assets, liabilities and equity presented in the statement of financial position pertain mainly on the remaining assets and liabilities of the group as a result of the cancellation of the SLBB transaction.

CURRENT ASSETS

The Group's current assets increased by ₱4.8 million (+4.2%) to ₱118.7 million due to the increase in the cash and prepayment and other current assets balance as of March 31, 2026.

NONCURRENT ASSETS

The Group's noncurrent assets remained at ₱2.7 billion as of March 31, 2026 and December 31, 2025. Minimal movements during the period were primarily attributable to the depreciation of property and equipment, which did not materially affect the overall balance of noncurrent assets.

CURRENT LIABILITIES

The Group's current liabilities were higher by ₱41.8 million (+1.03%) at ₱4.1 billion as of March 31, 2026. The increase was primarily attributable to the rise in the balances of trade and other payables and loans payable, mainly resulting from the accrual of interest during the period.

NONCURRENT LIABILITIES

Noncurrent liabilities remained unchanged as of March 31, 2026 compared to December 31, 2025, as there were no significant transactions or events during the period that materially affected the Company's long-term obligations.

EQUITY

The Group's equity decreased by ₱38.3 million (-0.58%) to a capital deficiency of ₱6.6 billion due to the net loss reported for the period.

2.4 Liquidity and Capital Structure

The Group's sources and uses of funds and the Group's debt and equity profile are discussed below.

Liquidity

The Group seeks to actively manage its liquidity profile in order to finance its capital expenditures and to service maturing obligations.

Below is the table of consolidated cash flows of the Group for the three months ended March 31, 2026 and 2025.

	For Three Months Ended March 31,		Movement	
	2026	2025	In PHP	In %
Net cash used in operating activities	4,812,744	(7,637,908)	12,450,652.20	-163.01%
Net cash provided by (used in) investing activities	(41,074)	(3,260,152)	3,219,077.75	-98.74%
Net cash provided by (used in) financing activities	-	3,396,628	(3,396,628.29)	-100.00%
Net increase (decrease) in cash and cash equivalents	4,771,670	(7,501,432)	12,273,101.66	-163.61%
Effect of foreign exchange on cash and cash equivalents	-	(2,642)	2,642.03	-100.00%
Cash and cash equivalents at beginning of period	4,326,604	18,763,346	(14,436,742.00)	-76.94%
Cash and cash equivalents at end of period	9,098,274	11,259,272	(2,160,998.31)	-19.19%

Net cash generated from operating activities of ₱4.8 million as of March 31, 2026 and net cash used in operating activities of ₱7.5 million as of March 31, 2025 primarily represents payment of operating and pre-development expenses.

Net cash used in investing activities of ₱3.3 million for 3ME2025 were mainly for capitalized expenses (fuel and security) for LLI and additions to PPE (aircon and freezer) for DHPC.

Net cash provided by financing activities of ₱3.4 million for 3ME2025 came from: (i) ₱318.6 million in advances from related parties (₱300.0 million came from EEI via Udenna; ₱18.6 million from Udenna); and (ii) ₱82.1 million advances for future stock subscriptions from Udenna. These were partially offset by: (i) additional partial payment of Bloom Deposit Payable of ₱75.0 million; (ii) lease payment to Chinabank of ₱ 292.1 million; and (iii) interest payments to Chinabank and 8H Capital of ₱30.2 million.

Cash flows from financing and investing activities were at the minimum for the period March 31, 2026 which mainly pertain to increases in noncurrent assets.

Capital Sources

Below is the table showing the Group's capital sources as of March 31, 2026 and December 31, 2025.

	March 31, 2026	December 31, 2025	Movement	
			In PHP	In %
Loans payable	1,077,223,351	1,074,004,476	3,218,875	0.30%
Advances from related parties	1,171,169,735	1,171,169,735	-	0.00%
Advances for future stock subscription	4,475,606,824	4,475,606,824	-	0.00%
Capital stock	7,282,017,027	7,282,017,027	-	0.00%
Additional paid-in capital	1,629,450,205	1,629,450,205	-	0.00%
Total	15,635,467,142	15,632,248,267	3,218,875	0.30%

Since 2023, the Company has received deposits and advances for future stock subscription from Udenna Corporation to support its funding requirements, including the reduction of the deposit payable to BRC. As of December 31, 2025 and 2024, total deposits and advances for future stock subscription amounted to ₱5.19 billion and ₱4.85 billion, respectively. As of April 30, 2025, the Company was in the process of completing the requirements for the approval of its application to increase its authorized capital stock. Pending such approval, deposits for future stock subscription in excess of the existing authorized capital stock continue to be presented as liabilities in the parent company statement of financial position.

The Company expects to continue to rely on financial support from Udenna Corporation, in the form of shareholder advances and/or capital contributions, together with funding from a strategic partner, to meet its liquidity requirements and support its planned operations over the next 12 months.

2.5 Risk Related to Financial Instruments

The Group's principal financial instruments are cash and cash equivalents. The main purpose of these financial instruments is to finance the Group's operations. The Group has various financial assets and liabilities such as trade and other receivables, security deposits, advances from and to related parties, cash in escrow, trade and other payables, retention payable and loans payable. The main risks arising from the Group's financial instruments are credit risk, interest rate risk, liquidity risk and foreign currency risk.

2.6 Other Financial Information

Aging of Trade and other receivables

The Group's trade and other receivables of ₱102.5 million are all current and not past due as of March 31, 2026.

Dividends

No dividends were declared for the three months ended March 31, 2026 and year ended December 31, 2025.

Issuances, Repurchases, and Repayments of Debt and Equity Securities

None.

Events that will trigger Direct or Contingent Financial Obligation that is Material to the Group, including any Default or Acceleration of an Obligation

In connection with the full settlement and discharge of the Peso bridge loans totaling ₱5.2 billion and accrued interest amounting to ₱543.1 million, the Group assigned certain parcels of land and the improvements in Emerald Bay to Chinabank in October 2023. The Group also entered a lease agreement with Chinabank to lease back the properties to allow the Group continued possession and use over the properties in order to finish the construction and development of Emerald Bay. In addition, LLI or its assignee has the option to buy back the properties up to March 31, 2025 for ₱5.74 billion plus certain transactions costs. In August 2024, Chinabank amended the terms of the sale and leaseback to increase the buyback cost by approximately ₱1.5 billion.

The option to buy back the properties expired on March 31, 2025. In connection with this, the corresponding property plus improvements totaling ₱13.65 billion, as well as financial liabilities of ₱7.96 billion, bank loans of ₱1.08 billion and accounts payable representing transaction costs of ₱783.9 million originating from the repurchase option were derecognized. As a result, loss amounting to ₱6.3 billion was recognized by the Company in 2025.

In 2026, certain land and improvements pledged as collateral for DHPC's loan with Landbank were subjected to extrajudicial foreclosure proceedings. As there were no other bidders during the foreclosure auctions, Landbank was declared the highest bidder. The parties are currently awaiting court confirmation of the sale, upon which ownership of the foreclosed properties will be transferred to Landbank.

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

None.

Cause for any Material Change from period to period which shall include Vertical and Horizontal Analyses of any Material Item

Incorporated in the discussion under “Plan of Operations” and “Financial Position”.

Seasonal Aspects that have 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

The Group is required to complete investment commitments under the PAGCOR Provisional Licenses issued to LLI as the developer of Emerald Bay. LLI is required to complete a US$300.0 million minimum investment commitment. The cost of Emerald Bay includes land acquisition costs, costs related to securing development rights, construction, equipment acquisition, development costs, financing costs and all other expenses directly related to the completion of the Project.

However, on December 17, 2025, PAGCOR informed LLI of the approval by the PAGCOR Board of the revocation of its Provisional License.

Any Significant Elements of Income or Loss that did not arise from Continuing Operations

Incorporated in the discussion under “Plan of Operations” and “Financial Position”

PART II. OTHER INFORMATION

There is no other information not previously reported in SEC Form 17-C that needs to be reported in this section.

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.

PH RESORTS GROUP HOLDINGS, INC.

By:

DENNIS A. UY
Chairman of the Board

RAYMUNDO MARTIN ESCALONA
President and Chief Executive Officer

ALEXIS CARLO G. MAGSUMBOL
OIC - Chief Financial Officer

Signed this 4 day of September 2026