ANNEX D

SEC NUMBER **013039**
FILE NUMBER
PSE CODE

PACIFICA HOLDINGS, INC.
(Company's Full Name)

China Bank Corporate Center
Lot 2, Samar Loop corner Road 5
Cebu Business Park, Brgy. Mabolo, Cebu City
(Company's Address)

(032) 260-0005
(Telephone Number)

December 31
(Calendar Year Ended)

SEC FORM 17-Q
Form Type

(Amendment Designation (If Applicable)

September 30, 2026
(Period Ended Date)

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **September 30, 2026**

2. Commission identification number **013039** 3. BIR Tax Identification No.**000-484-693**

PACIFICA HOLDINGS, INC

4. Exact name of issuer as specified in its charter

Manila, Philippines

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of issuer's principal office Postal Code

China Bank Corporate Center, Lot 2
Samar Loop corner Road 5, Cebu Business Park
Brgy. Mabolo, Cebu City 6000

8. Issuer's telephone number, including area code

(032) 260 0005

9. Former name, former address and former fiscal year, if changed since last report

_____

10.Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Shares	325,000,000

11. Are any or all of the securities listed on a Stock Exchange?

Yes [/] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange **Common shares**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 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 [/] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.
Yes [/] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

The Financial Statements attached are the balance sheets as of September 30, 2026 and December 31, 2025, and the related statements of comprehensive operations, changes in stockholders' equity and cash flows for the current financial year to date, with comparative statements for the comparable year-to-date period of the immediately preceding financial year.

The interim financial reports are prepared in compliance with generally accepted accounting principles.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(1) Plan of Operation

Pacifica Holdings, Inc. (the "Corporation) was incorporated on September 2, 1957 to engage in the exploration, drilling and exploitation of oil, gas and other volatile substances. Its conversion into a holding company in October 6, 2000 did not result to any commercial operation due to timing and funding constraints.

In 2007, the Corporation redirected its business focus to exploration, operation, management and marketing of mining claims. Pursuant thereto, the SEC on August 31, 2007 approved its Amended Articles of Incorporation reverting its primary purpose to mineral exploration, extending the corporate life for another 50 years and changing the par value from 1.00 to 0.005.

The foregoing events are vital to permit the Corporation to engage in mineral exploration and development and other business opportunities within its purposes as may be identified by the Company.

After the Corporation renewed its corporate life in 2007 with its primary purpose as a mining company, the management started looking for mining opportunities. During the stockholders' meeting on August 14, 2009, it was approved that the Corporation shall enter an Operating Agreement with Zam-Iron Mining Corporation (Zam-Iron) granting the Corporation the exclusive right to explore, utilize and develop the Kabasalan Mining Rights for the purpose of extracting mining products. In consideration for the rights granted by Zam-Iron, the Corporation will pay Zam-Iron royalties at a stipulated price. The loan of P50 million extended by the Corporation to Zam-Iron on January 2, 2008 was applied as advanced royalty payments. Moreover, the management is continuously looking for mining opportunities and negotiating for possible investors and technical partners.

The Corporation lost its bid for Ilijan and Malaya power plants to its opponents while in the others, the bidding process was indefinitely deferred. Despite the downturns, the Corporation does not close its doors to business opportunities in power related activities.

On November 15, 2013, Zam-Iron Mining Corp. (Zam-Iron) informed the Corporation that it received a letter from the Mines and Geosciences Bureau IX stating that its office has issued an Order of Denial for mining exploration with finality. Zam-Iron's next recourse was to file an appeal to the Mines and Geosciences Bureau central office in Manila. To date, no update was given by Zam-Iron to the Company regarding the status of their application and operations.

On November 22, 2013, the Corporation informed Zam-Iron that insofar as it is concerned, Zam-Iron has failed to fulfill its obligations under the Memorandum of Agreement (MOA) signed on January 2, 2008 and Operating Agreement signed in December 2009 and is deemed in default. The Corporation demanded for the full refund of P50,000,000 prepaid royalties with interest and waived its right in the event of default to take over the operation and production of the mining operation since Zam-Iron failed to secure the necessary exploration permit.

On August 28, 2015, given that the recovery of the Corporation's receivables within the next 12 months has been deemed remote, the Board of Directors of the Corporation unanimously approved the impairment and write-off of the following items from its books of accounts: (1) accounts receivable from 9th Kingdom Investments, Inc., (2)

advances to Mikro-Tech Capital, Inc; (3) prepaid royalties in favor of Zam-Iron Mining Corporation, (4) accounts receivables from LRSI and Stradec, and (5) retained deficit. This was ratified by the stockholders during the Corporation's annual stockholders' meeting on October 16, 2015.

The Corporation is still open to acquiring mining claims, rights and power-related businesses. An increase in authorized capitalization and the invitation of strategic partners to invest in the Corporation will likewise be considered as necessary initiatives to source funds. Therefore, the Corporation is optimistic that it shall obtain sufficient funds to support its anticipated fund requirements for the next 12 months.

For the third quarter ending September 30, 2026 and calendar year ending December 31, 2025, the Corporation experienced net losses amounting to Php 342,884 and Php 325,506, respectively, attributed to administrative expenses incurred. Losses in 2024, 2023 and 2022 are also attributed to expenses of administrative nature.

Key Performance Indicators of the Company

Since the Company has no commercial operation to date and has not generated revenues for the current period ending September 30, 2026 and fiscal years ending December 31, 2025 and 2024, it posted losses. Losses for the current period being reported and fiscal years December 31, 2025 and 2024 are attributed to administrative expenses incurred. The table sets forth the comparative key performance indicators of the Company for the current interim period with comparative figures for the periods ending September 30, 2026, December 31, 2025 and 2024:

	September 30, 2026	December 31, 2025	September 30, 2025	December 31, 2024
Total Revenues	0	0	0	0
Net Loss	1,346,051	325,506	208,404	4,436,694
Total Current Assets	103,426,832	105,332,883	104,227,240	105,676,143
Other Non-Current Assets	0	0	0	0
Plant, Property and Equipment	0	0	0	0
Total Assets	103,426,832	105,332,883	104,227,240	105,676,143
Current Liabilities	1,576,567	2,136,567	2,144,322	2,154,321
Non-Current Liabilities	0	0	0	0
Stockholders' Equity	101,850,265	103,196,316	102,082,918	103,521,822
Total Liabilities & Stockholders' Equity	103,426,832	105,332,883	104,227,240	105,676,143
Current Ratio	65.603	49.300	48.606	49.053
Solvency Ratio	0.015	0.020	0.0206	0.020
Debt to Equity Ratio	0.015	0.021	0.0210	0.021

(a) Net loss for the quarter ending September 30, 2026 resulted to Php 342,884 or by a Php 134,480 increase from last year of the same period.

(b) Stringent controls are utilized on incurring expenses. Management maintains a generally cautious stance in identifying mining opportunities in order to maximize the Corporation's gross margin.

(c) Working Capital Ratio or Current Ratio – This will measure how liquid the corporation is and its ability to meet its current obligations. It is computed by dividing total current assets with the total current liabilities.

(d) Debt Management Ratio or Solvency Ratio – This is computed by dividing the total liabilities by the total assets.

(e) Debt Equity Ratio – This will explain the relationship between how the assets were financed by the Corporation's creditors and its stockholders. This is computed by dividing the total liabilities over the stockholders' equity.

By comparing accounts in the Balance Sheets and Statements of Operations for the interim period ending September 30, 2026 with comparable data for December 31, 2025 and interim period from preceding year, the following are the material changes and their causes:

Changes in Financial Condition

(a) Current Assets

The decrease in the balance of Current Assets, as of September 30, 2026 is due to the administrative expenses paid during the quarter.

(b) Input Taxes

Input taxes have increased during the period because of fees paid to professionals.

(c) Property and Equipment

There have been no acquisition of property and equipment in 2026, 2025 and 2024.

(d) Current Liabilities

The current liabilities of Php 1,576,567 as of September 30, 2026 compared to 2,136,567 as of December 31 ,2025 also posted a slight decrease due to payment accruals during the period.

(e) Deficit

Comprehensive losses as of September 30, 2026 and for fiscal years ending December 31, 2025 and 2024 contribute to the Deficit. Recent losses as well as the losses in previous years are mainly from administrative expenses. The increase in Retained Deficit is the result of these cumulative losses. .

Changes in Operating Results

The Corporation has not yet started commercial operations. There was no mining activities or exploration as of September 30, 2026. The exploration works for Zam-Iron have not yet been commenced. On November 15, 2013, Zam-Iron received a letter from the Mines and Geosciences Bureau IX stating that their office has issued an Order of Denial for mining exploration with finality. Zam-Iron's next recourse would be to file an appeal to the Mines and Geosciences Bureau central office in Manila. The Company demanded for the full refund of Php50,000,000 prepaid royalties with interest and waived its right in the event of default to take over the operation and production of the mining operation. The Company has determined that its prepaid royalties to Zam-Iron may no longer be realized, accordingly, the Company provided full allowance for probable losses for the prepaid royalties in 2013. The carrying value of prepaid royalties amounted to nil as of December 31, 2014 and 2013. The Company thereafter deemed that the recovery of the Company's receivables as remote. The Board of Directors on August 28, 2015 unanimously approved the impairment and write-off of the following items from its books of accounts: (1) accounts receivable from 9th Kingdom Investments, Inc., (2) advances to Mikro-Tech Capital, Inc; (3) prepaid royalties in favor of Zam-Iron Mining Corporation, (4) accounts receivables from LRSI and Stradec, and (5) retained deficit. This was ratified by the stockholders during the annual stockholders' meeting on October 16, 2015.

Net loss for the quarter ending September 30, 2026 resulted to Php 342,884 or by a Php 134,480 increase from last year of the same period due primarily to actual payment of accrual of administrative expenses. Compared to the December 31, 2025 performance, the net loss for the third quarter of 2026 is an increase by Php 17,378 due to administrative expenses incurred. Net loss for the period ending December 31, 2025 materially decreased from 2024 of the same period due primarily to taxes and licenses.

Material Events and Uncertainties

For the interim periods, the Corporation has nothing to report on the following other than the disclosures mentioned in the notes to financial statements and discussed above:

(i) Any known trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Corporation's liquidity increasing or decreasing in any material way.

(ii) Events that will trigger direct or contingent financial obligation that is material to the Corporation, including any default or acceleration of obligation. The Corporation is not in default or in breach of any note, loan, ease or other indebtedness or financing arrangements requiring it to make payments. The Company has no trade payables and there is no significant amount in its other payables that has not been paid within the stated terms.

(iii) Material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Corporation with unconsolidated entities or other persons created during the reporting period. - A disclosure is made in Notes 11 and 12 to Financial Statements and in the Company plan of operation.

(iv) Any material commitment for capital expenditures.

(v) Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues, income from continuing operations.

(vi) Any significant elements of income or loss that did not arise from the issuer's continuing operations.

(vii) Any seasonal aspects that had a material effect on the financial condition or results of operations.

PART II – OTHER INFORMATION

Other than the additional disclosures discussed below, there are no information not disclosed in SEC Form 17-C prior to preparation of this report:

i. The discussion in item 11 of the Notes to Financial Statements shall be consistent for the interim period being reported. The Company's financial instruments still pertain to cash, advances to related parties, accounts payable and accrued expenses resulting from Company's operations. The main purpose of these financial instruments is to fund the Company's administrative costs while it has no commercial operations yet.

ii. The discussion on item 2 of the Notes to Financial Statements as to Amendments to PAS 1, *Presentation of Financial Statements,* shall be consistent for the interim period being reported. As the Company has no other comprehensive income, the Company has elected to present one statement of comprehensive income.

iii. The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements.

iv. The Company has no significant seasonality or cyclicality in its business operations that would have a material effect on the financial condition or results of operations.

v. There are no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidents.

vi. There are no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years.

vii. There are no issuances, repurchases, and repayments of debt and equity securities this interim period.

viii. There are no dividends paid (aggregate or per share) separately for ordinary shares and other shares.

ix. Segment reporting is not applicable to the Company.

x. There are no material events subsequent to the end of the interim period that have not been reflected in the unaudited financial statements for the interim period.

xi. There is no effect in changes in the composition of the issuer during the interim period, including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discounting operations.

xii. There are no changes in contingent liabilities or contingent assets since the last annual balance sheet.

xiii. There are no material contingencies and any other events or transactions that are material to an understanding of the current interim period.

PACIFICA, INC.

BALANCE SHEETS

September 30, 2026 (Unaudited) and December 31, 2025 and 2024 (Audited)

	Unaudited Sep 30, 2026	Audited Dec 31, 2025	Audited Dec 31, 2024
ASSETS			
Current Assets			
Cash in banks (Note 6)	**1,712,145**	3,810,623	6,028,883
Input taxes (Note 7)	**192,427**	-	-
Due form related parties	**101,522,260**	101,522,260	99,647,260
Total Current Assets	**103,426,832**	105,332,883	105,676,143
Noncurrent Assets			
Furniture, fixtures and equipment	**-**	-	-
Total Noncurrent Assets			-
TOTAL ASSETS	**103,426,832**	105,332,883	105,676,143
LIABILITIES AND EQUITY			
Current Liabilities			
Accrued expenses and other liabilities	**1,576,567**	2,136,567	2,154,321
Total Current Liabilities	**1,576,567**	2,136,567	2,154,321
Equity			
Capital stock –2019 ₱1.00 par value; 2018 ₱0.005 par value (Note 13)			
Authorized – 2019 700,000,000 shares, 2018 -40,000,000,000 shares			
Issued and outstanding: 2019 - 199,825,000; 2018 - 39,965,000,000 total shares held by all stockholders	**324,883,332**	324,883,332	324,883,332
Subscribed and partially paid shares – 2019 - 125,175,000; 2018 - 35,000,000			
Additional paid-in Capital	**10,163,756**	10,163,756	10,163,756
Deficit	**(233,196,823)**	(231,850,772)	(231,525,266)
Total Equity	**101,850,265**	103,196,316	103,521,822
TOTAL LIABILITIES AND EQUITY	**103,426,832**	105,332,883	105,676,143

See accompanying Notes to Financial Statement

PACIFICA, INC.

STATEMENTS OF COMPREHENSIVE INCOME
For the 9 months period ended September 30, 2026, 2025 and 2024 (Unaudited)

	9 mos. Jan-Sep, 2026	9 mos. Jan-Sep, 2025	9 mos. Jan-Sep, 2024
INCOME			
Interest income (Note 9)	**839**	1,808	3,322
	839	1,808	3,322
EXPENSES (Note 10)			
Professional fees	**733,152**	1,149,912	900,221
Taxes and licenses	**331,084**	269,486	869,319
Advertising	**155,350**		
Communication	**80,000**	13,000	105,028
Transportation and travel	**24,850**		
Printing and supplies	**22,454**	8,314	19,753
Others			41,191
	1,346,890	1,440,712	1,935,512
NET LOSS	**1,346,051**	1,438,904	1,932,190
OTHER COMPREHENSIVE INCOME/(LOSS)	**-**	-	**-**
TOTAL COMPREHENSIVE LOSS	**1,346,051**	1,438,904	1,932,190
BASIC/DILUTED LOSS PER SHARE (Note 14)	**(0.00414169)**	(0.00442740)	(0.00594520)

PACIFICA, INC.

STATEMENTS OF COMPREHENSIVE INCOME

For the 3 months period ended September 30, 2026, 2025 and 2024 (Unaudited)

	3 mos. Jul-Sep, 2026	3 mos. Jul-Sep, 2025	3 mos. Jul-Sep, 2024
INCOME			
Interest income (Note 9)	**150**	553	760
	150	553	760
EXPENSES (Note 10)			
Professional fees	**342,652**	195,657	362,280
Taxes and licenses			
Printing and supplies	**382**	300	14,753
Transportation and travel			
Communication		13,000	101,500
Advertising			
Others			
	343,034	208,957	478,533
NET LOSS	**342,884**	208,404	477,773
OTHER COMPREHENSIVE INCOME/(LOSS)	**-**	-	-
TOTAL COMPREHENSIVE LOSS	**342,884**	208,404	477,773
BASIC/DILUTED LOSS PER SHARE **(Note 14)**	**(0.00105503)**	(0.00064124)	(0.00147007)

See accompanying Notes to Financial Statements.

PACIFICA, INC.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

As at September 30, 2026, 2025 and 2024 (Unaudited)

	Capital Stock (Notes 13)		Subscriptions Receivable	Additional Paid-in Capital		
	Issued	Subscribed	(Note 13)	(Note 13)	Deficit	Total
BALANCES AT DECEMBER 31, 2023	324,883,332	-	-	10,163,756	(227,088,572)	107,958,516
	-	-	-	-		
Collection of subscriptions receivable						
	-	-	-	-		
Issuance of capital stock						
	-	-	-	-		
Net loss from Jan to September 2024					(1,932,190)	(1,932,190)
BALANCES AT September 30, 2024	**324,883,332**	**-**	**-**	**10,163,756**	**(229,020,762)**	**106,026,326**
BALANCES AT DECEMBER 31, 2024	324,883,332	-	-	10,163,756	(231,525,266)	103,521,822
	-	-	-	-		
Collection of subscriptions receivable						
	-	-	-	-		
Issuance of capital stock						
	-	-	-	-		
Net loss from Jan to September 2025					(1,438,904)	(1,438,904)
BALANCES AT September 30, 2025	**324,883,332**	**-**	**-**	**10,163,756**	**(232,964,170)**	**102,082,918**
BALANCES AT DECEMBER 31, 2025	324,883,332	-	-	10,163,756	(231,850,772)	103,196,316
Collection of subscriptions receivable	-	-	-	-	-	-
Issuance of capital stock	-	-	-	-	-	-
Net loss from Jan to September 2026	-	-	-	-	(1,346,051)	(1,346,051)
BALANCES AT September 30, 2026	**324,883,332**	**-**	**-**	**10,163,756**	**(233,196,823)**	**101,850,265**

PACIFICA, INC.

INTERIM STATEMENTS OF CASH FLOWS

For the 9 months period ended September 30, 2026, 2025 and 2024 (Unaudited)

	Sep 30, 2026	Sep 30, 2025	Sep 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	**(1,346,051)**	(1,438,904)	(1,932,190)
Impairment of receivables			
Gain on reversal of payables			
Loss on write-off of furniture, fixtures and equipment			
Adjustment for depreciation			
Unrealized foreign exchange			
Provision for probable losses on input tax			
Interest Income			
Provision for doubtful accounts			
Operating loss before working capital changes	**(1,346,051**	(1,438,904)	(1,932,190)
Decrease (increase) in:			
Input taxes	**(192,426)**	(169,318)	(198,349)
Advances for liquidation			
Increase (decrease) in accounts payable and accrued expenses	**(560,000)**	(10,000)	(705,000)
Decrease in prepaid expenses			
Decrease in due to related parties			
Increase in due to a related party			
Increase in receivables			
Increase in accrued expenses			
Decrease in income tax payable			
Net cash used in operating activities	**(2,098,477)**	(1,618,222)	(2,835,539)
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in due from related parties	**-**	-	-
Increase in deposit for future stock subscription	**-**	-	-
Net cash from (used in) investing activities	**-**	-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Collection of subscriptions receivables	**-**	-	-
Increase (decrease) in deposit for future stock subscription	**-**	-	-
Increase (decrease) in loans payable	**-**	-	-
Net cash from financing activities	**-**	-	-
EFFECT OF EXCHANGE RATE CHANGES ON CASH	**-**	-	-
NET INCREASE (DECREASE) IN CASH IN BANKS	**(2,098,477)**	(1,618,222)	(2,835,539)
CASH IN BANKS, BEGINNING	**3,810,622**	6,028,883	11,572,630
CASH IN BANKS, END	**1,712,145**	4,410,661	8,737,091

See accompanying Notes to Financial Statements.

1. **Corporate Information and Status of Operations**

Corporate Information

Pacifica Holdings, Inc. (the Company), a publicly-listed domestic corporation, was incorporated in the Philippines on September 2, 1957.

In 2007, the Company renewed its corporate life with the Securities and Exchange Commission (SEC) with its primary purpose to engage in exploration, development, and exploitation of mineral resources. Also, the Company is allowed to engage in gas, oil and power-related activities as its secondary purposes.

The Company's registered office address is China Bank Corporate Center, Lot 2, Samar Loop corner Road 5, Cebu Business Park, Brgy. Mabolo, Cebu City.

Status of Operations

On December 28, 2009, the Company entered into an operating agreement with Zam-Iron Mining Corporation (Zam-Iron). Zam-Iron granted the Company an exclusive right to explore, utilize and develop Kabasalan Mining Rights (see Note 4).

In 2010, the Company participated in the bidding conducted by Power Sector Assets and Liabilities Management Corporation (PSALM) for the appointment as independent power producer administrator for the contracted capacity of (a) the Ilijan Combined Cycle Power Plant at Ilijan, Batangas City, (b) the Malaya Thermal Power Plant at Pililia, Rizal, (c) the Unified Leyte Geothermal Power Plant at Tongonan, Leyte, and (d) the Naga Power Plant Complex (Cebu Thermal Power Plant 1 & 2) at Naga, Cebu and a joint venture project with R-II Builders, Inc., and the contracted lease, operation and maintenance of the Subic Diesel Power Plant (SDPP) at Causeway Extension, Subic Bay, Freeport Zone. Unfortunately, the Company's bid for Ilijan and Malaya power plants fell short and it lost the bidding to other rival companies while in the others, the bidding process did not materialize. In 2011, the Company did not participate in any bidding conducted by PSALM.

To generate funds to be used for the acquisition or purchase of mining claims, rights and businesses as may be identified by the Corporation, the BOD approved on July 9, 2009 the call for payment of unpaid subscriptions, which was extended until March 10, 2010. On April 6, 2010, the BOD approved the extension of the call for payment from March 10, 2010 to June 10, 2010.

On June 21, 2011, pursuant to the approval by the BOD, a delinquency sale was held for all 14,619,784,000 delisted delinquent shares in accordance with the provisions of the Corporation Code of the Philippines and the Securities Regulation Code, the results of which were reported to the SEC and the Philippine Stock Exchange. This is the Company's confirmation of management's initiative to source funds. The delinquency sale was undertaken by the Company in its principal office and in the presence of a Notary Public. Pursuant to the rules of the delinquency sale, payment of the winning bid shall be made on or before August 4, 2011. As of the date of this report, all winning bidders have fully paid their bids and have been issued certificates of stock.

Infusion of funds from the auction of delinquent shares held on June 21, 2011 have been used to satisfy the cash requirements for the acquisition or purchase of mining claims, rights and power related business as may be cautiously identified by the Corporation.

The recovery of the Corporation's receivables within the next twelve (12) months has been deemed remote. On August 28, 2015, the Board of Directors unanimously approved the impairment and write-off of the following items from its books of accounts: (1) accounts receivable from 9th Kingdom Investments, Inc., (2) advances to Mikro-Tech Capital, Inc; (3) prepaid royalties in favor of Zam-Iron Mining Corporation, (4) accounts receivables from LRSI and Stradec, and (5) retained deficit which was ratified by the stockholders during its annual stockholders' meeting on October 16, 2015.

2. Summary of Significant Accounting and Financial Reporting Policies

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

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- PAS Standards, and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy and adopted by the Securities and Exchange Commission (SEC).

The financial statements have been prepared under the historical cost convention.

The Company does not qualify for PFRS for small and medium-sized entities (SME) Accounting Standard even if it met the threshold criteria of having total assets of more than P100 million to P350 million considering that the Company is required to file financial statements under Part II of the SEC Securities Regulations Code (SRC) Rule (i.e. issuers of securities to the public).

The preparation of the financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

Changes in accounting policies and disclosures

(a) New standards, and amendments and interpretations to existing standards adopted

The Company has applied the following amendments for the first time for its annual reporting period commencing January 1, 2025:

- *Lack of Exchangeability - Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates'*

  The standard amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use where it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary. These new requirements apply for annual reporting periods beginning on or after January 1, 2025. Early application is permitted (subject to any endorsement process).

  The Company determined that the amendments did not have a material impact on the Company's financial statements.

There are no new standards, and interpretations, and other amendments to existing standards effective January 1, 2025, that are considered to be relevant or have a material impact on the financial statements.

(b) New standards, and amendments and interpretations to accounting standards not yet adopted by the Company

Certain new accounting standards, and amendments and interpretations to accounting standards have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of those that are relevant are set our below:

- PFRS 18, Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after January 1, 2027)

- PFRS 18 will replace PAS 1, Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more

relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Company's financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of PFRS 18 will have no impact on the company's net profit, the Company expects that grouping items of income and expenses in the statement of total comprehensive income into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Company has performed, the foreign exchange differences is not expected potentially impact the operating profit.

- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

- The Company does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

    - management-defined performance measures;
    - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of total comprehensive income - this break-down is only required for certain nature expenses; and
    - for the first annual period of application of PFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying PFRS 18 and the amounts previously presented applying PAS 1.

- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Company will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

There are no other new standards, and interpretations and other amendments to existing standards effective after December 31, 2025, that are considered to be relevant or expected to have a material impact on the financial statements.

2.2 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial instrument in the statement of financial position, when, and only when, it becomes a party to the contractual provisions of the instrument.

Financial assets

(a) Classification

The Company classifies its financial assets as those measured at amortized cost.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, if any, is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the statement of total comprehensive income and presented under other income and expense. Impairment losses, if any, are presented as a separate line item in the statement of total comprehensive income when material.

The classification depends on an entity's business model for managing its financial assets and the contractual terms of the cash flows.

(b) Recognition and measurement

(i) Initial recognition and measurement

Regular-way purchases and sales of financial assets are recognized on the trade date (the date on which the Company commits to purchase or sell the asset). Financial assets not carried at fair value through profit or loss are initially recognized at fair value plus transaction costs.

(ii) Subsequent measurement

Financial assets measured at amortized cost are carried at amortized cost using the effective interest method.

(c) Impairment

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Loss allowances of the Company are measured on either of the following bases:

- 12-month expected credit losses or the general approach: these are expected credit losses that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime expected credit losses or the simplified approach: these are expected credit losses that result from all possible default events over the expected life of a financial instrument or contract asset.

At the end of the reporting period, the Company assesses and recognizes allowance for expected credit loss (ECL) on its financial assets measured at amortized cost. The measurement of ECL involves consideration of broader range of information that is available without undue cost or effort at the reporting date about past events, current conditions, and reasonable and supportable forecasts of future economic conditions (i.e., forward-looking information) that may affect the collectability of the future cash flows of the financial assets. Measurement of the ECL is determined by a probability - weighted estimate of credit losses over the expected life of the financial instruments evaluated based on a range of possible outcome.

The Company applies a general approach in calculating ECLs for cash in banks and due from a related party.

For receivables, the Company assesses impairment on a collective basis as they possess shared credit risk characteristics.
The Company recognizes a loss allowance based on either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk on these financial assets since initial recognition. The Company determines whether there has been a significant increase in credit risk since initial recognition by comparing the risk of default occurring over the expected life of the financial asset between the reporting date and the date of the initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that may indicate an actual or expected deterioration of the credit quality of the financial assets.

The carrying amount of the financial asset is reduced through the use of an allowance account, and the amount of the loss is charged against profit or loss in the statement of total comprehensive income. When the financial asset remains uncollectible after the Company has exerted all legal remedies, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited to profit or loss in the statement of total comprehensive income. Whilst cash in banks and due from a related party are subject to impairment under PFRS 9, there is no impairment loss recognized on these accounts.

The Company considers a financial asset in default when contractual payments are past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

(d) Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial liabilities

(a) Classification

The Company classifies its financial liabilities at initial recognition as other financial liabilities, where the substance of the contractual arrangement results in the Company having an obligation to deliver cash or another financial asset to the holder or to settle the obligation other than the exchange of a fixed amount of cash. Other financial liabilities include accrued expenses.

(b) Recognition and measurement

(i) Initial recognition

Other financial liabilities are initially recognized at fair value less transaction costs.

(ii) Subsequent measurement

Other financial liabilities are carried at amortized cost using the effective interest method.

(c) Derecognition

Financial liabilities are derecognized when extinguished, i.e., when the obligation is discharged or is cancelled, expires, or paid.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty. The Company has no financial instruments that met the offsetting criteria as at December 31, 2025 and 2024.

2.3 Fair value measurement

The Company classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The appropriate level is determined on the basis of the lowest level input that is significant to the fair value measurement.

The Company does not hold financial and non-financial assets and liabilities that are measured using the fair value hierarchy as at December 31, 2025 and 2024.

2.4 Other current assets

Other current assets pertain to other resources controlled by the Company as a result of past events. They are recognized in the financial statements when it is probable that the future economic benefits will flow to the Company and the asset has a cost or value that can be measured reliably.
Other recognized assets of similar nature, where future economic benefits are expected to flow to the Company beyond one year after the end of the reporting period are classified as non-current assets.

Advances which are composed of advances to third-party service providers or suppliers are initially recorded at fair value. These amounts are recorded without the objective to collect the contractual cash flows and are subject to regular liquidation process.

Input VAT is stated at historical cost less provision for impairment, if any. Provision for unrecoverable input VAT, if any, is maintained by the Company at a level considered adequate to provide for potential uncollectible portions of the claims. The Company, on a continuing basis, makes a review of the status of the claims designed to identify those that may require provision for impairment losses. Input VAT is derecognized once applied against output VAT or claimed for refund.

2.5 Impairment of non-financial assets

The Company's non-financial assets, if any, are subject to impairment testing. Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable.

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

Impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amounts which is the higher of its fair value less costs to sell and its value in use. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset specific risk factors.

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

2.6 Provisions and contingencies

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as finance cost in the statement of total comprehensive income.
Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed and derecognized in the statement of financial position.

Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefit is probable. If it becomes virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements.

2.7 Equity

(a) Capital stock

The Company’s capital stock is composed of common shares with par value. The amount of proceeds from the issuance or sale of common shares representing the aggregate par values is credited to capital stock. Additional paid-in capital includes any premium received on the issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of tax.
The subscribed capital stock is reported in equity less the related subscription receivable.

Subscriptions receivable represents the unpaid portion of the par value of the subscribed shares. The amount is presented as a deduction from equity.

After initial recognition, capital stock is carried at historical cost and is classified as equity in the statement of financial position.

(b) Retained earnings (deficit)

Retained earnings (deficit) include current year and prior year’s results of operations, net of dividends declared, if any.

(c) Dividend distribution

Dividend distribution to the Company’s shareholders is recognized as a liability in the period in which the dividends are approved by the Company’s Board of Directors.

2.8 Income and expense recognition

As indicated in the Notes, the Company is operating as a holding entity and as such, its revenue mainly consists of interest income from cash deposited in banks and loans granted to shareholder.
Interest income is recognized on a time-proportion basis using the effective interest method. It is subject to final withholding tax and is presented net of the said tax. Other income is recognized when earned.

Expenses are charged through profit or loss in the statement of total comprehensive as incurred.

2.9 Current and deferred income tax

the reporting date where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at reporting date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.
Deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized.

Deferred income tax assets and liabilities are derecognized when relevant temporary differences have been realized and settled, respectively. The Company reassesses at each reporting the need to recognize previously unrecognized deferred income tax asset.

2.10 Related party relationships and transactions

(a) Related party relationship

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

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

(b) Related party transaction

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party regardless of whether a price is charged or not.

Transactions amounting to ten percent (10%) or more of the total assets based on the latest audited financial statements that were entered into with related parties are considered material.

All individual material related party transactions shall be approved by at least 2/3 vote of the BOD, with at least a majority of the independent directors voting to approve the material related party transactions. In case that a majority of the independent directors' vote is not secured, the material related party transaction may be ratified by the vote of the shareholders representing at least 2/3 of the outstanding share capital. For aggregate related party transactions within a 12-month period that breaches the materiality threshold of 10% of the Company's total assets based on the latest audited financial statements, the same board approval would be required for the transactions that meet and exceed the materiality threshold covering the same related party.

2.11 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Company's executive committee, its chief operating decision maker. The executive committee is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally follows the Company's products and service lines as well as geographical location of its operation. Since the Company is operating as a holding entity (Note 1), the Company has no business segments

2.12 Earnings (or loss) per share

shareholders of the Company by the weighted average number of common shares issued and outstanding, adjusted retroactively for any share dividend, share splits or reverse share splits declared during the current period.

Diluted EPS is computed by adjusting the weighted average number of common shares for the effects of dilutive potential common shares. Currently, the Company does not have dilutive potential shares outstanding; hence, the diluted loss per share is equal to the basic loss per share.

2.13 Events after the end of the period

Post year-end events that provide additional information about the Company's financial position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

3. Critical accounting estimates and assumptions and judgments

The preparation of the financial statements in conformity with Philippine Financial Reporting Standards (PFRS) Accounting Standards requires management to make estimates, assumptions and judgments that affect the amounts reported in the financial statements and the related notes. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates, assumptions and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

3.1 Critical accounting estimates and assumptions

(a) Impairment of due from a related party

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behaviour (e.g., likelihood of counterparty defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 12.1.

The Company has established a policy to perform an assessment, at the end of each reporting period, whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

The balance of due from a related party is considered as high-grade financial assets as the related party have good financial standing and highly liquid. The expected credit loss is determined to be immaterial by management.

Details about the ECL assessment on the Company's due from a related party are disclosed in Note 12.1.

(b) Impairment of non-financial assets

In assessing impairment non-financial assets which mainly consist of input VAT and advances to third party, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (Note 14.5).

Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in those assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Impairment loss recognized on the other current assets are discussed in Note 3.

3.2 Critical management judgments in applying accounting policies

(a) Income taxes

Significant judgment is required in determining income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain in the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made. Further, recognition of deferred income tax assets depends on management's assessment of the probability of available future taxable income against which the temporary differences can be applied. The details of unrecognized deferred income tax assets are shown in Note 7.

The Company reviews the carrying amounts of deferred income tax assets at each reporting date and reduces the amounts to the extent that it is no longer probable that sufficient taxable profit will allow all or part of its deferred income tax assets to be utilized.

As at December 31, 2025 and 2024, the deferred income tax assets are not recognized because based on management's assessment, there would be no sufficient future taxable profits yet against which the carry forward benefits of unused NOLCO could be utilized.

(b) Recoverability of input VAT

The Company performs an assessment of the recoverability of the input VAT as at year-end. This assessment requires judgment regarding the ability of the Company to generate future revenues subject to VAT. Based on management's assessment and judgment, total input VAT amounting to P1,631,703 as at December 31, 2025 (2024 - P1,420,208) may not be fully recoverable, hence, allowance for impairment is necessary as at reporting date.

(c) Going concern assumption

In preparing its financial statements, the management makes an objective assessment of the Company's ability to continue as a going concern.

The execution of management's plans described in Note 1 is ongoing and there have been no indications of the cessation of business operations. The management has assessed that the use of going concern assumption as at December 31, 2025 and 2024 is appropriate.

4. Financial risk and capital management and fair value estimation

4.1 Financial risk management

The Company's activities expose it to a variety of financial risks from its use of financial instruments: market risk, credit risk, and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company.

The Company's risk management is coordinated with the BOD and focuses on actively securing the Company's short to medium term cash flows by minimizing the exposure to financial markets. The Company does not enter into derivatives financial instruments for trading or speculative purposes.

The policies for managing specific risks are summarized below.

(a) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and price risk, will affect the Company's total comprehensive income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return. The management of these risks is discussed as follows:

(i) Cash and fair value interest rate risk

Interest rate risk arises from the possibility that changes in interest rates would unfavorably affect future cash flows from financial instruments.

The Company's interest-bearing financial instruments are limited to cash in banks (Note 2) and due from a related party (Note 8). These financial instruments are not exposed to fair value interest rate risk as these are carried at amortized cost. Management believes that the related cash flow risk on cash in banks is relatively low due to immaterial changes on interest rates within the duration of these financial instruments. The Company's interest rate from loans receivable from a related party is fixed and not subject to repricing and hence, does not expose the Company to interest rate risk.

(i) Foreign currency exchange risk

The Company is not exposed to foreign exchange risk since the Company has no transactions that are denominated in currencies other than the Philippine Peso, its functional currency.

(ii) Price risk

The Company is not exposed to price risk due to the absence of material equity investments classified as either fair value through profit or loss (FVPL) or fair value through other comprehensive income (FVOCI) wherein changes to fair value are directly recognized through profit or loss and equity, respectively.
Furthermore, the Company is not subject to commodity price risk.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company's credit risk arises primarily from its cash in banks (Note 2) and due from a related party (Note 8).

The Company continuously monitors defaults of counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

Exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amounts of these financial assets. The Company uses internal ratings to determine the quality of its financial assets. The Company determined that its financial assets are all considered high grade financial assets.

Credit quality of financial assets

(i) Cash in banks

Cash deposited/placed in banks are considered stable as the banks qualify as universal banks as defined by the Philippine Banking System and are approved by the BOD to minimize credit risk. The amounts deposited in these banks are disclosed in Note 2.

(ii) Due from a related party

For due from a related party which are repayable on demand, the Company uses a 12-month expected credit losses or the general approach. Accordingly, expected credit losses (ECLs) are based on the assumptions that there are expected credit losses that result from default events that are possible within the 12 months after the reporting date. Management considers if the related party has sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date.

If the Company cannot immediately collect its receivables, management considers the expected manner of recovery to measure ECL. If the recovery strategies indicate that the outstanding balance of the receivables can be collected, the ECL is limited to the effect of discounting the amount due over the period until cash is realized, which may already be negligible. Management assessed that the outstanding receivables from a related party amounting to P101.52 million as at December 31, 2025 (2024 - P99.65 million) are recoverable since its related party was assessed to have capacity to pay the advances upon demand. Hence, impairment is not necessary.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as these falls due. The Company aims to maintain flexibility in funding by monitoring and ensuring that there are available funds to operate the day-to-day activities through available funding from bank borrowings and advances from related parties.

Based on management's assessment, the Company has adequate assets available in order to ensure settlement of liabilities maturing within 12 months and to support daily working capital requirements.

4.2 Capital management

The Company considers as capital its equity including capital stock, additional paid-in capital and deficit as shown in the statements of financial position. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders upon commencement of revenue generating activities and to maintain an optimal capital structure to reduce the cost of capital.

The Company maintains a capital base to cover risk inherent in the business. The primary objective of the Company's capital management is to ensure that it maintains an adequate and strong capital base to support its business.

There were no changes made in the capital management policies of the Company for the years ended December 31, 2025 and 2024.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholder, pay-off existing debts, return capital to shareholder or issue new shares.

The BOD has overall responsibility for monitoring capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the external environment and the risks underlying the Company's business, operations and industry.

4.3 Fair value estimation of financial assets and liabilities

The Company does not hold financial instruments traded in active markets which might be affected by quoted market prices as at September 30, 2026, December 31, 2025 and 2024. The Company's financial assets and liabilities relate to cash in banks (Note 5), due from a related party (Note 8), and accrued expenses (Note 4). Their carrying amounts as reported in the statements of financial position approximate their fair values due to liquidity, short maturities and nature of such items.

As at December 31, 2025 and 2024, the Company does not have financial instruments that are measured using the fair value hierarchy. financial position.

5. Cash in Bank

Cash in bank, which pertains to demand deposits, amounts to P1,712,145 and P3,810,622 as of September 30, 2026 and December 31, 2025, respectively. It generally earns interest at rates based on daily bank deposit rates

6. Input taxes

The composition of this account is:

	Sep 30, 2026	Dec 31, 2025	Dec 31, 2024
Input taxes	P 192,427	P -	P -
	P 192,427	P -	P -

7. Accrued expenses

Accrued expenses mainly represent accrued professional fees for legal and audit services amounting to P1,576,567 as at September 30, 2026, P2,316,567 as at December 31, 2025 and P2,154,321 as at December 31, 2024.

8. Finance Income

Finance income for the quarter ending September 30, 2026 and the years ended December 31 consist of:

	Sep 30, 2026	Dec 31, 2025	Dec 31, 3024
Interest income from loans receivable from a related party	P -	P 1,875,000	P ,875,000
Interest income from banks	839	2,296	4,637
	P 839	P 1,877,296	P 1,879,637

9. Expenses

Details of the Company's expenses by nature are shown below.

	Notes	**Sep 30, 2025**	Dec. 31, 2025	Dec. 31, 2024
Professional fees		**P 733,152**	P 1,457,657	P 4,320,731
Taxes and licenses	16	**331,084**	276,986	1,112,370
Advertising		**155,350**	155,350	155,350
Others		**24,850**	-	41,600
Communication		**80,000**	93,000	101,500
Printing and supplies		**22,454**	8,314	58,276
Impairment of prepaid royalties and input VAT		**-**	211,495	526,415
Other Service Fees		**-**	-	90
		P 1,346,890	P 2,202,802	P 6,316,332

10. Income taxes

There is no tax expense reported in the statements of total comprehensive income for the quarter ended September 30, 2026 and the years ended December 31, 2025 and 2024 because the Company is both in gross and taxable loss positions in those periods.

Realization of future tax benefit related to the deferred income tax assets is dependent on many factors, including the Company's ability to generate taxable income during the periods in which those temporary differences are expected to be recovered. The Company's management has considered these factors in reaching its conclusion not to recognize deferred income tax assets as management assessed that realization of the related tax benefits through future taxable income is not probable within the carryover period. Accordingly, the Company did not recognize the deferred income tax assets relating to net operating loss carry-over (NOLCO).

Unrecognized deferred income tax assets on NOLCO amounted to P1,961,014 and P2,360,008 as at December 31, 2025 and 2024, respectively.

Details of the NOLCO that can be claimed as deductions from future taxable income for three (3) to five (5) consecutive years following the date of incurrence, are as follows:

Year of incurrrence	Year of expiration	2025	2024
2020	2025	1,663,453	1,663,453
2021	2026	2,394,429	2,394,429
2022	2025	48,831	48,831
2023	2026	1,418,402	1,418,402
2024	2027	3,914,917	3,914,917
2025	2028	116,307	-
Total		9,556,339	9,440,032
Expired during the year		(1,712,284)	-
		7,844,055	9,440,032
Tax Rate		25%	25%
		1,961,014	2,360,008

In accordance with Republic Act No. 11494, Bayanihan to Recover as One Act, NOLCO incurred in 2021 and 2020 can be claimed as a deduction from the gross income until 2026 and 2025, respectively.

The Company opted to claim itemized deductions in computing its income tax due for 2025, 2024 and 2023.

The reconciliation between income tax benefit computed at the statutory tax rate and the actual income tax expense for the years ended December 31 as shown in the statements of total comprehensive income follows:

	2025	2024	2023
Tax on pretax loss at 25% statutory tax rate	(81,377)	(1,109,174)	(406,805)
Income tax effects of:			
Unrecognized deferred income tax asset on NOLCO	29,077	978,729	354,601
Non-deductible expenses	52,874	131,604	53,791
Non-taxable income	(574)	(1,159)	(1,587)
	-	-	-

11. Related Party Transactions

In the normal course of business, the Company transacts with companies which are considered related parties under Philippine Accounting Standards (PAS) 24, "*Related Party Disclosures*".

The transactions and outstanding balances of the Company as at September 30, 2026 and for the years ended December 31 with related parties are as follows:

	Transactions			Outstanding balance Receivables	
	Sep 2026	2025	2024	Sep 2026	2025
Shareholders					
Loans receivable					
Principal	-	-	-	93,750,000	93,750,000
Interest income	-	1,875,000	1,875,000	7,772,260	7,772,260
				101,522,260	101,522,260

No impairment is recognized on the outstanding receivables from a related party.

Unless otherwise stated, the outstanding receivables and payables from and to related parties are unsecured, non-interest-bearing and are generally settled in cash upon demand or through offsetting arrangement.

The Company ensures that it adheres with the related party transactions policy and all other relevant laws, rules and regulations, as may be applicable, in the review, approval and disclosure of related party transactions. Any material related party transactions shall be subject to reviews and approval of the BOD and management. For the three years ended December 31, 2025, 2024 and 2023, the Company has not made any provisions for doubtful accounts relating to amounts owed by a related party because of strong financial condition of concerned party. This assessment is undertaken each financial year through examination of the financial position of the related party involved and the market in which each operates.

(a) Loans receivable

In November 2021, a loan with a principal amount of P93,750,000 and bearing interest of 2% annually was granted to iHoldings Inc., a shareholder and an entity under common control. The loan has a term of one (1) year which is still subject for renewal and to be collected in cash and are neither covered by any security nor collateral. In 2024, both parties agreed to extend the loan agreement for another one year, respectively. In December 2024, the loan agreement was further extended for another year, with a maturity date of December 22, 2025. During 2025, the loan agreement was extended for another year, with a maturity of December 6, 2026.

Interest income earned for the years ended December 31, 2025, 2024 and 2023 amounted to P1,875,000 .

(b) Key management compensation

The Company's key management functions are being handled by a related party at no cost to the Company. As such, there are no short-term or long-term compensation paid to key management personnel for the quarter ended September 30, 2026 and the years ended December 31, 2025 and 2024.

12. **Equity**

(a) Capital stock

The Company's capital stock as of September 30, 2026 and 2025 consists of:

	Shares		Amount	
	Sep 2026	Sep 2025	**Sep 2026**	Sep 2025
Capital Stock – P0.005 par value				
Authorized	**700,000,000**	700,000,000	**P 700,000,000**	P 700,000,000
Issued and	**199,825,000**	199,825,000	**P 199,825,000**	P 199,825,000
subscribed	**125,175,000**	125,275,000	**125,175,000**	125,175,00000
	325,000,000	325,000,000	**P 325,000,000**	P 325,000,000

As at December 31, 2025 and 2024 the outstanding subscriptions receivable amounted to P116,668. There were no collections during the year ended December 31, 2025 and 2024.

On October 26, 2017, the Company's BOD approved several amendments to the Company's AOI as concurred by at least 2/3 of the Company's shareholders, which include, among others the
following: (1) effecting a reverse share split by increasing the par value from P0.005 to P1.00 per share; and (2) increasing the authorized capital stock of the Company to P5,000,000,000 divided in 5,000,000,000 shares with a par value of P1.00 per share, which shall be implemented in one or more tranches.

Prior to the approval of the foregoing amendments by SEC in 2019, the Company had 40,000,000,000 subscribed shares with par value of P0.005 or an aggregate par value of P200,000,000 (inclusive of 35,000,000 subscribed shares with an aggregate par of P175,000) and a subscription receivable of P116,668.

As a result of the reverse share split, the number of authorized capital stock of the Company decreased from 40,000,000,000 shares with a par value of P0.005 per share to 200,000,000 shares with a par value of P1.00 per share. Subsequently, on September 18, 2018, the BOD resolved to approve the implementation of the (1) first tranche of the increase in the authorized capital stock of the Company from P200,000,000 divided into 200,000,000 shares with a par value of P1.00 per share to P700,000,000 divided into 700,000,000 shares with par value of P1.00 per share; and (2) the increase in the par value of the shares of stock of the Company from P0.005 per share to P1.00 per share.

In 2018, the Company applied the foregoing amendments for approval by SEC. These were subsequently approved by SEC on November 26, 2019. Out of the P500,000,000 increase in the authorized capital stock, P125,000,000 of which were subscribed by UCHI. Collections for the additional 125,000,000 shares subscriptions were made in 2021 and 2019 amounting to P93,750,000 and P31,250,000, respectively.

(b) Listing with PSE

On November 23, 1959, the Company offered a portion of its shares for listing with the PSE. The number of common shares registered was 25,345,216,000 with an issue price of P0.005. As at December 31, 2025 and 2024, the number of holders of such securities is 3,293. As at reporting date, the Company has 3,163 shareholders, owning 100 or more shares of the Company's capital stock. The closing market price of the Company's shares as at December 31, 2025 and 2024 is P1.00 and P1.60, respectively. The total number of issued shares not listed with the PSE is 198,273,920 as at December 31, 2025 and 2024.

On June 21, 2011, pursuant to the approval by the BOD, a delinquency sale was held for all 14,654,784,000 delisted delinquent shares in accordance with the provisions of the Corporation Code of the Philippines and the Securities Regulation Code, the results of which were reported to SEC and the PSE. The delinquency sale was undertaken by the Company in its principal office and in the presence of a Notary Public. During the said auction, a total of 14,654,784,000 shares were bought by the winning bidders. Pursuant to the rules of the delinquency sales, payment of the winning bid shall be made on or before August 4, 2011. As at May 2, 2012, all winning bidders have fully paid their bids and have been issued certificates of shares.

The public auction of the delisted delinquent shares was ratified on October 16, 2015 during the Company's annual shareholders meeting.

As at December 31, 2025 and 2024, 324,784,500 common shares of the Company remain listed with the PSE while the remaining 215,500 unlisted shares are in the process of relisting for both years. As at the same dates, the Company has no other securities listed in any capital markets.

13. Loss Per Share

Basic/diluted loss per share is computed as follows:

		Sep 30, 2026		Dec 31, 2025		Dec 31, 2024
Net loss	₱	**1,346,051**	₱	325,506	₱	4,436,694
Weighted average number of outstanding shares		**325,000,000**		325,000,000		325,000,000
Basic/diluted loss per share	₱	**(0.00414169)**	₱	(0.00100156)	₱	(0.01365137)

The Company has no potentially dilutive common shares as of September 30, 2026, December 31, 2025 and December 31, 2024. Therefore, basic and diluted loss per share is the same.

14. Commitments and contingencies

There are commitments and contingent liabilities that arose in the normal course of the Company's operations that are not reflected in the financial statements. As at December 31, 2025 and 2024, management is of the opinion that losses, if any, that may arise from these commitments and contingencies will not have a material effect on the Company's financial statements.

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15. Financial risk and capital management and fair value estimation

15.1 Financial risk management

The Company's activities expose it to a variety of financial risks from its use of financial instruments: market risk, credit risk, and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company.

The Company's risk management is coordinated with the BOD and focuses on actively securing the Company's short to medium term cash flows by minimizing the exposure to financial markets. The Company does not enter into derivatives financial instruments for trading or speculative purposes.

The policies for managing specific risks are summarized below.

(a) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and price risk, will affect the Company's total comprehensive income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return. The management of these risks is discussed as follows:

(i) Cash and fair value interest rate risk

Interest rate risk arises from the possibility that changes in interest rates would unfavorably affect future cash flows from financial instruments.

The Company's interest-bearing financial instruments are limited to cash in banks (Note 2) and due from a related party (Note 8). These financial instruments are not exposed to fair value interest rate risk as these are carried at amortized cost. Management believes that the related cash flow risk on cash in banks is relatively low due to immaterial changes on interest rates within the duration of these financial instruments. The Company's interest rate from loans receivable from a related party is fixed and not subject to repricing and hence, does not expose the Company to interest rate risk.
(i)Foreign currency exchange risk

The Company is not exposed to foreign exchange risk since the Company has no transactions that are denominated in currencies other than the Philippine Peso, its functional currency.

(ii) Price risk

The Company is not exposed to price risk due to the absence of material equity investments classified as either fair value through profit or loss (FVPL) or fair value through other comprehensive income (FVOCI) wherein changes to fair value are directly recognized through profit or loss and equity, respectively. Furthermore, the Company is not subject to commodity price risk.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company's credit risk arises primarily from its cash in banks (Note 2) and due from a related party (Note 8).

The Company continuously monitors defaults of counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

Exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amounts of these financial assets. The Company uses internal ratings to determine the quality of its financial assets. The Company determined that its financial assets are all considered high grade financial assets.

The maximum exposures to credit risk, pertaining to financial assets, as at December 31 are as follows:

16. **Capital Management**

The Company maintains a capital base to cover risks inherent in the business. The primary objective of the Company's capital management is to ensure that it maintains an adequate and strong capital base to support its business. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of its activities.

No changes were made in the objectives, policies and processes from the previous year.

The capital considered by management is the same capital as those indicated in the equity section of the balance sheet.

17. **Operating Segment**

The Company is engaged in mineral exploration and considers such as its primary activity and only operating segment. The President, which is considered as the chief operating decision maker, monitors the operating results of the Company. The Company has only one geographical segment.

Net loss, total assets and total liabilities as of and for the period ended September 30, 2026, December 31, 2025 and December 31, 2024 are the same as reported elsewhere in the financial statements. Segment information for this operating segment is as follows:

	September 30, 2026	December 31, 2025	December 31, 2024
Net loss	**P 1,346,051**	P 325,506	P 4,436,694
Total assets	**103,426,832**	105,332,883	105,676,143
Total liabilities	**1,576,567**	2,136,567	2,154,321

SCHEDULE: AGING OF ACCOUNTS RECEIVABLE (1)
As of September 30, 2026

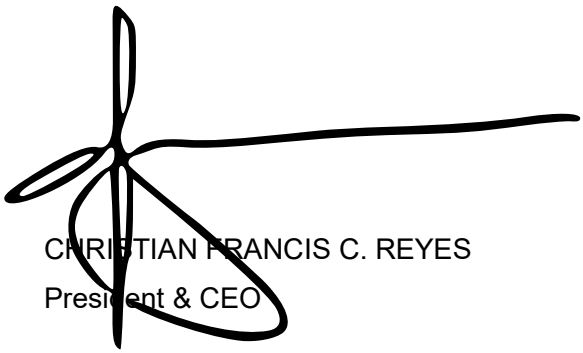
Description	1 Mo	2-3 Mos	4-6 Mos	7 Mos to 1 Yr	1-2 Yrs	3-5 Yrs	5 Yrs-Above	Past Due accounts & Items in Litigation
a)Trade Receivables None (No commercial operation)								
b)Non-Trade Receivables 1)Advances to Related Parties						101,522,260		
Impairment/Write-off*								
Sub Total							-	
Less: Allow. for Doubtful Accounts								
Impairment/Write-off*								
Net Non-Trade Receivable						101,522,260	-	
NET RECEIVABLE (a + b)						101,522,260	**-**	

- End -

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this 17Q report to be signed on its behalf by the undersigned thereunto duly authorized in Cebu on October 28, 2026.

Pacifica Holdings, Inc.
Issuer

By:



CHRISTIAN FRANCIS C. REYES
President & CEO



MARIA ELENA E. POCONG
Treasurer